

E-Commerce Adoption by the Primary and Secondary Hardwood Industries in West Virginia

By

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Introduction

- Digital economy and electronic market place
- Electronic Commerce or E-commerce
 - Market transactions in the electronic market place
 - Business-to-consumers
 - Business-to-business

Importance of E-Commerce

- Reduces transaction costs
- Faster and more effective communication
- Removes geographic and temporal barriers
- Gives consumers a wider range of product choices



E-commerce → Global
competitiveness

E-Commerce and the Forest Products Industry

- Vlosky (1999)
 - Application of internet-based technologies in the solid wood products and paper industry
 - Top 100 companies in US and Canada
 - <50% used internet

E-Commerce and the Forest Products Industry

- Pitis and Vlosky (2000)
 - Internet applications among US primary wood products exporters
 - 80% used internet

E-Commerce and the Forest Products Industry

- Shook et al. (2002)
 - Use of ebusiness in the Pacific Northwest secondary forest products industry
 - Idaho, Montana and Washington
 - 30% employed ebusiness tools

The background features a series of glowing, concentric arcs and lines in shades of orange and yellow, creating a sense of depth and movement. The lines are most prominent at the top and bottom, with some crossing in the center. The overall effect is reminiscent of a stylized sun or a series of light trails.

How about Wood Industries
in West Virginia?

Objectives

- To assess the current status of e-commerce implementation in the primary and secondary hardwood industries of WV
- To examine factors affecting e-commerce adoption

Methodology

- Mail survey in Fall of 2007
 - 287 companies
- Information collected
 - Industry characteristics
 - E-commerce activities
 - Perceived benefits
 - Impediments/constraints

Methodology

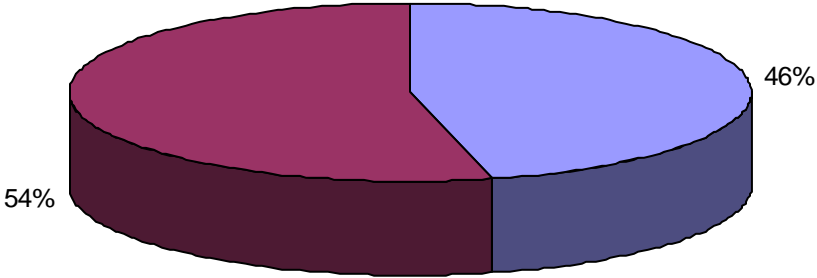
- Relative frequencies
- Chi-square tests

Results

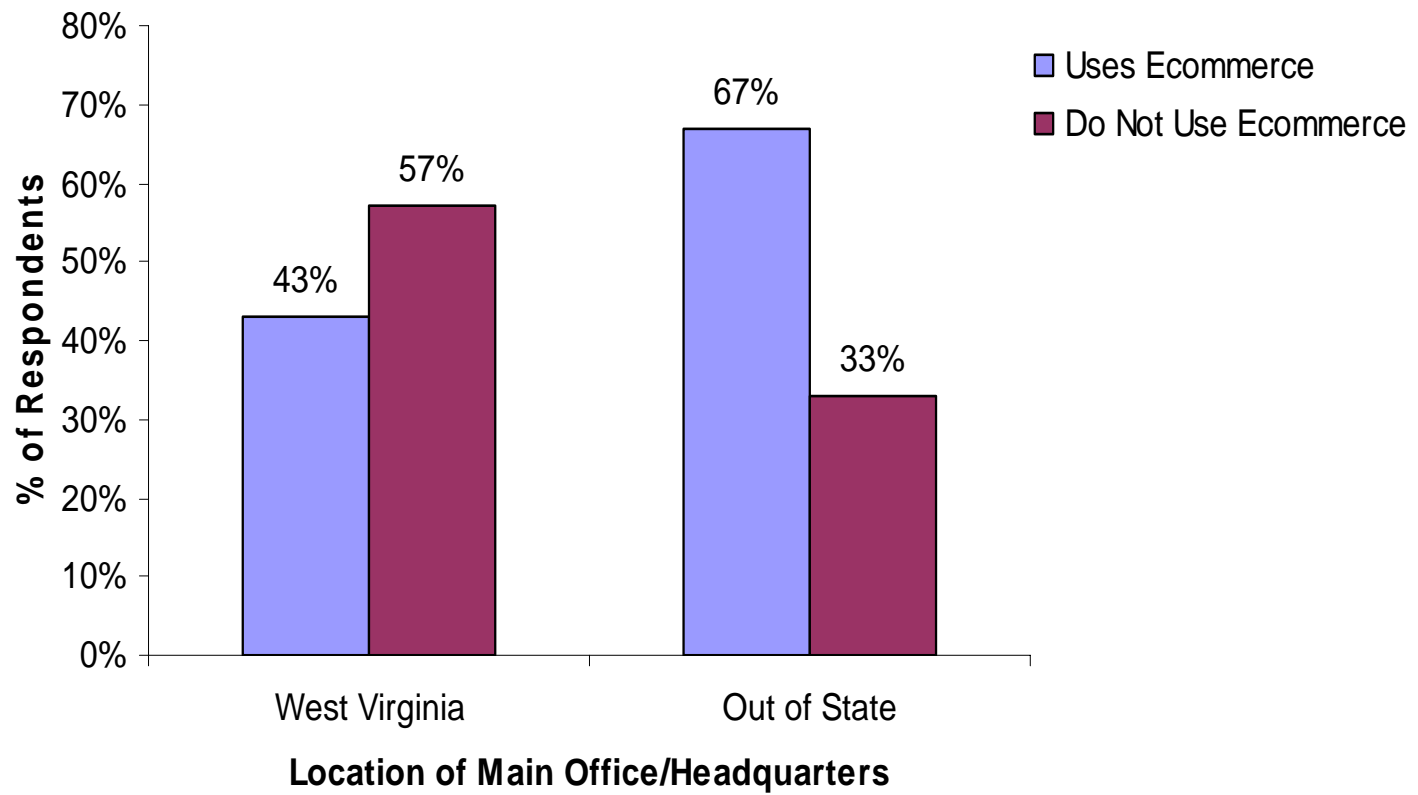
- 21% response rate
- n=56

E-Commerce Adoption

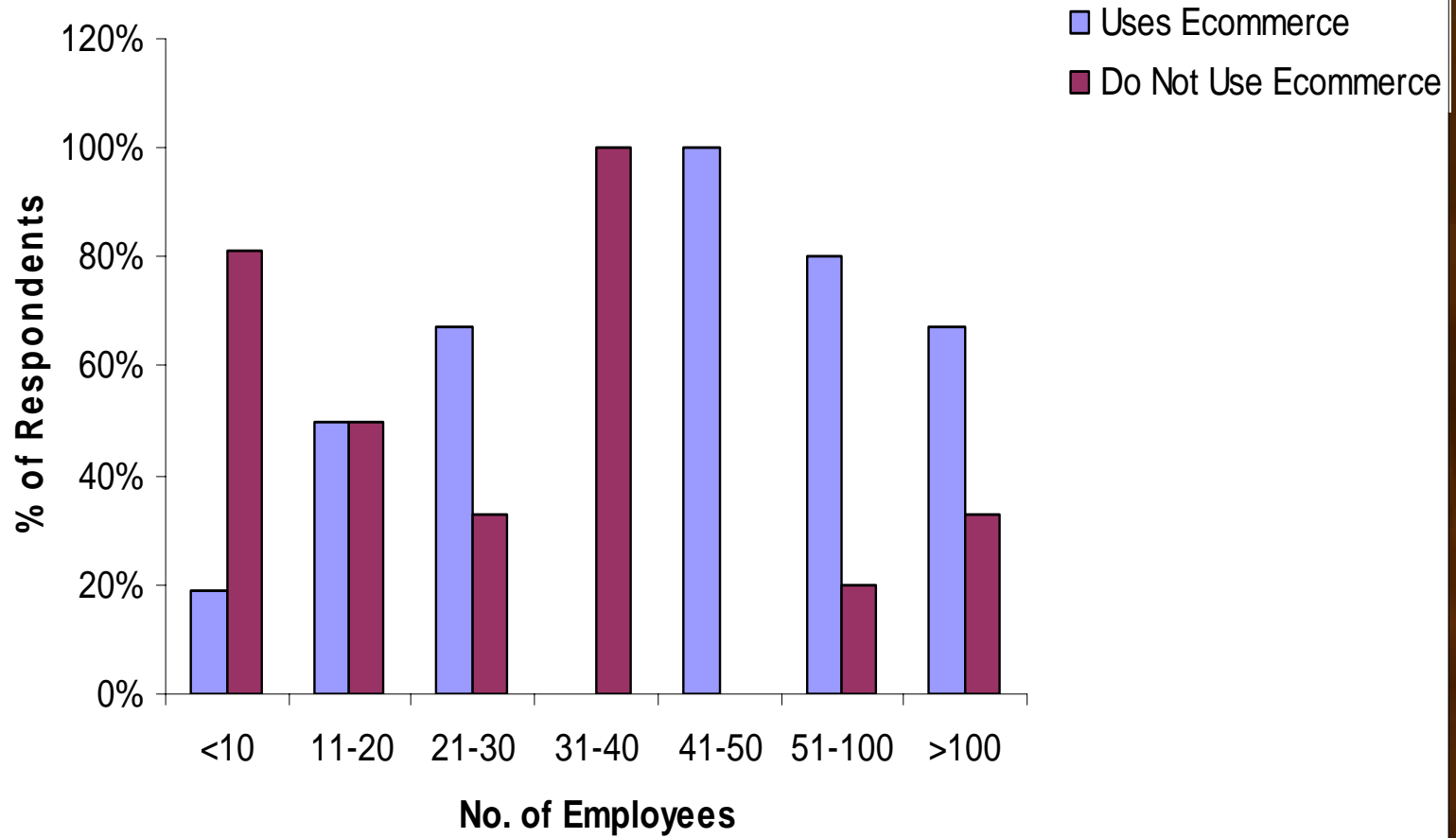
- Uses E-commerce
- Do Not Use E-commerce



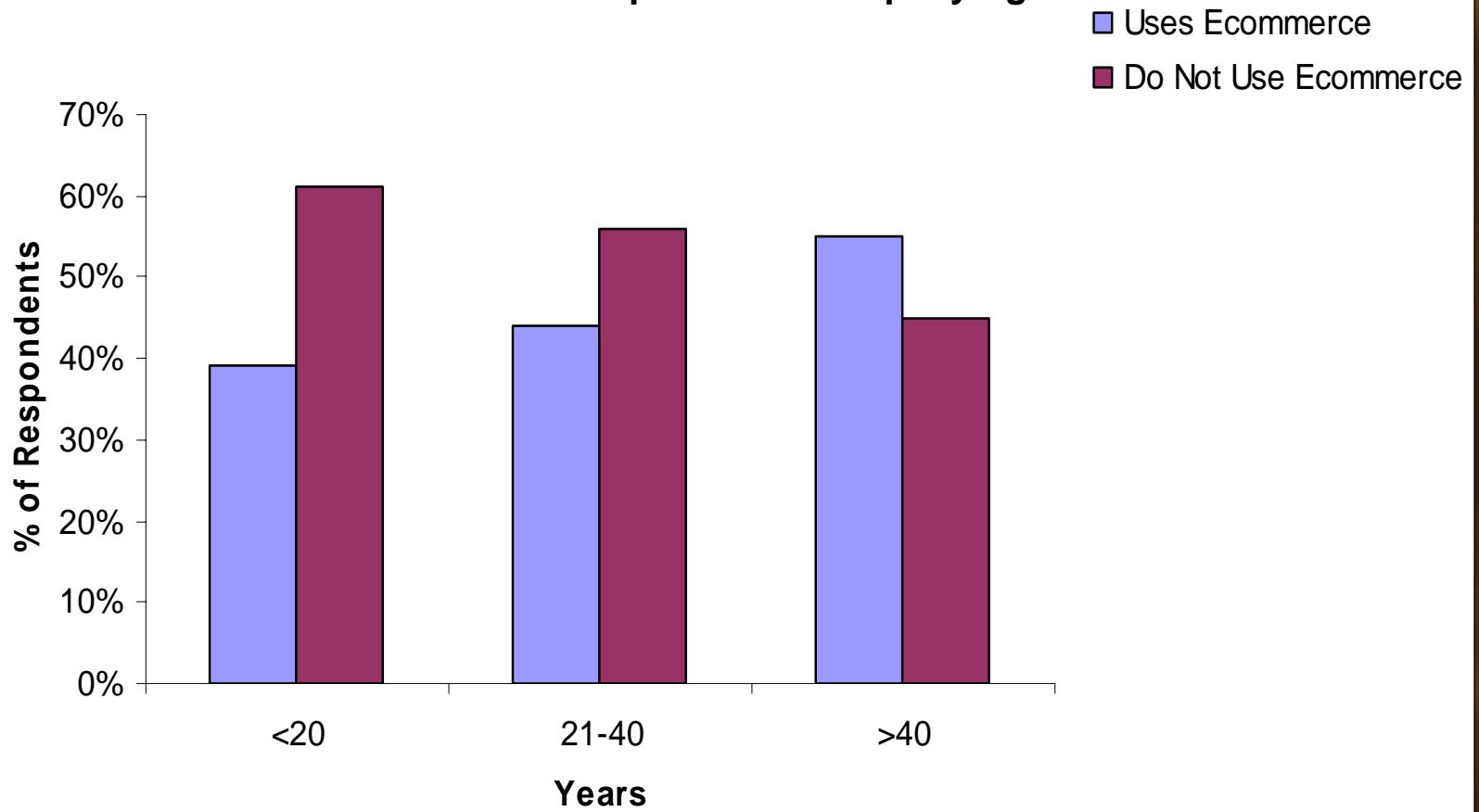
E-commerce Adoption and Main Office Location



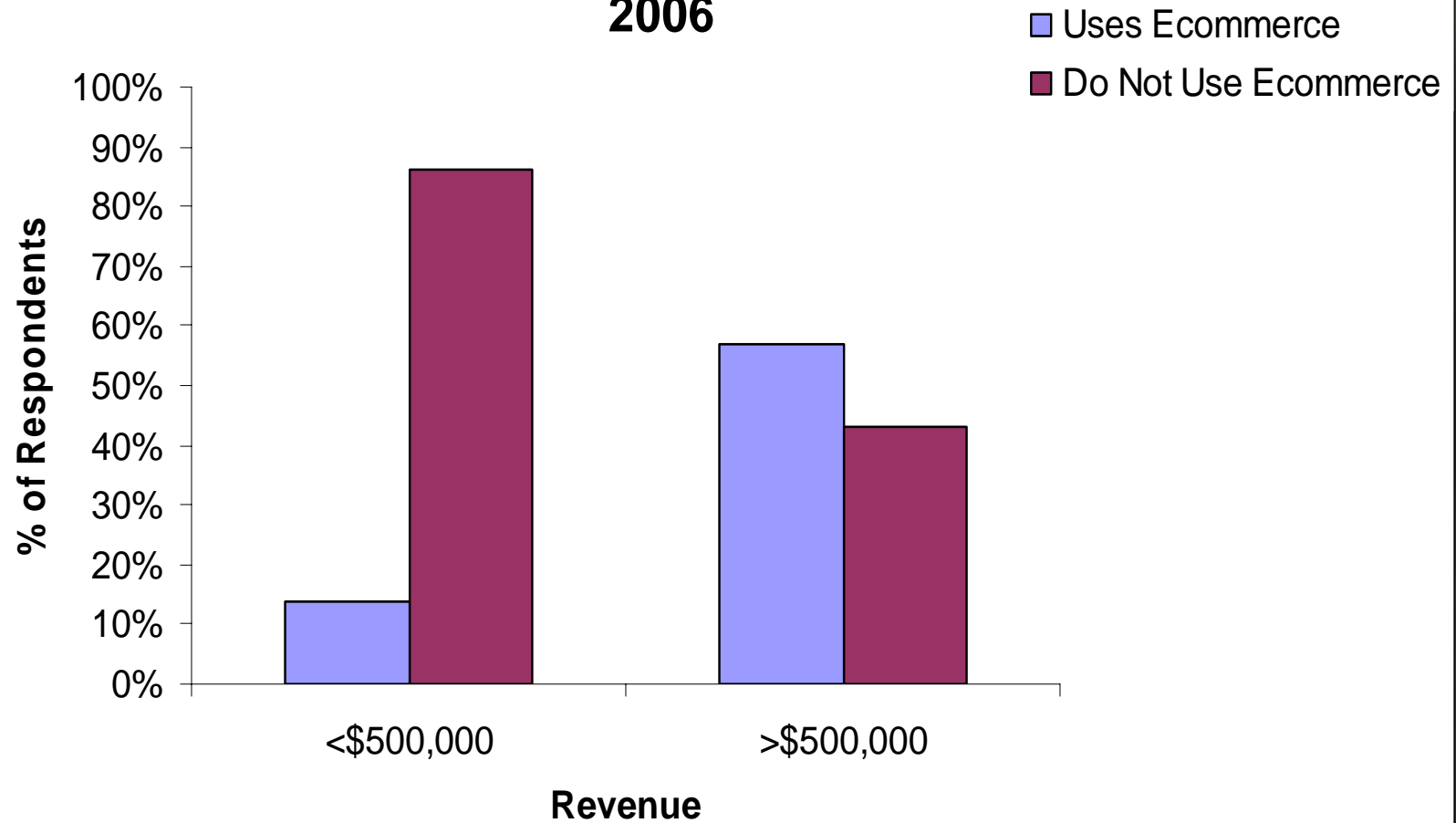
E-commerce Adoption and No. of Employees



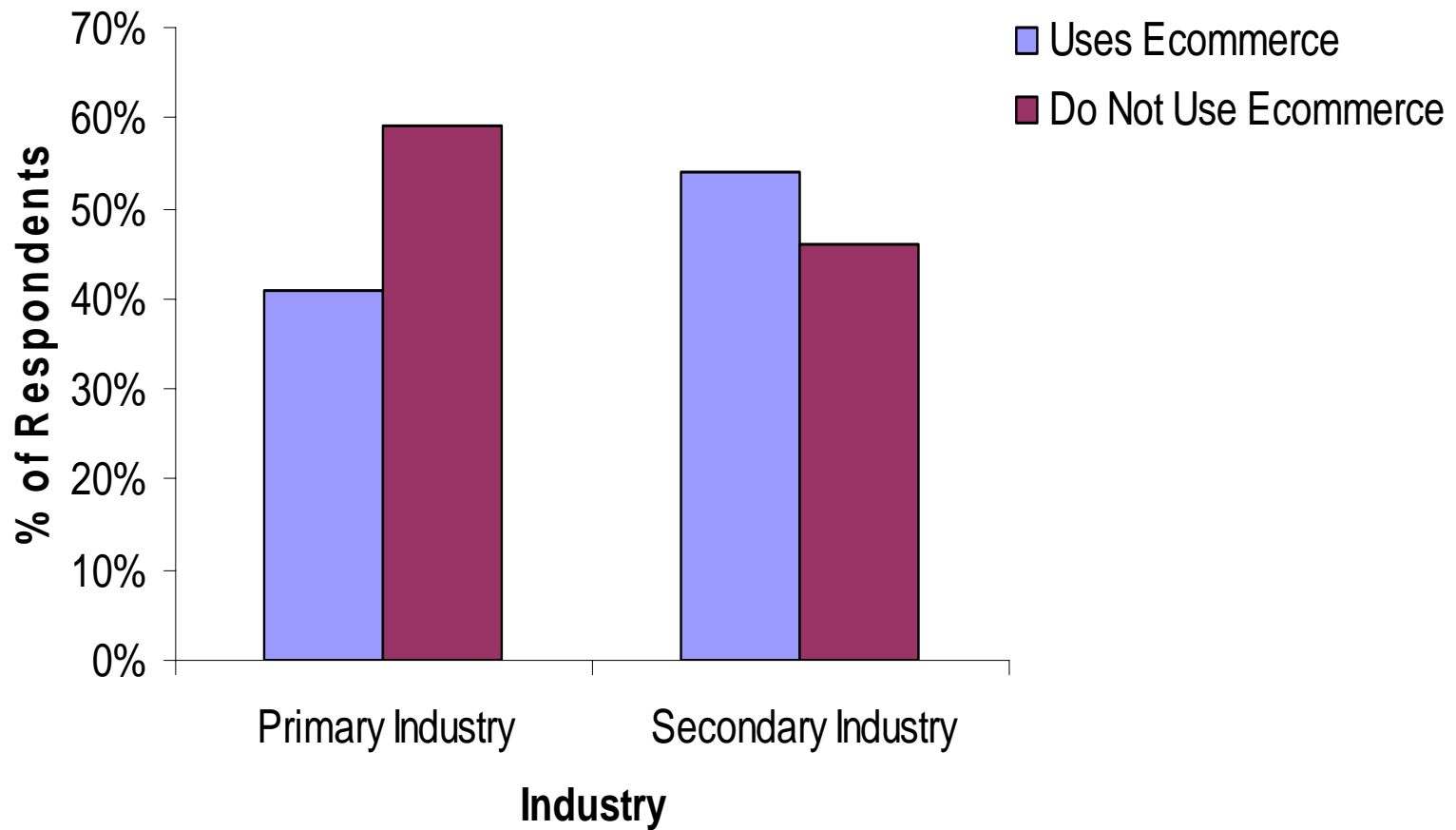
E-commerce Adoption and Company Age



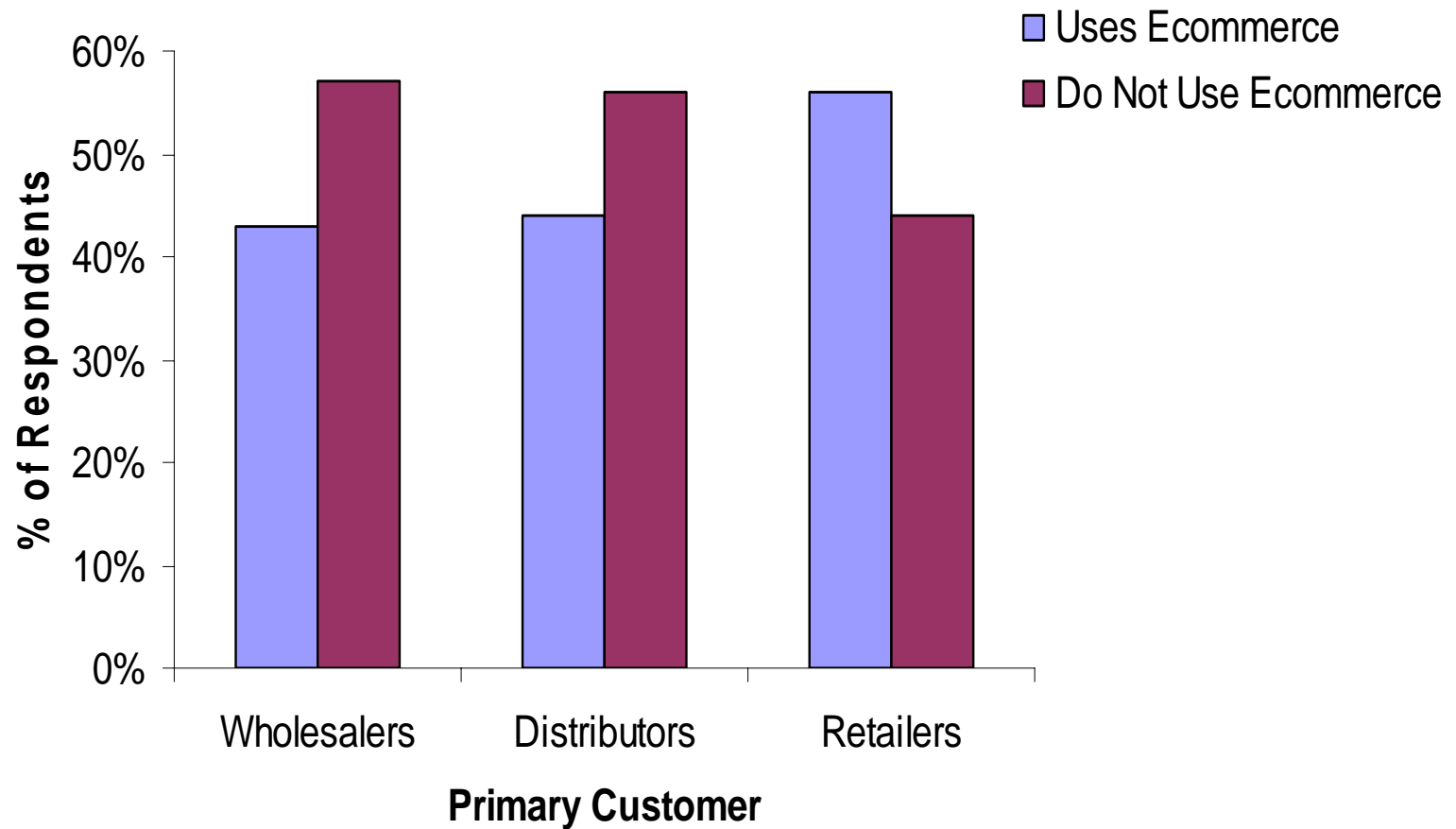
E-commerce Adoption and Gross Sales Revenue in 2006



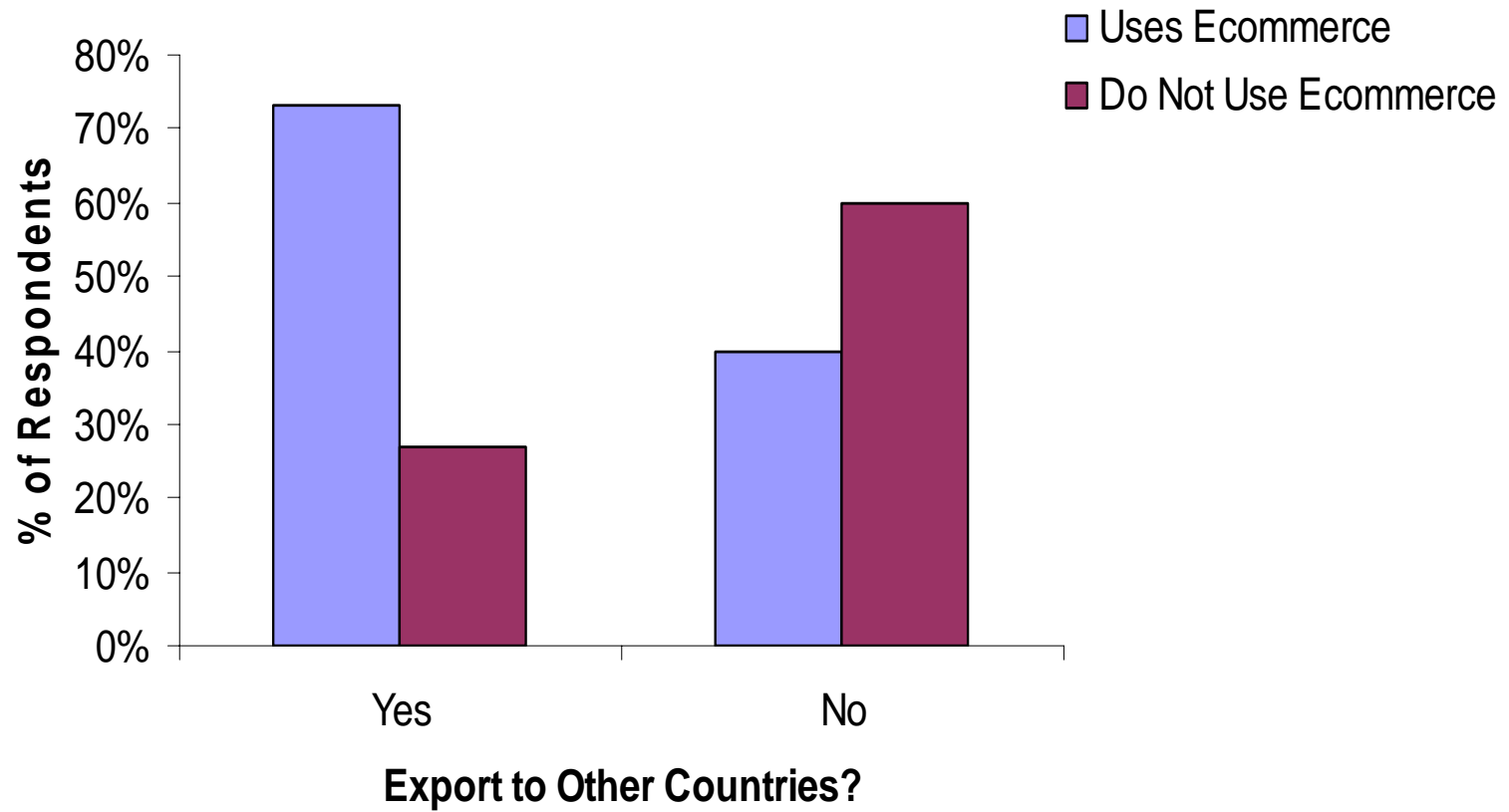
E-commerce Adoption and Industry Type



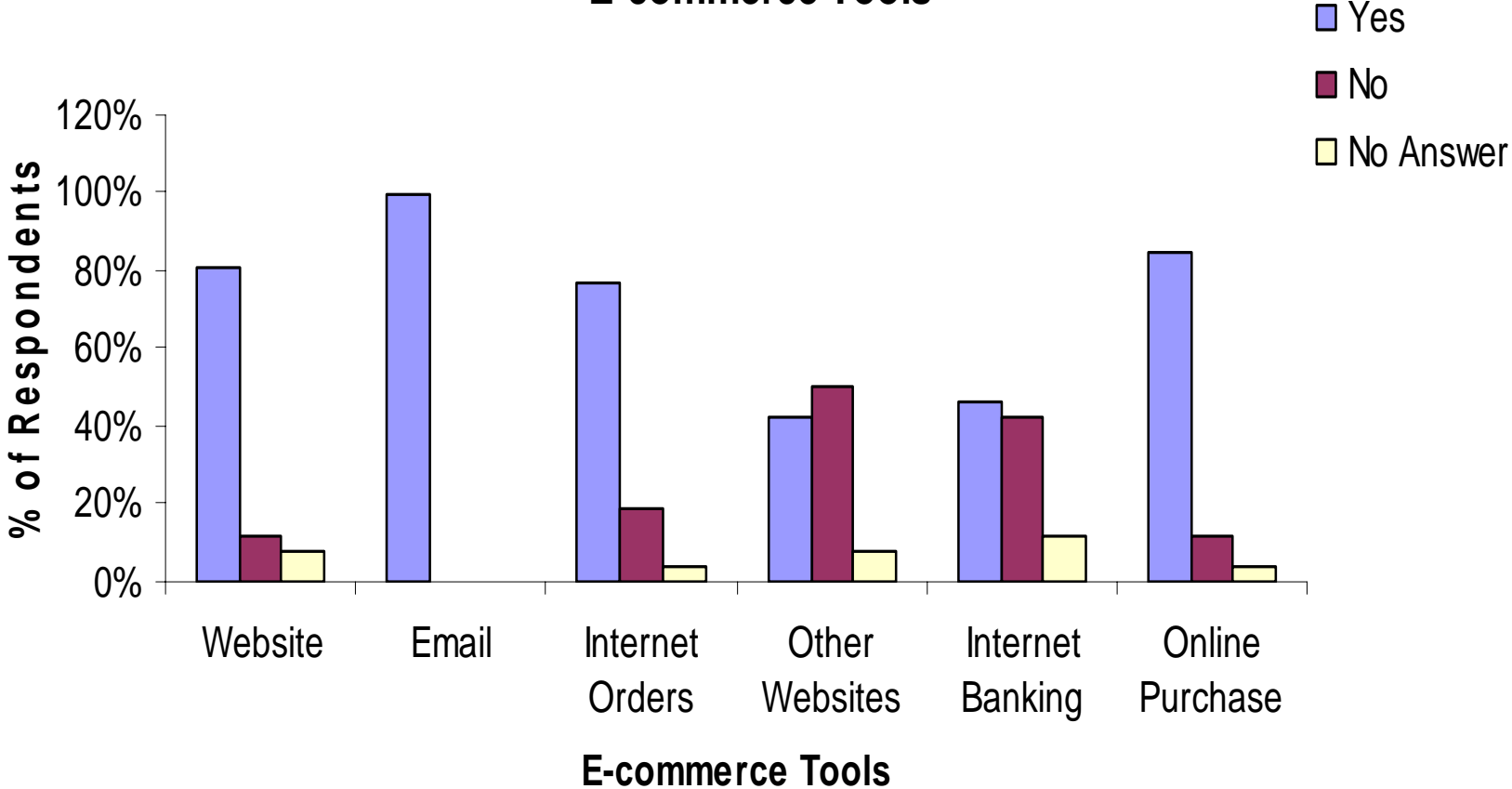
E-commerce Adoption and Primary Customer Base



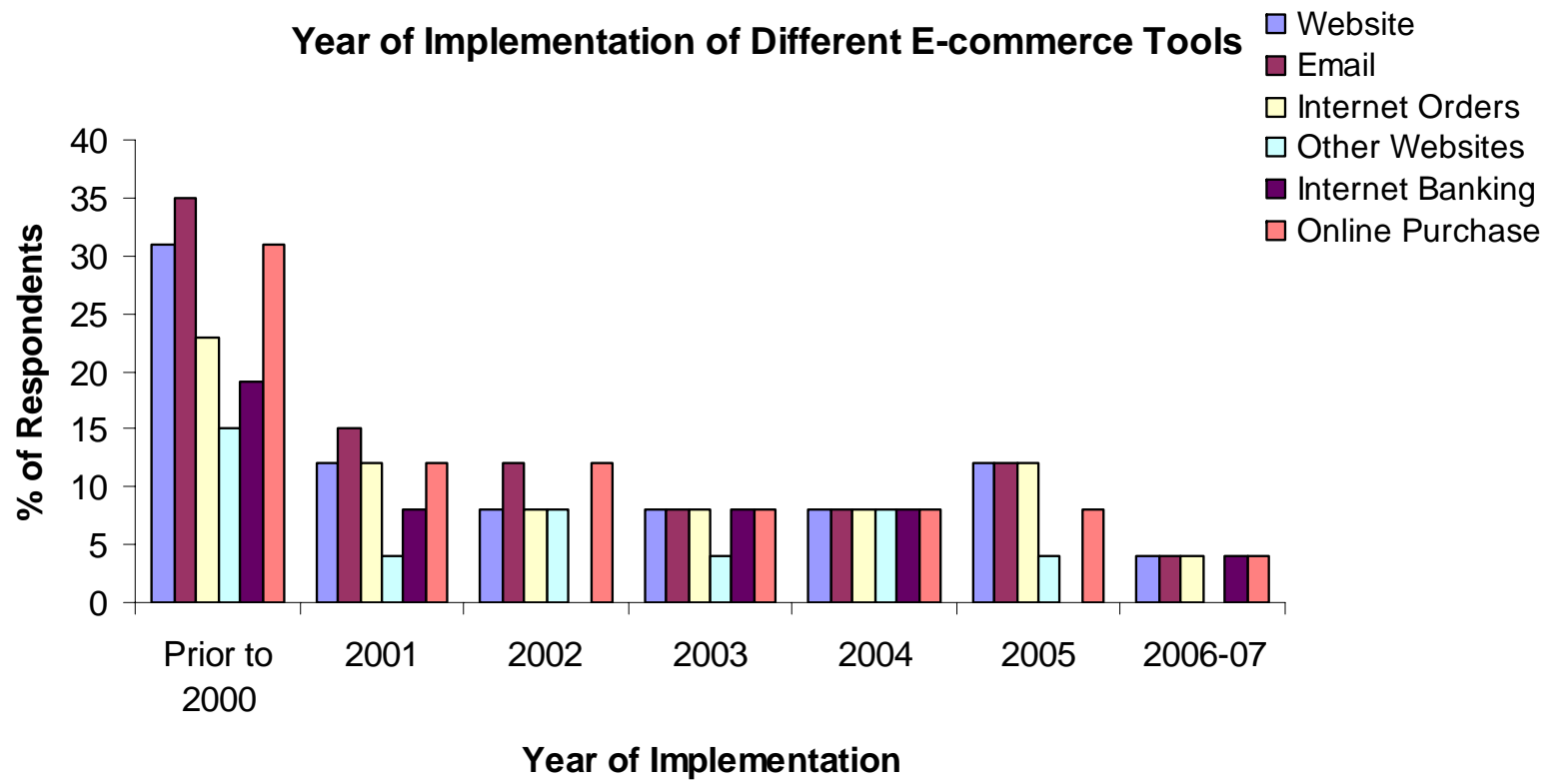
E-commerce Adoption and Export



E-commerce Tools



Year of Implementation of Different E-commerce Tools



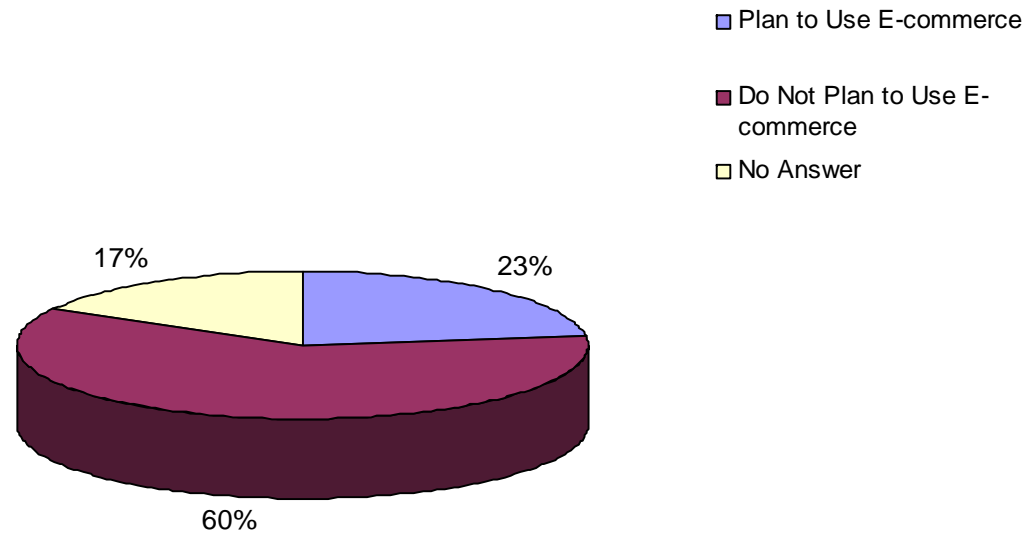
Perceived Benefits of E-Commerce

- Exposure to potential customers
- Service to customers
- Access to company by potential customers
- Competitiveness

Major Concerns About E-Commerce Adoption

- Not profitable
- Cost
- Information security

Plan to Use E-commerce in the Future?



Conclusions/Implications

- E-commerce adoption in West Virginia's wood industry follows the same trend in other states
- Industries more likely to adopt e-commerce
 - Larger companies
 - Exporters
- Need to encourage companies to adopt e-commerce