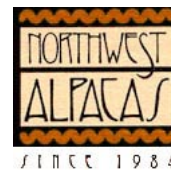




How to Participate in a “New Kind of Alpaca Marketing Cooperative”

By Mike Safley



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The first alpaca marketing co-op was formed in the spring of 1996. Greg Mecklem, Mario Pedroza, and myself called or mailed every alpaca breeder west of the Rocky Mountains and invited them to participate. In total, 79 breeders representing 9 states and 67 cities joined in the effort that became known as Western Alpaca Associates.

We raised \$34,422 by selling advertising in our breeders guide, and obtained a matching grant of \$34,422 from the Alpaca Registry, Inc., for a grand total of \$68,831. We placed ads in Sunset Magazine and Alaska Air Lines in-flight magazine. Hobert Office Services handled the phone calls from our 1-888-8ALPACA phone line. We received between 50 and 70 calls per day for the four month duration of the marketing effort.

The Western Alpaca Associates Co-op was a huge success, and was soon replicated on the East Coast and in the Mid West. Next, AOBA (The Alpaca owners and Breeders Association) took up the charge forming the first national alpaca marketing co-op, and today they generate tens of thousands of leads for the participating AOBA members each year. Their budget is well over \$400,000 annually; another huge success.

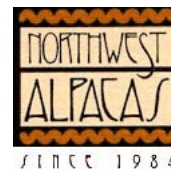
Earlier this year, Jerry Forstner of Magical Farms organized the Alpaca Breeders Co-op (ABC), and started the I Love Alpacas campaign. The ABC Co-Op raised \$500,000 from 100 members from all 50 states. They spend all of their money on television ads, run nationally, which invite people to log on to the ILoveAlpacas.com website. The success of this campaign has been phenomenal with hundreds of thousands of hits being logged at the website.

On May 22, 2002, Lily Tomlin was introduced as the new secretary to the President of the United States on the popular NBC series, *The West Wing*. She gave her profession as Alpaca Breeder. When asked if alpacas were those long-necked sheep sold on late night TV, she replied, while standing in the White House, “No, they are the ‘World’s Finest Livestock Investment.’” I wonder how many million of dollars it would have taken to persuade the producers to include the Lily Tomlin bit in “*The West Wing*.” This is the type of advertising that public relations firms can only dream of and we have the advertising done by the co-ops to thank for this phenomenal exposure.

We belong to both of the above co-ops, and the fact is that the combination of these two marketing efforts has been so successful that it is almost impossible for the average breeder to follow up on all the leads. Another problem is that almost all of this activity is over the internet and less than 20% of all breeders have websites. But bottom line, co-ops are the single best way to generate interest in alpacas. I always say yes, when asked to participate in a new co-op.

HOW CAN A SMALL BREEDER CAPITALIZE ON ALL THESE LEADS

Alan Cousill and myself have been spending a lot of time designing and building a co-op marketing website for our clients. We want them to be able to take advantage of the opportunities found in the current marketplace. I detailed the concept we have developed in an article entitled, “A New Kind of Alpaca Marketing Co-Op.”



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The response to our idea has been very positive, and many breeders have asked us, “How can we participate?” The answer is, there are several ways:

1. By purchasing a Studmaster male™,
2. By ownership of the progeny of a Studmaster male™, and
3. By ownership of a female bred to a Studmaster male™.

The next question that people have asked is how will this new cooperative benefit me? For the answer to that question, keep reading.

The website that we are building is best understood as a shopping center. Not a K-Mart or a Walmart, but a Nordstrom or a Neiman Marcus. Each participant will rent a place to advertise their store or shop on the co-op website. The store they advertise is actually their own website which exists independently on their server to advertise their own alpaca ranch.

The cooperative website will be organized to feature:

1. The genetically superior herd sires which are jointly owned by individuals in the co-op,
2. The progeny of the herd sires, and
3. The females bred to the herd sires.

Anyone who owns one of these three types of alpacas can belong to the co-op and rent a space on the marketing website. The marketing website will have links to their website. It is important to understand that they can advertise their farm and their entire herd on their website, whether the animals are related to the Studmaster™ alpacas or not. Ownership via the three scenarios simply qualifies the ranch to be a co-op participant.

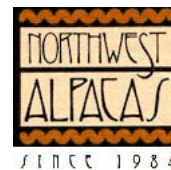
STUDMASTER MALES™

These males have been selected by Alan and myself as impact sires. They include both suris and huacayas. Their names include Accoyo’s Bruxo, Peruvian Hemingway, Accoyo’s Caesar, NWA Haldane, Peruvian K-2, El Toro, NWA Artero, El Bello, Accoyo’s Great White Hope, Demetrie’s Dominic, Accoyo’s Pacachuti, and the list goes on.

These males are being offered in one-third or one-quarter shares. Some of the males’ shares are sold out already. For full details of what it means to own a share in one of these elite males, contact Alan at nwa@alpacas.com. Each of these males and their owners’ farms will be featured on the website.

STUDMASTER MALES™ PROGENY

All progeny of these males will be listed on the website, those that are available for sale and owned by a co-op member will be identified in the for sale section of the site. To learn the sale details, a purchaser will simply click on the animal’s picture and will be immediately linked to the owner/co-op member’s website. Once at the site, a prospect can browse through all that the farm has to offer.



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Any female who is bred to a Studmaster male™ can be listed for sale on the co-op site. This feature will help owners of a Studmaster male™ to sell breedings to their clients. If a person is interested in the female, they will click on the photo and be immediately linked to the co-op member’s site.

THE COST OF CO-OP MEMBERSHIP

There will be a monthly fee or store rent payment to belong to the co-op. It will be based on the number of alpacas a member owns in their herd. The cost will probably be less for a smaller breeder and more for a larger breeder.

The Studmaster male™ owners will each pay an annual fee to be listed. We will determine the final pricing model once the site is built and a maintenance budget is established. These males will also be heavily promoted in [Alpacas Magazine](#) and other industry venues. This promotion will serve to make their cria and the females mated to them more valuable.

The income received from the member rent payments will be used to:

1. To pay the cost of building the marketing website,
2. Optimize the website’s placement in the search engines,
3. Purchase and load leads into the member database,
4. Pay for a webmaster to run the site,
5. Conduct an email campaign to create traffic at the website and at member farms, and
6. To advertise the website.

WHAT WILL THE WEBSITE DO TO MARKET THE INDIVIDUAL FARMS

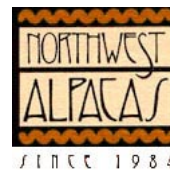
The website is being designed to do three very important things:

1. Facilitate the genetic improvement of the members’ herds, thereby creating a superior animal to offer for sale,
2. Process the leads generated by the AOBA co-op and the I Love Alpacas co-op,
3. Create farm visits and sales for the co-op members.

The genetic improvement plan is based on progeny testing to identify the superior genotypes of impact sires. This idea was explained more fully in my article entitled, “A New Kind of Alpaca Marketing Co-Op,” and my book, [Alpacas: Synthesis of a Miracle](#).

CONVERTING LEADS TO FARM VISITS AND SALES

Each member of our co-op will also be required to be a member of the AOBA marketing co-op, which costs \$650 per year. Every member of the co-op will be entitled to receive the leads generated by the programs that will be run at the co-op website. Our website will enter all of these leads in a member-access database.



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The leads will then be contacted by the co-op’s webmaster by email on behalf of each member. The members will be notified of the leads in their area. The co-op members will also have the leads electronically available from the database. The thrust of the webmaster’s campaign will be to create ranch visits for the co-op members and make the purchaser aware of what the farm has for sale.

Each lead will also be invited by email to view the co-op website, where the member ranches and alpacas will be displayed. There will be a program of seminars and events to attract potential purchasers to the members’ ranches.

The direct email techniques which will be used by the webmaster have been developed by Alan and myself and are proven to be effective. The website will begin with a database of more than 10,000 leads, including the AOBA membership names. It should grow by about 2,000 leads per month. These will come from AOBA and include the leads generated by hits at the co-op site.

The website will offer a broad range of information to prospective buyers. Visitors will be invited to sign up for a member-generated alpaca newsletter, and various other marketing promotions.

A MARKETING PLATFORM

The sum total of this co-op effort will be to create a scientifically-driven alpaca improvement program and a world-class alpaca marketing platform. But wait, the best part of all of this for each co-op member is this: they will be able to offer each and every one of their clients who purchase a Studmaster male™ service, cria, or pregnant female the opportunity to join the co-op and be part of the marketing program. The more individual members participate in the genetic improvement program, the more visible their farm will be on the marketing co-op website.

I hope this article answers some of your questions. We intend to keep in touch with you on this subject as the site develops. We will have a preview of some of the design elements of the website available in the near future. In the meantime, if you have any questions give Alan or I a call at 503-628-3110, or send us an email at nwa@alpacas.com.