

# Merchandising

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## Charge up your marketing

Does your Angus marketing program need a jump start? If so, then here are two high voltage charges that can get your marketing motor running. First, define your primary market area, and second, establish a marketing budget.

I know people who have been in the registered Angus business for years, and have never done either. Yet both are essential to an effective marketing program. Further, they provide a sense of security and reassurance to the person who makes the marketing decisions.

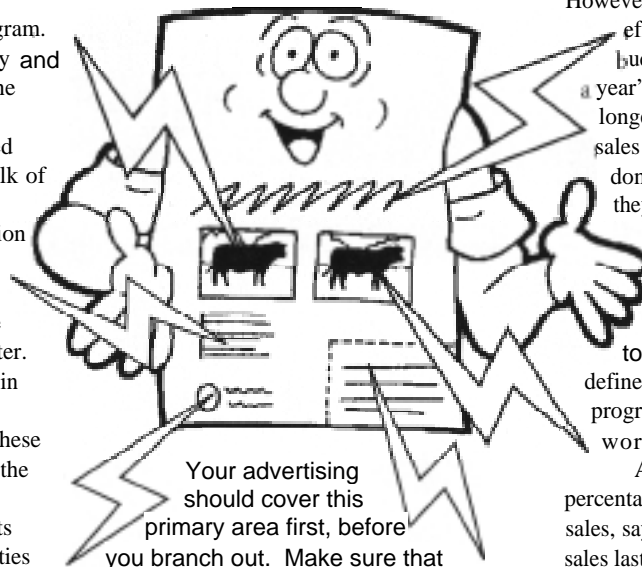
To define your market area you need information that tells you where the bulk of your sales are and should be. Start this process by marking on a map the location of every one of your cattle customers for the last three years or so. What will emerge is a shotgun shot pattern on the map with your place roughly at the center. You will also probably see blank spaces in this pattern. They indicate one of two things, there are no potential buyers in these areas, or you aren't effectively reaching the cattle producers who live there.

State livestock Extension departments should be able to provide a list of counties in your state, and the states you sell to, that show the number of beef cows per county. If you are not making bull sales in a nearby county with substantial beef cow numbers, you might want to improve your marketing there. The cattle concentration per county and the competition you have in these areas will help you determine how far from home you need to go to attract customers.

Using your sales map and the county beef cow numbers map, shade in the counties that are, or should be important to you. As an alternative, you can note the county cow numbers on the map then simply draw a circle around your place with a radius that encompasses the area that is most important to your business. This is your primary market area.

If you are new to the Angus business, and must develop your market without the help of past sales figures, you proceed only slightly differently. Just examine your part of

the country, using the county beef cow numbers as a guide. After evaluating the potential for bull sales in each county, and the competition from other seedstock producers, decide how many bulls you will market each year, and where you think most of the buyers will, or should come from. This is your primary market area.



Your advertising should cover this primary area first, before you branch out. Make sure that virtually every potential customer in this area knows about your Angus seedstock business, and the benefit or benefits they will receive by dealing with you rather than your competitors. You may be more convenient and provide the Angus genetics that will help them most. You may offer the best prices, the best guarantee or the best service after the sale. Whatever it is you have that will benefit buyers, you want to tell this to every potential customer within your primary market area. Tell it with enough frequency to establish your business name in their minds.

Use media that will do the best job of reaching the people at the lowest cost. One media is not inherently better than another. Each location can be different. You can promote your business with personal visits, telephone calls, letters or other forms of direct mail, advertising in local publications, advertising on local broadcast stations,

advertising in area or state-wide media, or advertising in national media. The size and make-up of your market area will determine this, along with the circulation, demographics and cost of the individual media you select.

Another factor that will affect your marketing program is your budget. However you establish it, you will be more effective working with a planned budget. When you set up a budget and a year's program in advance, you are no longer at the mercy of every advertising sales person who calls. Moreover, you don't worry about every expenditure if they're part of your overall marketing budget. You simply follow your program, knowing that you have already justified the expense.

The best way to set a budget is to allocate what it takes to cover your defined market area effectively. Plan the program, set the money aside, and get to work

Another way is to budget a set percentage of your gross registered cattle sales, say five or 10 percent. Thus, if your sales last year were \$25,000, your budget would be \$2,500 at 10 percent or half that at five percent.

Some marketers budget to meet the competition. They want their program to be at least as visible and effective as the programs of people they compete with. "If it works for the competition," they reason, "it should work for me."

As a practical matter, many budgets are set using a combination of all three factors. It's your choice.

So if your marketing program seems to be dead or won't turn over, let alone take you down the road to more sales, then a jump start may be called for. A defined market area, and a reasonable budget may be the high voltage charges you need.

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