

Firewood Marketing Toolkit

This toolkit has been devised for suppliers of firewood. It should enable you, if you are not already doing so, to take a critical look at the quality and competitiveness of the firewood product(s) you supply and how you are promoting and delivering your firewood service.

Effective marketing requires consideration of:

- Your marketing objectives - what you are aiming to achieve through marketing your firewood products.
- Your products and services - what you supply and how you deal with your customers.
- Your competition - who else is supplying firewood in your area and how your products and service compare.
- Your customers - what they are looking for from a firewood supplier.
- Your pricing - how to price profitably and competitively.
- Marketing messages and promotion - how to most effectively promote the most of the firewood product(s) and service you provide.

This toolkit has been developed so that you can work through each of these aspects, step by step. Essentially a brief practical course in the marketing of firewood, the toolkit aims to assist you in looking at your business from your customers' perspective, and to identify any ways in which you may be able to expand, develop or improve upon the service you provide.

To get the most out of the toolkit, you will need to answer all the questions as honestly as you can. Before you start to work through the toolkit, you should have a look through the questions which are asked. If you don't know the answers to some of the questions, you should ask the person or people who can provide the information you need. You will then be ready to start working through the toolkit.

1. Your Marketing Objectives

Before starting to develop a marketing / promotional strategy for your firewood product(s), you need to be clear about what you intend any marketing / promotion to achieve.

It is possible that the volume of firewood you supply currently meets market demand, and further promotion of your firewood products would cause you production and capacity problems. In this case, you would not be advised to consider any additional marketing activities over and above those you are already undertaking. However, in this case it may be instructive for you to go through the marketing toolkit contents for tips on how to improve the quality of your firewood product(s), the service you provide and to assess whether or not you are pricing your firewood product(s) appropriately.

However, it is equally possible that you might be considering either developing your existing firewood markets, or developing a new firewood market. The approach that you take will depend on what you are intending to do.

1.1 Developing existing market

Developing an existing market means retaining existing customers and expanding your customer base. Your customer base may be domestic users, business users or trade.

To develop an existing market effectively you need to consider:

- The quality and form of your product(s). This is covered in section 2 of this toolkit. You may find that you need to fine-tune your product offering to more fully meet your customers' requirements.
- The quality of the service you provide as viewed by your customers. This is covered in section 3.
- The situation with regard to competition. This is covered in section 4. This can help you to price / position your product(s) effectively against your competitors, and help you identify how you can best differentiate yourself from other local firewood suppliers.
- The characteristics of your customers. This is covered in section 6. This may provide you with some pointers as to how you can fine-tune your firewood product offering to more fully meet your customer's requirements.
- The effectiveness of any marketing activities you have carried out to date. This is covered in section 6.
- How you can most effectively promote your product(s) to your target market(s), both in terms of the marketing messages you develop and how you get these out to your customers and potential customers. This is covered in section 7.

If you are considering developing your market through increased promotion, it is also important to consider how you plan to develop and sustain capacity to meet anticipated increased demand. You will need to consider all aspects of your firewood business to ensure that:

- sufficient volumes of raw timber can be assured;
- you will have sufficient processing capacity (in terms of manpower, machinery, storage, seasoning, bagging etc.); and, if necessary,
- you will be geared up to meet increased delivery requirements (manpower and means of transportation).

1.2 Develop new market

Development of a new market can either take the form of:

- developing a new product and marketing through existing delivery channels, or
- supplying your existing product (or a variant of your existing product) to a new or different market segment.

Step 1

Find out about the competition in the market you intend to enter. Using the checklist in section 4 will help you to find out what you need to know to make an informed judgement, and enable you to consider how what you are proposing to offer will compare against existing market players in terms of a) the product b) pricing and c) service.

Step 2

You may find that your existing product(s), pricing and / or service is not the best fit for the market you wish to enter, and you may have to consider amending appropriate elements of your offering accordingly.

For example, you may currently supply logs split in bags for selling at shops or on garage forecourts. If you are considering entering the domestic firewood marketplace, you may have to consider delivering loose firewood to ensure price competitiveness; and you may need to consider how you could most efficiently handle and deliver the loose firewood.

Step 3

Once you have identified the market you wish to enter, the product and service you wish to provide:

- Carry out the product and service analysis outlined in sections 2 and 3 of this toolkit;
- Review your proposition versus the competition (work through section 4);
- Review how your proposition would meet the needs of the customers in the new market (work through section 5);
- Work out your pricing strategy (work through section 6); and

- Develop appropriate marketing messages and promotional approach (work through section7).

2. Your products

Key elements of the success of your firewood business are the product you deliver and service you provide. This section helps you to identify the strengths and weaknesses of your firewood product(s) and the benefits of your firewood products to your customers. Section 3 helps you to assess the service you provide.

If you print out this toolkit, it will be helpful for you to have section 8 readily to hand, to mark up the customer benefits you provide as you go through the questions.

For each question, tick the box which most reflects most accurately what you do.

2.1 Do you season your firewood well - i.e. do you take the necessary measures to guarantee that the firewood is ready to burn - either by appropriate air drying (see below) or do you kiln dry it to the necessary level of moisture content before you sell it?

Most customers prefer to purchase firewood which is ready or almost ready to burn. Firewood which ready to burn should be at a maximum of 25% moisture content (i.e. 25% water). To achieve this, split firewood can either be kilned to the required moisture content, or air-dried.

In drier parts of the country, air drying in a well ventilated location for at least 2 years should be sufficient - and after one year the wood should be almost ready to burn, requiring to be stacked for a summer before burning. However, in damper parts of the country, the ambient moisture content in the air is likely to prevent the timber from becoming sufficiently dry through standard air drying. In this case, a shorter, more proactive form of drying needs to be carried out.

Always Frequently Sometimes Never

If you ticked "Always", tick Section 8.2 Customer Benefit A.

2.2 Do you supply lightly / non-seasoned timber?

Always Frequently Sometimes Never

Some customers are happy to receive firewood which has not been well seasoned, because they plan to season it themselves. It is important to ensure that the customer knows that they will receive lightly / unseasoned wood, and will have to wait.

However, many customers order and expect to be able to burn firewood straightaway - and some will do so, regardless of whether the wood is ready to burn or not.

If you ticked "Always" or "Frequently", tick Section 8.2 Customer Benefit B.

2.3 Do your deliveries / batches for picking up contain a mixture of drier and wetter wood?

Always Frequently Sometimes Never

This can be problematic for your customer, especially if the drier and wetter woods are not clearly separated, and instructions given to the customer about stacking and leaving to season. However, if your customer is expecting this, it can be a benefit in meeting both shorter and longer term requirements.

If you ticked “Always”, “Frequently”, or “Sometimes”, tick Section 8.2 Customer Benefit C.

2.4 Do you provide firewood in the lengths and sizes your customers require?

Always Frequently Sometimes Never

Different stoves / boilers take logs of varying lengths ranging from less than 30cm (1ft) to in excess of 60cm (2ft). To save customers (some of whom might not be capable or willing) having to further cut and split logs to fit them in a stove, it is helpful to ask them what length of log they require, and to supply to this if possible.

If you ticked “Always” or “Frequently”, tick Section 8.2 Customer Benefit D.

2.5 Does the firewood come from forests where there is a guarantee that the forest resource is well managed? (e.g. raw timber comes from a forest with UKWAS or FSC certification?)

Always Frequently Sometimes Never

Some more environmentally aware customers are likely to be interested in the source of the firewood you supply. If you do not already know, it could be useful to establish whether the timber comes from guaranteed well managed sources.

If you ticked “Always” then tick Section 8.2 Customer Benefit E.

2.6 Do you ensure that the firewood is debarked and clear of sawdust?

Always Frequently Sometimes Never

Debarking and clearing of sawdust makes the firewood cleaner to handle.

If you ticked “Always” then tick Section 8.2 Customer Benefit F.

2.7 Do you ensure that it is clear of fungi and other contaminants?

Always Frequently Sometimes Never

Careful stacking, off the ground, when seasoning helps to ensure that the wood is kept free of contaminants.

If you ticked “Always” then tick Section 8.2 Customer Benefit G.

2.8 If you supply kindling, is it guaranteed dry and ready to burn?

Always Frequently Sometimes Never

Customers expect tinder-dry kindling.

If you ticked “Always” then tick Section 8.2 Customer Benefit H.

2.9 Do you supply hardwood or softwood?

Hardwood only Softwood only Hard and softwood

There is a discernible difference in the burning performance of hardwoods and softwoods, and it can be important to the end customer to know what type of wood they will receive from you. Some customers will prefer to receive hardwoods wherever possible, but this may not be possible if the only local timber you can obtain is softwood.

If you supply softwood only, or a combination of hard and soft wood, you should take into account that in terms of comparable weight, hardwoods and softwood provide the same energy output - but that, due to the less dense nature of softwoods, the same weight of softwood can be up to 50% more bulky than that of a comparable hardwood load. You should bear this in mind when you are developing your pricing strategy (see Section 6. below)

If you ticked “Hardwood only”, then tick Section 8.2 Customer Benefit I.

If you ticked “Softwood” or “Hard and softwood” and, if your prices fairly reflect the relative performance of hard and soft woods, (see section 6, Pricing), then tick Section 8.2 Customer Benefit J.

3. Service

This section helps you to identify the strengths and weaknesses of the service you provide to your customers.

If you print out this toolkit, it will be helpful for you to have section 8 readily to hand, to mark up customer benefits you provide as you go through the questions.

3.1 Do you respond promptly to customer orders?

Always Frequently Sometimes Never

Customers need to feel that their business is important to you. Responding promptly to their contact is a key first step towards this.

If you ticked "Always" then tick Section 8.2 Customer Benefit K.

3.2 If you deliver, do you let your customers know when you will deliver, and if so, do you keep to the times you give?

Always Frequently Sometimes Never

Unless a delivery is a repeat delivery where the customer knows approximately how long they can expect to wait and from prior experience you know exactly what to do with the delivered timber, the customer will be anxious for you agree a delivery time. In many cases they will want to be there when you deliver, and this can involve planning ahead. Getting in contact to agree a mutually convenient delivery time is another key element of keeping the customer reassured and satisfied with your service.

If you ticked "Always" then tick Section 8.2 Customer Benefit L.

3.3 Do you provide your customers with advice about e.g. stacking in advance, the best timbers to burn, how to stack the timber to ensure good even drying, how to know when wood is dry and ready to burn?

Always Frequently Sometimes When asked Never

Don't know what advice to give

Some customers are fully aware of all the steps towards effective firewood management, but others, particularly as the market develops, may never have had direct experience of working with firewood.

As their primary point of contact with the firewood sector, it is possible that they will rely on you to answer questions they may have. It is important, therefore, that you are able to provide accurate, helpful information.

If you ticked “Always”, “Frequently” or “When asked”, **and** you are confident that you know the correct advice to give, then tick Section 8.2 Customer Benefit M.

If you ticked “Don’t know what advice to give”, refer to the Firewood Supplier Best Practice Guidelines, and to the Firewood User Guidelines.

2.4 Do you provide a year round service?

Yes No

If you do, you have the opportunity to tell your customers about this - so that they can plan ahead in good time for the forthcoming winter, and order early. This can also help towards the balancing out the seasonality of the firewood business.

If you ticked “Yes”, then tick Section 8.2 Customer Benefit N.

2.5 How satisfied are your customers with the service you provide?

Very satisfied Satisfied Dissatisfied Don’t know

You may have a feeling for this from the feedback you get from your customers, but if you don’t know it may be instructive to ask. Customers will generally be pleased to be asked, and may provide you with comments or observations which could be useful in helping you develop and possibly improve your product and service offering.

If you ticked “Very satisfied” or “Satisfied”, then tick 8.2 Customer Benefit O.

If you ticked “Dissatisfied” or “Don’t know”, ask a selection of your customers about how satisfied they are with your firewood product(s) and service. Any pointers you receive could provide helpful guidance to enable you improve your product(s) and / or service.

2.6 Do you have a high level of repeat business?

Yes, many repeat customers Some repeat customers
A few repeat customers No repeat customers

This is a good indicator of customer satisfaction. If customers keep coming back to you it is because they either a) are happy with the product and service you provide or b) they have been unable to find anyone more competitive locally.

It could be useful to find out which of these is the case with your business, as if the answer is b) you may be vulnerable to local competition setting up!

If you ticked “Many repeat customers”, and you have not already done so, tick Section 8.2 Customer Benefit O.

If you ticked any other options, then it is worth considering visiting or calling some previous customers to find out why they are no longer using you. It may be that they are no longer burning firewood; but on the other hand they may still be using firewood and have changed supplier. Any feedback you receive could provide helpful pointers as to how you might improve your product, service, and / or pricing.

2.7 Do you ever get referrals (i.e. existing customers passing on your details to others?)

Frequently Occasionally Never Don't know

Word of mouth is an important element in the promotion of firewood sales. If you have a good reputation with your existing customer base, your customers are likely to recommend you to anyone who is interested in sourcing firewood.

When a new customer gets in touch with you, you should ask them how they found out about you

If you ticked “Frequently”, and you have not already done so, tick Section 8.2 Customer Benefit O.

If you ticked “Occasionally”, “Never” or “Don't know” consider giving a number of leaflets or business cards to your existing customers, encouraging them to pass them on to anyone in the area who might be interested in sourcing firewood. If your customers are reluctant to do this, it would be helpful to find out why (for example they may have reservations about your product(s), the service you provide, or your pricing).

4. Your competition

Although it is not always straightforward to obtain competitive information, it is important to know who your competitors are in the firewood market, where they operate, the product(s) they supply, and the service they provide.

Competitive information will help you to appraise your product(s) against those promoted by others in the market, and will help you to position your promotional messages appropriately.

4.1 Who else sells firewood products in the area you cover?

This can be other companies supplying firewood in your local area, or those who supply alternatives (e.g. backs, sawmill offcuts etc.).

Company 1: _____

Company 2: _____

Company 3: _____

4.2 a) What firewood products do they supply? b) Is the firewood they supply seasoned, unseasoned?

Logs, split logs, kindling, backs, offcuts etc.

Company 1: a) _____

b) _____

Company 2: a) _____

b) _____

Company 3: a) _____

b) _____

You: a) _____

b) _____

How does / do your products compare with those of the competition?

If your product(s) is/are of a better quality than that of all the local competition, then tick Section 8.2 Customer Benefit P.

4.3 Who do your competitors supply to?

Domestic users, businesses (hotels etc.), trade?

Company 1: _____

Company 2: _____

Company 3: _____

4.4 What prices do they charge?

When you are working out your pricing (see Section 6), it is important to bear in mind the prices charged by your competitors, to ensure that you are competitively priced. You may have to convert your competition's prices to enable you to compare your prices with them.

Company 1: _____

Company 2: _____

Company 3: _____

Your prices: _____

How do your prices compare with the competition? _____

If your prices are comparable to those of your competitors then tick Section 8.2 Customer Benefit Q.

If your prices are keener than those of your competitors then tick Section 8.2 Customer Benefit R.

4.5 a) What other products do your competitors supply? b) Do they supply them to their firewood customers or to other customers?

Competitors may supply a number of other products - for instance, coal, sawn timber etc.

Company 1: a) _____

b) _____

Company 2: a) _____

b) _____

Company 3: a) _____

b) _____

4.6 a) How do your competitors market their firewood products? b) What are they saying in their promotional materials? c) How effective is this?

Company 1: a) _____

b) _____

c) _____

Company 2: a) _____

b) _____

c) _____

Company 3: a) _____

b) _____

c) _____

You : a) _____

b) _____

c) _____

How does your company compare with the competition? Is there anything you can do better in your promotion?

4.7 a) What level of service do they provide? b) Are their customers happy with their service levels?

Do they, for example: answer customer calls promptly; deliver reliably; provide reliable information about firewood stacking etc. to their customers?

Company 1: a) _____

b) _____

Company 2: a) _____

b) _____

Company 3: a) _____

b) _____

You: a) _____

b) _____

5. Your customers

It is important to get to know your customers - their requirements, their expectations and their ability to pay. It is helpful to consider the following for each customer - this will help to ensure that both your product and the service you provide will give them a high level of satisfaction, thus ensuring that they will stay with you.

Recognising that the relationship with customers is different, depending on whether they are domestic or business firewood users, or trade, this section has been divided into two part. Section 5A deals with domestic and business customers, and Section 5B deals with trade customers.

5A. Domestic and business customers

5A.1 How do they use firewood?

It is helpful in getting to know your customers if you have an understanding of their usage of firewood. Usage can range from burning in an open fire for the effect; to the primary source of a household's heating, hot water, central heating, and possibly even cooking. A few households are now also purchasing a log boiler for use with an accumulator tank which provides slow release longer lasting heating and hot water.

5A.2 Why do they use firewood?

There are a large number of different reasons why a customer chooses to use firewood. These can range from price - which tends to be an important consideration across the board - to considering that wood is a "good" non-fossil fuel, which is acceptable to burn. If you know why a customer uses firewood, it can help you in discussions you may have at any point about developing the customer's firewood supply.

5A.3 What other fuels do they use? Are they considering moving away from e.g. coal, oil or gas?

As the world markets become ever more volatile as regards fossil fuels - both in terms of availability and price, it is likely that the growing trend towards wood fuel systems is going to continue. Switches from oil and gas stoves to wood / multi-fuel stoves are already being seen by stove salesrooms, and seem likely to increase in the future. This could put you in a good position to influence change as customers start to go through the decision making process.

5A.4 Do they want firewood ready to burn, or do they prefer to stack and season the wood themselves?

Some customers will want wood which they can burn straight away, while others will prefer to stack and manage their wood supply themselves. It is important to know what a customer is looking for, so that you deliver to them the appropriate type of firewood product.

5A.5 What sort of delivery time do they expect when they phone up to order?

Customer expectations can generally be managed as long as you get back in touch with them and let them know how long they can expect to wait for delivery. Most customers are reassured that their supplies will not run out if the delivery time is not too extended, but some will have run their supplies almost to an end, and may require a shorter turnaround.

5A.6 Where do they live?

Given the significant contribution made to costs by transportation, it is important that you do not spend any more on transport than is necessary. Your customer base is likely to be scattered over a wide area, but it may be appropriate to look at ways in which you could develop a customer base without increasing your mileage unacceptably. This would require consideration of how best to develop a local market.

5A.7 Why do they buy from you? Do they keep coming back to you?

It is helpful to know why customers use you, and how they found out about you. Perhaps it was by word of mouth, the Yellow Pages, the web or an advert in the local shop. That should point to the successful (and, possibly unsuccessful) ways in which you have marketed your business to date.

5A.8 Do you encourage them to buy and stack their firewood in advance?

As previously mentioned, this can help ensure that your customers burn only dry timber, and it is a means of helping to even out your deliveries over the whole year, rather than having them all stack up at the start of the winter, or in the run up to Christmas.

5A.9 What amount of under cover, well ventilated firewood storage does the customer have?

Often the volume of firewood a customer orders is constrained by the amount of available storage they have. While some customers may be unable to expand the amount of storage, others may be in a position to do so, and may be encouraged to expand the storage capacity. This can help them with their future planning, and to develop more of a long term, strategic approach to the management and care of their firewood stocks.

5A.10 What other products (e.g. kindling) do they obtain from elsewhere that they might buy from you?

It is always easier to cross-market new products to an existing customer than it is to create new customer business. It could be worthwhile exploring with your customers what other related products they might be interested in purchasing from you, were they to be available.

5A.11 How satisfied are they with your products, the service you provide, and your prices?

It is important to have a realistic view of how satisfied your customers are with your products, services, and prices. The most effective way of finding this out is to ask. You may, for example, find that some customers on lower incomes may find it difficult to pay for a load all at once - perhaps you can consider devising ways, such regular monthly payments, which could help them spread the financial load, and to better budget for it.

5B. Trade customers

It is most likely that if you are selling to trade, you supply firewood in bags. Trade customers essentially break down into 2 categories: a) those who sell bags of firewood as part of a standard retail operation (e.g. via a shop, garage forecourt etc.) and those who sell bags of firewood as an element of a standard delivery service (e.g. coal merchants).

Consumers who buy firewood from shops or garage forecourts are likely to do so on an intermittent basis, buying e.g. for Christmas, or for use in a weekend / holiday home, when volume is not the key issue, but convenience is. Those who purchase firewood from coal merchants are more likely to order larger volumes, perhaps along with coal.

5B.1 How do your customers sell firewood?

In bags on a forecourt? From a shop? Along with coal?

5B.2 Who do they sell firewood to?

5B.3 What are the purchasing patterns of these end users who purchase the firewood?

To find this out, you will need to ask your customer(s).

5B.4 What sort of delivery time do your customers expect when they phone up to order?

5B.5 Where are your customers based?

5B.6 Why do they buy from you? Do they keep coming back to you?

5B.7 What other products (e.g. kindling) do they obtain from elsewhere that they might buy from you?

5B.8 How did they find out about you in the first place? Was it via word of mouth, direct contact etc.?

5B.9 How satisfied are they with your products, the service you provide, and your prices?

6. Your pricing

Determining the correct market price for any product is a matter of assessing it against a number of factors, and firewood is no different.

If you haven't already done so, it may be helpful to assess how you work out your pricing taking into account each of the following. It is important that your price is both competitive and realistic in covering your costs and providing a margin.

Ideally, pricing should take into account as many of the following as possible:

Element	Rationale
Price of alternative fuel sources	A key element in the growing popularity of firewood as a fuel source is its increasing competitiveness against alternative fuel sources – in particular oil and LPG gas. You can work out the relative price competitiveness of other fuels by going to web address www.northernwoodheat.net and filling out the calculator with current local prices for different fuel types.
Cost of timber, processing and transportation	It is crucial to cover the costs of producing firewood. This includes the cost of the raw timber, the processing of it (to include manpower, machinery and power costs) and the transportation of the firewood to the customer, if appropriate. Where possible, a reasonable contribution from each of these elements should be included.
Cost of marketing	The costs of advertising the firewood should also be absorbed in the price charged. This includes any payment for inserts in the Yellow Pages, local adverts, promotional material etc.
Competitors' prices	It is important to know what your competitors are charging for their firewood products, and to ensure that your products are properly price-positioned relative to those of the competition. If you provide a higher value product, then you should be able to set your price a little higher to reflect the difference in quality.
What the market will bear	This element can be used to ensure that you are deriving maximum return from your firewood sales, particularly in a situation where there are few competitors. However, it is important to ensure that by pricing in this way, you don't price yourself out of the market – customers can always revert to non-wood alternatives if they feel that they are not getting value for money.

Hardwood and softwood pricing

Before you start to work out your pricing, it is important to note that there is some confusion in the market about the relative merits of hardwood and softwood firewood.

As has been previously mentioned, the same **weight** of hardwood and softwood logs will deliver broadly the same heat and energy output. However, as softwood logs are significantly less dense than hardwood logs, the **volume** of softwood logs supplied needs to be up to 50% more than that of comparable hardwood logs to deliver the same heat and energy output. Therefore, if you are delivering by trailer load, or otherwise by volume, you will need to take this differential into account in your pricing - otherwise you could possibly end up delivering significantly less value for money in a load of softwood logs.

Seasoned / unseasoned logs

If you supply unseasoned or lightly seasoned firewood, you are essentially supplying a significant amount of excess water to your customers. This means that you (or your customer) will be transporting a heavier payload of a product which has lesser immediate value to your customer, as lightly seasoned or unseasoned firewood is not usable straight away.

It is, therefore also important to consider what price differential you should offer your customer for the delivery of lightly seasoned or unseasoned firewood as opposed to seasoned firewood.

Step 1 - Assess your costs

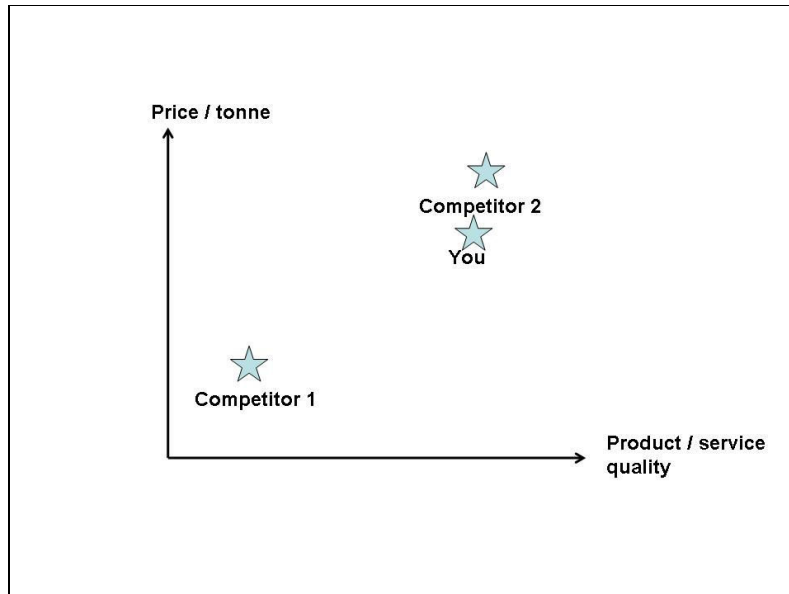
Note that this should be carried out separately for hardwood and softwood timbers. You should work out what form of measure you intend to use for your pricing (e.g. tonne, m³ etc.) and use this for each of the elements you are considering.

Measure (Select one)	Per tonne	Per m ³	Other _____
Cost		£ / (<u>Measure - fill in</u>)	
Raw timber		_____	
Processing		_____	
Bagging (if appropriate)		_____	
Labels (if appropriate)		_____	
Transportation		_____	
Marketing		_____	
Other		_____	
Other		_____	
Total		£ _____ / <u>Measure</u>	

Step 2 - Assess yourself against the competition

In section 4, you carried out an assessment of the firewood product(s) you supply versus the competition. The following example should help you see how to price /

position yourself competitively against your competition, for each of type of firewood product you supply (i.e whole logs, split hardwood logs, split softwood logs, kindling).



Price / positioning example - hardwood split logs

In this example, prices are compared per tonne.

- Competitor 1 provides a relatively low quality product and service (for example whole logs / backs / offcuts picked up from the yard) and the pricing reflects this
- Competitor 2 provides a relatively high quality product and service (for example, delivered split, kiln-dried hardwood logs) and charges a relatively high price accordingly.
- You deliver well seasoned, air-dried hardwood split logs. Your product / service quality is therefore significantly greater than that of Competitor 1, and your price should reflect this.
- Your product is broadly similar to that of Competitor 2 but, as your production costs should be slightly lower than those for kiln-drying, and your method of seasoning is likely to not be quite as reliable as kiln-drying, you should consider positioning your price a little lower than that of Competitor 2. This is shown in the chart above.

If you are supplying to trade, you will need to work out volume discounts, and a recommended retail price, based on your knowledge of the market.

Step 3 - Check that your price makes sense for you

Once you have worked out a competitive price / position, check, using the costs in Step 1 that you will have an adequate margin for the firewood product supplied.

Step 4 - Make it easy for your customers

Some domestic customers who purchase firewood may be living on a relatively small income. It could be worthwhile considering whether or not you wish to provide a form of easy pay terms for people who want to spread the load of payment across the year. This could also help you to balance out your deliveries across the year, if you wish to do so.

7. Marketing performance

If you have marketed or are marketing your firewood, how well is your marketing working for you? It is important to review the returns on any marketing you have previously carried out, because you should be able to tell what works well, and what is not worth the money.

Step 1 - List promotional elements

List how you promote your firewood products at present, along with any costs incurred.

<u>Promotional element</u>	<u>Where are they distributed?</u>	<u>Costs / yr</u>
Leaflets / fliers	_____	_____
Adverts in local press	_____	_____
Web-site (own)	N/A	_____
Web-site (3 rd party)	N/A	_____
Adverts in local shops	_____	_____
Signage at yard	N/A (cost write-off over 5 years)	_____
Signage on vehicles	N/A (cost write-off over 5 years)	_____
Yellow Pages	N/A	_____
Other commercial directory	N/A	_____
Other	_____	_____
Other	_____	_____

Step 2 - Assess how well each promotional element works for you

Now consider how well each of these promotional items is working for you. Do you know which promotional channels customers are using to find out about you and your products? Do you know which are not working for you?

It is quite possible that you will not automatically know the answer to some of these questions, but it is important to find out. You could start by asking your customers how they found out about you when you carry out a delivery, or when they come to pick up firewood.

<u>Promotional item</u>	<u>How many leads / new customers / year is this yielding?</u>
Leaflets / fliers	_____

Adverts in local press	_____
Web-site (own)	_____
Web-site (3 rd party)	_____
Adverts in local shops	_____
Signage at yard	_____
Signage on vehicles	_____
Yellow Pages	_____
Other commercial directory	_____
Other	_____
Other	_____

Step 3 - Assess what you are saying about yourself in your promotion

- Are you underselling your product and / or service? (Refer to your responses in sections 2 to 4. These sections should help you identify the key competitive strengths and weaknesses of your product / service offering)
- Are you overselling your product and / or service? (Again, refer to your responses to the questions in sections 2 to 4 above to identify the key competitive strengths and weaknesses.)
- Are you getting it just right?

Step 4 - Develop your new promotional strategy

Work through section 8.

8. Promotional strategy

If you decide to make a focussed effort on promoting your firewood products, you will need to take into consideration the following:

- What do you have to say? (These are your marketing messages)
- Who do you want to say it to (your target markets), and how do you reach them? (This is your marketing communications.)

8.1 General marketing messages

Your general marketing messages need to “speak” to every one of your customers. Some will be more relevant to you and your customers than others - you are in the best position to decide this.

Some general messages are:

- Wood - the original fuel and the fuel of the future!
- Good fuel - renewable, recycling carbon
- Green fuel
- Bring the warm glow of a wood fire into your home / hotel etc.
- Clean fuel - much cleaner than coal
- Wood - a reliable, local fuel source
- Price competitive against fossil fuels

8.2 Product and service marketing messages.

Your product and service marketing needs to accurately reflect what you actually offer. Your marketing promise needs to match reality!

In sections 2 to 6, you rated your product and service performance on a number of indicators. Where the indicator indicated that you provide specific customer benefit, you ticked the relevant Customer Benefits below.

A: Reliable, seasoned firewood, ready for burning []

B: Firewood which is ready for stacking []

C: Mixtures of seasoned and fresh firewood to meet your immediate needs and to build up a longer term supply []

D: Firewood cut to the length you require []

E. Our firewood comes from well managed forests []

F. Our firewood is cleaner to handle []

- G. We handle the firewood carefully to ensure that it is contaminant free []
- H. Our kindling is guaranteed dry and ready to burn []
- I. We supply hardwood logs. []
- J. We provide guaranteed value. []
- K. We guarantee a prompt response when you call []
- L. We provide a reliable and convenient delivery service []
- M. We provide advice on the best way to store and manage your firewood []
- N. We provide year round deliveries to help you plan in advance. []
- O. We have a satisfied and loyal customer base. []
- P. Best local quality. []
- Q. Firewood at competitive prices. []
- R. Best local value. []

8.3 Marketing communications

In section 7 above, you have considered the performance of your present marketing activities, if you are carrying out any marketing at present.

Sections 8.1 and 8.2 provide you with a number of marketing messages which you can use in your marketing communications. You should take care to use only the messages you consider will have the maximum impact on your audience.

You will have to consider who you wish to target with your promotional messages, and how best to reach them.

Target markets	Promotional elements
General – all	Signage on vehicles Signage at yard
Domestic customers	Existing customers “word of mouth” Fliers – delivered to homes Flier in local shop windows Advert in local paper Web Yellow Pages Other commercial directories
Businesses / Trade	Targetted letter with flier Phone call Call to premises

If you are supplying to trade, you could consider including some promotional material, such as a flier or contact details within or on the bags of firewood. This could encourage occasional users who are satisfied with your product and who are considering ordering larger volumes to contact you directly.

8.4 Schedule / timing

You will need to consider the best time(s) of the year to focus on promotion of your firewood products.

You may wish to capitalise on the winter rush, in which case you should plan to start promotion about the time the weather starts to become colder, around October.

It is also possible that you may wish to stimulate “off season” demand, in which case you should plan to commence your promotional campaign during spring / summer. (Care should be taken with this, as it will be more of a challenge to encourage people to buy into this message when the weather is warmer or more promising.

8.5 Monitoring

It is worth bearing in mind that marketing is a process, so it is useful to repeat the steps in Section 7 perhaps once a year. This should help you to review how well your marketing has been working for you. To be in a position to assess how effective your marketing has been for you, it is necessary to keep a note of how new customers are hearing from you, and to ensure that you talk to your customers regularly to identify any new trends, and to keep an eye on how you are performing relative to expectations.

Firewood Marketing Toolkit

This toolkit has been devised for suppliers of firewood. It should enable you, if you are not already doing so, to take a critical look at the quality and competitiveness of the firewood product(s) you supply and how you are promoting and delivering your firewood service.

Effective marketing requires consideration of:

- Your marketing objectives - what you are aiming to achieve through marketing your firewood products.
- Your products and services - what you supply and how you deal with your customers.
- Your competition - who else is supplying firewood in your area and how your products and service compare.
- Your customers - what they are looking for from a firewood supplier.
- Your pricing - how to price profitably and competitively.
- Marketing messages and promotion - how to most effectively promote the most of the firewood product(s) and service you provide.

This toolkit has been developed so that you can work through each of these aspects, step by step. Essentially a brief practical course in the marketing of firewood, the toolkit aims to assist you in looking at your business from your customers' perspective, and to identify any ways in which you may be able to expand, develop or improve upon the service you provide.

To get the most out of the toolkit, you will need to answer all the questions as honestly as you can. Before you start to work through the toolkit, you should have a look through the questions which are asked. If you don't know the answers to some of the questions, you should ask the person or people who can provide the information you need. You will then be ready to start working through the toolkit.

1. Your Marketing Objectives

Before starting to develop a marketing / promotional strategy for your firewood product(s), you need to be clear about what you intend any marketing / promotion to achieve.

It is possible that the volume of firewood you supply currently meets market demand, and further promotion of your firewood products would cause you production and capacity problems. In this case, you would not be advised to consider any additional marketing activities over and above those you are already undertaking. However, in this case it may be instructive for you to go through the marketing toolkit contents for tips on how to improve the quality of your firewood product(s), the service you provide and to assess whether or not you are pricing your firewood product(s) appropriately.

However, it is equally possible that you might be considering either developing your existing firewood markets, or developing a new firewood market. The approach that you take will depend on what you are intending to do.

1.1 Developing existing market

Developing an existing market means retaining existing customers and expanding your customer base. Your customer base may be domestic users, business users or trade.

To develop an existing market effectively you need to consider:

- The quality and form of your product(s). This is covered in section 2 of this toolkit. You may find that you need to fine-tune your product offering to more fully meet your customers' requirements.
- The quality of the service you provide as viewed by your customers. This is covered in section 3.
- The situation with regard to competition. This is covered in section 4. This can help you to price / position your product(s) effectively against your competitors, and help you identify how you can best differentiate yourself from other local firewood suppliers.
- The characteristics of your customers. This is covered in section 6. This may provide you with some pointers as to how you can fine-tune your firewood product offering to more fully meet your customer's requirements.
- The effectiveness of any marketing activities you have carried out to date. This is covered in section 6.
- How you can most effectively promote your product(s) to your target market(s), both in terms of the marketing messages you develop and how you get these out to your customers and potential customers. This is covered in section 7.

If you are considering developing your market through increased promotion, it is also important to consider how you plan to develop and sustain capacity to meet anticipated increased demand. You will need to consider all aspects of your firewood business to ensure that:

- sufficient volumes of raw timber can be assured;
- you will have sufficient processing capacity (in terms of manpower, machinery, storage, seasoning, bagging etc.); and, if necessary,
- you will be geared up to meet increased delivery requirements (manpower and means of transportation).

1.2 Develop new market

Development of a new market can either take the form of:

- developing a new product and marketing through existing delivery channels, or
- supplying your existing product (or a variant of your existing product) to a new or different market segment.

Step 1

Find out about the competition in the market you intend to enter. Using the checklist in section 4 will help you to find out what you need to know to make an informed judgement, and enable you to consider how what you are proposing to offer will compare against existing market players in terms of a) the product b) pricing and c) service.

Step 2

You may find that your existing product(s), pricing and / or service is not the best fit for the market you wish to enter, and you may have to consider amending appropriate elements of your offering accordingly.

For example, you may currently supply logs split in bags for selling at shops or on garage forecourts. If you are considering entering the domestic firewood marketplace, you may have to consider delivering loose firewood to ensure price competitiveness; and you may need to consider how you could most efficiently handle and deliver the loose firewood.

Step 3

Once you have identified the market you wish to enter, the product and service you wish to provide:

- Carry out the product and service analysis outlined in sections 2 and 3 of this toolkit;
- Review your proposition versus the competition (work through section 4);
- Review how your proposition would meet the needs of the customers in the new market (work through section 5);
- Work out your pricing strategy (work through section 6); and

- Develop appropriate marketing messages and promotional approach (work through section7).

2. Your products

Key elements of the success of your firewood business are the product you deliver and service you provide. This section helps you to identify the strengths and weaknesses of your firewood product(s) and the benefits of your firewood products to your customers. Section 3 helps you to assess the service you provide.

If you print out this toolkit, it will be helpful for you to have section 8 readily to hand, to mark up the customer benefits you provide as you go through the questions.

For each question, tick the box which most reflects most accurately what you do.

2.1 Do you season your firewood well - i.e. do you take the necessary measures to guarantee that the firewood is ready to burn - either by appropriate air drying (see below) or do you kiln dry it to the necessary level of moisture content before you sell it?

Most customers prefer to purchase firewood which is ready or almost ready to burn. Firewood which ready to burn should be at a maximum of 25% moisture content (i.e. 25% water). To achieve this, split firewood can either be kilned to the required moisture content, or air-dried.

In drier parts of the country, air drying in a well ventilated location for at least 2 years should be sufficient - and after one year the wood should be almost ready to burn, requiring to be stacked for a summer before burning. However, in damper parts of the country, the ambient moisture content in the air is likely to prevent the timber from becoming sufficiently dry through standard air drying. In this case, a shorter, more proactive form of drying needs to be carried out.

Always Frequently Sometimes Never

If you ticked "Always", tick Section 8.2 Customer Benefit A.

2.2 Do you supply lightly / non-seasoned timber?

Always Frequently Sometimes Never

Some customers are happy to receive firewood which has not been well seasoned, because they plan to season it themselves. It is important to ensure that the customer knows that they will receive lightly / unseasoned wood, and will have to wait.

However, many customers order and expect to be able to burn firewood straightaway - and some will do so, regardless of whether the wood is ready to burn or not.

If you ticked "Always" or "Frequently", tick Section 8.2 Customer Benefit B.

2.3 Do your deliveries / batches for picking up contain a mixture of drier and wetter wood?

Always Frequently Sometimes Never

This can be problematic for your customer, especially if the drier and wetter woods are not clearly separated, and instructions given to the customer about stacking and leaving to season. However, if your customer is expecting this, it can be a benefit in meeting both shorter and longer term requirements.

If you ticked “Always”, “Frequently”, or “Sometimes”, tick Section 8.2 Customer Benefit C.

2.4 Do you provide firewood in the lengths and sizes your customers require?

Always Frequently Sometimes Never

Different stoves / boilers take logs of varying lengths ranging from less than 30cm (1ft) to in excess of 60cm (2ft). To save customers (some of whom might not be capable or willing) having to further cut and split logs to fit them in a stove, it is helpful to ask them what length of log they require, and to supply to this if possible.

If you ticked “Always” or “Frequently”, tick Section 8.2 Customer Benefit D.

2.5 Does the firewood come from forests where there is a guarantee that the forest resource is well managed? (e.g. raw timber comes from a forest with UKWAS or FSC certification?)

Always Frequently Sometimes Never

Some more environmentally aware customers are likely to be interested in the source of the firewood you supply. If you do not already know, it could be useful to establish whether the timber comes from guaranteed well managed sources.

If you ticked “Always” then tick Section 8.2 Customer Benefit E.

2.6 Do you ensure that the firewood is debarked and clear of sawdust?

Always Frequently Sometimes Never

Debarking and clearing of sawdust makes the firewood cleaner to handle.

If you ticked “Always” then tick Section 8.2 Customer Benefit F.

2.7 Do you ensure that it is clear of fungi and other contaminants?

Always Frequently Sometimes Never

Careful stacking, off the ground, when seasoning helps to ensure that the wood is kept free of contaminants.

If you ticked “Always” then tick Section 8.2 Customer Benefit G.

2.8 If you supply kindling, is it guaranteed dry and ready to burn?

Always Frequently Sometimes Never

Customers expect tinder-dry kindling.

If you ticked “Always” then tick Section 8.2 Customer Benefit H.

2.9 Do you supply hardwood or softwood?

Hardwood only Softwood only Hard and softwood

There is a discernible difference in the burning performance of hardwoods and softwoods, and it can be important to the end customer to know what type of wood they will receive from you. Some customers will prefer to receive hardwoods wherever possible, but this may not be possible if the only local timber you can obtain is softwood.

If you supply softwood only, or a combination of hard and soft wood, you should take into account that in terms of comparable weight, hardwoods and softwood provide the same energy output - but that, due to the less dense nature of softwoods, the same weight of softwood can be up to 50% more bulky than that of a comparable hardwood load. You should bear this in mind when you are developing your pricing strategy (see Section 6. below)

If you ticked “Hardwood only”, then tick Section 8.2 Customer Benefit I.

If you ticked “Softwood” or “Hard and softwood” and, if your prices fairly reflect the relative performance of hard and soft woods, (see section 6, Pricing), then tick Section 8.2 Customer Benefit J.

3. Service

This section helps you to identify the strengths and weaknesses of the service you provide to your customers.

If you print out this toolkit, it will be helpful for you to have section 8 readily to hand, to mark up customer benefits you provide as you go through the questions.

3.1 Do you respond promptly to customer orders?

Always Frequently Sometimes Never

Customers need to feel that their business is important to you. Responding promptly to their contact is a key first step towards this.

If you ticked "Always" then tick Section 8.2 Customer Benefit K.

3.2 If you deliver, do you let your customers know when you will deliver, and if so, do you keep to the times you give?

Always Frequently Sometimes Never

Unless a delivery is a repeat delivery where the customer knows approximately how long they can expect to wait and from prior experience you know exactly what to do with the delivered timber, the customer will be anxious for you agree a delivery time. In many cases they will want to be there when you deliver, and this can involve planning ahead. Getting in contact to agree a mutually convenient delivery time is another key element of keeping the customer reassured and satisfied with your service.

If you ticked "Always" then tick Section 8.2 Customer Benefit L.

3.3 Do you provide your customers with advice about e.g. stacking in advance, the best timbers to burn, how to stack the timber to ensure good even drying, how to know when wood is dry and ready to burn?

Always Frequently Sometimes When asked Never

Don't know what advice to give

Some customers are fully aware of all the steps towards effective firewood management, but others, particularly as the market develops, may never have had direct experience of working with firewood.

As their primary point of contact with the firewood sector, it is possible that they will rely on you to answer questions they may have. It is important, therefore, that you are able to provide accurate, helpful information.

If you ticked “Always”, “Frequently” or “When asked”, **and** you are confident that you know the correct advice to give, then tick Section 8.2 Customer Benefit M.

If you ticked “Don’t know what advice to give”, refer to the Firewood Supplier Best Practice Guidelines, and to the Firewood User Guidelines.

2.4 Do you provide a year round service?

Yes No

If you do, you have the opportunity to tell your customers about this - so that they can plan ahead in good time for the forthcoming winter, and order early. This can also help towards the balancing out the seasonality of the firewood business.

If you ticked “Yes”, then tick Section 8.2 Customer Benefit N.

2.5 How satisfied are your customers with the service you provide?

Very satisfied Satisfied Dissatisfied Don’t know

You may have a feeling for this from the feedback you get from your customers, but if you don’t know it may be instructive to ask. Customers will generally be pleased to be asked, and may provide you with comments or observations which could be useful in helping you develop and possibly improve your product and service offering.

If you ticked “Very satisfied” or “Satisfied”, then tick 8.2 Customer Benefit O.

If you ticked “Dissatisfied” or “Don’t know”, ask a selection of your customers about how satisfied they are with your firewood product(s) and service. Any pointers you receive could provide helpful guidance to enable you improve your product(s) and / or service.

2.6 Do you have a high level of repeat business?

Yes, many repeat customers Some repeat customers
A few repeat customers No repeat customers

This is a good indicator of customer satisfaction. If customers keep coming back to you it is because they either a) are happy with the product and service you provide or b) they have been unable to find anyone more competitive locally.

It could be useful to find out which of these is the case with your business, as if the answer is b) you may be vulnerable to local competition setting up!

If you ticked “Many repeat customers”, and you have not already done so, tick Section 8.2 Customer Benefit O.

If you ticked any other options, then it is worth considering visiting or calling some previous customers to find out why they are no longer using you. It may be that they are no longer burning firewood; but on the other hand they may still be using firewood and have changed supplier. Any feedback you receive could provide helpful pointers as to how you might improve your product, service, and / or pricing.

2.7 Do you ever get referrals (i.e. existing customers passing on your details to others?)

Frequently Occasionally Never Don't know

Word of mouth is an important element in the promotion of firewood sales. If you have a good reputation with your existing customer base, your customers are likely to recommend you to anyone who is interested in sourcing firewood.

When a new customer gets in touch with you, you should ask them how they found out about you

If you ticked “Frequently”, and you have not already done so, tick Section 8.2 Customer Benefit O.

If you ticked “Occasionally”, “Never” or “Don't know” consider giving a number of leaflets or business cards to your existing customers, encouraging them to pass them on to anyone in the area who might be interested in sourcing firewood. If your customers are reluctant to do this, it would be helpful to find out why (for example they may have reservations about your product(s), the service you provide, or your pricing).

4. Your competition

Although it is not always straightforward to obtain competitive information, it is important to know who your competitors are in the firewood market, where they operate, the product(s) they supply, and the service they provide.

Competitive information will help you to appraise your product(s) against those promoted by others in the market, and will help you to position your promotional messages appropriately.

4.1 Who else sells firewood products in the area you cover?

This can be other companies supplying firewood in your local area, or those who supply alternatives (e.g. backs, sawmill offcuts etc.).

Company 1: _____

Company 2: _____

Company 3: _____

4.2 a) What firewood products do they supply? b) Is the firewood they supply seasoned, unseasoned?

Logs, split logs, kindling, backs, offcuts etc.

Company 1: a) _____

b) _____

Company 2: a) _____

b) _____

Company 3: a) _____

b) _____

You: a) _____

b) _____

How does / do your products compare with those of the competition?

If your product(s) is/are of a better quality than that of all the local competition, then tick Section 8.2 Customer Benefit P.

4.3 Who do your competitors supply to?

Domestic users, businesses (hotels etc.), trade?

Company 1: _____

Company 2: _____

Company 3: _____

4.4 What prices do they charge?

When you are working out your pricing (see Section 6), it is important to bear in mind the prices charged by your competitors, to ensure that you are competitively priced. You may have to convert your competition's prices to enable you to compare your prices with them.

Company 1: _____

Company 2: _____

Company 3: _____

Your prices: _____

How do your prices compare with the competition? _____

If your prices are comparable to those of your competitors then tick Section 8.2 Customer Benefit Q.

If your prices are keener than those of your competitors then tick Section 8.2 Customer Benefit R.

4.5 a) What other products do your competitors supply? b) Do they supply them to their firewood customers or to other customers?

Competitors may supply a number of other products - for instance, coal, sawn timber etc.

Company 1: a) _____

b) _____

Company 2: a) _____

b) _____

Company 3: a) _____

b) _____

4.6 a) How do your competitors market their firewood products? b) What are they saying in their promotional materials? c) How effective is this?

Company 1: a) _____

b) _____

c) _____

Company 2: a) _____

b) _____

c) _____

Company 3: a) _____

b) _____

c) _____

You : a) _____

b) _____

c) _____

How does your company compare with the competition? Is there anything you can do better in your promotion?

4.7 a) What level of service do they provide? b) Are their customers happy with their service levels?

Do they, for example: answer customer calls promptly; deliver reliably; provide reliable information about firewood stacking etc. to their customers?

Company 1: a) _____

b) _____

Company 2: a) _____

b) _____

Company 3: a) _____

b) _____

You: a) _____

b) _____

5. Your customers

It is important to get to know your customers - their requirements, their expectations and their ability to pay. It is helpful to consider the following for each customer - this will help to ensure that both your product and the service you provide will give them a high level of satisfaction, thus ensuring that they will stay with you.

Recognising that the relationship with customers is different, depending on whether they are domestic or business firewood users, or trade, this section has been divided into two part. Section 5A deals with domestic and business customers, and Section 5B deals with trade customers.

5A. Domestic and business customers

5A.1 How do they use firewood?

It is helpful in getting to know your customers if you have an understanding of their usage of firewood. Usage can range from burning in an open fire for the effect; to the primary source of a household's heating, hot water, central heating, and possibly even cooking. A few households are now also purchasing a log boiler for use with an accumulator tank which provides slow release longer lasting heating and hot water.

5A.2 Why do they use firewood?

There are a large number of different reasons why a customer chooses to use firewood. These can range from price - which tends to be an important consideration across the board - to considering that wood is a "good" non-fossil fuel, which is acceptable to burn. If you know why a customer uses firewood, it can help you in discussions you may have at any point about developing the customer's firewood supply.

5A.3 What other fuels do they use? Are they considering moving away from e.g. coal, oil or gas?

As the world markets become ever more volatile as regards fossil fuels - both in terms of availability and price, it is likely that the growing trend towards wood fuel systems is going to continue. Switches from oil and gas stoves to wood / multi-fuel stoves are already being seen by stove salesrooms, and seem likely to increase in the future. This could put you in a good position to influence change as customers start to go through the decision making process.

5A.4 Do they want firewood ready to burn, or do they prefer to stack and season the wood themselves?

Some customers will want wood which they can burn straight away, while others will prefer to stack and manage their wood supply themselves. It is important to know what a customer is looking for, so that you deliver to them the appropriate type of firewood product.

5A.5 What sort of delivery time do they expect when they phone up to order?

Customer expectations can generally be managed as long as you get back in touch with them and let them know how long they can expect to wait for delivery. Most customers are reassured that their supplies will not run out if the delivery time is not too extended, but some will have run their supplies almost to an end, and may require a shorter turnaround.

5A.6 Where do they live?

Given the significant contribution made to costs by transportation, it is important that you do not spend any more on transport than is necessary. Your customer base is likely to be scattered over a wide area, but it may be appropriate to look at ways in which you could develop a customer base without increasing your mileage unacceptably. This would require consideration of how best to develop a local market.

5A.7 Why do they buy from you? Do they keep coming back to you?

It is helpful to know why customers use you, and how they found out about you. Perhaps it was by word of mouth, the Yellow Pages, the web or an advert in the local shop. That should point to the successful (and, possibly unsuccessful) ways in which you have marketed your business to date.

5A.8 Do you encourage them to buy and stack their firewood in advance?

As previously mentioned, this can help ensure that your customers burn only dry timber, and it is a means of helping to even out your deliveries over the whole year, rather than having them all stack up at the start of the winter, or in the run up to Christmas.

5A.9 What amount of under cover, well ventilated firewood storage does the customer have?

Often the volume of firewood a customer orders is constrained by the amount of available storage they have. While some customers may be unable to expand the amount of storage, others may be in a position to do so, and may be encouraged to expand the storage capacity. This can help them with their future planning, and to develop more of a long term, strategic approach to the management and care of their firewood stocks.

5A.10 What other products (e.g. kindling) do they obtain from elsewhere that they might buy from you?

It is always easier to cross-market new products to an existing customer than it is to create new customer business. It could be worthwhile exploring with your customers what other related products they might be interested in purchasing from you, were they to be available.

5A.11 How satisfied are they with your products, the service you provide, and your prices?

It is important to have a realistic view of how satisfied your customers are with your products, services, and prices. The most effective way of finding this out is to ask. You may, for example, find that some customers on lower incomes may find it difficult to pay for a load all at once - perhaps you can consider devising ways, such regular monthly payments, which could help them spread the financial load, and to better budget for it.

5B. Trade customers

It is most likely that if you are selling to trade, you supply firewood in bags. Trade customers essentially break down into 2 categories: a) those who sell bags of firewood as part of a standard retail operation (e.g. via a shop, garage forecourt etc.) and those who sell bags of firewood as an element of a standard delivery service (e.g. coal merchants).

Consumers who buy firewood from shops or garage forecourts are likely to do so on an intermittent basis, buying e.g. for Christmas, or for use in a weekend / holiday home, when volume is not the key issue, but convenience is. Those who purchase firewood from coal merchants are more likely to order larger volumes, perhaps along with coal.

5B.1 How do your customers sell firewood?

In bags on a forecourt? From a shop? Along with coal?

5B.2 Who do they sell firewood to?

5B.3 What are the purchasing patterns of these end users who purchase the firewood?

To find this out, you will need to ask your customer(s).

5B.4 What sort of delivery time do your customers expect when they phone up to order?

5B.5 Where are your customers based?

5B.6 Why do they buy from you? Do they keep coming back to you?

5B.7 What other products (e.g. kindling) do they obtain from elsewhere that they might buy from you?

5B.8 How did they find out about you in the first place? Was it via word of mouth, direct contact etc.?

5B.9 How satisfied are they with your products, the service you provide, and your prices?

6. Your pricing

Determining the correct market price for any product is a matter of assessing it against a number of factors, and firewood is no different.

If you haven't already done so, it may be helpful to assess how you work out your pricing taking into account each of the following. It is important that your price is both competitive and realistic in covering your costs and providing a margin.

Ideally, pricing should take into account as many of the following as possible:

Element	Rationale
Price of alternative fuel sources	A key element in the growing popularity of firewood as a fuel source is its increasing competitiveness against alternative fuel sources – in particular oil and LPG gas. You can work out the relative price competitiveness of other fuels by going to web address www.northernwoodheat.net and filling out the calculator with current local prices for different fuel types.
Cost of timber, processing and transportation	It is crucial to cover the costs of producing firewood. This includes the cost of the raw timber, the processing of it (to include manpower, machinery and power costs) and the transportation of the firewood to the customer, if appropriate. Where possible, a reasonable contribution from each of these elements should be included.
Cost of marketing	The costs of advertising the firewood should also be absorbed in the price charged. This includes any payment for inserts in the Yellow Pages, local adverts, promotional material etc.
Competitors' prices	It is important to know what your competitors are charging for their firewood products, and to ensure that your products are properly price-positioned relative to those of the competition. If you provide a higher value product, then you should be able to set your price a little higher to reflect the difference in quality.
What the market will bear	This element can be used to ensure that you are deriving maximum return from your firewood sales, particularly in a situation where there are few competitors. However, it is important to ensure that by pricing in this way, you don't price yourself out of the market – customers can always revert to non-wood alternatives if they feel that they are not getting value for money.

Hardwood and softwood pricing

Before you start to work out your pricing, it is important to note that there is some confusion in the market about the relative merits of hardwood and softwood firewood.

As has been previously mentioned, the same **weight** of hardwood and softwood logs will deliver broadly the same heat and energy output. However, as softwood logs are significantly less dense than hardwood logs, the **volume** of softwood logs supplied needs to be up to 50% more than that of comparable hardwood logs to deliver the same heat and energy output. Therefore, if you are delivering by trailer load, or otherwise by volume, you will need to take this differential into account in your pricing - otherwise you could possibly end up delivering significantly less value for money in a load of softwood logs.

Seasoned / unseasoned logs

If you supply unseasoned or lightly seasoned firewood, you are essentially supplying a significant amount of excess water to your customers. This means that you (or your customer) will be transporting a heavier payload of a product which has lesser immediate value to your customer, as lightly seasoned or unseasoned firewood is not usable straight away.

It is, therefore also important to consider what price differential you should offer your customer for the delivery of lightly seasoned or unseasoned firewood as opposed to seasoned firewood.

Step 1 - Assess your costs

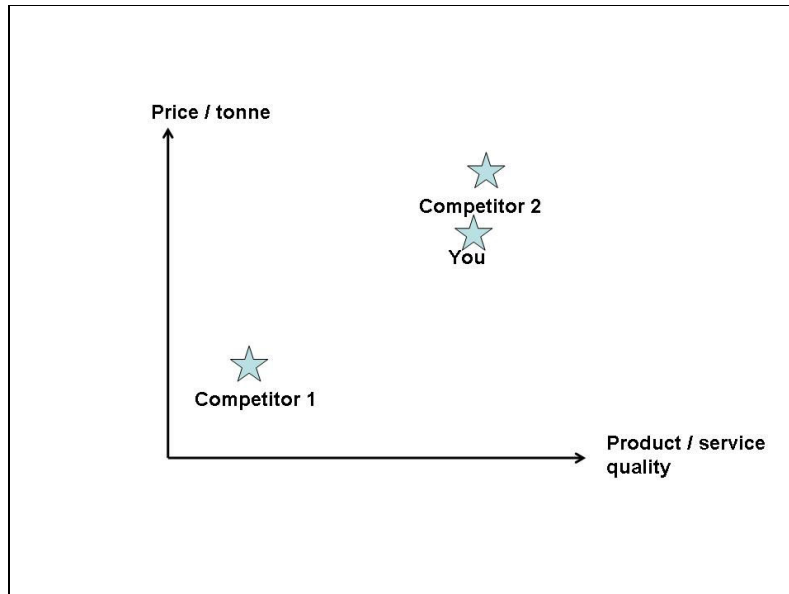
Note that this should be carried out separately for hardwood and softwood timbers. You should work out what form of measure you intend to use for your pricing (e.g. tonne, m³ etc.) and use this for each of the elements you are considering.

Measure (Select one)	Per tonne	Per m ³	Other _____
Cost		£ / (<u>Measure - fill in</u>)	
Raw timber		_____	
Processing		_____	
Bagging (if appropriate)		_____	
Labels (if appropriate)		_____	
Transportation		_____	
Marketing		_____	
Other		_____	
Other		_____	
Total		£ _____ / <u>Measure</u>	

Step 2 - Assess yourself against the competition

In section 4, you carried out an assessment of the firewood product(s) you supply versus the competition. The following example should help you see how to price /

position yourself competitively against your competition, for each of type of firewood product you supply (i.e whole logs, split hardwood logs, split softwood logs, kindling).



Price / positioning example - hardwood split logs

In this example, prices are compared per tonne.

- Competitor 1 provides a relatively low quality product and service (for example whole logs / backs / offcuts picked up from the yard) and the pricing reflects this
- Competitor 2 provides a relatively high quality product and service (for example, delivered split, kiln-dried hardwood logs) and charges a relatively high price accordingly.
- You deliver well seasoned, air-dried hardwood split logs. Your product / service quality is therefore significantly greater than that of Competitor 1, and your price should reflect this.
- Your product is broadly similar to that of Competitor 2 but, as your production costs should be slightly lower than those for kiln-drying, and your method of seasoning is likely to not be quite as reliable as kiln-drying, you should consider positioning your price a little lower than that of Competitor 2. This is shown in the chart above.

If you are supplying to trade, you will need to work out volume discounts, and a recommended retail price, based on your knowledge of the market.

Step 3 - Check that your price makes sense for you

Once you have worked out a competitive price / position, check, using the costs in Step 1 that you will have an adequate margin for the firewood product supplied.

Step 4 - Make it easy for your customers

Some domestic customers who purchase firewood may be living on a relatively small income. It could be worthwhile considering whether or not you wish to provide a form of easy pay terms for people who want to spread the load of payment across the year. This could also help you to balance out your deliveries across the year, if you wish to do so.

7. Marketing performance

If you have marketed or are marketing your firewood, how well is your marketing working for you? It is important to review the returns on any marketing you have previously carried out, because you should be able to tell what works well, and what is not worth the money.

Step 1 - List promotional elements

List how you promote your firewood products at present, along with any costs incurred.

<u>Promotional element</u>	<u>Where are they distributed?</u>	<u>Costs / yr</u>
Leaflets / fliers	_____	_____
Adverts in local press	_____	_____
Web-site (own)	N/A	_____
Web-site (3 rd party)	N/A	_____
Adverts in local shops	_____	_____
Signage at yard	N/A (cost write-off over 5 years)	_____
Signage on vehicles	N/A (cost write-off over 5 years)	_____
Yellow Pages	N/A	_____
Other commercial directory	N/A	_____
Other	_____	_____
Other	_____	_____

Step 2 - Assess how well each promotional element works for you

Now consider how well each of these promotional items is working for you. Do you know which promotional channels customers are using to find out about you and your products? Do you know which are not working for you?

It is quite possible that you will not automatically know the answer to some of these questions, but it is important to find out. You could start by asking your customers how they found out about you when you carry out a delivery, or when they come to pick up firewood.

<u>Promotional item</u>	<u>How many leads / new customers / year is this yielding?</u>
Leaflets / fliers	_____

Adverts in local press	_____
Web-site (own)	_____
Web-site (3 rd party)	_____
Adverts in local shops	_____
Signage at yard	_____
Signage on vehicles	_____
Yellow Pages	_____
Other commercial directory	_____
Other	_____
Other	_____

Step 3 - Assess what you are saying about yourself in your promotion

- Are you underselling your product and / or service? (Refer to your responses in sections 2 to 4. These sections should help you identify the key competitive strengths and weaknesses of your product / service offering)
- Are you overselling your product and / or service? (Again, refer to your responses to the questions in sections 2 to 4 above to identify the key competitive strengths and weaknesses.)
- Are you getting it just right?

Step 4 - Develop your new promotional strategy

Work through section 8.

8. Promotional strategy

If you decide to make a focussed effort on promoting your firewood products, you will need to take into consideration the following:

- What do you have to say? (These are your marketing messages)
- Who do you want to say it to (your target markets), and how do you reach them? (This is your marketing communications.)

8.1 General marketing messages

Your general marketing messages need to “speak” to every one of your customers. Some will be more relevant to you and your customers than others - you are in the best position to decide this.

Some general messages are:

- Wood - the original fuel and the fuel of the future!
- Good fuel - renewable, recycling carbon
- Green fuel
- Bring the warm glow of a wood fire into your home / hotel etc.
- Clean fuel - much cleaner than coal
- Wood - a reliable, local fuel source
- Price competitive against fossil fuels

8.2 Product and service marketing messages.

Your product and service marketing needs to accurately reflect what you actually offer. Your marketing promise needs to match reality!

In sections 2 to 6, you rated your product and service performance on a number of indicators. Where the indicator indicated that you provide specific customer benefit, you ticked the relevant Customer Benefits below.

A: Reliable, seasoned firewood, ready for burning []

B: Firewood which is ready for stacking []

C: Mixtures of seasoned and fresh firewood to meet your immediate needs and to build up a longer term supply []

D: Firewood cut to the length you require []

E. Our firewood comes from well managed forests []

F. Our firewood is cleaner to handle []

- G. We handle the firewood carefully to ensure that it is contaminant free []
- H. Our kindling is guaranteed dry and ready to burn []
- I. We supply hardwood logs. []
- J. We provide guaranteed value. []
- K. We guarantee a prompt response when you call []
- L. We provide a reliable and convenient delivery service []
- M. We provide advice on the best way to store and manage your firewood []
- N. We provide year round deliveries to help you plan in advance. []
- O. We have a satisfied and loyal customer base. []
- P. Best local quality. []
- Q. Firewood at competitive prices. []
- R. Best local value. []

8.3 Marketing communications

In section 7 above, you have considered the performance of your present marketing activities, if you are carrying out any marketing at present.

Sections 8.1 and 8.2 provide you with a number of marketing messages which you can use in your marketing communications. You should take care to use only the messages you consider will have the maximum impact on your audience.

You will have to consider who you wish to target with your promotional messages, and how best to reach them.

Target markets	Promotional elements
General – all	Signage on vehicles Signage at yard
Domestic customers	Existing customers “word of mouth” Fliers – delivered to homes Flier in local shop windows Advert in local paper Web Yellow Pages Other commercial directories
Businesses / Trade	Targetted letter with flier Phone call Call to premises

If you are supplying to trade, you could consider including some promotional material, such as a flier or contact details within or on the bags of firewood. This could encourage occasional users who are satisfied with your product and who are considering ordering larger volumes to contact you directly.

8.4 Schedule / timing

You will need to consider the best time(s) of the year to focus on promotion of your firewood products.

You may wish to capitalise on the winter rush, in which case you should plan to start promotion about the time the weather starts to become colder, around October.

It is also possible that you may wish to stimulate “off season” demand, in which case you should plan to commence your promotional campaign during spring / summer. (Care should be taken with this, as it will be more of a challenge to encourage people to buy into this message when the weather is warmer or more promising.

8.5 Monitoring

It is worth bearing in mind that marketing is a process, so it is useful to repeat the steps in Section 7 perhaps once a year. This should help you to review how well your marketing has been working for you. To be in a position to assess how effective your marketing has been for you, it is necessary to keep a note of how new customers are hearing from you, and to ensure that you talk to your customers regularly to identify any new trends, and to keep an eye on how you are performing relative to expectations.