

Branding Northern Forest Wood Products

Executive Summary

This study examined how the perceived attributes of Vermont and the broader Northern Forest¹ influence consumers' purchasing decisions. The objective was to determine if Northern Forest wood products could be branded for profitability. The success of a Northern Forest brand lies in the ability for the brand name to separate a product from commodities and to differentiate the product from its competitors. Therefore, this study focused on *how* consumers use a brand in purchasing decisions and *why* they connect with a place-of-origin label. Understanding how different state and regional brands resonate with consumers is vital in developing an effective marketing strategy that gives the Vermont Secondary Wood Products Industry (VSWPI) a competitive advantage in a niche retail market.

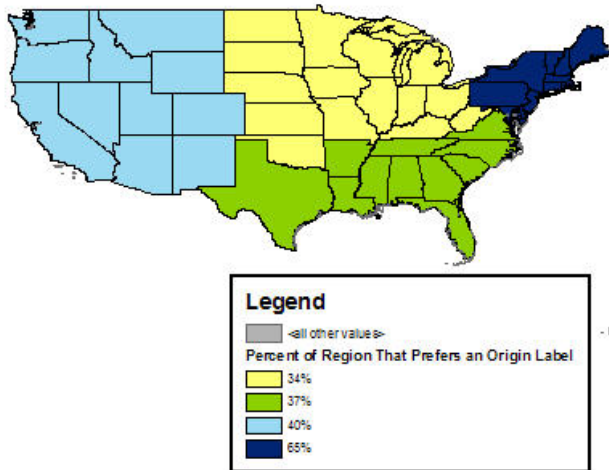
Project Questions

- How does knowledge of the Northern Forest's geography, culture, heritage, and tourism opportunities influence consumers' evaluation of wood products?
- Is there a niche market for branding Northern Forest wood products?
- What does the Vermont brand mean to consumers?
- Can a brand command a premium?
- Will a state brand be more influential than a regional brand?

General findings for Northern Forest brands

A nation wide survey of 675 households revealed that branding Northern Forest wood products could be an effective marketing strategy. As illustrated in Map 1, preference for furniture with a state or regional brand is strongest in the northeast.

Map 1: Percent of region that prefers a Northern Forest brand



Having visited New England's Northern Forest region is a significant factor in estimating the demand for Northern Forest wood products. The brand effect was greatest for people who live in New England's Northern Forest states (87%), followed by people who have previously visited the region (70%), and weakest for those who haven't visited (30%). Thus, the place where wood products are made is important to consumers when making informed purchasing decisions.

Findings for Vermont Brand

Respondents preferred the Vermont brand (16%) compared to either the New Hampshire (3%) or Maine (10%) brand for furniture. We conclude that the Vermont brand is stronger than other Northern Forest brands for several reasons. First, more individuals reported the Vermont brand as very influential (67%) in purchasing decisions compared to other Northern Forest brands (58%). Second, individuals who have already purchased from the Northern Forest region are **2.5 times more likely** to choose a

Vermont brand over other Northern Forest origin labels. Thus, *previous experience with products* from the region is important. Third, respondents' positive perception of the Northern Forest region translates into more purchases for Vermont labeled wood products compared to other origin labels. Vermont's reputation for natural beauty (geography) and traditional values (cultural) may have a greater impact on purchasing decisions than other states' attributes. Finally, Vermont branded furniture may command up to a **6% premium** above other Northern Forest origin labels.

"Craftsmanship" was the number one attribute customers identify with Northern Forest branded wood products. We also found that respondents identify attributes of quality and craftsmanship more with the "Made in Vermont" (87%) label than with "Made in Northern Forest" (38%) or "Made in USA" (54%) labels.

Vermont brand is a search attribute, but it doesn't replace quality style or price

"Well if you're asking if I look where furniture is made when I am purchasing furniture...to some degree I do. But it's not the first thing I look for. My decision is based on those three things; 1) quality, 2) style, and 3) price. Having said that, where the product is made like a "Made in Vermont" label will attract me to the piece and maybe some of the characteristics of the piece, and attributes such as quality that I perceive are affected by me seeing the Vermont label."

After quality attributes, consumers identify the Vermont brand with *emotional* ties to the region. Individuals who have visited the Northern Forest region on vacation are **2 times more likely** to choose a Vermont brand than those who have not visited.

Vermont brand is an indicator of quality

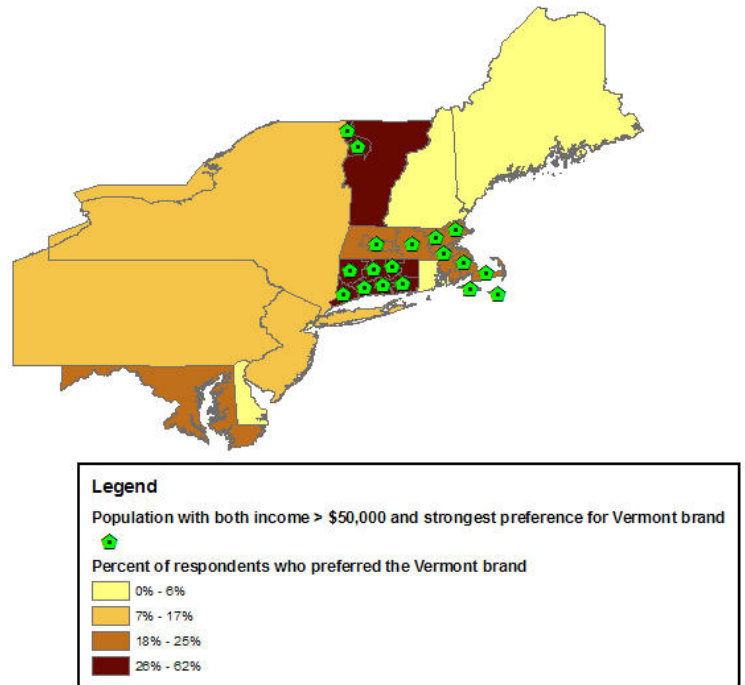
"When I see a "made in Vermont" label I think of craftsmanship and product quality. I think of the individual woodcrafter working away in his workshop. That is a rare quality today with so many things mass produced. But I think mostly of hand craftsmanship and quality."-Respondent at Fine Furnishings Show, Providence, R.I.

Marketing Implications

Marketing to the tourist population in Vermont should be a priority for the industry. Product quality is the number one motivator for choosing a Vermont labeled wood product, but individuals also choose the Vermont brand because it tells a story. The majority of consumers who preferred a Vermont brand identified the region with characteristics such as hardworking values, tradition, natural environment and memories of past vacations. Promoting these brand attributes to individuals with a “place” connection to Vermont will capitalize on the *emotional* cue that customers look for in making purchasing choices.

Opening retail stores in urban areas represented with pentagons in map 2 will reach a consumer population that not only has the strongest preference for the Vermont brand, but also may have the disposable income to afford the quality products crafted in Vermont. If opening retail stores is not feasible, advertising campaigns or promotional activities should take place in these areas.

Map 2: Northeast states where 25% or more of respondents preferred a Vermont label and live in counties with a median income >\$50,000



Conclusions

General Northern Forest Brand

- “Made in New England” is preferable to “Made in Northern Forest.”
- Use the same descriptive words, under a unified campaign, for all types of wood products (e.g., craftsmanship, lasting value, authentic).
- Market to individuals who visit Northern Forest. Preference for a brand from New England’s Northern Forest increased as number of visits to the region increased.

International or National Markets

- Although respondents outside of the Northeast were least likely to choose a brand from New England’s Northern Forest marketing at the national and international level is vital to the industry’s economic sustainability.
- Woodcrafters would benefit the most from a regional brand, such as “Made in New England.”

Northeast Markets

- Maine and Vermont would benefit the most from a state brand.
- New Hampshire may benefit the most from a regional brand.
- Vermont branded furniture may command up to a 6% premium above other Northern Forest origin labels.
- Urban areas in New England counties with a median income above \$50,000 meet the profile of the consumer most likely to purchase Vermont branded furniture (see map 2).
- Marketing to the tourism industry in Vermont is one of the most important factors for increasing sales.

This report is a summary of findings from a two-year research project. For a comprehensive report that includes methodology, findings and conclusion please contact Vermont Wood Manufacturers Association (VWMA). The Northeastern States Research Cooperative funded this study. Project collaborators: Vermont Wood Manufacturers Association (VWMA), UVM’s Center for Rural Studies, Department of Community Development & Applied Economics, UVM Extension, and the Vermont Tourism Data Center. ¹ For the purpose of this study, the Northern Forest region is defined as the states in New England’s Northern Forest. These are Maine, New Hampshire, and Vermont.