



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
E-1

For the meeting of: January 14, 2014

Date: December 30, 2014
To: Board of Supervisors
From: Supervisor Ryan Sundberg
Subject: Presentation on the Forest Products Initiative Redwood Marketing Campaign

RECOMMENDATION(S): That the Board of Supervisors hears the presentation and takes appropriate action, if required.

SOURCE OF FUNDING: N/A

DISCUSSION: The purpose of the Headwater's Fund Forest Products Initiative is to stimulate the Forest Products industry to create and retain jobs in Humboldt County through a strategic marketing & advertising campaign. The Real.Strong.Redwood campaign builds the competitive qualities of redwood decking—beauty, strength, and value—for California consumers.

On April 24, 2012, your Board approved a \$750,000 grant from the Headwaters Fund to the Economic Development Division to work with the redwood companies to conduct this campaign and regain market share for redwood as the premiere decking material in California. The California Redwood Company and the Humboldt Redwood Company are partners in the campaign; each company is investing at least \$375,000, plus investments from the California Redwood Association. While the Forest Products Initiative is limited to three years and is entering its third year, the redwood companies are committed to build on this launch and continue the campaign for ten years.

The presentation will show the campaign and how Real.Strong.Redwood is strongly affecting consumer purchasing intent.

Prepared by Ana Hartwell

Signature Ryan Sundberg

REVIEW: Auditor _____ County Counsel _____ Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:
____ Consent
____ Departmental
____ Public Hearing
XX Other Time Set - 1:40 p.m. (45 minutes)

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Fennell Seconded by Supervisor Bass
Ayes Sundberg, Lovelace, Bohn, Fennell, Bass
Nays
Abstain
Absent

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

and carried by those members present the Board hereby approves the recommended action contained in this Board report.

Dated: Jan. 14, 2014
By: Ana Hartwell
Kathy Hayes, Clerk of the Board

FINANCIAL IMPACT: N/A

OTHER AGENCY INVOLVEMENT: N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion.

ATTACHMENTS: None.



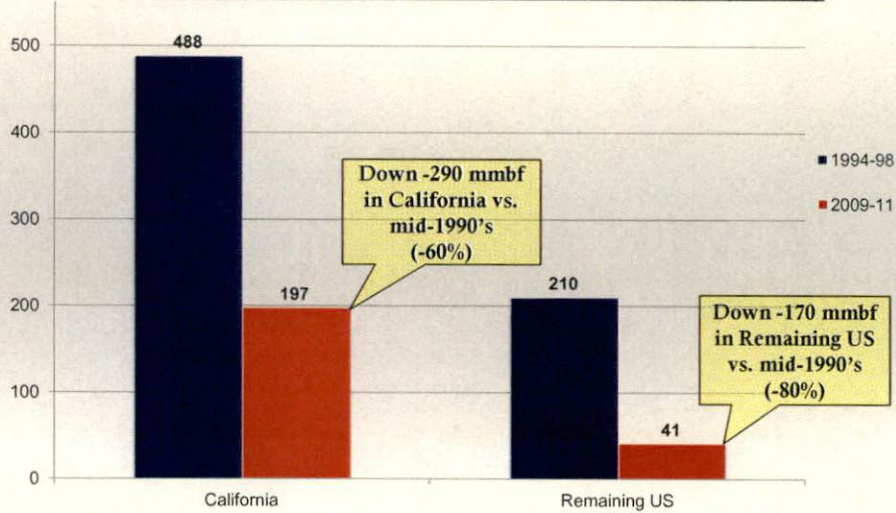
Forest Products Initiative Update
Board of Supervisors Meeting
January 14th, 2014

Background

- Industry in decline
- Little marketing spending... even in face of competitive marketing assault
- Uncertain messaging
- Questioning long term viability

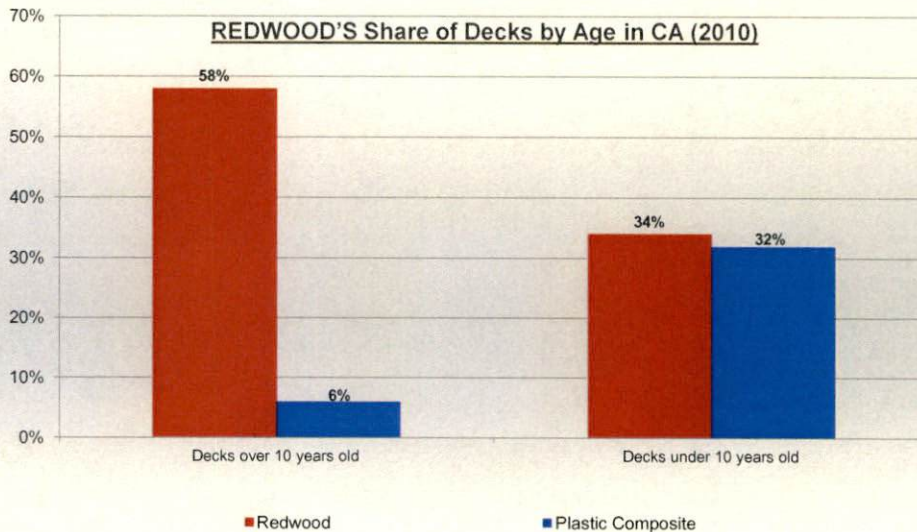
Both California AND the Remaining US Have Lost Much Volume in Past 15 Years

Average Annual REDWOOD Shipments (mmbf)

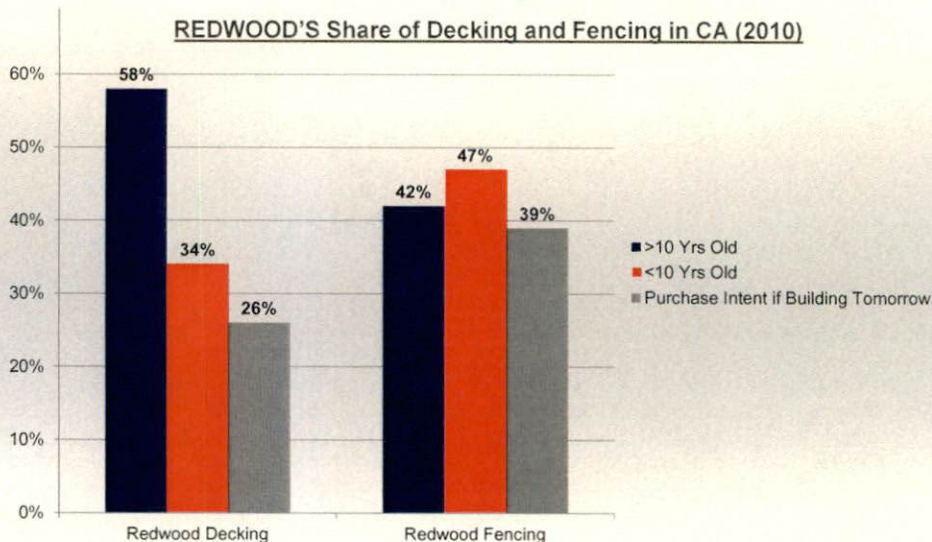


Plastic Composite Decking has Gained Share in CA

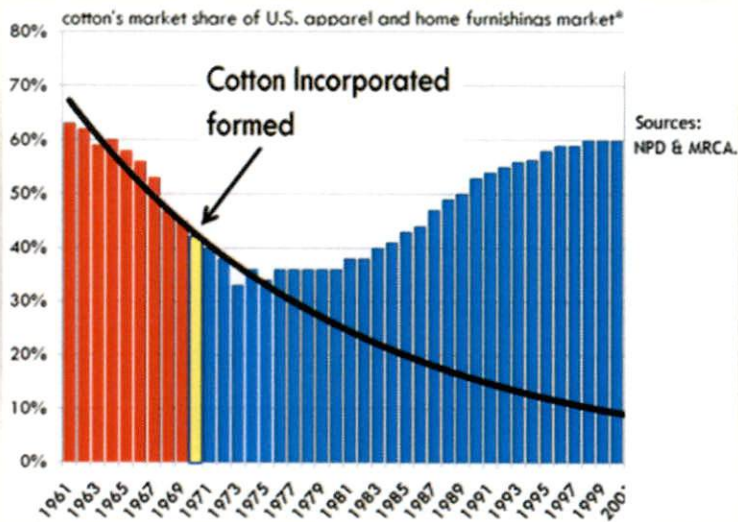
REDWOOD'S Share of Decks by Age in CA (2010)



Redwood's Share of Decking in California was Falling, While Fencing Remains More Steady



Cotton Share Plummeted in 1960's, (Synthetics Grew)... Then Reversed Decline



Forest Products Initiative

Goals of the campaign

- Build redwood's share of decking in California
- Positively impact production and support industries
- Economic growth for the County

Plan

2012 - Conduct research and produce TV ads

2013 - Air TV ads and measure results

2014 - Air TV ads and measure results

Results

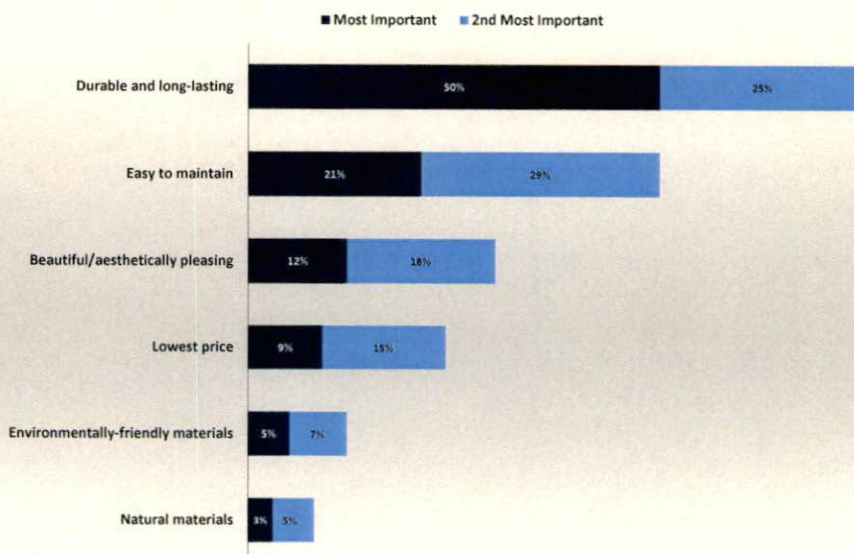
Reach of TV Ad Campaign

- 1 out of every 6 homeowners in CA recall seeing the ads
- >8 million impressions
- Media buy focused on core redwood markets



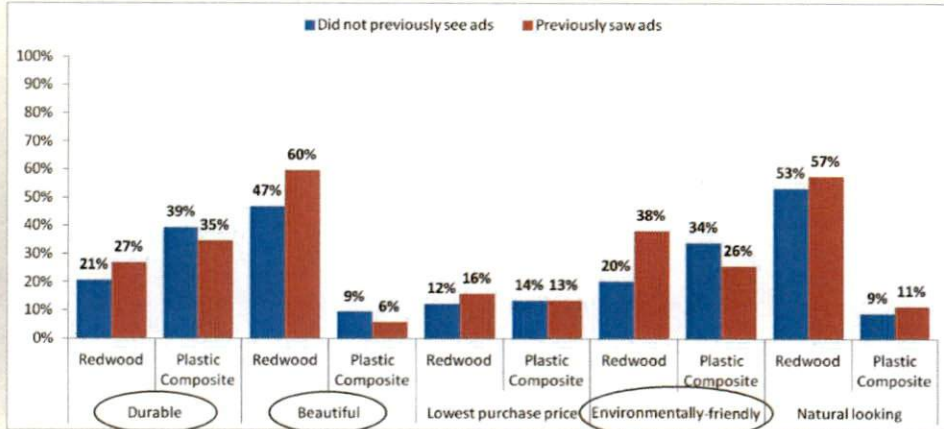
Q: Was this the ad, or ads, you said earlier you recalled seeing for redwood decking?
 Q: Do you recall seeing either of the ads previously?

Durability & Ease of Maintenance Drive Consumer Decision Making



Attributes by Previously Viewed Ads

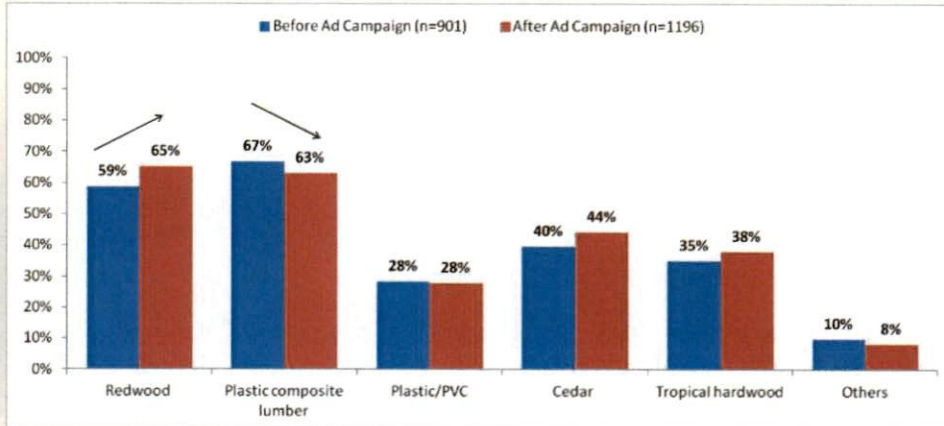
Redwood gained and Plastic Composites lost share in key attribute categories



Q5. Which decking surface material is best described by each of the following attributes? Choose one material for each attribute. If none of these materials fit the description, choose "none apply."

Interest Before/After Ad Campaign

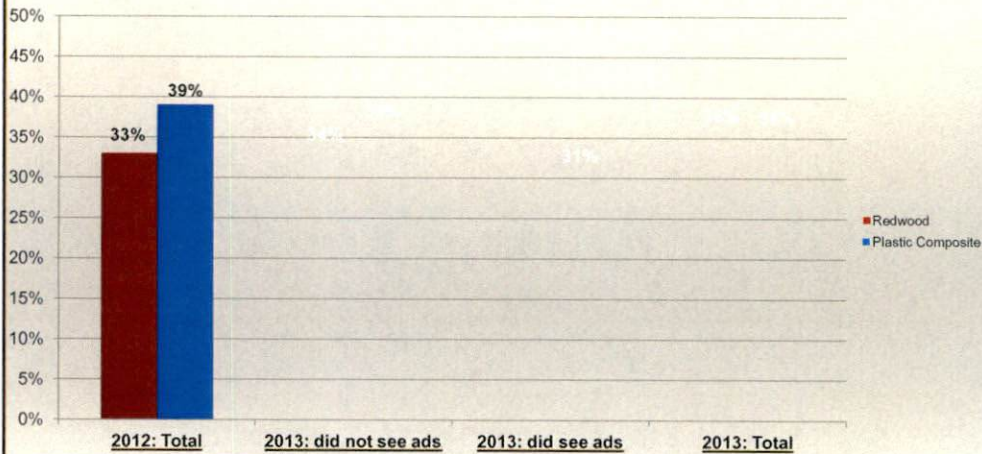
Interest in Redwood increased and interest in Plastic Composites decreased



Q.7 If you were thinking about replacing or building a deck, which decking surface materials would you look into (for example, research online or look at samples in-store)? Please select all that apply.

Purchase Intent Pre- and Post-Campaign

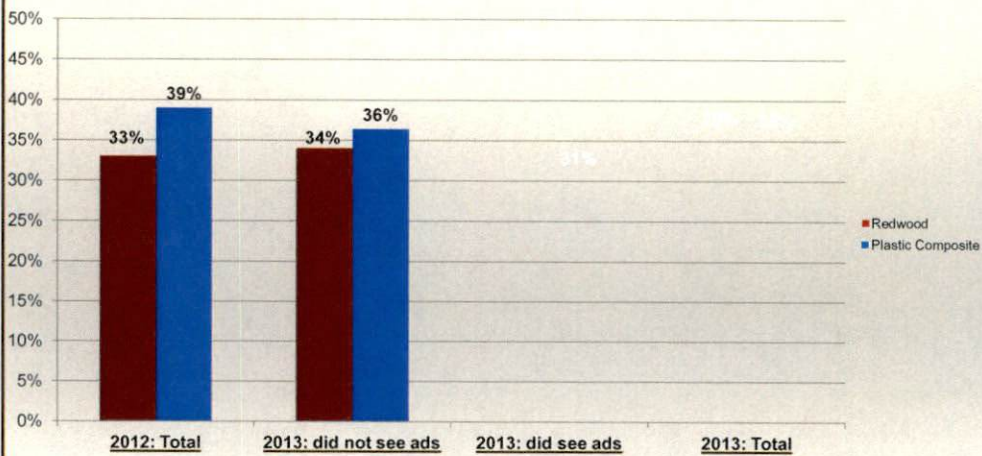
Purchase intent for Redwood was well below Plastic Composite in 2012.



Q: If you were to replace or build a deck tomorrow, which decking surface material would you **most likely** use?

Purchase Intent Pre- and Post-Campaign

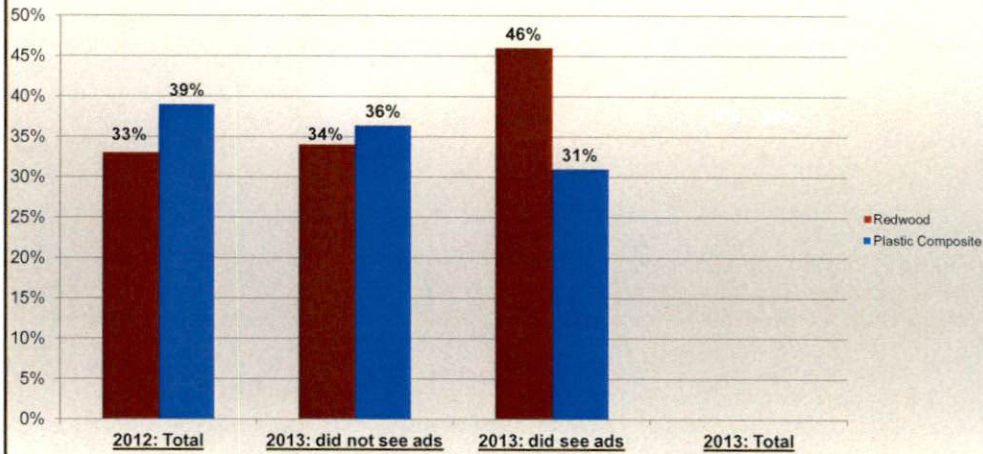
In 2013, among those who didn't see the ads, Redwood purchase intent was stable.



Q: If you were to replace or build a deck tomorrow, which decking surface material would you **most likely** use?

Purchase Intent Pre- and Post-Campaign

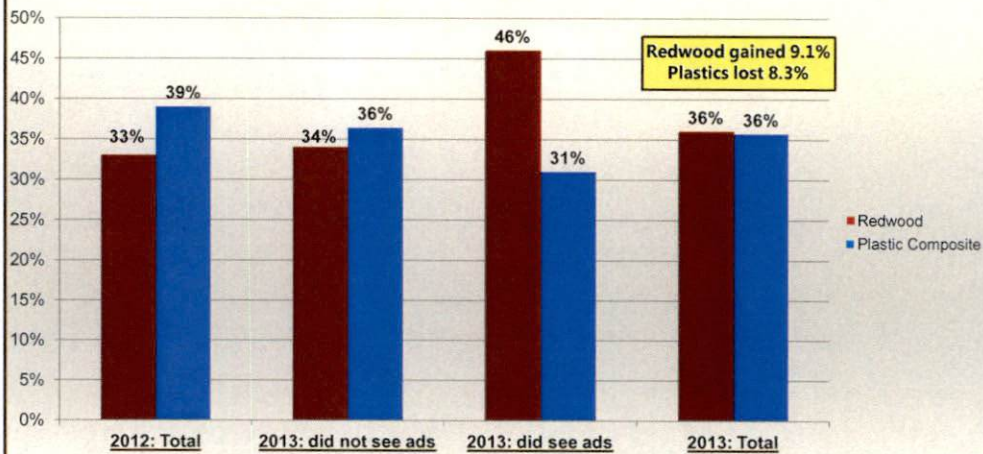
Those who had viewed the ads chose Redwood much more often.



Q: If you were to replace or build a deck tomorrow, which decking surface material would you **most likely** use?

Purchase Intent Pre- and Post-Campaign

Market share (purchase intent) was tied between Redwood and Plastic Composites.



Q: If you were to replace or build a deck tomorrow, which decking surface material would you **most likely** use?

Increased Industry Collaboration

New Industry Efforts

- New California Redwood Association (CRA) website
- New CRA brochures
- Consumer and trade shows
- Aggressive public relations effort
- Statewide CRA funding into campaign

New Association Website



HUMBOLDT COUNTY
Headwaters Fund

This campaign could not have happened without the support and encouragement of our friends at The Headwaters Fund and Humboldt County.

Please find out more about the amazing, artisan and local products produced within Humboldt County.

New Association Brochure

Redwood Decking	VS	Plastic Decking
<p>Renewable</p> <p>Here's where redwood comes from. It grows from sprouts or seeds using soil, sun and water.</p>	VS	<p>Non-renewable</p> <p>Here's where a lot of the raw material for your plastic-composite deck comes from...an oil well.</p>
<p>Milled</p> <p>When it is fully grown, it can be sustainably harvested and milled to produce one of nature's strongest and most beautiful building materials.</p>	VS	<p>Molded or Extruded</p> <p>Making plastic lumber is a process of combining petroleum-based plastic with artificial ingredients, colorants, binding agents, fillers and fillers. It can be molded or extruded.</p>
<p>Stores a Lot Of Carbon</p> <p>Redwood decks store carbon throughout their lives. They use significantly less energy and fresh water - nearly 15 times less of each!</p>	VS	<p>Emits a Lot Of Carbon</p> <p>A plastic-composite deck consumes 15 times more energy than a redwood deck - and 87% of that energy comes from non-renewable fossil fuels, a major source of carbon emissions.</p>
<p>Biodegradable</p> <p>Redwood is biodegradable. When it's done adding beauty to your home, it goes back to the earth to help make more trees.</p>	VS	<p>Not Biodegradable</p> <p>When it's done being a plastic deck, it goes to the landfill.</p>

Consumer and Trade Shows

7 home shows with over 150,000 attendees



Examples of PR Efforts

47 confirmed placements generated over 38MM impressions (with many more planned)



Los Angeles Times

WALL STREET JOURNAL

The Washington Post

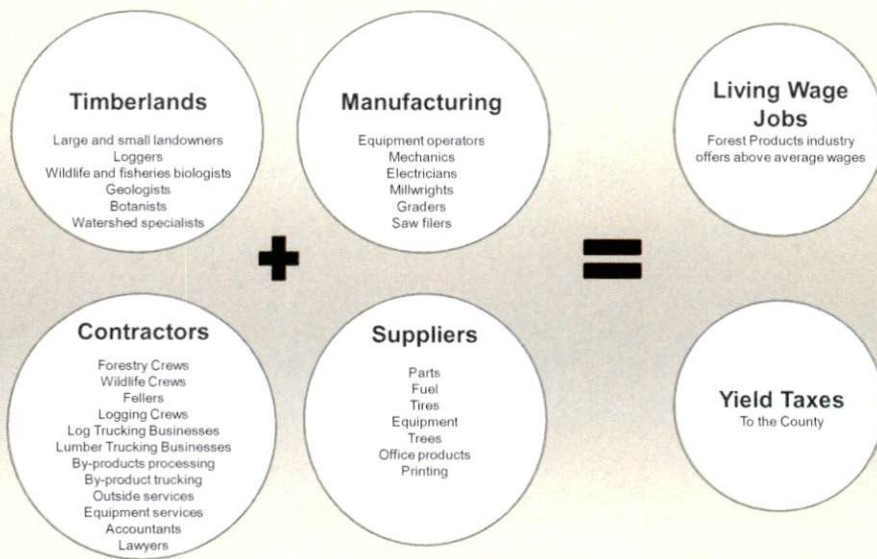
REAL SIMPLE
life made easier, every day



Local Economic Benefits

Redwood Industry Economic Impacts

Money circulating in the local economy



Redwood Industry Economic Impacts

Diversity of community partners



JAMES L. ABLE
FORESTRY CONSULTANTS, INC.



KERNEN CONSTRUCTION



Fernbridge Tractor

HUMBOLDT
FASTENERS



Bettendorf Trucking

COASTAL
BUSINESS
SYSTEMS



Increasing Local Collaboration



Redwood Coast - California
**HUMBOLDT
MADE**



Next Steps

2014 Plan

- Purchase media
- Leverage campaign through continued Association efforts
 - Produce two new commercials
 - Expanding media markets outside of CA
- Continued local collaboration
 - Sunset Celebration Weekend in collaboration with Humboldt Made

Questions?