



AOBA The Great Alpaca Marketing Machine

By Adrian Stewart, Southern Oregon

This Article First appeared in Alpaca the magazine of the British Alpaca Society

Having moved to Oregon in June to start a new alpaca farm and make alpacas our full time business I would like to share with you my first hand insights into the North American alpaca market. My hope is that you can use the ideas that work for our American cousins and learn from any mistakes.

Life here is familiar in many ways; it is good to meet some old friends, such as feet & inches, pounds & ounces and petrol by the gallon (slightly smaller here). The economic wealth of the Pacific North West was historically based on logging and farming now government, trade and utilities are the big employers. Oregon is about the same size as the UK but has only 3 million people compared to the UK with 60 million, having said that it is home to over 300 alpaca farms including some of the big names such as Mike Safely of North West Alpacas. On the Oregon coast, it rains about 60 inches or more each year, where we are, two hours inland, it only rains 18 inches per year.

The marketing function of AOBA (Alpaca Owners and Breeders Association) has always impressed me and as a member I was looking forward to benefiting from its marketing muscle. AOBA operates in broadly the same way as BAS does in the UK, except on a much larger scale. Founded in 1989 AOBA now has over 4,180 members with over 50,000 alpacas. The Alpaca Registry Incorporated (ARI) manages the animal registry and remains a separate organisation. I will be talking more about ARI in a subsequent letter.

The marketing side of AOBA is responsible for the design, production and distribution of a whole host of marketing materials including DVDs on alpaca ownership together with a variety of brochures for alpaca owners and breeders to use with their prospects. These excellent marketing materials are popular with a good number of the members. The larger farms often produce their own marketing material, some of which is distinctly below par in my opinion. Others however are outstanding; in particular, the last brochure produced by Snowmass Alpacas included a comparison of alpaca to other wool breeds such as Merino, Romney and Lincoln, an interesting read and great reference document.

AOBA also places advertisements in magazines and runs commercials on satellite television. All this generic marketing of alpacas on behalf of the membership generates a steady flow of inquiries from potential customers that need to be followed up. Each month 1800 or so people contact AOBA to express an interest in owning alpacas. Each one receives a copy of the AOBA Farm and Ranch Guide, which describes various aspects and benefits of alpaca ownership and lists all the AOBA members by location. The basic idea is to get interested parties to visit an alpaca farm/ranch. AOBA research shows that typically new owners visit two or three farms before buying their first alpacas, the vast majority of new owners "newbies" have no previous livestock experience.

In addition, members of AOBA can purchase the leads to follow up directly themselves, as can be seen from the growth to over 4,000 members this has been a successful strategy. AOBA is however a "one size fits all" approach. Therefore, across the US there are a number of AOBA affiliates who service the local needs of the alpaca community. Most of these are organised on a geographical basis such as Great Lakes Alpaca Association (GLAA) and some are internet based and as such geographically independent such as www.ilovealpacas.com and www.alpacanation.com, I am sure those among you who surf the web have already found

these and more besides. Speaking of the internet some of the more established breeders here now claim to be selling 60 to 70 percent of their stock over the internet, sight unseen ... is this perhaps the future for those UK breeders that have excellent genetics and have established a strong brand/reputation.

Nearly all the smaller breeders have their own web site but tend to sell stock through farm visits and relationship building. It is well known in the marketplace that those "newbies" who buy their first alpacas from you will be looking to buy more animals before the year is out, which is one reason owners and breeders go to great lengths to establish strong relationships with the people they help get started in the alpaca business. Several of the farms that I have visited have forward order books where people have paid deposits and are effectively queuing to own a cria that is months away from being born. Clearly one of the factors that make this possible is the well-documented pedigree of the dam and sire concerned. Many animals are sold through auctions including the annual AOBA National Conference, the 14th conference will take place in Salt Lake City on June 1st - 5th and if you have the time and inclination its well worth the effort. Other auctions take place throughout the US virtually all year round, the auctions here are well attended and achieve higher prices for good quality animals plus they are as always a great opportunity to meet up with other owners and breeders. The larger ranches organise their own auctions and entertain their guests in style, with an atmosphere akin to thoroughbred sales at Newmarket. To do well at auction an animal needs to have a strong bloodline, a good collection of blue ribbons from national events and where appropriate some outstanding offspring. Its not unusual for buyers to approach owners as they leave the show ring with their blue ribbon and offer to buy an animal.

Now when we arrived we had no alpacas so we did put in two enquiries to AOBA. Firstly, we thought it might just turn up some interesting animals and secondly we thought it would be interesting to experience what happened to potential owners that contact AOBA...that was several weeks ago now and so far we have heard nothing! So, it looks like the AOBA machine is by no means perfect and this could be one reason for the growth in affiliate marketing organisations. I will keep you posted on developments.

If you have any specific questions about the alpaca business in the USA then please feel free to contact me directly at Adrian@mulberry-alpacas.com

Happy farming.