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Branding strategies in the wood-working industry: Country experiences

Davide Pettenella
University of Padova - Italy
Paper organisation

1. Definitions: brand, brand name, logo
2. Brand management
3. Branding by SMEs
4. The use of forest and wood images for branding
5. Final remarks
1. Definitions

- From a **supply side**: A **brand** is a name, term, design, symbol, or other feature that distinguishes products and services from competitive offerings (American Marketing Association)

- From a **demand side**: a **brand** represents the consumers' experience with an organization, product, or service (The Chartered Institute of Marketing)
Brand: brand name and logo

**Brand name** = a written or spoken linguistic elements of a brand. Normally a brand name has a **trademark** registration which allows to protect proprietary rights.

**Logo** is the graphic element associated to a brand; it may be a symbol, a word or a combination of them.
Brand, brand name and logo

Companies normally associate a brand to a slogan

And sometimes to a mascot, a jingles or a reference product
Brand name: IKEA
Logo: IKEA
Slogan: “IKEA furniture, more than life”
A reference product: [Image of a red chair]
2. Brand management

The role of branding in the marketing mix: the 4 Ps of P. Kotler:

- **Product**
- **Price**
- **Promotion** (advertising)
- **Place**

A brand associated with a product or service should have certain qualities or characteristics that make it special or unique into the consciousness of consumers.

Consumers’ loyalty

Products attributes

Products prices
Brands as communication tools

A brand may communicate 4 elements (e.g. Mercedes):

- **Attributes**: “long lasting”, “prestigious”, “expensive”
- **Advantages**: “I will have not to buy a new car for five year if I am travelling in the Balkan”, “when I meet my clients they perceive me as a well-off partner”
- **Values**: high performances, safety, prestige
- **Personality**: “if this brand were a person, it will be a middle age, wealthy businessman” (= *target market*)
A good brand name should:

- be legally protectable
- be easy to pronounce
- be easy to remember
- be easy to recognize
- attract attention
- suggest product benefits or suggest usage
- suggest the company or product image
- distinguish the product's positioning relative to the competition.
## Types of brands/branding

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Shiro Fruit Paper

General
From tasty oranges, juicy grapes and yellow corn comes Fruit Paper. By cleverly combining FSC fibres with fibres from fruit processing residues we have created a unique range, where the energy and vitality of fruit are transformed into brilliant and intriguing colourful papers.

Have fun! Fruit Paper, paper with a serious twist.

Applications
This innovative and colourful range with peculiar story is here to inspire you!
Trendy paper for trendy stories - let yourself go and create: advertising material, presentation material, reports, brochures and covers, cards and menus, invitations, inserts, media packs...

Features & benefits
• innovative paper in trendy colours
• fruit particles still visible on the paper!!
• unique in its looks and content
• manufactured with FSC certified fibres
• manufactured with 100% green energy - energy from renewable sources

Technical Characteristics
• Acid & Chlorine-free
• pH neutral
• Suitable for copy, fax, laser, inkjet, litho laser and litho inkjet

Download specification overview here
Fast Service (Italy only)
Please let us know if you need further information!
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<td>Private (store) b.</td>
<td>When large retailers buy products in bulk from manufacturers and put their own brand name on them.</td>
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Attitude branding

- A brand sometimes represents a feeling, which is not necessarily connected with the product or consumption of the product at all.
- Marketing labelled as attitude branding includes that of Apple, Nike, IKEA, and The Body Shop
Brand extension

An existing strong brand name can be used as a vehicle for new or modified products; for example, many fashion and designer companies extended brands into fragrances, shoes and accessories, home textile, home decor, luggage, sun glasses, furniture, hotels, etc.
A special brand extension: line extension

- There is a difference between brand extension and line extension.
- When Coca-Cola launched "Diet Coke" and "Cherry Coke" they stayed within the originating product category: non-alcoholic carbonated beverages.
Multiple brands

- In a market fragmented with many brands, a supplier can choose to launch new brands apparently competing with its own, extant strong brand (and often with an identical product), simply to obtain a greater share of the market that would go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give garner a greater, overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one).

- In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.
Generic products vs branded products

At the same time, generic (that is, effectively unbranded goods) have also emerged. These made a positive virtue of saving the cost of almost all marketing activities; emphasizing the lack of advertising and, especially, the plain packaging (which was, however, often simply a vehicle for a different kind of image).
Retailers brand

- With the emergence of strong retailers, the retailer's own branded product ("private brands") emerged as a major factor in the marketplace.
- Where the retailer has a particularly strong identity (such as IKEA, Marks & Spencer, Home Depot, ...) this private brand may be able to dominate those companies which are not otherwise strongly branded.
Brand recognition

A brand which is widely known in the marketplace acquires brand recognition. When brand recognition builds up to a point where a brand enjoys a critical mass of positive sentiment in the marketplace, it is said to have achieved brand franchise.

One goal in brand recognition is the identification of a brand without the name of the company present.
In the wood-value chain the brands with a large international recognition are those of the retail sector.
Best global brands = large concentration in few countries
3. Branding by SMEs

Branding a small business is essentially the same thing as a larger corporation, the only difference being that small businesses usually have a smaller market and have less impacts than larger brands.

The real difference is in the potential in funding communication activities.
Branding by SMEs

- **Co-branding**: when two or more brands work together to market their products
Co-branding and Cause-related marketing: a type of marketing involving the cooperative efforts of a "for profit" business and a non-profit organization for mutual benefit.
Branding by SMEs

- Co-branding: when two or more brands work together to market their products
- Brand licensing: when a company sells the rights to use a brand name to another company for use on a non-competing product or in another geographical area
The “ecological panel” by the Saviola Group (a particleboard made totally from recycled final used wood products)
Branding by SMEs

- Co-branding: when two or more brands work together to market their products
- Brand licensing: when a company sells the rights to use a brand name to another company for use on a non-competing product or in another geographical area
- **Collective brand** (umbrella mark): an homogeneous cluster of companies make use of a common brand
Development of a common brand

A common brand may be based on:
- Quality standard
- A common territory
  - A region
  - A country: national brand
- A common business
- A common objective

Developed by:
- Public institutions
- Private organization
- Partnership
Brands (ecolabels) defined by public institutions

- EU Ecolabel
- EMAS
- Registration of industrial sites
- Environmental Products Declaration
 Normally voluntary brands, but starting from 2007 compulsory CE mark on wood used in construction
Examples of collective brands defined by private organisations

→ Common standards: well-managed forests
Private initiatives

SMEs in Veneto Region – Italy
2,700 companies; 18,400 employees
A special territory (e.g.: a National Park)
## Environmental declarations (ISO 14020)

<table>
<thead>
<tr>
<th>Type</th>
<th>Contents/objectives</th>
<th>Control systems</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type I</td>
<td>To recognize in a credible manner the excellence of environmental performances of a product</td>
<td>Third party Certification</td>
<td>EU Ecolabel</td>
</tr>
<tr>
<td>Type II</td>
<td>To present some of the environmental characteristics (as defined by a company) of a product</td>
<td>First party declaration</td>
<td>Recyclable; “Ecological panel“ by Saviola Group</td>
</tr>
<tr>
<td>Type III</td>
<td>To present in a transparent manner all the environmental characteristics of a product</td>
<td>Third party Certification</td>
<td>Environmental Product Declaration</td>
</tr>
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</table>
Branding a nation

The top ten ranking of the national brands is:
1. UK
2. Switzerland
3. Canada
4. Italy
5. Sweden
6. Germany
7. Japan
8. France
9. Australia
10. United States

Source: Anholt survey

Slovakia: “A small country with a big heart“
Hungary: “The essence of Europe“
Slovenia: “The green piece of Europe“
An example of national brand: “Serbian furniture”

(source: Borislav Vukovic, 2007)

- 6 leading wood industries* from the Serbian Furniture Cluster, following a successful presentation at the international fair in Moscow in 2003 and in 2004, supported by USAID, developed the brand “Serbian Furniture“

- The long-term goal of the project reinforce the domestic demand for Serbian furniture, enhance foreign investments in the sector, present their products on the international markets

(*) Eurosalon (Belgrade), Kopaonik (Kursumlija), Modul (Nis), Trifunovic (Pranjani), Saga (Belgrade) and Sava (Hrtkovci)
<table>
<thead>
<tr>
<th>Name</th>
<th>Country/ies</th>
<th>Starting year</th>
<th>Logo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue angel</td>
<td>Germany</td>
<td>1997</td>
<td><img src="image" alt="Blue Angel Logo" /></td>
</tr>
<tr>
<td>Nordic swam</td>
<td>DK, FIN, N, Sv, Isl</td>
<td>1989</td>
<td><img src="image" alt="Nordic Swam Logo" /></td>
</tr>
<tr>
<td>Marque NF - Environnement française</td>
<td>France</td>
<td>1992</td>
<td><img src="image" alt="Marque NF Logo" /></td>
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<tr>
<td>Milieukeur</td>
<td>Holland</td>
<td>1992</td>
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4. The use of forest and wood images for branding

Forest and wood: common and effective images used by a lot of companies in branding

(but not so much from companies of the wood-working sector!)
5. Final remarks

SMEs branding: an old technique!

Source: Laner, 2006
What is changed from the old times? Which are the causes of success of branding?

“We became rich with information, but poor with time”

→ Consumers need clear, simple, quick market signals

The best way to satisfy this need is to match clients’ expectations with an **external performance** that coincides with the company’s inner culture.
A transparent behaviour, continuously oriented to improvement, is in the long run the best way to raise the company’s reputation, the brand value and the clients’ loyalty.