

Marketing Mantras

Offer added value to your customers with one or more of these specialized services.

by **Kindra Gordon**

In any business, customer service is the cornerstone of successful marketing. And more and more in the seedstock industry, service is a factor when customers decide where to purchase their next bulls or females.

Additionally, with 70% of America's beef producers maintaining herds of 100 or fewer head, many don't have the time, resources or facilities to develop and market their own bulls or females, said Scott Greiner, Extension beef specialist with Virginia Tech, during the 2004 National Angus Conference and Tour in Roanoke, Va. "So providing special services makes sense."

He added, "Small- and mid-size producers have outstanding genetics to offer, and if they join forces they can really have some power in terms of marketing."



That said, many seedstock producers are stepping in to help add value for their customers. Greiner moderated a panel discussion that included Angus breeders Joe Hampton, Mount Ulla, N.C.; Harvey Lemmon, Woodbury, Ga.; and Lydia Yon, Ridge Spring, S.C., who recently shared their ideas on working cooperatively with customers.

Develop industry relationships

These Angus veterans count their networks with beef industry sectors, such as other registered breeders, commercial operations and feedyards, as critical components to their seedstock successes.

"The associations I've had with people in the industry over the years have been very

important," said Lemmon, who has served on the American Angus Association Board of Directors. "I try to be a source of information for customers, so I can help them have better avenues to sell their products."

Hampton and Yon echoed that sentiment. For instance, Yon said that because of their relationships with several feedyards and producers in the industry, Yon Family Farms can often serve as a clearinghouse to help sell their customers' commercial females and feeder calves.

"From a female standpoint, we try to link our customers up with each other," she said. "Or, when our large customers have load lots of steers for sale, we try to help them with competitive bidding from several of the feedyards we've worked with."

Another relationship angle is to build cooperative partnerships. Ten years ago, Hampton joined forces with two other North Carolina seedstock breeders to form Angus Advantage, which markets bulls together annually.

"We were three small- to medium-size producers who felt we couldn't be competitive marketing our bulls without

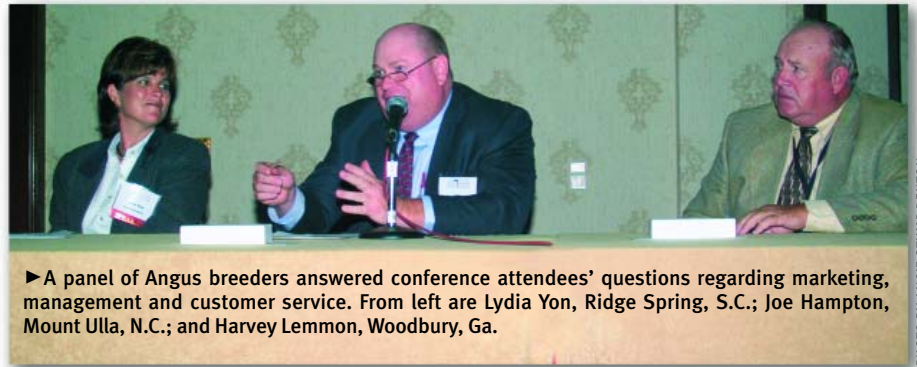
pooling our resources together and purchasing advertising as a unit," Hampton said of the cooperative agreement he and his wife, Robin, and their farm, Back Creek, share with Wolfgang and Ingeborg Lotz of FairCrest Angus, Cedar Grove, N.C.; and Ike and Katherine Jackson of Pasquotank Farms, Elizabeth City, N.C.

Hampton explained that the arrangement is organized so each individual involved has a specialized area of responsibility and no individual is in charge.

"We come from different backgrounds and skills, and it's that relationship that allows us to be more productive than any one of us could be individually," Hampton explained.

As the industry moves toward more alliances, Hampton said he believes industry relationships like these will be even more beneficial. "We're not marketing commodity bulls, but genetics that can produce a valuable product, so I think those alliances will help us," he said.

As an additional point, Lemmon said relationship building should go both ways. For example, he encourages feedyards or commercial customers to visit their seedstock suppliers so they can evaluate how cattle are



► A panel of Angus breeders answered conference attendees' questions regarding marketing, management and customer service. From left are Lydia Yon, Ridge Spring, S.C.; Joe Hampton, Mount Ulla, N.C.; and Harvey Lemmon, Woodbury, Ga.

PHOTO BY ANGIE STUMP DENTON

raised and the genetics that are being used.

Yon added that sharing information on animal performance from the feedyard back to the producer is also a critical service to help producers continue to improve the genetics they produce.

Offer marketing opportunities

Another valuable customer service some seedstock producers are offering is expanded marketing options to make buying and selling genetics easier.

As an example, Angus Advantage has been broadcasting its annual bull sale by satellite through Superior Livestock Auction for the

last six years. "Our customers value their time, and more and more like to do things from home," said Hampton, who reported that 40% of the bulls were bid on through the satellite broadcast last year. Because of that response, Hampton said he believes cattle producers need to continue to use satellite and Internet technology in their efforts to better serve customers in the future. "It's something we will see more of."

To further assist customers, Angus Advantage also offers more than 300 of their customers' commercial females (sired by Angus Advantage genetics) for sale at the

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annual Angus Advantage bull sale. And, they host a special progeny sale during the year for seedstock customers to consign registered females from Angus Advantage sires.

"These consignment sales are not a profit center for us, but they do improve public relations in the region where we market cattle, and they give small producers the opportunity to market the good genetics they have," Hampton explained.

Yon and her husband, Kevin, help customers gain marketing clout by pooling together two to three potloads of calves per year of Yon-sired genetics.

They came up with the idea when they didn't have enough of their own commercial calves for a load lot. "It occurred to us that many of our small customers likely had the same problem," Yon explained. So, the Yons worked with interested customers who had similar health programs and were willing to retain ownership to start the cooperative marketing project.

During the process the Yons track the performance information on the animals in the feedlot and on the rail, and they return a summary of information to their customers. "This gives our customers an idea of what areas they need to focus on and helps us monitor how our cattle are performing. It allows someone with 10 head of steers to enjoy the same benefits as someone with 100 head," Yon said.

Another special service the Yons provide is through the bull test program they started 15 years ago. While the majority of the bulls on test are from their own seedstock herd, they

offer the added service of taking bulls sired by Yon genetics back into the program and selling those bulls for their customers at the annual test sale each February.

Greiner, who has worked with Virginia's Central Bull Test program for several years, pointed out that any bull test program can be a great opportunity for small producers to monitor their herds' performance and develop a viable marketing outlet.

Know your customer

These Angus breeders also said communication with customers is an essential service seedstock producers should provide.

"You've really got to make time for your customers, listen to their needs and visit their operations," Yon said. "Because if you don't, they'll find somebody who will."

The Yons utilize a Web site and newsletter that is sent out twice during the year to keep customers up-to-date and share marketing and management information, as well as performance data about the bulls on test for their annual production sale.

Angus Advantage maintains a Web site with beef industry information aimed to help educate customers. Additionally, Hampton reported that Angus Advantage works with a regional magazine and tries to have an article about their operation or customers in that publication each month. That article is then incorporated into their Web site and newsletter.

These producers said delivering bulls to customers is an important service. "It's another opportunity to interact and get to know customers' needs on a more personal basis," Hampton said, adding that herd visits can be a way to help customers identify what

traits or characteristics need to be improved in their cow herds.

He added that being present and involved in industry meetings and events is also important. "It's another place to network, and many times your customers are involved at those events, too."

Strive for reputation of integrity

Lastly, for these breeders, the golden rule of customer service is integrity. "We've always been willing to stand behind the cattle we sell our customers," Lemmon said. "It's our responsibility to make sure people have a bull or female that works." To that end, he said he does not sell any animal he thinks may have problems. "If a female isn't good enough to be in our herd, we won't let her go into a commercial herd either."

The Yons offer a one-year unconditional guarantee (except for injury) on the cattle they sell. "If someone is not happy with the animal they bought, we encourage them to bring it back, and we will replace it or offer a credit at our next sale," Yon said.

Hampton added, "You need to take the approach that you want to make your customers happy and move forward." He said that in the past, if a customer had a problem with the animal they bought, he did everything he could to make it right, "and now those people are among our best customers."



Editor's Note: To listen to the audios of the panel presentation, visit the News/Audio link at www.nationalangusconference.com, the real-time coverage site for the National Angus Conference and Tour. Coordinated by Angus Productions Inc. (API), the site is sponsored by AgriLabs and Titanium® vaccines.