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Irish Goods Council Annual Report 1977



Houses of the Oireachtas



Irish Goods Council Annual Report 1977

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Houses of the Oireachtas



Foreword

The publication, in January 1978, of the Government's three-year Programme for the promotion of Irish goods represents a significant intensification of the national effort to increase sales of Irish manufactured goods in Ireland. The increased level of funding – by the Exchequer and by private industry – makes it the biggest Programme of its kind ever undertaken in support of Irish goods. The comprehensive nature of the actions proposed will mean that the thrust and impact of marketing, communication and co-operative activities can be extended to involve the whole community.

This is a welcome development. By the end of 1977, the Council had been in existence for three years. We believe that what has been accomplished in that comparatively short space of time stands up well to scrutiny. This is not to suggest complacency: on the contrary, if we are to follow up on the opportunities already created, the next three years will require a major expansion of our efforts in every sphere.

The point has been well made that, essentially, this is not a Government Programme, or an Irish Goods Council Programme, but a community Programme. To this extent, the Council is very much a motivating agency. It does not control manufacturing resources, the distribution network or the purchasing decisions of consumers. The Council's brief is to motivate all three broad sectors to change existing patterns of behaviour by communicating to them the practical benefits of change.

There may be a tendency to assume that a Programme to promote sales of Irish goods is primarily a consumer-orientated activity. Indeed, consumer information programmes will continue to represent a major part of our work. It is equally important to spur Irish manufacturers to maximise on their opportunities for expanding sales: and to persuade retailers to give much more positive support to Irish products. If these two sectors are not fully behind the Programme, then consumer information alone will not achieve the targeted aims. We are planning on the basis that 1978-80 will see a new dynamism towards the home market by producer and distributor. The Council will provide the necessary incentives and assistance.

The groundwork has been laid for implementing the initiatives contained in the Programme. It is reasonable to suggest that, without the work of the Council to-date, it would not now be possible to think in terms of achieving the specific jobs target within the proposed three-year timetable. But with the right kind of bases already established, the objectives and targets are realistic.

We now have at our disposal a valuable bank of practical field experience of the strategies and methods most likely to bring in the desired results.

During 1977, the Guaranteed Irish scheme was further expanded and promoted. There was a 40% increase in the number of participating companies, and research surveys showed that the Guaranteed Irish symbol influenced shopping behaviour.

There were promotional and co-operative programmes among groups of Irish manufacturers, who combined marketing and selling resources with the Council in jointly-financed promotions for Irish product sectors. These programmes involved the support and co-operation of hundreds of retail outlets.

Increased emphasis was placed on the industrial purchasing area and the work of the Council's Sub Contract Service was expanded. Irish producers of goods hitherto imported were located at the request of industrial purchasers and Irish suppliers were introduced to new business opportunities.

Other work of the Council is detailed in this report. Overall, it shows that what has been achieved up to now will greatly facilitate the implementation of the new programme initiatives.

The Council would like to record its sincere appreciation to the executive team, whose contribution has been outstanding. It is the Council's policy to avoid duplicating services provided by other State agencies and consequently executive staffing represents a tight, streamlined group. The extent of the work outlined in this report is the best possible tribute to their dedication.

Import Statistics

Total imports for 1977 amounted to £3,082.9 million, an increase of 32% on the 1976 figure of £2,335.7 million.

Of this 1977 total, it is estimated that competing imports of manufactured and processed goods amounted to £700 million. Competing imports consist of manufactured goods and articles as well as items in the foods and beverages categories. In addition, components, sub-assembly and machine parts amounting to an estimated £250 million represented imports with substitutable potential.

In all, therefore, competing and substitutable imports in 1977 amounted to £950 million, compared with £680 million in 1976 — a 40% increase. Competing and substitutable imports represented 31% of all imports. This percentage has been constant over the past five years.

Since 1972 clothing imports have increased by 250%; textiles by 110%; footwear by 214%; and furniture by 233%. Total imports increased 170% over the same period.

There is reason to believe that the Guaranteed Irish Programme had an effect during 1977. In many categories of competing imports the rate of growth and market penetration was well down on the previous year. But the figures give cause for concern. Competing imports continued to make substantial inroads into the domestic market, creating further difficulties for Irish manufacturers.

Moreover, given the emergence from the worst of the recession and the rise in personal consumer expenditure following the 1978 budget, all the indications are that unless action is taken, import growth will again accelerate rapidly, with a potential for causing serious balance of payments problems in the current year.

To this degree, 1978 is a critical year for Irish industry. Decisive action to expand its home market share and ensure that the multiplier effect of increased consumer spending operates to maximum benefit must be a priority for Irish manufacturers in all sectors.

Import Statistics in Summary

FIVE YEAR GROWTH OF IMPORTS (adjusted)

	1977 £m	1976 £m	1975 £m	1974 £m	1973 £m
a) Total Imports	3,083	2,336	1,704	1,626	1,138
b) Competing/ Substitutable Imports	950	680	534	525	386
b) as a % of a)	31%	29%	31%	32%	34%

SELECTED IMPORT STATISTICS

	1977 £m	1976 £m	1975 £m	1974 £m	1973 £m
Clothing	90.1	66.5	43.4	35.0	25.7
Textiles	170.5	134.6	97.0	101.5	81.6
Footwear	22.9	19.3	12.3	10.9	7.3
Furniture	17.0	12.0	8.8	7.1	5.1

Income and Expenditure Account

YEAR TO 31st DECEMBER, 1977

NATIONAL DEVELOPMENT ASSOCIATION (FORBAIRT)
Company Limited by Guarantee and not having a share Capital

	1977 £	1976 £
Income		
Oireachtas Grant-in-Aid	227,000	195,000
Note 2 (a)		
Contributions from Industry (Schedule 1)	84,815	90,378
Profit on sale of lease	32,912	—
Rents	19	510
Deposit Interest	344	446
	<hr/> 345,090	<hr/> 286,334
Expenditure		
General Administration (Schedule 2)	83,410	69,640
General Corporate Programme:		
“Guaranteed Irish” (Schedule 3)	105,193	90,376
Sectoral Promotions (Schedule 4)	102,676	89,593
Retail Promotions (Schedule 5)	7,528	8,571
Research & Consultancy Services (Schedule 6)	19,018	15,723
Trade shows and exhibitions (Schedule 7)	16,789	10,027
Community Organisations and Schools (Schedule 8)	8,363	515
Shoplink Consumer Information Service (Schedule 9)	14,866	14,014
Provision for VAT over-refunded	—	9,891
	<hr/> 357,843	<hr/> 308,350
Excess of Expenditure over Income	<hr/> 12,753	<hr/> 22,016
	<hr/> <hr/>	<hr/> <hr/>

Schedules 1 to 9 and Notes 1 and 2 form part of these Accounts.

Director: Owen Mulholland

Director: Brian Doyle

Balance Sheet

AS AT 31st DECEMBER, 1977

NATIONAL DEVELOPMENT ASSOCIATION (FORBAIRT)
Company Limited by Guarantee and not having a Share Capital

	1977	1976
	£	£
Fixed Assets (at cost) Note 2 (b)		
Expenditure on Merrion Hall	24,018	
Expenditure on 3 St. Stephens Green	21,429	
LESS Oireachtas Grant-in-Aid	19,255	2,174
	<hr/>	<hr/>
Fixtures and Fittings	2,415	2,415
LESS disposals	100	—
	<hr/>	<hr/>
2,315	2,415	
LESS Oireachtas Grant-in-Aid	745	745
Office Equipment	1,570	1,670
	<hr/>	<hr/>
	1,235	1,235
	<hr/>	<hr/>
	26,823	5,079
Current Assets		
Debtors and pre-payments (less provision for doubtful debts)	34,622	39,755
Stocks	4,156	4,377
Cash on hand and at Bank	1,113	9,236
	<hr/>	<hr/>
	39,891	53,368
Current Liabilities		
Creditors and Accruals	87,070	66,050
Provision for VAT over-refunded	9,891	9,891
	<hr/>	<hr/>
	96,961	75,941
Excess of Current Liabilities over Current Assets	57,070	22,573
Net Liabilities	30,247	17,494
	<hr/>	<hr/>
Represented by: CAPITAL ACCOUNT		
Balance 1st January 1977	(17,494)	4,522
Excess of Expenditure over income for the year.	12,753	22,016
	<hr/>	<hr/>
Balance at 31 December 1977	(30,247)	(17,494)
	<hr/>	<hr/>

Schedules 1 to 9 and Notes 1 and 2 form part of these Accounts

DIRECTOR: OWEN MULHOLLAND

DIRECTOR: BRIAN DOYLE

Schedule to the Accounts

FOR THE YEAR TO 31st DECEMBER, 1977		
NATIONAL DEVELOPMENT ASSOCIATION (FORBAIRT)		
Company Limited by Guarantee and not having a Share Capital		
	1977	1976
	£	£
1. CONTRIBUTIONS FROM INDUSTRY		
"Guaranteed Irish" participation	8,412	16,884
Shoplink Service	—	380
Food Promotion	4,000	42,000
Clothing Promotion	10,510	1,813
Textile Promotion	32,499	—
Footwear Promotion	15,128	3,430
Hardware Promotion	300	1,700
Furniture Promotion	70	910
Print Sales	7,305	9,111
Exhibition Income	6,591	14,150
	84,815	90,378
2. ADMINISTRATION (GENERAL)		
Salaries and Fees	52,117	38,134
Postage, Stationery & Printing	5,418	4,345
Conferences & Meetings	5,163	1,850
Car Leasing & Expenses	2,553	1,445
Office Equipment Leasing & Repairs	3,201	1,634
Telephone	2,135	1,585
Pension Scheme	596	403
Insurance	556	2,220
Bad Debts	176	1,181
Bank Interest & Charges	111	106
Audit Fees	300	250
Rent, Maintenance, Heat & Light, Canteen	8,361	15,094
Sundry	2,723	1,393
	83,410	69,640
3. GENERAL CORPORATIVE PROGRAMME "GUARANTEED IRISH"		
T.V. Advertising	67,769	40,742
Newspaper, Magazine advertising & Posters	32,916	42,088
Merchandising Aids	2,703	6,344
Press Cuttings & Photography	582	648
Sundry	1,223	554
	105,193	90,376
4. SECTORAL PROMOTIONS		
Food	6,262	52,112
Clothing	19,758	10,307
Textiles	41,381	1,493
Footwear	32,626	17,894
Hardware	—	4,576
Furniture	1,323	3,211
Sundry	1,326	—
	102,676	89,593
5. RETAIL PROMOTIONS		
In-store Promotions	992	—
Retail Training Programme	3,841	5,403
Trade Buyers Conferences	—	1,616
Point of Sale Material	1,648	—
Co-operative Advertising	500	—
Sundry	547	1,552
	7,528	8,571

Schedule to the Accounts

FOR THE YEAR TO 31st DECEMBER, 1977

6. RESEARCH & CONSULTANCY SERVICES		
Market Research	4,419	5,835
Consultancy Services	11,855	9,888
Research Publications	2,744	—
	19,018	15,723
7. TRADE SHOWS & EXHIBITIONS		
Displays	8,776	4,171
Printing	1,734	3,023
Exhibition Organising & Trade Expenses	3,189	2,833
Industrial Purchasing	3,077	—
Sundry	13	—
	16,789	10,027
8. COMMUNITY ORGANISATIONS & SCHOOLS		
Literature	8,279	515
Sundry	84	—
	8,363	515
9. SHOPLINK CONSUMER INFORMATION CENTRES		
Premises	9,093	7,000
Advertising	5,773	7,014
	14,866	14,014

Notes on the Accounts

FOR THE YEAR TO 31st DECEMBER, 1977.

NATIONAL DEVELOPMENT ASSOCIATION (FORBAIRT)
Company Limited by Guarantee and not having a Share Capital

Note 1 — Comparative Figures

The figures for the previous year have been restated, where necessary, on the same basis as those for the current year.

Note 2 — Accounting Policies

(a) Oireachtas Grant-in-Aid:

Income shown in the account under Oireachtas Grant-in-Aid represents the actual cash receipts in the year.

(b) Depreciation:

Due to the method of financing the operations of the Company it is not considered necessary to provide for depreciation of fixed assets.

Auditor's Report to the Members

I have examined the foregoing Income and Expenditure Account and Balance Sheet and I have obtained all the information and explanations which I considered necessary for the purpose of my audit.

In my opinion:-

- (a) Proper books of account have been kept by the Company and the Income and Expenditure Account and Balance Sheet are in agreement with them and give the information required by the Companies Act, 1963.
- (b) The Income and Expenditure Account and Balance Sheet, together with Schedules 1 to 9 and notes 1 and 2 give, respectively, a true and fair view of the deficit for the year ended 31st December, 1977 and of the state of the Company's affairs on that date.

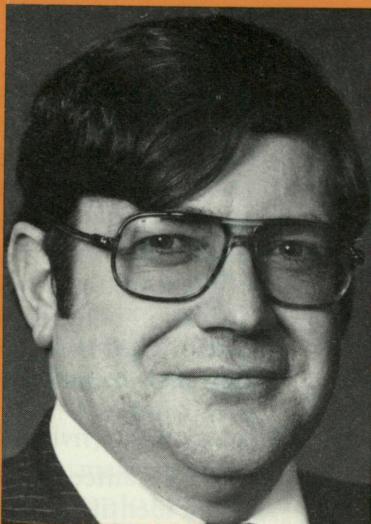
W. J. Mulcahy

For and on behalf of the
Comptroller and Auditor General

18 September 1978

Guaranteed Irish

Mr. Raphael Burke
T.D. Minister of
State at the Depart-
ment of Industry,
Commerce and
Energy, whose
responsibilities
include the three-
year Programme
for the Promotion
of Irish goods.



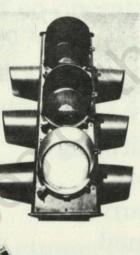
The counter attack.

**Guaranteed Irish products go shopping
for even bigger sales in '77.**

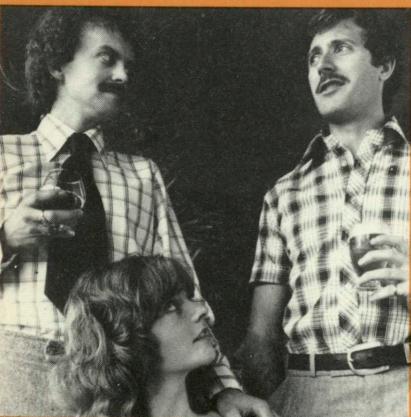
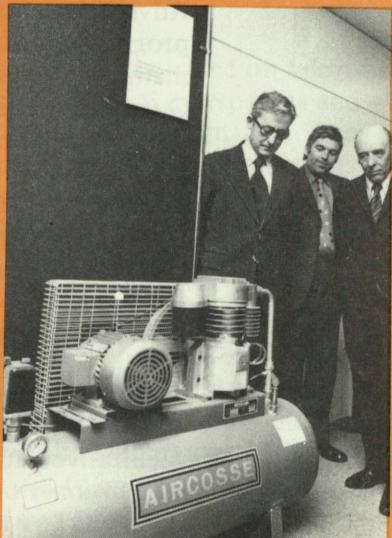


Irish industry
is fighting back with
GUARANTEED

**The road ahead
is clear.**



**Irish industry is fighting back.
This is its trump card.**



Advertising for Guaranteed Irish continued to create strong trade and consumer awareness during 1977.

There was a major sectoral promotion by Irish shirt manufacturers in 1977.

Retail training seminars for the footwear and carpets retail sectors were organised by the Irish Goods Council

A variety of industrial and trade exhibitions were held at Ireland House Trade Centre during the year.

Strong display and point of sale material gave added impact to the footwear promotional campaign.

Guaranteed Irish

During the year under review, there was a 40% increase in membership of the Guaranteed Irish scheme with the number of participating companies increasing from 500 to 700. Companies currently entitled to use the symbol on products represent 80% of manufactured output sold in the domestic market.

Advertising, promotional and publicity programmes during the year continued to maintain the extremely high profile of Guaranteed Irish. It is estimated that when direct marketing expenditure by the Irish Goods Council is added to support by individual manufacturers in their own advertising, total media expenditure featuring the Guaranteed Irish symbol reached a level of £400,000 in 1977. There was a noticeable increase in support from the retail trade.

In line with the policy of regular monitoring of the effectiveness of the symbol, both qualitative and quantitative research surveys of consumer opinion were commissioned during the year. Results from a sample survey of 1,400 consumers showed that the Guaranteed Irish symbol is almost universally recognised by Irish adults. It is more widely recognised than several other long-established symbols or logos used by major companies and organisations in Ireland. Most people see the symbol as identifying products that are Irish made, have quality connotations and help the economy and employment.

The number of consumer complaints received by the Council during the year was extremely low. There were indications that, in most cases, the consumer finds Irish products satisfactory. Most complaints that arise tend to be resolved between consumer and retailer without need of recourse to the Council. There is close co-operation between the Council and the Institute for Industrial Research and Standards who provide independent assessment of all complaints.

The Guaranteed Irish symbol has become the brand identity for Irish goods. Irish products not carrying the symbol are likely to obtain no more than minor spin-off benefit from the three-year Programme. During 1978, it is planned to put increased emphasis on the guarantee element of Guaranteed Irish. This assurance of after-sales satisfaction has considerable potential for influencing buying decisions. In addition, there will be a special campaign aimed at manufacturers to ensure that maximum use is made of the symbol in their advertising and merchandising material and on the product itself.

Sectoral Marketing

MARKETING

The Council has been active in undertaking specific programmes to increase sales in selected product categories in co-operation with manufacturers. These sectoral programmes give priority to the areas which have been hardest hit by competing imports: footwear, furniture, clothing, textiles and foodstuffs.

Joint activity is, in many instances, the only way for a small to medium sized Irish manufacturer to create national brand awareness and achieve a mass-market impact. The effectiveness of this approach was demonstrated by the Council through the organisation of a number of co-operative marketing programmes in 1976. The council extended the scope and effectiveness of these co-operative programmes during 1977.

FOOTWEAR

Eight Irish footwear manufacturers joined with the Council for a further phase in the Programme to increase Irish footwear sales. The campaign was aimed at winning back a slice of the back-to-school and autumn/winter business from competing imports.

This £30,000 campaign featured strong television and press advertising. The theme approach focused on the product attributes – value, durability, guarantee and style – of Guaranteed Irish shoes.

Special merchandising material was produced for the retail trade including a novel shoe display unit suitable for store windows, leather showcards and 100,000 colourful shopping bags. The public information programme was strengthened by a regular flow of articles, feature and product news.

All manufacturers taking part reported satisfaction with the results and the retail response was favourable.

SHIRTS

Annual expenditure on shirts in Ireland amounts to over £7 million. About 50% of this is spent on imports. In order to counteract this high level of imports and increase sales by expanding total per capita demand, six major Irish shirt manufacturers joined the Council in a promotion to increase Irish shirt sales.

Advertising was concentrated on television, national and provincial newspapers and was supported by editorial information. In addition to projecting the positive selling points of Irish shirts – style, colour, quality, value and variety, there was strong brand identity for the ranges featured.

The retail trade actively supported the promotion. Special point-of-sale items featured a cut-out simulated shirt collar as a unique shelf card and half a million quality gold seals with the Guaranteed Irish symbol were produced to ensure that the product was readily identifiable.

CARPETS

The Great Wool Carpets of Ireland was the title of a marketing programme undertaken by the Irish Goods Council, the International Wool Secretariat and Irish carpet manufacturers. The promotion was unique in combining two symbols of high standards, 'Woolmark' and 'Guaranteed Irish', into a single marketing message.

Advertising communicated the excellent quality of wool carpets made in Ireland and told the consumer that Irish wool carpets look better than synthetics, keep their good appearance longer, are better value and are Guaranteed Irish.

The advertising was supported by an extensive publicity campaign which included a Homemaker of the Year competition with a top prize of £1,000. It attracted thousands of entries and 200 people took part in the final phase.

IRISH GRAIN PROMOTION

The Irish Goods Council in co-operation with the Irish Farmers Association and the Irish Grain and Agricultural Merchants Association formed the Irish Grain Promotion Group. A £30,000 campaign was launched to promote the increased use of Irish barley in animal feed compounds.

As a result of an increase in acreage and good growing conditions, there was a bumper harvest of 1 million tonnes in 1976. Ireland imported 200,000 tonnes of low quality fillers in 1976 and the campaign was designed to prevent this level of imports recurring.

To ensure that Irish farmers could readily identify compounds containing Irish barley, a special symbol was designed which included the words: "This compound contains a guaranteed 60% Irish barley". It was used on bagged rations by compounders participating in the scheme. Advertising media used were television, radio, national and provincial and farming press. Public Relations ensured good publicity for the campaign.

TOYS

Five Irish toy manufacturers joined forces with the support of the Council, to expand home market sales through a joint marketing and promotional programme. This was the first co-operative effort of its kind by Irish toy manufacturers. An exhibition was jointly organised at the Irish Toy Fair in Dublin. The results were encouraging and further activities are planned.

FOOD

Irish companies co-operated with the Council in a joint 'Taste of Ireland' exhibit at the International Food, Drink and Equipment Exhibition (IFDEX) held in October. While combined exhibits by Irish food companies are a feature of international trade fairs and exhibitions abroad, this is the first time that a similar venture had been mounted in Ireland.

VALUE ADDED PROMOTION

By the end of the year, plans were advanced for a major promotion in co-operating with selected Irish manufacturers on a Value Added theme. The purpose of this campaign is to show the contribution made by Irish companies in the Guaranteed Irish scheme to the economy in value added terms — employment, investment and local purchases. It is proposed to feature both indigenous Irish companies and Irish-based subsidiaries of international companies.

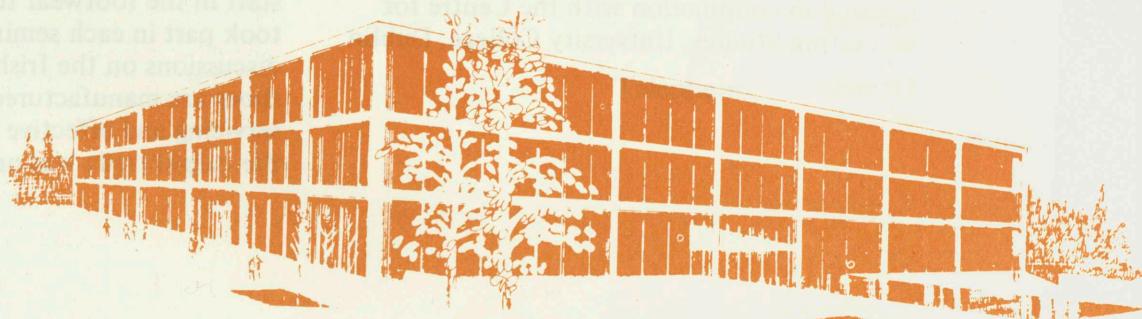
Thanks to the activities of the Industrial Development Authority, there is widespread recognition of the contribution to the economy of international investment in manufacturing industry. But at point of sale, there is a paradoxical difficulty in seeing these companies as 'Irish' within the Guaranteed Irish framework. The proposed promotion thus has a primarily educational function.

Industrial Purchasing

The Council is satisfied that this area offers considerable potential business for Irish manufacturers and sub-contractors. The work of the Council's Sub Contract Service was steadily expanded to cope with the growing demand for both industrial purchasers and suppliers. In effect, the Sub Contract Service, which liaises closely with the Industrial Development Authority and the Institute for Industrial Research & Standards, acts as an industrial marriage brokerage, in matching the capabilities of Irish industry to perceived opportunities for import substitution.

The service undertook a wide variety of commissions from both the public and private sectors which involved identifying Irish sources of supply for industrial goods and materials. The service also fostered company-to-company business arrangements in cases where each had a mutual purchasing-supplying capability.

The Council commissioned the preparation of an in-depth study of purchasing behaviour in the State and semi-State sectors. The final report formed the basis for a booklet, 'Business Opportunities in Industrial Purchasing' which has been distributed to relevant Irish manufacturers.



The complex at Strand Road Sandymount, which houses the new headquarters of the Irish Goods Council

Promotional

As part of its overall publicity programme, the Council produced a number of general and special interest publications designed to stimulate support for Irish goods. These include 100,000 copies of a leaflet, 'You and Your Shopping' which advised on better buying habits, a mail-out to all employees in companies participating in the Guaranteed Irish scheme, a special newsletter-style broadsheet on Irish goods for community organisations and an occasional publication, 'Progress' outlining general developments. At the Futura Fashion Fair, the Council published jointly with the Irish Fashion Institute a listing of Irish fashion-wear manufacturers for trade information.

As part of its objective to encourage the wider appreciation of marketing skills in Ireland, the Council published during the year a summary of marketing studies completed by Irish graduates since 1959. It summarises 154 marketing-related dissertations completed by graduate students in the five Irish universities.

The bibliography provides a reference source on the market study material and will be an aid to future students in formulating research programmes. It was commissioned by the Council in conjunction with the Centre for Marketing Studies, University College, Dublin.

PUBLICITY

The Council would like to record its appreciation to the media for spotlighting programmes and activities in support of Irish goods. A continuous, planned press relations programme operated throughout the year and generated a considerable volume of publicity.

Features, articles and news-stories represented an important communication link to the general public. Over 5,000 separate stories were monitored, the greater part of which resulted from the Council's press relations.

RETAIL SERVICE

During the year, the Council appointed Mr. John McCarthy as trade services manager. His responsibilities include the organisation and merchandising of a year-round programme of retail store promotions to increase sales of Irish goods. Mr. McCarthy also took charge of the Council's retail education programme.

A series of one day seminars in Dublin, Cork and Limerick were organised for retail sales staff in the footwear trade. Up to 30 staff took part in each seminar and heard talks and discussions on the Irish footwear industry, how shoes are manufactured, footcare, customer servicing and effective selling. A seminar for the carpet trade was organised in Dublin.

IRELAND HOUSE TRADE CENTRE

This exhibition centre is shared by the Council with Coras Trachtala and is available to individual Irish manufacturers or groups for trade shows and exhibitions.

The 2,300 square foot trade centre features clean lines and modern decor. The display system can be adapted to product or graphic displays and ceiling spotlights give added impact. It is fully carpeted and air conditioned. Away from the bustle of the city centre, it is still only a short distance from Dublin's commercial heart: there is ample carparking.

OTHER ACTIVITIES

Throughout the year, the Council participated in wide-ranging activities designed to support Irish goods. These included close involvement with the highly successful Navan Furniture Fair, the 'Bray Makes It' trade fair exhibition organised by Bray Junior Chamber, Guaranteed Irish retail display promotions in Seven Towers Shopping Centre, Dublin and in Boyle, Westport and Tralee and was associated with seminars, lectures and discussions throughout the country.

It is appropriate for the Irish Goods Council to express appreciation for the continued support and assistance of manufacturers, retailers, trade union groups, community organisations and individuals. Their contributions have been a major encouragement to the Council in its work.

Vivian Murray
Chief Executive

Registered Office: Ireland House Trade Centre,
Strand Road,
Sandymount
Dublin 4

Telephone: 696011

Houses of the Oireachtas



Irish Goods Council

