

Marketing and selling your alpacas – Developing a sustainable approach

When times are tough and they don't get much tougher than today, how can we develop a marketing programme that will allow us to communicate to our target market, develop relationships with these targets and successfully develop our alpaca business.

The alpaca market has always been competitive. We all have to compete not just against other alpaca breeders but also against other livestock and farming options and alternative investment strategies. How can we identify those groups we are most likely to sell to and then develop effective and ongoing communication mechanisms to ensure that not only our business is successful but also that our clients' businesses are successful. This is essential if we want to develop repeat business.

Breeders are in the alpaca industry for a variety of reasons: lifestyle, income generation, advancing the breed are but a few reasons. By focusing your alpaca venture and developing both marketing and sales strategies, this will enable you to have the greatest number of options in achieving your alpaca goals.

It's with this as a background that Robert Gane of Canchones Alpacas (Australia) has been running workshops in Australia, New Zealand, Britain and Canada on marketing and sales strategies.

The presentation at the 2009 AOBA National Conference will provide an overview of the workshops and the attendees will be provided with additional support material.

Below is an overview of the presentation.

Marketing Workshop

Assess your position

To begin, we need to take stock of the present situation. Breeders are asked to think about and write answers to the following questions.

How do you describe your herd?

- How many animals in your herd?
- What type?
- What colour(s)?
- How many females?
- Any stud males?

What sales have been made in the preceding 12 months?

- Pregnant females?
- Stud males?

- Shares in stud males?
- Gelded males?
- Stud services?

To whom are you selling?

Then it was a question of where these animals/services had been sold.

- Were they to new owners or existing breeders?
- Did the buyers just want pets?
- Were the new owners looking for high quality animals where price was not a problem?
- Did existing owners want to upgrade their animals or to own a special stud male?

How do you promote your animals and services?

Alpaca breeders present had used a variety of promotional activities. Some examples are as follows:

- Specialist alpaca magazines
- General smallholder magazines,
- Stud website
- Local agricultural shows and events,
- Specialist alpaca shows and events
- Hosting talks and informational sessions
- Hosting introductory alpaca days.

In fact, any opportunity of talking to and building rapport with interested parties is a valuable way of promoting your business.

Describe yourself?

The final challenge was for each breeder to describe their herd in a short phrase. Some of those given at the seminar included

- 'quality not quantity'
- 'luxurious elegance'.

If you cannot clearly describe your alpaca herd or business in a simple phrase, how will others be able to identify and find you in a crowded marketplace.

Once participants worked through the steps and developed a clearer understanding of their current alpaca business, it is time to work with the group on how to develop a marketing plan for their business.

Marketing Plan

The first step in any marketing plan is to identify the breeding goals for your herd and a direction for your business. This plan should reflect your future

breeding goals. Your marketing is unlikely to be successful unless your breeding goals and marketing are aligned.

The objective of marketing is to create an environment into which you wish to sell. The better this environment, the greater the sales potential and the easier it is to sell.

You should review marketing objectives and update them every two to three years so that your business can take action rather than react to a changing situation. This will give you more control. Also while you may be tempted to do everything, the narrower the focus of your business, the more effective it will be to market.

Breeders are encouraged to look for a niche market that they could exploit. Some examples of available niches are:

- Coloured suris,
- Elite quality white huacayas,
- Black Huacaya or Suri
- The pet or companion market.

Whatever the niche is, you then have to identify your target clients. These could be:

- New breeders;
- New breeders wanting top quality animals;
- Those building up their herd;
- Breeders wishing to improve the quality of their animals;
- Clients wanting stud services;
- Breeders seeking particular genetic traits or wanting to buy show winning animals;
- New owners looking for a particular life style;
- Investors
- Existing clients.

Having identified the target market, the question is how to reach it. Each market segment needs to be approached differently.

New breeders can be reached through shows, smallholder magazines and trade displays. At shows, e-mail addresses should be collected from genuinely interested parties and then contact maintained in a friendly rather than pushy way. Adverts in specialised alpaca magazines are more likely to reach those looking for stud males, genetics or to build up their herds. Websites are only useful if they are up to date, informative and functional. E-mails can be sent out encouraging people to visit your web site.

Farm open days can be very effective and can be advertised at shows and displays and those showing interest can be invited to attend. Open farm days are more about selling than marketing.

Sponsorship is an excellent method of promotion, enabling the breeder to be photographed with an elite animal and their name then associated with excellence.

Branding

A very important part of marketing is brand image with the image representing what the breeder wants to do. It is essential that the colour, font, design and logo are consistent across the brand, from the brochure and business card to adverts and clothing worn at events.

A by-line describing the business, such as 'excellence and luxury', "fine black alpaca" is helpful to make the image memorable. Your branding should reflect the specific characteristics of your business in order to attract those who are most likely to become customers. Advertisements can be used to strengthen the branding rather than simply trying to sell specific animals or products.

It is recommended you study different advertisements to identify why some work and others don't. For advertisements to be successful, the message must be consistent and the same style retained to develop product recognition. The advert also has to reflect what is being sold. It is of no benefit to use a wonderful grey huacaya photo in your advert if you only sell white suris! Showing an advert to an independent person can be useful as they can tell you what message is coming across and you can decide if this is the message you want to deliver.

Part of branding is the herd or stud name. Herd names that are easy to say, spell and find on a list are beneficial. Using location names as a herd name can be detrimental if you move to another location in the future. Herd names also need to be unique and different enough from other names to build their own identity.

Alpacas are often owned in partnership (by spouses) and developing a marketing plan can ensure that both parties agree on the direction of their alpaca business. The planning process can assist in negotiating this agreement.

Sales Workshop

Key to a successful breeding program is identifying those alpacas that should be kept and those that are no longer essential to your breeding programme.

Evaluation and Selection

Participants are encouraged to evaluate all animals in their herd using a simple scorecard. Using the scorecard enables you to identify and record the characteristics of your alpacas (A sample score card is provided at the end of the article). This evaluation, once completed on an individual alpaca, can be used as a reference in telephone discussions with potential clients and again when they visit the farm. This enables a consistent and open discussion to be held.

Using the scorecard also ensures an objective and consistent approach to alpaca assessment within your herd.

By using all the available information you now have on hand including the scorecards, pedigree and on farm knowledge, you are now able to select the alpacas you wish to sell and the prioritise those you wish to sell first.

Price and Package

Once you have identified the alpacas that you are willing to sell, you need to develop prices for the alpacas. Pricing should be developed based on the inherent qualities of the alpaca. These qualities are exemplified by the following:

- Age
- Pedigree
- Fleece Quality
- Show record
- Pregnancy status (if female)
- Stud sire potential (if male)
- Quality of any known progeny
- Current market conditions

The above of course is not an exhaustive list.

It is also useful to see if it is possible to package the alpacas for sale into groups. These groups will then be priced and marketed as a package for sale.

Selling in packages has many advantages for both the seller and buyer. For the seller it can:

- Increase the total sale price
- Increase the number of animals sold at one time
- Improve the perception of the seller in the eyes of the buyer
- Increases the amount of interaction between buyer and seller
- Removes the need of the seller to compete with others solely on price
- Increases total value in the offering

For the buyer a package can decrease risk and increase value.

Risk is decreased by the fact that there is an increase in the numbers of alpacas, there is more available genetics in the herd and the number of potential cria also increases.

Including other products and services or additional breedings provides increased value to the client. There can also be items that only your stud can provide thereby improving the chances that the sale will go your way.

When developing packages, it is important to keep in mind that the package should advance the purchasers breeding program. This will increase the probability of gaining the initial sale as well as the chance of gaining future sales. Therefore as stated, a variety of genetics and breedings / matings may

make the package more attractive. The inclusion of additional items such as; future breedings, agistment, and delivery will often make the purchaser look at the offering in a favourable light.

At Canchones, the majority of our sales are by way of packages; which can include any of the following depending on what we feel will be the most favourably viewed by our client:

- Pregnant females,
- Additional breedings,
- Clothing / product,
- Pet (castrated) alpaca males
- Long term agistment to assist the purchaser time to purchase and establish their farm.

Our success in this regard is in identifying animals that we have available for sale that can be packaged in such a way as to provide maximum advantage for our client in improving their herd. If the identified advantage is realised by the client, we are in a very favourable position when they decide to purchase additional animals, breedings etc in the future.

Pricing for alpacas must always be within the market range therefore current knowledge is essential and it is not advisable to try to undercut competitors. It is not in your studs long term advantage to compete solely on price

Animals should be regarded as being good value, not being cheap or expensive and this is again aided by the development of a package for each individual client.

Targeting

After evaluating, selecting, pricing and packaging, it is now time to target those people or clients that would have a possible interest in what you have for sale. It is always a good guide to think, “which stud’s breeding program would be advanced by the alpacas and packages I wish to sell ”.

Breeders can be contacted by email, directly through discussions at a show and alpaca events or through advertising.

To be successful in targeting it is essential to know what animals other breeders have and what characteristics they are focus on and value in their breeding programs. The more empathetic you are with the purchaser the greater the chance of a sale and the greater the possibility of repeat sales.

Collecting information

Breeders are likely to contact you following an advertisement, email or discussions at a show or event.

With these enquiries, it is useful to have a list of questions to be asked of the enquirer. The information gleaned can then be used when selecting suitable animals for them to inspect when they visit your farm.

Such questions may also help the buyer to clarify what they are actually looking for. When they visit, they can then be shown just a few animals that meet their requirements.

Presenting alpacas to a potential client

It is recommended that clients should not be allowed to roam the paddocks. I have found that this will often result in clients selecting animals that are either not for sale or are not really suitable for their identified needs.

It is better that available animals are penned in the barn. This will enable the alpacas to be viewed in a safe environment. The alpacas should be grouped with those of similar qualities and pricing. As you move through the pens, the alpacas increase in values and subsequent price. This enables a discussion that clearly shows why the alpacas are priced as they are.

On review of the animals, if a client does not like a particular animal, it should be removed immediately so that they can focus on the remaining ones. Any faults should be pointed out before the client becomes aware of them as this will add to your credibility.

Information should be presented in small bite-sized pieces. Use of the scorecard enables you to keep discussions focused and you can guide clients to consider various points in a specific order. It is important to stop talking and listen to the clients and learn what they actually want.

If clients are asked to buy on the spot, they will often walk away. By suggesting that they take their time and maybe even visit other breeders, some sales may be lost. However, by being open and upfront, clients that do make a purchase are likely to come back for more animals over the next few years. Often, the longer it takes to make the sale, the larger the cheque.

It is useful to give clients supporting information about the animals they have seen, such as photographs, copies of pedigrees and fibre statistics. It may also be appropriate to give them products made from specific animal's fibre. Photos can be e-mailed for a client to use as a screensaver or to e-mail to friends and these photos can even be of the client and the animals they have purchased or inspected during their visit.

After a client has visited the farm, they should be e-mailed and thanked for visiting. This e-mail could include photographs of the animals they saw, together with prices.

Finalising the sale

To close a sale, you actually have to ask the client if they are buying the animals they have selected.

Offering different payment options is also helpful. A deposit plus monthly payments allows clients to spend more than their initial budget if the whole amount is not payable upfront.

The details of the sale should be summarised and all warranties and conditions clearly documented to avoid confusion into the future.

Photographs

It is important to take photographs of your alpacas for use in advertising in a way that maximises their appeal. If a photograph is taken from above the animal's head height, it will often look like it has a conformation issue. As you are selling a fleeced animal, photographs are also better if taken when the animal is in full fleece. This may require planning ahead when taking into account your shearing schedule.

It is often necessary to take a large number of photographs to get one that is suitable for use. What is needed is a photograph that displays the alpaca in a factual way.

It is also important to be aware of the setting used when taking your photograph. The setting needs to support and highlight the animal rather than detract from it. Often the best angle is a three-quarter front view with the front feet slightly higher than the back ones. It is often better to put any ribbons on a nearby fence or over the handler's arm rather than on the animal itself as they may detract from the look of the alpaca.

Usually, a low resolution file of a quality suitable for viewing on a computer screen should be sent via e-mail. High resolution images of the animals purchased can be sent to the client for them to use in their marketing. The more you can help the client to succeed, the more likely they are to return for further purchases.

Profile – Robert Gane

Robert with his partner Peter Kennedy established Canchones Alpacas in 1998. Canchones has a very tight niche of “fine black alpaca”. Their initial purchase of four alpacas has grown into a herd of over 300 black huacayas and black suri.