

## Branding of North Carolina's Forest Products

Sudipta Dasmohapatra  
Assistant Professor, Forest Biomaterials  
College of Natural Resources, NCSU  
Email: sdasmoh@ncsu.edu  
(919)515-5728

September 08, 2010

## What is a Brand?

- A name, sign, symbol, or design that identifies the seller, differentiates a product from competitors offerings, represents a products image, and promotes the development of customer loyalty

***“Successful brands create TRUST with customers and reduces their purchase risk”***

## What Does Brand Mean to a Common Person?

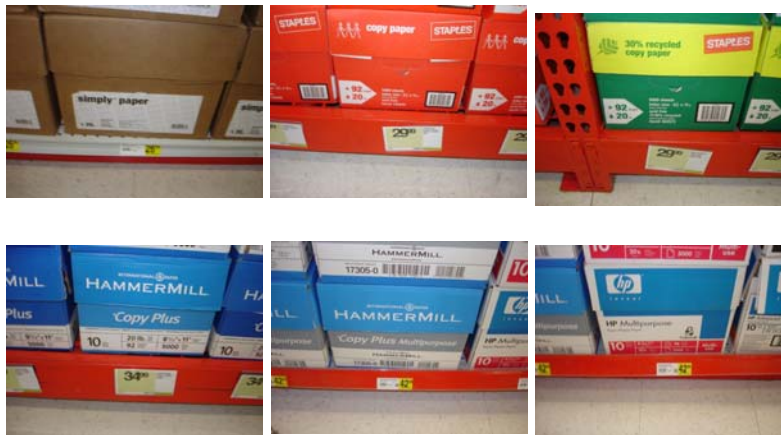


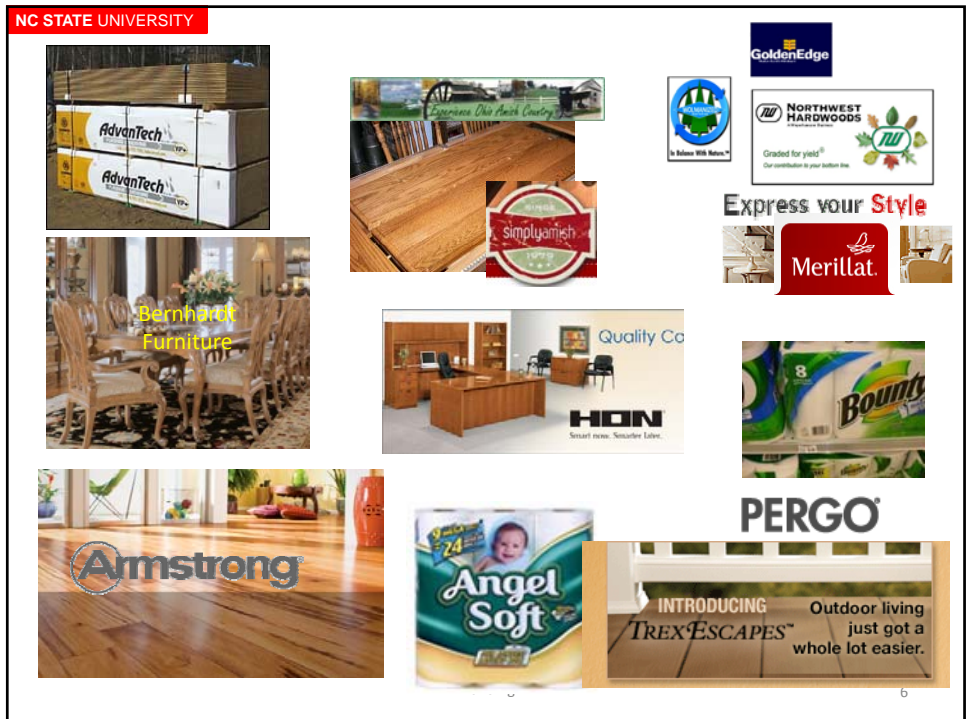
In 'blind' taste tests, people prefer the taste of Pepsi over the taste of Coke.

However, if the test is not 'blind' and the tasters know which beverage is which, they prefer the taste of Coke over Pepsi! That is the emotional power of a brand.

The Coca-Cola brand has the power to actually change an individual's taste!

## Importance of Brands: Forest Products





## Benefits of Brands to Customers

- Simplifies choice process
- Enhances confidence in choice
- Reduces perceived risk – recognition of consistency of quality
- Provides emotional benefits – signal of status, taste, or affiliation
- Encourages repeat sales (if quality is excellent and reduces customers' risk and time to shop)
- Brands are a focal point for advertising and can help reduce price comparisons

## Everything can be branded: Commodity or Specialty products

It is all about what people perceive the product to be...- the association, if positive can be turned into a brand

## Two Types of Branding

- **Company Branding (Examples)**

HICKORY CHAIR

**Stanley**  
FURNITURE

**ASHLEY**  
FURNITURE INDUSTRIES, INC.

*Thomasville*

- **Geographic Branding-Regional (Examples)**

- *Northern Forest Brand*
- *Vermont Quality WP*
- *Maine Made-America's Best*
- *The New Hampshire's Own*
- *Appalachian Hardwood*
- *Minnesota Wood Campaign*
- *New Zealand Pine*

## Geographic Branding

- Recent marketing studies indicate that branding strategies focused on geographic origins of a product can provide opportunities for **differentiating products** (Agarwal and Barone 2005)
- Producers are able to generate **price premiums** especially if actual quality differences exist that are attributable to geographic origin
- Geographic brand identifiers also allow for a product offering to create an **"exotic" image** which enables the producers to gain a price advantage

NC STATE UNIVERSITY



The use of such geographic indications may involve unique quality characteristics of a product associated with a particular location or images that are based on history, tradition or folklore in a region

Branding 11

NC STATE UNIVERSITY

Examples of Geographic Brand in the Forest Products Industry

Branding 12

## Vermont Brand Wood Products: Logo



## Attributes of Vermont Wood Products Brand

- **Functional Attribute:** E.g., traditional values, craftsmanship, genuineness/authenticity, natural, honesty or integrity, etc.
- **Emotional Brand:** E.g., sense of pride, wellbeing, preserving a place or missing some important feeling from a place/nostalgic....

## Vermont Brand of Wood Products (Supporting Brand Statements)

- “To me, Vermont is authentic...the real thing. Even the wood products I buy feature old fashioned craftsmanship and attention to detail”
- “Vermonters work hard to preserve their environment, and that makes me feel better about buying their wood products. I like knowing that the wood products I buy from Vermont are made by people who are sensitive to the environment”
- “Vermont is a place that gives me a profound sense of well being. Enjoying products from Vermont lets me experience that feeling even when I am far away from there”

## Northern Minnesota Wood: What's so Special?

- Basswood found in North Central Minnesota is considered the world's best for carving
- It offers carvers consistent color, little mineral stain, and reliably little damage from insects



Minnesota  
Wood  
Campaign, Inc.  
A joint branding and  
marketing venture

## Maine Made-America's Best

- Different types of Products
- Home furnishings and hand-crafted furniture



Branding

17

## NC Brand: Wood Products??

- Increase visibility
- Provide manufacturers with an additional value component (Sales using a quality name in domestic and international markets)
- Enable manufacturers to automatically assume the attributes of a "Regional Wood Products Brand"
- Can form the basis for higher prices for otherwise comparable products

Branding

18

## The NC Wood Products Brand

Why people and companies buy from  
North Carolina wood products  
manufacturers??

## Branding of Wood Household Furniture in North Carolina: An Exploratory Study

- Investigate if branding of wood household furniture as made in North Carolina affects consumer purchasing decisions
- Willingness to pay

## Methodology

- Data Collection: From Consumers at Home Shows
  - Home Shows
    - Raleigh, NC (Sept 2009)
      - 126 completes
    - Atlanta, GA (March 2010)
      - 125 completes
    - Norfolk, VA (April 2010)
      - 155 completes

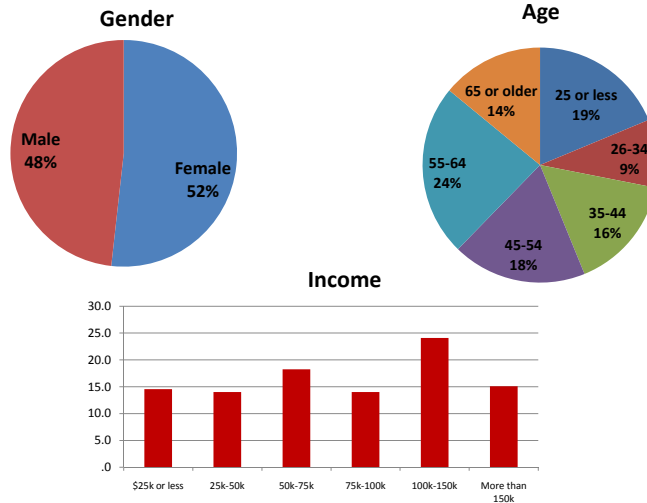


Consumers filling out survey at the Southern Ideal Home Show, Raleigh, NC September 2009 (Nate Irby overseeing)

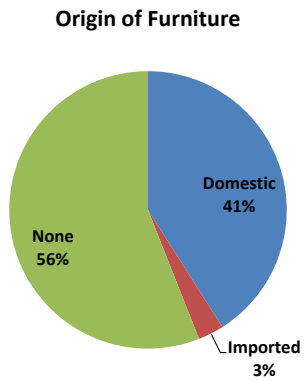


**Total Completed Surveys: 406**

## Respondent Type



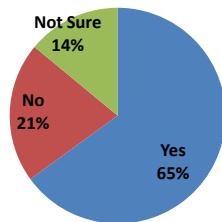
### Do Respondents have a Preference for the Origin of Furniture??



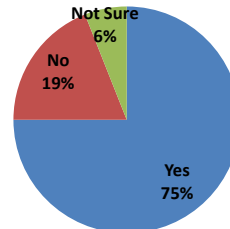
### Preference for "Made in North Carolina"

- Provided Quality is the same, would you prefer wood household furniture branded or labeled as "MADE IN NC"?

All Respondents (N=406)



NC Respondents (n=126)



## Branded as “Made in NC”: What Would that Mean?

- If a piece of wood HH furniture is branded “Made in NC” what would that mean?

Attribute	All Respondents (N=406)	NC Respondents (n=126)
High Quality	66%	59%
Good Finish Quality	54%	47%
High Price	18%	18%
Mass Produced	9%	3%
Authentic	39%	50%
Low Quality	2%	2%
Heirloom Quality	29%	26%
Cheaply Made	2%	3%
Low Price	8%	6%
Cheap Materials	2%	5%
Natural	27%	34%
Low Environmental Impact	8%	15%

## Willingness to Pay

- If furniture was branded as “Made in NC”, would you be willing to pay:

Attribute	All Respondents (N=406)	NC Respondents (n=126)
same as regular furniture	37%	34%
1-2% more	19%	26%
3-5% more	23%	25%
6-8% more	7%	5%
9-10% more	7%	6%
more than 10%	3%	3%
Not sure	4%	1%

## Buying Local

- Do you ever purchase items/products made locally or made using local materials?

Attribute	All Respondents (N=406)	NC Respondents (n=126)
Made Locally	66%	68%
Made Using Local Materials	55%	54%

- If wood HH furniture was promoted as “made locally” would that positively influence your purchase?
  - All respondents = 79%
  - NC respondents = 83%

## What Does Purchasing Local Mean?

Attribute	All Respondents (N=406)	NC Respondents (n=126)
High Quality	41%	47%
Low Cost	8%	6%
Helping Community	76%	79%
Promoting Jobs	76%	78%
Better Service	59%	67%
Trusted Company/Firm	53%	55%

Attribute	All Respondents (N=406)	NC Respondents (n=126)
Low Quality	2%	3%
High Cost	8%	22%
Hurting Community	7%	6%
Hurting Jobs	7%	8%
Poor Service	5%	5%
Unknown Company/Firm	4%	5%

## Summary

- Potential for a “NC” state brand
- Emphasis on “Authenticity”, “Natural” and “Heirloom Quality” for wood HH furniture
- Focus on local made and local material: Promote community service and local jobs (and if possible, lower costs)
- Need for an in-depth understanding of consumer and customer emotional and experiential attributes for a brand campaign

## Branding Questions to answer

- Companies:
  - Does NC origin of a product add value to the corporate customer’s brands?
  - Is there a lower perceived risk when buying from NC?
  - Is NC origin a marketable feature?
  - Do the firm’s customers like NC products?
- Consumers:
  - What associations do consumers have for wood products in general and for NC’s wood products?
  - Does it provide consumers with a feeling of elation and pride when they purchase from NC?
  - In a world where margins are added at every step in the distribution chain, will NC products hold their value?

## Consumer Associations...with a Brand

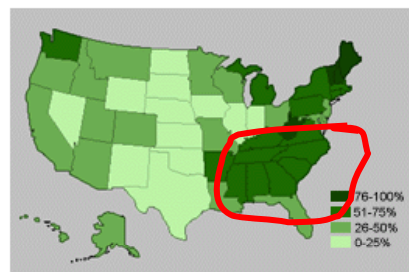
- User Imagery
- Product Related Attributes (e.g., color)
- Functional Benefits (e.g., durability)
- Experiential Benefits
- History and Heritage
- Brand Personality (Is it dull or boring??)

## North Carolina's Competitive Edge: NC is the Place

North Carolina is fiber  
bread basket

Forest Products is one of  
the largest industry  
in North Carolina

Intellectual capability  
exists in North Carolina



## Key Competitive Strategies in NC

- **Several key competitive advantages remain in NC's hands:**
  - Design
  - Domestic distribution
  - Catering to segments where timely delivery of high quality, customized products is key
  - Servicing (after market)
  - Even in imports, NC manufacturers and retailers are controlling the flow of goods and designs

Source: Tewari, Outsourcing In North Carolina's Furniture Industry, 2005

Branding

33

## Opportunities

- Material: Appalachian hardwood region
- Region's geography: Natural resource and beauty of NC
- Skill: Wood working has been in our history: Manufacturing is still one of the largest industry
- History: Furniture capital: Material and infrastructure as well as labor
- Increasing environmental consciousness for overall industry

Branding

34

## Problems and Challenges

- Quality and price perception?
- Job losses and loss of skilled personnel
- Lost markets and decline in consumption
- Support from Industry: marketing and branding campaign

## NC Wood Products Brand

- Identify the traits of the wood products, manufacturing capabilities/creative abilities, and **what people associate it with**
- Identify the **functional and emotional attributes** of both and identify a logo that deals with that attribute
- **Understanding of brand** by internal entities (Identify an industry organization that will be able to provide, administer and oversee the brand in case of "NC" brand)
- **Use** of the brand
- Integrated marketing **communication** (collaborative marketing in case of "NC" brand)

Questions?