

IS MY END-USER HAPPY?

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OUTLINE

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- WHAT DOES IT MEAN TO KNOW OUR PRODUCT?
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 - 1. Ask yourself if your end-user is happy.
 - 2. Concentrate on your end-user and the industry will benefit as a whole

INTRODUCTION

I was originally asked to speak about the export market in baled hay products. Several topics came to mind.

Market trends in Japan.

The fluctuation of the Japanese yen in relation to demand for baled products
How to make export hay.

Then I realized I was trying too hard to find the perfect speech. I am not interested in presenting lots of technical data or graphs to explain the export market. (I have however, included some of the more pertinent data in the proceedings.) I want to explain a few points about marketing that can benefit anyone selling anything whether it be domestic or international.

It dawned on me that there was one very simple topic that actually goes beyond the export market. It applies to every new market place that we try to successfully penetrate, whether domestic or international. It always comes down to the same question. "Is my end-user happy?"

Buyers Are Particular

As many of us know, the Japanese are very particular buyers. Then again, who isn't a particular buyer. Aren't our dairymen and cattlemen particular? Maybe we just understand our own culture better or maybe we have been experimenting and practicing with our own culture a long time and therefore lose sight of the fact that we are particular also.

Persistence Will Result In Success

Success, of course, requires persistence. Any new project requires persistence. So often people exclaim, "Oh the Japanese don't understand hay and how to feed it." How could anyone be successful marketing with this attitude! I don't think the Japanese exclaimed when selling cars to America, "Oh the Americans don't understand cars

and electronic equipment. There's no need for a digital face on a radio when we can make a standard face."

So what is the approach to a new market? Here are a few points that address the question, "Is my end-user happy?"

WHAT IS THE APPROACH TO A NEW MARKET?

Learn As Much As You Can

If you're dealing with another country, it's best to learn the history of the country and their dominant characteristics. Also, if you do not have time to learn the language, learn a few important words and phrases. Make them feel at home with you. This will help bridge the cultural gap that inevitably exists. Culture plays an integral role in the way people think and therefore act. This directly influences their business practices.

We are already exposed to cultures in the United States. Many farmers must understand the Mexican culture in order to interact with employees. Others deal directly with the closely concentrated groups of Dutch and Portuguese in the dairy business. With this experience, American farmers should be accustomed to approaching the intricacies of a culture.

Know Your Product

Know your product. This means know about your market. Where can you sell your product in the event that your current market softens? In the case of alfalfa hay, it helps to know the number of animals in your region and what the general feeding programs are. Too many people only think about growing, trucking, or some specialized aspect of the many steps before the hay arrives in the manger. If your operation only deals with one step, make it a point to know what is happening in the other steps and how to make these operations easier for others.

Know Their Market

Know everything about their market. A few basic questions will answer a great deal. Many of the questions will be the same as investigating your market. Begin with the facts. The number of animals and the feeding programs are essential. Go one step further and investigate how many people are consuming the products you indirectly supply such as beef, butter, milk, etc.. In addition, look for any specialty markets or trends and fads in the market place such as chocolate milk, yoghurt, and candy.

Be Honest

Nobody returns to someone who can't tell the truth. Go out of your way to be honest and explain everything you possibly can in response to their questions. If you're honest the first time, you'll have a lot better chance the second time.

Meet The End-User

Meet the end-user. This sounds obvious, but know many farmers who have never met their end-user or don't know who he is.

WHAT DOES IT MEAN TO KNOW OUR PRODUCT?

What does it mean to know our product in terms of the export market? Most importantly, this does not mean that your product as supplied on a domestic basis will satisfy the end-user on an international basis.

Appearance: Many times I've heard people say "The Japanese want green color and green color doesn't necessarily make milk or indicate protein." If they want green, make green. I've sold plenty of hay domestically and we want green too. In addition to color, make the overall appearance of the bale uniform.

Consistency: Whether this is weight, color, twine color, etc., try to supply the same product every delivery. Generally they deliver to 10 - 15 customers from one truck.

This means from 10 - 30 bales are sold at each stop. The farmer wants the best bales on the truck. If all the bales are the same, this will make your distributor's job much easier.

Flexibility: As they learn more about feeding they will want different qualities in their product. Know your parameters of change and what you can do to your product. Present to them new options before they suggest them to you. In the past five years they have made many transitions in terms of quality demands. First they concentrated on a dry green product. Then fine stem with extra leaf was important. Finally they have classified the alfalfa into two categories; summer and premium. Recently they are concerned with the product meeting certain testing standards similar to those required by our dairymen.

Quality: With the above ideas in mind, make a quality product. Eventually they will want the best quality so always pursue this.

WHAT DOES IT MEAN TO KNOW THEIR MARKET?

They Are Businessmen Too

Don't forget, they are businessmen too and are most likely seeking the same motives as you. Don't be intimidated by several of them approaching you. Be proud of your product and attack your opponent with a positive attitude.

Know The Levels Of The Business Structure

Know the several complicated levels of the business structure before you reach the end-user. Unfortunately, their average dairy size is 12 - 18 cows. Ours is approximately 788.

Try To Predict Their Special Needs

Try to predict what such small herds would require in terms of a feeding program. Propose a feeding program for them. Of course they will have a program already, but they will be happy to know you are thinking about their market.

If a dairy cow eats between 5 - 8 tons of baled product per year, they only need 60 - 90 tons. They can not afford such a large investment at one time, therefore one must deal with a distributor. There are several other middle men even before the distributor. Therefore, one must persist and seek the end-user to discuss his suggestions, opinions, and complaints.

CONCLUSION

Finally, I want to close by asking you if your end-user is happy. Actually this system applies to any sales situation. Know your markets, know your end-user and what he desires. If we all concentrate on this our industry will benefit in all regards.

TRENDS IN BALED HAY MARKETS

	<u>ALFALFA</u>	<u>SUDAN</u>
1984	Very little improvement	No mold
1985	Dry	Green color
1986	Green color	Fine stem
1987	More leaf	Finer stem
1988	50 Lb. bale	Low Nitrogen
1989	High protein	Uniform package

