

# Seedstock Marketing 101

Merchandising professors offer tips to set your brand apart.

by **Troy Smith**, field editor

**T**hey say experience is the best teacher. The wisdom behind that well-worn proverb has been embraced by educators responsible for developing seedstock-merchandising classes offered by several land-grant university animal science departments. Students spend ample time in the classroom, where faculty instructors and guest lecturers share from their collective store of livestock marketing knowledge and expertise. Along with learning about seedstock marketing fundamentals, students apply what they have learned by actually managing the sale of breeding cattle from university herds.

“The students plan, make preparations and stage the bull sale we hold each March,” explains David Nichols, livestock sales management instructor at Kansas State University (K-State). “It’s a hands-on learning experience.”

Like the K-State course, Iowa State University’s seedstock merchandising class relies heavily on seedstock breeders and professional livestock marketing professionals to educate students regarding all elements of conducting a seedstock auction. Iowa State instructor Brad Skaar says budgeting; data collection; and development, design and placement of advertising and preparation of sale cattle and facilities are topics discussed at length.

“Students do all the planning and perform all the tasks necessary to managing and conducting our seedstock sale — everything but the auctioneer’s duties,” says Skaar.

Nichols and Skaar believe their respective courses and others like them allow students to “get their feet wet” while improving their understanding of livestock marketing and expanding their networking opportunities. Basically, they want students to grasp some fundamental seedstock marketing principles, which are as follows.

## **Identify your customers’ wants and needs**

According to Nichols, this means looking at the demographics and considering what kinds of beef cattle operations exist within your marketing area. Are the region’s cow-calf producers focused primarily on their cattle enterprises, or are they engaged in a lot more than managing cows? Do most producers market calves at weaning, or do they pursue opportunities to market fed cattle on a grid? Customer goals and objectives will influence the emphasis they place on calving ease, growth, carcass quality and other genetic traits.

“Our class spends a lot of time talking about the need to figure out who our customers are,” says Skaar. “Asking yourself why producers would come to you for seedstock makes you evaluate your strengths and what you really have to offer your customers.”

Using the Iowa State herd as an example, Skaar says the objectives are to produce functional cattle with balanced expected progeny differences (EPDs). A history of ruthless culling with regard to structure and soundness, fertility and disposition results in cattle that are relatively problem-free.

“Those are things we want to communicate to potential buyers,” adds Skaar. “I think that’s what draws customers to us, and it’s why a large percentage of buyers are return customers.”

## **Strive to get better**

According to Nichols, a seedstock breeder cannot afford complacency. Competition is stiff, so breeders must make time to reevaluate not only their own genetic progress, but also the strategies applied to management of the cow herd and development of bulls and heifers. Breeders also must reevaluate their marketing plans.

“That includes the mechanics of a sale,” adds Nichols. “When one is over, you need to think about what went



right, what went wrong and things you could do to make it go better.”

### **Make customer service a high priority**

Seedstock marketing is measured not only by profitability, but by customer satisfaction. Plus, as Nichols notes, bad reviews travel farther and faster than praise. Consequently, he and Skaar emphasize that a breeder’s willingness to stand behind his or her product builds customer confidence. Quick resolution of a problem maintains good will. That’s why most breeders offer a first-breeding-season guarantee and will replace non-breeders, issue credit toward another purchase or refund the purchase price. Most buyers have come to expect it.

“Because we are owned by the public and must not do anything that might violate our teaching mission, we have to treat people right and make sure the customer is satisfied,” says Skaar. “I can’t see how it would be different for anyone.”

Discounts on purchases hauled home by the buyer and free delivery options are services that many buyers appreciate. Skaar says buyer survey results show that keeping cattle sold in Iowa State’s January sale and caring for them until a spring delivery date

also ranks high on the list of valuable services.

### **Make yourself unique**

“We have an advantage in our K-State tradition and a hugely supportive alumni,” admits Nichols. “Our seedstock program has a long history based on proven genetics, but people also like the concept of students doing the work. That also makes us different. Being different can be used as a marketing advantage.”

There is ample evidence of that in the private sector. Many breeders have found their advantage by catering to their customers’ desire for convenience and new opportunities to market their own cattle.

For example, providing unconditional guarantees on every bull sold has become almost standard within the industry. The option to bid online is a part of many seedstock auctions. Breeder offers to buy customers’ calves sired by purchased bulls are becoming increasingly more common. There was a time, however, when these practices were new. Implementing these services helped to set the first-adopters apart from the competition. It shows how an added service, or combination of services, can enhance seedstock marketing.

Sometimes, it’s innovative advertising, through print, broadcast or social media, that helps differentiate a seedstock operation. Breeders also may host educational opportunities — meetings designed to help producers expand or fine-tune management of cattle genetics, nutrition or health. Of course, many breeders also provide consultation services to their customers, helping them along the path to genetic improvement. No doubt there are tools untried that can help make a breeder unique. Both Brad Skaar and David Nichols advise their students — and all aspiring seedstock breeders — to avoid trying to mimic someone else and, instead, find ways to be different.

Skaar and Nichols agree that successful marketing of seedstock starts with a sought-after kind, type and quality of seedstock that serves customer needs and wants, but customer service and innovative merchandising methods can be used to attract attention and establish a solid reputation. Never stop trying to get better and you are on your way toward building a “brand.”



**Editor’s Note:** *Troy Smith is a freelance writer and cattleman from Sargent, Neb.*

## **Tips for marketing seedstock**

- **Identify your customers’ wants and needs**
- **Strive to get better**
- **Make customer service a high priority**
- **Make yourself unique**