

# Leadership in Forestry

## Information & Institutional Knowledge From A Marketing Promotions Perspective

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When it comes to Information and Institutional Knowledge, the New Zealand forest industry has truckloads of it. We're world-famous for how much we know about trees and things.

Even allowing for the way in which some of our best institutional knowledge has been decimated during two years of corporate and government clean-outs, much of the raw material remains intact. It's just been relocated to a new subculture of consultancies and self-employed experts, all selling back the knowledge and experience that the corporates so easily discarded in the cause of international competitiveness.

But I'm much more interested in offering some personal observations about Information and Institutional Knowledge as we apply it in the battle for the attention of the customer, particularly overseas. In that respect, I believe we are, generally, well behind the game. As I've just said, the forest industry is excellent at gathering information. But when it comes to using that knowledge to generate ideas and put them into action, we're pretty pathetic. We're certainly slower off the mark than many of our competitors.

One of the problems, I believe, is that industry has been overdosing on information for decades. We've spent millions in one way or another researching, analysing and reporting on prospects and perceptions in almost every corner of the world. There really isn't much of value that we don't already know about how the industry and its core products are viewed. Yet, like the information junkies that we are, we still go back for more.

Although Kevin Robert's star has dimmed somewhat of late, I believe the man is right when he screams at clients and their agencies to 'keep it simple'. We live not in the Information Age, but in the age of Information Overload, swamped with data and starved of understanding, says Roberts. There's so much information out there that securing consumer attention is both more difficult and, therefore, more valuable, than ever before. No matter what kind of business you are, your job today is competing for the attention of consumers, says Roberts. The fastest way to secure that result is through simplicity and clarity.

I'll come back to those points in a moment, but now I would like to share with you some extracts from a valuable document that came my way just the other day.

"The timber industry's record on promotion has left much

to be desired ... the relative weakness of promotional activities reflects the fragmented nature of the industry. Bringing together the resources of large numbers of relatively small companies for promotional purposes has always been an uphill struggle..."

"Added to that, political and competitive divisions within the industry have tended to encourage different sectors to carry out their own promotional activities, rather than support larger, over-arching initiatives..."

"Competition is intense and companies have focused on gaining market share from one another, while major threats to the market from outside the industry have been neglected..."

"A failure to promote has often been matched by a failure to develop and effectively market the unrivalled technical attributes of wood..."

(Rupert Oliver, *Tropical Timbers* newsletter, December 1998)

So you see, it's not just a 'New Zealand' problem staring us in the face. The wood producers and processors for the world are facing (or not) a major challenge – to protect market share for "Wood". It's going to take some clear and simple creative thinking to do that.

The extent of the challenge, particularly in the Northern Hemisphere, shows up in a consumer survey undertaken by the European Forestry Institute early last year. It polled public attitudes in the EU's major timber markets (Germany, France, Italy and the UK) and showed that:

- Managing forests as a source of timber was considerably less important than preservation of forests for environmental reasons
- Most people believe forests are in decline – caused mainly by poor forest management
- Young people are particularly dissatisfied with the condition of forests
- Scandinavian forestry is seen as more sustainable than all others

The survey confirmed that the British, German, Italian and French public all now have a very poor perception of forestry (as a business).

By contrast, an NZFOA survey in 1998 revealed a very positive New Zealand public attitude toward commercial forestry, particularly in the 'established' forestry regions of the central North Island, and in the 'new' territories like Otago and Southland. The survey found that forestry is recognised as a major



Tony Neilson addressing the conference

industry, that employment is the major contribution, and that plantations are sustainably managed. While there is good general awareness and understanding of the key issues – like the forest being replanted each year – it's sobering to know that the major reason for support is because the industry is seen to be a good creator of jobs. Regardless of the motivation, having such a strong level of (selected) public support is rare on the world stage and something that should be built on.

Going back to the European survey, the news there was not all bad. Public attitudes toward wood were extremely favourable. The majority of Europeans recognised the real attractions of wood and believed wood (including tropical wood) was generally more environmentally friendly than aluminium, steel and plastic.

So there you have it, an ad man's dream – a target audience already well disposed toward the product. But I don't see much evidence of us doing anything to take advantage of our advantage.

The Italians set out to with their Vero Legno (Real Wood) campaign to do something about appealing to consumer perceptions about wood. The campaign was launched in 1996 by 20 furniture manufacturers and has now grown to more than 100 'supporters', including companies in France and Spain. The campaign promotes transparency of wood products and invites consumers to look for the Vero Legno mark. According to my media contacts in Italy and France, the campaign is working.

The UK Timber Trade Federation came up with something similar a few years back, the creatively interesting *Think Wood* campaign. But it has never fulfilled its promise, hampered in particular by a serious shortage of promotional funding.

To the best of my knowledge, nothing that could be described as an industry-wide campaign of the *Vero Legno* or the *Think Wood* nature has ever been implemented by the New Zealand industry – here or internationally.

Maybe *Wood New Zealand* will be the answer? While I agree that it has the potential to be one of the better Big Ideas to come out of the industry, in my opinion it will not deliver a worthwhile return to its shareholders unless it is given the freedom and the resources to apply its major focus to capturing the minds of customers and consumers in our key markets. That will take some doing and will certainly require a more sustained effort than some of our 'commando-style' marketing promotions sorties of the past.

The challenge is even greater, in some countries anyway. A couple of months ago I did an interview with Meng Yong Ching, head of the research division of the Institute of Sciencetech Information at the Chinese Academy of Forestry. One of his colleagues had just told us that China could be importing 30 million cubic metres of wood a year before the end of this century. Rather excitedly, I asked him about the opportunities for radiata pine from New Zealand. His reply was that, "We are using less because Chinese do not understand radiata pine. They think it is nuclear pine. New Zealand pine is a much better name." The reason the Chinese think our wood has



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Chernobyl-like properties is because 'radiata' translates in Chinese as 'radiation' (Figure 1). This is a fact that I have certainly been aware of for at least 10 years, as would every member of the now defunct NZFOA Promotions group that did so much good generic promotion and technical support work in China in the late 1980s and early 1990s.

Figure 1



Just a few days ago, an email came through to our office from one of our magazine readers, an Australian-based Chinese log trader looking for product for a customer in Shanghai.

"I would like to tell you the details of the pine as follows:

"Not rotten ... without outside skin ... lower grade.

"I don't know the exact name of that type of pine, he said, but the buyer bought one ship from New Zealand before ... Do you supply this type of pine?"

You're obviously right, Gerald [Hunt] & Co, radiata pine is, indeed, a species with 'limited comparative advantage', particularly it seems, in China.

That's why I say enough. Stop this preoccupation with information gathering and data analysis. Stop making things so bloody complicated and let's get on with the business of being creative. The New Zealand 'wood' industry (along with the rest of the wood-producing world, it seems) urgently needs *Big Ideas*. These are marketing promotions solutions that will stand out in the international marketplace. Simple solutions with immediate consumer cut-through and delivering genuine, sustainable competitive advantage.

I'm sure you will all be mightily relieved to know that in that respect, I don't come empty-handed. I will finish by unveiling a couple of 'Big Ideas' that, if nothing else, will serve to illustrate the style and scale of thinking that I believe the industry needs.

Big Idea Number 1 is what I call the *Qantas Solution*. This is a simple, relatively low-cost idea that will immediately demand attention and shout creativity. Long before Qantas started daubing its international jets with Aboriginal art, at Neilson Scott we were playing around with a campaign idea using the hulls of the log boats as travelling billboards. "*Paint the things with plantation pine scenes*", we said to an industry group about 10 years ago, "*and brand it with something like 'Plantation Pine from New Zealand.'*" Imagine the media and industry attention the boats would have generated in foreign ports? It's still not too late.

Big Idea Number 2 is called the *Vegemite Factor*. This one addresses the 'brand image' of radiata pine and offers

a solution, or two. Very few brands have the essential qualities of instant recognition and clear, compelling meaning. But one that has always impressed me is the Vegemite profile. Not even 'Ash' could dislodge it.

Young and Rubicam in Sydney have been doing brand asset valuations since 1993, and the Vegemite profile consistently scores nearly 100 percent across all four of the core elements Young and Rubicam say make up a great brand.

Differentiation: A successfully different promise and tangibly different set of style values. (This one is the key)

Relevance: Personal meaning to the consumer (e.g. price, quality, performance)

Esteem: More about 'style', 'nationalism' (icon quality)

Knowledge: The combination of past and present consumer experience

All of this leads me to the shatteringly simple conclusion that we need a new brand/identity for wood from New Zealand, particularly if we want to get away from the low price end of the market and make a serious impact in Asian and other new markets.

*Radiata pine* is not a brand, and while *New Zealand Pine* is a definite improvement, it also lacks the essential qualities, sensations and descriptive powers that I think we should be looking for. So what about something like 'HoneyPine'? A brand name like 'HoneyPine' evokes so many attributes and sensations. It is instantly descriptive. It has style and warmth. It projects images of nature and life. It has real soul.

Now I know great ideas are like good cheese – they take time. But don't tax yourselves too much, because that's not my major purpose here today. I just hope some people face up to the fact that while we are very well endowed with Information and Knowledge. In a promotional sense, I think we are in danger of becoming the most boring collection of forest industries in the world.

People say to me, "*How is it that the wine industry gets so much more media coverage than we do?*" "*They must have better PR than we've got,*" they add without cruel subtlety. The answer is blindingly simple – the wine industry is 'sexy'. It abounds with great stories about 'Kiwi makes good', and it loves to 'talk up' the odds. It's creative.

But try and do that for the forest industry and you're either told to "\*\*\*\* off and mind your own business" ("*If I tell you that, all my competitors will find out*"), or every word is scrutinised by 20 people before it is released, resulting in a missed opportunity and deathly boring copy. While we're worrying over what we are going to say and how to go about it, the smart operators are already out there with their messages.

I believe the New Zealand forest industry needs to lighten up, and to let some 'ideas' people loose on generating some simple, attention-getting marketing promotions solutions that will deliver sustainable competitive advantage. We have the raw material to be the Vegemite of the global softwood products industry. All we need to add are the missing human elements: things like **Co-operation**, **Courage** and the **Commitment** to make it happen.