



WoodEMA, i.a. - International Association for Economics and Management in Wood Processing and Furniture Manufacturing



University of Ljubljana
Biotechnical faculty
Department of wood science and technology

Development trends in economic and management in wood processing and furniture manufacturing

Kozina, Slovenia, 2011

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PREFACE

The international scientific conference »Development trends in economic and management in wood processing and furniture manufacturing« was held in Kozina, Slovenia, 8-10 June 2011, and was organised under the auspices of the WoodEMA international association.

This conference brought together over 30 researchers from 10 countries and provided a relaxed forum to present and discuss new ideas, new research directions, and to review current trends in this area. It was based on short presentations that should encourage discussion by the attendees. These proceedings contain 34 contributions of more than 60 authors, which present a wide variety of research and application topics.

Wood industry has gone through radical structural changes and this has forced companies to learn to respond quickly and adapt to new conditions of severe competition. According to the interdisciplinary character of the field of wood processing and furniture manufacturing the presented papers covered numerous subjects. From this standpoint, the present publication is a diversified compilation of theoretical approaches and practical solutions to the problems of wood industry.

Organizing a conference is a lot of work, but it is also a lot of fun. I truly enjoyed and I would like to thank all the participants for their contribution and everyone who has helped make this conference a reality and a success.

For Organization Board:
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Kozina, June 2011

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INTERNET POTENTIAL IN THE WOOD PROCESSING ENTERPRISES

Veronika PIZANO, Alena KUSÁ, Anna ZAUŠKOVÁ

ABSTRACT

The article addresses the possibilities that the Internet provides to companies operating in the wood processing industry. Internet can be used in all parts of the marketing information system, in the processes of customer relationship management and also in various parts of the marketing mix, especially in marketing communications.

The paper focuses on the use of Internet in marketing communications in selected wood processing enterprises in Slovakia. We are comparing websites of these enterprises in terms of their options they present and we evaluate the level of use of Internet tools in the communication mix in terms of quantity and quality.

Keywords: internet, web site, online marketing

1. INTERNET IMPORTANCE FOR COMPANIES

99 % of Slovak companies have Internet access and using Internet is matter of course in almost all enterprises in Slovakia. But the less is the company oriented to B2C and more industrial and to B2B, the less is using different Internet marketing tools. Very often is Internet usage limited to sending emails, creating a basic website of the company and the acquisition of secondary data for marketing information system.

There is a great potential and importance in Internet also for wood processing companies. B2B wood processing companies need to be seen on Internet, because is becoming more and more the first searching place for potential customer. It is also a reference place, where potential customer looks for contact, information about company and product. B2C wood processing companies need Internet even more, because 50 % of Slovaks are online and 90 % of them have at least once shopped online. If the company is not online or it doesn't have good Internet marketing communication, its position is becoming more vulnerable. Following Internet tools can company use as a part of it marketing communication.

1.1. Web site

Web site is basic Internet tool, without which company almost doesn't exist. Web site should contain following sections: about company, about products (possibly a catalog with a price list), contact section, news section and for wood processing companies we recommend also suppliers and distributors sections. Additional tools on website can be RSS, job offers, section with promotions and products on sale, plug-ins for social media or small web applications helping visitors to orient on the site or work with it. Site should also option for search.

It is important that the web site goes with actual design trends and follows the basic rules of visitor navigation and stays. With the development of mobile technologies is better to don't use Flash technology, because it is not supported on devices such a iPhone or iPad. Web site should be optimized for different Internet browsers and operational systems. Management can decide to optimize the site for

mobile devices based on the percentage of mobile visitors. Keeping track on web analytics also helps to see what sections or promotion works best, what are the problematic parts of web site.

If the company needs to find new customers, the best is to start with the search engines and optimize the web site for them. Search engine optimization brings good results, but needs to be built for longer time and management can't expect immediate results. If company has a web site admin, he can manage such a task. Otherwise is recommended to hire a specialized company.

1.2. Social media

Social Media such as Facebook, Twitter, LinkedIn, YouTube, Flickr or Foursquare are not anymore just a trendy additions to marketing communication but helpful tools to spread the communication message to wider audience and a potential place to build brand identity, positive image and customer trust and faithfulness.

Company doesn't have to necessary use all of them. For B2C companies is preferably use Facebook, Twitter, Foursquare and YouTube, for B2B companies are better Twitter, LinkedIn and Flickr. YouTube can be used for promotional videos, videos showing the industrial process and technologies of companies (also photos on Flickr can be used such a way). Twitter and LinkedIn are good for gaining professional contacts.

Communication through social media might seem easy, but can be difficult and small mistakes can hurt the image of company. In this case is also recommended to hire professional company, that will start the process and train at least one marketer from company, or at least send the marketer to specialized workshop.

1.3. Internet advertising

Internet advertising has many different tools. Most popular is banner advertising. For wood processing companies might be useful use it only in case, if it has wide distribution coverage or big sales. For other companies is this type of advertising not recommended, because it is expensive.

More reasonable tool is paid search when company can buy top places in the search result. This might be good option for B2B companies, because not many have done it, the competition is low and the prices for top results low then. In search engines and also on sites can be used contextual advertising that is displayed with search words or articles that the company decides to buy.

Few years ago were popular catalog listings, but with the search engines and social networks is better to focus on them and do not spend resources on online catalogs with exception of Zlate stranky (Golden Pages) that offers new tools such as webcam view, virtual reality or mobile application.

Very good tool for wood processing companies might be email marketing. With right and careful use can bring positive feedback and loyalty of customers. As part of it company can send newsletters depending on the character of business.

Other Internet advertising tools are slotting fees, lead generation, sponsorship or rich media. It is up to company to decide, if to use some of them, but without knowing it is better to consult it with experienced online marketer, that can say if it can bring positive results that company wishes for.

1.4. Other tools

B2C enterprise can decide to sell through internet shop. Online shop is not expensive to make, question is if the delivery of product is gonna be profitable. Slovak costumers often prefer to pick up the

product in the shop after offering it online. Usually they go after lower price. If the online shop can offer it, company could try it.

Popular phenomena in the last year are online coupon discounts based on mass shopping. This tool is good to get new customers, but is not recommended to use it more often, because it devalue the products.

Other tools are more about making some buzz around company and getting attention of marketers and professionals: QR marketing, app marketing or buzz marketing.

2. WEB SITES OF SLOVAK FURNITURE COMPANIES

2.1. Methodology of the survey

Companies producing furnitures are from all wood processing companies closest to the final customers because they directly uses their products. That is why we decided to rate their web sites as a basic contact point with online user.

We chose 25 biggest companies manufacturing furniture in Slovak republic that also have web site in Slovak language. We had to exclude Swedwood Slovakia, producer for Ikea, because his website contains only contact information. Rating was based on scale from 1 to 5 for performance of the factor or use of the tool. 5 was the best value, 1 was the worst, 0 if the company didn't have the section or tool. We were rating 20 factors divided to three groups by importance; first group had coefficient 3, second 2, third 1. Final rating of each factor was multiplied by the coefficient of relevant group.

1. group: sections about company, about products, catalog, contact, distributors, design of website, orientation on website,
2. group: eshop, language mutations, press center, promotions or sales, search, suppliers.
3. group: fotogallery, job offers, news, newsletter, RSS, web application, social media.

2.2. Results of the survey

In the table 1 are the final results for each company in each group of factors and also in total. The companies are ranked from the company with highest to lowest total score. Maximum possible score for first group factors was 105 points, for second 60 and for third 35, maximum total was 200 points.

Average reached points was 89 points, but only eleven companies reached above average. The lowest score had companies in factors within third group, where the average reached score was only 3.84 points from 30 total. Only three companies reached 10 point or more.

3. CONCLUSION

Many companies' web sites we surveyed are missing catalogues, just few of them have eshops, they do not use social media or web applications. Design of half of them is very old and doesn't follow new trends in web design. On the other hand most of the web sites have good navigation and orientation on them was very easy.

Furniture manufacturing companies do not have to rely only on their distributors and stores, they should also start to acquire new customers online, because this customers are usually more sophisticated and are willing to spend more money. By not using the options Internet offers they are losing valuable time. The companies that are using Internet options and tools already now are gaining great share and loyalty of customer.

Table 1. Final results

COMPANY	1 st GROUP FACTORS	2 nd GROUP FACTORS	3 rd GROUP FACTORS	TOTAL
Makrowin	99	28	20	147
Decodom	96	42	8	146
Drevona	102	26	6	134
Lind Mobler Slovakia	96	12	9	117
Galan	63	38	10	111
Fines	90	16	3	109
Koryna	87	18	4	109
Meuble	87	16	0	103
GKT	87	10	0	97
Kanapa	75	20	0	95
FIT Möbel SK	90	0	0	90
Furni Finish	69	16	0	85
Alnea	75	6	4	85
Trendwood-twd	66	6	11	83
Idona	69	12	2	83
Ekoltech	57	16	6	79
Lencos	66	10	3	79
Elpo	63	12	3	78
Tribyt	72	2	0	74
NDH market	63	4	2	69
Vital	54	10	0	64
We-tec	63	0	0	63
Masterwood	33	10	1	44
Antares Eurotrade	36	6	0	42
Stemann	30	6	4	40
AVERAGE REACHED SCORE	71.5	14	3.84	89.04

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