

## **THE E- COMMERCE: OPPORTUNITIES AND LIMITS FOR ITALIAN PRODUCER FIRMS OF ORGANIC OLIVE OIL.** **(Bernardo de Gennaro – Daniela Spina)**

Nowadays one Italian out of three has got a personal computer and one out of six is connected with Internet. These data, contained in the last document of CENSIS, confirm how even in our country the interest and the use of Internet is growing so rapidly that it is possible now to fill the gap that divided us from other countries that experimented in the last years this important phenomenon.

Some data can give an idea of the intensity of the increase in the use of Internet on a global level. In 1991 there were less than 3 millions people who used the Net all over the world, while the last evaluations, up to November 2000, show that Net navigators are more than 407 millions (6,7 % of the world population, source NUA Ltd). Most of them are in the USA, where there are 153,8 millions of users (source Nielsen Net Rating), being the 38% of the total navigators in Internet. In Europe the total number of users is now 113,14 millions (source NUA Ltd).

This strong growth of Internet users' number creates high rates of development even for what concerns the e-commerce. As this number rises grows at the same time the experience and familiarity with this instrument and the chance to buy products on line. A recent study made in the USA on a sample of 8.000 navigators revealed that the 11% of them bought food products in the last three months and the same percentage did it in the past but not in the last months.

The e-commerce is offering to firms of the agro-food sector the opportunity to test new models in order to organize production and transactions, letting not only a radical transformation of traditional models of business but also a less dramatic integration of the new instruments with the conventional organization of farms. Internet together with the e-commerce are opening doors to enter the international markets specially for the little and middle firms, that, as everybody knows, constitute the frame of the agro-food system in our country. The Net, in fact, has no geographical bounds but those connected with the presence of the necessary technological infrastructures. Besides this tool

permits to create a direct and two-directional communication between seller and purchaser even on the multimedial level. Moreover the great availability of information on the consumers' behaviours lets plan new strategies of marketing using innovative technological instruments in order to improve relations with customers and services offered.

Internet gives to agro-food farms and in particular to those that offer high quality goods, as for example organic olive oil, the chance to create or to consolidate their position in special niches of market at relatively low prices. The e-commerce permits the access to virtual shops 24 hours a day at low prices and independent from the distance.

Besides the development of new and easier softwares and the reduction of costs of the informatic softwares for the management of virtual sales departments lets the firms to be on line with a little investement of resources. Consequently a growing number of agro-food firms is already present or is planning to be in the Net. By this decision, often, do not follow the necessary changes in the strategies of marketing. This behaviour holds up the opportunity offered by the Net and by the e-commerce. The little and middle firms in many cases are not able to redifine their strategies of marketing to generate those adavantages that, even for the concrete goods, as for example those agro-food ones, may determine the chioce to buy products on line.

Starting from this hypothesis we found extremely interesting to begin the study of the strategies adopted by the producer farms of organic olive oil in the planning and management of their own virtual shops in the web.

To this aim we have analysed the structure of a sample of virtual sales points activated by italian farms and intended for the supply of extra-vergin organic olive oil.

The analysis has been made visiting sites and going through them according to the user's perspective toward whom are meant the strategies of marketing or the levers of the virtual retailing mix.

The enquiry was made on a sample of 20 sites of farms created by italian firms and active in the directory of the most important italian web searchers: Virgilio and Altavista, and in a metasearch, Copernico.

The sample was picked up casually among 192 farms sites, that by our study constitute the world of the Italian farms that suggest organic olive oil.

As soon as the sample was defined we continued our scientific research on line visiting every site and going through it, as any user would do, to gather all useful information in order to study the management of marketing.

In order to organize the collected information through the exploring activity and in order to facilitate the next stage of elaboration we created a rilevation schedule organized according to the following sections: business model, assortment, communication, order and delivery, payments and security system.

The first interesting and partially unexpected piece of information concerns the geographical localization of the farms: our study shows a clear prevalence of the southern farms (78%) with a considerable preponderance in Apulia that by itself reaches the 25%, followed by Sicily with the 20%. The regions in the Middle of Italy are the 20% of the sample; while in the North they obtain the left 5%. Obviously the geographical distribution of cultivation can explain this distribution.

In the 90% of these cases these farms are vertically integrated and they are able to produce a finished product with an elevated value added. The 30% of the farms analysed gives not only the guarantee of the organic production but even the denomination of the certified origin.