
Current Status of E-Commerce in the Green Industry

Are you ready?

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WE KNOW RURAL
GROWERS

CENTER FOR RURAL ENTERPRISE ENGAGEMENT

a social media marketing resource for growers



Research

Conduct research related to online marketing for rural, agricultural enterprises.

&




Equip

Translate and share research-based information to help enterprises become more profitable in this digital age.

What is E-Commerce?

“Online, direct selling from your business to customers who do not have to enter your physical store to purchase your product.”

Nationally:

- 191M online buyers in the U.S.
- E-commerce sales: \$300B in 2014
 \$500B by 2018

Who is selling online?

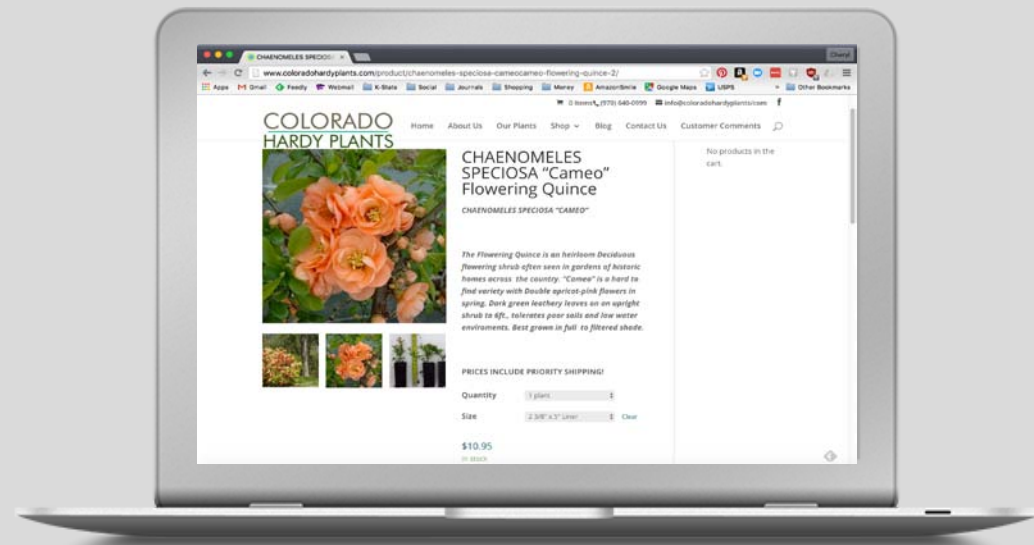
- **28%** of U.S. small businesses are selling their products online.

Among Agriculture

- In 2001, 15% of farmers with internet access (43% of total) engaged in e-commerce activities.
- In 2004, internet use for B2B relationships by 61% of rural OH businesses but only 20% as a retail channel, generating 3.4% of their total revenue.

E-commerce in Horticulture

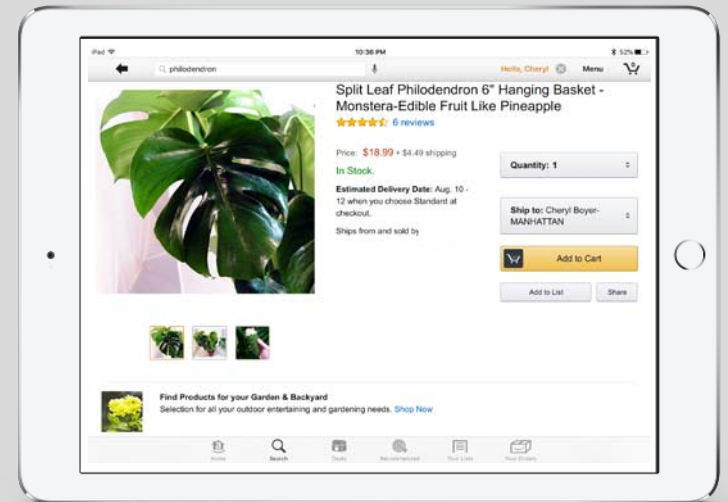
- In 2016, **19.2%** of 498 horticulture businesses were selling live plants online
 - *Only half* with fully-functional shopping cart systems



Data Collection

Horticulture Industry Data

- Spring 2016
- 498 horticultural businesses, membership in AmericanHort
- Online sales presence
 - Amazon.com
 - Proprietary website
- Selling “live plants or cut flowers” (not hard-goods)



“Presence on Amazon” Variable

- Number of products available and their details
 - Photo quality
 - Shipping cost
 - Shipping method and time
 - Richness of product description
 - Average consumer review
 - Total number of reviews
 - Warranty information
 - Presence of company website
 - Sale/discount/loyalty or reward program
 - Return policy
 - Suggested care instructions

“Proprietary Website” Variable

- Fully-functioning shopping cart
- Downloadable order form received electronically
- Not selling online directly to the consumer

Results

Amazon and Proprietary Websites

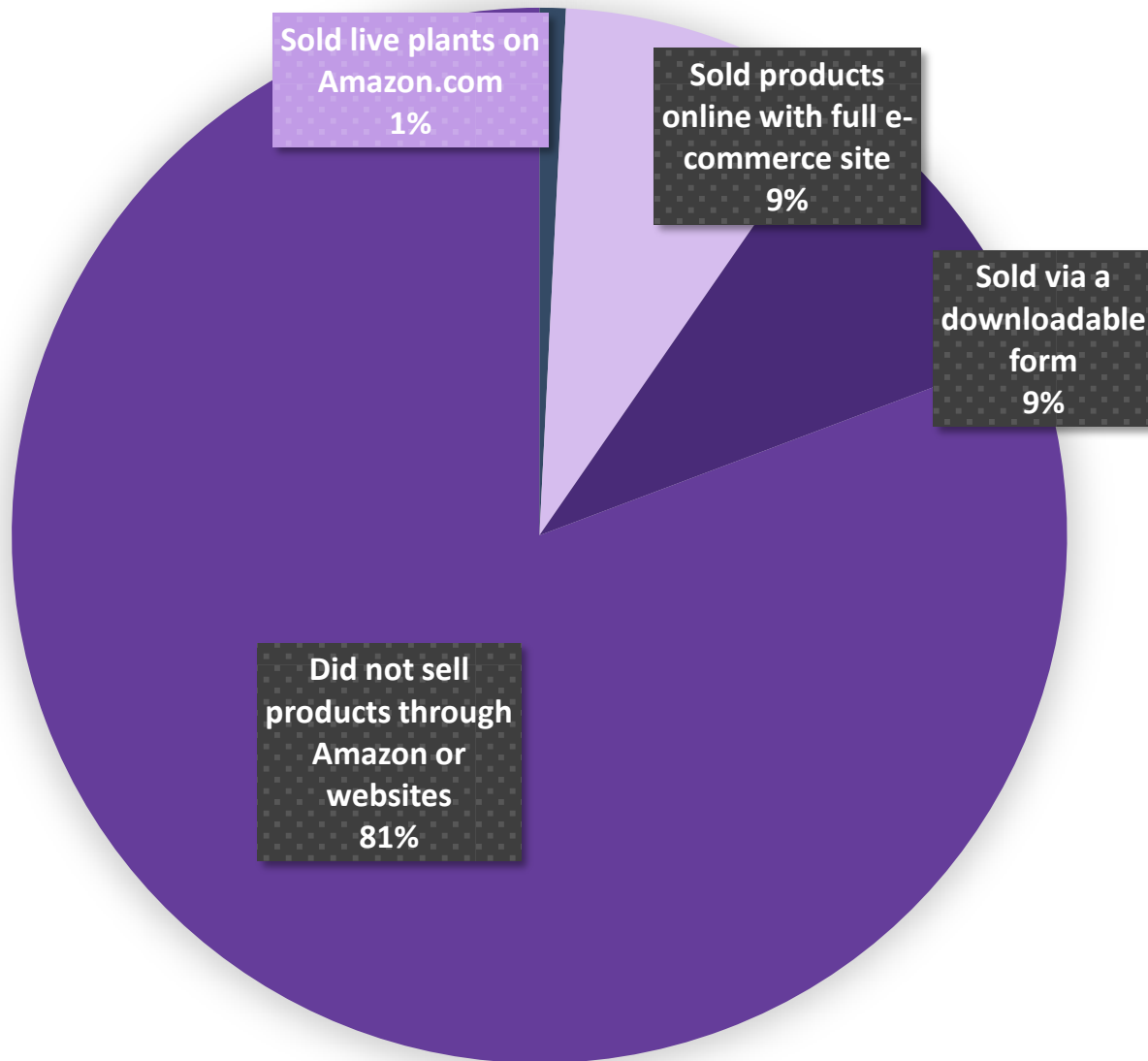
Amazon Results

- 4 of 498 (0.8%) were selling live plants or flowers on Amazon
 - Number of products ranged from 2 to 24
 - 1 to 2 photos of each product
 - Shipping time ranged from 4 to 22 days
 - Shipping costs ranged from \$4.89 to \$40.00
- Reviews
 - 2 of 4 (50%) did not have any customer reviews
 - 1 had a one-star review
 - 1 had a five-star review

Amazon Results

- Amazon Prime (free, guaranteed two-day shipping)
 - None
- 2 of 4 (50%) provided warranty information
- Loyalty programs, sales or discounts
 - None
- 2 of 4 (50%) provided care instructions
- Return Policy
 - None

E-Commerce Status (n=498)



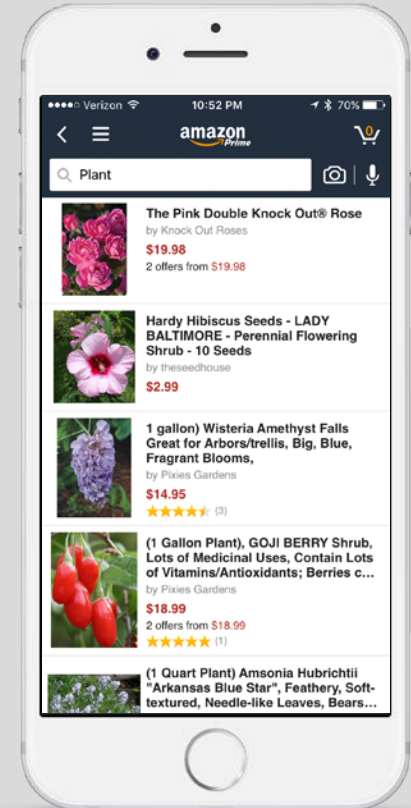
Proprietary Website Results

- Many sites were not user-friendly
- Lacked cohesive branding and marketing strategy
- Difficult for customers
 - “After submitting the form if someone has not contacted you within seven days, please contact us again.”

Disconnect

Why the Challenge?

- We haven't mastered it yet.
 - Lack of knowledge and skills in online sales infrastructure
 - Educating consumers
 - Shipping infrastructure
- Managing Consumer Expectations



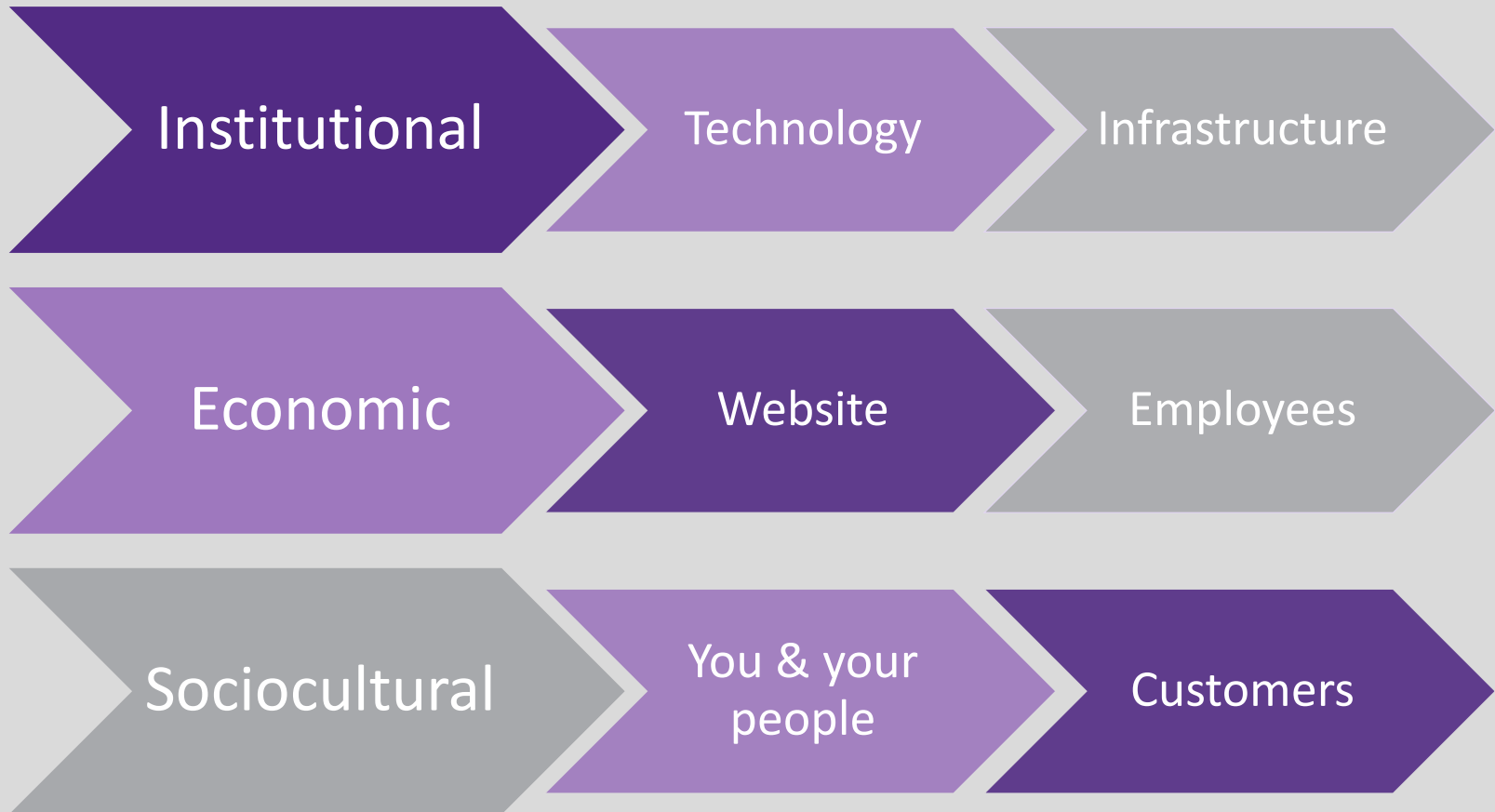
Since Then...

- *Proven Winners* began selling on Amazon
- *Bower & Branch*

Are You Ready?

Factors influencing successful adoption of E-commerce:
Environment and Perspective

Your Environment



Your Perspective

- Your business size and structure
- Business strategy
- Globalization
- Manager perspective
- Pressure from customers/suppliers
- Technology strength

What's Next?

What are the challenges to be solved?

Opportunities

- You're already great at growing plants!
- Invest in people
- Invest in infrastructure
- Invest in cohesive branding and marketing strategy
- Think from a consumer's perspective
 - Preliminary Millennial plant purchasing data
- Ask for help!



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