

# MARKETING STRATEGIES OF THE WOOD-BASED SECTOR COMPANIES



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**CURRENT TRENDS AND CHALLENGES FOR FOREST-BASED SECTOR:  
CARBON NEUTRALITY AND BIOECONOMY**



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# *Aim of the paper*

- identification, analysis, and evaluation of the strategies of companies in the wood-based sector aimed at achieving environmental and social goals.
  - "*green values*" of companies influence not only the creation of the marketing mix, but also corporate strategy
  - *Nordic countries* traditionally excel in their approach to the bioeconomy, or circular economy.
  - These paradigms are incorporated into *company strategies* and the excellence of wood products is communicated to stakeholders.

# Introduction

- *Societal concerns over environmental degradation are on the rise.*
- *Mitigating firms' environmental impact*
- *Re-evaluation of business practices*
- *Profitable and sustainable practices are key objectives.*
- *„Solving climate change in new technologies...,, (Porter and Reinhardt, 2007), however, relying solely on technology is often insufficient*
  - *Technophilic optimism should be combined with behavior change.*
- *"Behavior change requires communication activities...,, (Klöckner, 2015)*
- *„Green marketing plays a pivotal role to meet customer and societal needs...,, (Peattie and Charter, 2003)*
  - *Proactive green marketing strategists prioritize pre-emptive communication.*
  - *Engaging with stakeholders is crucial for success.*

# Methodology

- *To demonstrate best practices in this field*
- *Four companies (forest- and wood-based sectors) from Finland (Metsä Group, Stora Enso) and Sweden (SCA, Södra) have been chosen for further analysis.*
- *Data collection: relevant secondary resources*
- *Desk research in the form of case studies.*
- *Each of the cases is revealing in which way these companies successfully incorporated green practices into their strategies*
- *Examination of whether they are deeply embedded in the organization's vision, mission, values, company culture, involved in strategic objectives and R&D priorities, or used as a competitive advantage, rather than being merely operational or tactical in nature, often associated with the marketing mix.*

# 1. Metsä Group (Finland)



- *Metsä Group is a Finnish company in the forestry industry that operates in international markets.*
- *„We are a forerunner in sustainable bioeconomy. “*
- *„Sustainable development is important to us, and our new visual identity reflects this focus through images, messages and colours. “*
- *They utilize responsibly and efficiently the world's best renewable resource – Nordic wood – as the main raw material*
- *Felled trees are fully utilized to minimize waste*
- *The strategy is based on renewable raw materials and recyclable products, where wood from northern sustainably managed forests and deep expertise provide a competitive advantage.*
- *The company's vision is to be the preferred partner in sustainable business development.*
- *Nine Operating principles (.. Implement sustainability goals and ethical corporate culture, Renew products and services)*
- *Research and development activities focus on two priority areas: creating added value through biological products and supporting a resource-efficient circular economy*
- *Metsä Group actively collaborates with universities, research institutes, technical solution providers, and growing companies*
- *Adoption of seven goals from Agenda 2030d supporting a resource-efficient circular economy:*
  - *(1) SDG 6 Clean water and sanitation; (2) SDG 7 Affordable and clean energy; (3) SDG 8 Decent work and economic growth; (4) SDG 9 Industry, innovation, and infrastructure; (5) SDG 12 Responsible consumption and production; (6) SDG 13 Climate action; (7) SDG 15 Life on land (protection of biodiversity, promotion of forest growth, planting four saplings for every harvested tree)*

# Stora Enso (Finland)



- Finnish company Stora Enso develops products and technologies based on renewable materials.
- „Part of the global bioeconomy, Stora Enso is a leading provider of renewable products in packaging, biomaterials, and wooden construction. “
- Our logo symbolises Stora Enso's commitment to creating a sustainable future for our planet by developing innovative solutions based on renewable materials. Its form is inspired by the eucalyptus tree flower.
- we use our tagline “The renewable materials company” in our customer communication as often as possible. Our tagline highlights that we are experts in forest-based renewable materials.
- The company's goal is for all their products and solutions to be 100% renewable by 2050.
- (1) combatting climate change, (2) protecting biodiversity and (3) incorporating circular economy.
- replacing fossil materials, Stora Enso's goal is not only to mitigate biodiversity loss but also to increase
- to achieve the United Nations' Sustainable Development Goals (SDGs)
- Goal by 2030 is to achieve 100% performance in all indicators
- They collaborate with customers and partners to develop new circular solutions and business models that replace fossil-based plastics and reduce waste throughout the supply chain.
- collaborates with industrial partners to organize and support recycling efforts.
- provide customers with test results along with an overview of collection and sorting systems.

### 3. SCA (Sweden)



- *It is the largest private forest owner in Europe, and its 2.7 million hectares of forests contribute to the sequestration of a significant amount of carbon dioxide.*
- *„We are driven by the force of the forest “*
- *„We are committed to creating value as a sustainable business for our shareholders, customers and employees. “*
- *The sustainability platform describes SCA's entire business. To deliver progress in sustainability, the company has adopted Group targets in particularly important areas where SCA can make a key contribution toward sustainable development.*
- *The group's goal by 2030 is for 100% of the wood raw material to come from responsibly managed forests.*
- *SCA has built a well-invested and efficient value chain that maximizes the value of every tree.*
- *The aim of SCA's innovative efforts is to develop new materials, services, and business models that contribute to a circular society without fossil fuels. The group's goal by 2030 is zero waste.*
- *SCA contributes to sustainable development in the communities where it operates. Success and sustainable development depend on dedicated employees and partnerships within local communities.*

# 4. Södra (Sweden)



- Largest Swedish association of forest owners and an international forest industry group whose operations are based on processing forest resources
- „The future is made of trees“
- Their plants are almost entirely fossil-free
- Engaged in: (1) New Sustainable Alternatives; (2) Responsible Employer and Engaged Employees; (3) Sustainable Forestry; (4) Nature Conservation; (5) Resource Efficiency.
- Research and development: the next generation of biofuels, replacing chemicals from fossil sources with bio-based chemicals, and exploring new material concepts.
- The areas of innovation for Södra include Forests: increased forest production, higher levels of productivity and protection, forest management methods, better planning, and digitalization.
- Södra's members are committed to responsible forest management. Certification is a key tool for sustainable forestry, and approximately 70% of members have FSC® and/or PEFC™ certification.
- Almost all of their electricity is produced from renewable fuels.
- Seven sustainable development goals: (1) SDG 7: Affordable and Clean Energy, (2) SDG 8: Decent Work and Economic Growth, (3) SDG 9: Industry, Innovation, and Infrastructure, (4) SDG 11: Sustainable Cities and Communities, (5) SDG 12: Responsible Consumption and Production , (6) SDG 13: Climate Action, (7) SDG 15: Life on Land



# Discussion and conclusion

- *All studied companies contribute to sustainability through their activities*
- *sustainability initiatives supported by real goals, indicators, annual reports, and certifications.*
- *part of the forest-based sector and process renewable raw materials, thereby contributing to the bioeconomy.*
- *Marketing communication to the general public*
- *All companies are transparent and publish their annual reports.*
- *Each of these companies participates in the UN's Agenda 2030 program, which sets 17 sustainable development goals – a robust guide and framework to align their business strategies and operations with sustainable development principles.*
- *They can do it in several ways: (1) to identify which SDGs are most relevant to their business and align their strategies and objectives accordingly; (2) to integrate the SDGs into their core business practices; (3) for reporting of their progress towards the SDGs and communicate their sustainability efforts to stakeholders; (4) through partnerships and collaboration with various stakeholders to address complex sustainability challenges and to share best practices; (5) to bring innovations and develop sustainable solutions and practices into their business models.*



*THANK YOU FOR YOUR ATTENTION*

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