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

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

0%　10%　20%　30%　40%　50%
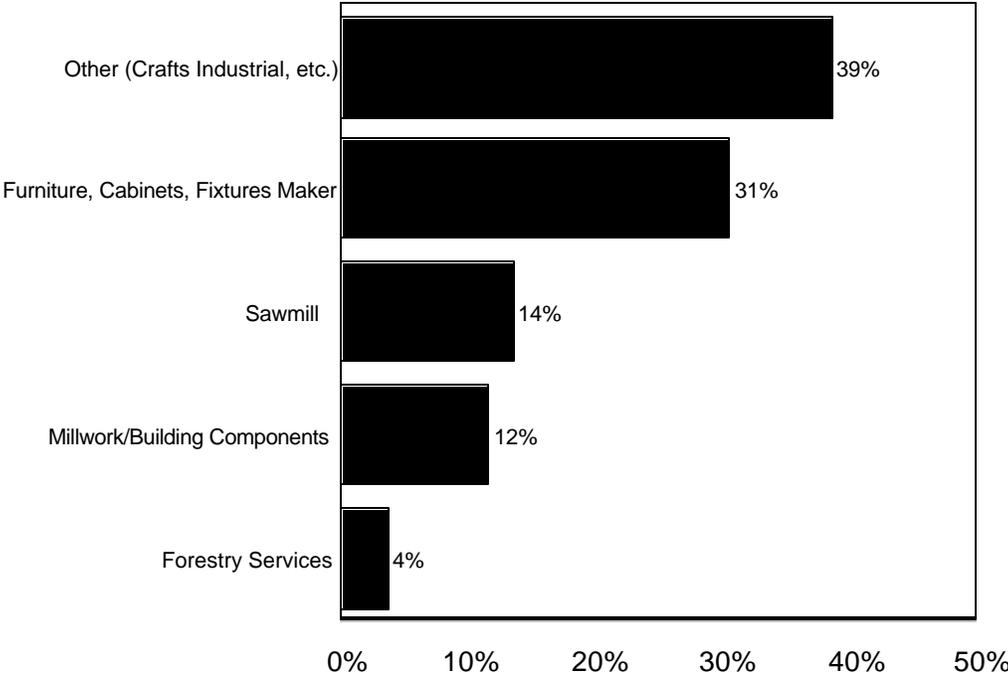
Number of Years in Business
(n=48)
Percent of Respondents

Category	Percent
1 to 5 year	6%
6 to 10 years	13%
11-15 years	10%
More than 15 years	71%

0%　10%　20%　30%　40%　50%　60%　70%　80%
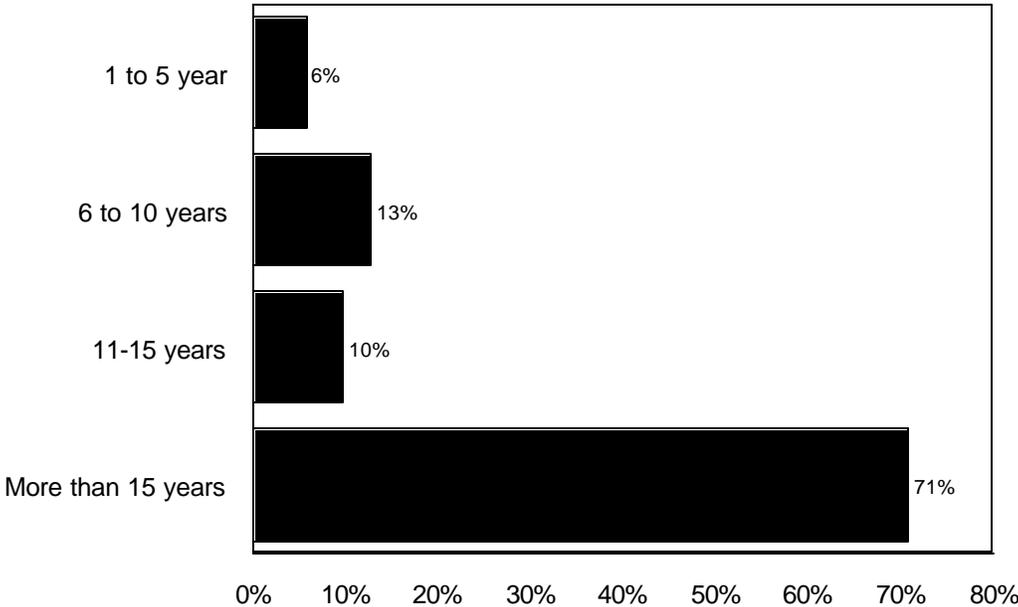
Number of Full-Time Employees
(n=47)
Percent of Respondents

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

0% 5% 10% 15% 20% 25% 30% 35%
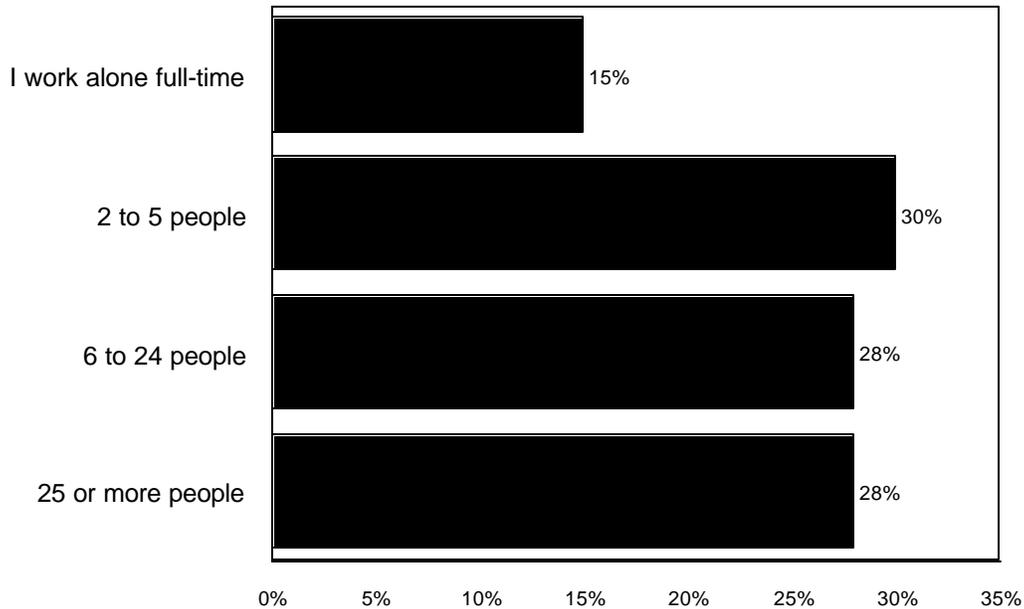
Number of Part-Time Employees
(n=47)
Percent of Respondents

Category	Percent
I work alone part-time	9%
2 to 5 people	36%
6 to 24 people	36%
25 or more people	18%

0% 10% 20% 30% 40%

3
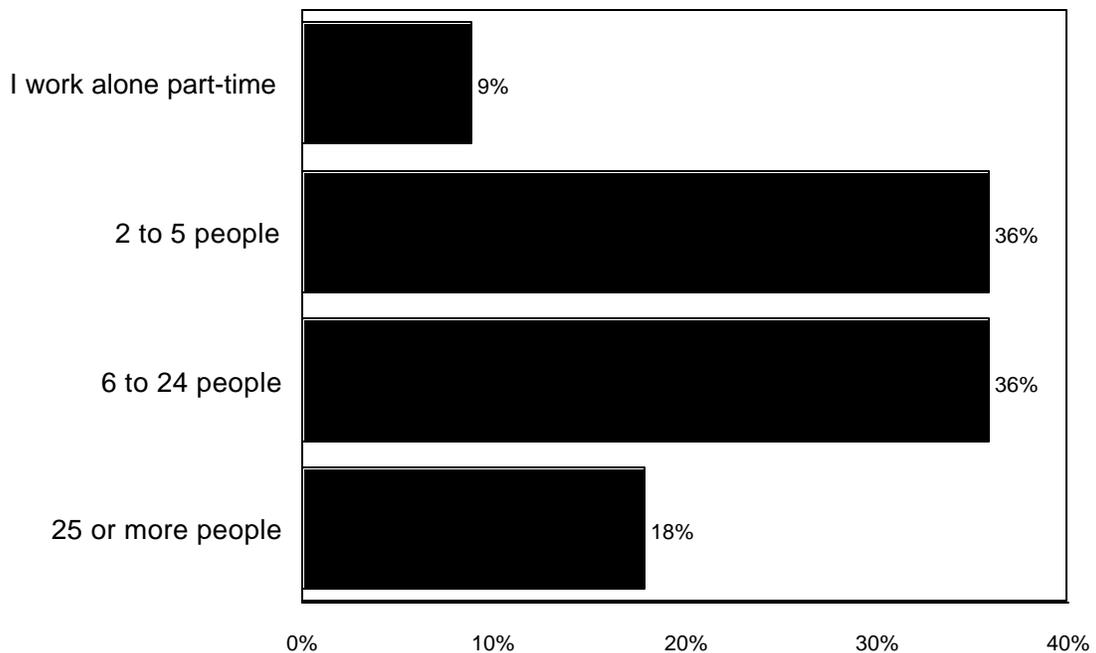
Do you have any other employment besides this business?
Percent of Respondents
(n=49)

Yes
14%

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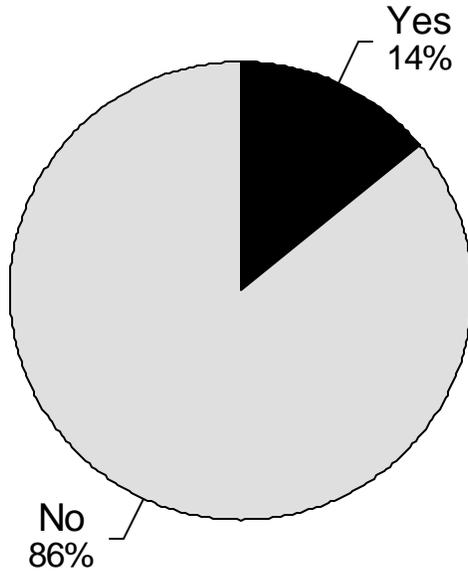
Does your family work with you in this business?
Percent of Respondents
(n=49)

No
45%

Yes
55%
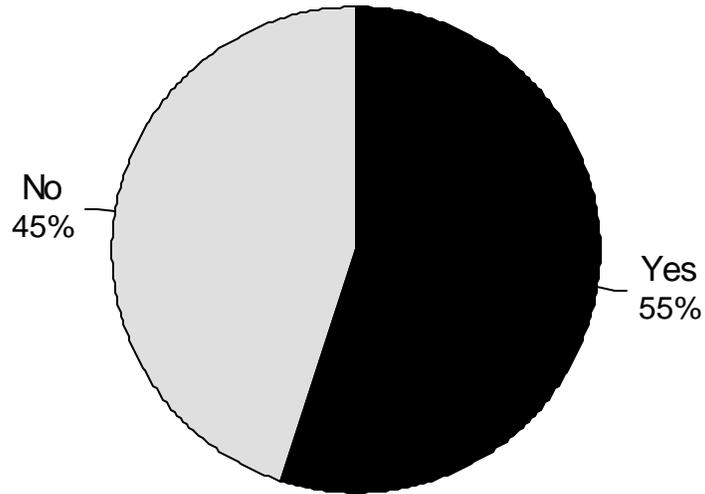
Does your family work with you in this business?
If YES, Family Member
(n=27)

Family Member	Percent
Parents	19%
Child	44%
Wife	48%
Husband	33%

0%   10%   20%   30%   40%   50%   60%

Percent of Respondents
Multiple Responses Possible
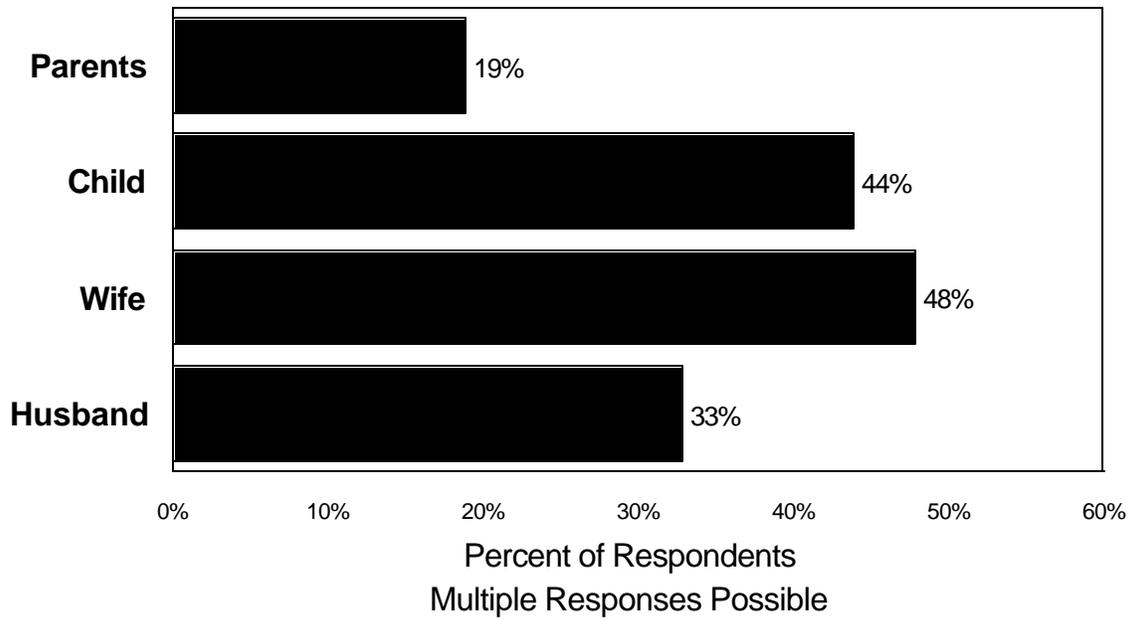
What is Your Level of Education?
Percent of Respondents
(n=49)
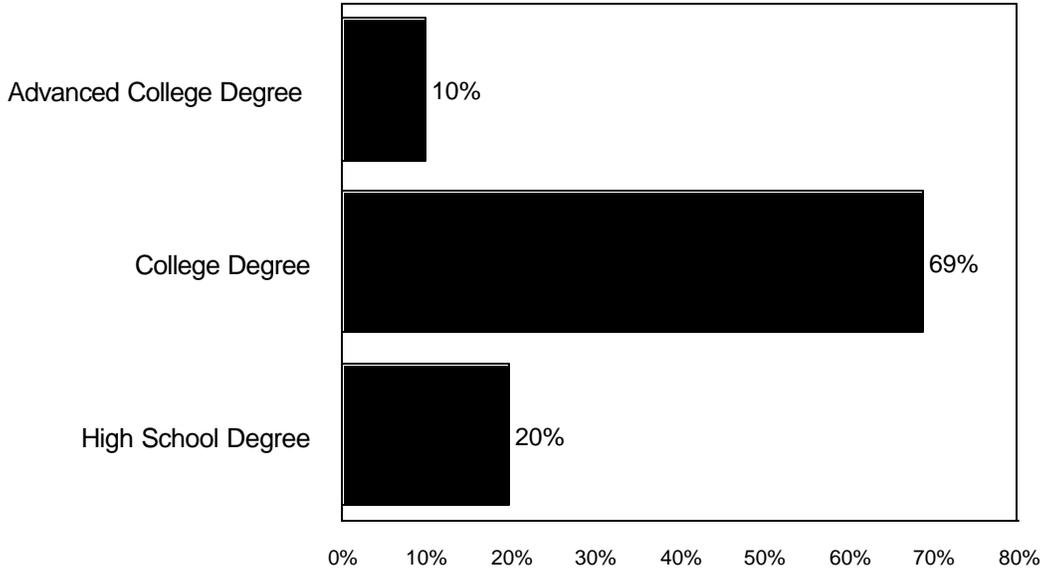
Ages of Respondents
(n=49)
Mean Age: = 53 years
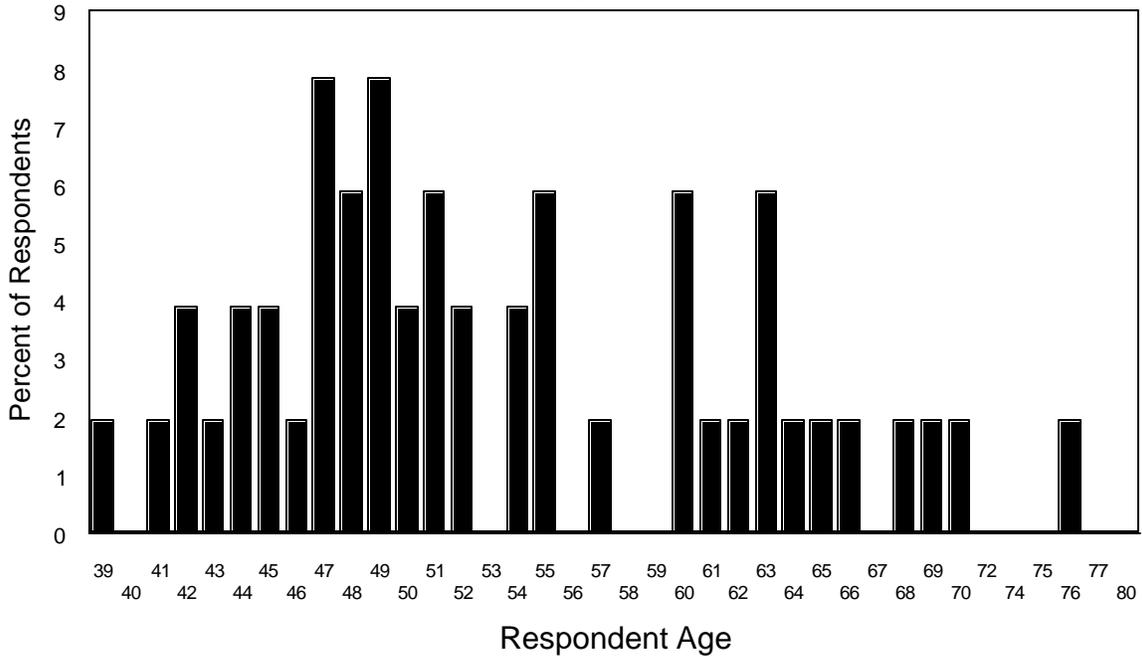
2001 Retail Sales Compared With 2000
(n=42)

| Category	Percentage
Up	36%
Down	41%
Same	10%
Not in business in 2000	2%
Not applicable	12%

0%   10%   20%   30%   40%   50%
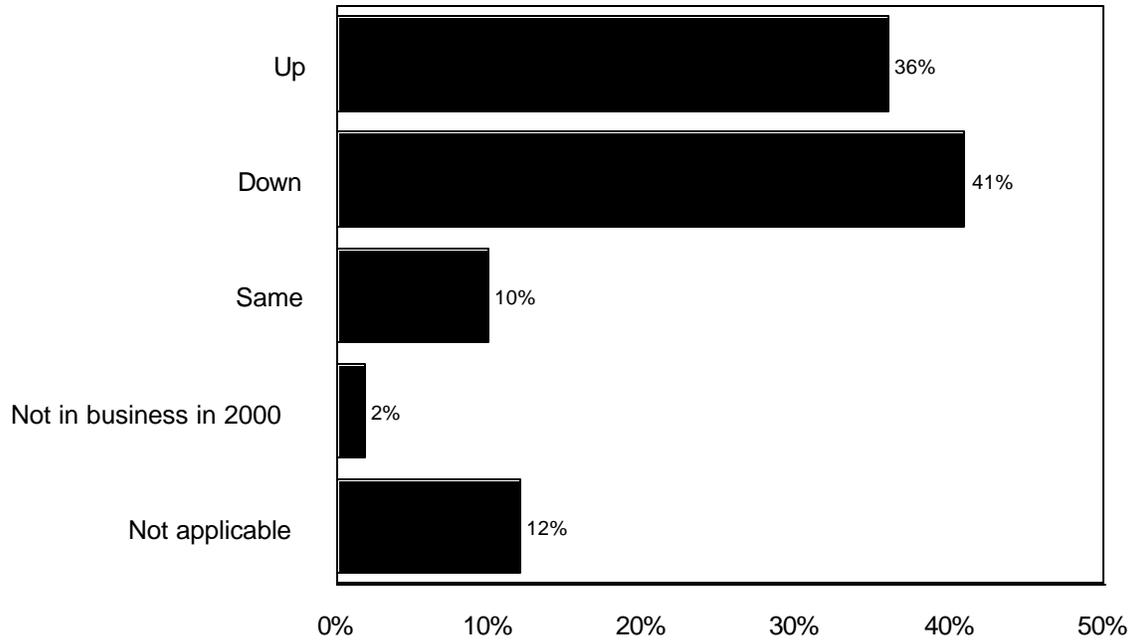
2001 Wholesale Sales Compared With 2000
(n=42)

Category	Percentage
Up	26%
Down	44%
Same	15%
Not in business in 2000	2%
Not applicable	13%

0%   10%   20%   30%   40%   50%
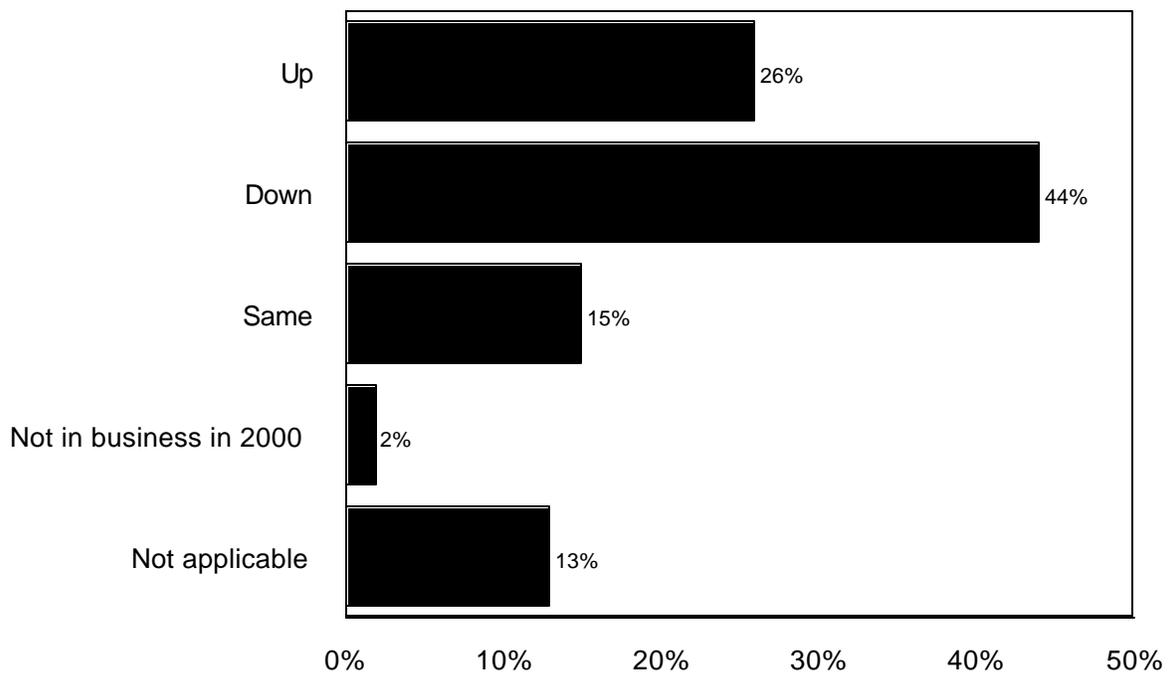
2002 Business Outlook for My Company
(n=50)

Category	Value
Excellent	14%
Good	36%
Fair	32%
Concerning	12%
Very concerning	6%
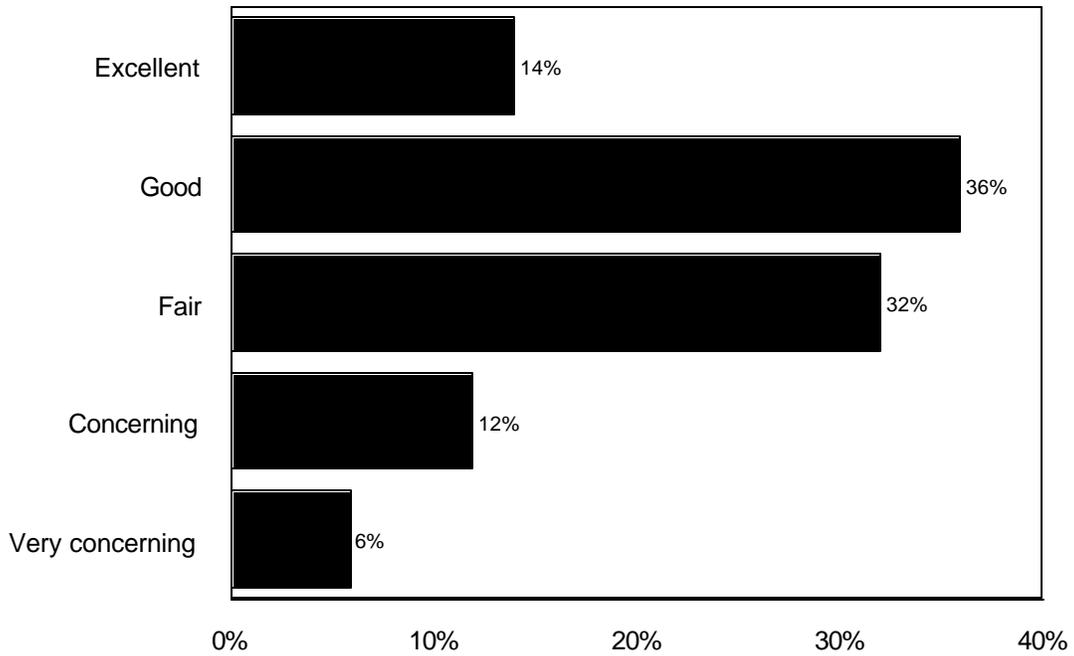
2002 Forest Sector Business Outlook in Respondent State
(n=46)

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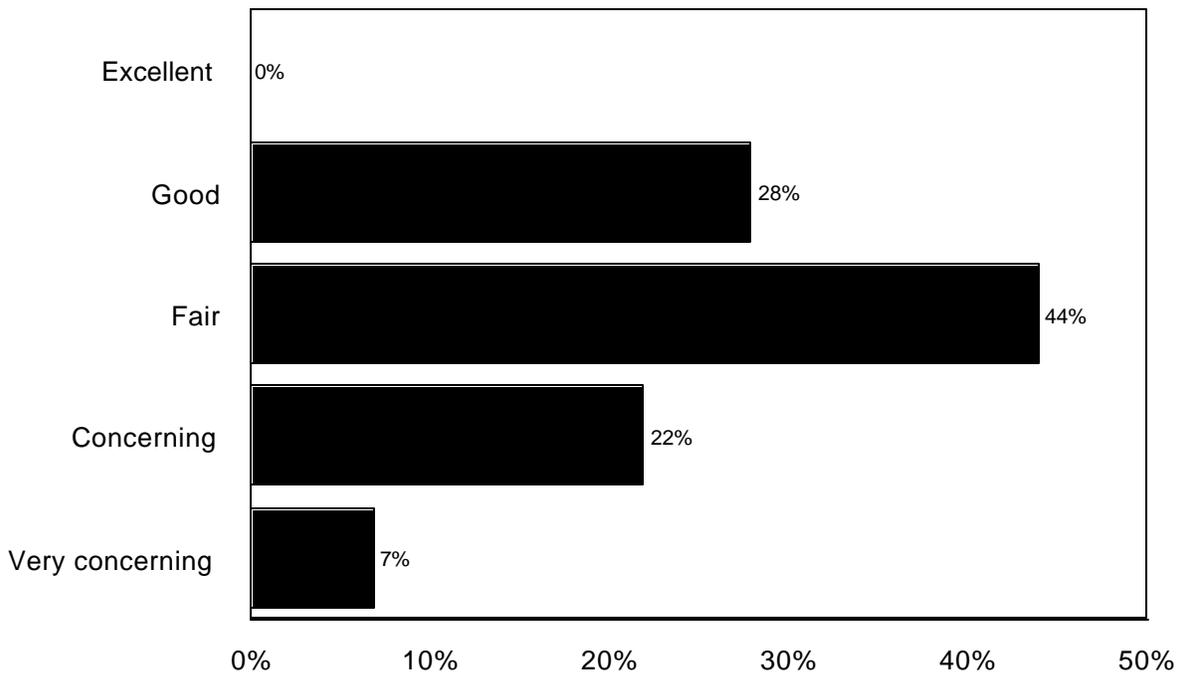
Current Extent of Respondent Computer Usage
(n=50)
Scale: 1=Use Extensively to 6=Do Not Use At All

Category	Value
Computers in general	2.8
Using the Internet to find information	3.2
E-mail messaging	3.8
E-mail to receive business news	4.3
Using the Internet to advertise products	4.9
Using the Internet to sell products	4.9

1.0 2.0 3.0 4.0 5.0 6.0

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

Category	Value
Using the Internet to sell products	46%
Using the Internet to advertise products	30%
Computers in general	10%
E-mail messaging	10%
Using the Internet to find information	6%
E-mail to receive business news	0%

0% 10% 20% 30% 40% 50%

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Influence Computers Have Had on Respondent Business Revenue in the Past Few Years
(n=46)
Percent of Respondents

| Response	Percent
Very negative influence	0%
Somewhat negative influence	0%
Neither a positive nor a negative influence	33%
Somewhat positive	41%
Very positive influence	26%
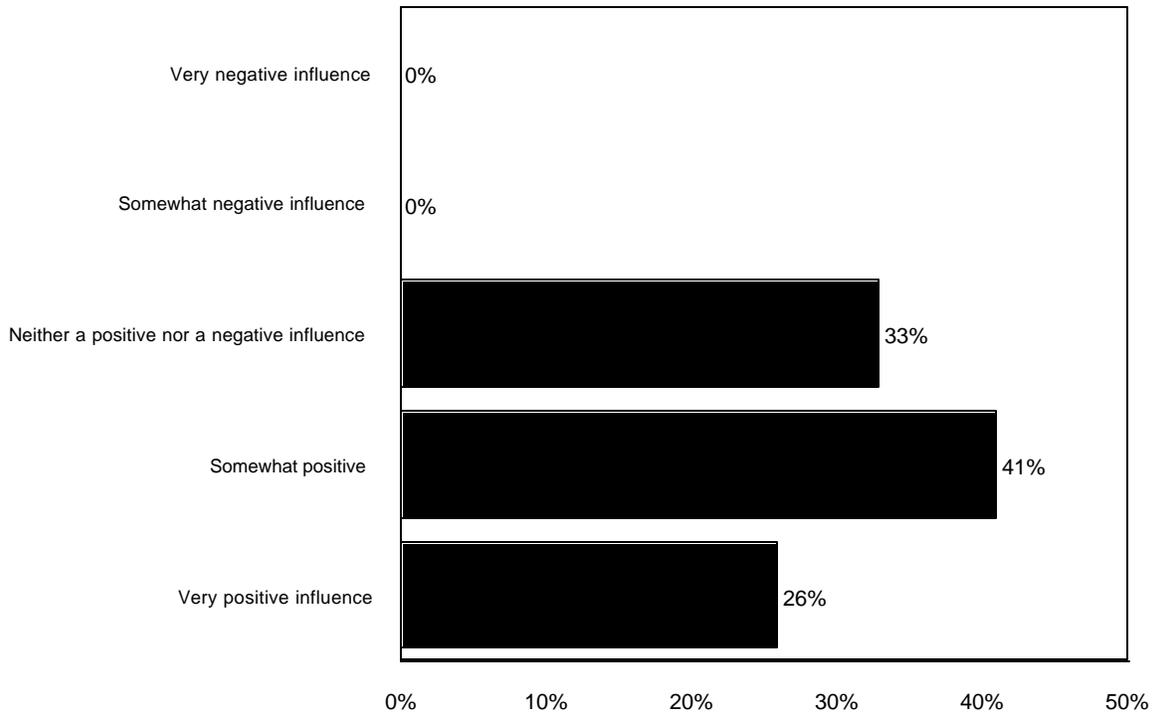
General Internet/Website Perceptions
(n=48)
Scale: 1=Strongly Disagree to 5=Strongly Agree

Statement	Score
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

10
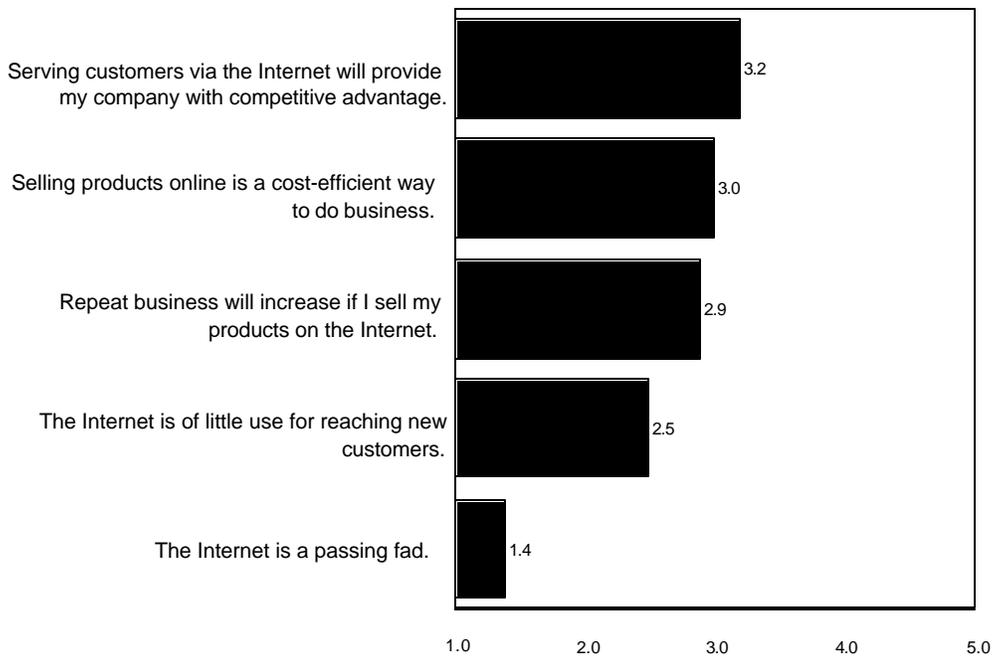
Concerns About the Internet/Websites
(n=48)
Scale: 1=Not At All a Concern to 4=Is a Major Concern

Concern	Value
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

1.0 2.0 3.0 4.0 5.0
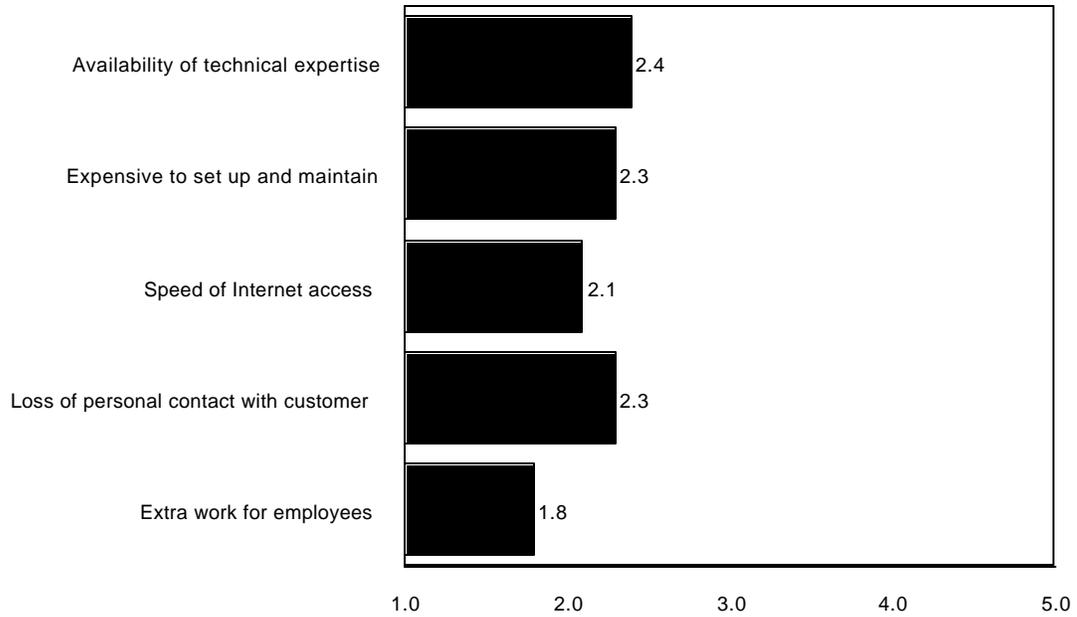
What influence is the Internet having on your business sales at this time?
(n=48)
Percent of Respondents

Response	Percent
Very negative influence	2%
Somewhat negative influence	0%
Neither a positive nor a negative influence	69%
Somewhat positive	19%
Very positive influence	10%

0% 10% 20% 30% 40% 50% 60% 70% 80%

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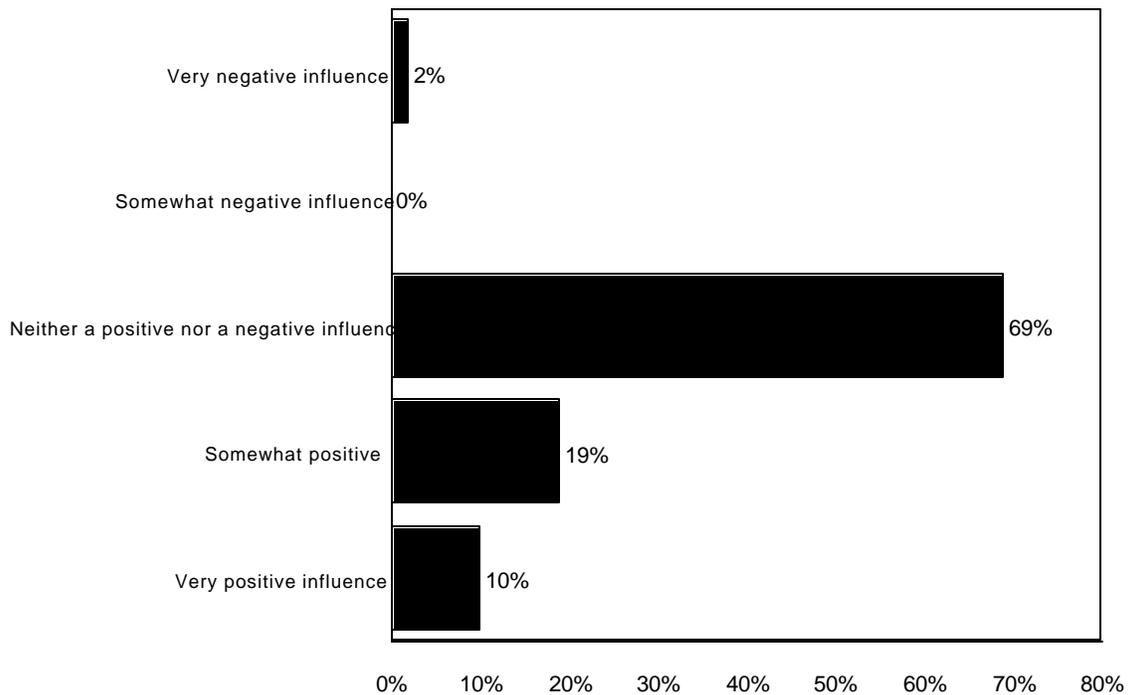
Willingness to Sell Products on the Internet
(n=48)
Percent of Respondents

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

0%   10%   20%   30%   40%   50%
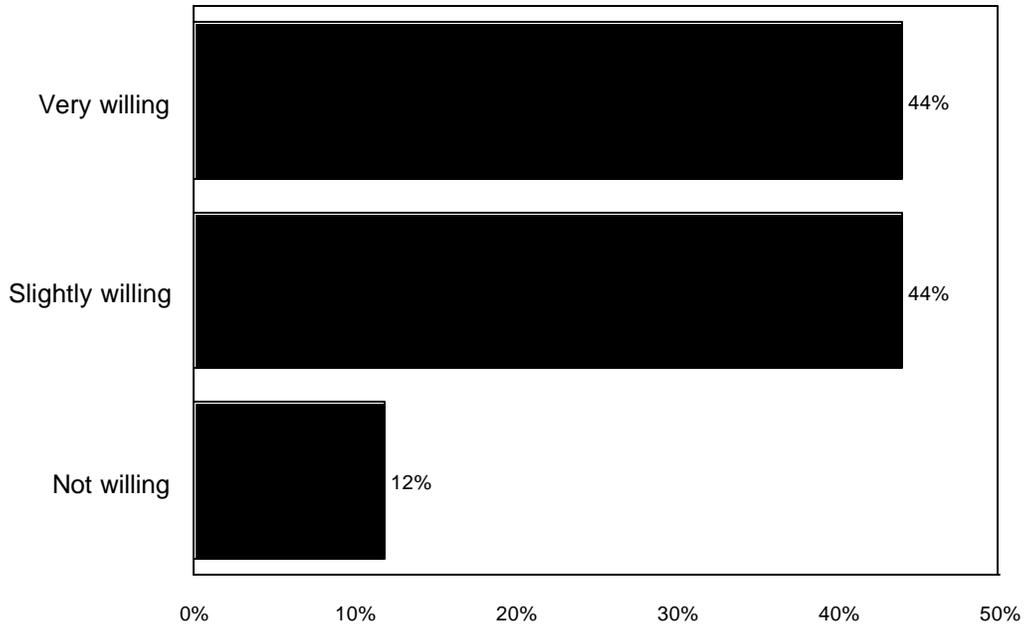
Anticipated Percentage of Sales From Internet in 2005
(n=50)

Percent Internet Sales

0%	23%
1%-5%	28%
6%-10%	23%
11%-25%	21%
26%-50%	4%
Over 50%	0%

0%   5%   10%   15%   20%   25%   30%

Percent of Respondents
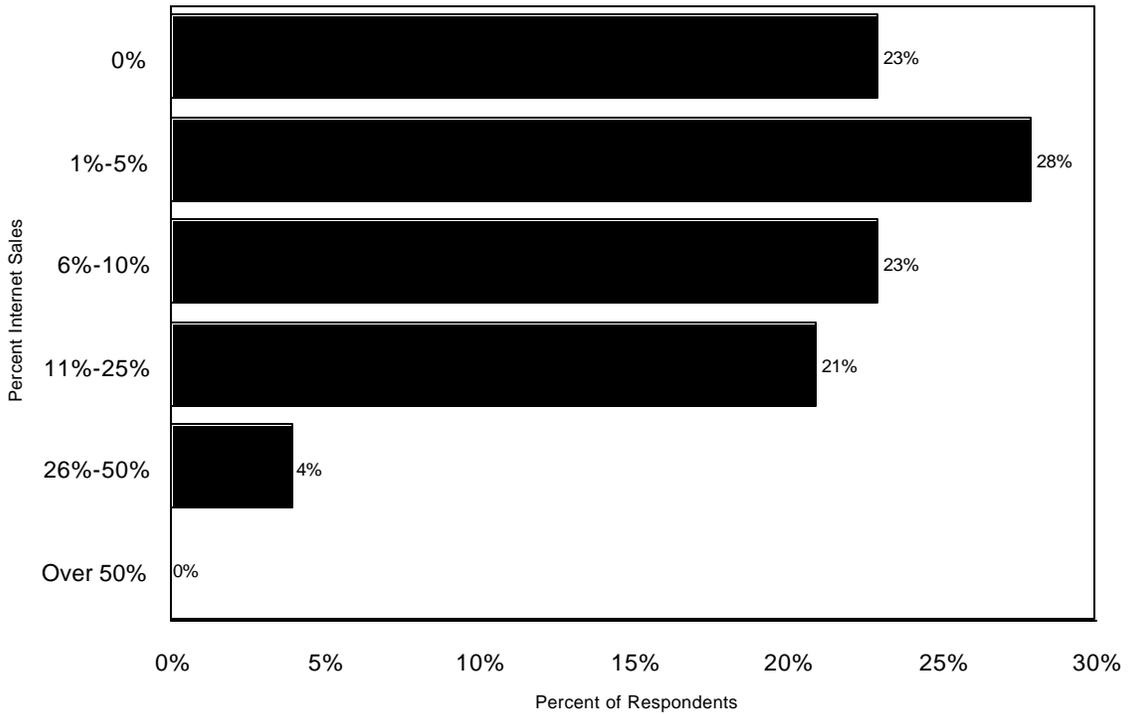
Is Your Company Where it Wants to Be in Using the Internet?
Percent of Respondents
(n=50)
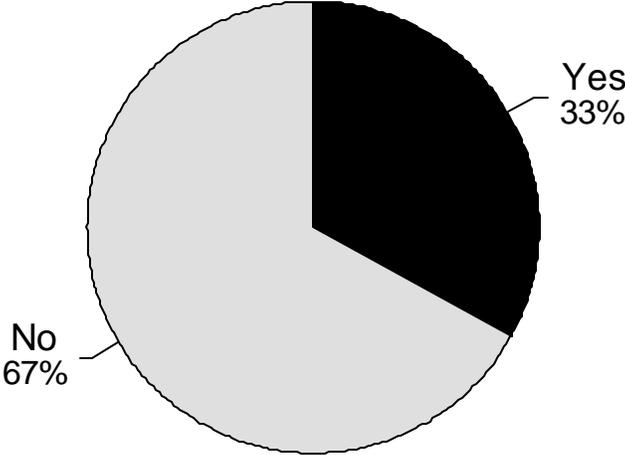
Yes
33%

No
67%

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

Use	Percent
Providing Contact Information	75%
Describing Products & Services	73%
Answering Product/Price Inquiries	55%
Conducting Retail Sales	35%
Checking Order Status/Order Tracking	24%
Providing Wholesale Account Services	14%

0% 10% 20% 30% 40% 50% 60% 70% 80%

Anticipated Uses of the Internet by 2005
(n=50)
Percent of Respondents Stating As Most Important

Use	Percent
Describing Products & Services	39%
Conducting Retail Sales	12%
Providing Contact Information	24%
Answering Product/Price Inquiries	15%
Checking Order Status/Order Tracking	6%
Providing Wholesale Account Services	3%

0% 10% 20% 30% 40% 50%

14
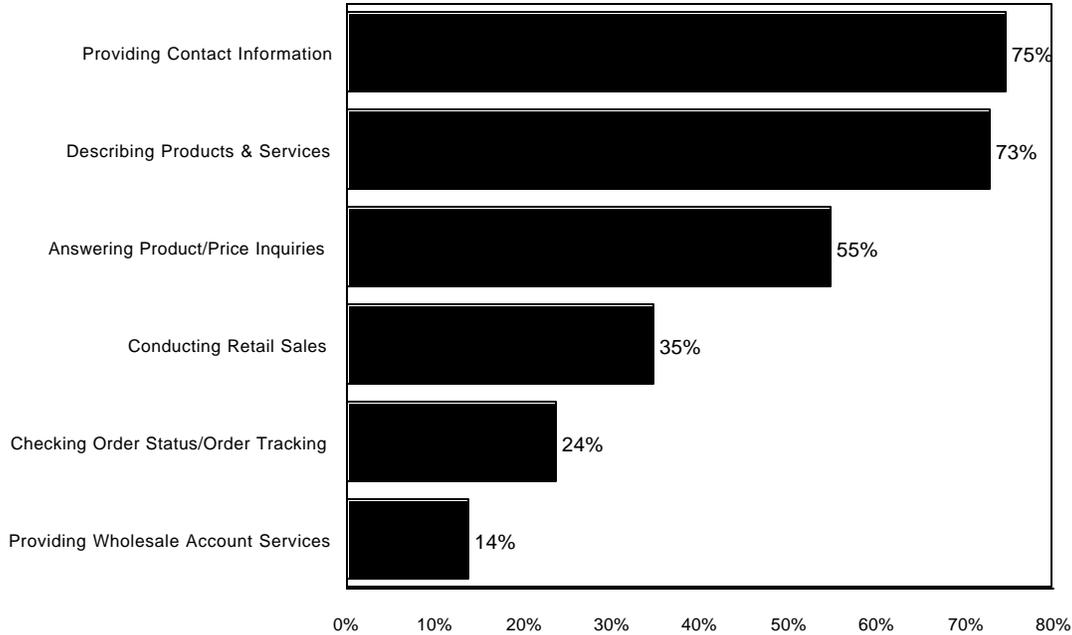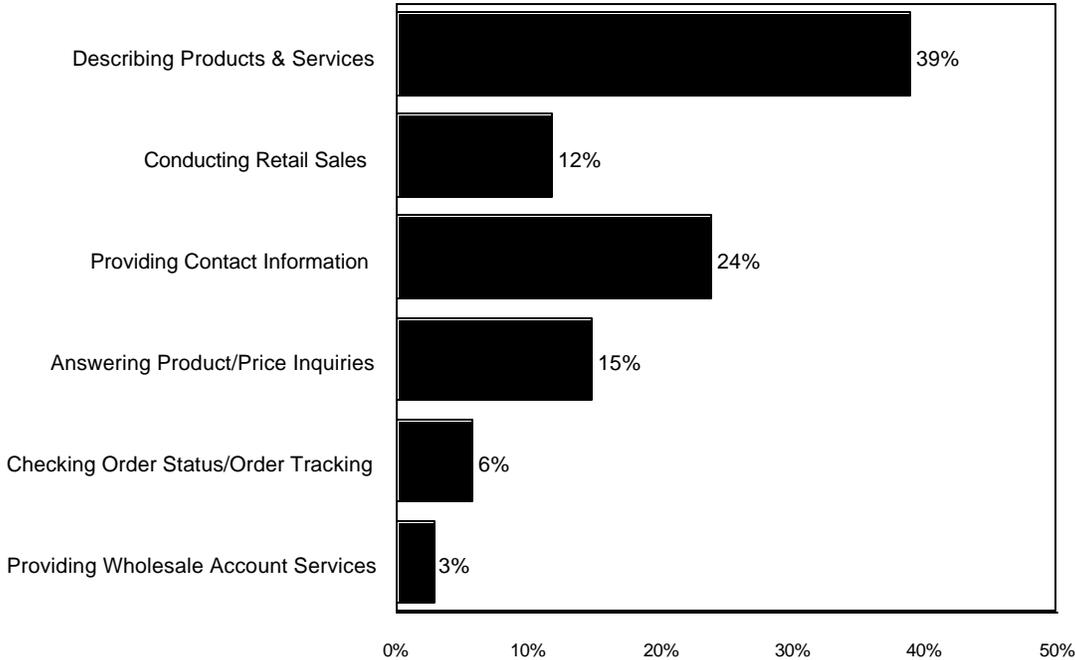
Does Your Company Have a Website?
Percent of Respondents
(n=50)

Yes
42%

No
58%
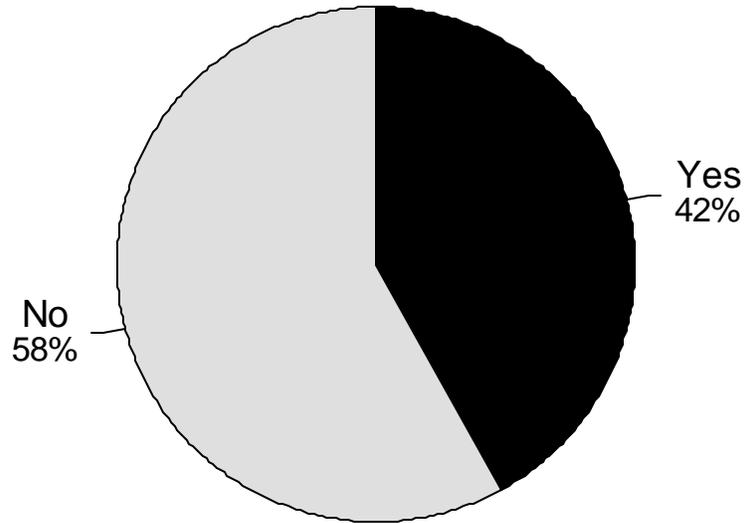
When Website Was First Developed
Percent of Respondents
(n=21)

2002
5%

1998 or before
19%

2001
29%

1999-2000
48%
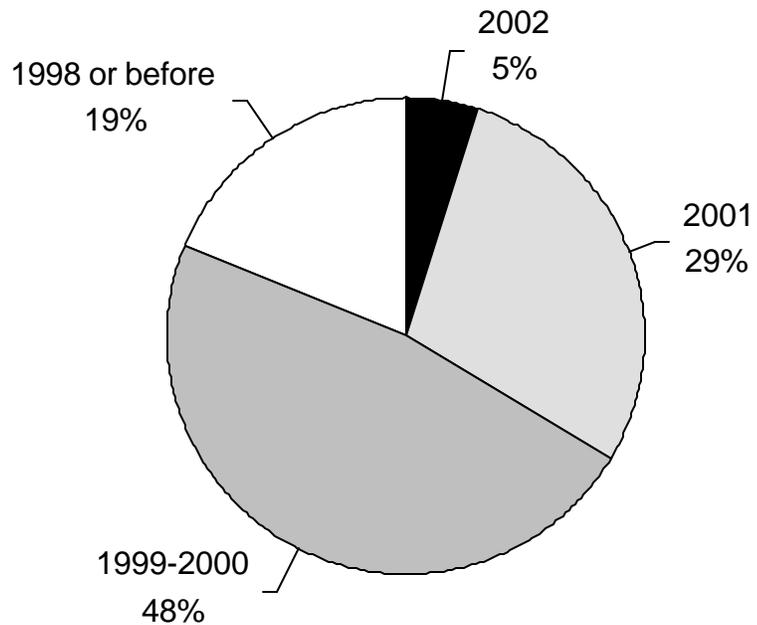
Ways Respondents Currently Use Their Website

(n=22)
Percent of Respondents With Websites

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

0% 20% 40% 60% 80% 100% 120%
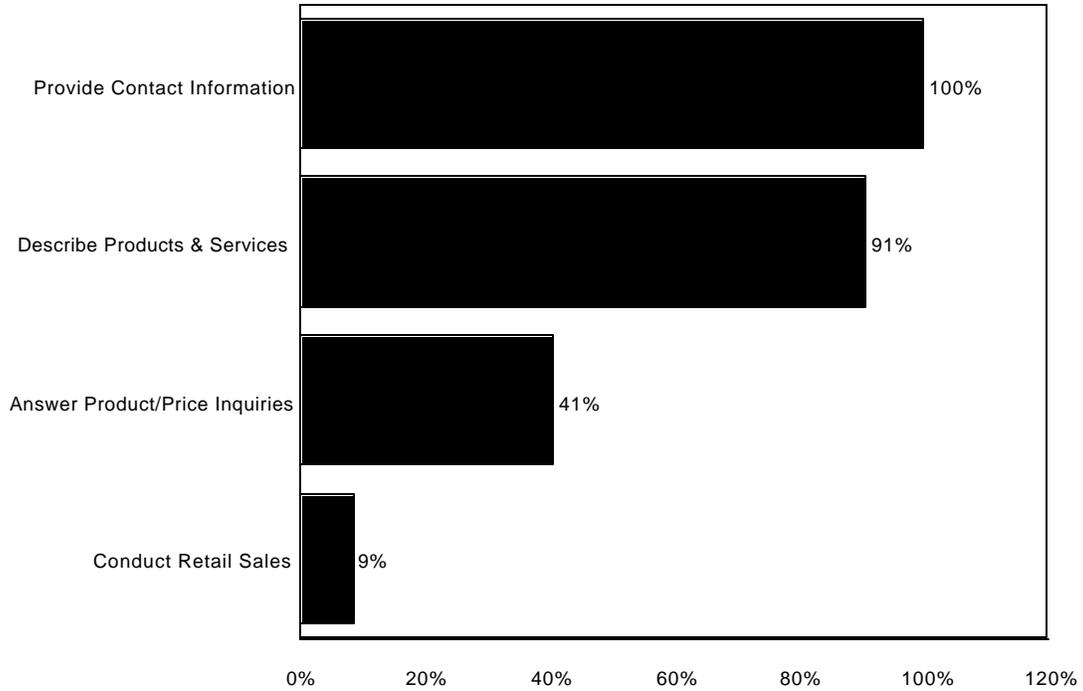
Do you sell your products through an online store or gallery, other than your own Web site?*

(n=22)

Yes 8%

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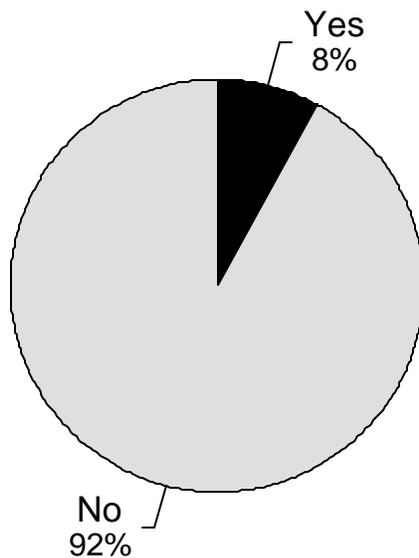
Effectiveness of Website in Attracting New Customers
(n=22)
Percent of Respondents With Websites

Category	Percent
Very Effective	10%
Somewhat Effective	33%
Not Effective	24%
Not Sure	33%

0%   5%   10%   15%   20%   25%   30%   35%
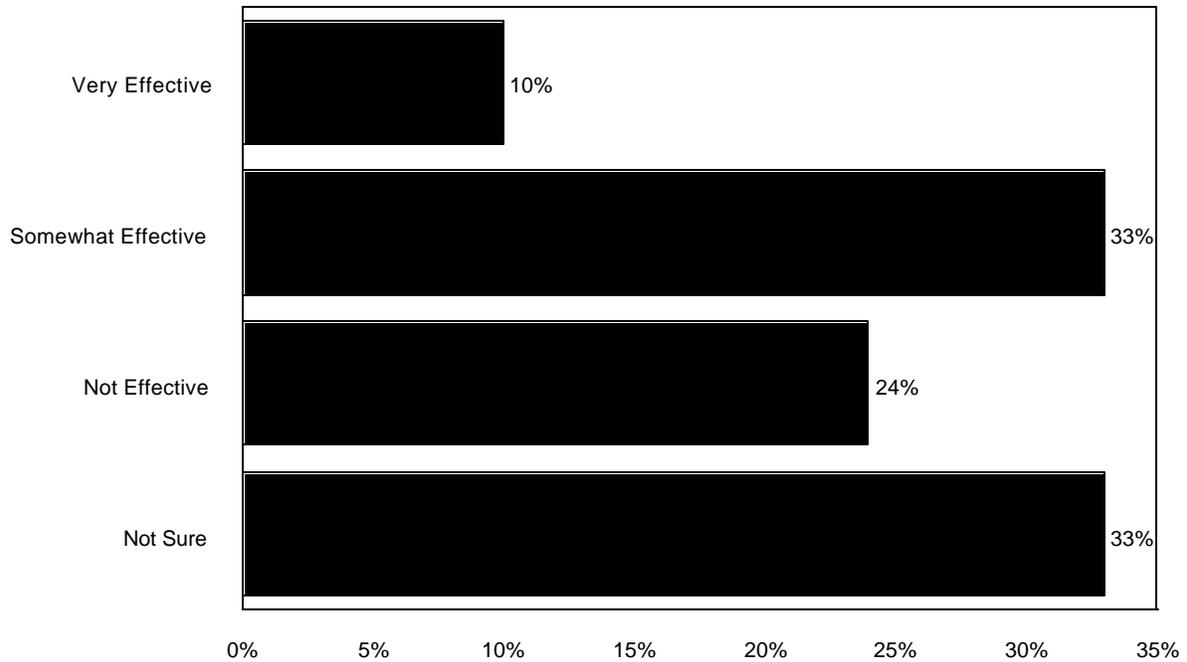
Cost Effectiveness of Website (Benefits Outweigh Costs)
(n=22)
Percent of Respondents With Websites

Category	Percent
Very Cost Effective	47%
Somewhat Cost Effective	40%
Not Cost Effective	13%

0%   10%   20%   30%   40%   50%

17
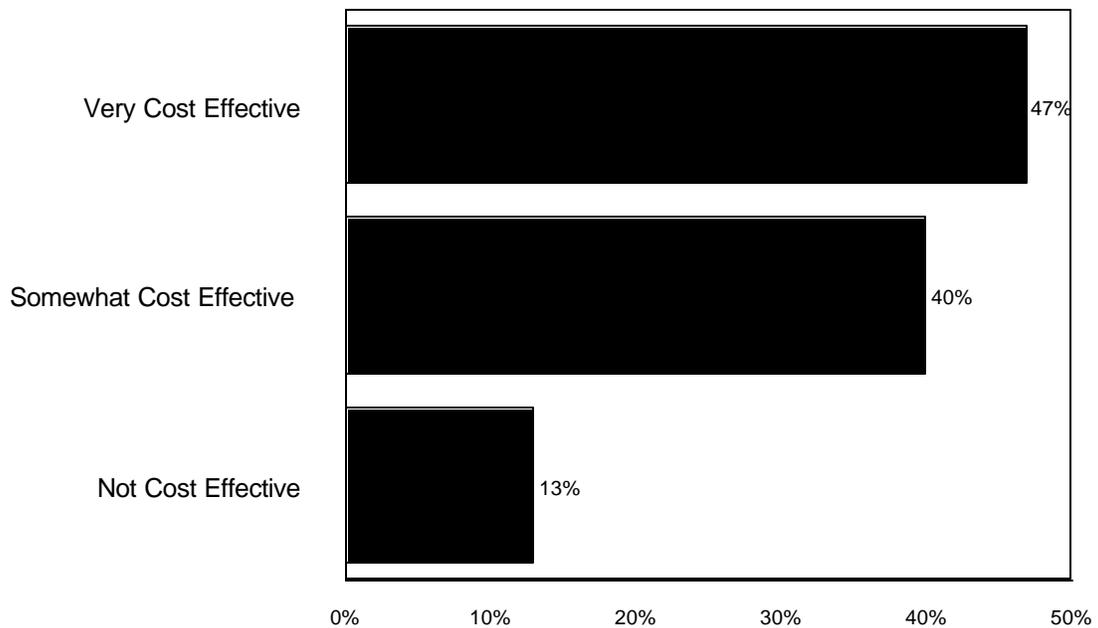
Factors that Impeded Website Implementation (n=22)
Scale: 1=Did Not Impede At All to 5=Greatly Impeded

Factor	Value
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

1.0 2.0 3.0 4.0 5.0
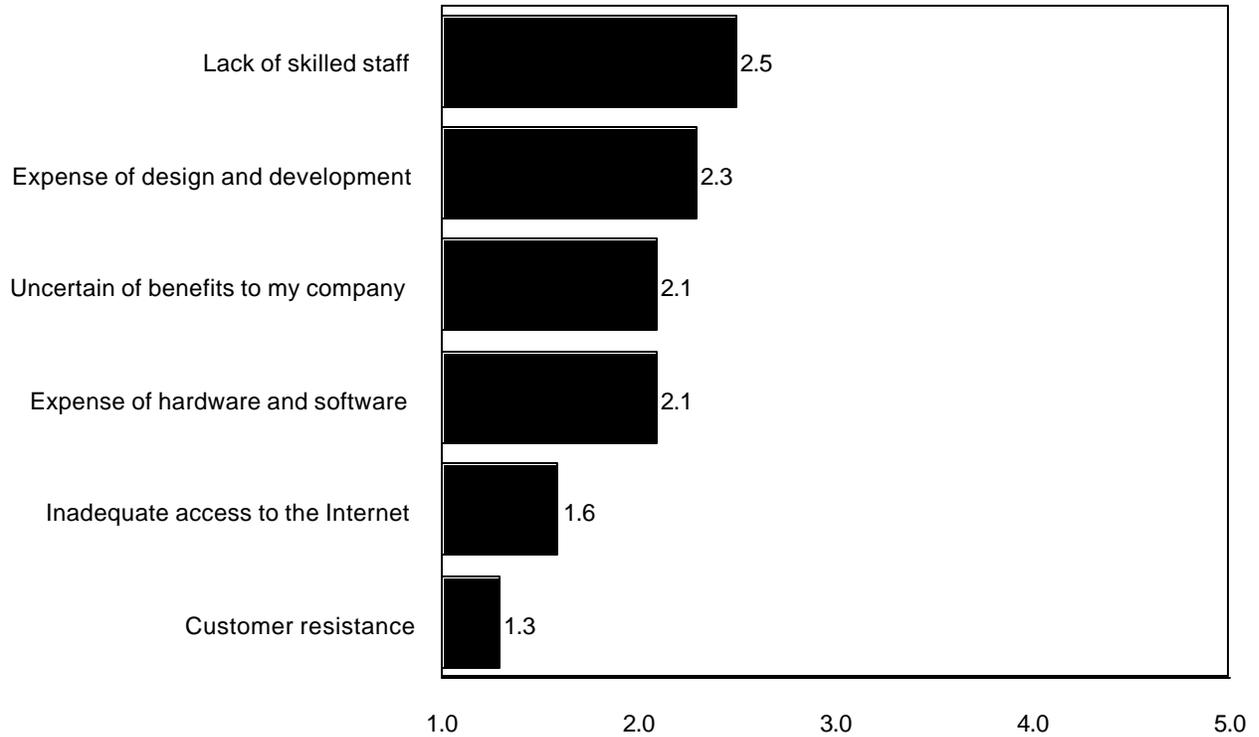
If you had to start over, would your company have approached development of your Web site differently?
(n=22)

Yes
29%

No
71%