

p^{ollinate}

WOOD. NATURALLY BETTER.

Media Advertising
& Consumer Research

TO

 Forest & Wood
Products Australia

WRITTEN BY

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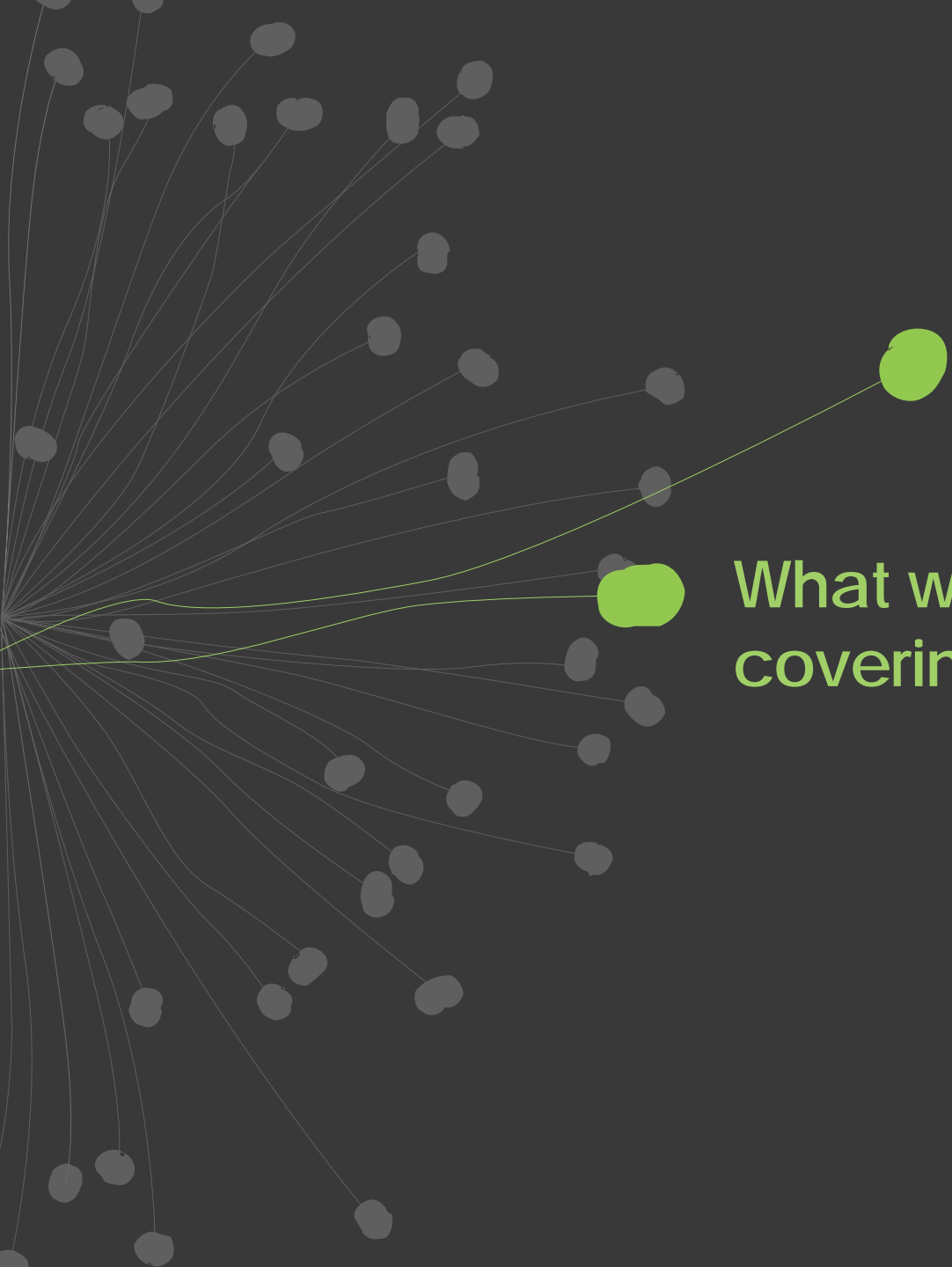
DATE

6th June 2014

Today...

- 1 Research scope
- 2 Wood and wood products
- 3 Attitude toward the environment
- 4 Understanding of industry bodies
- 5 Carbon TVC evaluation
- 6 Conclusions and questions





What we are
covering today

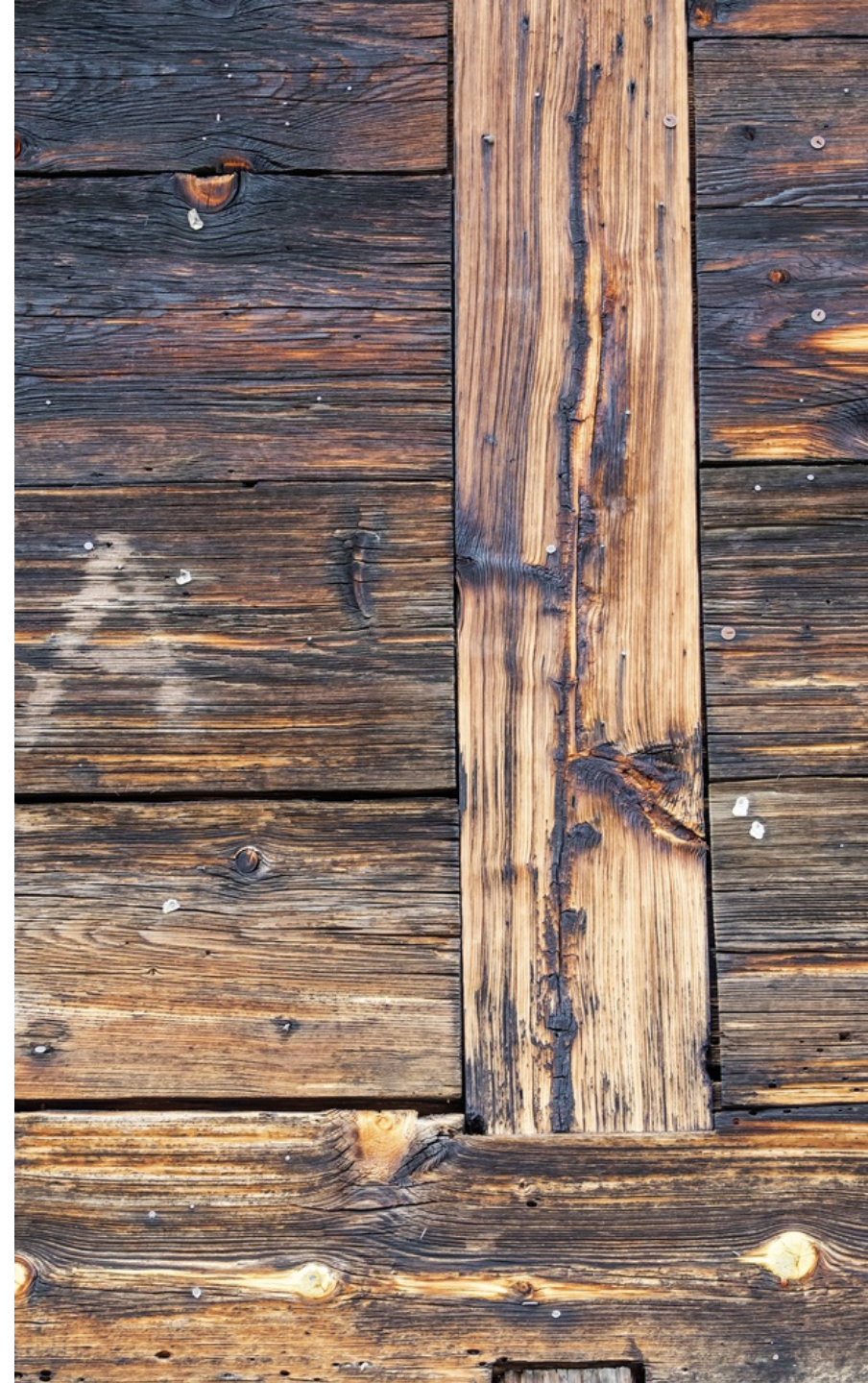
Where we have come from

Since October 2008, FWPA has undertaken consumer research among a nationally representative, broadly census matched sample, completing 12 waves of research.

The objective of this independent market research is to track consumer attitudes to forest and wood products against other materials and industry sectors, over time.

The research is essentially attitudinal in nature and focuses on key decision factors with particular regard to environmental attitudes.

The research has shown generally consistent results, with some apparent trends that augur well for wood and the industry.



What we have done most recently...



Wave 10 tracking

15 minute online survey

Ad campaign evaluation

10 minute online survey



n=1,000
nationally representative sample:

- 18+
- Australia sample

n=534
nationally representative sample:

- 18+
- Australia sample

Methodology was kept consistent with previous waves in order to make it backwards compatible

Methodology was kept consistent with tracking study waves in order to make it compatible



Fieldwork took place between 4th March and 14th March 2014

Fieldwork took place between the 5th and 8th of May 2014

***Pollinate took over the tracking study in March 2014 (Wave 10).
Current data is backwards compatible to previous waves***



Wood and wood products

Wood is the most popular material for building and furniture products

Wood's popularity is positive and has not notably shifted in the last 7 years

The look and feel of wood is significantly higher than competing materials

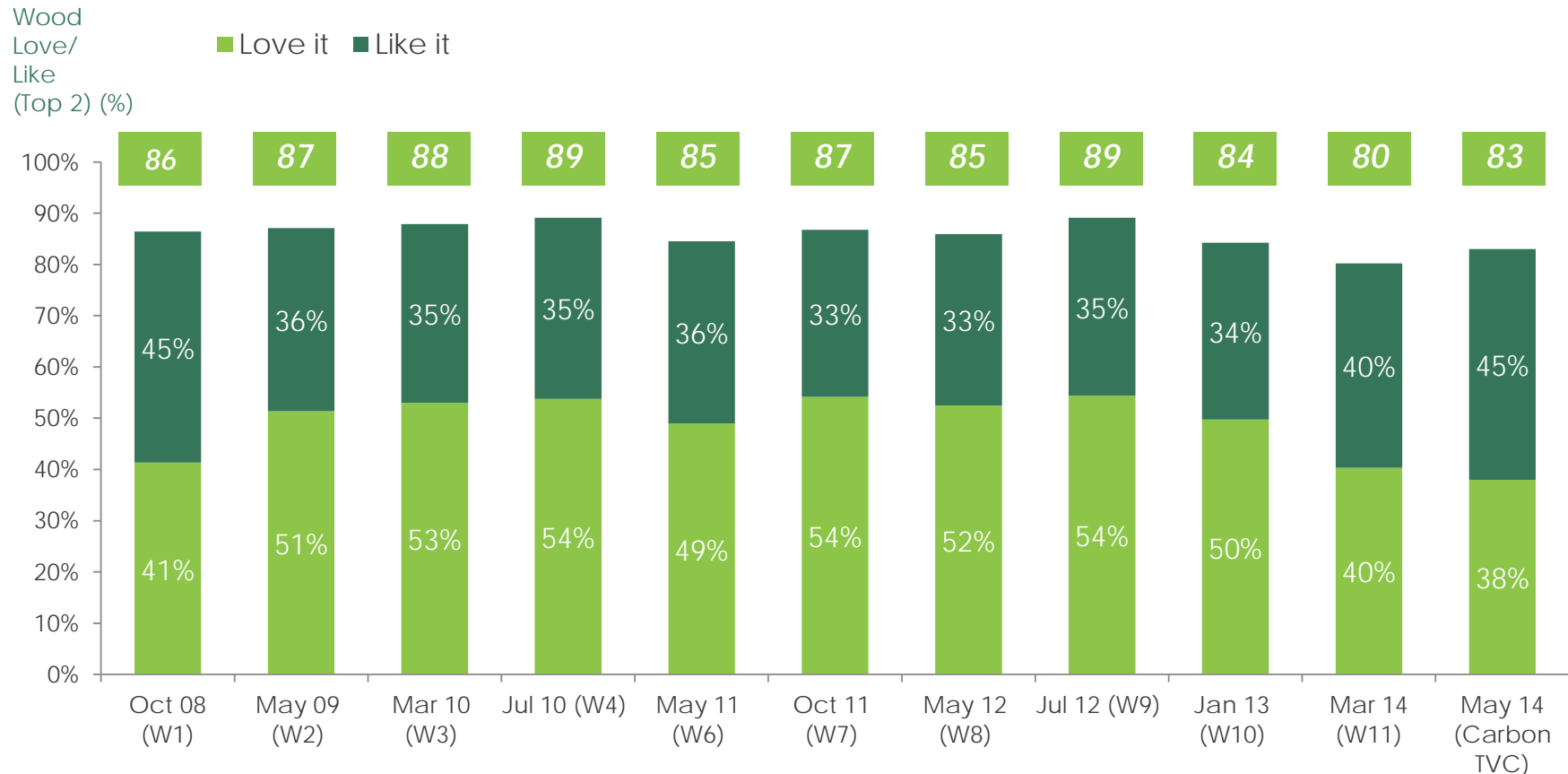
Wood is very clearly positioned over all other materials as the most environmentally friendly, sustainable and visually appealing material in the mind of consumers. It also linked first with carbon storage

When comparing both physical and emotional characteristics of wood and other materials, wood by far leads the way in nearly all positive traits

Wood is the first choice across a variety of activities; from buying indoor and outdoor furniture to renovating the home & landscaping the garden



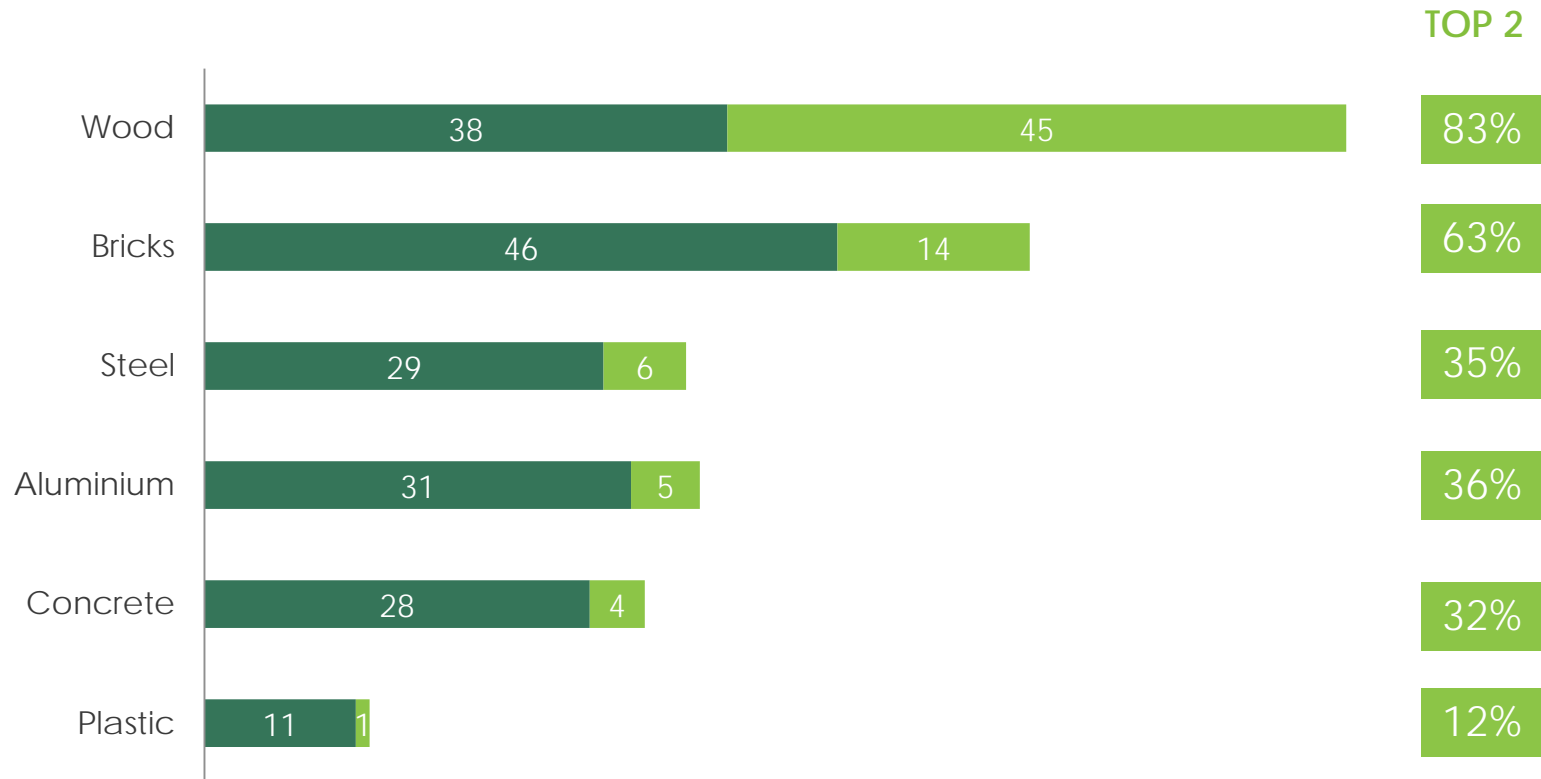
Positivity about wood has remained consistent throughout the waves



There is little to no negativity, with all other respondents being indifferent to wood

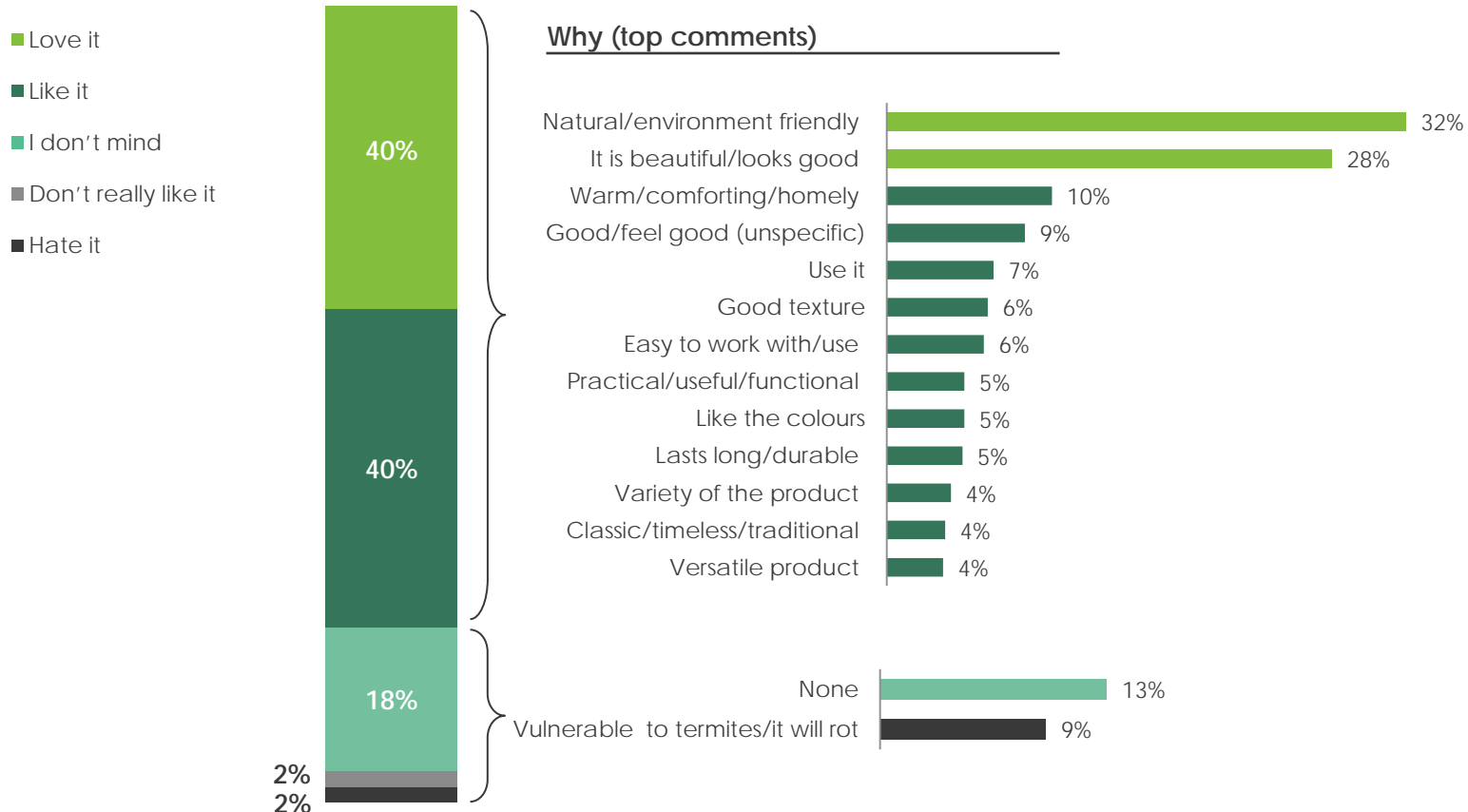
Wood has the strongest appeal compared to all other materials

■ Like it ■ Love it



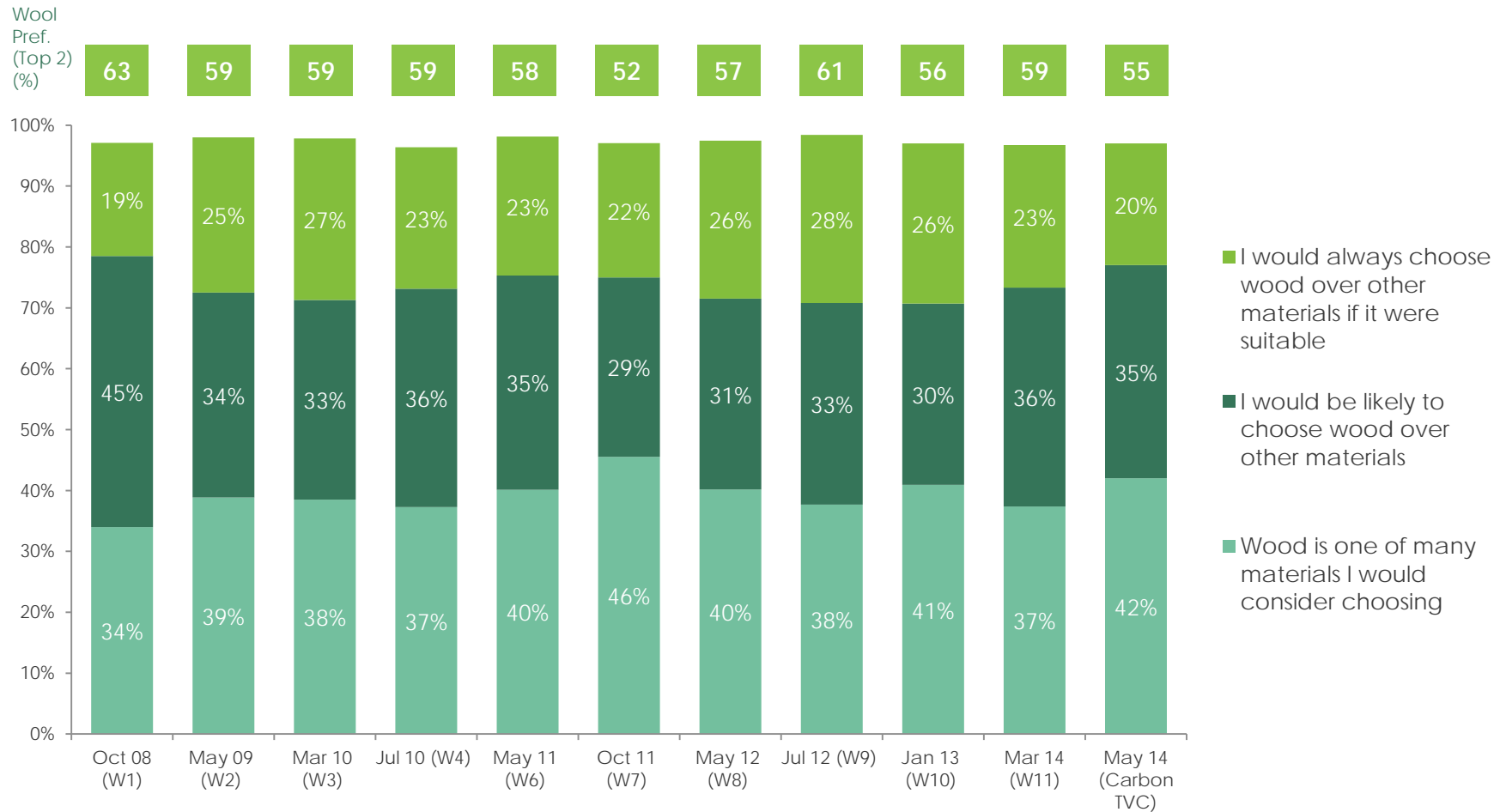
Whilst there is a distinct gap between wood and all other materials, bricks are also performing well on aesthetics

Those who love/like wood relate to the naturalness and it's aesthetic appeal

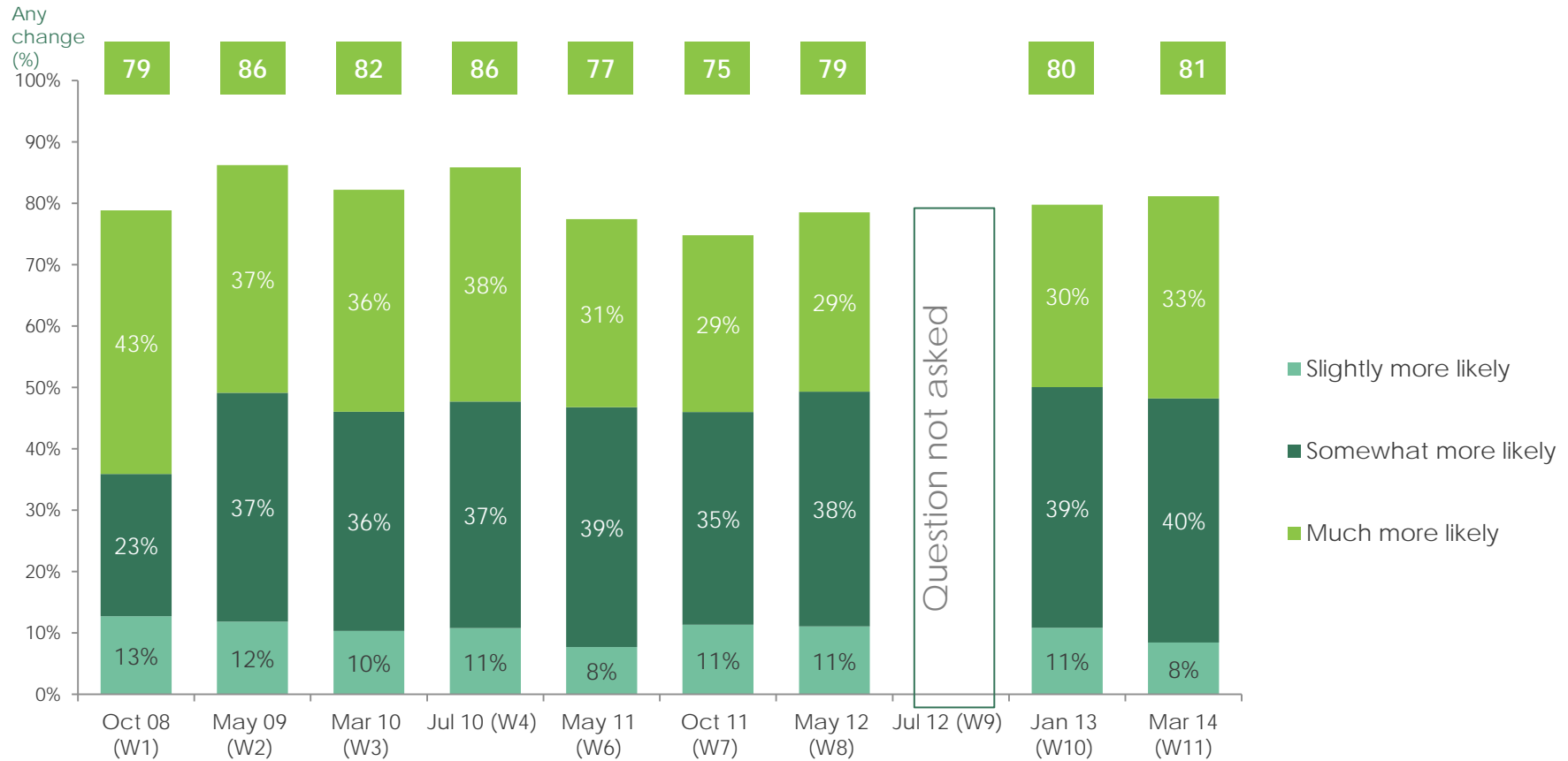


However there is minor concern about wood rotting from termites

Wood is nearly always in the consideration set, with preference increasing from Jan 2013



Purchase intent for wood increases if people know that it has been sustainably produced





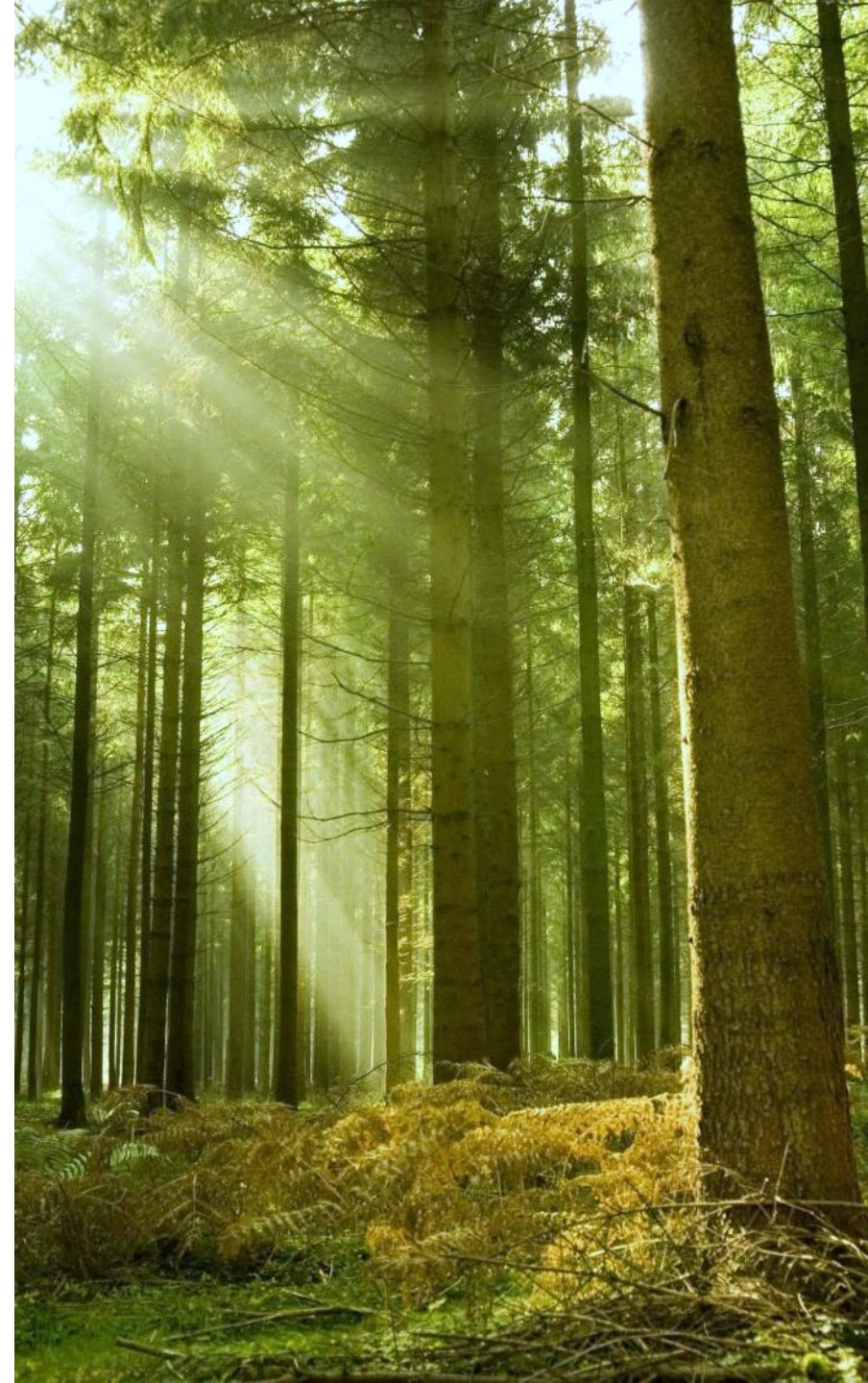
Attitudes toward the environment

Clear and concise messaging that products are from sustainably managed forests will increase wood being preferred

What consumers understand about carbon and its relationship to trees has increased over the course of tracking

The need for sustainably managed forests is on the rise

Preference for wood (when suitable) has increased since the last wave



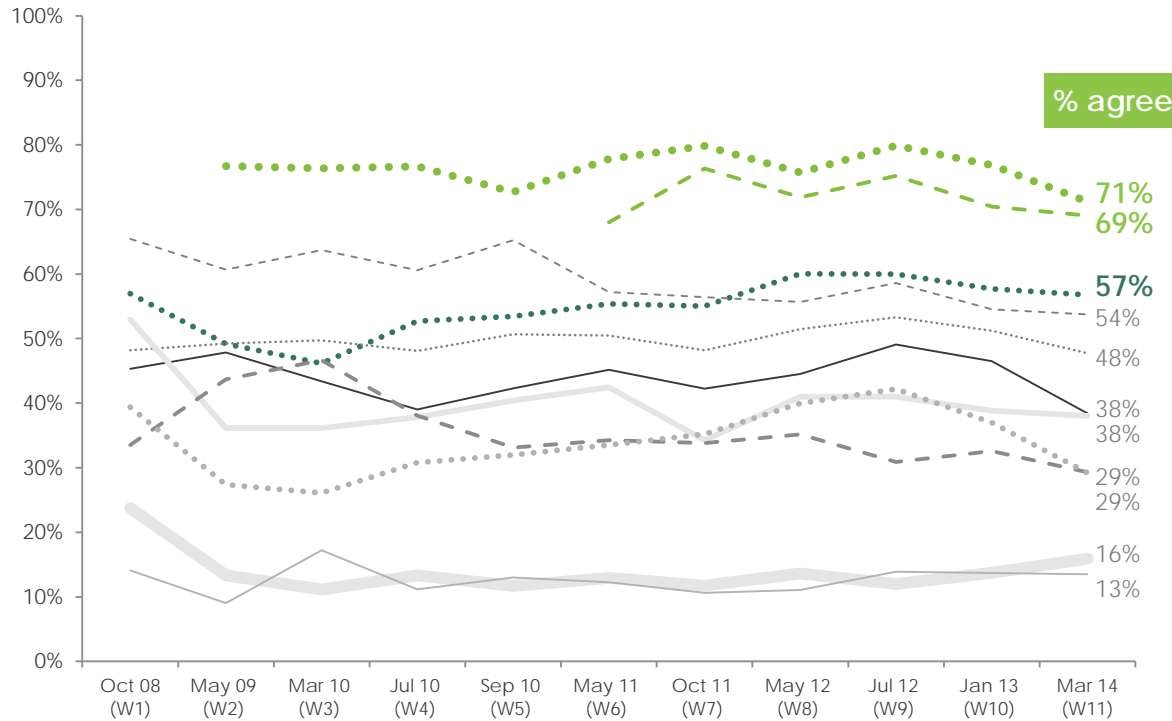
In general, consumers are environmentally conscious while also having a practical outlook



Replacing trees is key, as consumers don't want to import wood from overseas

QB2: Following are some statements other people have made about wood. Please indicate, from your own perspective, how much you agree or disagree with the following statements: (n=1,031)

Belief is decreasing that cutting down trees is bad for the environment

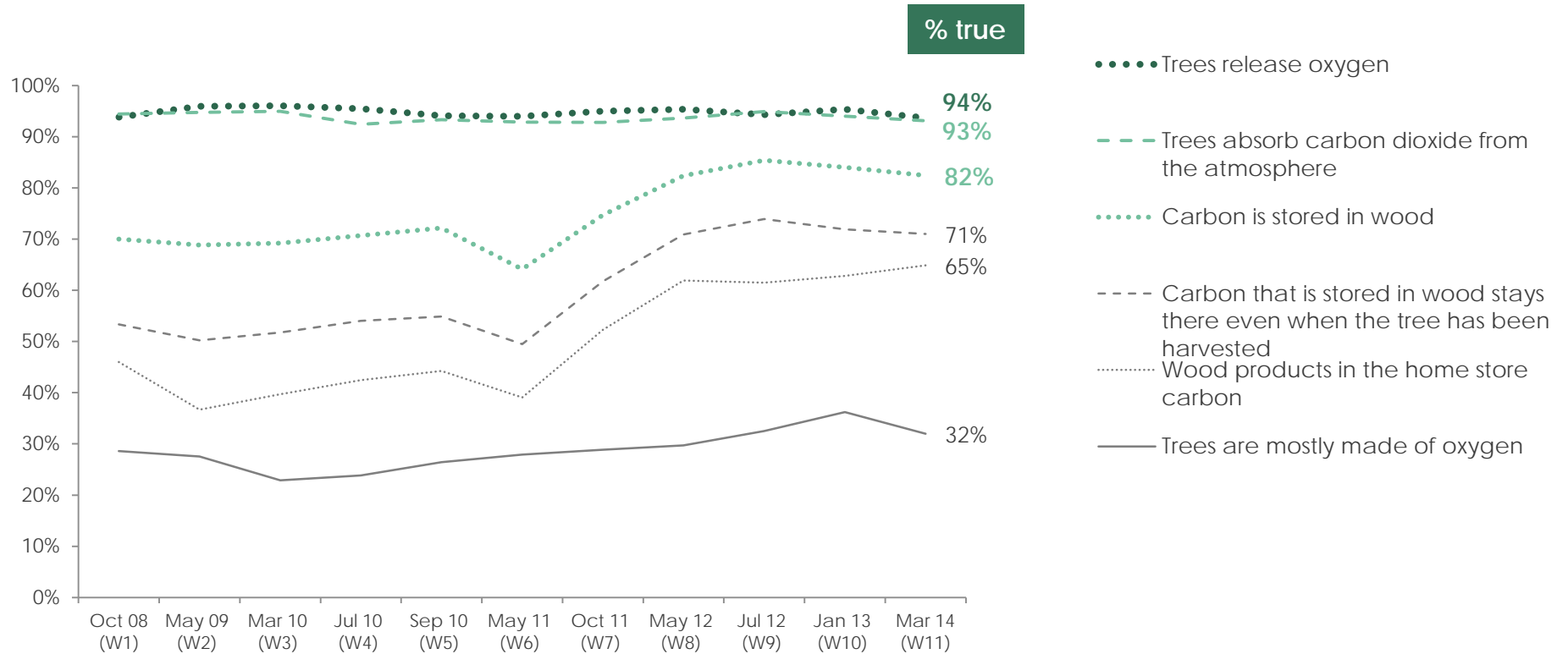


- Cutting down trees is OK as long as we replace them
- — — — — Timber farming & harvesting is a natural part of wood production
- We should use more wood because it's more environmentally friendly than alternative materials
- - - - - Cutting trees down is bad for the environment
- Wood is the only really renewable resource that we have
- Australia's native forests are managed sustainably
- The amount of carbon dioxide emitted in the production of concrete is greater than in the production of wood
- - - - - We should not be cutting down any forests for wood products in Australia
- Using more wood would be a help in tackling climate change
- Increasing the area and or number of plantations is bad for rural Australia
- We should import more wood from overseas rather than cut down Australian trees

However messaging is needed to show that Australia manages its forests sustainably

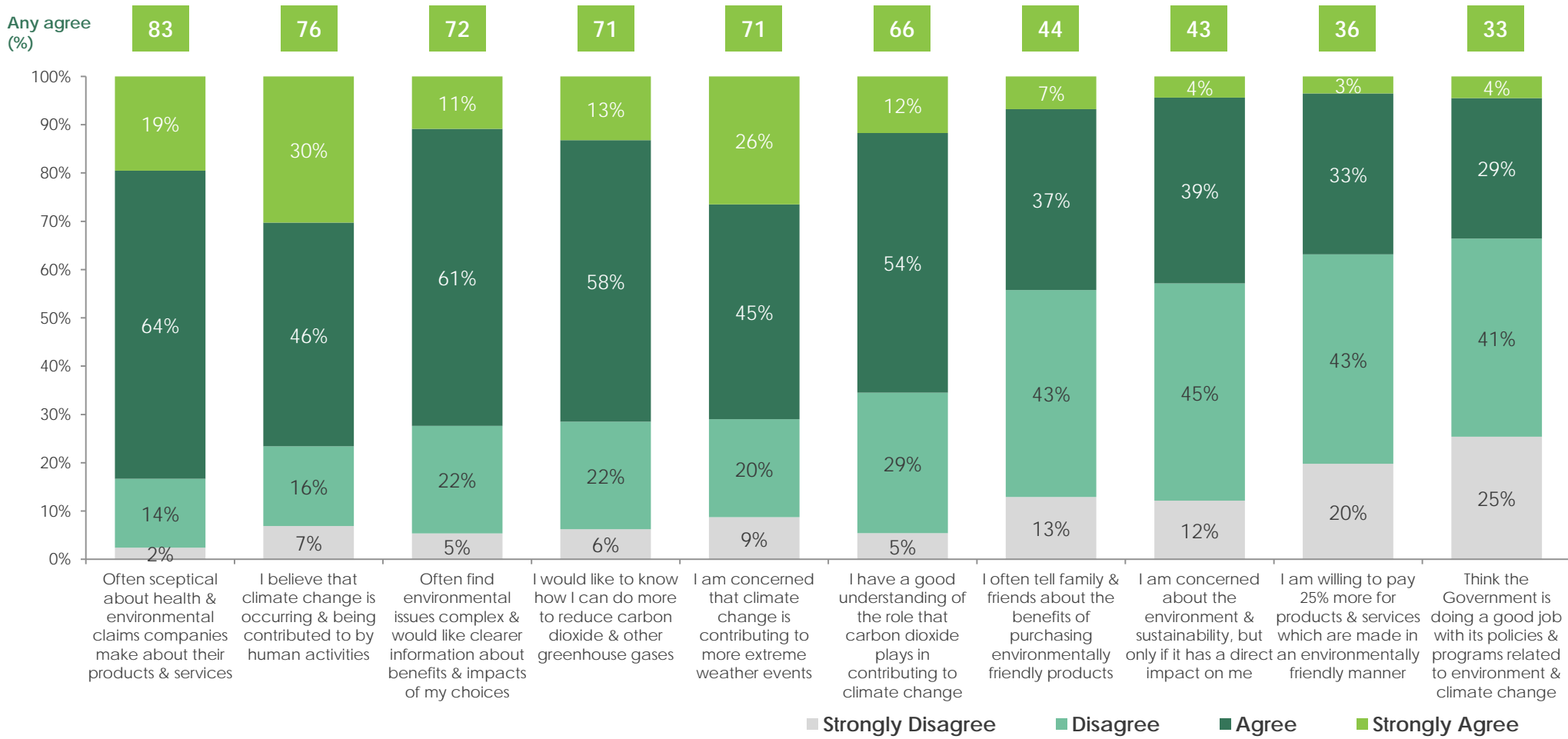
QB2: Following are some statements other people have made about wood. Please indicate, from your own perspective, how much you agree or disagree with the following statements: (n=619-1056)

The messaging of wood products in the home storing carbon has increased in credibility across the waves

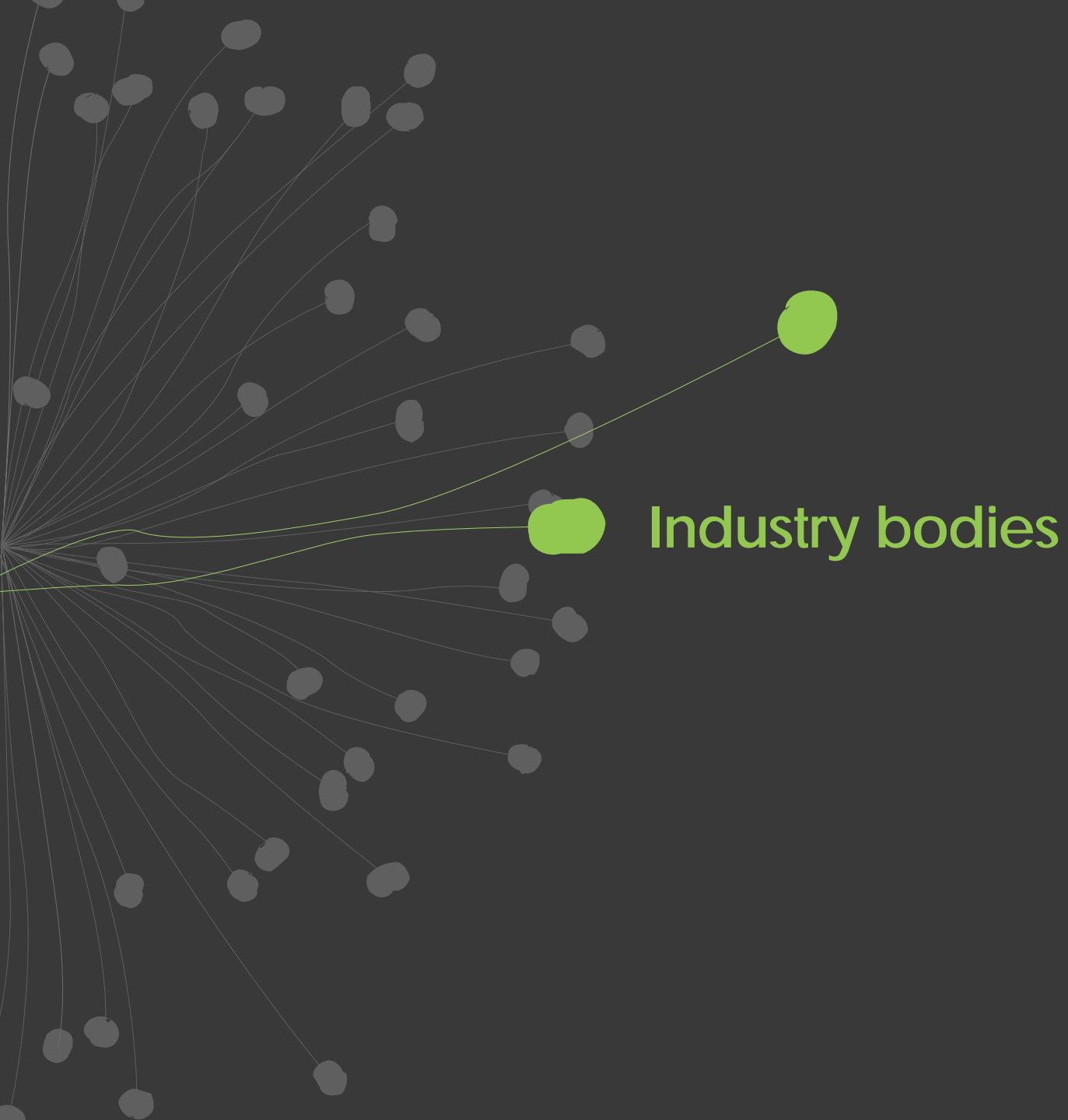


Hypothesis: Carbon messaging has impacted over the waves

Scepticism exists about corporations, messaging needs to be clearer and more transparent



QE1: Please indicate how much you agree with the following statements: (n=1031)



Prompted awareness is strong of specific environmental bodies and this helps increase trust

Forest and wood product industry is comparable to environmental groups in terms of reliable sources on the environment

When compared to other industry bodies, the forest and wood product industry is seen as the most reliable

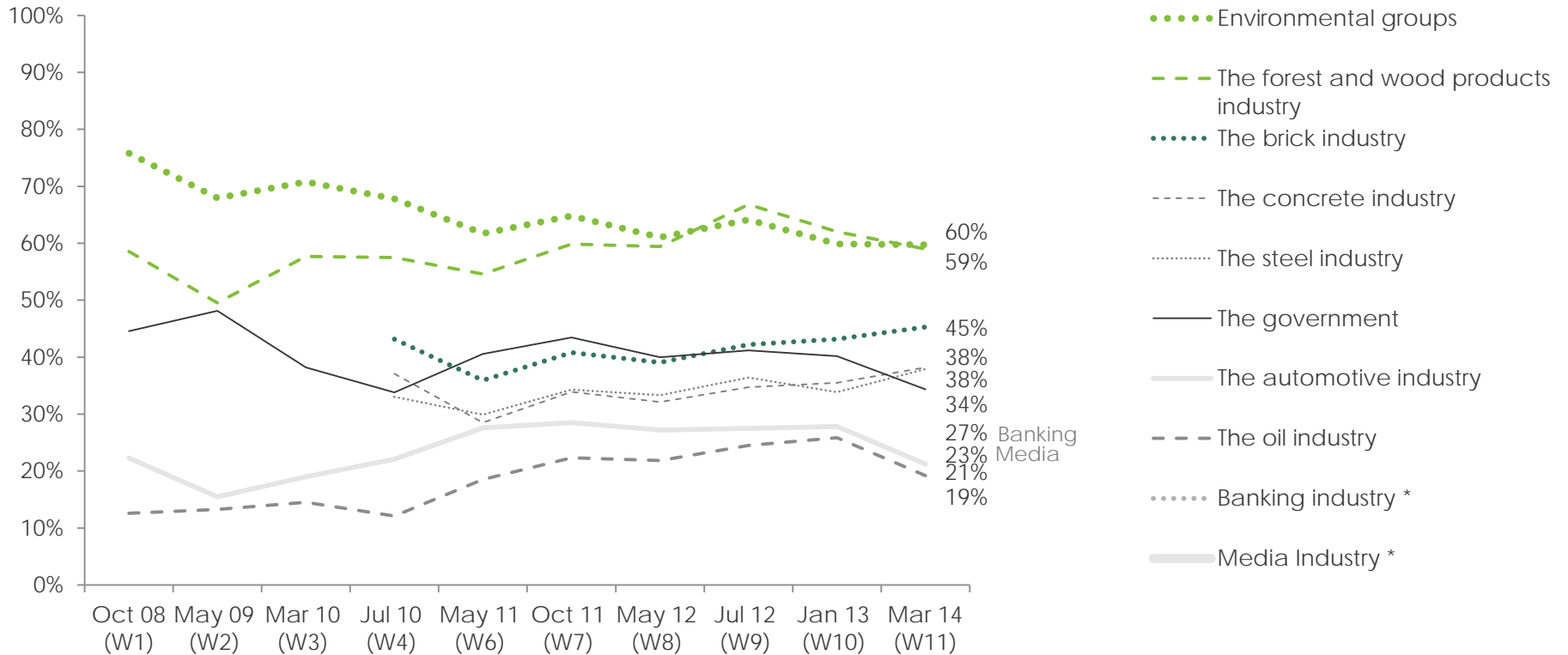
When prompted on specific environmental industries, the WWF and Planet Ark lead the way. 1 in 10 recognise the FWPA logo and branding

- *Future links with Planet Ark to raise awareness of wood are a good opportunity*

Reliability of organisations is strongly linked to awareness, with the most recognised industries also being the most trusted



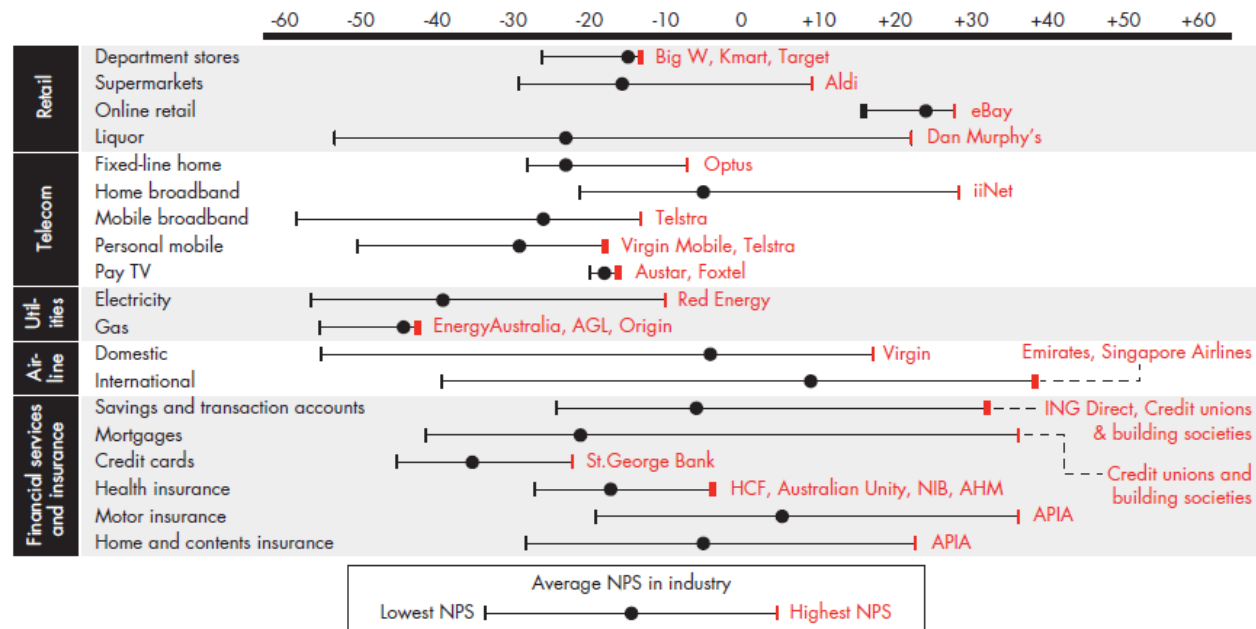
The forest and wood products industry and environmental groups are the most reliable sources of information when it comes to the environment



Reliability of environmental groups is now in line with reliability of forestry and wood industry

Net Promoter Score (NPS) in Australia

Figure 1: Most industries show a wide range of Net Promoter scores across competing brands

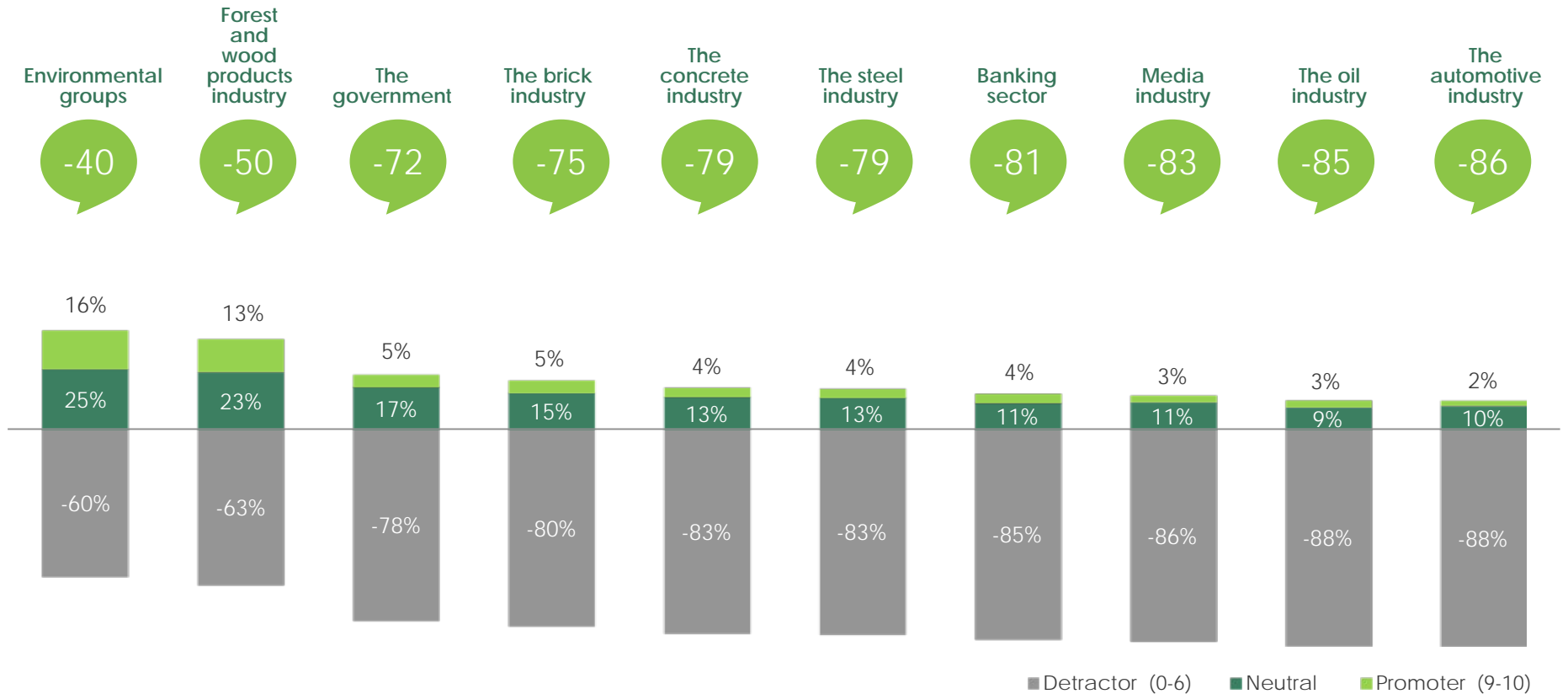


Note: Excludes brands with fewer than 100 respondents. Some industries have more than one leader, because differences in NPS scores are within the margin of error.
Source: Bain & Company NPS Consumer survey, December 2012

Study among thousands of consumers, evaluating NPS among various categories

Consumers do not recommend any industry for its knowledge on the environment

Net Promoter Score – likelihood to recommend

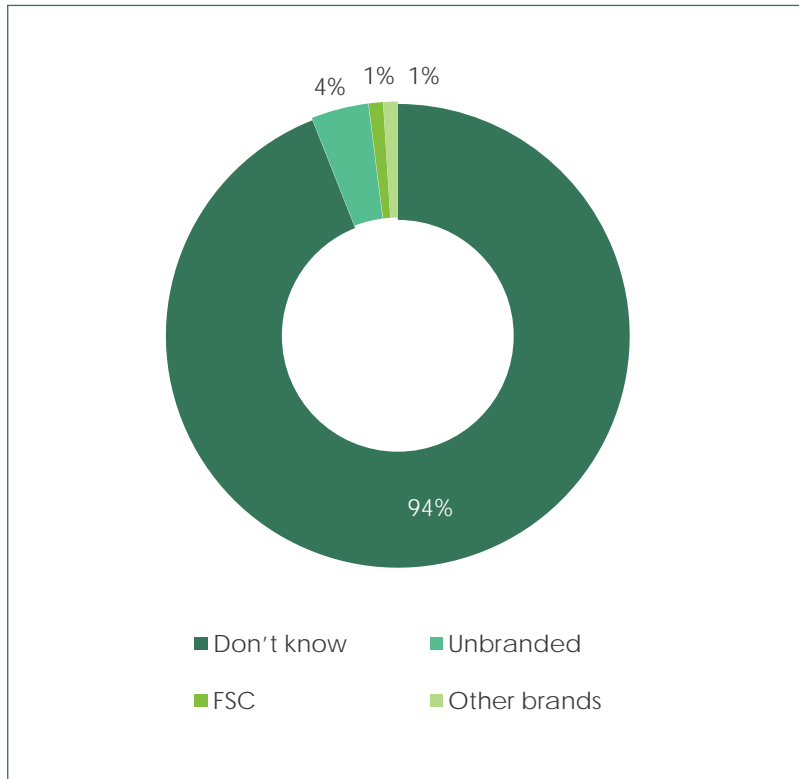


With regard to environmental issues, there is little positive advocacy across any of these sectors

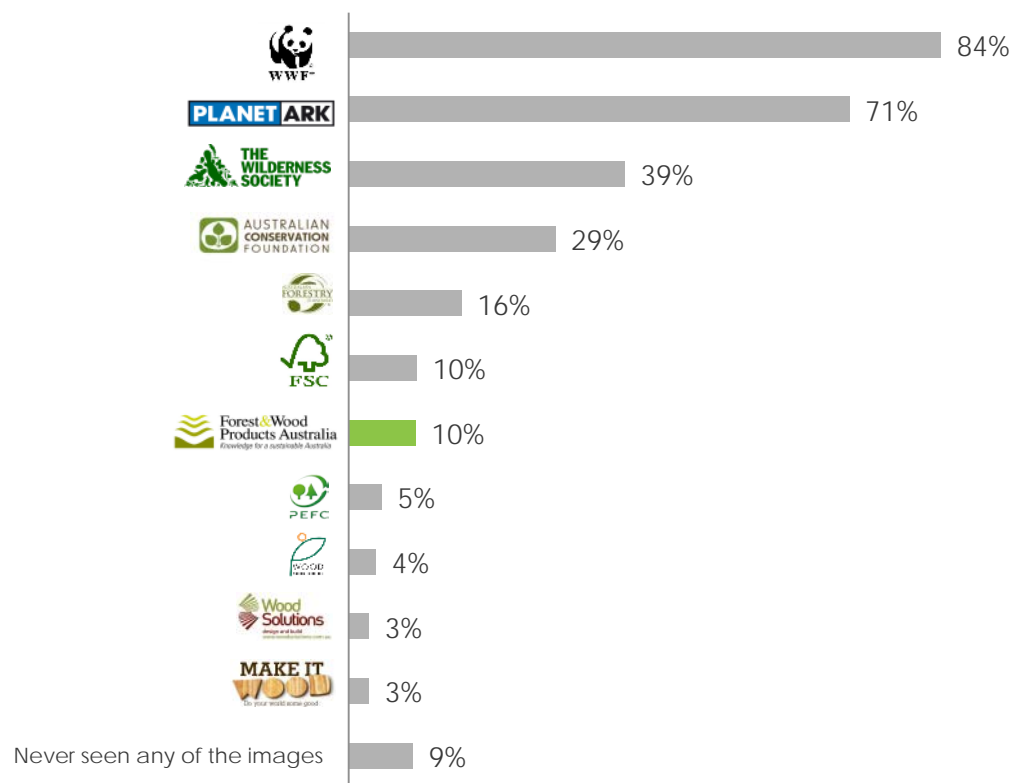
QA13: Please rate how likely it is that you will recommend the following on a scale where 10 is would definitely recommend and 0 is would never recommend in terms of their knowledge of the environment (n=1,031)

Awareness of wood/wood products standards is virtually unknown on a spontaneous level

Spontaneous



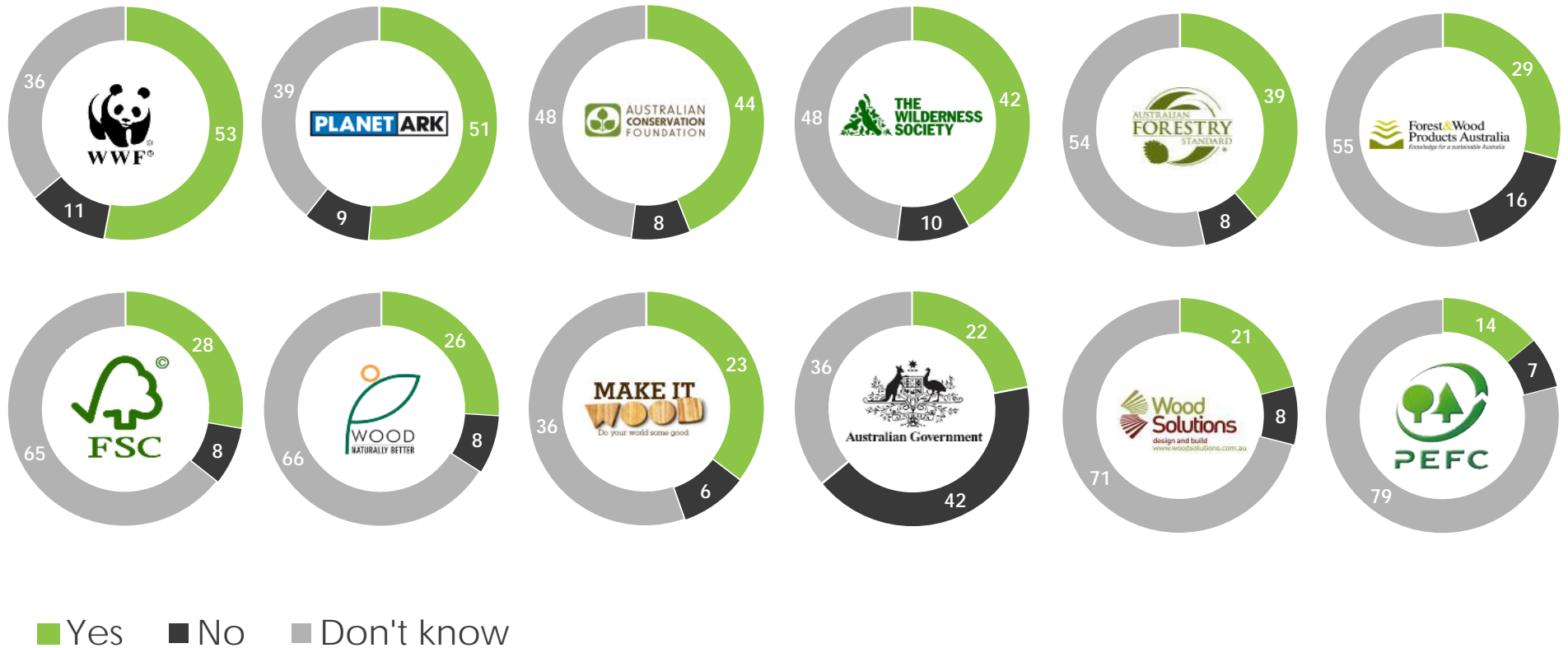
Prompted



However many recognise the logos and 1 in 10 stating they had seen FWPA

Reliability is heavily associated with awareness.

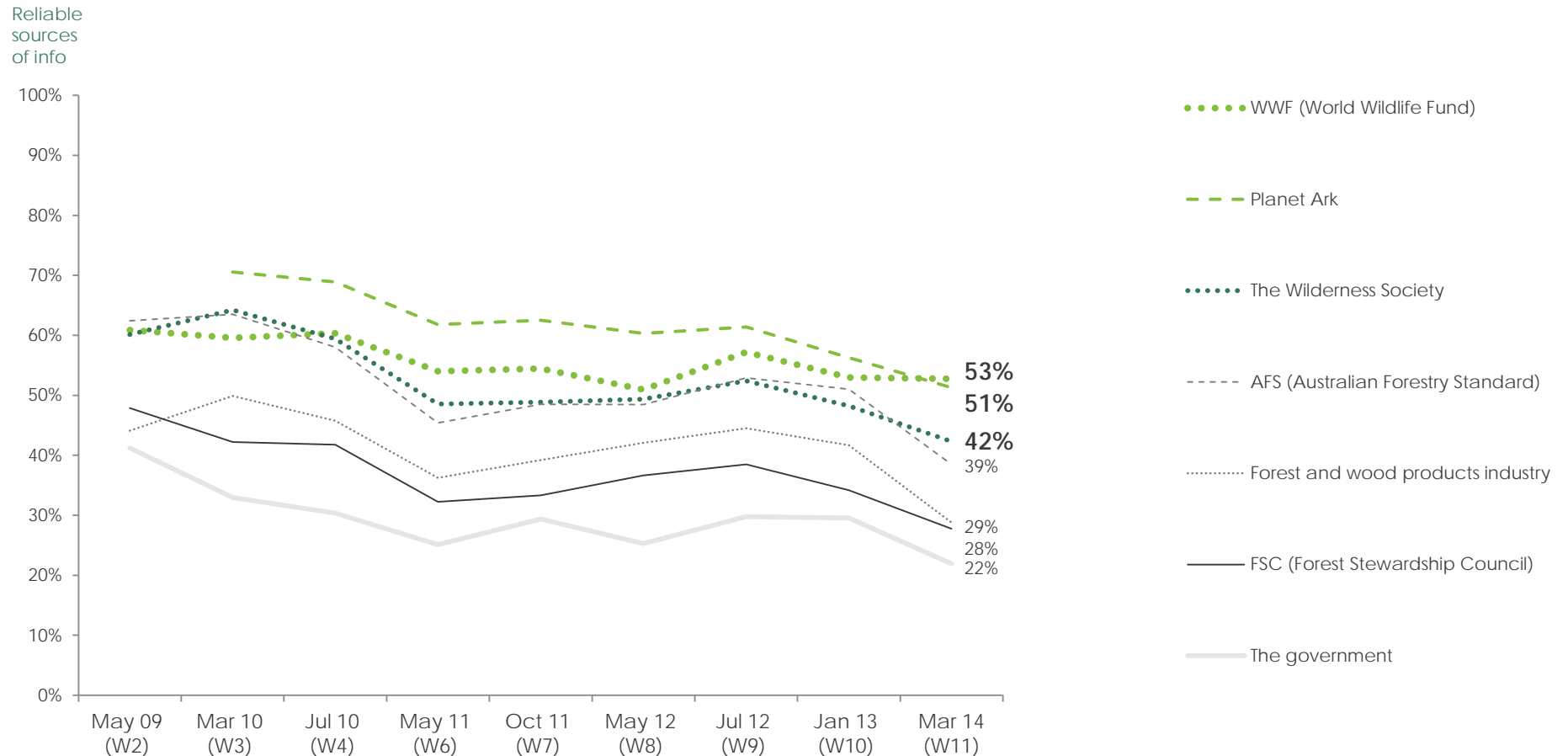
The more aware of the brand/logo the more trust attributed

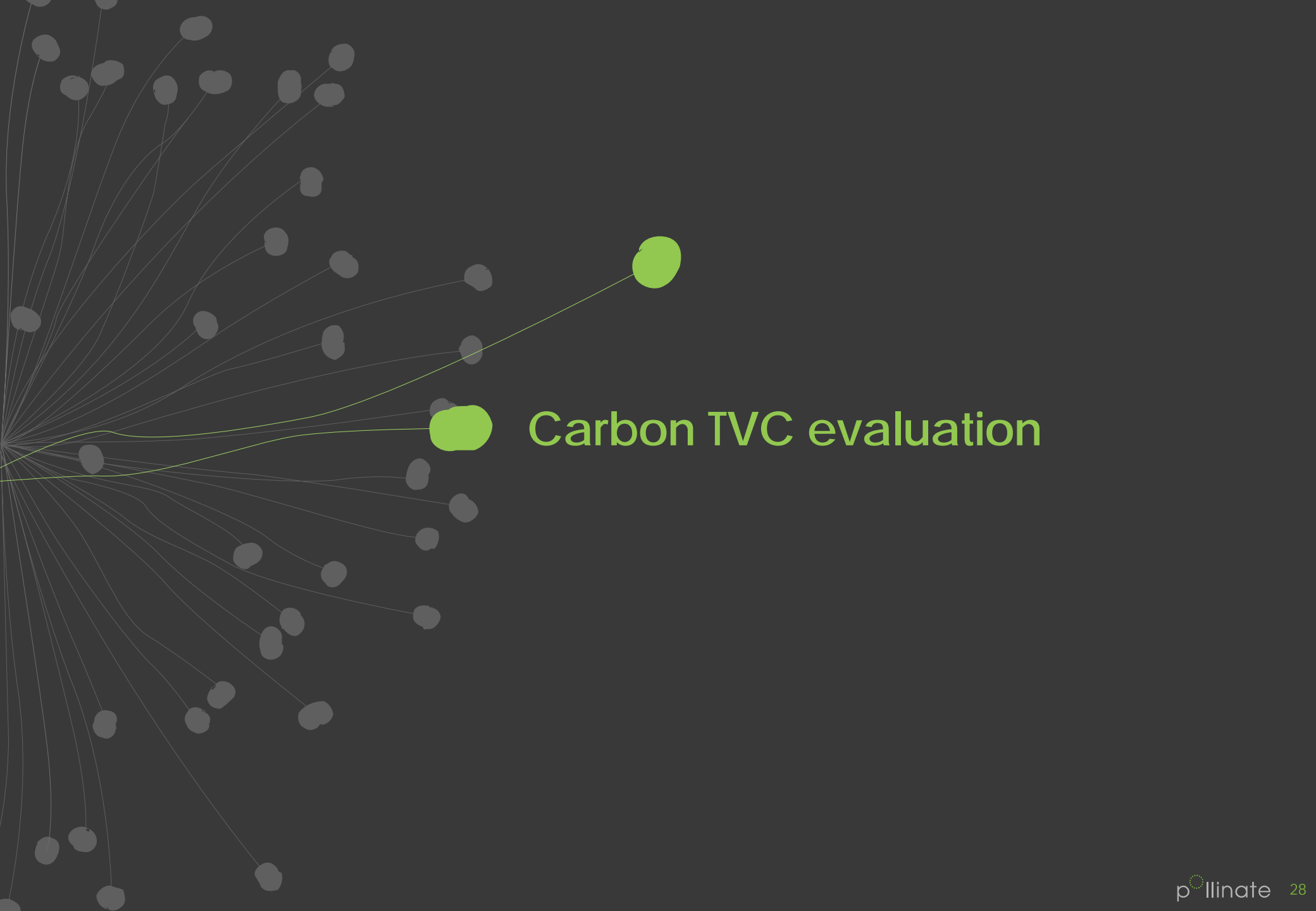


QC3: Please think now about sources of information on environmental friendliness and/or the sustainability of forests and wood products
Please indicate if you believe the following organisations are, or would be, reliable sources of information (n=1031)

The exception to the rule would be the government

Reliability of organisations as sources of information on sustainability has dropped over the last few waves





Carbon TVC evaluation



With only 250 TARPs, 34% state they have seen Carbon TVC, which is a strong result

Message take out is on target: high recall of wood being a better product, storing carbon and being environmentally friendly.

The ad is believable and clear, however does not drive a strong call to action in terms of finding out more information.

- However the ad is having a positive effect toward likelihood to choose wood over other materials.

It is likely that this ad is to a certain extent reaching those who are already on board with the messaging.

- This is not necessarily a concern, if the campaign helps drive advocacy of the products and industry.

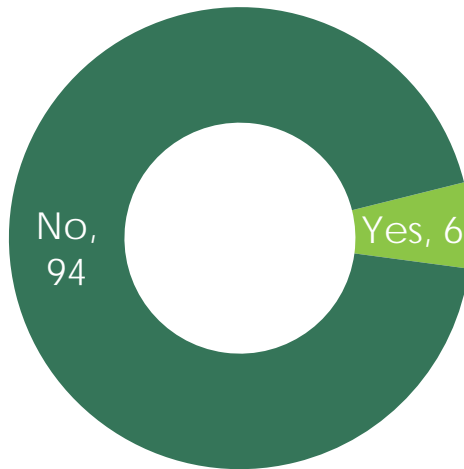
While some attitudinal metrics have slightly declined at the total level, those who have seen the Carbon TVC are consistently more positive toward wood and wood products.

Given half those who saw the ad are likely to recommend wood products, and nearly two thirds are likely to choose wood over other materials, this appears to have been a successful TVC.



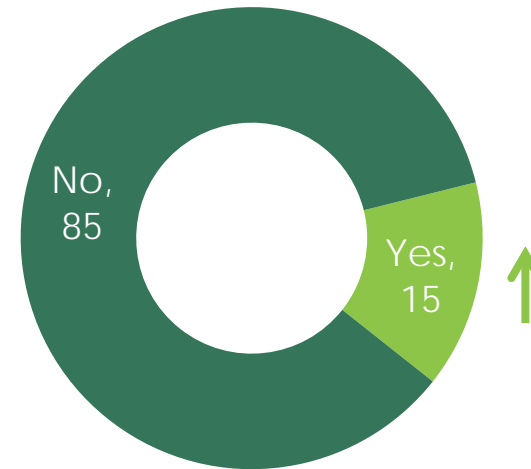
A significant increase in unprompted recall of advertising regarding wood after the campaign

Seen any advertising?



March 2014

Seen any advertising?



May 2014

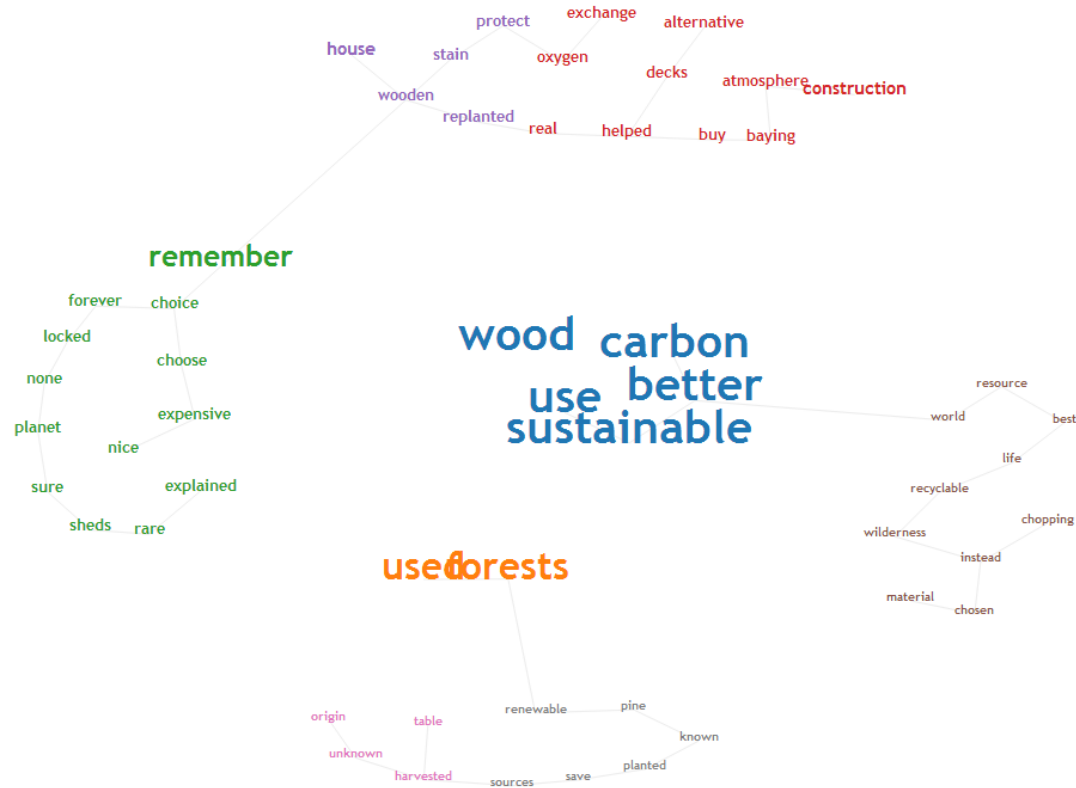
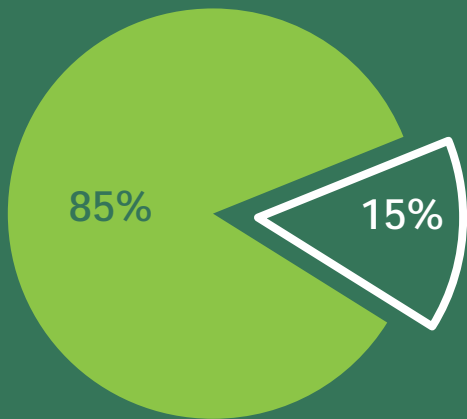
The campaign appears to have generated higher category advertising awareness

QD1: Do you recall seeing, reading or hearing any advertising regarding wood, timber or wood products recently? Base: Total Sample - March 2014 n=1031, May 2014 n=534 QD2: What or who was the advertising for? Base: Respondents who selected 'Yes' for QD1 n=76

↑↓ Significantly higher/lower than Mar'14. Significantly higher/lower than not seen ad

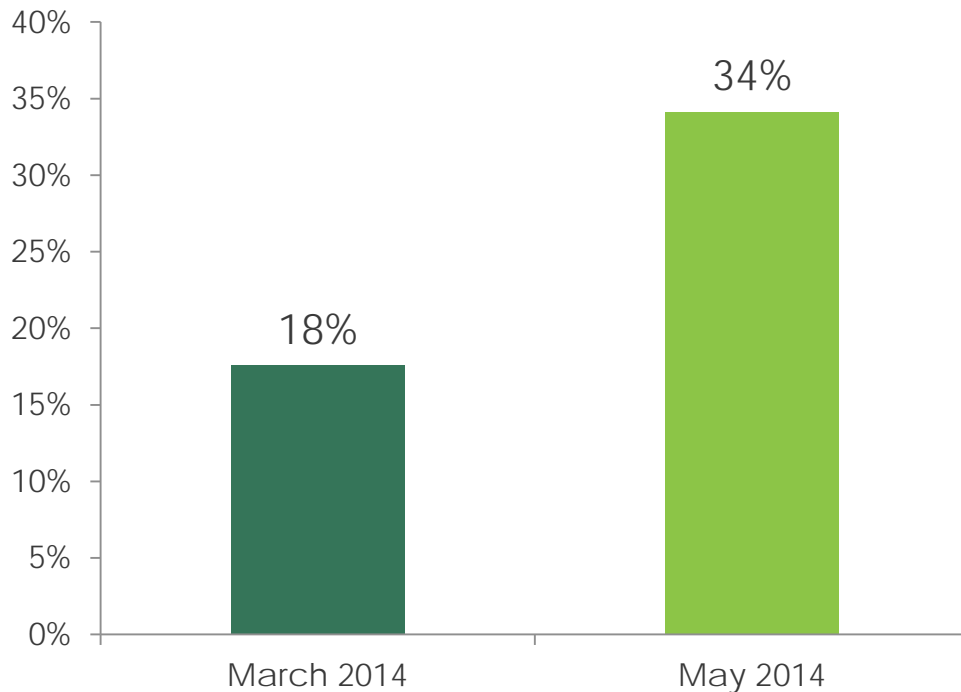
Concept web – advertising key messages

Of those who saw any ad for wood, most recalled the key themes of the Carbon TVC i.e. wood is better and sustainable.



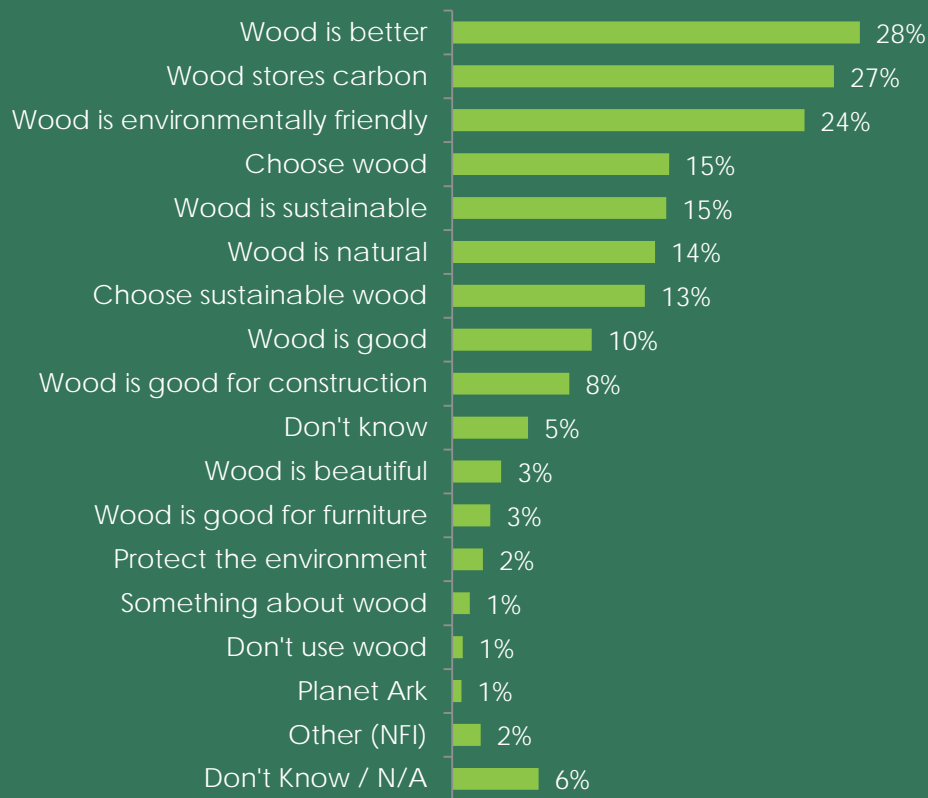
35% stated 'don't know' / 'none'

'Carbon' has achieved strong recognition, particularly given the low media support



1 in 3 people claim to have seen the TVC although with a ghost read of 18% in March, this figure may be lower

Message out take is direct and on target – being about wood, carbon and the relation with the environment



"Carbon is better in trees than the atmosphere"

"Choose sustainable wood"

"Wood is naturally better"

"Buy wood because it's good for the environment"

"Build your home with wood"

"Wood is better for the environment"

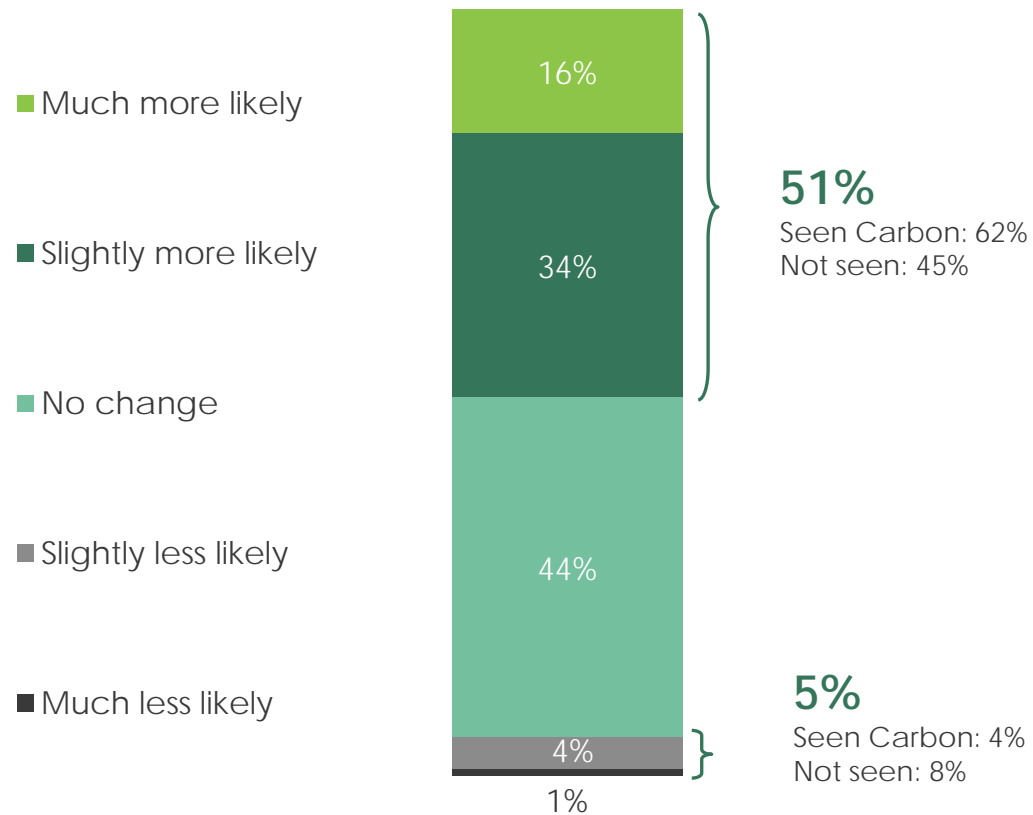
"Carbon is stored in wood and it's naturally better for the home"

"Buying wood tackles climate change"

"Wood is a responsible choice as a building material"

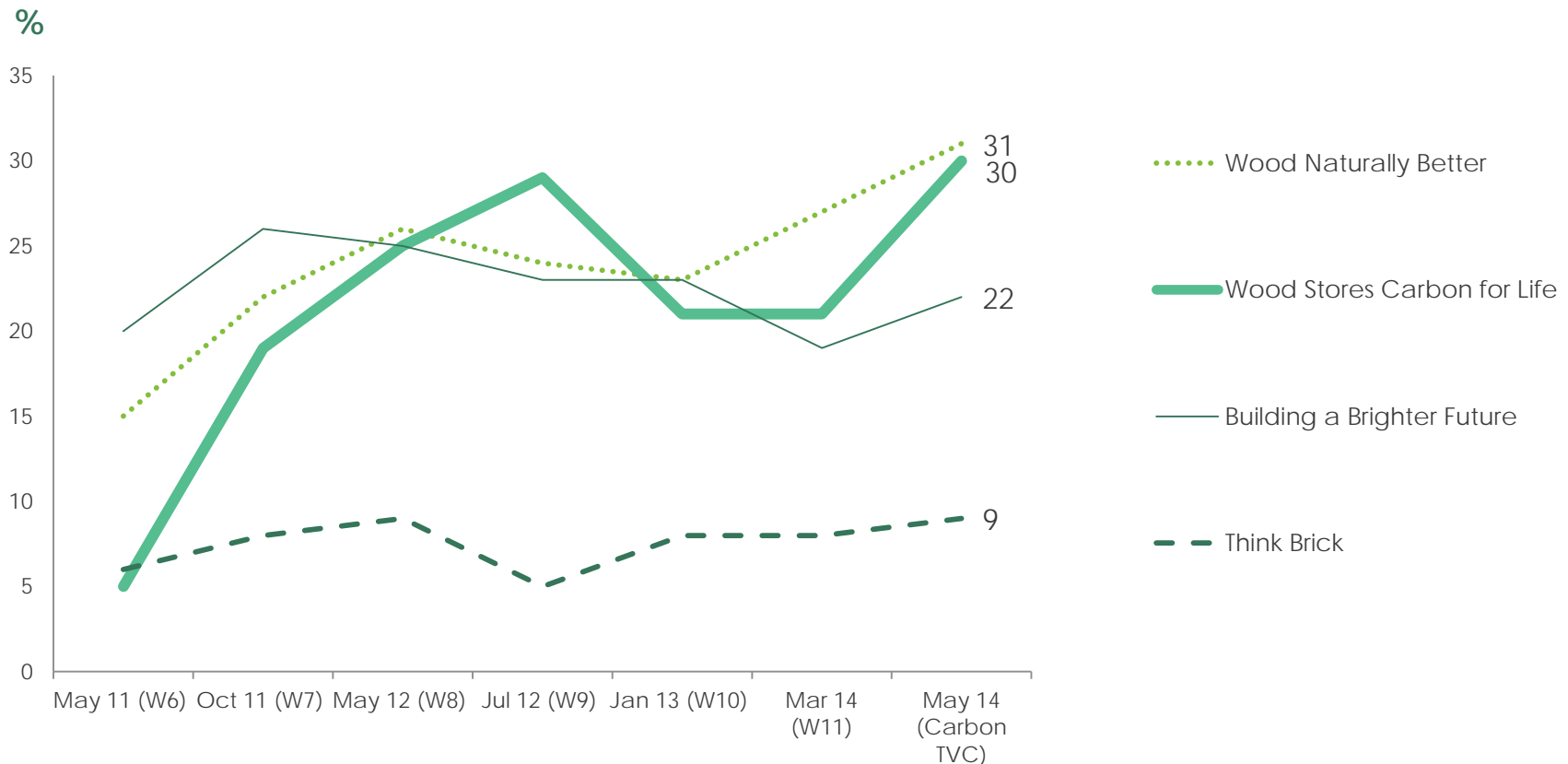
Very low 'don't know' – indicating the TVC is a clear communication piece

Those who have seen Carbon TVC are more likely to use wood



After viewing the ad, half the sample indicated they would be more likely to use wood over other materials

Familiarity with advertising message recognition is strongest for “Wood. Naturally Better.” and “Wood Stores Carbon for Life”



Over 1 in 4 are now aware of the Wood Naturally Better advertising message



Conclusions

Wood is very clearly positioned over all other materials as the most environmentally friendly, sustainable and visually appealing material. It also linked first with carbon storage.

Wood is also the only building material to have shown gains in environmental credentials over the last few years and to be seen to positively impact climate change.

Understanding of the carbon cycle (trees absorb carbon dioxide and release oxygen) is high, and most people are aware that wood stores carbon.

When it comes to forestry, the consumption paradox arises. People want to use more wood, but about two thirds regard cutting down trees as bad for the environment. However, most agree that cutting down trees is OK as long as we replace them.

As a source of information, the Forest and Wood Products Industry is rated as by far the most reliable industry body with most people considering it reliable compared to other industry groups.

Once people are aware that wood comes from sustainably managed forests, claimed likelihood to choose wood over other materials is quite high.

The focus for the future should be on continued promotion of wood as a material of choice for aesthetic, tactile and environmental reasons.

Increased awareness of accreditation and consideration of forging a link between increased wood consumption and the expansion of sustainable domestic forestry in the minds of the Australian public would be a strong positive.

Thank you.

Any questions?

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