STRUCTURAL BUILDING COMPONENTS MAGAZINE (FORMERLY

WOODWORDS)

August 2000

Executive Director's Message



KIRK GRUNDAHI

"Constructive or Destructive" by Kirk Grundahl

This issue has an editorial focus on marketing/advertising/promotion and marketplace educational opportunities. To that end, let's start with the definition of marketing. Webster's says it is:

"1) the act or process of selling or purchasing in a market; and 2) an aggregate of functions involved in moving goods from producer to consumer."

In our business this would mean all the activities that move our component products to our customers (distributors or builders). Our marketing objective is to make these products attractive to our customers in terms of price, on-time delivery, service and technical assistance, so that they continue to make purchases. Most importantly, we need to make sure our customers can easily use our products to generate revenue for their businesses.

Most often, the work we do in our business is focused on expressing the positives about our products and our industry, which creates value for our customers. As long as our customers remain happy with us, it is very easy to be secure in our business and have a big smile at the end of the day.

But there is another approach to marketing that our industry has faced and certainly will continue to face. It is an approach that is very effective when someone or some group is dissatisfied with what an industry is doing, has an agenda that is anti-industry or uses the industry in a negative way to advance a pre-determined agenda. This is the marketing of destruction. What does this mean? Let's define this by looking at a few examples.

If you go to the Greenpeace web site you'll see a globe. Underneath this globe it says "Nearly 80 percent of the world's ancient forests have been destroyed." Then go on to its "Ancient Forests Under Siege" section and you'll find the following text:

"an ancient forest like this has taken thousands of years to grow...but in one week, an area the size of Luxembourg (2,400 sq. km) will have been destroyed...to make products such as toilet paper....What is the problem?

"Nearly 80 percent of the world's large areas of ancient forest have already been destroyed, much of it in the last three decades. Of the one-fifth left, logging is the biggest single threat.

"An area the size of a soccer field is logged every two seconds. Ancient forests the size of Europe could be destroyed in the next few decades. Most of these forests are being threatened by large industrial logging companies. In total, 76 countries have already lost all of their large ancient forest areas. Greenpeace thinks it's time to act. Why is it important? Ancient forests are among the greatest living expressions of three billion years of evolution of life on earth. They contain as much as 90 percent of the world's land-based species, literally millions of types of flora and fauna from owls to orchids, bears to beetles. Many species will not survive without large areas of ancient forests.

"Ancient tropical rain forests, covering only seven per cent of the world's land area, support at least half of the world's terrestrial plants and animal species. Many more species are undiscovered. Ancient forests are irreplaceable...."

The following are very important concepts in Greenpeace marketing:

- "Ancient forests are among the greatest living expressions of three billion years of evolution of life on earth." The use of the word "ancient" yields an emotion in most of us of reverence and a willingness to protect. Without an accurate definition of ancient, a group can play to the typical emotions of human beings to protect the fragile elderly. This is in contrast to the truth that, like human beings, trees do not live forever. Can industry use trees for the benefit of all human beings or will they be left to rot in the forest from old age?
- They use "Ancient forests the size of Europe could be destroyed in the next few
 decades" (emphasis added) to have "Clintonesque wiggle room" if it is found out not to be
 true. The emphasis is on the emotional driver "destroyed," not on the fact that they do not
 know if this is even possible.
- They say "logging is the biggest single threat," but use no factual data to back up this claim. In fact, the single biggest threat to the forests is in underdeveloped countries where they cut trees to burn wood for heating and cooking. Second is clearing woods to grow food to feed a population. It is easy to attack big business, but the reality is they are attacking people who are trying to put food on the table and keep warm. In addition, if the lumber companies are the single biggest threat, how in the world do these companies stay in business for the long term? It does not make sense that they are in the business of destroying the very product they intend to sell downstream.

We discovered that the Spotted Owl was remarkably resilient and could even nest in locations not expected, such as signage support structures. In fact, animal species are resilient and they need both cleared areas where the sun shines on the ground and is a host to a variety of food chain staples, as well as the dense over-story forest where no sun hits the ground. The survival instinct is very strong and species seem to move into locations where they can survive. Here in the Midwest we now have quail, turkeys and deer in our backyards. They have even found out that they get free food and have no risk of being hunted.

Greenpeace is not the only group that effectively uses emotional drivers and spun facts to fuel the marketing of destruction. Here are some other examples:

Some in the fire service call truss plates "Killer Connectors." Why? What is the motivation?

- OSHA defines a musculoskeletal disorder (MSD) as an illness or injury to soft tissues of the upper and lower extremities, as well as the back, "primarily caused or exacerbated by workplace risk factors" such as "repeated exertion" or "awkward postures." Its manifestations include everything from carpal tunnel syndrome to Raynaud's phenomenon to DeQuervain's disease to Carpet-layer's Knee. Is this truly about protecting people from illness or injury—or about building a government entitlement/dependence program? At what cost?
- Al Gore recently condemned George W. Bush's plan to allow those contributing to social security to invest a portion of these contributions in the stock market. Gore's argument is that the stock market is too risky for those that do not know much about it and retirees could lose all their benefits from this type of risky investing. In other words, normal people are not intelligent enough to make their own investment decisions. Gore's logic assumes that the government has much greater wisdom that we should rely on to protect us through our old age.
- "Eating eggs and red meat causes cholesterol to rise and increases the chance of heart
 disease." Why was this talked about so widely, yet both have been proven not to be true? It
 was used to reduce demand for these products so that mistreatment or killing of animals
 could be eliminated. If you eliminate the value of the animal based business, you eliminate
 the mistreatment or killing of animals, which to some are sacred.

It is probably fairly obvious that all of these groups have found a key to a marketing campaign that is very negative toward business and, quite frankly, very negative to every person that works within a business that provides a product or service for which individuals have a true need. They use very emotional words that evoke sympathy from almost everyone—killer, injury, illness, destroy, ancient, risky, won't survive, etc. They then combine them with half-truths or downright falsehoods to make their points, relying all the time on the fact that no one has the time or energy to check on the fact base or question the veracity of the assertions with the same tenacity that they have. And if the businesses that are being targeted question these assertions, it is put off as the evil, greed-driven, corporate empire striking back, thereby discounting this point of view as irrelevant.

Some observations:

- When both emotion and politics are against an industry, the industry usually loses. For example, let's say that Al Gore gets elected president of the U.S. and his party controls Congress as well. It is fairly clear that the administration and Congress will be steering policy that is pro-Greenpeace and in favor of promoting the substitution of alternative materials to the use of wood products. What is the best way for us to respond? Maybe we should consider making our products out of the materials that those with political influence or those that define what is politically correct desire to support. This is certainly the path of least resistance and one that keeps our businesses completely viable until people come to their senses and the truth eventually rises to the surface. With this strategy, we will be in the game no matter what is politically correct.
- We can continue to make our products as cost-competitive as possible. Competitive
 economics has a big influence over purchase behavior and product use decisions. The price is
 usually one of the top questions we ask when we buy something, as we need to know if we
 can afford to make the purchase. My guess is that even radical environmentalists ask what the
 price is before they buy something.

- We can have the best of all worlds if we supply a broad based product-line that can be competitively priced and will meet the variety of needs that exist in the market. This type of strategy allows one to expand markets while market influences may cause some market segments to shrink or fall out of political or emotional favor.
- The ergonomics laws may in reality be a labor replacement law. The best thing a company could do if the cost of ergonomics is too high is to replace all the employees with machines. The only question is, can one justify the capital investment of automation?
- Our industry believes that safety on the fire ground is of critical importance. We are working
 on assisting the fire service with the tools they need to make quick and accurate fire ground
 assessments of the risk at hand. We will also take an active role in providing tours,
 educational programs and communicating with those that may not be familiar with the
 engineering and quality that goes into truss manufacturing. Our goal is better decisions by
 everyone.

What can we do as our industry is increasingly faced with emotional "marketing of destruction" campaigns?

- Keep our business options open. If the political and emotional winds shift due to forces outside our control, be prepared to make business adjustments and shift with them.
- Seek and promote the truth. If the truth resurfaces and you have kept your business options open, you will still be in the market when that time comes.

The proponents of these emotional campaigns hope that the industry will become divided on the issues and self-destruct. It is very important for our industry to remain united and speak with one voice. If we do so, we will gain strength.

We are fortunate that the WTCA Board of Directors and its Committees have thought through and put programs in place to have a united strategy for the future. All of this work has been done to give us a strong chance at having a sound economic future. We now must unite around these strategies and use them so that our entire industry (including both WTCA members and non-members) benefits from this hard work. This is really the only way we can defeat the emotional "marketing of destruction" campaigns.

SBC HOME PAGE

Copyright © 2000 by Truss Publications, Inc. All rights reserved. For permission to reprint materials from SBC Magazine, call 608/310-6706 or email editor@sbcmag.info.

The mission of Structural Building Components Magazine (SBC) is to increase the knowledge of and to promote the common interests of those engaged in manufacturing and distributing of structural building components to ensure growth and continuity, and to be the information conduit by staying abreast of leading-edge issues. SBC will take a leadership role on behalf of the component industry in disseminating technical and marketplace information, and will maintain advisory committees consisting of the most knowledgeable professionals in the industry. The opinions expressed in SBC are those of the authors and those quoted solely, and are not necessarily the opinions of any of the affiliated associations (SBCC, WTCA, SCDA & STCA).