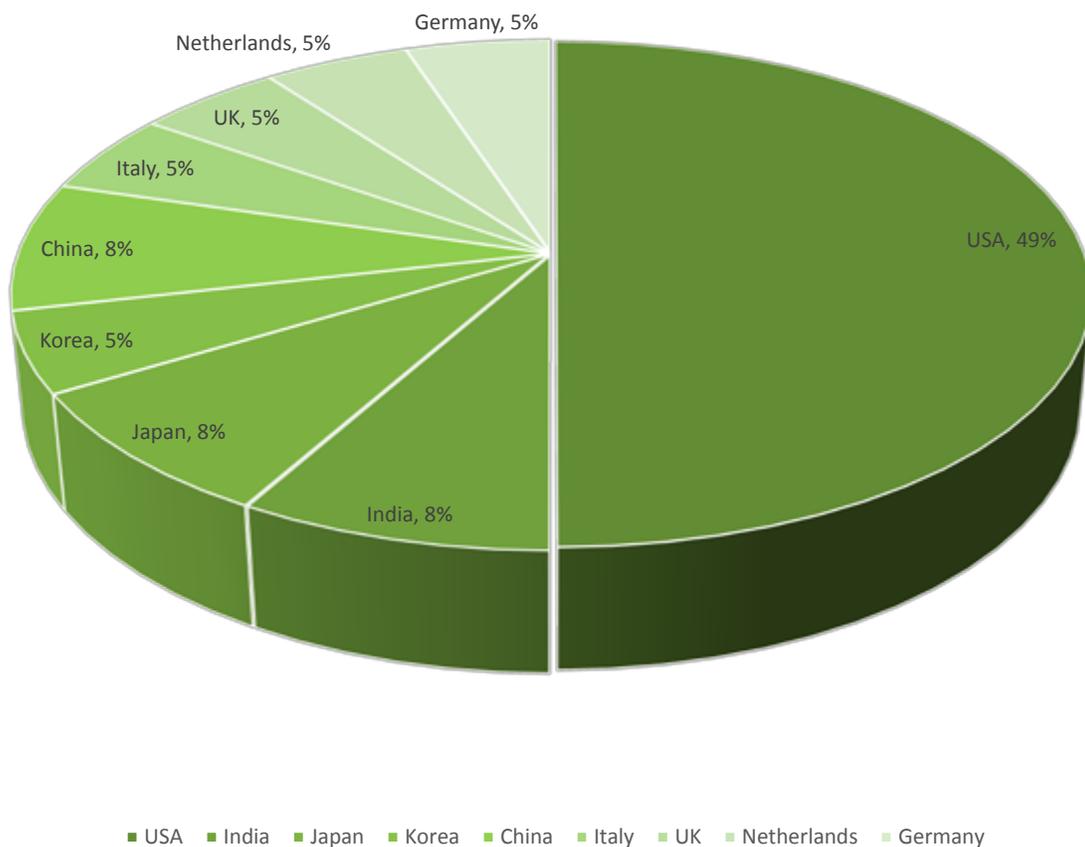


## CUSTOMER MARKET ACCEPTANCE RESEARCH

**LEGER:** The Research Intelligence Group was commissioned by the Forest Products Association of Canada (FPAC) to conduct a biennial study at the executive level of pulp, paper and wood buying companies in several countries regarding their perceptions of forest products and environmental issues.

In order to meet the research objectives, a telephone survey was conducted between September and November 2015 with 185 professionals working at the executive level of their company in nine different countries (United States, Germany, the Netherlands, United Kingdom, Italy, China, Japan, Korea and India).



## EXECUTIVE SUMMARY

### FOREST PRODUCT SUPPLIER: CANADA IS STILL #1!

As a supplier of forest products, Canada has the best reputation in terms of environmental practices and reputation. This confirms the findings of a similar study conducted two years ago.

### CANADIAN WOOD FOREST PRODUCTS STAND OUT FROM THE COMPETITION BECAUSE OF THEIR QUALITY

- The professionals surveyed spontaneously say that they appreciate Canadian wood forest products because of their quality, followed by sustainability, abundance and availability.
- Moreover, they positively perceive Canadian suppliers in terms of forest management reputation. More specifically, 97% of those that expressed an opinion, have a positive impression of how Canadian forests are managed.
- The professionals surveyed also positively evaluate Canada's performance on environmental issues. The most positively perceived attributes are related to legality assurance and forest management practices.

### USE OF FOREST PRODUCTS: MOSTLY STABLE SINCE 2014

- Most of the professionals surveyed (74%) say that their use of forest products has increased (38%) or stayed the same (36%) over the past five years, while 25% mention that it has decreased. Those citing increases in consumption attribute the change to increased business and consumer demand. By contrast, those citing decreasing consumption largely attribute it to lower sales or the replacement of paper with electronic devices.
- It should be noted that European companies are more likely to say that their use of forest products has decreased (+10%), which can be explained by difficult economic circumstances in Europe.
- As observed in 2014, companies believe that the use of forest products from a sustainably managed source is something the world should do more of. However, Asian companies are less likely to think this way (51% vs. 61% in total).

## KEY DRIVERS IN FOREST PRODUCT PURCHASE DECISIONS: PRICE, PRODUCT QUALITY AND AVAILABILITY

- As in 2014, price, quality and availability are the most important criteria for companies when they choose where to source forest products.
- European companies are more likely to pay attention to legally sourced forest products, forest management reputation and supplier relationships. They also require certifications and look for eco-labels because their customers require them to do so.
- Environmental considerations are more important in Europe and Asia. More than half of European and Asian professionals say that the importance of environmental considerations in their purchase decisions has increased in the past five years.
- Results show that the legality of sources, regeneration, and air and water pollution are the main concerns for companies.

## CERTIFICATION IS IMPORTANT

- The majority of the professionals surveyed (73%) state that forest certification is important when it comes to choosing forest products. European companies are more likely to require certifications. By contrast, the majority of American professionals (71%) say that they would rather source forest products from a supplier with a good reputation for strong management practices, even if this supplier isn't certified.
- FSC and PEFC are still the most used and appreciated certification standards.
- According to many professionals, providing more information could make certifications more useful for their companies. European companies would also appreciate if certification bodies better understood their needs and were compatible with other certifications.

## KEY INSIGHTS ON ENVIRONMENTAL REPUTATION

### ENVIRONMENTAL PRACTICES AND REPUTATION: CANADA REMAINS FIRST

The study reveals that Canada and the United States are tied in terms of environmental practices and reputation. However, when only considering the proportion of surveyed company representatives who believe that Canadian suppliers are better than average, Canada has a strong lead and appears to be the best supplier of forest products. More specifically, the proportion of surveyed company representatives who believe that Canada performs better than average on environmental practices and reputation reached 97% on both points.