An Exploratory Analysis of eBusiness in the Louisiana Forest Products Industry

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METHODOLOGY

Research context

This exploratory study examined current and potential use of the Internet to conduct business and market products by the wood products industry in Louisiana. Respondents were asked to discuss their current or planned Internet strategies and impacts that are perceived to exist or could exist with Internet linked exchange partners. The sample frame consisted of the of 264 wood products companies listed in the Directory of Louisiana Forest products Manufacturers published in 1998 by the Louisiana Forest Products Laboratory at Louisiana State University.

Questionnaire development

Based on the literature and previous research conducted by the author, an extensive list of topics and questions were generated. The survey instrument tested constructs using measures developed by the authors and adapted from other sources. This list was reviewed and revised by the authors and colleagues in the area of eBusiness research. An iterative process of pre-testing and discussion resulted in the final instrument.

Structured mail questionnaire booklets were then developed and mailed to 264 Louisiana wood product manufacturers. Pre-addressed, postage-paid envelopes and a personally signed cover letter were included with the questionnaire. The cover letter promised summary results of the study for completing and returning the questionnaire. A pre-notification letter was sent to targeted companies one week before the first questionnaire mailing took place. One week after the initial mailing, a reminder postcard was sent. Surveys were sent to individuals by name and title.

RESULTS

Response Rates

From the 264 respondents initially sampled, the adjusted sample size was 230 after accounting for non-deliverable surveys due to company closures or moved with no forwarding address. Fifty-one useable surveys were returned. All survey respondents with multiple manufacturing facilities were surveyed at the corporate headquarters level. Given that typical response rates for industrial studies range from 15 percent-30 percent, a response rate of 22 percent (51/230) in this study is considered adequate.

Figures

Following are the figures without interpretive verbiage generated from this study. They indicate that eBusiness in the Louisiana forest products sector has promise to be adopted as a business tool. However, there are still concerns and issues that create challenges for implementation.
Primary Business
(n=48)
Percent of Respondents

- Other (Crafts Industrial, etc.): 39%
- Furniture, Cabinets, Fixtures Maker: 31%
- Sawmill: 14%
- Millwork/Building Components: 12%
- Forestry Services: 4%

Number of Years in Business
(n=48)
Percent of Respondents

- 1 to 5 years: 6%
- 6 to 10 years: 13%
- 11-15 years: 10%
- More than 15 years: 71%
Number of Full-Time Employees
(n=47)
Percent of Respondents

- I work alone full-time: 15%
- 2 to 5 people: 30%
- 6 to 24 people: 28%
- 25 or more people: 28%

Number of Part-Time Employees
(n=47)
Percent of Respondents

- I work alone part-time: 9%
- 2 to 5 people: 36%
- 6 to 24 people: 36%
- 25 or more people: 18%
Do you have any other employment besides this business?
Percent of Respondents
(n=49)

Yes
14%

No
86%
Does your family work with you in this business?
Percent of Respondents
(n=49)

Yes 55%
No 45%

Does your family work with you in this business?
If YES, Family Member
(n=27)

Parents 19%
Child 44%
Wife 48%
Husband 33%

Percent of Respondents
Multiple Responses Possible
What is Your Level of Education?
Percent of Respondents
\( (n=49) \)

- Advanced College Degree: 10%
- College Degree: 69%
- High School Degree: 20%

Ages of Respondents
\( (n=49) \)
Mean Age: 53 years
2002 Business Outlook for My Company
(n=50)

- Excellent: 14%
- Good: 36%
- Fair: 32%
- Concerning: 12%
- Very concerning: 6%

2002 Forest Sector Business Outlook in Respondent State
(n=46)

- Excellent: 0%
- Good: 28%
- Fair: 44%
- Concerning: 22%
- Very concerning: 7%
Current Extent of Respondent Computer Usage  
(n=50)  
Scale: 1=Use Extensively to 6=Do Not Use At All

<table>
<thead>
<tr>
<th>Activity</th>
<th>Usage Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers in general</td>
<td>2.8</td>
</tr>
<tr>
<td>Using the Internet to find information</td>
<td>3.2</td>
</tr>
<tr>
<td>E-mail messaging</td>
<td>3.8</td>
</tr>
<tr>
<td>E-mail to receive business news</td>
<td>4.3</td>
</tr>
<tr>
<td>Using the Internet to advertise products</td>
<td>4.9</td>
</tr>
<tr>
<td>Using the Internet to sell products</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Respondent Computer Uses  
(n=50)  
Percent of Respondents Stating As Most Important

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using the Internet to sell products</td>
<td>46%</td>
</tr>
<tr>
<td>Using the Internet to advertise products</td>
<td>30%</td>
</tr>
<tr>
<td>Computers in general</td>
<td>10%</td>
</tr>
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</tr>
<tr>
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<td>6%</td>
</tr>
<tr>
<td>E-mail to receive business news</td>
<td>0%</td>
</tr>
</tbody>
</table>
Influence Computers Have Had on Respondent Business Revenue in the Past Few Years (n=46)
Percent of Respondents

- Very negative influence: 0%
- Somewhat negative influence: 0%
- Neither a positive nor a negative influence: 33%
- Somewhat positive: 41%
- Very positive influence: 26%

General Internet/Website Perceptions (n=48)
Scale: 1=Strongly Disagree to 5=Strongly Agree

- Serving customers via the Internet will provide my company with competitive advantage: 3.2
- Selling products online is a cost-efficient way to do business: 3.0
- Repeat business will increase if I sell my products on the Internet: 2.9
- The Internet is of little use for reaching new customers: 2.5
- The Internet is a passing fad: 1.4
Concerns About the Internet/Websites
(n=48)
Scale: 1=Not At All a Concern to 4=Is a Major Concern

- Availability of technical expertise: 2.4
- Expensive to set up and maintain: 2.3
- Speed of Internet access: 2.1
- Loss of personal contact with customer: 2.3
- Extra work for employees: 1.8

What influence is the Internet having on your business sales at this time?
(n=48)
Percent of Respondents

- Very negative influence: 2%
- Somewhat negative influence: 0%
- Neither a positive nor a negative influence: 69%
- Somewhat positive: 19%
- Very positive influence: 10%
Willingness to Sell Products on the Internet  
(n=48) 
Percent of Respondents

Very willing: 44%  
Slightly willing: 44%  
Not willing: 12%

Anticipated Percentage of Sales From Internet in 2005  
(n=50)

0%: 23%  
1%-5%: 28%  
6%-10%: 23%  
11%-25%: 21%  
26%-50%: 4%  
Over 50%: 0%
Is Your Company Where it Wants to Be in Using the Internet?
Percent of Respondents
(n=50)

Yes 33%

No 67%
Providing Contact Information
Describing Products & Services
Answering Product/Price Inquiries
Conducting Retail Sales
Checking Order Status/Order Tracking
Providing Wholesale Account Services

Anticipated Uses of the Internet by 2005
(n=50)
Percent of Respondents

Describing Products & Services
Conducting Retail Sales
Providing Contact Information
Answering Product/Price Inquiries
Checking Order Status/Order Tracking
Providing Wholesale Account Services

Anticipated Uses of the Internet by 2005
(n=50)
Percent of Respondents Stating As Most Important
Does Your Company Have a Website?
Percent of Respondents
(n=50)

Yes 42%
No 58%

When Website Was First Developed
Percent of Respondents
(n=21)

1998 or before 19%
1999-2000 48%
2001 29%
2002 5%
Ways Respondents Currently Use Their Website
(n=22)
Percent of Respondents With Websites

- Provide Contact Information: 100%
- Describe Products & Services: 91%
- Answer Product/Price Inquiries: 41%
- Conduct Retail Sales: 9%

Do you sell your products through an online store or gallery, other than your own Web site?*
(n=22)

- Yes: 8%
- No: 92%
Effectiveness of Website in Attracting New Customers
(n=22)
Percent of Respondents With Websites

Very Effective: 10%
Somewhat Effective: 33%
Not Effective: 24%
Not Sure: 33%

Cost Effectiveness of Website (Benefits Outweigh Costs)
(n=22)
Percent of Respondents With Websites

Very Cost Effective: 47%
Somewhat Cost Effective: 40%
Not Cost Effective: 13%
Factors that Impeded Website Implementation
(n=22)
Scale: 1=Did Not Impede At All to 5=Greatly Impeded

- Lack of skilled staff: 2.5
- Expense of design and development: 2.3
- Uncertain of benefits to my company: 2.1
- Expense of hardware and software: 2.1
- Inadequate access to the Internet: 1.6
- Customer resistance: 1.3

If you had to start over, would your company have approached development of your Web site differently?
(n=22)

- Yes: 29%
- No: 71%