

Straight Talk

AHA field representatives give marketing advice.

by **Sara Gugelmeyer**

Mastering

When it comes to marketing tips, it only makes sense to ask the people who spend their days traveling the countryside visiting with producers, helping with sales and offering marketing guidance. The American Hereford Association's (AHA) director of seedstock marketing and field management, Joe Rickabaugh, and a few of his field representatives, Adam Cotton, Mark Holt, Andee Marston and John Meents talked straight when asked about marketing. They shared their insight and ideas on marketing strategies, marketing timing considerations and common mistakes.

Q What are the most innovative marketing strategies you've seen?

Joe Rickabaugh, *director of field management and seedstock marketing*: This may or may not be innovative, but the most successful marketers utilize the technologies that are availed to them to reach their clients and prospective clients. The use of the Internet has come of age in the livestock marketing arena, and many have utilized this technology in many ways. It is a powerful tool that offers many avenues to the customer. E-mail blasts, customized e-mails to specific clients, online catalogs and even online coverage of the sale, with the ability to not only view but also bid, are commonplace today.

Direct mail pieces are also very effective. It is important to point out that the use of every new technology that comes down the pike is not the difference-maker for a good or bad sale. Traditional promotional tools



such as print advertising and an effective sale catalog are still the accepted standards in the livestock business. Some in the livestock marketing circles have tried to use the new technologies as total replacements instead of using them to complement the tried-and-true marketing avenues. It still comes down to having a product that will be profitable for the buyer and personal contact with the buyer not only before the sale but oftentimes more importantly, after the sale. Continual personal contact with buyers is important.

Adam Cotton, *Southwest region field representative*: The most innovative marketers are the ones that utilize a wide array of tools to achieve their sales objectives. Those tools include Internet, e-mail and video, in addition to the traditional print media.



Mark Holt, *Western region field representative*: The most innovative strategy I saw this year was co-op advertising. Two breeders, raising separate breeds, had bull sales on back-to-back days this spring. Normally there is about a 20% crossover of buyers who purchase from both programs. This year these two breeders made most of their advertisements marketing both programs separately but in a manner that welcomed potential buyers to the same town for two days of sales and fellowship. I think the percentage of buyers who purchased at both operations went up, and fewer traveled to other sales as they



could purchase both breeds in two days with less travel cost.

Andee Marston, *Eastern region field representative*: I would look at some of the tools that many people overlook that are right at their disposal. I recently was surfing the Internet and found that a breeder had put short video clips of his sale cattle on the popular *YouTube.com* Web site. Using this resource is a good method to make your product readily available to be seen by customers anytime and virtually anywhere. I thought that was a great idea.



The idea that is becoming more and more popular is a postcard. Several breeders are using postcards as a kind of save-the-date reminder and also as a way to promote some of their "featured" lots.

Many programs are utilizing marketing programs for their customers like the Hereford-influenced special feeder calf sales across the country to attract interest for their bulls.

John Meents, *upper Midwest region field representative*:

I think the magic word of "dispersal" is a great marketing strategy. Not that you have to misrepresent what you are exactly selling, but use the word dispersal as a way to let prospective buyers believe you are selling your best. Here are some examples: "Mature cow herd dispersal. Every cow over a certain age will sell." Bred heifer dispersal, yearling heifer dispersal, and dispersal of all 3-year-old cows are three ways you can get buyers' interest. Offering all your mature cows in a mature cow herd dispersal will help keep your cow herd young and help you have a continual change in up-to-date genetics. You can flush these cows prior to the dispersal sale and have eggs saved to put in at a later date, if you desire.



Q What makes a good marketer?

Rickabaugh: A good marketer is a people person that is honest and willing to listen to the customer. Good marketers are also good livestock people who can combine genetics that will make their operations profitable, which, in turn, will also provide their clients a good possibility of a profit on the animals they buy. Some of the best marketers in the livestock business continually stay in touch with their customers by providing information and asking for feedback.

Holt: A good marketer is someone who, while not afraid to try new ideas, has a strategic plan and sticks to it. Consistency in advertising leads to name recognition and the perception of a solid, well-planned product that is to be sold. Good marketers know their product, their customers and stand behind what they are selling 100%.

Marston: Being honest and knowledgeable about what you are selling. You need to provide as much accurate information (expected progeny differences) to your consumers as possible for them to make an informed decision. Producers also need to stand behind their product and provide a service to their customers, not just a product. Give them a reason to use your product.

Meents: It is a combination of things that makes an outstanding marketer. One must have a product worth selling first. Then the person needs to have an outgoing personality. Be active in local, state, regional and national activities. This participation helps build a network system. Create a prospective customer list. This includes farm name, owner and manager names, addresses, phone numbers, cell phone numbers, and e-mail addresses.

Create a reason for buyers to purchase your product. Profitability is a great one to start with. Providing a service for your customer is the next best one. For example, tell your commercial bull customers that you have a place where they can market their calves. Provide them with information on a Certified Hereford Feeder Calf Sale, where your

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Which one is right for you?

Joe Rickabaugh, director of field management and seedstock marketing, and the field representatives weighed in on the pros and cons of different marketing avenues producers can utilize.

The decision of how to go about selling your cattle is dependent on many individual factors, but this chart of the good and the bad may give you a few things to consider. The key is to match these with your personal strengths and weaknesses, and what your customers prefer.

SALE TYPE	PROS	CONS
Silent Auction	Reduced costs, easier to manage, simple. Customers come to your ranch on a set date.	Hard to create auction-day excitement, hard to determine if fair market value is reached, may be difficult to get middle and bottom end of cattle sold.
Live Auction	Allows you to get true market value in a competitive atmosphere because live bidding creates excitement. Time-honored and accepted way to market. Cattle are sold in one day.	Time-consuming, high overhead costs, bad weather can result in bad turnout. Customers determine price, not seller. Limits one-on-one time with customers.
Internet Sale	Allows longer auction time and buyers can view the lots and bid at their convenience. Costs may be reduced. Buyers from a great distance can bid without travel expense. Eliminates weather worries.	Some potential buyers don't utilize Internet. Even those who use Internet may not be comfortable bidding online. Customers do not visit the farm — no personal contact. Not feasible to sell a large volume. Technical difficulties may arise on either end.
Private Treaty	Another time-honored method. Allows for great personal contact and brings buyers to the ranch. Reduced costs.	If you have a large inventory to move, time constraints may be overwhelming. Limits how many people can see your product. May be difficult to get potential buyers to come look. Price negotiations can be demanding, and buyers do not have to make a decision.
Consignment	Great way to get started, or for those without their own sale. Be sure to bring the best animals, not culls.	Can lack quality and consistency in offering. Costs can be prohibitive for the organizer and consignor.

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customers' cattle will not be discounted but receive fair market value, or start one yourself.

Q What should producers consider when determining when to market their cattle?

Cotton: Does the breeder have the financial resources to successfully market and promote his cattle? The breeder should have or develop an identity to build a presence in the marketplace.

Holt: The main thing to consider is your customers' needs. For instance, about 65% of the range bulls sold in the West are yearlings and 35% are 2-year-olds. Five years ago, it was about 50/50. The market has forced purebred producers to make this change as more commercial cattlemen want to use yearling bulls easy the first year, then grow them to maturity in the environment they will be working in.

Meents: Use common sense! If you are selling spring-born show heifers, sell them in the fall. If you are selling spring-born yearling bulls, sell them in the spring after you have collected ultrasound data. Ask your customers when they want to buy. In my territory, fall production sales work very well as breeders can market both show heifer calves, cow-calf pairs and bred heifers for the highest dollar. Also, sales in spring when grass is coming on work well for average to lower dollar valued animals. If you are selling show prospects, I think the day after Thanksgiving is the very best day of the year to have a sale.

Q What are some common marketing mistakes?

Cotton: Spending too much money on advertising without having a marketing plan is a common mistake. Not evaluating the plan after the sale to see if the plan was successful. Or if your breeding plan does not fit your customers' needs. Don't underestimate the value of good photos as they can show the cattle and program in the best possible light. (See Page 182, for more information about taking cattle photos.)

Holt: The biggest mistake I see is the purebred producer telling his customers what they need, instead of listening to them. I would recommend you visit your customers the day they ship their calves and discuss any changes they may need to make, such as more fleshing ability or less frame, and take this into consideration when making your breeding decisions the following year. Have more contact with them than just a phone call inviting them to your next sale.

Marston: One common problem is not diversifying your advertising. Make sure that anyone who might be interested has seen your program.

Meents: Not creating a prospective buyers list is one of the most common that I see. I encourage every breeder to start a prospect buyers list and build on it each day with contacts you make wherever you go. If it is at the local feed store, at the state beef expo you attended, or at some activity your spouse takes you to and you meet another cattle producer, create a prospective list, and use it often.

Another mistake is using average or below average photos in your ads or catalog. No photo is better than a poor photo.

Marketing cattle in poor condition is a common mistake. People like to buy cattle that are fat. Most people say they do not like to buy fat ones; however, they do and will always pay a lot more for one that is over conditioned than one that is too thin. If you are bringing your cattle to a consignment sale in my territory, it will pay you to have them fat, even with \$5 per bushel corn.

Q How can you help breeders develop a marketing plan or what resources can you suggest they use?

Rickabaugh: Utilization of the AHA field staff is a good starting point to develop a marketing program. They see many operations, attend numerous sales and events, and,

thus, have a wide understanding of the industry. They can help with suggestions of things that are working, give you ideas or names of people to contact to help you with various marketing strategies and also assist you presale and on sale day.

Creative Services is another opportunity to utilize when producing

marketing materials. Sale catalogs, brochures and sale day fliers are just a few of the items produced for the benefit of the client's marketing programs. Some breeders, especially smaller operations, have felt that a

fieldman or auctioneer is their sole marketing savior. This rarely happens.

Another item to remember is to know your market and produce for that market; don't produce and then look for a market.

Marston: There is no magical answer to creating a marketing plan for everyone's operation. Breeders need to talk with their field representatives and other marketing partners to determine what direction they need to go. They also may need to adjust their plan from year to year to maximize their effectiveness. Listen to your customers.

Meents: First and foremost allow Creative Services to design, print and mail all your promotional materials. Creative Services has the most up-to-date mailing list in the industry. The creativity of the staff is outstanding. The cost is average or below what other companies charge, and the bang for your buck is tremendous.

Secondly, I go back to the producer's own prospective buyers list. Keep in contact with those people throughout the year, not just the day prior to your sale.

Thirdly, use *Hereford World* throughout the year versus just the month prior to the sale. Continual advertising in smaller amounts is more effective than one big splash. And remember, make your cattle better today because you have to market them tomorrow! **HW**

Know your market and produce for that market; don't produce and then look for a market.