

MERCHANDISING



You are not in a retail business

Last spring I received a call from a farmer and small registered Angus breeder looking for advice.

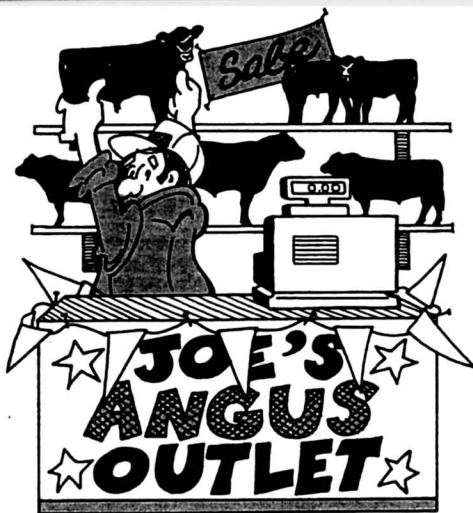
His problem? It was late in the season and he still had bulls and heifers for sale. The solution, he hoped, was to place a couple of classified ads in the local newspaper to flush out the much-needed buyers.

Seems simple enough. But in fact, it is a nearly impossible task. If I could write \$50 advertising programs that would regularly sell from \$7,000 to \$10,000 worth of cattle, or any other product, I could buy a condo in Maui, consult with advertisers by telephone for an hour or so a day, and live off the fat of the land.

Always optimists, we put together two classified ads. He even sold a couple of females, which did pay for the ads. But the bulls—cattle with size, growth, and good pedigrees—didn't get much attention, and no buyers. As we chatted later about the results, I suggested he dig out his customer file and telephone some of his past commercial customers who could use good growthy bulls like his. But he had no customer file and really had no planned advertising and sales program.

The problems this breeder faced, and may well face again next year, are similar to the problems of hundreds of registered Angus producers who breed darn good cattle but don't get them sold too well. While almost nothing compensates for the lack of a planned, effective merchandising program, there are at least two points that most Angus producers need to think through as they plan sales programs.

First, Angus breeders aren't re-



tailers. Rather they supply relatively expensive production equipment to other business people. Never mind that the production equipment lives and breathes and walks around on four legs. As a result, the kind of merchandising that works for a grocer, a furniture store, or Crazy Dave's Computer World isn't necessarily the best for a registered Angus business.

In fact, the computer business offers examples of both types of merchandising. Retailers who sell computers for home use advertise in the general media and wait for customers to stop by. Business computer merchandisers advertise and promote to a limited, targeted audience, but most of their sales are the result of making sales calls and sales presentations. These businesses have sales representatives at trade shows and other events where their prospective customers are gathered.

The second point is that the kind of quick response advertising that might sell home computers or furniture doesn't work so well for business production equipment. Keep in mind the selling cycle, and the fact that most advertising isn't meant to get people out of their chairs and to

the store right now—today. It's meant to build top-of-the-mind awareness in potential customers so they will think first of a particular advertiser when the advertiser's product is wanted or needed.

This simply means that the advertising and promoting you did last month and last year have more effect upon your sales today than the advertising you did last week. Not that last week's advertising isn't important. People have to know when you have something for sale and what it is—but unless they already know you and trust you and have a favorable impression of you and your operation, the advertising you do today probably won't result in many quick sales.

In this light, it is easy to see why the classified advertising didn't sell any bulls and why the few calls it produced were from people looking for \$650 cow fresheners. We sometimes underestimate the value of our business of producing and merchandising registered Angus seedstock. It is a specialized business, directed at a limited clientele, and can have a big effect on our customer's profits or losses.

So this winter, as you work out plans for an advertising and merchandising program, keep in mind that you will do better to emulate a company like IBM rather than Crazy Dave's Computer World. LD

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and Public Relations