The brand of the National Forest Holding “State Forests”

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A strong brand means being ahead of the competition and, as a consequence, the basis of company worth. Building the brand for a product, a company offering goods or services can be done using a marketing campaign, advertising or through distribution. However, building the brand of an organization such as National Forest Holding “State Forests” (further abbreviated as NFH SF or just SF) should depend on promoting the non-manufacturing functions of State Forests, as well as on corporate social responsibility (CSR). In spite of its de facto monopoly position in the forest market, State Forests require the acceptance of the society, which is the Holding’s primary stakeholder. The aim of this research was ascertaining brand recognition of NFH SF and the awareness of its mission statement and activity. Previous research on this topic was carried out in 2012 and 2015. In order to analyze the features of the State Forests’ brand, a survey with 438 participants was conducted. The results made it possible to define the weak spots and possible promotional directions for the brand. This can enable the Holding to strengthen its position on the market and project a positive image for the public.

Introduction

The National Forest Holding “State Forests” is a public law institution, which administers almost 7.6 million ha of forests on behalf of State Treasury. It was founded in 1924 and has been in charge of commercial forestry for the Treasury since then. Its current structure was established in the 1990s as a result of the adjustment between socialist and free-market economy. The change affected the employment structure, which happened due to the removal of manual labor positions. Currently, most manual jobs are outsourced. In spite of the organizational changes, the original ownership structure was maintained: state-owned forests are dominant in Poland, with NFH SF managing 77.1% of them (Zajączkowski 2015). As a state-owned company, NFH SF had to adjust to the new political and economic environment by conforming to capitalist rules. The forestry industry shifted from obligatory material deliveries for another state-owned businesses to an institutional market filled with both small, family-owned businesses and large, pan-European entities. As one of the largest forestry entities in Europe, State Forests must compete with both private and state-owned companies, competing with their experience in free-market economy. Faced with the increasing globalization and the free movement of goods, services and information, State Forests make every effort to maintain its customer base at home and abroad. In spite of its monopoly in the forestry market, State Forests have to compete with wood importers from other countries, especially from the East.

One of the ways to build a competitive position is creating a strong brand for a company. “A brand is a name, term, or a combination of these elements, created in order to identify a product or service of a given company, and to distinguish it from the competitors’ offer.” (Witek-Hajduk 2011). Since the 1990s, a brand has been considered a part of company assets. In case of a business which sells materials meant for further processing, it is difficult to consider a brand in a product context. It is
still important for State Forests that its brand is recognized as a sign of high quality and balanced forestry, as well as a display of social responsibility. The aim of the research study was to measure the State Forests brand recognition among the public, along with the awareness of its mission statement and activity. Previous studies on this topic were conducted in 2012 and 2015. In order to analyze the features of the State Forests’ brand, a survey with 438 participants was conducted. The results made it possible to define the weak spots and possible promotional directions for the brand. This can enable the Holding to strengthen its position on the market and project a positive image for the public.

1 The state forests brand - historical viewpoint

State Forests has been managing Treasury-owned forests for almost a hundred years. Its beginnings can be traced back to the interwar period, shortly after Poland regained its independence. On June 28 1924, President Wojciechowski issued an ordinance establishing the charter of the National Forest Holding, which introduced the three-tier structure and described the function of all three tiers (Rozporządzenie 1924a). The holding’s state-owned enterprise status was then lost on December 30 as a result of the Presidential Decree on the organization and administration of State Forests. The regulation introduced the rule of financial self-sustainability of enterprises, both in regards to ordinary and extraordinary costs (Rozporządzenie 1924b). SF’s first director, Adam Loret, laid the foundation for the modern version of the holding. A system was put in place to ensure its self-sustainability. Many of the solutions from that time, such as State Forests’ structure, are still in use today. For the first time, different functions of the forest were defined, with emphasis on environment-creating and social responsibility over wood production. Before World War II, State Forests became a dynamic enterprise, which used its own funds to buy up private forest areas. Forest industry facilities were built while timber market and exports were set up. A research institute was created and later transformed into the Forestry Research Institute. The adjustment of salaries and social benefits for skilled and manual workers created competitive working conditions and increased the prestige for the employees of State Forests (Tyszkiewicz 1980). All these factors contributed to the image of a strong and dynamic enterprise. A forester’s uniform became so synonymous with authority, in fact, that in 1939 Soviet forces executed 724 foresters in Katyn, Kharkiv and Mednoye. One of the victims was A. Loret (www.lasy.gov.pl 2014). The interwar period was the beginning for creating the State Forests brand. Unfortunately, SF’s development was interrupted by World War II. After the War, SF employees set to restore commercial forestry in Poland. Thanks to nationalization of all forest areas above 25 ha, SF took over the management of more than 6,000,000 ha of forest areas. Still, forestry in Poland was controlled by country-wide wood production plans which were often not in line with sustainable forestry. Along with regime changes of 1989 came a new political and economic reality for State Forests. The introduction of free market economy caused changes to the holding’s charter and the State Forests Act. The new structure was based on the previous system and forest resources remained Treasury-owned and open to the public. Continuous self-sustainability became the foundation of modern day commercial forestry in the country, along with the efforts to maintain and increase Poland’s forest resources. The authorities implemented self-financing of the enterprise, which meant that SF financed all state-owned forestry activities. The State Forests Act of 1991 put the modern structure into effect, basing forest management on Forestry Service. Keeping Poland’s forest resources in state’s control is crucial for the public. All attempts at privatization or reprivatization of Poland’s forests in the last 25 years caused protests and even legislative initiatives aimed at protecting the state ownership. The state-mandated free access to the forest areas and to the ground flora is deeply embedded in Polish traditions and works in favor of the
enterprise’s positive image (Act 1991). Nonetheless, the example of protests against cutting the bark beetle-infested trees in Białowieża shows that the public awareness of State Forests’ activity is quiet low. In spite of a high degree of trust the public has for the State Forests brand, the public exhibits disapproval for SF’s main function – wood production. Regardless of growing abundance of forests in Poland, State Forests are often accused of over-exploration. NFH SF has been audited by external entities which issues certificates for conducting forest management respecting the principle of sustainability of forests, sustainable development and environmental protection. All regional departments have received at least one certificate for appropriate forestry practices:

- **PEFC (Programme for the Endorsement of Forest Certification Schemes)** – an international non-profit organization working to promote forest sustainability through a certification system. The certifying processes are created for all members in a democratic process. PEFC also demands that any suppliers applying for a certificate must certify their supply chains, ensuring that every step of the process adheres to the principle of sustainability. PEFC manages certificates for over 250,000,000 ha of forest areas in 30 countries.

- **FSC (Forest Stewardship Council®)** is a British organization set up in Mexico in 1993 to protect tropical forests from over-exploration. Currently, FSC’s main objective is promoting its forestry model. The certifying process is based on each country’s own forestry standards, a system for verifying the origin of all forestry products in forestry companies, and the regulations for using the FSC logo on products from certified forests (www.lasy.gov.pl 2014).

The public’s viewpoint of State Forests has two aspects. It can help the enterprise in some ways, such as with social legislative initiatives to protect the state-owned nature of the country’s forests. However, it can also cause information chaos and a negative approach towards the holding’s main function. In order to promote sustainable forestry and transparency, State Forests attempt to inform the public about its activity and mission statement, using the holding’s own resources. Main entities designed for this function are:

- **www.lasy.gov.pl** – official NFH SF website. It contains information on the holding’s structure, history, basic forestry data and social functions. The website has been redesigned in 2014 and in that year alone has received 1,325,000 unique visits (Zajączkowski 2015). All forest inspectorates and SF entities have their own websites as well.

- **GłosLasu (Voice of the Forest) magazine** (circulation: 17,000 issues) – internal SF magazine.

- **EchaLeśne (Forest Echoes)** quarterly (circulation: 21,000) – a publication aimed at the general public, people interested in forestry and tourism, and for future forestry students.

- **Facebook pages** – currently most of the 430 forest inspectorates maintain Facebook pages, where they publish nature trivia and news. A general page for State Forests has also been created.

- **Educational and promotional publications.** In 2014, 20 different publications were issued, aimed at different profile of readers (Zajączkowski 2015).

- **Television programs ordered by the SF board,** such as Ocalonyświat (Preserved world) showing State Forests’ protected species, Na skrajulasu (On the forest edge) or Przyjacielelasu (Friends of the forest) presenting trivia related to inspectorates and foresters’ work.

In spite of the State Forests’ long history, the State Forests Information Center has ordered three public opinion research surveys. The first poll was conducted in 2004 and was followed by two more: in 2012 and 2015. A group of 1,000 Poles over 15 years old were surveyed. The polls show that the public views foresters as highly competent (2012 – 86%, 2015 – 90% answers) and law-abiding (2012 – 83%, 2015 – 87%). In 2015, 83% of interviewees had a positive view of State Forests’ activity, which is a 20-point improvement since the 2012 poll. The only public service with a higher score was the Fire Service (86%). Among the public institutions with lower scores was the army, the National Bank of Poland, or Polish State Railways. In the studies cited it can be observed that the awareness of the SF logo rose from 51% in 2012 to 61% in 2015. This might suggest the influence of the educational actions conducted by the enterprise. However, the number of interviewees who had
not visited a forest in the past 12 months is rising (2012 – 30%, 2015 – 38%). In 2012, 10% of people who had visited a forest were taking part in different forms of forest education. The studies showed a number of doubts regarding the financing of SF activity. In 2015, 91% of interviewees thought that State Forests are fully financed from the government budget and that score is higher than in 2012 by 7 points (Pudlis 2012, Kifer 2016).

Public opinion research on brand awareness does not produce a reliable analysis of the public’s attitude towards NFH SF. The results indicate a high degree of social trust in State Forests, but also a lack of correct information about the financing of enterprise and its ownership status. The public appears to not be aware of the economic functions filled by SF. There is no data that allow us to measure the effectiveness of the promotional and educational activities of SF, which could potentially cause financial losses on campaigns that are ineffective. Brand and image management should be supported by market research in order to create a successful strategy for creating a strong brand for State Forests.

2 Studies and analyses

In order to ascertain the reception and awareness of the National Forest Holding’s brand, a poll was used. The survey was comprised of 17 multiple choice questions and 5 questions about demographics. There were 438 interviewees, aged 13 and older. The survey used a shortened version of the State Forests logo, the same kind that is branded on the wood received by the Forestry Service, in spite of the fact that its use is only allowed in cases where there is not enough space to use the full NFH SF logo (Rozporządzenie 2010). Currently, the shortened version of the logo is used by the Forestry Service to mark tree trunks that are placed in storage facilities. The use of the shortened logo was a conscious attempt at analyzing actual awareness of the emblem and the Forests’ activity. If the full logo of NFH SF was used, the question about its ownership status would be already answered. The survey was made using Google Drive tools. Interviewees were invited to fill it out through the SF Facebook page and in face to face conversations. Some interviewees submitted their answers directly, without using online tools.

3 Demographics breakdown

The survey was completed by 438 respondents aged 13 to 73 years old. 56% of them were men. The biggest group was made up of students aged 13 to 23 years old (44%) and young adults aged 24-33 years old (21%). In theory This selected group has, been exposed to forest education carried out by NFH SF. Students have been recipients of educational campaigns organized by foresters for years. Analyzing the answers of this group of interviewees made it possible to show the influence of school-based education has on State Forests’ image.

The respondents’ places of residence ranged between all types of municipal centers – from villages to cities over 200,000 residents. The largest group (33%) stated they live in a village, followed by towns between 5,000 and 50,000 residents (25%), cities over 200,000 residents (24%), and towns below 5,000 residents (10%). Of all interviewees, 51% have stated they had completed a higher education degree. Only 2 interviewees answered that they do not have any education.

The employment breakdown showed that almost half of the interviewees were students (49%). Due to the method of distribution, which was based on sharing the poll on Facebook, there was a considerable number of State Forests employees (10%).
4 Survey results

The answers were counted for all survey questions, along with percentages of the specific answers for each question. The answers were also analyzed according to the participants’ demographic data. No relevant variation between the answers of men and women was noted. This was also true for place of residence. Interviewees with university degrees gave answers closest to correct, while students aged 13-23 gave answers that had the highest number of errors. Aside from the overall results, outliers were also analyzed.

The answers given in the survey make it possible to determine the extent to which the shortened SF logo is recognizable. Almost 75% of participants were able to recognize the emblem and over 70% had come across it before. Most answers pointed to seeing the logo on posters, promotional merchandise, forest inspectorate buildings, events attended by foresters, as well as the internet and television.

Participants with higher education degrees displayed an 89% recognition rate of the logo (n=221). 85.1% of them had seen the logo before. Participants aged 23 and younger showed significant lower results in this regard – 64.6% and 60.9% respectively (n=281). The lowest recognition rate was observed in students – 53% (n=188). Half of this group stated they had never seen the logo before. (n=189).

Most interviewees correctly answered that NFH SF is a Polish enterprise (88%). A similar result was observed in the question about its ownership status. Most answers pointed to NFH SF being state-owned, with only 8.9% of answers saying it is privately owned. A very small number of interviewees thought that NFH SF is a public law entity (2%). This could be explained by the lack of precise information being available and is connected to the name “State Forests” where “state” is the defining term. Interviewees with higher education degrees recognized NFH SF as a Polish enterprise (93.7%). Over 20% of the youngest participants said that NFH SF was not Polish, or not entirely Polish. 15.3% of answers pointed to a Polish-Lithuanian ownership (n=189).

92% of answers to the question about the State Forests’ main function correctly pointed to commercial forestry. Among participants aged 23 or younger, 20% had chosen answers other than state-ownership. In contrast, 90.9% of participants with university education answered that SF is state-owned. The lowest number of answers pointed to SF being a public law entity, which is likely caused by this term being relatively new.

The detailed questions were designed to determine the participants’ awareness of SF’s financing, their confidence in the competence of the holding and its employees, as well as its influence on society and environment. The issue of financing State Forests has been controversial for a long time. In spite of educational campaigns, 47% of the public believes that NFH SF is financed solely from the government budget. Only 39% of participants answered correctly that SF’s activity is not financed by the government. This answer was given by more than half (51%) of the participants with university degrees. Only 13% of them answered the opposite. However, 30% of answers overall pointed to varying degrees of financing from the government budget. Among participants aged 33 or younger, 59% thought that the government budget is the source of SF funds (definitely YES – 25% and probably YES – 34%). The rest of the participants thought the state does not finance State Forests (24%), while 17% had no opinion on the matter.

Foresters’ competence has been steadily viewed as high – almost 58% of the interviewees thought that State Forests employees are highly qualified. Over half of the answers said that SF is an organization with a long history and tradition, but only 43% felt it was managed in a modern way. 87% of participants with higher education answered that SF is an enterprise with a long history and tradition. However, it is alarming that almost half of the interviewees had no opinion on SF’s trustworthiness. Nonetheless, the majority of them has a positive opinion on SF as a wood producer and recognizes it as the biggest wood producer in Poland.

The results of the survey show that its participants have a positive view of State Forests as an
organization in charge of the environment. A decisive majority had a favorable opinion on SF’s activity, but almost 23% of the participants has no opinion on the question of whether SF impede the countryside’s development. Interviewees with higher education degrees had a more positive view of the environment-creating function of SF than the overall results. In general, 75.4% of participants thought that the State Forests do not hamper the countryside’s development and did not believe that the holding was guilty of over-exploration. Nonetheless, 18.1% of answers in that group said that SF does not protect forest ecosystems. Students’ answer were similar to the overall results, but were less decisive – a large number of answers said “probably yes,” “probably not,” or “hard to say,” which could suggest a lack of knowledge on this topic.

The survey was an attempt at determining the SF logo recognition rate while making purchases and whether the origin of wood is a significant factor in the buyers’ decision-making process. A decisive majority (69%) answered that they did not notice the SF emblem on wood products. This answer was expected, because NFH SF does not brand finished wood products. The logo is only added to raw materials. Higher education participants showed a higher awareness of the logo – 40% said they had come across it on products they bought.

Wood products are strongly connected to the environment and the maintenance of forest ecosystems. For both ecological and financial reasons, it is important to improve buyers’ awareness when it comes to the origin of raw materials used in the making of the products they buy. The survey shows that 58% of participants does not pay attention to the origin of the wood products they buy. Among those with higher education degrees almost half (48%) declared that the wood’s origin is a factor in their decision-making process. The answers of the youngest participants (33 years old or younger) ranked lower in this respect, but this could be due to the fact that they do not normally participate in shopping decisions. Nonetheless, the spread was not very high (yes – 38%, no – 62%). State Forests should be interested in promoting their image as a sustainable wood producer. The variation in the answers which contributed to the overall result the most were observed in higher education participants, while the most predictable answers were given by students. Those participants who were still in school gave answers pointing to having very little or no knowledge in the subject of the survey. This all the more meaningful because they are the recipients of State Forests’ educational campaigns. No significant variation was observed in results ranked by gender or place of residence.

5 Discussion

The overall results of the survey show a high degree of recognition of both the SF logo and its brand. These results are in line with those obtained by NFH SF in their research. In 2015, 61% of interviewees stated they are familiar with the SF logo. The fact that the authors of this study observed a higher result could be due to the distribution method of their study (Facebook). The survey showed that 47% of Poles are certain that State Forests are government-financed. This is similar to the result of the SF study from 2015. It is possible that the financing method is associated with the holding’s name (State Forests). This is a clear signal that this issue should be emphasized in the educational and marketing campaigns among the public.

The study did not confirm the SF research results on the competence State Forests’ employees (86% in 2012, 90% in 2015). However, 56% of interviewees believe that State Forests employ a highly competent workforce. It should be noted that 25% of the participants had no opinion on this topic. The enterprise’s management received mediocre opinions – only 44% of participants said it was definitely modern (17%) or somewhat modern (27%). 32% of participants had no opinion on this topic.

According to the study, almost 60% of interviewees are not concerned with the origin of the raw wood materials used to make the product they are buying. In spite of having a monopoly in the industry, NFH SF should attempt to promote Polish wood, especially because its production sector
has a very large influence on the employment market in commercial forestry. In almost all cases, the answers given by participants with university degrees had a highest rate of accuracy. Students aged 13-23, potentially the most educated by the SF initiatives run by forest inspectorates gave the least correct answers, showing little awareness of the problems in the study. This could suggest that these initiatives have not effective. It would be beneficial to introduce monitoring of these education attempts. One of the ways to achieve this could be conducting surveys among students who participated in educational events of State Forests. What is more, it could be advantageous to emphasize the education of adults, especially those with higher education. This group appears to be the most receptive to new information.

6 Conclusion

The survey conducted can serve as a reason to formulate a number of conclusions that could improve the National Forest Holding “State Forests” brand awareness and recognition among the public. The most important ones are listed below:

- NFH SF is an organization known in Poland, with a relatively strong brand. State Forests are seen as traditional, but not managed in a modern way.
- The participants had a high opinion on the competence of State Forests employees.
- NFH SF should make information on its ownership status and financing widely available.
- The participants’ responses were not related to their gender or place of residence.
- Higher education participants have a more favorable opinion on State Forests.
- Students aged 13-23 are the least knowledgeable group among the interviewees, in spite of participating in SF’s educational campaigns.
- It is necessary to monitor the effectiveness of such campaigns.

The analysis of the research makes it possible to conclude that the National Forest Holding “State Forests” has a relatively strong and recognizable brand. Nonetheless, the study also showed that the holding’s educational and promotional campaigns are not always successful. There are still gaps in the public’s knowledge of State Forests’ activities, which is likely connected to the public’s general opinion of the organization.

Literatúra/List of References

Résumé

Značka Národnej lesníckej holdingovej spoločnosti „Štátne lesy“


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