

Wood Products Marketing and Design in Canada: From Humble Potato to *Gratin Dauphinois*

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Abstract

The hardwood industry could be characterized as conservative. Over the years, international exports by the Quebec Wood Export Bureau have been B2B (Business to Business). It conducted an experiment to promote hardwood products to a new clientele: designers, architects and other contract givers. (www.canadahardwoods.com)

Introduction

Since we are by no means experts on potato farming, we will not dwell on the subject for very long. However, there are many similarities between potatoes and hardwood lumber, although they may not be obvious at first.

The history of the potato started about 8,000 years ago. Hardwood lumber also has a very long history. There are some 200 wild species of potatoes on the American continent. What about the hardwood species found on the planet? The Huari Empire was able to prosper in the Ayacucho Basin after its food security was ensured by corn and potatoes, and supported by the development of agriculture. After building houses out of softwood, our ancestors built furniture, tools and useful objects out of hardwood from deciduous trees. After having satisfied their basic needs, they were able to improve both growing methods and the species. According to a document from the secretariat of the International Year of the Potato (designated by the Food and Agriculture Organization of the United Nations), the potato is a versatile food and can be prepared in a variety of

ways: baked, mashed, fried, as fritters, *gratin dauphinois*, etc.

Why talk potatoes before getting to the heart of the matter? Simply because after many years of promoting hardwoods around the world with the usual tools, we can't find any more arguments to distinguish the product from that of the competition. We mentioned to our members that it is always easier to sell a *gratin dauphinois* than to sell a humble potato. In other words, it is always better to sell an achievement, a dream, a creation, rather than raw materials.

The Quebec Wood Export Bureau (Q-WEB) is a private non-profit organization with the mandate of promoting its members' products on overseas markets. We could almost say that it is a federation composed of independent sectors that determine their budget and activities. The following products are offered by Q-WEB members: softwood lumber, factory-built wood-frame houses, structural components, hardwood lumber and wood flooring.

This experiment was conducted for and by the hardwood sector of our association,

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mainly sawmills that buy logs in Quebec and/or the United States. We make no claims that our approach or experiment is purely scientific. It is based on scientific premises but also on perceptions, human nature and real-life experiences.

In Canada, the wood industry is very conservative. Its distribution networks have been established for many years and are part of corporate strategies. Since these networks take so long to implement, it is rare for sawmills or wholesalers to change their distribution strategy. A well-established trademark has lost some of its popularity in recent years. Its life-cycle was not analyzed. Over the years, hardwoods have virtually become a commodity. It therefore became important to do something to give our trademarks – sugar maple and Canadian birch – the recognition they deserve.

International competition, the relative reduction of transport costs, and new products and clients are pushing manufacturers and importers to offer new types of wood. The number of new species available on the market has been steadily growing in recent years, and the popularity of traditional Canadian species like the sugar maple has dropped. The consumers' preference for dark colours was also responsible for a decline in market shares for Canada's favourite tree.

For Canadian and especially Quebec industry members, the United States is considered an integral part of the local market. Therefore, few businesses have put any special strategies in place for the North American market. Since the mandate of Q-WEB is to promote its members' wood products on overseas markets, we wanted our process to be international. It therefore did not take the North American market into consideration.

Marketing principales

The Segmentation of Industrial Markets

For years, the two main market segments Q-WEB took an interest in were: the manufacturers segment, either flooring or furniture, and the distributor/importer segment, particularly in Europe and Asia. The interest for one of these segments came from the strategy adopted by the sawmill or wholesalers. For each business, the segmentation for the local network could be different than that for the export network. Q-WEB is dependent on its members for selecting the market segment.

Trademark Management

When talking about lumber, it is very difficult to talk about a trademark. Each of Q-WEB's member businesses has its own trademark, logo and reputation. But the work of this association consists of promoting the species and, to some extent, our members' products. We must therefore make a much larger place for the trademark: sugar maple. For consumers, a trademark has the following advantages:

- Helps identify products
- Creates a common identity
- Gives a more human dimension to products
- Guarantees constant quality to the client

Communication

We initially opted for direct communication with the usual market segments. Then we modified our strategy by presenting the "maple sugar" product to potential buyers and visitors in general at commercial trade shows. At first we chose a softer strategy by trying to stimulate buyers of our usual segments to come back to a trademark they knew and had used in the past. This modified strategy was somewhat successful. The main limitation of an association is that it must satisfy competing businesses that sometimes work in different niches. We therefore had to modify our strategy to promote another trademark: Canadian birch.

This separation of products allowed us to take a step back and find generic promotional tools for the subsequent step. But it created a bit of a delay in the implementation of the rest of the communication strategy.

The market segments (manufacturers and importers/distributors on overseas markets) usually targeted by our association were very difficult to reach through newspapers or magazines. In Europe, for example, few newspapers target all market segments. On the other hand, Japan, because of its highly developed wood culture, small land area and single language, can easily reach a large number of potential clients with two publications. By modifying our market segment, we thought it would be beneficial to use a specialized design magazine to promote our wood.

Alternative Communication Technique

Sawmills and wood merchants may be conservative, but so are their clients. Therefore, by modifying our market segment to interest designers, architects and other creators, we could try to reach them using a modern tool more adapted to today's communications: the blog (www.canadahardwoods.com). This tool is associated with a database of people we have met over the years, designer associations, etc.

The blog itself is independent of Q-WEB (www.quebecwoodexport.com), since the current Q-WEB website is not related to the communication strategy for the sugar maple trademark. In a few months, the site will present a new image and focus more on "push marketing" rather than simply offering information as it does now. We will then proudly display a link between the two entities.

Method

After deciding to modify our trademark promotion strategy, we hired a team of Japanese designers to create a stand featuring the sugar maple. Our order was relatively vague. We needed a stand that would attract people's attention, fit into a 9 m² space and promote the trademark called sugar maple.

We would not talk about the product: sugar maple. We did not want to promote wood, the board per se, as we had always done, but rather the trademark, which a client could put on his T-shirt and recreate the images brought to mind by the trademark. For example, this is a chair. This is a chair made of sugar maple! An acquaintance tells you they bought artwork by Riopelle. People who know the Riopelle "trademark" will say "WOW!" even if they haven't yet seen the painting, which may not be to their liking! For the sugar maple trademark, we wanted people to associate the sugar maple trademark with a design that was beautiful, contemporary and daring.

The "Chashitsu" was born out of this approach. This modern representation of a Japanese tea room, paired with a display unit, was exhibited for the first time in Tokyo at the IPEC 21 trade show in 2004.

The "Chashitsu" won first prize at this show (Grand prize – Designer Showcase). It was then shipped to the January 2005 Paris Furniture Exhibition. For the occasion, we put our "*gratin dauphinois*" on display at a tea ceremony. The stand attracted a lot of visitors.



The “Chashitsu” to promote sugar maple (2005 Paris Furniture Exhibition)



Traditional Japanese tea room

Naturally, we noticed no growth in consumer interest for maple in France after this one-time activity. France not only produces wood, it also exports it. What we accomplished was to benefit from the international aspect of the event and the Exhibition’s excellent reputation.

However, we had a considerable impact in Japan where the largest wooden housing construction company in Japan, Sumitomo, did a promotion of houses made of 100% maple (Super Natural Maple House). Floors, cupboards, woodwork, etc. were all made of maple. They built over 1,000 houses. The

analogy between the product and the trademark applies well here too. The Sugar maple trademark sold these houses. The clients saw the link between the Canadian flag, maple syrup, the virtues of maple wood (colour, hardness, natural, and low emission of volatile organic compounds.)

The following year, our mandate was slightly different. After the success of promoting the “sugar maple” trademark, our members asked us to promote Canadian birch. We have two types of birch in Quebec – white and yellow.

We contacted the same group of Japanese designers. They proposed what they called Happy Birch Day (2006). We had two units made, one for the European market and another for the Japanese market. The first



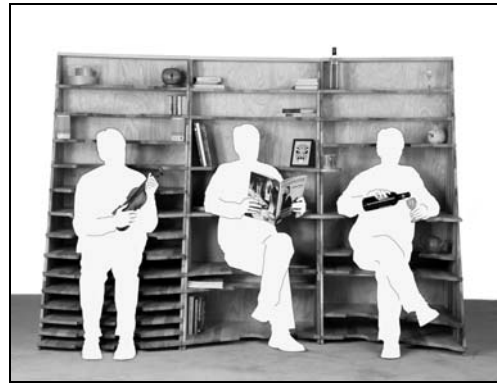
Japanese version of Happy Birch Day

Outside of Japan, this étagère was exhibited at the German trade show, imm-Cologne (January 2006) in the section *[d³] design talents*. There was major interest in the piece, but because of its special design, people didn't quite know how to use it and what it was for. We realized that usual trade show practices had to be sidestepped and we did what we were not supposed to do...we sat down during a trade show. Then people stopped at the stand. We also exhibited it at the Milan, Italy show (Milano Salone, April 2007), and had the opportunity to showcase the Japanese version of this piece in a Tokyo store for almost two months (Tokyo Hands Ginza, from March to April, 2008). Since July 2008, it has been proudly displayed at the Wood and Plywood Museum in Tokyo.

The strategy of using such objects/display cases was to attract people to the stand so that we could not only tell them about the qualities and virtues of the trademark – sugar maple or Canadian birch – but also show them that our wood can be very appealing by using a catchy design.

Wiser because of these two experiences, we asked our favourite designers to present a more classical piece of furniture to promote the two trademarks. We suggested chairs,

featured the wood's character marks, colour variations, etc. The second, to satisfy Japanese taste, was made with 100% clear wood.



European version of Happy Birch Day

low tables, small cabinets, and so on. They decided on chairs.

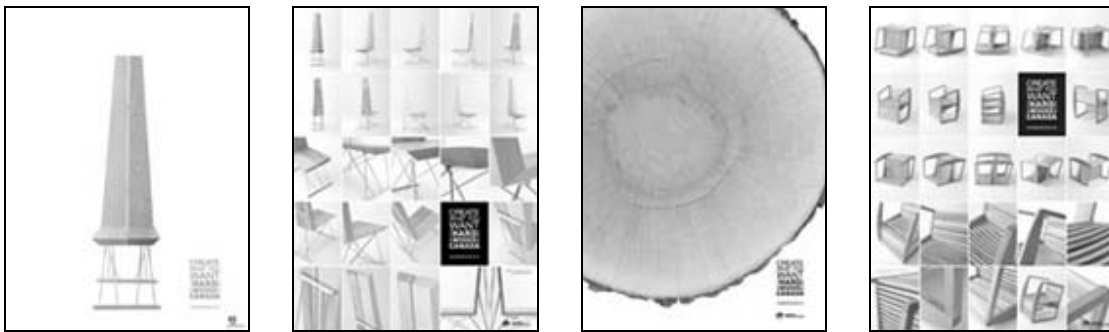
The advantage of chairs is their usefulness. A few people offered to buy Happy Birch Day but it is not the ideal piece of furniture for a person's living room. It would also have been difficult for us to do a more general promotional campaign with an object that interested people more because of its particular look than its usefulness. Finally, all designers know that a comfortable and eye-pleasing chair is a great challenge.

Finally, armed with our FOUR chair and our HASHI chair, we started our promotional campaign in the French magazine, *Intramuros*. This magazine had a quite a large distribution. (33,000 copies read by about 132,000 people; 80% of the readers are architects, designers or members of the fashion industry). Finally, to try to measure the impact of our campaign, we included the blog address in the ad.

We chose a sober campaign in which the object took centre stage, in order to show that these trademarks adapt well to today's designs. The logo helps convey that the chair isn't the important point, but rather the

wood. It is very difficult to sell a trademark in a B2B context without falling into old paradigms. We could have shown trees, the forest and chairs. But we did not want to associate the wood with an environmental approach and the logging controversy. It is important to present just one message at a time. It was out of the question to present a package of lumber because that would have brought us back to the potato concept, although a package of lumber with a chair on top would have been interesting.

One of the reasons the blog was created was to measure the impact of our ad in the magazine. But we also wanted a media link with the target clientele. We could have created a page on Q-WEB's website, but as mentioned earlier, this site is very technical and not particularly aimed at clients who are unfamiliar with our trademarks. The blog was therefore meant to offer a continuous and modern link to potential users of our trademark. And we must admit, the cost of a blog is much lower than that of a magazine ad.



Publicity that appeared in the *Intramuros* magazine.

Results

It is very difficult to prove that our actions have resulted in increased sales. If we look at export statistics, there is at least a one year delay. However, we can be certain of the increase in the case of the houses built by Sumitomo, since its managers confirmed that Q-WEB's campaign, aided by the Chashitsu, had a major impact on sales.

The campaign in the *Intramuros* magazine can be partially measured by the number of direct visits to the blog

(www.canadahardwoods.com). According to the Google Analytics tool, 84% of visitors go directly to the site. We could conclude that a large number of these people saw the site's address because of the campaign.

The blog was started in January 2009. Since then, we have been regularly adding articles. We have not put much energy into promoting it. That will certainly be the next step. The following table shows the blog's performance and variation in relation to similar sites.

Element	Performance	Benchmark	Variation
Visits	748	98	+663%
Page views	3,424	179	+1812%
Pages /Visit	4.58	1.82	+152%
Bounce rate	38.9%	39.26%	-0.91%
Avg. Time on site	4:16 (minutes)	0:13 (seconds)	+1853%
New visits	48.66%	57.49%	- 15.53%

(Source: www.canadahardwoods.com, Google Analytics, from January 2009 to July 2009)

It is worth pointing out that despite a modest distribution, we reached readers in 27 countries. Canada tops the list, followed by France, the United Kingdom and India. France and the United Kingdom are countries where the *Intramuros* magazine is distributed regularly. For India, we must admit that we sent invitations to people we met over the years.

The blog will soon be translated into Mandarin to interest the Chinese, who are increasingly becoming buyers of our products for local consumption.

Discussion

In the book *Cluetrain Manifesto*, which was first published in 2000, the opening thesis reads as follows: “Markets are conversations.” In the latest edition, one of the authors modified this statement by saying: “Markets are relationships.” It takes at least two people to establish a business relationship. It is especially important to inform clients that the product exists, and then convince them that it is the right product for them. Despite the fact that the sector is very conservative, this aspect of marketing is very well understood by sellers and marketers in B2B sales.

We have therefore always focused our actions towards the person (potential client), both at trade shows with brochures and small corporate gifts, or on the blog and in the ads.

An association like the Quebec Wood Export Bureau has the mandate to work only on certain aspects of the marketing plan. In this project, we tried to give a bit of momentum to the life cycle of the sugar maple trademark. We wagered that demonstrating the glamorous aspect of the species rather than presenting its intrinsic virtues would breathe new life into the trademark. Unfortunately, we cannot work on distribution directly. We can refer people to distributors or manufacturers, but the

client must still go through a relatively complex process before having access to the desired trademark.

The sales price is also relatively high, so we must target upscale products or designers. That is why we opted for a high-quality magazine, exclusive designs, etc.

We are very happy with the results of the blog. We could not have hoped for better traffic. In fact, visitors to the blog stay a long time and read several pages. In the coming months, we must work on geographical distribution and the number of visitors.

Conclusion

The actions we took are based on the science of marketing, but they cannot be considered scientific out of respect for all the researchers who do the inspiring work on which we try to base our actions.

However, we believe that few organizations like ours and few businesses have tried the experiment of giving new life to a trademark, a wood species no less, with a very limited budget. The special nature of the sugar maple allowed us to work this way because it symbolizes Canada, a country associated with nature, wide open spaces, etc.

Eventually, we will try an experiment in Quebec to locally promote sugar maple to the general public. We are very proud of the opportunity we have been given. Due to the amount of money involved, we could never conduct such a campaign on overseas markets.

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