

QUALITY ASSURANCE : A NECESSITY FOR BRANDED PRODUCTS  
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The objectives of this paper are to outline branding and its critical reliance on quality assurance standards, and the implications of branding for managers.

Branding strategy decisions and their rationale for use are explained, followed by an outline of the benefits to both buyer and seller. With the introduction of a brand comes particular responsibilities and roles for senior managers, primarily in areas of policy direction and overseeing the quality auditing function. The additional implications and responsibilities for managers that branding introduces are discussed as well as the impacts of Forestry Corporation's quality policies on logging contractors.

#### BRANDING : AN INTRODUCTION

A brand can be defined as any name, sign, symbol or design or a combination of these, intended to identify goods or services of one seller or group of sellers to differentiate them from those of competitors. Brand names, the part of a brand which can be vocalised, include famous examples such as Sony Walkman and Shell Oil. Brand marks are typical symbols or designs which make that particular product recognisable. An example of relevance to New Zealand is the international Wool Secretariat's woolmark design (Clay Edmunds, 1992; Kotler, 1991).

#### THE BENEFITS OF IDENTITY

Levis, Coca-Cola, Rolls Royce and Chanel. All these brands suggest more than mere products, they portray images of history, dominance and, in many cases, an elitism unique to their own origins and development. A brand identity provides the basis for product preference. It gives a sense of identity to a product which is reflected in quality assurance each time a customer buys. Brands add value to products, in some cases profit margins for branded products are up to 60% higher (Kotler, 1991; Levitt, 1986).

While branding is no panacea, significant benefits exist both to seller and buyer when a brand image is created. Well known brands represent something more than specific products, they suggest characteristics unique to their origins and development with quality assurance a built-in attribute. Brand identity can provide the following advantages:

- Help offset commodity market fluctuations
- Reduce time spent explaining generic properties
- Improve product quality on a consistent basis
- Increase innovation
- Create parentage, roots and origins
- Establish a reference point for a brand image
- Help individuals to exercise product preference

- Lead to repeat sales, brand and customer loyalty (Clay Edmunds, 1992; Kotler, 1991).

A successful brand extends further than the product; brand identification encompasses the production and management teams associated with the production process. To this extent customer confidence and satisfaction guarantees can be extended.

Hence, if the object of a branded product is to fulfil customers' expectations while earning their loyalty and continued patronage at a level that will be reflected in above average margins, then branding and brand attributes are an essential component of the overall production and marketing mix.

#### **THE FACTORS AFFECTING A BRAND'S SUCCESS**

A brand's success is reflected in its financial returns, market share, customer loyalty, brand image and ability to hold a price premium. The factors influencing success are shown in Figure 1. Obviously, the characteristics of the brand itself are a major determinant of success. However, associated factors including brand strategy, market strategy and the market characteristics are just as influential. An incorrect brand introduction strategy for example, may establish a poor or incorrect brand image. Once a poor brand image is established it is very difficult to rectify the negative images associated with the brand's products.

#### **EFFECT OF QUALITY POLICIES ON LOGGING CONTRACTORS**

Forestry Corporation's quality policies, part of the Red Stag Quality Programme, have had a number of

effects on logging contractors. The results presented in this paper are part of a study which was undertaken to assess the overall performance and impact of the Red Stag brand. This included assessment of the impact on Forestry Corporation employees and contractors.

A total of 40 harvesting contractors were surveyed. Questions focused on the impacts the Red Stag Quality Programme has had/is having on day to day operations. Confidentiality was guaranteed as it was important to gain the most honest answers possible. The major relevant findings are summarised as follows:

1. Fifty eight per cent of logging contractors believed they had become more quality conscious since the introduction of the Red Stag quality programme. Most thought that the checking of logs had improved since out of spec logs would be more easily traced to their operation as the gang number is applied to every log. The remaining 42% of logging contractors believed they were already quality conscious and the introduction of the quality programme had not influenced the quality of their work.
2. Sixty per cent believed that their team's quality of work and attention to detail had improved. This was because it gave the gang something to focus on. The remaining 40% suggested that the crew was already quality conscious.

3. An important finding from the survey was that 93% of logging contractors believed that their job had become more time consuming since the introduction of the Red Stag Quality Programme. This related mainly to brand application onto log stacks and a general increased awareness of quality.
4. The logging contractors were questioned whether they felt the Red Stag brand promoted teamwork; 63% answered "No", indicating that teamwork had been there before the implementation of the quality programme.
5. Sixty per cent of contractors believed that the Red Stag brand gave them more pride and focus in their work.
6. Logging contractors were asked whether they like the Red Stag brand itself; 75% said that they were proud of the brand, liking the fact that quality and customer satisfaction are underlying purposes of the Red Stag Quality Programme.

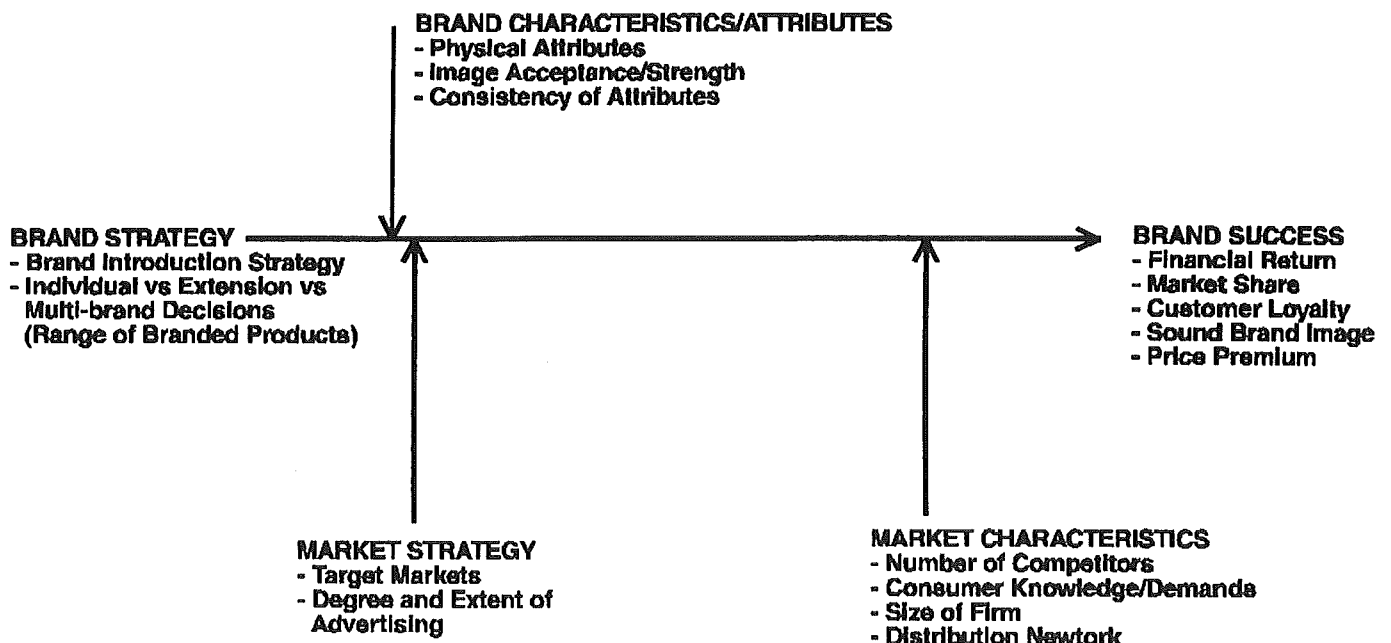


Figure 1 Conceptualised diagram of factors affecting a brand's success (Priest, 1993)

7. The logging contractors also indicated that they have had to employ additional labour to brand the logs. The job has become more time consuming since the introduction of the quality policies. In order to keep production and quality high, additional labour has been required by a number of contractors.
8. Finally, 82% of harvesting contractors felt the Red Stag Quality Programme is worth pursuing as it represents quality, status, uniqueness and a gives a clear identity to Forestry Corporation's products.

In summary, it appears the Red Stag Quality Programme has increased the awareness of quality amongst harvesting contractors.

Contractors are now better positioned to focus on an operation which recognises quality and customer satisfaction as central goals. Nevertheless, unresolved issues were raised such as compensation to contractors over the cost of paint and the additional labour required to apply the Red Stag brand. These problems are being further examined as parts of the overall report on the performance of the Red Stag brand are followed up (Priest, 1993).

#### **SENIOR MANAGEMENT'S ROLE IN QUALITY PROGRAMMES**

Senior Management plays a critical role in ensuring the success of any quality assurance programme. It has become clear that those programmes which fail, have an obvious lack of commitment and belief from the top. On the other hand, those quality programmes which succeed have a team of senior managers who

endorse and model the quality programme, leading by example.

Any quality programme must transcend a company's organisation classes. The "top team" have a clear role in educating and communicating quality programme and branding objectives throughout all divisions and levels of an organisation.

#### **KEY CUSTOMER - GENERAL MANAGER ALLOCATION INITIATIVE**

Forestry Corporation's Key Customer - General Manager allocation initiative is designed to keep key customers in contact with the Corporation's General Managers. This is considered an important role that senior managers play in the overall TQM programme. Together with a lack of commitment from the top, the other major reason why quality programmes fail is if they are not customer driven. By keeping key domestic and foreign customers in contact with senior management, important customer - supplier partnerships can be further built on. This is an important source of sustainable competitive advantage and further establishes Red Stag's successful brand image (Kanter, 1990). This initiative illustrates how the Red Stag Quality Programme is very much customer driven and focused.

#### **CONCLUSION**

Branding can have significant benefits to both buyer and seller. A brand's success is reflected in its financial performance, market share and customer loyalty. To ensure success for branded products, quality assurance is essential. It is not possible to have one without the other as branding and quality assurance are integral to any TQM programme. It is crucial for senior management to lead

any quality programme. If the commitment and genuine desire is clearly evident, together with a quality programme which is customer oriented, the chances of success are that much greater.

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