

Selling a Merchantable Product

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Merchandising is a fundamental step in good business often overlooked by the farmer. Selling on impulse, weather conditions, etc., without any organized plan is usually the rule. Building a plan for selling breeding stock requires more thought than most people are willing to devote. A tendency to use the standard sales and shows reflects this attitude. However, the competitive situation of today dictates a greater need for exploring new techniques and examining our present system. This discussion is intended to touch on the basic concepts of marketing and present for evaluation some of the steps Kleen Leen has taken.

An important component of successful selling is the product itself. The boars to be sold are much easier to move when they are superior in all the important aspects (genetics, health and conformation). Many of the speakers before me have discussed the use of performance testing and records. I'll not repeat this discussion except to say that I feel that performance testing is a must in knowing the animal is a quality product. Performance information is the only true indication of value. This fact has been overlooked to this point in time. I personally don't worry about this fact because I know it is changing and, over the next few years, will become apparent to the successful breeding stock supplier. Those who don't realize it will not be a factor.

Another component of a good product is the supplier. People buy from people. Integrity is basic to successful selling. The people selling your product will keep the customer coming back as long as the product performs. The supplier also has to service the product. In the case of boars, service means providing the right product when it's needed, replacing the boar when it needs to be replaced, and follow-up on customer satisfaction. There are no clear-cut rules in this regard, but the more successful supplier is the one who handles the problems most efficiently. Repeat customer business is the mainstay of a good business.

Assuming a good product and a reputable producer, it then becomes important to present the boars to the customer in the most favorable light. This presentation may be verbal in one-on-one contacts, through auction sales, or through advertising. Whatever is said (verbally or written) should be based on expressing benefits of the product instead of features. The customer wants to know what the product will do for him, not just a description. Examples of features versus benefits of boars are:

<u>FEATURE</u>	<u>BENEFIT</u>
Genetic Potential Rating (GPR) System - Boars	Offers Reliability...GPR eliminates environmental and weather factors on the breeding farm. You know what you're buying in advance when you buy a GPR boar from Kleen Leen.
Consistent Improvement in GPR levels	Saves Money...You can buy the same level every year and still get improvement. You save valuable money because Kleen Leen is consistently improving the GPR level of the boars raised.
On-Farm Delivery	Saves Time and Money...You don't have to waste time and expensive fuel to get your Kleen Leen breeding stock - they are delivered to your door.
Isolated Herds	Minimizes Risk of Disease...Kleen Leen isolates its herds to protect the breeding stock you buy from the risk of disease contamination from outside sources.

One of the more useful methods of product presentation is advertising. Good advertising is designed to give the benefits of the product in such a way that it gets the customer's attention and then sells him on getting more information about the product. I believe this tool is grossly under used. It is expensive, but can give tremendous results when used properly. There are many professional people better suited to design advertising than I. My only comments or suggestions are:

1. Advertise as much as possible
2. Describe benefits, not features.
3. Be a part of the planning. You know your product and goals best
4. Demand measurable results from your ads.

My final comments are centered on distribution. This is crucial in boar sales and is important to all producers regardless of size. By distribution, I mean the points at which the customer can learn about your product and buy the boar - the farm, auction sales, test stations, agents, boar stores, dealers, etc. My experience came by distributing boars through the network of Purina-Kleen Leen dealers. Its advantages were widespread distribution and an established reputation. The disadvantages were associated with the dealer's level of product knowledge and his service ability. The type and size of distribution network you use should be based on an evaluation of similar advantages and disadvantages. Points of distribution should be evaluated for such things as:

1. Can the customer get consistent availability?
2. Is it a reputable sale, dealer, agent, etc.?
3. Can you effectively back your product through the distribution point (service)?
4. Is your product described accurately to the customer (benefits)?
5. How much emphasis is given your product?

These are the questions each producer should ask himself. Everyone needs to evaluate his distribution system. The show ring must be evaluated, the test station, the agent, the dealer, etc.. All should be given close scrutiny. You're only as successful as the distribution you use.

A comment on the test station. Until now, it's been viewed as a distribution point. My opinion is that it's been only marginally acceptable as such. Its main purpose is for collection of data in an example-setting role. Its efficiency in distribution has been slight. I see an opportunity for the central test station to change its role toward verification and certification of on-farm test results, with increased emphasis on distribution. Test station sales could be held as often as supply and demand dictates. The criteria I've discussed for good distribution could be emphasized, thus building a continuous, consistent demand for the quality product you produce.

The years ahead provide new opportunity and challenge for improved production and marketing. The review I've given is intended to stimulate a new evaluation of goals and techniques. The challenge of reduced world food and grain supplies will dictate that the breeding stock supplier provide performance-tested boars whose offspring grow quickly, efficiently, and yield maximum lean cuts. The boar producer who realizes this need and uses efficient marketing techniques is the one who will be in business for many years to come.

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