

Hardwood Review

Your Source For Accurate Hardwood Pricing Information

Weekly

From Preconceived Perceptions To Purchasing Realities

Species Names Carry Powerful Marketing Images

Hardwood product marketing has certainly evolved over the years. Twenty years ago, we promoted, *hardwoods* over softwoods, for their durability, strength and stature. Then we focused on *solid* wood products as better than engineered or veneered products. With the emergence of so many tropical substitutes, we focused 011 *North American* hardwoods as the right choice, particularly for their sustainability. Now, with the export of so many manufacturing facilities, some firms are reintroducing the *Made in America* marketing approach to distinguish their products from those made overseas. We've now got furniture labeled as *Made in the U.S.A. from only solid North American hardwoods*. It's a mouthful, but according to a recent study, it may not be enough

In marketing, perception is reality. The marketer's job is to appeal to, or alter the consumer's perception that the values offered by his or her product are exactly

what the consumer needs. The total basket of tangible and intangible values offered by a product is known as the total product concept. Applied to hardwoods, the concept rightly suggests that people buy hardwood products for more than their functional utility as places to sit, eat, sleep, walk and store dishes. In a soon-to-be published study by Matt Bumgardner, USDA Forest Service, and Scott Bowe, University of Wisconsin, the authors suggest that durable consumer goods such as household furniture and cabinets are often expensive, emotion-evoking purchases that must be considered in terms of the total product concept, not unlike purchases of luxury automobiles.¹ The purchaser of that high-end automobile is buying not just transportation, but a host of other benefits, including prestige, status, reliability, precise handling, engineering excellence, quite ride, etc.

Bumgardner and Bowe discovered that consumers have relatively strong

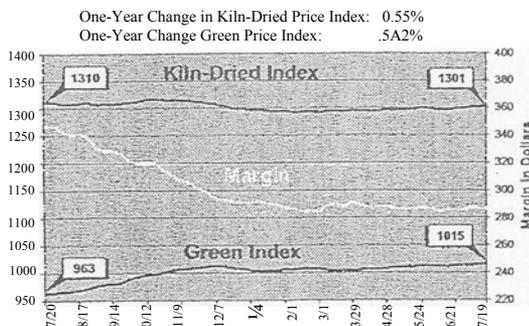
preconceived perceptions about the appearance, durability, style and cost of different hardwood species without actually knowing what the species look like. For example, Bumgardner and Bowe's survey

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Hardwood Lumber Price Indexes



Indexes represent the average published prices of 14 key hardwood items.

The margin is the difference in dollars between the kiln dried and green indexes, as read from the right-hand axis.

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Editorial

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respondents perceived oak (based on the name alone) as formal, warm, expensive and stately. However, survey respondents that viewed an unlabeled sample of oak rated it as casual, cold, inexpensive and modest (Table I).

Perception Vs. Appearance

Bumgardner and Bowe's study compared seven attributes of six species commonly used in secondary products: pine, maple, walnut, cherry, mahogany and oak. Attributes were evaluated based on perception and appearance. The study group of more than 250 college students, mostly in undergraduate natural resource classes, was split into two groups. One group was asked to rate the attributes of the six species based on the species names alone (no visuals or samples were shown). The other group was asked to rate the attributes of six unlabeled

durable than the other hardwoods. However, in the appearance-based survey, the walnut, mahogany, and cherry wood samples were viewed as more durable than oak. Walnut and cherry appeared more durable than they were perceived sight unseen, while oak was perceived as much more durable than it appeared.

Expensive vs. Inexpensive

Both pine and maple were perceived as inexpensive wood species, and respondents that viewed the samples agreed that these lighter colored species were inexpensive. The darker-colored woods were generally viewed as more expensive. However, respondents in the perceptions-based survey perceived cherry, mahogany and oak to be significantly more expensive than did those that viewed the actual wood samples. The opposite was true of walnut, which appeared to be more expensive than was perceived.

Old-Fashioned vs. Modern

On perceptions alone, all of the species were rated as "old-fashioned," although pine was perceived as the least old fashioned. Based on the appearance of the samples, however, pine, maple and oak (again, the lighter colored species) were seen as modern.

Stately vs. Modest

Only pine was perceived to be modest, while maple was rated as neither stately nor modest. The appearance based evaluations again closely followed wood color, with the darker woods rated as more stately. Again, oak was perceived on a different side of the spectrum (stately) than it appeared to those that viewed the samples and rated it modest.

Cold vs. Warm

Based on name alone, most species were perceived as warm. However; seven

Table 1. Evaluation of species attributes based on perception and appearance.

	Fragile vs. Durable	Expensive vs. inexpensive	Casual vs. Formal	Old-fashioned vs. Modern	Stately vs. Modest	Cold vs. Warm	Sustainable vs. Depleting
Pine	fragile/fragile	inexp./inexp.	casual/casual	neutral/modern	modest/modest	neutral/neutral	sust./sust.
Maple	durable/neutral	inexp./inexp.	casual/casual	old-fash./modern	neutral/modest	warm/cold	sust./sust.
Walnut	durable/durable	exp./exp.	neutral/formal	old-fash./old-fash.	stately/stately	neutral/cold	sust./sust.
Cherry	neutral/durable	exp./neutral	formal/neutral	old-fash./old-fash.	stately/stately	warm/neutral	sust./sust.
Mahogany	durable/durable	exp./exp.	formal/formal	old-fash./neutral	stately/stately	warm/warm	neutral/sust.
Oak	durable/durable	exp./inexp.	formal/casual	old-fash./modern	stately/modest	warm/cold	sust./sust.

'Rating based on perception is shown first, followed by appearance. A neutral value indicates that the rating for that attribute was not significantly different from the neutral midpoint.

wood samples, with no reference to species names. Thus, the first group was identifying their preconceived notions about different species, while the second group was evaluating the appearance of different species.

The study found many differences between Group 1's perceptions about the wood species and Group 2's assessment of the wood samples' appearance. Within these differences lie significant marketing opportunities.

Fragile vs. Durable.

With the exception of pine, all species were rated above the midpoint of durability, suggesting an attitude that wood is generally durable. In the perceptions-based survey, oak was perceived as significantly more

Interestingly, given the relatively high price of maple lumber, maple was not perceived or viewed as expensive.. Also, the cherry wood sample 'was not labeled as expensive, even though cherry was perceived as an expensive species.

Casual vs: Formal

In general, the lighter-colored wood samples were viewed as more casual than the darker woods. For mahogany and cherry, however, the two most formal species according to the perceptions-based survey, the samples themselves were viewed as much less formal." Oak, the third most formal species in the perceptions survey, was actually labeled as casual in the appearance survey.

based on appearance, only mahogany was rated as warm, which is interesting in that the walnut sample was the darkest of the samples. Oak and maple were perceived as warm but viewed as cold. Similarly, walnut and cherry were perceived to be much warmer than they appeared to the sample observers.

Sustainable vs. Depleting.

Respondents to the perceptions based survey rated all species as sustainable, with the exception that mahogany was rated at the midpoint between sustainable and depleting. Based on appearance alone, however, all species were viewed as sustainable.

Editorial

Species Identification

The participants' inability to correctly identify the wood samples quite likely contributed to the discrepancies between species perceptions and the evaluations of the wood samples. Participants in Group 1 (perceptions-based survey) were asked whether they could identify the six species in question, while participants in Group 2 were actually asked to identify the wood samples in front of them. Table 2 shows the sharp contrast between Group 1's claimed ability to identify the species and Group 2's actual performance in correctly identifying wood samples of the same species.

What Does it Mean?

Think of it this way. A person may believe that a Lexus or BMW is a quality, expensive car, even though she's never owned *or* even ridden in One, She-'s been conditioned by the media and advertising to think so. Yet, she doesn't know why they are fine automobiles, nor would she recognize one if it was about to run her over. Given a similar perceptions-based test, she would likely label Lexus and BMW automobiles as prestigious, quality built, expensive, high-performance, reliable automobiles, based on their names alone. Take the name plates off these cars and give her the visual test, and she will assign the most positive attributes to the car with the nicest curves, the tightest fit and finish; the richest color or even the lowest profile. She knows in her head that the BMW and Lexus are good automobiles, but without being able to visually identify the automobiles, she can't transfer her perceived values about- these brand names to the actual automobiles. The same goes for hardwoods.

Bumgardner and Bowe showed that people have preconceived notions about hardwood species. They also showed that, without being able to associate species names with wood samples, people will assign attributes based on appearance alone. The most striking example of this was with oak. Without ever looking at a piece of wood, respondents already believed oak to

be expensive, formal, old-fashioned, stately and warm. These are predominantly positive attributes that help sell product. However, with the nametag removed, a sample of oak wood did not conjure up nearly the same feelings.

What makes this so important is that wood appearance is readily altered and disguised. Modern finishing techniques can make many inexpensive, light-colored, close-grained woods look like expensive mahogany; cherry or walnut. Given this ability to alter wood's appearance-and the fact that consumers are apparently unable to correctly identify even unstained samples-it

Table 2. Percent of students Claiming ability to identify species vs. percent that correctly identified the species.

	Claimed Ability to Identify (%)	Correctly Identified (%)
Pine Maple	61	42
Walnut	32	9
Cherry	24	18
Mahogany	52	11
Oak	56	3
	75	26

is unlikely that most consumers can identify the wood species used in most finished secondary products. Remember; many of the students surveyed in this study were in forestry and wood products programs. You would think they would have a better chance of identifying wood samples than the general consuming public

The implications of these results are two-fold. First, the door is open for inexpensive domestic or imported substitute species to "masquerade" as expensive hardwood pieces. For, if the customer doesn't know what it is, he will evaluate its quality and appeal based on appearance alone, and perhaps even associate qualities of the species he believes it to be. If it looks like cherry, for example, he's likely to assign it cherry-like values. It's not enough anymore to promote hardwoods, for hardwood lumber and parts now come from all over the planet. If you spent the money to make it out of cherry, you'd better find a

way to differentiate it as real cherry and not just "cherry finished."

Second, while this study stopped short of testing this theory, it appears that better marketing could take advantage of the existing perceptions the public holds about individual hardwood species. We don't know what the results would have been had there been species labels attached to the wood samples shown to Group 2. But, odds are that many of the participants' preconceived perceptions about the individual species would have been given to the samples, radically changing the evaluation of the samples.

Perception is reality, and in this case, consumer perceptions influence the value and even, perhaps, the very appearance of finished hardwood products. The skillful marketer reinforces existing positive perceptions about his or her products while carefully dismantling the less favorable ones. If you know your customers walk into your showroom perceiving oak to be expensive, stately and warm, for example, and these are attributes that will help sell your furniture, then tell the customers your furniture is made of oak. Likewise, and again based on these survey results, lighter-colored lumber species can be marketed to secondary manufacturers as low-cost alternatives to cherry and walnut, to which significant perceived value can be added simply with darker stains. Conversely, if consumers have serious concerns about mahogany coming from unsustainable forests, consider documenting that your lumber comes from sustainable plantations (or consider sourcing from such suppliers). Or, if pine is your game, you might have to physically demonstrate the strength of your products to overcome perceptions of fragility.

The marketing possibilities are endless and can work to the advantage of everyone in the hardwood lumber business. The trick is to understand consumer perceptions about the different species, nurture those that can help your sales, and change those that don't.

¹Wood and Fiber Science, 34 (3)