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E-COMMERCE: MARKETING GIFT FRUIT ON THE INTERNET

DR. R. L. DEGNER AND K. L. MORGAN

University of Florida, IFAS

Florida Agricultural Market Research Center

P. O. Box 110240

Gainesville, Florida 32611-0240

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Abstract. **This paper outlines the potential of Internet commerce to provide an additional marketing outlet to Florida fruit producers. Taking advantage of the Internet consumer market allows fruit producers access to its intended target audience of affluent gift givers on a much broader scale. The challenges facing online gift fruit vendors revolve around buyer convenience and buyer assurance. An in-depth review of 167 gift fruit-related web sites was completed to determine the current industry infrastructure and utilization of consumer-friendly attributes. Fourteen consumer-relevant parameters were quantified for each website, including such items as number of fresh and processed items carried, number of packaging options, number of payment and shipping options, site security, and customer privacy. These results are used as the basis for describing the Internet marketing essentials required for entrance and longevity in the on-line premium gift market.**

Introduction

Florida entrepreneurs have a long and colorful history of selling fruit, primarily citrus, to visitors from other states. Early visitors were impressed with the colorful, aromatic and succulent fruits that were widely available in Florida's subtropical climate when residents in most other regions of the U. S. were in the grips of winter. Visitors frequently took fruit back home to be shared with family and friends, and many subsequently ordered more fruit for special occasions and for gifts. The widespread availability of citrus fruits in late fall and winter also coincided with the Thanksgiving and Christmas holiday seasons, which stimulated development of Florida's gift fruit industry.

Many of Florida's leading gift fruit dealers began operations as roadside stands, and gradually expanded their markets by offering gift packs to mail and telephone customers. Eventually, gift packs were also made available to consumers through upscale department stores and other retail outlets. The products offered by the gift fruit trade have evolved from basic, commodity-like offerings to sophisticated, tantalizing packages of anticipation and excitement wrapped in positive imagery. Such imagery is created by a masterful blend of promotional materials that use alluring verbal and pictorial images, the ultimate in high quality products, and packaging materials. Thus, the overall image is designed to create an image of opulence and indulgence that reflects the gift-giver's good taste and affluence. Until recently, gift fruit dealers' only sales contacts were made on a face-to-face basis, through authorized sales representatives (cooperative firms or subcontractors), direct mail, or telephone. Many gift fruit dealers have relied heavily on

print media such as high-quality brochures and catalogues to promote their wares. These materials have usually been made available to customers at retail outlets and also distributed by direct mail to former and prospective customers.

The Internet, or World Wide Web, has emerged in the past five years as another potent marketing tool. It provides gift fruit firms with an extremely versatile means of reaching, influencing and serving consumers. Today, anyone with a personal computer and Internet access can shop hundreds of on-line gift fruit vendors (websites) with the click of a mouse. A random sampling survey of 1000 Internet users and non-users nationwide found the following, according to Internet User Trends year-end 1999 study by the Strategis Group: "In all, 106 millions adults, or 53% of the adult population, access the Net at home, at work or both...51 million adult women now use the Internet, or almost half the U.S. adult female population...68.8 percent of all online users, or 73 million people, browse for goods and services." The creation of gift fruit websites offers shoppers and vendors an interactive, multi-media communications venue. Most websites utilize the written word, augmented with colorful graphics and still photos, but some also offer audio and video clips for enhanced communications.

In addition to improved communications, the Internet offers other advantages for marketing gift fruit as well. The Internet reaches much of the affluent target market because Internet shoppers tend to have higher than average incomes (www.internet-sales.com, 2000). In an Executive Report by ActivMedia Research, the "gourmet buyers" category (which includes gourmet food and beverages) makes up 31% of Internet buyers and accounts for 18% of the total online revenue. This group of consumables buyers are the most highly educated (23% have post-graduate degrees), and have the highest annual

household incomes. They consider excellent product selection a priority and "...demand full product information...so customers can differentiate the products from others on the market...the products are selected because they fulfill a person's self-image rather than meet a need." Dr. Gregory K. White, Associate Professor at the University of Maine, reviewed the client list of four specialty food companies, and found that women constituted 53% of their online shoppers. In addition, 42% of the online customers were between the ages of 18-34. The Internet provides virtually unlimited geographic coverage, which is especially important for items that have a reasonably long shelf life and are easy to ship.

From a business management standpoint, Internet marketing can create opportunities for small firms and help all e-tailers develop more efficient operations. Marketing via the Internet is relatively inexpensive, because websites can be created and maintained for as little as a few hundred dollars per year. This allows very small firms to establish a market presence that enables them to compete with much larger firms because the financial barriers to entry are so low. As for efficiency, inventories can be updated almost instantaneously to improve logistical decisions by management and to avoid customer frustration and dissatisfaction caused by out-of-stock situations. Also, on-line ordering allows orders to be processed rapidly and efficiently. Electronically processed orders can also be automatically archived for future analyses and marketing efforts.

Unfortunately, many retail websites do a relatively poor job of providing potential customers with a pleasant on-line shopping experience. A study by Performance Research Associates reported that on-line buyers were not satisfied with their on-line shopping experiences; e-customers "found it [on-line shopping] mostly boring, frequently

frustrating, and seldom a pleasure” (DM News, March, 2000). In addition to these complaints, many e-shoppers have concerns about vendors’ legitimacy and the security of on-line payment transactions. Another recent study by Bizrate and the NPD Group concluded that 75 percent of online shoppers quit the sales process before completing their purchases (DM News, April 2000). George F. Colony, President of Forrester Research, describes online customers as follows: "...[they] are becoming empowered fruit flies -- low attention span creatures with big wallets. They have no time, little allegiance, quick evolution, and all the power." Far from discouraging ventures into e-commerce, gift fruit vendors should view these observations as challenges which, when met by adopting a customer-centric marketing plan, may earn an e-tailer long-term customer loyalty.

The objectives of this paper are to (1) examine and critique the current internet marketing practices of gift fruit shippers and (2) to provide suggestions for improved internet marketing efforts.

Methods

A convenience sample of websites operated by gift fruit vendors was obtained by using a popular Internet “search engine” and two “portals” that were discovered using the search engine. A search engine is a searchable directory of sites on the World Wide Web; Yahoo! (www.Yahoo.com) was the one used. Portals are websites that contain one or more directories or links to other related websites. For this study, www.FruitSearch.com and www.FGFSA.com were the two portals used. The latter is the website for the Florida Gift Fruit Shippers’ Association, the venerable trade association

for Florida's gift fruit industry. The term "gift fruit" was used as the keyword basis for all searches.

The Yahoo! search yielded a total of 196 "hits" or website listings. However, scrutiny of the hits revealed only 111 active, unique and relevant websites. These sites represented 57 percent of the total. In addition there were 56 duplicates which amounted to 29 percent of the total hits. Approximately five percent (8 websites) were unusable for various reasons, including "dead links", "server down", or "under construction". The remaining hits were for websites that were judged to be totally unrelated to the original keyword query "gift fruit". The Fruitsearch.com portal yielded 47 hits for "gift fruit". Of these, just over half (51 percent) were active and unique to the portal; an additional 30 percent had been identified through the Yahoo! query, and 11 percent (five observations) were duplicated within Fruitsearch.com. Three of the 47 websites were dead links, and only one was irrelevant.

Searching the Florida Gift Fruit Shippers' Association portal yielded 51 hits, of which 32 or 63 percent were relevant and unique to the portal. An additional 14 websites were duplicated on Yahoo! and one appeared twice on the FGFSFA portal. Four of the websites found on the FGFSFA portal were not functional because they were either under construction or their servers were down. Thus, a total of 167 unique, relevant, and active websites were found by searching the one major search engine and the two portals. All were found to be marketing gift fruit, but not all offered the convenience of on-line ordering. More than a dozen parameters were identified which were judged to affect consumers' convenience of shopping and assurance of security in dealing with each of the 167 firms. The presence or absence of each parameter was observed by reviewing

each firm's website, and the results tabulated and analyzed in a Microsoft Excel spreadsheet.

Results

The parameters that were judged to affect consumers' shopping behavior for gift fruit were enumerated and placed into two broad categories, buyer convenience and buyer assurance. Buyer convenience is key in virtually any kind of transaction, i.e., offer items that meet the buyer's needs and make it easy to consummate the sale. Buyer assurance, defined as providing the customer with confidence in the integrity of the vendor, the product offering and the transaction is also critical, particularly in the relatively new marketing environment of the Internet.

Buyer Convenience. Of the 167 firms, approximately 80 percent offered on-line ordering. While a web presence without on-line ordering can be an effective way to reach consumers with information about a gift fruit business, it requires that potential customers use some other medium to place an order. It is very likely that websites which do not offer on-line ordering are sacrificing sales by not offering this additional convenience. In many, if not most instances, visitors to a gift fruit website have all the elements to make an immediate purchase. They are likely to have the immediate interest, motivation and ability to pay on-line; the vendor has the challenge to make it uncomplicated for them to complete the transaction.

Another element of consumer convenience is the breadth of the vendor's product offering as reflected in the number of fresh and processed items and the number of packaging options. A limited assortment of gift items and packaging options is likely to result in limited ability to meet consumers' needs. The successful gift fruit vendor is

likely to have a fairly broad product line, offering both fresh and processed items in a number of packaging formats.

Approximately 14 percent of the on-line vendors offered no fresh products, nearly one-fourth offered between one and five fresh items, and one-third offered six to 10 items. Overall, nearly 90 percent of all on-line vendors offered 20 or fewer fresh items. As for processed items, 11 percent of the on-line gift fruit vendors offered no processed items. Thirty-five percent offered between one and 20 processed items, and 37 percent handled from 21 to 50 items. Sixteen firms, approximately 10 percent, listed from 91 to 100 processed items. Overall, gift fruit vendors tended to handle a much broader array of processed items than fresh items. Processed products offer vendors several advantages over fresh items, including increased shelf life and a more diverse product line. Processed items may also withstand the rigors of shipping far better than fragile, fresh fruit. By combining processed products with fresh items, the e-company can offer year-round gift availability, attracting repeat customers during non-seasonal growing periods.

Nearly 90% of e-tailers offered up to 50 packaging options, marking their efforts to encompass the major gift giving holidays and special occasions. Approximately 25% of firms presented either zero to ten or eleven to 20 packaging selections, with another 30% indicating between 21 and 40 choices. Sixteen firms displayed 45 to 50 options, and thirteen e-businesses claimed 95 to 100 different ways of designing their gift fruit offerings. Presenting several packaging options allows for the expansion of gift fruit sales beyond calendar holidays and serves to convince customers that these products are appropriate at any time and available in unlimited formats.

Conquering the uninitiated e-market customer includes blending innovative with tried and true marketing conveniences. A toll free phone number adds expedience to online shopping forays, providing an alternative ordering option as well as encouraging product inquiries, yet only 85% of the websites displayed this feature. As with any printed merchandise catalog, simple, practical, and attractive presentation of product lines and packaging options adds to customer convenience. About 55% of the firms invested in professionally designed sites; this strategy allows the e-company to take advantage of experienced web page developers, and minimizes the time required to maintain their site as product offerings or technology are updated.

Having successfully convinced customers to purchase online, companies should offer a straightforward payment process. Surprisingly, almost one fifth of the 167 firms did not reveal payment options prior to placing an order on their websites. Approximately 69% of firms accepted one to five payment types, with the majority (37%) specifying exactly four options. The remaining 11% accepted up to seven different ways for customers to purchase online offerings, including money orders, checks and major credit cards. Limited payment options and website design obstacles would likely decrease overall customer convenience.

Buyer Assurance. This study found that 80% of the 167 gift fruit firms that maintain a website offer online purchasing to customers. Of these 134 firms, 40% do not offer any type of guarantee, 35% do not describe the shipping methods, 35% do not offer site security, 34% do not describe payment options, and 15% do not offer a toll free phone number. Providing assurance of an e-company's integrity is a required, yet intangible, aspect of e-commerce that serves to draw and hold e-customers. Internet

marketing presents a set of distinctive trials; if handled in unique ways, firms may achieve competitive advantages by earning long-term customer confidence.

Payment options that include acceptance of credit cards offer limitations of consumer liability in the case of fraud, should the e-company's database of credit card information become compromised by computer hackers. 80% of the firms reviewed accepted credit cards, with Visa and MasterCard accepted by over three-fourths of online vendors. 51% of e-tailers accepted American Express, followed closely by the Discover card with 47% acceptance by gift fruit e-businesses.

Arguably the most important technical aspect of an online purchase involves the actual cost and method of delivery to the correct recipient at the intended time and location. Delivery of the physical product is almost never in the direct control of the e-business. Approximately 65% of the online firms revealed shipping options, and of those 109 that did outline available options, 87 firms explained the additional costs that would be incurred by the customer. USPS and UPS accounted for approximately 22% and 21% of potential shipping choices, respectively. Another 11% of e-tailers offered a combination of shipping choices to match customer preferences. FedEx delivery was available on 7% of the websites, with FTD mentioned on 4% of online sites offering shipping methods.

For consumers new to Internet shopping, the existence of an actual bricks and mortar store location may be their initial exposure to the firm and its products, and serve as reassurance for online buyers. Almost 94% of online vendors offered actual location address(es), and 154 firms had at least one location in the United States. Referencing a physical location, and the number of locations, give an e-tailer a tangible presence that

can be measured and observed by customers, therefore reducing the mysticism surrounding an Internet purchase.

Discussion

In this study, several suggestions for improvement of existing sites and for those considering the establishment of an online presence are evident. First, e-companies should be certain that their website functions correctly, and critically evaluate all of the components on a regular basis, centering the entire site strategy on the customer experience. Second, e-tailers need to provide online security that utilizes "Secure Socket Layer" protocol, which can be outsourced to a web server for approximately \$125 per year, giving customers and the company itself invaluable protection from Internet fraud. Third, e-customers need assurance of the e-company's credibility. This can be accomplished in a combination of ways, i.e. offer some type of guarantee of service and product quality, specify shipping costs and methods, list physical address(es) and number of location(s), list number of years in business, and provide testimonials of satisfied customers. Finally, online gift fruit purchasers are in pursuit of convenience, which can include any strategy that simplifies the buying process. Firms should offer a plethora of fresh and processed items that can be packaged in a variety of attractive ways, and maximize customer satisfaction by offering online ordering capabilities, toll free ordering access, and real time customer service.

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