

ADOPTION OF E-BUSINESS IN NEBRASKA RETAIL AGRICULTURE

Dusty Clevenger

Agribusiness MBA Student, University of Nebraska, USA
dclevenger@hotmail.com

Dennis Conley

Professor of Agricultural Economics, University of Nebraska, USA
dconley@unl.edu

Presented at the World Food and Agribusiness Symposium of the International Food and Agribusiness
Management Association, IAMA, Sydney, Australia, 2001.

Table of Contents

LIST OF TABLES AND FIGURES	3
INTRODUCTION	4
Overview of problem	
OBJECTIVE	4
METHODS	5
RESULTS	5
Extent of Internet use	6
Comments from survey participants	11
CONCLUSIONS	12
APPLICATIONS FOR BUSINESS	14
Expectations of future use	14
What should my business be doing now?	14
REFERENCES	16
APPENDIXES	
A. Blank Survey Mailed to Participants	17
B. Tablature of Survey Results	21

List of Tables and Figures

Figure 1	7
<i>Reasons why retailers are not promoting on the Internet</i>	
Figure 2	8
<i>Frequency of email use among retail business managers</i>	
Figure 3	9
<i>Respondents who feel comfortable performing basic Internet activities</i>	
Figure 4	9
<i>Future plans for Internet use</i>	
Figure 5	10
<i>Comparison of technology used in Nebraska retail agribusiness</i>	
Figure 6	11
<i>General business characteristic comparison</i>	
Table 1	13
<i>Diffusion of Innovations</i>	

Introduction

The Internet and e-business are confronting retail farm supply firms in the way they do business. General managers and product marketers associated with these firms recognize what is happening in other non-agricultural businesses, such as the well-known marketing of books and CDs, and they can imagine a comparable business to consumer (B2C) environment evolving for their farm supply products. They also realize that not doing anything in developing a similar marketing option or channel for their customers may result in a significant loss of business, with a sales decline happening rapidly given the nature of e-business.



The traditional marketing channel is based on substantial capital investment in physical space and distribution of hardware to seasonally store and deliver farm inputs such as fertilizer, ag chemicals, feed and fuels. This is the “brick and mortar” part of the channel. Not to be overlooked, the channel also has human expertise in place that provides product knowledge, facilitates sales transactions, and sustains a relationship-marketing program with repeat customers. In contrast, a number of e-businesses now offer the seasonally consumable farm inputs mentioned above via the Internet directly to farmers. While details of the e-business marketing channel are not transparent to a manager using the traditional channel, the threat of business loss and displacement of assets both physical and human are becoming manifest. Thus, traditional managers are faced with the problem of how to adapt to this evolving marketing environment.

Objective

The purpose of this study is to analyze e-business in Nebraska agriculture at the retail level of the supply chain. Specifically, the two objectives of this study are: 1) to

understand the extent to which Nebraska retailers are using the Internet to promote their business and 2) to get their overall impressions of the Internet.

In the Applications section, this information will be used to make predictions into the near future about the impact of e-business in retail agriculture. These predictions will be based on the results of this survey, other outside readings, personal interviews with retailers and growers in Nebraska, as well as research on technology adoption.

Methods

A mail survey was sent to Nebraska retail firms in the latter part of 2000 with results being tabulated in early 2001. The focus of the study was on the retail sale of four inputs: feed, fertilizer, chemicals, and petroleum products. Survey participants were randomly selected from the membership lists of three state associations. These associations were:

1. Nebraska Petroleum Marketers and Convenience Store Association
2. Nebraska Fertilizer and AgChemical Institute
3. Nebraska Feed & Grain Association

There were an equal number of firms selected from each list. The directors and their staffs of the associations provided background information and discussed issues relevant to this research. They also pre-tested the questionnaire that was used and provided feedback throughout the survey process. Because these are statewide organizations, the geographic scope of this study is in the state of Nebraska in the central United States.

Results

This section will be divided into two parts: 1) the extent of Internet use and 2) general impressions of business managers in the field. In the first section, there will be a quantitative report of survey results. These results will be further divided into firms who are currently using the Internet to promote their business and firms who are not. Following will be a qualitative discussion of the comments that were expressed on

the survey forms. Many respondents provided feedback that reflected important ideas that the survey did not directly collect. A summary of these comments will be reported in this section.

Overall, we achieved a 22% response rate for our survey. Respondents in the feed & grain industry were most responsive (30%) and members in the petroleum industry were least responsive (14%). Chemical and fertilizer input suppliers responded to the survey at 22%. Although our response rate could have been improved with follow-up postcards and phone calls, it is statistically significant enough to draw general conclusions of Nebraska agribusiness.

Extent of Internet Use

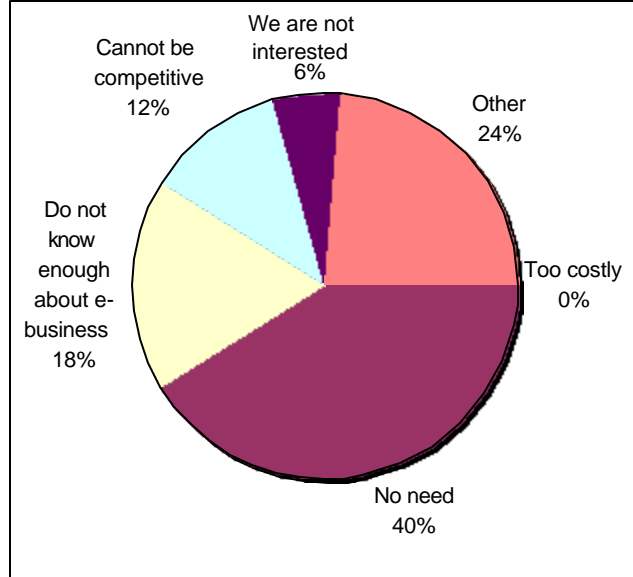
This section will report data based on the entire group of survey respondents. Results are reported as aggregate for the entire group with some results being tabulated based on firms who are using the Internet to promote their business and those who are not.

Overall, 12% of our respondents reported using the Internet to promote their business. Of the remaining 88% who are not involved in Internet promotion, over one-third reported no plans for Internet promotion in the next five years. With so much publicity and talk of the Internet, why are only 12% of Nebraska retailers taking advantage of it's potential?

Please refer to Figure 1 on the following page. The number one reason given by our survey respondents for not promoting on the Internet was that they see no need to use the Internet. Our respondents also feel they do not know enough about e-business to make an informed decision or they feel they cannot be competitive in the Internet environment. Only 6% reported that they were not at all interested and no respondents reported costs to be the limiting factor in Internet adoption.

You can also see in Figure 1 that 24% wrote various other reasons for not using the Internet to promote their business at this time. Common reasons given in this category were based on timing and the need for a customer-focused business. For example, one retailer wrote, "Our trade area is only a 40 mile radius and we are busy satisfying our current customers." Other respondents

Figure 1: Reasons why retailers are not promoting on the Internet



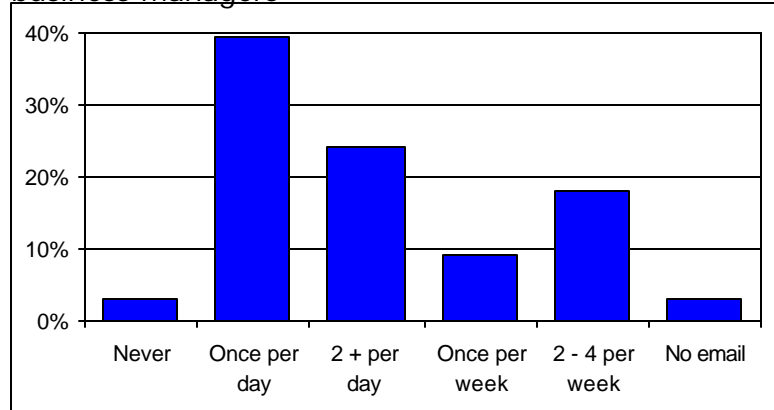
share a similar view: "We focus on serving our local market" and, "Personal contact with customers is very important." One retailer reported researching e-business potential and even surveying his customers to get their opinions. His conclusion, however, was that it is too early to adopt Internet technology for his business, reporting that few of his customers want that service.

A similar question can be asked of business managers who are using the Internet to promote their business. When asked why they expanded to Internet promotion, 75% stated it was to gain an Internet presence. Another 25% reported a desire to post product and service information for their current customers. None of our respondents wanted to increase sales, increase geographic scope, or even necessarily generate revenue. In fact, three-fourths said that 0%-5% of their revenue is generated by Internet sales. Five years in the future, however, these same businesses expect more than 10% of their revenue to come from Internet sales.

While it is clear from the results of this study that few respondents are actually using the Internet to promote their business, many are enjoying benefits the Internet brings. For example, 59% of respondents have searched the Internet for information relating to their products. Another 58% have actually made purchases online.

The greatest Internet benefit enjoyed by 97% of our respondents is email. Figure 2 is a graphic representation of the frequency of email use by our respondents. As you can see, nearly all of our respondents

Figure 2: Frequency of email use among retail business managers

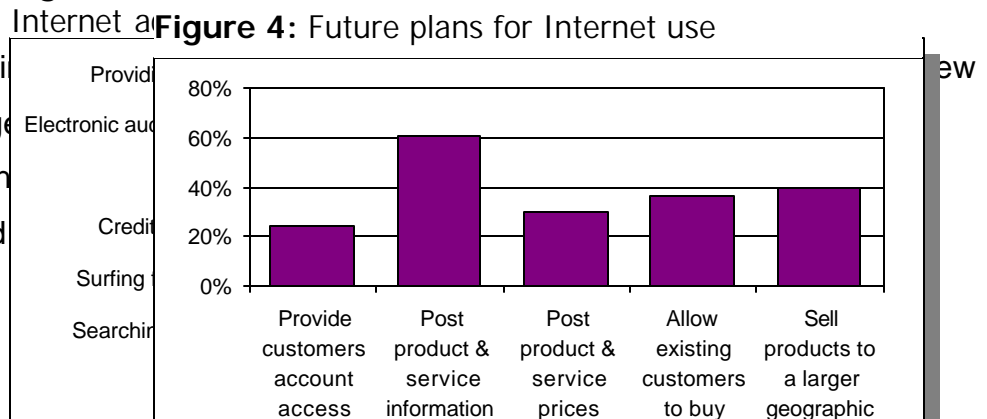


have access to email for either business or personal purposes and check it at least once per week. In fact, 63% check their email on a daily basis. Granted, many of these managers use email for personal reasons at home. However, agribusiness managers are learning the ways of the web and are accessing it frequently.

Aside from email, there are a variety of Internet activities that one must be comfortable with to fully realize the power of the Internet. These can be generally categorized as communication activities and trade activities. To communicate on the Internet, a person can use email and participate in chat rooms. Trade activities include providing personal information, purchasing with a credit card, participating in an online auction, as well as searching for the information you want. Our respondents were asked which of these activities they feel comfortable performing. Their responses are depicted in Figure 3. As you can see, over 90% feel comfortable with using their email and searching for information. Interactive activities, such as chatting and online auctions, are less attractive and more intimidating. There is also evidence of a perceived lack of online security. Less than two-fifths are comfortable providing their credit card number and fewer than one-fifth will provide other personal data online.

Figure 3: Respondents who feel comfortable performing basic Internet activities

So, what do business managers involved in Internet activities would



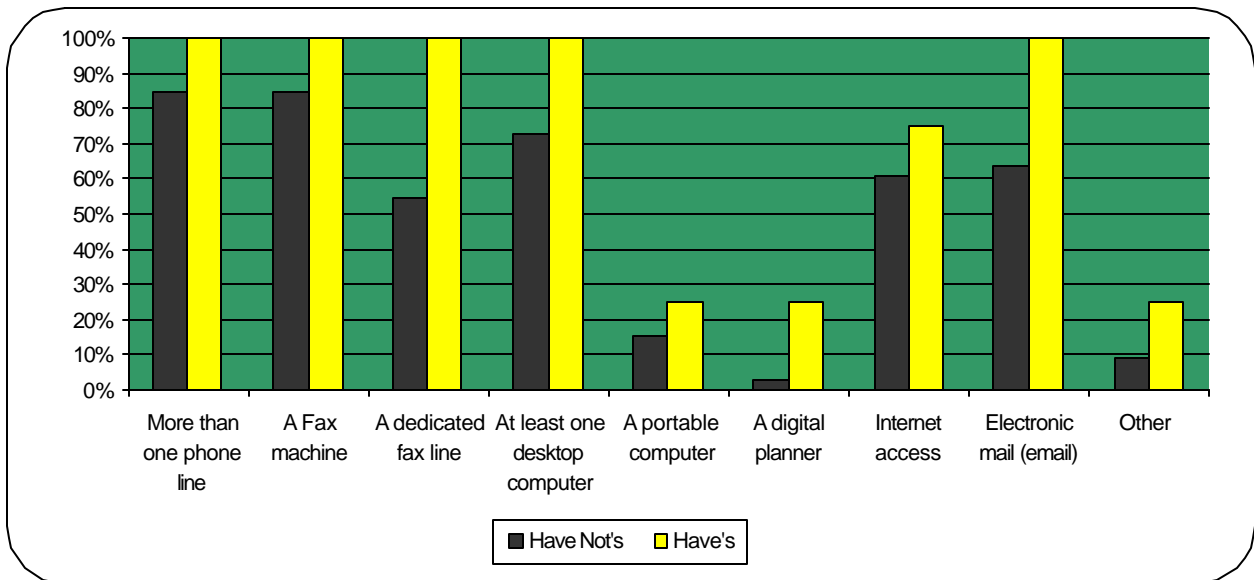
actual trade activities with either current or potential customers. However, a majority of respondents plan to post product, service, or account information in the next five years. Additional results suggest that 31% of responding retail firms plan to conduct transactions with suppliers using the Internet in the next five years. Only 11% have no plans for Internet use of any kind in the foreseeable future.

Finally, we will look specifically at distinctions between business who are using the Internet and those who are not. We will compare business characteristics such as annual sales, business age, customer base, and overall level of technology use in the business.

To begin, please refer to Figure 5, which is a comparison of the overall level of technology use between respondents who are currently involved in Internet promotion and those who are not.

The respondents labeled “Have Not’s” are the businesses that have not adopted Internet activities as compared to the “Have’s” that have adopted Internet applications.

Figure 5: Comparison of technology used in Nebraska retail agribusiness



As you may expect, the “have’s” show a higher level of technology usage in every category compared in the survey. For example, every respondent who reported using the Internet to promote their business also reported having more than one phone line, a fax machine with a dedicated line, a desktop computer, and email. They are also almost twice as likely to have a portable computer, a digital planner, and “other” applications such as wireless service. Although a business need not exceed the average in all the factors above to be competitive on the Internet, the results strongly suggest that the factors are key indicators of innovative businesses.

Figure 6: General business characteristic comparison

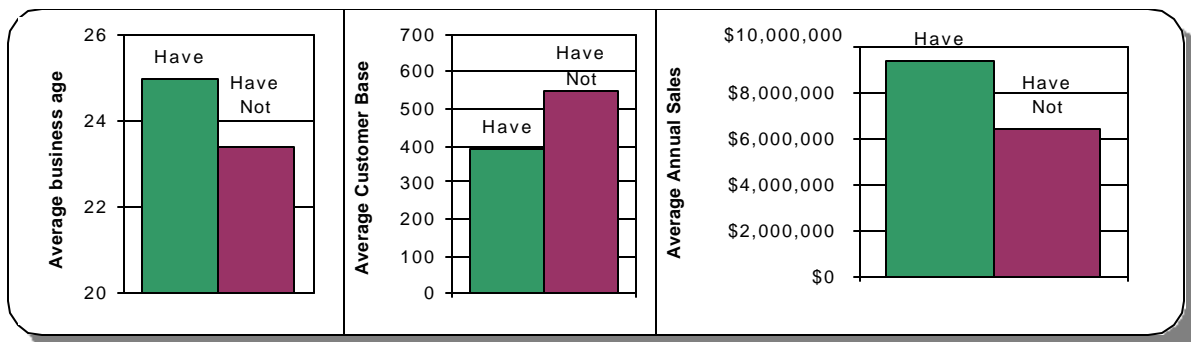


Figure 6 is an aggregate report of general business data from our respondents. From this figure, you can see that businesses that have adopted Internet applications are, on average, older established businesses with above average annual sales. Although they don’t service as many customers, their customers purchase more.

Comments From Survey Participants

As you can see in Appendix A, there were opportunities for respondents to expand on questions with their comments throughout the survey. Some of our respondents provided important feedback in these areas. In this section of the paper, we will report examples of some comments that are reflective of general ideas expressed throughout our results.

The most prevalent topic that was commented on was the idea that local retail agribusinesses are customer-focused. Our average respondent has been serving the local market for more than 25 years, some for more than 50 years. The well-

established local business relationships have been through many difficult periods throughout their history. One lesson respondents have learned is to make decisions that add value to the local market they serve.

These business managers commented that there are more effective ways to reach customers. Many believe personal contact to be most important. They also expressed an understanding of e-business and their market, and came to the conclusion that their customers are not ready for an adjustment to Internet applications. These managers fit the model of market-based businesses as they seek to understand the whole individual that composes their market. They then make business decisions to provide solutions for a wide spectrum of problems individual customers experience.

These businesses further understand differences among their customers. One respondent reported that while relatively small percentage of his customers use the Internet, a significantly higher percentage of large customers do. This innovative business plans to provide direct e-commerce solutions for their large customers within the next 3 years.

A second major theme expressed in comments was an understanding of Internet competition. Aside from understanding how their customers are using the Internet, some businesses are watching what their competition is doing online. It is important for managers to be aware of what innovative and early adopting businesses are doing on the Internet. They can build on their success and learn from their failures.

Some comments also expressed the view of the inevitability of Internet competition. For example, one respondent wrote:

“Where as we are not currently online, there are a growing number of businesses and customers who are, and it will become a necessity for everyone at one point or another.”

While the data provided in this survey demonstrates that Internet promotion in Nebraska agriculture is limited, comments tell a deeper story. Agribusiness managers are making their decisions based on a good understanding of their

competitive environment. They understand both their customers and competition and realize that future changes are coming.

Conclusions

In his book, Diffusion of Innovations, E. M. Rogers classifies the population into five categories of adaptation, which fit the normal frequency distribution of a bell curve. These five categories and their associated percentages of adoption are listed in Table 1.

Innovators are very eager to try new ideas and are willing to accept a relatively high degree of uncertainty about an innovation when they adopt. Following are the early adopters who are the opinion leaders of society. Other potential adopters (early & late majority and laggards) look to early adopters for advice and information about an innovation. Based on the results of this study, Internet promotion in retail agribusiness seems to be partly accepted into the early adopter category (12% adoption).

The early and late majorities don't want to assume the risk of being either first or last or adopt an innovation. When they do adopt, it is a deliberate action to accept an innovation that has been proven by earlier groups. These are the agribusiness who are talking to their customers and diligently watching what innovators and early adopters are doing with the Internet.

Table 1: *Diffusion of Innovations*

Category	Percentage
Innovators	2.5%
Early Adopters	13.5%
Early Majority	34%
Late Majority	34%
Laggards	16%

Laggards are the last group to adopt an innovation. It is interesting to note that by the time laggards adopt an innovation, 84% of the population already has done so. Rogers labels laggards as "traditional" as they use the past as their point of reference. They tend to make decisions based on what has been done in previous generations and tend to interact with others who share a similar view. This group also has the most locally isolated view of society.

Sadly, laggards are often passed by in rapidly evolving, highly competitive business environments. Some may become niche players, but most are replaced by more visionary, market-based businesses.

As the results of this study have demonstrated, businesses that are using the Internet to promote their business are innovative in other areas as well. They are most likely to use modern technologies and have firmly established businesses with a broad customer base.

Application For Business

Expectations of future use

A study titled “Ag Web 1999: Internet and e-commerce in Production Agriculture” reports that Internet usage by U.S. farmers has more than tripled from 1997 to 1999 and that this growing trend will continue into the near future. Robert Hill, president of Rockwood Research stated, “The computer and the Internet have become just as important to farmers as the tractor and good weather.” Two-thirds of all U.S. commercial farmers own a computer and spend an average of 2 hours per week on the Internet for agricultural purposes. The Internet has already deeply penetrated agriculture and will only grow in the years to come.

What should my business be doing now?

In deciding what your retail business should be doing now, consider a comparison of e-business in the health care industry to agribusiness. Generally speaking, there are two major players in the healthcare field: doctors and pharmacists, who have always had two separate roles. The doctor diagnoses the patient’s problem and suggests treatment alternatives by prescribing the best mix of drugs to combat the ailment. The patient’s second stop is to the pharmacist to purchase drugs the doctor has prescribed.

With the introduction of the Internet, the traditional healthcare arrangement is changing. While patients must still visit the doctor for recommended treatments and

prescriptions, they have many alternatives for pharmacist selection – including the Internet. Growth of these e-pharmacies is exploding in the healthcare industry. According to a study from Forrester Research, Internet sales of pharmaceuticals are predicted to reach \$15 billion by 2004, more than 68% of all online healthcare spending. Early in 2001, it is estimated that online prescription purchasers will make up almost 10% of all Internet users

Drugs, like crop chemicals and other agricultural inputs, are standardized commodities. It doesn't matter where they are purchased because chemical X in Nebraska is the same as chemical X in Minnesota. In healthcare, we have seen a sharp decline in local, independently owned pharmacies as large pharmacy chains and Internet sales have replaced them. A similar, although not as drastic, trend may occur in agriculture in the near future. However, there will always be a need for a local "doctor" who has a relationship with the farmer, knows local growing conditions, etc. The challenge before retail agribusiness is to learn to charge for "doctor" services accordingly. These services are not limited to crop scouting, but include consultation, application, delivery, inventory carrying, etc.

There will always be the need for local retail agribusiness to maintain relationships with growers and carry inventory to meet their immediate needs. However, their role is changing and if you are not going forward, you're falling behind. Forward-looking and innovative agribusiness will study and understand their customer wants and continually redefine their place in the input supply chain.

So, what should your retail business be doing now? Study your marketplace. Businesses in this new economy will need to be market-based rather than product-based as they have been in years past. No longer will they be a supplier of products, but a provider of solutions for an array of needs in their market. This will require developing new business units to meet both articulated and unarticulated customer needs. Business will also need to make decisions to discontinue activities that do not add value to their position.

Lastly, retail business leaders need to familiarize themselves with e-business technology. It will do no good to avoid or ignore e-business because it will not go away. By understanding new technologies and how they work best, innovative and adoptive leaders will embrace the Internet and use it to better their business by adding value to their customers.

References

- CyberAtlas 1999. "Internet Usage by Farmers Doubles."
http://cyberatlas.internet.com/markets/professional/article/0,,5971_153171,00.html.
- Enos, Lori. 2000. "Study: Net Pharmacies Coming of Age." *EcommerceTimes*.
<http://www.ecommercetimes.com/news/articles2000/000718-1.shtml>
- Gulati, Ranjay and Jason Garino. 2000. "Get the Right Mix of Bricks and Clicks."
Harvard Business Review. 107-114.
- Johnson, Rod. Member Services Director, Nebraska Grain & Feed Association.
Interview. 1233 Lincoln Mall, Suite 200. Lincoln, NE 68508-3911. 402-476-6174.
- Keigher, Tim. Executive Director, Nebraska Petroleum Marketers and Convenience Store Association. Interview. 1320 Lincoln Mall. Lincoln, NE 68508-2738. 402-474-6691.
- Licht, Alice. Executive Vice President, Nebraska Fertilizer and Ag-Chemical Institute. Interview. 1111 Lincoln Mall, Suite 308. Lincoln, NE 68508-2882. 402-476-1528.
- Rogers, Everett M. 1983. *Diffusion of Innovations 3rd Edition*, New York: The Free Press. p 241 – 251

Appendix A: Blank Survey Mailed to Participants

- Research Survey -

The Status and Implications of E-Business In Retail Nebraska Agriculture

Business-specific data collected during this survey will be will be used in aggregate only and will be held strictly confidential.

Any comments or additional information you feel better explains any of the following questions is encouraged and appreciated.

The contact information below is being collected so I can send you a copy of the final paper and possibly follow-up with any questions I may have. Thank you for taking the time to help me with my research.

Dusty Clevenger
(402) 472-5031
dustygrad@hotmail.com

Contact Information:

BUSINESS NAME:	_____
ADDRESS:	_____
	_____ , _____
	City State Zip
CONTACT PERSON:	_____
PHONE NUMBER:	_____
EMAIL:	_____

ANSWER THIS SECTION SPECIFICALLY FOR YOUR PETROLEUM BUSINESS.

- 1. Is your business currently selling petroleum products on the Internet?**
 - Yes – skip to question 3
 - No – answer only questions 2 & 3, then skip to section II.

- 2. If you are not competing using the Internet, why?** (check all that apply)
 - Too costly
 - Our business does not see a need to use the Internet
 - We do not know enough about e-business to make our decision
 - Our business can not be competitive on the Internet
 - We are not interested in Internet participation
 - Other _____

- 3. Have you ever searched the Internet for information about petroleum products?**
 - Yes
 - No

- 4. Does your business have its own web site providing information about petroleum products?**
 - Yes
 - No

- 5. Does your business sell petroleum products through:**
 - Its own web site
 - Some other web site (e.g. DirectAg.com)

- 6. How long has your business been competing on the Internet?**
 - Less than 1 month
 - 1 to 6 months
 - 6 months to 1 year
 - More than 1 year

- 7. What are your major reasons for competing on the Internet?** (check all that apply)
 - Customer support
 - Supplier support
 - Generate revenue
 - Post product/service information
 - Gain Internet presence
 - Other _____

- 8. What percentage of your sales originate from your Internet site?**
 - 0 - 5%
 - 5% - 10%
 - 10% - 20%
 - more than 20%

- 9. What characteristics of e-business do you think attract and keep your customers?** (check all that apply)
 - Option for user customization
 - Lower prices for online inputs
 - 24 hour availability of information
 - Meeting all their needs at one site
 - Cutting-edge page design
 - Excellent online customer support
 - Other _____

- 10. What promotional activities do you feel work best for e-businesses?** (check all that apply)
 - Word of mouth
 - Banner ads on other sites
 - Radio advertising
 - Television advertising
 - Event sponsorships
 - Promotion at brick & mortar locations
 - Product packaging advertising
 - Suggestions from sales staff
 - Other _____

- 11. Has your site required more resources that you initially planned?** (check all that apply)
- Yes – More Money
 - Yes – More Maintenance Time
 - Yes – More User Education Time
 - No – resources used were close to expectations
 - Other _____

I WOULD LIKE YOUR THOUGHTS ON INTERNET ACTIVITY

- 12. Considering other firms in your industry that are similar to yours, how many are using Internet applications?**

- None
- Less than 10%
- 10% - 20%
- more than 20%

- 13. In five years, how much of your business do you expect to be from Internet sales?**

- None
- Less than 10%
- 10% - 20%
- more than 20%

- 14. Please check the following Internet activities you feel comfortable performing.**

- Using email
- Searching for information
- Surfing for entertainment
- Making purchases with your credit card
- Chatting with others online
- Participating in an electronic auction
- Providing personal data

- 15. If you have an email address, how often do you check it?**

- Never
- Once per day
- 2 or more times per day
- Once per week
- 2 to 4 times per week

- 16. Please check all of the following communication devices you use in your business.**

- More than one phone line
- A Fax machine
- At least one desktop computer
- A portable computer
- A digital planner
- Internet access
- Electronic mail (email)
- Other _____

- 17. Has your company purchased anything though a web site?**

- Yes
- No

- 18. What activities would you like to do on the Internet in the future?** (check all that apply)

- Provide customers account access
- Post product & service information
- Post product & service prices
- Allow existing customers to buy inputs
- Sell products to a larger geographic area

- 19. In the future, do you think your business will need to do some activity on the Internet?** (check all that apply)

- Yes – provide information
- Yes – transactions with customers
- Yes – transactions with suppliers
- No

I WOULD LIKE TO KNOW THE FOLLOWING ABOUT YOUR BUSINESS

20. How long has your business been in operation?

- 1 – 5 years
- 5 – 15 years
- 15 – 25 years
- 25 + years

21. How large is your customer base?

- 0 – 100
- 101 – 500
- 501 – 1,000
- 1,001 +

22. Please provide an estimate of your annual sales.

- \$0 - \$500,000
- \$500,001 - \$1,000,000
- \$1,000,001 - \$2,000,000
- \$2,000,001 - \$5,000,000
- \$5,000,001 - \$10,000,000
- \$10,000,001 +

23. How large is the geographic scope of your business?

- Less than a 10 mile radius
- 10 to 20 mile radius
- 20 to 50 mile radius
- 50 to 100 mile radius
- More than 100 mile radius

24. How many employees does your business have?

- 1 - 5
- 6 - 10
- 11 - 20
- 20 +

25. What products does your business provide for farmers? (check all that apply)

- Seed
- Fertilizer
- Agricultural Chemicals
- Petroleum
- Feed & Grain

ADDITIONAL COMMENTS

Appendix B: Tablature of Survey Results

Survey #	Number	%
1. Is your business currently selling _____ products on the Internet?		
Yes	4	12%
No	29	88%
2. If you are not promoting your business using the Internet, why?		
Too costly	0	0%
No need	14	48%
Do not know enough about e-business	6	21%
We can not be competitive	4	14%
We are not interest	2	7%
Other	8	28%
3. Have you ever searched the Internet for information about _____ products?		
Yes	17	59%
No	12	41%
4. Does your business have its own web site providing information about _____ products?		
Yes	4	100%
No	0	0%
5. Does your business sell _____ products through:		
Its own web site	4	100%
Some other web site (e.g. DirectAg.com)	0	0%
6. How long has your business been promoting itself on the Internet?		
Less than 1 month	0	0%
1 to 6 months	0	0%
6 months to 1 year	1	25%
More than 1 year	3	75%
7. What are your major reasons for promoting your company on the Internet?		
Customer support	0	0%
Supplier support	0	0%
Generate revenue	0	0%
Post product/service information	1	25%
Gain Internet presence	3	75%
Other	0	0%
8. What percentage of your sales originate from your Internet site?		
0 – 5%	3	75%
5% - 10%	0	0%
10% - 20%	1	25%
More than 20%	0	0%

9. What characteristics of e-business do you think attract and keep your customers?		
Option for user customization	1	25%
Lower prices for online inputs	0	0%
24 hour availability of information	1	25%
Meeting all their needs at one site	1	25%
Cutting-edge page design	0	0%
Excellent online customer support	0	0%
Other	2	50%
10. What promotional activities do you feel work best for e-businesses?		
Word of mouth	3	75%
Banner ads on other sites	0	0%
Radio advertising	1	25%
Television advertising	0	0%
Event sponsorships	2	50%
Promotion at brick & mortar locations	2	50%
Product packaging advertising	2	50%
Suggestions from sales staff	2	50%
Other	0	0%
11. Has your site required more resources than you initially planned?		
Yes – More Money	0	0%
Yes – More Maintenance Time	0	0%
Yes – More User Education Time	0	0%
No – resources used were close to expectations	2	50%
Other	2	50%
12. Considering other firms in your industry that are similar to yours, how many are using Internet to promote themselves?		
None	3	9%
Less than 10%	10	30%
10% - 20%	13	39%
more than 20%	4	12%
13. In five years, how much of your business do you expect to be receiving from Internet sales?		
None	12	36%
Less than 10%	10	30%
10% - 20%	8	24%
more than 20%	2	6%
14. Please check the following Internet activities you feel comfortable performing.		
Using email	30	91%
Searching for information	30	91%
Surfing for entertainment	19	58%
Credit Card purchases	13	39%
Chatting online	8	24%
Electronic auction participation	5	15%
Providing personal data	5	15%

15. If you have an email address, how often do you check it?		
Never	1	3%
Once per day	13	39%
2 + per day	8	24%
Once per week	3	9%
2 - 4 per week	6	18%
No email	1	3%
16. Please check all of the following communication devices you use in your business.		
More than one phone line	32	97%
A Fax machine	32	97%
A dedicated fax line	22	67%
At least one desktop computer	28	85%
A portable computer	6	18%
A digital planner	2	6%
Internet access	23	70%
Electronic mail (email)	25	76%
Other	4	12%
17. Has your company or you personally, purchased anything through a web site?		
Yes	19	58%
No	13	39%
18. What activities would you like to do on the Internet in the future?		
Provide customers account access	8	24%
Post product & service information	20	61%
Post product & service prices	10	30%
Allow existing customers to buy products	12	36%
Sell products to a larger geographic area	13	39%
19. In the future, do you think your business will need to do some activity on the Internet?		
Yes – provide information	21	64%
Yes – transactions with customers	15	45%
Yes – transactions with suppliers	19	58%
No	7	21%
20. How long has your business been in operation?		
1 – 5 years	2	6%
5 – 15 years	5	15%
15 – 25 years	5	15%
25 + years	21	64%
21. How large is your customer base?		
0 – 100	5	15%
101 – 500	17	52%
501 – 1,000	5	15%
1,001 +	6	18%

22. Please provide an estimate of your annual sales.		
\$0 - \$500,000	3	9%
\$500,001 - \$1,000,000	3	9%
\$1,000,001 - \$2,000,000	3	9%
\$2,000,001 - \$5,000,000	2	6%
\$5,000,001 - \$10,000,000	7	21%
\$10,000,001 +	12	36%
23. How large is the geographic scope of your business?		
Less than a 10 mile radius	1	3%
10 to 20 mile radius	11	33%
20 to 50 mile radius	10	30%
50 to 100 mile radius	6	18%
More than 100 mile radius	5	15%
24. How many employees does your business have?		
1 to 5	11	33%
6 to 10	3	9%
11 to 20	7	21%
20 +	12	36%
25. What products does your business provide for farmers?		
Seed	18	55%
Fertilizer	21	64%
Agricultural Chemicals	20	61%
Fuels	19	58%
Lubricants	19	58%
Feed & Grain	24	73%