

DROUGHTMASTER MARKETING

(Adapted and reprinted with the kind permission of Keith Evans)

Volume 5

Defining a Market Area.

Knowing the size of your market area and the number of potential customers it includes is essential to planning a marketing programme. The marketing budget and programme you should use depend upon whether you will market cattle worldwide, nationwide, statewide or only within a 100km radius of your farm or property.

Start the process by digging out your sales records for the last three to five years. Get a map and place a dot near the location of every buyer of every animal sold. If you are like most producers you will find a shotgun-type dot pattern. Over the years I have done this for individual sales, and state consignment sales. Almost always, the heaviest concentrations of dots will be clustered around the breeder's location. The dot pattern thins as the distance from the bulls-eye increase.

Thin or blank spots in the pattern almost always show up. These identify areas with no potential buyers, areas of heavy competition or areas that are not being adequately reached with advertising and promotion – or some combination of the three. In more populated areas of the country the bulk of a breeder's buyers will probably be within a 100 km radius of home. In areas where the carrying capacity of the land is low the cluster of buyers will often be within a 125 to 200 km radius. Even sellers who attract buyers nationwide find that the majority of their buyers live relatively close to them.

Before you decide that the heavy concentration of dots on the map will be your defined market area, do some more research. First checkout the number of commercial cattle in this area. Then figure four or five bulls to breed each 100 cows. This will give you an estimate of the number of bulls in service within your area. Assume a 25 percent annual bull turnover (or whatever is appropriate to your area of the country) to get the number of new bulls needed in the area each year.

Also take into account the competition you face. There are sure to be other breeders and consignment sales that you must compete with. To get a complete picture mark these competitors on your map, and list roughly how many bulls they sell. You can't calculate exactly how all these factors affect your business. But with this information in front of it will be easier to define your primary market area and design your marketing plan.

Regardless of how large or how small a market area you map out, your advertising and marketing goal is specific: establish awareness, hopefully top-of-mind awareness, of you and your business with a high percentage of the potential customers in that area. You want every producer within that area to know about your business and to at least consider you and your cattle when it's time to buy bulls.

At this point the answer to the often asked question, “Where should I advertise?” becomes more obvious. You should use media that will most efficiently reach all the potential customers within your defined market area. If the area is small, weekly or small daily newspapers may be effective. There may be a well-read local farm or livestock newspaper that reaches a high percentage of your intended audience. In some areas radio stations might cover the area well. On the other hand direct mail of some kind could be both efficient and effective. Once you’ve checked the circulation and rates of all the media options, and the other methods of reaching and influencing buyers, you will likely use a balanced combination.

As the market area enlarges so does the media options. Breeders who want to attract volume bull buyers from a distance, or who target other registered producers can often make good use of national beef cattle magazines. Breed Society publications, or regional breed publications. In some instances various types of national publications would be efficient. None of these would be efficient for a 75km radius market area.

Many breeders, once they are satisfied that their defined market area is well covered, will reach out with advertising and promotion beyond the fringe of their sales map. This introduces them to new prospects, and can eventually broaden their sales base. But never do this by taking money from the budget that properly covers the designated market area.

Every successful business has a good handle on its competition, its customers and potential customers. Defining your market area and understanding the potential customers within it, can save you money, give your marketing programme direction and clout, and improve your business.

.....
.....
.....