

# **Potential Internet Applications in Forest Products Exporting and International Trade**

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# Research Objectives

- Provide Internet usage and Web presence figures for wood products exporters
- Identify benefits and issues associated with implementing the Internet as a business tool
- Document the use of foreign languages on wood products exporter Web sites

# Research Methodology

- Mail survey conducted in Spring 1999
- Population of interest: U.S. primary wood products exporters
- Sample frame size of 324 companies, provided by *Big Book* (Random Lengths Publications ®)
- Two mailings
- Adjusted response rate 45.7 percent

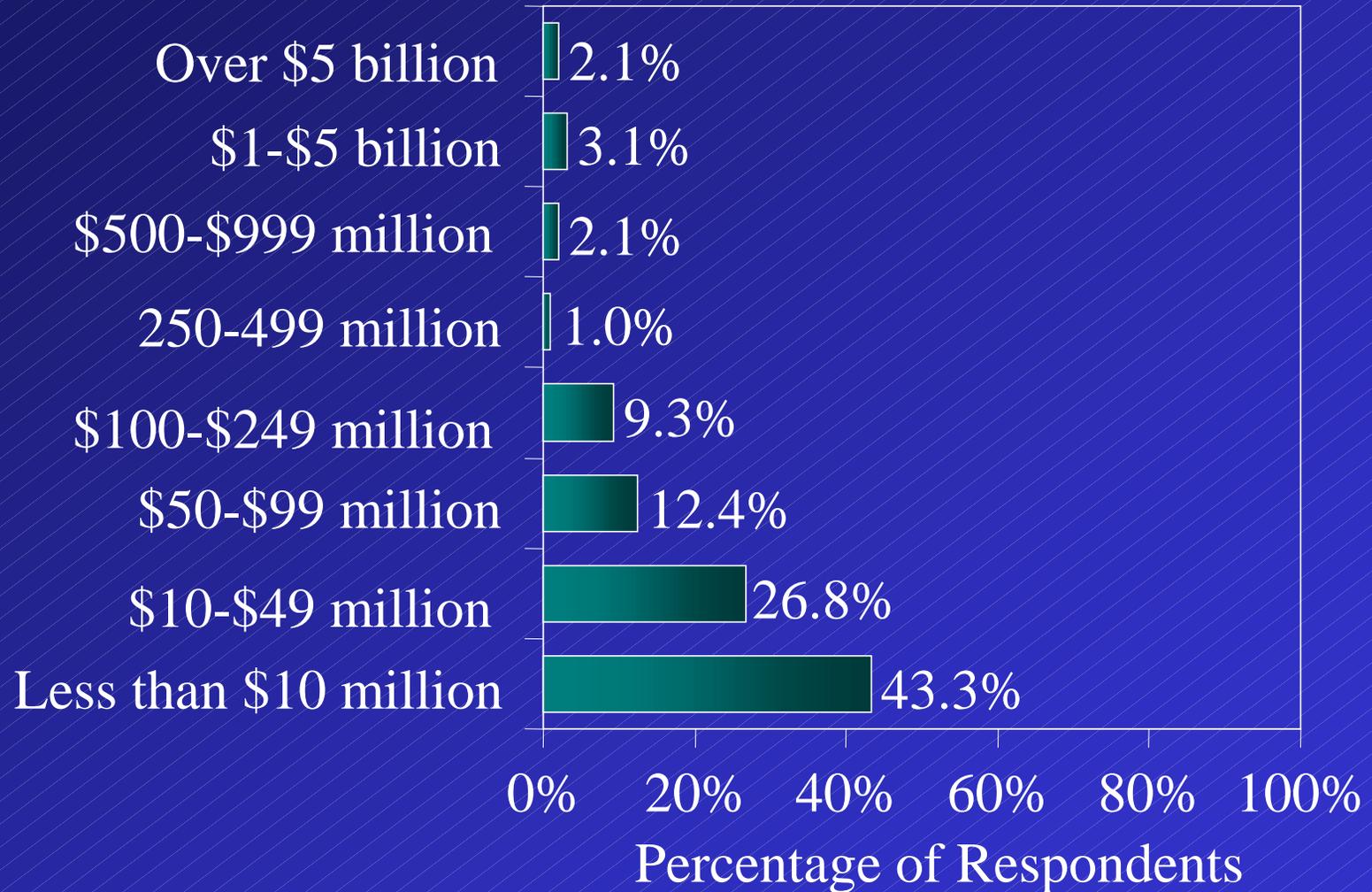
# Respondent Profile

- 54.8 % of respondents are distributors
- 72.7 % of respondents buy from a raw materials supplier
- 40.8 % sell to large/volume wholesalers
- 70.1 % have annual sales revenue under \$50 Million
- 74.3 % have less than 100 employees

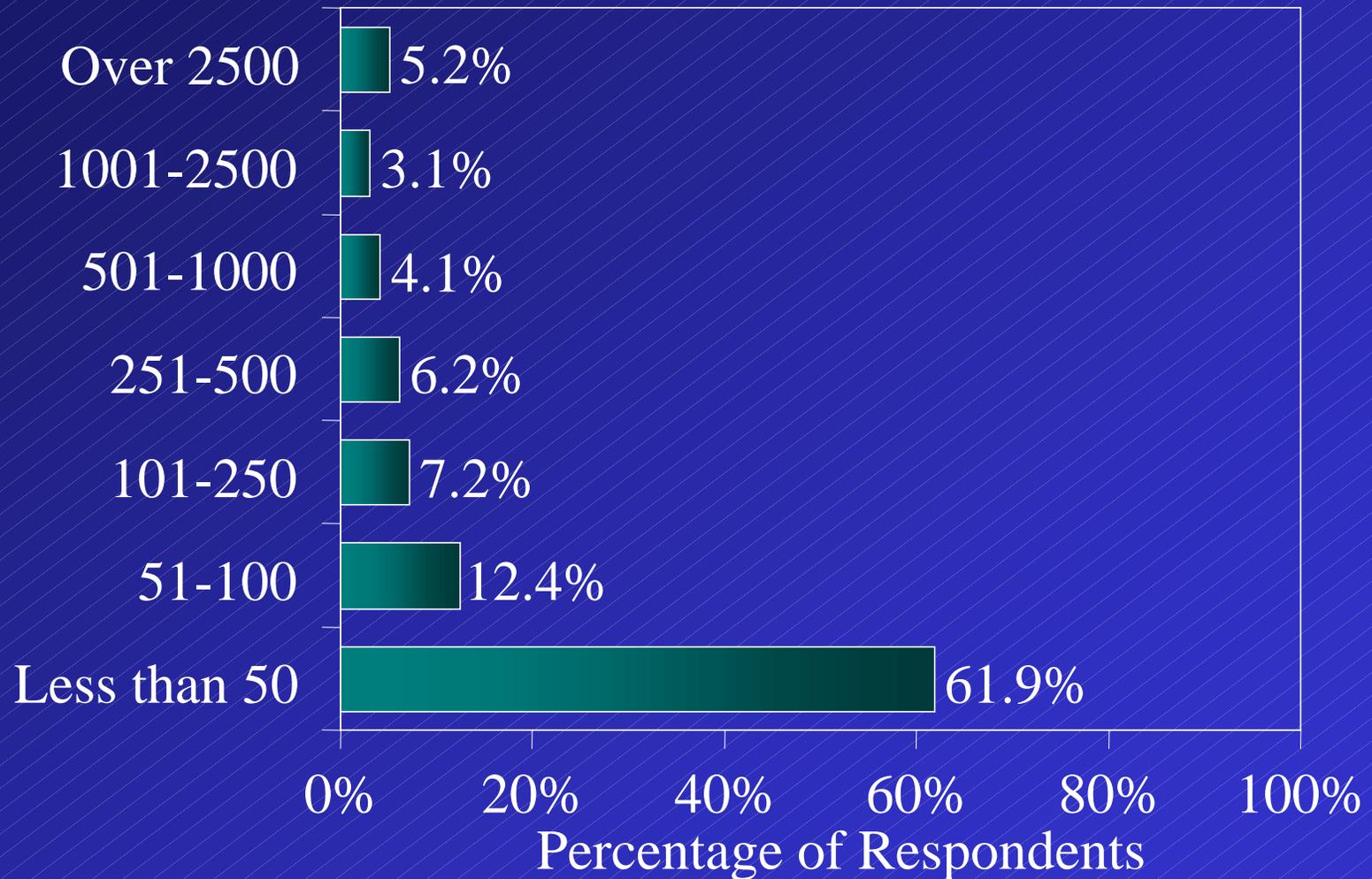
# Respondent Profile

- For 30.8 % of respondents, exports account for over 80 % of their total sales revenue
- 59.6 % export to three countries or less
- 39.4 % have an office abroad
- The product category exported by most firms is softwood lumber (74.2 % of respondents)

# Distribution of Respondent Companies by 1998 Sales Revenue (n=97)



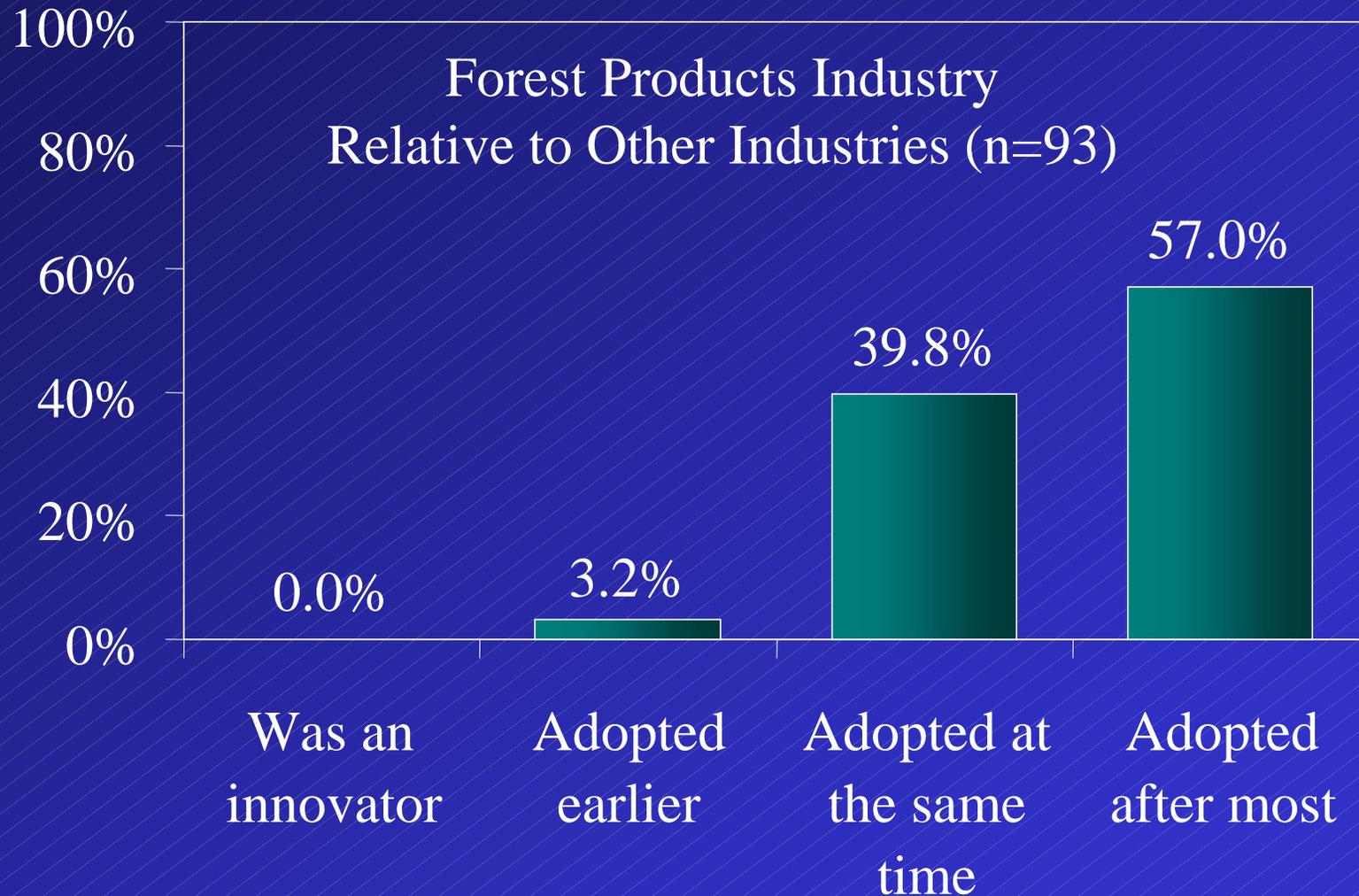
# Distribution of Respondent Companies by Number of Employees (n=97)



# Cumulative Value of Internet Investments (n=83)



# Adoption of Internet Technologies

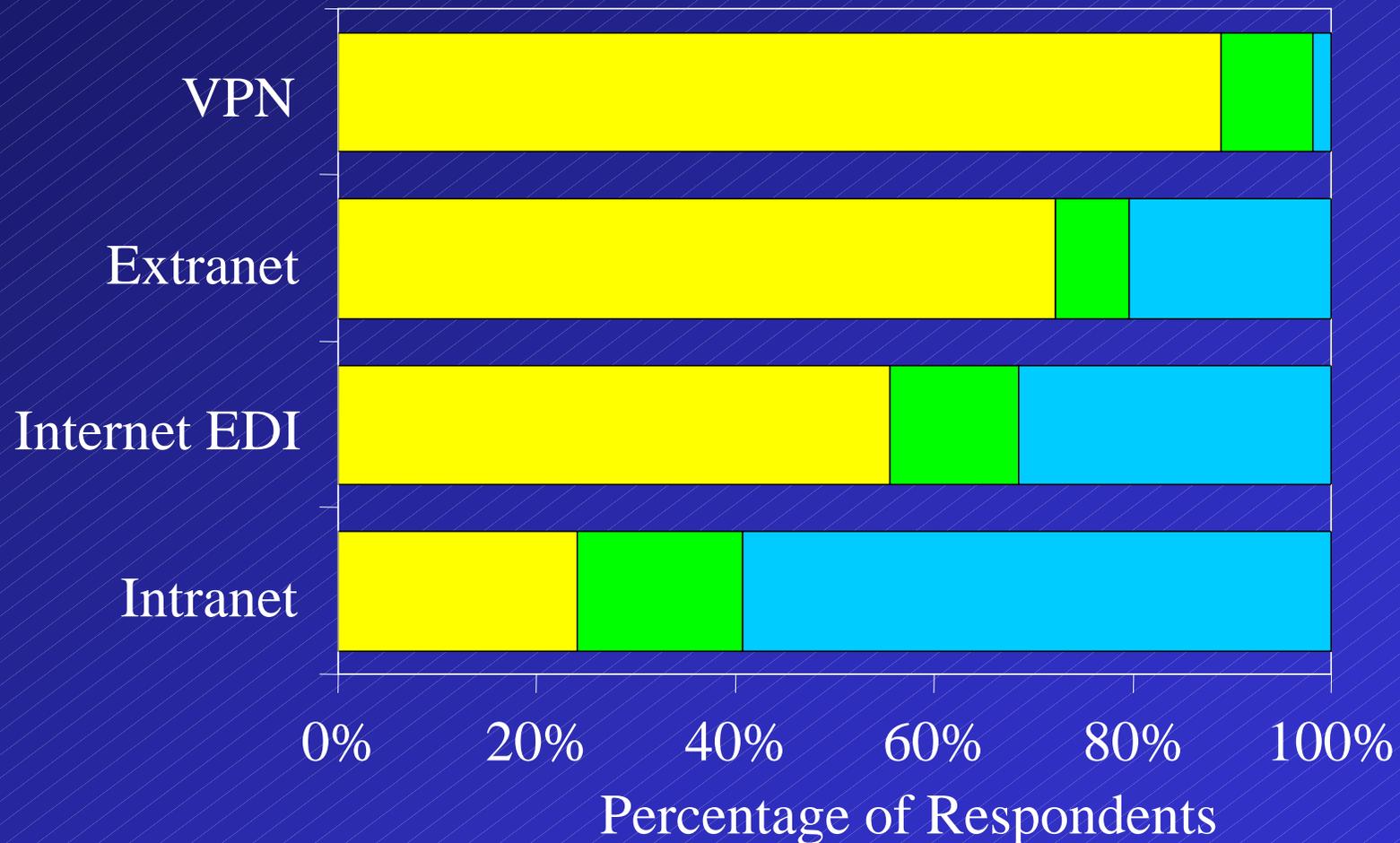


# Adoption of Internet Technologies



# Current and Projected Use of Internet Network Configurations (n=54)

■ Do not use ■ Use within next two years ■ Currently use



# Benefits for the Customer The Internet Offers...(n=93)

Scale: 1- Strongly disagree; 5 - Strongly agree



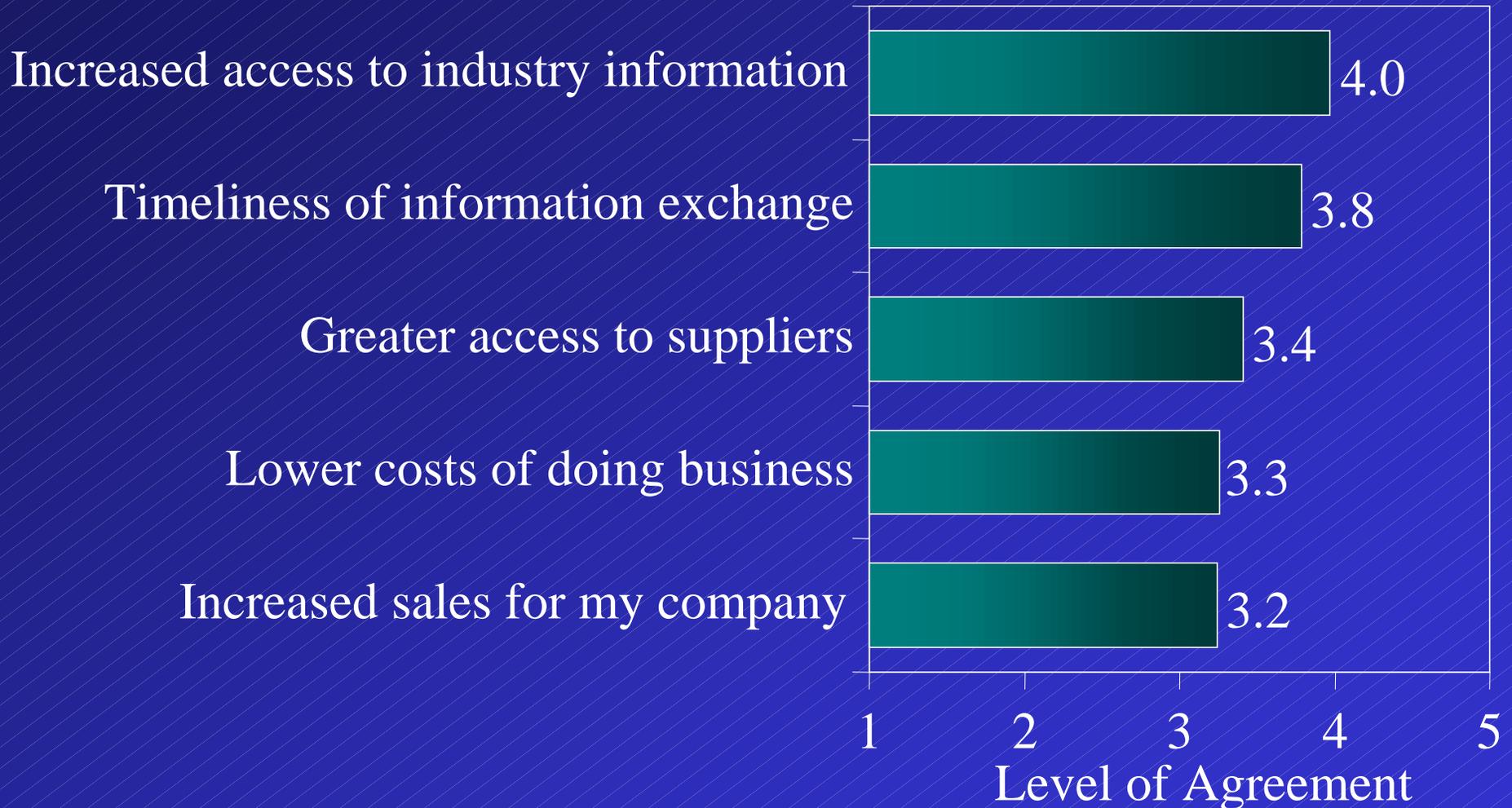
# Promotion Benefits for the Company The Internet Offers...(n=93)

Scale: 1- Strongly disagree; 5 - Strongly agree



# Operating Effectiveness Benefits The Internet Offers...(n=93)

Scale: 1- Strongly disagree; 5 - Strongly agree

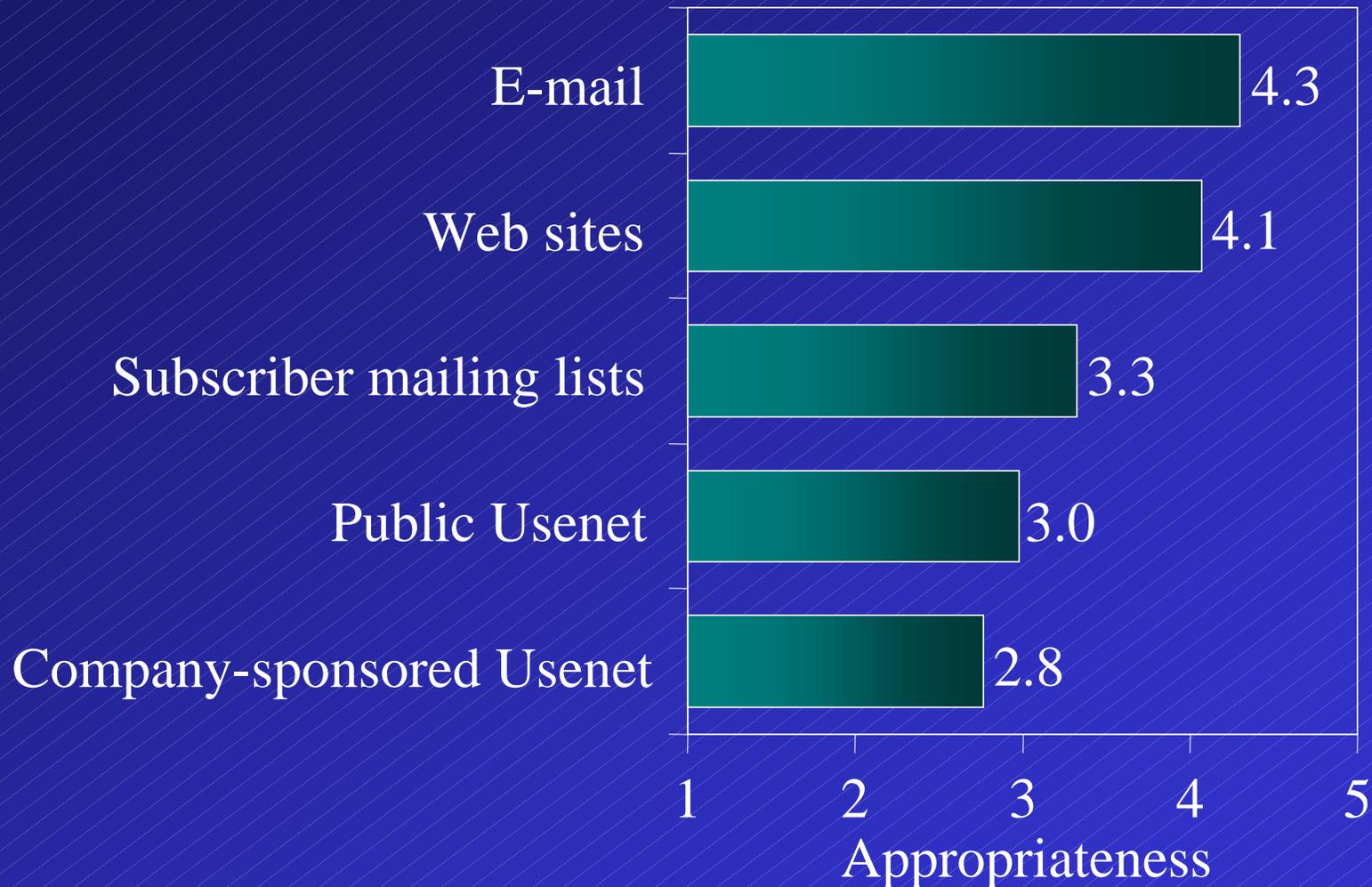


# Impediments Towards Implementing Internet Technologies

- Impediments analyzed:
  - Technical issues
  - Internal factors
  - Issues associated with acceptance of technology
- No impediment was greater than 3.0 on a 5-point scale of severity

# Appropriateness of Internet Tools to Reach and Gain New Customers (n=91)

Scale: 1- Not at all appropriate; 5 - Entirely appropriate

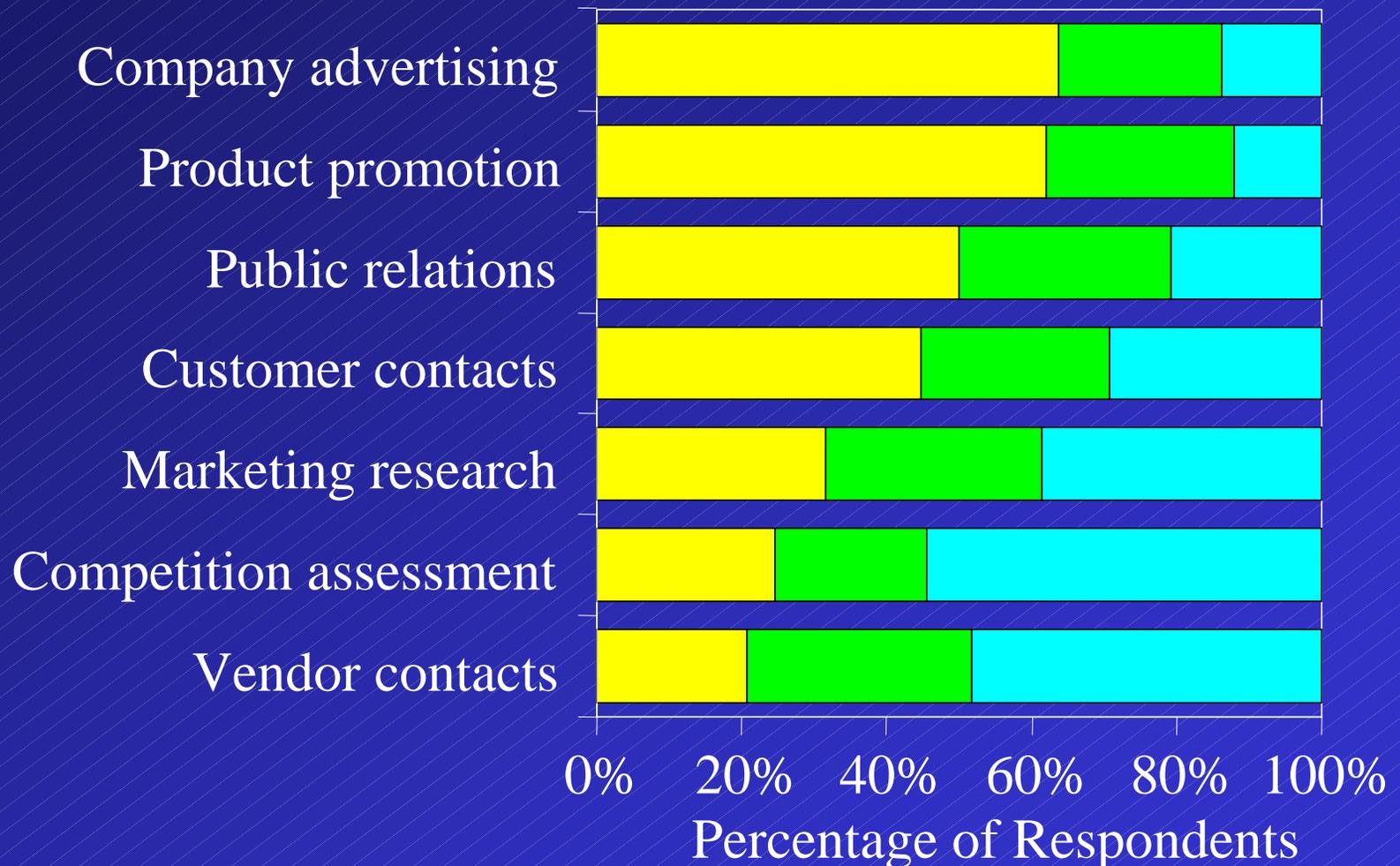


# Web Presence

- 62.7 percent of respondents have a Web site
- Of these, 84.7 % have a registered domain name
- Web site success expectations have been met but not exceeded
- Web sites mostly used as an additional promotional tool
- Process applications employed less often

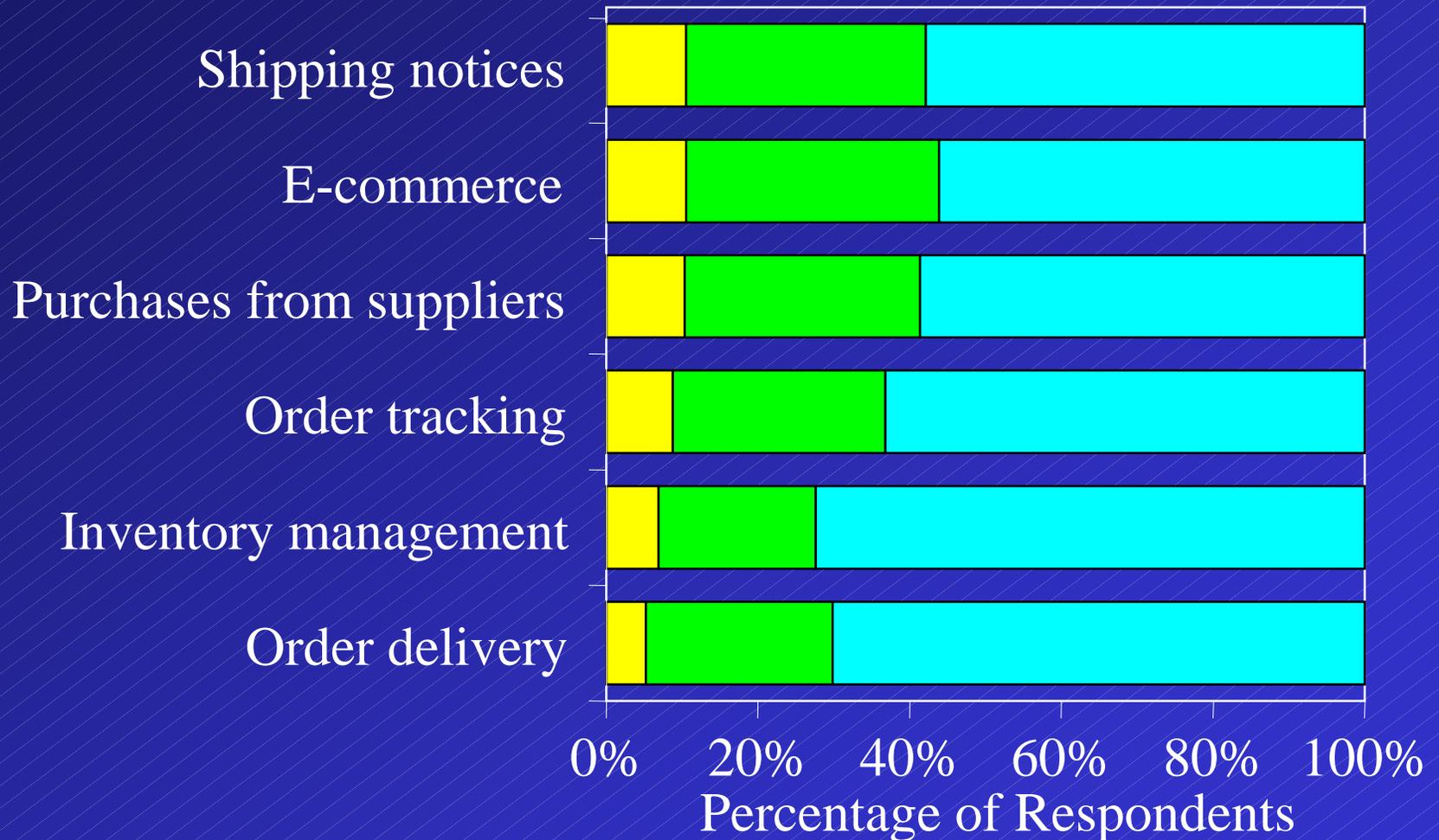
# Marketing Applications Facilitated by Web Sites (n=58)

■ Currently use ■ Use within next two years ■ No plans to use

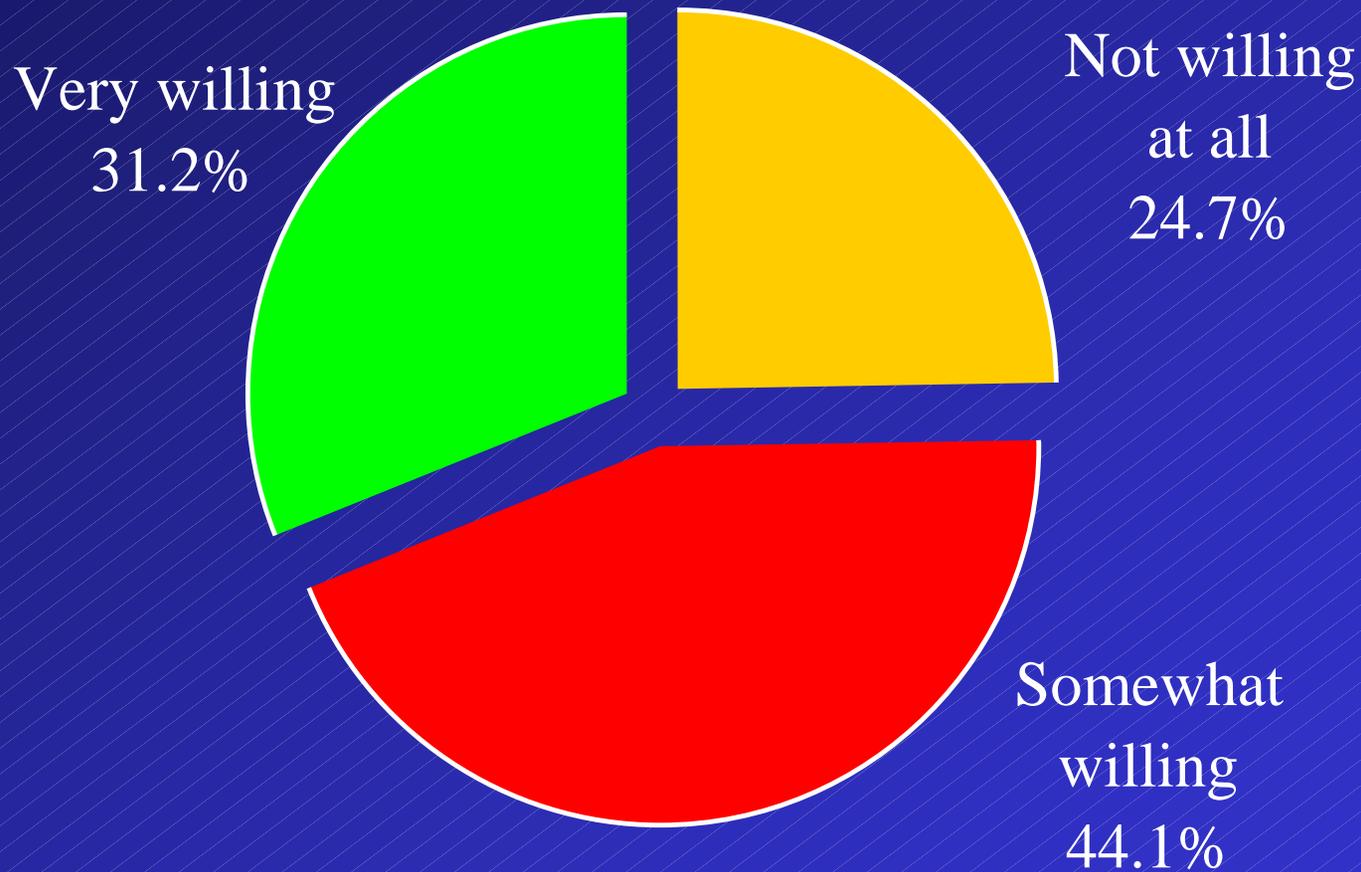


# Process Applications Facilitated by Web Sites (n=58)

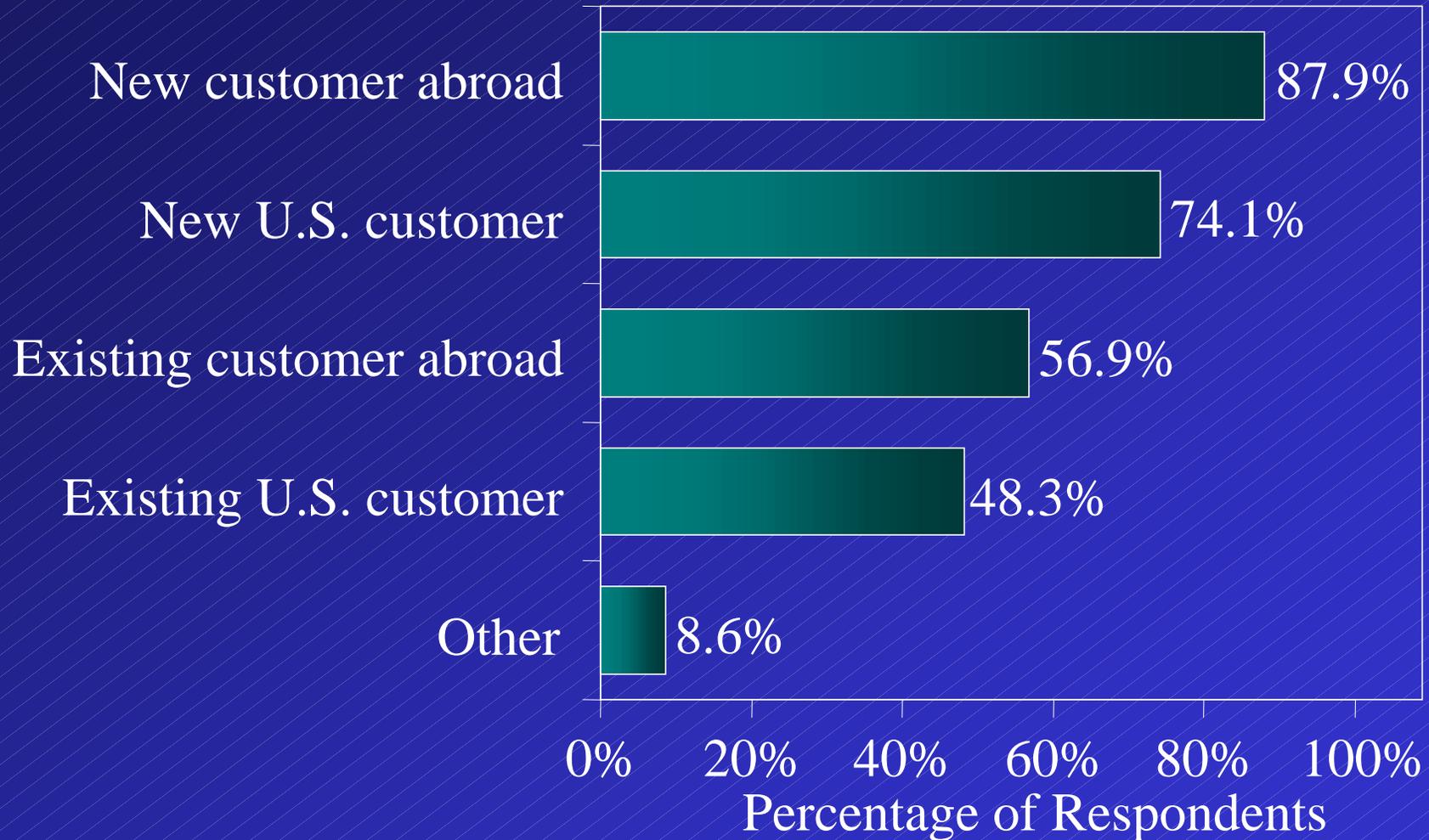
■ Currently use ■ Use within next two years ■ No plans to use



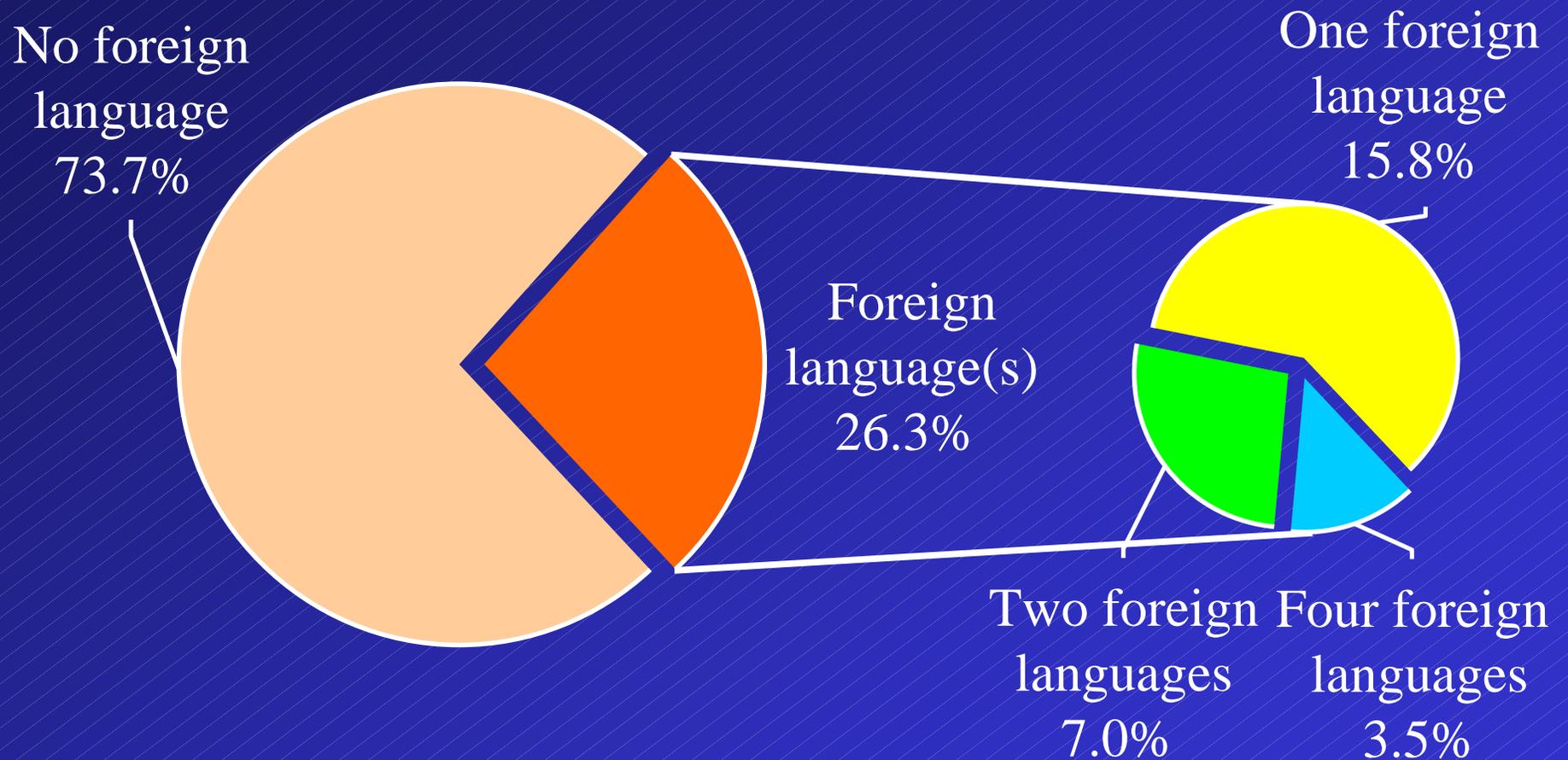
# Willingness to Sell Products Online (n=93)



# Targeted Web Audience (n=58)



# Use of Foreign Languages (n=57)



# Conclusions

- The Internet is a valuable business tool for wood products exporters
- The Internet offers promotional benefits and increases operating effectiveness
- No significant impediments for implementation of Internet technologies were identified

# Conclusions

- The Web used for promotional applications
- Competitive advantage is likely to be achieved by employing process applications
- E-commerce is the application with the highest expected growth
- The use of a foreign language does not significantly increase Web site success

# Questions

