

Social Network Media in the Forest Products Industry: A Look at a New Way of Marketing

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ABSTRACT

The current economic conditions have far reaching financial implications for both consumers and businesses. While consumers devise plans to save money and stretch their dollars, companies are devising plans to stay afloat during economic uncertainty. To be competitive, businesses must find new and innovative ways to conduct everyday business functions and efficiently market their products. The advancement of Internet technology as well as the invention of social media networks have allowed companies around the world to effectively communicate with their consumers and market their products in ways that were previously unavailable. In 2010, Appalachian Hardwood Manufacturers Inc. (AHMI) surveyed a group of their members to determine if social media was being used as a part of their business operations. While the majority of the respondents agreed that companies must continuously improve technology to be productive, only 9% used social media. Although many respondents agreed that social media had its benefits, they also were unsure if devoting the company's resources to social media would be beneficial.

1. INTRODUCTION

Technology advances have allowed companies and consumers to be more productive and efficient in everyday activities. It is often noted that companies that are early adopters of new technology frequently are more successful in business applications. However, with the current economic climate, many companies must be careful in their capital allocation. Yet, one technological advancement, the Internet, may help companies market their products and improve business functions with very little expense to them. The Internet has become an important tool during the past two decades. It has changed the way we obtain information, the way we communicate, and even the way we conduct business. People around the world can communicate with customers, family, and friends within a matter of seconds through email, web-chats, or video conferencing. The days of relying solely on postal delivery, faxes, or physical visits are long gone.

A new Internet trend, social media networking, has had an even greater impact on social relationship maintenance. Although the social networking services Twitter and Facebook have garnered a lot of attention in the entertainment world, these sites also have been successful in business applications.¹ Facebook and Twitter, as well as other social media sites, provide businesses the mechanism to develop social relationships with their customers. These social media sites have allowed businesses to have “up close and personal” relationships with myriad consumers – a connection that was not possible before the introduction of the Internet and social media.

Social media can be defined as any online tool that allows social interaction between groups of people through the sharing of content, profiles, opinions, insights, experiences, and perspectives. These tools may include message boards, podcasts, blogs, micro blogs, livestreams, bookmarks, networks, communities, wikis, and vlogs. Currently, there are hundreds of social media network sites available online that cover a wide range of interests (e.g., business, politics, dating, cooking, fashion) and cater to just about every demographic group.

Social media could be a very beneficial marketing/promotional tool for the hardwood industry because of the diversity in the types of social media and the populations they reach. Hardwood products companies benefit

¹ Mention of any social media sites/services is not meant as an endorsement, but merely provided as examples for the convenience of readers. Additional information about the sites mentioned can be found on their respective pages.

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greatly from having personal contact with their customers. Because hardwood products usually have many distribution channels in the production process, it is essential that customers receive quality products in a timely manner. Customers also expect to be kept informed of any forestry/forestry products-related news or trends that may affect their bottom-line. News and information within the hardwood industry are sometimes difficult to obtain and validate. The larger companies have well-established networks where they receive up-to-date information on current trends and news. However, the smaller companies often lack these networks and may not be as informed as their larger counterparts.

The invention of social media networks allows companies to develop closer relationships with the public and their customers, as well as keep abreast of current forestry/forestry products-related news and trends. Because most social network sites are either free or inexpensive to join, these services provide forest products companies an inexpensive outlet to market and communicate about their products. In today's economically unstable climate, these outlets may be another way for companies to differentiate themselves from the competition.

Many companies, Fortune 500 included, have embraced social media and have found it to be an effective way to communicate with the public. Research has shown that the incorporation of social media into marketing strategies has increased brand recognition and product purchases (Patterson 2011, Gommans et al. 2001, Singh et al. 2008, Weber 2007). According to Hawkins et al. (1998), simply presenting a brand or product to an individual on a large number of occasions may make the individual's attitude towards the brand or product more favorable. Thus, the promotion of forest products, forest products use, or a particular forest products brand through social media outlets may increase the liking and subsequent purchase of forest products.

Many seem to view social media as a "fad" that will not last. However, there are others that view it as a very beneficial marketing tool (Patterson 2011). Young (2008) estimates that organizations will spend \$4.6 billion for social media technologies by the year 2013. Because social media involvement seems to be an important component in product promotion and marketing, it is worthwhile to determine the impact social media may have on the hardwood forest products industry. To achieve this goal, it is necessary to determine if forest products companies are using social media, their attitudes toward social media, and social media's effect on business operations. Since social media is a new avenue for communication, research on its utilization within the forest products industry is very limited. The objectives of this study were to collect preliminary data on social media use in the hardwood forest products industry and determine manufacturers' attitudes towards social media networking.

2. METHODS

To understand social media use in the U.S. hardwood industry, this preliminary study focused on hardwood forest products companies in the Appalachian region. It will be used as the basis for a larger study that is to be conducted subsequently.

The survey was developed using Dillman's Tailored Design Method (Dillman 2000) adapted from Gilbert Churchill's "Procedures for Developing a Questionnaire" (Churchill 1999). Other published certification-related surveys also were used as templates. The questionnaire contained 17 questions about characteristics of the responding company, questions about the company's beliefs and attitudes on social media networks, and a section for respondents to list reasons why their company was/was not using social media. These questions were developed through literature review and the author's observations of important issues related to social media and the forest products industry.

In July 2010, the survey was distributed at the Appalachian Hardwood Manufacturer Inc.'s (AHMI) 2010 Annual Summer Conference in White Sulphur Springs, WV. Approximately 100 surveys were distributed to members and registered attendees. The recipients were asked to complete and return the survey by the end of the conference. AHMI is a forest products trade association that draws its membership from the Appalachian region of the U.S. that includes 344 counties in New York, Pennsylvania, Ohio, West Virginia, Maryland, Virginia, Kentucky, Tennessee, North Carolina, Alabama, Georgia, and South Carolina. Its membership includes some of the U.S.'s largest hardwood lumber manufacturers. The canvas of the conference attendees returned a total of 22 surveys. This is considered a good response for this preliminary study.

Since this is a preliminary study with a small number of respondents, only descriptive statistics were used to analyze the data. The Likert method of summated ratings was used to measure the level of agreement towards the social media statements. This method overcomes previous criticisms concerning scoring and allows an

expression of intensity of feeling (Likert 1932). Respondents are asked to indicate their level of agreement with 11 social media statements by marking the number that best corresponded with their attitude surrounding the statement: 1=strongly disagree, 2=disagree, 3=neither agree or disagree, 4=agree, 5=strongly agree. The mean and standard deviation of each statement were calculated and used to compare attitudes among respondents.

To allow respondents the opportunity to address social media concerns that were not included in the survey, three open-ended statements were included: why they were using or would use social media networks, why they were not using or would not use social media networks, and to express any further comments or concerns that they had with social media networks. In some cases, respondents provided comments for one or more of these statements.

3. RESULTS

3.1. SOCIAL MEDIA USE AND PRACTICES

Of the 22 respondents, only 2 (9.1%) indicated that *their company* used any type of social media. However, when asked about *personal use*, the number rose to 10 (45.5%). Although this may seem like a low number of participants, some may be surprised by the actual number of current participants within the overall forest products industry. A recent search on Facebook revealed that there are over 500 pages dedicated to lumber and wood products. Similar searches revealed numerous blogs about forestry, forest products, and wood working as well as Twitter posts from major lumber suppliers.

When asked to indicate the types of social media services used, Facebook, LinkedIn, and Twitter were the three listed for company and personal use. Of the 10 respondents that indicated company or personal social media use, all but one listed Facebook as a social media site they used. Four listed LinkedIn while only one listed Twitter. Respondents indicated that their length of membership averaged 6 months to a year and on average they visited these sites two or more times a month to once a month. Although the three sites noted above were the only sites listed by the respondents, it is possible that the respondents use other social media services that they may not identify as such. Blogs, podcasts, wikis, and other social communities are considered social media, but may not be as popular as Facebook, LinkedIn, and Twitter.

There were a total of 19 responses to the open-ended statement “reasons why respondents were using or would use social media.” These responses were grouped into 4 categories shown in Table 1. These responses show that increasing sales/profits was the most important reason respondents were using or would use social media sites. The second most frequently cited reason for using social media was because it was a cost effective marketing tool. Since most social media sites are free or cheaper than hiring advertising professionals to develop marketing campaigns, social media use can be very cost effective. Creating customer connections and to obtain/distribute information were other reasons listed.

Table 1. Reasons hardwood manufacturers use/will use social media (n=19).

Reasons to use social media	Number of responses
To increase sales/profits	7
Cost effective marketing tool	5
To develop customer connections	4
To obtain/distribute information	3

There were a total of 15 responses to “reasons respondents were not using or would not use social media.” These responses were grouped into 6 categories as shown in Table 2. The top reason listed for not using social media was the concern with the liability or legal issues that may be associated with using social media sites. These concerns may be driven by the great deal of media attention that has been focused on celebrities and individuals who have been scrutinized for the things they have tweeted or posted online. Other respondents indicated that social media services were too time consuming and required constant updating to be effective. Respondents also were concerned with the distraction/conflict that social media services would create in the work environment and felt their company lacked the expertise to implement/maintain a social media strategy. Other reasons listed were that social media was an ineffective means of communicating and that it was a low company priority.

Table 2. Reasons hardwood manufacturers are not using/will not use social media (n=15).

Reasons not to pursue certification	Number of responses
Concerned with liability/legal issues associated with social media	5
Too complex/time consuming	4
Would cause office conflict/distractions	2
Lack of expertise	2
Not an efficient means of communicating	1
Low company priority	1

3.2. SOCIAL MEDIA ATTITUDES

To get a clearer understanding on how hardwood producers feel about social media, respondents were asked to indicate their level of agreement/disagreement with 11 social media-related questions. A five-point Likert Scale was used to measure the respondents' level of agreement/disagreement (1=strongly disagree, 5=strongly agree). The mean and standard deviation of each response was calculated to analyze the data (Tables 3 and 4). Since the number of surveys collected was small, no further statistical analysis was conducted.

Table 3. Rating of social media statements by respondents (1=strongly disagree, 5=strongly agree).

Statement	Total observations	Mean (std. dev.)
Our company is technologically advanced	19	3.9 (0.46)
Our company is familiar with the concept of social media networks	19	3.7 (0.82)
Our company believes using social media networks is costly	19	2.9 (0.74)
Our company regularly uses the Internet to conduct business	19	4.1 (0.99)
Our company believes using social media networks will increase sales	19	3.2 (0.90)
Our company regularly uses social media networks	19	2.6 (1.07)
Our company sells products online	19	3.1 (1.13)
Our company believes social media networks are just for entertainment	18	2.6 (0.85)
Our company believes becoming a part of a social media network is a waste of the company's resources	17	2.6 (0.94)
Our company regularly uses the Internet to learn of industry news and trends	17	4.2 (1.01)
Our company believes continuously improving technology is necessary to be competitive	17	4.7 (0.49)

The results indicated that the majority of the respondents agreed to strongly agreed that continuously improving technology is necessary to be competitive (mean=4.7). However, fewer respondents agreed that their company was technologically advanced (mean=3.9). While companies may understand that improving technology is important, it is possible that actually implementing this idea into the business strategy may not be feasible for some companies. When comparing social media users to non-users, the media users agree more with the statement "Our company is technologically advanced," (mean=4.0) than do the non-users (mean=3.8).

Respondents also agreed to strongly agreed with the statement (rating more than 4 but less than 5) "Our company regularly uses the Internet to conduct business." However, they only slightly agreed to agreed (rating more than 3 but less than 4) with the statement "Our company sells products online." When separated into social users and non-social users, social users agreed slightly more (mean=3.2) with the statement than non-users (mean=2.9, Table 4).

While respondents disagreed with the statements "Our company believes using social media networks is costly" (mean=2.9) and "Our company believes becoming a part of a social media network is a waste of the company's resources" (mean=2.6), respondents indicated that the time needed to maintain these sites was a concern. When separated from the overall respondents, the respondents that indicated their company uses social media disagreed more heavily with these statements (Table 4). This may be a result of the experience these companies have gained from using social media sites.

Table 4. Rating of social statements by non-social media using respondents, personal social media using respondents, and company social media using respondents (1=strongly disagree, 5=strongly agree).

Statement	Non-social media using		Personal social media using		Company social media using	
	Observation	Mean (std. dev.)	Observation	Mean (std. dev.)	Observation	Mean (std. dev.)
Our company is technologically advanced	9	3.80 (0.44)	10	4.0 (0.47)	2	4.0 (0.0)
Our company is familiar with the concept of social media networks	9	3.3 (0.87)	10	4.0 (0.67)	2	3.5 (0.71)
Our company believes using social media networks is costly	9	2.9 (0.33)	10	2.9 (0.99)	2	2.0 (0.0)
Our company regularly uses the Internet to conduct business	9	4.2 (1.09)	10	4.0 (0.94)	2	4.0 (1.41)
Our company believes using social media networks will increase sales	9	3.10 (0.78)	10	3.2 (1.03)	2	4.0 (0.0)
Our company regularly uses social media networks	9	2.4 (0.73)	10	2.7 (1.34)	2	3.5 (0.71)
Our company regularly sells products online	9	2.9 (1.17)	10	3.2 (1.14)	2	3.0 (0.0)
Our company believes social media networks are just for entertainment	8	2.8 (0.89)	10	2.5 (0.05)	2	2.0 (0.0)
Our company believes becoming a part of a social media network is a waste of the company's resources	7	2.6 (0.79)	10	2.6 (1.07)	2	1.5 (0.71)
Our company regularly uses the Internet to learn of industry news and trends	7	3.6 (1.27)	10	4.6 (0.52)	2	4.0 (0.0)
Our company believes continuously improving technology is necessary to be competitive	7	4.6 (0.53)	10	4.7 (0.48)	2	5.0 (0.0)

4. DISCUSSION

In all, the respondents seem to have an overall positive attitude towards social media. Although the majority of the respondents indicated positive attitudes towards social media, only two respondents indicated their company used social media in business applications. One of the main reasons respondents listed for not using social media was the lack of expertise. It is important to note that personal use was five times that of company use. According to *The Wall Street Journal*, there are about 500 million Facebook users worldwide (Griffith 2011). While global companies are struggling to put Facebook and other social media sites to productive use, there are millions of social media users who are very efficient at using these sites in their personal lives. These users could be effective agents in helping their companies develop successful business strategies using social media networks. However, it is up to the companies to tap into these skills (Griffith 2011).

Other respondents seemed to be concerned with how using social media would impact productivity. While respondents generally disagreed with the statements "Our company believes social media networks are just for entertainment" and "Our company believes becoming a part of a social media is a waste of the company's resources," several respondents indicated they felt that using social media would cause a distraction or conflict within the office. However, it is important to note that there are several types of social media services that use various formats. While a site like Facebook (that offers gaming activities) may not be the particular type of network that a company desires, there are numerous other services that have more of a business environment

that companies may be comfortable with. There are services such as Socialcast and Huddle that allow companies to create in-house social networks that are similar to Twitter and Facebook. These services could help companies boost collaboration and improve project management as well as improve information disbursement within the company. Plus, these services provide companies the security and control that public social networking sites lack (Rapoza 2009).

Even if companies are hesitant to use public social network services, this option should not be written off without completely researching the benefits. Some may consider social media as a current fad that will soon pass, but recent studies show otherwise. There are now more than 100 million websites that are integrated with Facebook and 24 hours of video content is uploaded every minute on YouTube (Burson-Marsteller 2010). These statistics demonstrate how relevant social media is today. In addition, the future generation of consumers will be the technologically savvy youth of today who are accustomed to using the Internet to find most of the products and services they desire.

Companies that are concerned with the liability of having a public social networking site in regards to the information distributed should remember that the information they choose to release as well as the social media vehicle they choose to use is totally at their own discretion. Companies that are concerned with product, supplier, or customer information getting into the hands of their competition can choose to have sites that only include community involvement information or informative forest products-related topics. There are numerous blogs online devoted to woodworking and forest products trends as well as pages dedicated to the community involvement of major forest products producers.

Although maintaining a social media site may seem time-consuming, it is not necessary to update site content every day. Companies should remember that in most cases audiences do not monitor sites daily. However, when customers see status updates or tweets from companies they are following, they know to check out the site for the latest information. In this regards, social media can be a directional device for leading customers to where companies want them to go (Debats 2011).

5. CONCLUSIONS

Many companies have grasped the idea of social media networking and incorporated it into marketing strategies that have increased market exposure. The benefits of social media could be great for the forest products industry, especially for the smaller companies that have difficulty being competitive. The forest products industry, often regarded as a fragmented industry that lags in technology adoption, could benefit from the social interaction of social media networks. Social media provides forest products companies with a wide array of media to market their products, share information, and observe world markets in a cost efficient and a timely manner. The opportunities are abundant.

These tools can be used as a reputation builder and as a tool to enhance competitive advantage among competitors, domestic and abroad (Montague 2010). However, it is important to remember that there is no "one-size fits all." What may work for one company may be ineffective for another. The abundance of available social networking sites gives companies the ability to create unique social media mixes that meet their specific goals with the flexibility they desire. If at any time the chosen media mix is no longer suitable, the mix may be reconfigured or abandoned altogether with little/no cost to the company. Companies should fully investigate the benefits of social media before deciding to ignore it because they could risk losing access to new markets and customers. During these uncertain economic times, that is a risk that companies may not want to take.

Because this study focused on a small number of respondents and was of limited scope, additional social media research is planned. The author intends to conduct research that will cover a larger number of companies and that will compare the practices of non-social media users to those of social media users. Other factors that were not incorporated in this preliminary study also will be addressed.

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