

Marketing 101

By Leslie Smith, AGA Customer Service

Marketing is perhaps the most confusing and complicated aspect of the seedstock business. Once a producer has mastered using EPDs, artificial insemination and embryo transfer to propagate the best in Gelbvieh genetics, how does he or she recoup the dollars in their investment?

Julie McMahon-French addressed that issue during the AGA Board of Directors long-range strategic planning session. French grew up on her family's Angus ranch, Belle Point Ranch, near Lavaca, Ark., and since 1988 has owned Creative Exchange, Inc., a full-service marketing agency. French has a diverse background in marketing and promotion—everything from registered cattle to community events to Texas Motor Speedway.

“To truly understand marketing, you must first understand the six components of the marketing mix,” said French.

The Marketing Mix:

1. Product
2. Place
3. Price
4. Promotion
5. Public Relations
6. Service

Product

First, you must identify the item you are selling. “For each person or company, the first step is to identify your product or products,” explained French.

This can be anything from registered Gelbvieh or Balancer cattle, services provided by an association, advertising in a magazine, or Gelbvieh-influenced feeder calves. “You need to know and understand your product before you can build a marketing plan,” emphasized French.

Place

Where are you selling your product? Are you having a sale or will you be selling private treaty? Is it something that is tangible or an intangible service?

Where and how you sell a product will determine your marketing approach. Seedstock and genetics are sold in a different manner than services like advertising design services and ranch consulting.

Price

Price is ambiguous, whether you're selling private treaty, in an auction, or on a grid. If something costs more, then it must be better quality and more elite is the mindset of most consumers. By raising the value of something it increases the perception of value to others. People want what they can't have.

“If you sell a female for \$20,000 that will also increase the value of her siblings, her dam and her sire,” explained French. “Price is determined by the buyer primarily, but the seller’s job is to increase the value of those genetics in the buyer’s eye.”

Promotion

Promotion is huge. What if we didn’t promote ourselves? Then how would anyone know what we do?

Promotion involves everything from advertising, signage, hosting events, and word-of-mouth communication. To influence others you must use repetition.

This requires getting your name in front of your targeted public, suggested French. It’s better to reach more people with several small ads than only a few big ads if your budget is limited. The more ads you have, then the more exposure and brand-recognition you will build.

“If you get tired of saying the message, then your audience is just now hearing it,” said French. “Research has shown that it takes many repetitions of the same message, or even the same ad, before consumers notice the message. Then, it takes a few more repetitions to get your message heard.”

Promotion is a continuous activity. Once your message is heard you want to make sure your audience doesn’t forget it. “Don’t quit advertising once you reach your marketing goals,” shared French. “Promotion makes you money in the seedstock business and builds your program recognition.”

Public Relations

Public Relations (PR) is an organized science. PR includes everything from the person who answers your phone to donating a heifer to your state junior Gelbvieh association. “Public relations is a valuable tool in swaying public opinion,” said French. “As a seedstock producer, public relations is key in establishing your operation.”

Public relations includes hosting judging contests for youth, field days and offering your services at beef-related events. “Make contact with your local extension agent, county cattlemen’s association, or collegiate judging coach,” encouraged French. “Every time you put your cattle in front of people you have the opportunity to make a sale or a future sale.”

Public relations doesn’t make instant sales, but builds a program’s reputation over time, concludes French.

Positioning

Positioning requires placing your product in a prospective buyer’s mind. “To position yourself you must set yourself apart from the competition,” said French.

In the early days, a housewife simply bought flour, sugar, or other food products. She didn’t know anything about the product, where it came from or if it was a quality product. Today’s consumer chooses to buy Gold Medal flour or Heinz ketchup. Brand names now rule shelf space in a grocery store.

Public perception is tough to change, but you can’t give up. “Evaluate your strengths and weaknesses,” said French. “Emphasize your strengths over the competition and continue to work on improving your weaknesses behind the scenes.”

Service

What service do you provide? How is your customer service different from your competition?

“Service will be the defining difference between great seedstock providers and good seedstock producers,” said French. “Customers—both seedstock and commercial—expect more service today.”

When positioning yourself in front of the public you must educate and inform them about your product and your service. What makes you and your program different from the competition?

Creating a Positioning Statement

Once you understand the components of the Marketing Mix, creating a positioning statement is the next step. A positioning statement is the core message you want to deliver in every communication medium. A positioning statement should answer the following seven essential questions.

1. Who are you?
2. What business are you in?
3. Who do you serve?
4. What are the special needs of your current and potential clients?
5. Who is your competition?
6. How are you different from your competition?
7. What benefits does the client get from you?

“Marketing programs can be simple or complex,” concluded French. “It is critical to your success to spend time on a positioning statement and developing a marketing program. If you aren’t 100 percent comfortable, then seek outside help. Your seedstock business counts on it.”

Keys to Thinking Outside the Box

“Nothing is so dangerous as an idea, when it’s the only one you have”.

French also shared some ideas on generating new ideas and thinking outside of the box. “As seedstock producers we sometimes concentrate so much on production of genetics, that we forget to keep thinking forward,” said French. She made the following recommendations and observations about brainstorming.

- When generating new marketing strategies it’s important to open your heart and mind.
- It’s important to not make any judgments or decisions while brainstorming.
- You must accept the fact that people don’t like change.
- Change is the process of getting others to think the same way as you.
- Change isn’t very solid, but improvement works as a step in a positive direction.
- Challenge yourself to be more creative. We are creatures of habit and need to break the cycle.
- When you think about what others think of you, then it doesn’t take long before you believe what they are saying.

- Are you looking for the right answer? Thinking logically doesn't get you a new destination.
- What happens when you are forced to think differently? Instead of following the rules, why not rewrite the rules.
- After you develop a clear thought, then you have to work on it by talking your ideas out.

