“COMPARISON OF MARKETING STRATEGIES FOR WOOD IN SMALL FOREST COMPANIES AND FAMILY BUSINESSES IN PORTLAND, OR - USA”

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1. BOLIVIA

- Located in the hearth of South America
- Has 53 million hectares with woodland
- 50% is tropical and subtropical, is part of Amazon basin
1. Situation in Bolivia about marketing of wood

- Bolivia sustainably manages its forests; indigenous people, private companies, local and national government.

- The private companies manage their forests “forever woodland”: 1) economically viable, 2) low environmental impact 3) benefit to society.

- Bolivia’s forest industry includes sawmills, plywood, a reconstituted panel industry and value-added products.

- The economic output value is about $150 million per year.

- In Bolivia the marketing strategies in wood has not developed yet.
2. OBJECTIVE

2.1 General objective
Compare how small forest companies/family forestland owners market their wood to develop a general strategy for marketing wood.

2.2 Specific objectives
- To identify what markets for wood forest companies access.
- To compare the types of marketing that each forest company does.
- To develop strategies for marketing of wood for family forestland owners.
2.3 Literature

What is marketing?
The AMA defines marketing as “the performance of business activities that direct the flow of goods and services from producer to customers or user”

Aspects of marketing:

- Understanding of customers
- Analysis and knowledge
- Matching a product
- Marketing requires
- What is the role competition
- Customers are buying
- Develops strategies

(Reference: Reibstein D.)
2.4 Marketing strategies

Include the activities of finding a competitive advantage.

In the forest sector pursuing a sustainable competitive advantage.

(Reference: Hansen E.)
2.5 Components of marketing strategies

(Reference: Hansen E.)

2.6 General strategies of marketing

1. To offer same product to the same market.

2. To offer new products to the same market.

3. To offer the same product to new markets.

4. Diversification, or offering new products in new markets.

(Reference: Reibstein D.)
3. METHODOLOGY AND MATERIAL
The research methodology was divided in four phases for the collection and information gathering.

Phase I
- To approach the object.

Phase II
- Surveys.

Phase III
- Implementation of work in the study area.

Phase IV
- Cabinet work and tabulation.

Conclusion

Lessons learned

Company Name: Shinnecock Tree Farm
Type of Business: Sake Producer

Survey questions:
1. What is the marketing strategy for your company?
2. What are the strengths and weaknesses of your marketing strategy?
3. What size would you classify your company as: small, medium, or large? Why? And do you compete with other businesses in the same category?
4. How much competition do you have for your product?
5. What is your primary source of income?
3.1 Implementation of work in the study area.

- Interview with the people (WCSWA)
- Involved in the tree farm and marketing tours.
- Online research.

3.2 Distributed surveys/questionnaires

- 12 open questions.
  What is the marketing strategy for your company?
  What are the strengths and weaknesses of your marketing strategy?
  What size would you classify your company as: small, medium, or large? Why? And do you compete with other businesses in the same category?
  How much competition do you have for your products?

- Interviewed and/or surveyed a total 25 persons.
4. RESULTS of SURVEYS

Example of survey results:

<table>
<thead>
<tr>
<th>NAME OF COMPANY:</th>
<th>Bauder Family L.P</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE OF BUSINESS:</td>
<td>Timber Grower tree farm</td>
</tr>
<tr>
<td>SIZE OF COMPANY:</td>
<td>small, no employees</td>
</tr>
<tr>
<td>PRODUCT:</td>
<td>Pallets.</td>
</tr>
<tr>
<td>MARKET FOR HIS PRODUCT:</td>
<td>locally, local mill</td>
</tr>
<tr>
<td>DISTRIBUTION AND AVAILABILITY:</td>
<td>Retails and wholesalers and direct customers.</td>
</tr>
<tr>
<td>KIND OF MARKET:</td>
<td>specific customers</td>
</tr>
<tr>
<td>COMPETITION:</td>
<td>forest small companies and others small business</td>
</tr>
<tr>
<td>CUSTOMERS- BUY YOU PRODUCT:</td>
<td>good quality</td>
</tr>
<tr>
<td>COMPETITIVE ADVANTAGE:</td>
<td>Good relationships with their customers.</td>
</tr>
<tr>
<td>CURRENT MARKETING STRATEGIES:</td>
<td>Good price for product available, maintain communication with the buyers.</td>
</tr>
</tbody>
</table>
100% answered as: small forest companies

- No employees.
- Small Family Corporation.
- 140 acres or 200 acres.
- Mostly young trees.
2. Where do people sell their wood?

The first market for the families business is locally. They sell their products to local lumber mill, local mills.

![Pie chart showing the market for wood products]
- 80% Local mills
- 12% Into Oregon State
- 6% Other State
- 2% Export
3. Distribution and availability of wood product on the market

- The distribution of wood products is directly to the customer also the distribution is through retailers and wholesalers.

- When they sell for local customers they prefer to sell directly and when his market is other state or even to export they uses retailers.
4. Market towards specific customers?

Segment of the market:
- 84% General market
- 11% Specific market
- 5% Both market

Family business or small forest companies:
- Local buyers
- Trust between purchaser and seller
- Good relationships with his customers
5. Competition for the wood products?

Actually in the wood market the competition are big industries, other small forest companies, other family businesses, etc.
6. Why do the customers use or buy their product?

All customers are happy with the product for different reasons: the quality is good, the cost is inexpensive, the product is local, etc.

Happy customers
7. The competitive advantage in family business and small forest companies

- Being a local producer, because the company has knowledge about the market.
- Good relationship with their customers.
- Good quality of wood, good raw material.
- In some cases they think that they do not have a competitive advantage.

The competitive advantage

The competitive advantages are those things that you can do better than the competition, thereby differentiating you and your product.
8. The strengths and weaknesses in the marketing of wood?

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge about the market/ wood market</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Access to wood national and international information.</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Promotion methods about its wood product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution channels</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Product</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Product image</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Customer support</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Punctuality</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Speed</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Knowledge about the competitors</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Knowledge about competitor’s product</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Quality, price, image, others.</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
9. Current strategies to meet the needs of customers.

- To sell a product that the customers want.
- Give buyers more information about the raw material.
- To have quality product by a good price.
- The delivery is fast that is important to customers satisfaction.
- Maintain communication with the buyers anytime.

In some cases they think that do not have strategies to keep their customers, just sell

To keep customers.
10. Current strategies of marketing

- To sell the wood products in the best season (March and April Box)
- Local market for the wood product (small harvest) and multiple market (large harvest) because to know the necessities of your customers.
- Good price for wood product.
- Offer the same product in the same market each harvest.
- To know the necessities of customers, members of American tree farm system.
- Specific customers.
- Ask to buyers about new products that they want.

Monthly guide: when to sell...not to sell

![Monthly guide chart]

Resource: Steve Browers
How can a company make a strategy?

Strategic thinking

- Strategy
- Objective
- Vision
- Mission
- Principles
- Values

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How can a company get a strategy?

Apply the strengths

What does the company know to do?

Overcome the weaknesses
How can a company get a strategy?

Take opportunities

What can the company do?

Avoid threats
How can the company get a strategy?

Social actors extern

What **should** the company do?

What does the company **want** to do?

Social actors intern

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How can a company make a strategy?

What does the company know to do?

What can the company do?

What should the company do?

What does the company want to do?

What does the company know to do?

What should the company do?

What does the company know to do?

What should the company do?
5. CONCLUSION

- The small forestry company or family business does have marketing strategies, but there is a need for improvement and more support.

- The forest family business and/or small forest company prefers to sell their products to specific customers such as local sawmill, mill, local lumber mill. Local is important.

- They have a good quality of product therefore they need to promote their products more.
In the wood market there is competition, this competition drives better product production.

In all cases they have a good relationships with their customers that is a plus to develop and grow the family forest business.

Finally, in the marketing of wood it is important to overcome the weaknesses and maintain and improve the strengths to develop correct strategies of marketing, always look at our competitive advantage, those things that we do better.
6. LESSONS LEARNED

- The strategies of marketing that are used by small forest companies and family business in the Pacific Northwest USA to improve the production.

- Small woodland associations, such as the Washington County Small Woodlands Assoc., provide good examples to rely on in my country because they work together to improve the production and share knowledge and expertise with other persons.

- The relationships between the Oregon State University Extension and small woodland associations.

- Public policy in Oregon State about forestland, environmental management, water management, etc., to care for the nature in the cities (urban forest) and other places.
7. REFERENCES

Acknowledgements

- Washington County Small Woodlands Association.
- Columbia County Small Woodlands Association.
- Wallowa County Small Woodlands Association.
- JayZee Lumber products.
- Bear Creek Enterprises.
- Bauder Family L.P.
- Urwald Tree Farm.
- Shumaher Tree Farm.
- Sustainable Northwest WOOD.
- Starker Forest, INC.
- Portland Wholesale Lumber Association (PWLA).
- Oregon Canadian Company- Oregon Canadian Forest Products.
- Blasen & Blasen Lumber Co.
Thanks!!!