

Product bundling not in producers' best interests

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Product bundling may provide producers with a one-time savings when building a new poultry house. However, that bundle of products may result in losses over the long term.

Product bundling occurs when a manufacturer offers its distributors incentives to sell poultry house equipment as a package. The distributor can offer the end user a better price, but only if the end user agrees to take other components offered by the same manufacturer. For example, the distributor offers the fill and feeder systems at a lower price, but only if the customer also purchases the manufacturer's ventilation and watering system.

While the customer may save time shopping for equipment, such as ventilation and watering systems, he may end up buying components that perform less well. It is a common practice in many industries to bundle inferior products with better ones to sell more products. A tip-off to this practice is how often these products are sold independently and not part of a bundle.

Equipment for a new poultry house easily can cost \$50,000 to \$55,000. When offered as a package, that price may drop \$2,000 to \$3,000. But, poorly performing equipment could lower the producer's payback by up to \$500 per grow-out.

Producers should examine each system component to ensure it contains quality materials and provides first-rate performance.

To enjoy maximum savings and highest revenue, producers need a reliable system that will provide flocks with all the water they require without wetting the litter.

A new watering system should:

- Allow producers to efficiently and effectively administer medications and interventions.
- Allow for effective and easy flushing, either attended or unattended. Producers should flush after every intervention to keep the system clean. Consider a system that automates this task.
- Be easy to manage and provide ample water without spillage. Excess water in the litter creates unhealthy conditions.
- Withstand the corrosive conditions prevalent in poultry houses. A watering system should perform properly through a number of years.

Also, look at the manufacturer of the system. The manufacturer should have a good reputation, provide good service and backup, and in general, stand behind the product. Look for a company with proven expertise in poultry watering.

A package price is a one-time savings. Producers should consider how a one-time discount matches with improved returns from grow-out to grow-out.

(Here's a tip: customers often can insist on receiving the same discount on some items without taking the entire package and the seller will relent. Selling part of a package is better than selling nothing at all.)

Ziggity Systems, Inc. is the only manufacturer 100 percent focused on poultry watering for improved performance. For more information, write Ziggity Systems, Inc. at 101 Industrial Parkway, P.O. Box 1169, Middlebury, Indiana 46540-1169 USA, call +1 574.825.5849, fax +1 574.825.7674, or visit its Web site at www.ziggity.com.

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