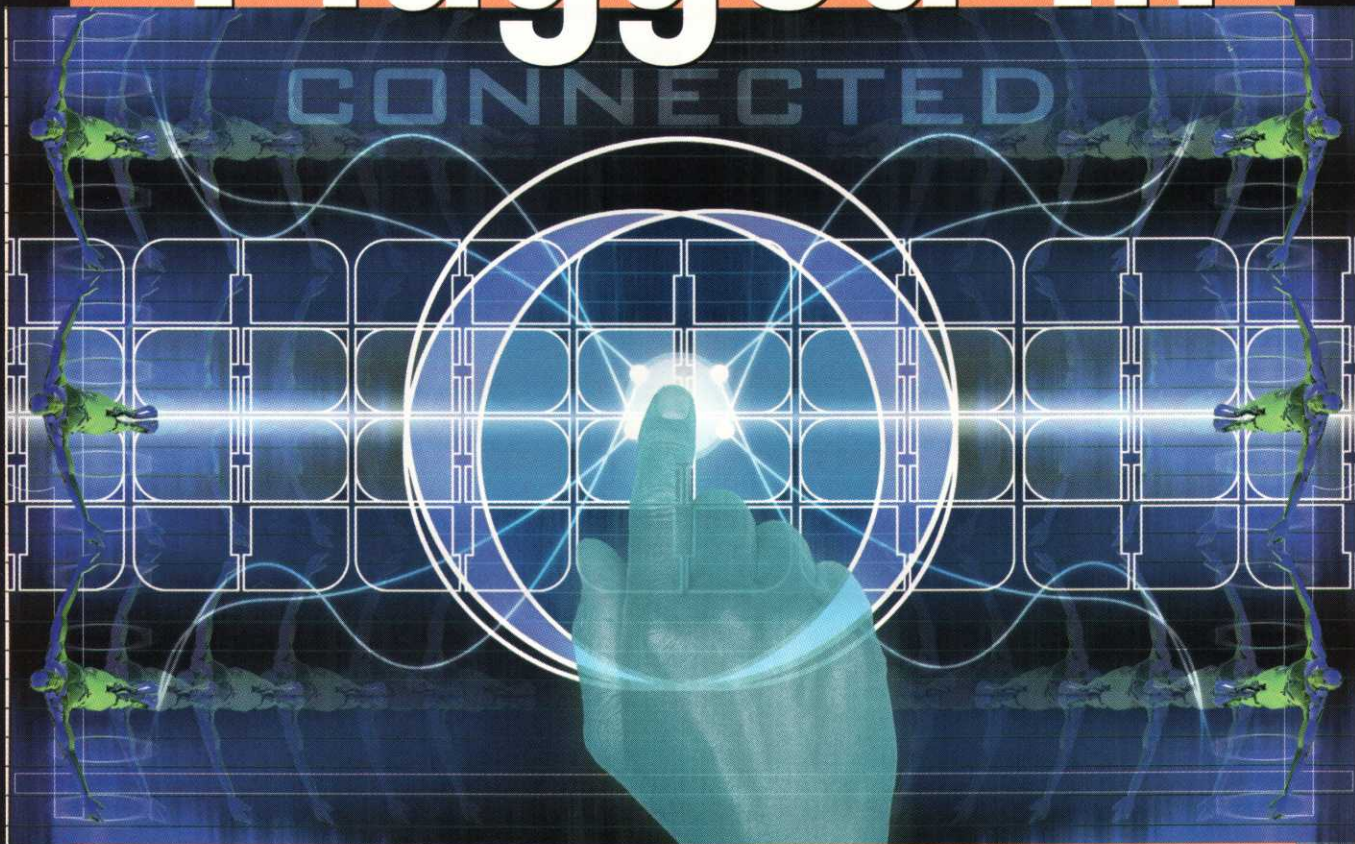# Plugged In



## E-commerce provides green industry with a new way of doing business

By David Weinstock

**H**arry Albert is one of a new cadre of green industry business people who are tearing down the old way of doing business and establishing a new order with help from the Internet.

In January, Raleigh, N.C-based Albert, who worked in marketing and sales for Rhone-Poulenc and Union Carbide for 24 years, shed the traditional business model of product distribution for the new world of electronic commerce. Last winter, Albert went to work for XS Inc., which operates a neutral Web-based agricultural product and equipment exchange called XSAg.com.

The site's success prompted him to convince XS founder and CEO, Fulton Breen, to launch a second site called XSTurf.com, which will be online early next year.

The fledgling state of Albert's sites typifies nearly all sites in this new industry segment. A veteran operation, such as eGarden.com, has been around for about two years. It was only in the first or second quarters of this year that most firms first sold goods or services.

The Web sites are free-market exchanges where buyers and sellers negotiate prices on a per transaction basis.

"We don't own any of the products that are sold here," Albert says. "We just assure that the products people offer exist and that the buyers have the money

to pay for what they purchase. Then we facilitate the transaction, just like the New York Stock Exchange."

The difference between Albert's online trading floor and the one on Wall Street is that his is a Web site. Businessmen like Albert who were the first in the green industry to take advantage of the Web have discovered that e-commerce is a more efficient way to connect with customers and close a sale than advertising to an audience and using the telephone or even making personal contact.

## Going golf

Golf course maintenance distributors are making the same discovery about the Internet as landscapers. Sites like San Diego-based Golfsat.com are creating marketplaces, consulting services and virtual communities for superintendents in which to exchange management information, and buy equipment and supplies.

*Golfsat.com* offers an electronic catalogue that features a more than 100,000-product equipment catalogue; localized weather service; online technical references on turfgrass insects, plant diseases, weeds and species; and a golf industry application service provider (ASP), or a company that buys software packages and puts those programs on a server (a large computer with techno-gurus managing it) located on the Internet. The site goes live in January. CEO Mike Scott says that 200 courses from North Carolina, South Carolina, Florida, Arizona and California have been involved in a beta test since April.

When the company learned that many superintendents don't have on-the-job access to computers or the Internet, it developed a low-cost program for them. For $29.95 a month, users can sign up for *Golfsat.com's* hardware package, which includes a personal computer, software and Internet access.

*Golfsat.com's* technical reference is a gigantic database with articles on current university research.

"Let's say a superintendent wants to know about dollar spot," Scott says. "He can access the reference to look at research information and, with another click, look at product information on how to control it."

The company recently completed work on the global information system component of an ASP program to enable superintendents to call up planned views of their courses, set the rate of fertilization, compute how much will be used, hit the execute button, deduct how much

will be pulled from inventory and trigger an order.

*Golfsat.com* is also creating an ASP offering for distributors. "They'll be able to establish golf course product discount centers that will contain all the products in their inventories, the products' technical specifications, and pricing information skews and discounts," Scott says.

## What it takes

Choosing an Internet Service Provider (ISP) is an important step toward getting involved in e-commerce. You should know that more popular services like AOL have Internet interfaces with quirks that prevent them from properly displaying some Web pages.

In addition, access for some ISPs can be difficult to secure in areas where subscriber demand outstrips the number of open lines. The service provides easy setup for Web pages, but the pages are very basic and nothing like what a decent Internet site designer and ISP could do.

You should pay no more than $25 a month for dial-up access. Don't bother with firms that don't offer unlimited access for their monthly fees.

Now's a great time to buy a computer because there are many inexpensive models available. However, beware of discount deals offered by computer hardware manufacturers, many of whom trade discounts for several year commitments to ISPs. These may not be as desirable as they appear because some services are not suited

"Use the knowledge of your web developer—use him or her as a consultant."

— Melanie McGee, president, ImageNation
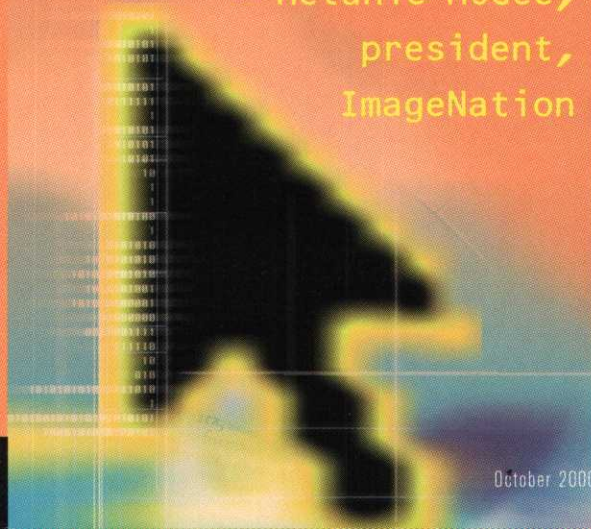
# Plugged In

for commercial access.

There are several access options: dial-up connection, Digital Subscriber Line (DSL), Integrated Services Digital Network (ISDN), cable modem and T1.

Dialup connection is the slowest of the four options. It comes standard with PCs and is accomplished through a phone modem over normal telephone wires. The fastest speed with this device is 56.6 kilobits per second (KBS).

A more speedy option, available over standard telephone lines, is DSL. Several DSL varieties are available from regional phone companies or broadband communication providers such as Rhythms Net-Connections in Englewood, Colo.

"DSL offers speeds varying from 7.1 megabits per second to 144 kilobits per second, depending on how far your business is from your community's central telephone system switch," says Chris Hardman, Rhythms' director of public relations.

Another option, ISDN, is less cost-effective than DSL, and its speed increase over DSL is negligible.

Another access option is a cable modem. Because it comes through the cable system, it doesn't tie up a telephone line. It costs an additional $40 to $70 per month and provides access speeds from 500 kilobits to 1.5 million bits per second. However, speed diminishes by the number of subscribers connected to each access cable.

A T1 connection is the next best thing to direct feed from the Internet backbone. At 1.5 million bits per second, downloading 100-megabyte files will go as quickly as cutting dry grass in the late summer.

## E-commerce options

Getting to the Web is easy as long as you have a Universal Resource Locator (URL) or Internet address.

Typically, a customer or broker goes to a site, registers as a user and provides contact and credit information to create an account. Then the person is free to log on and purchase or sell goods.

Buyer registration is usually free, but not always. For example, *Golfsat.com* will charge a $19.95 monthly membership fee and 6 percent transaction fee on sales. Commissions on most green industry e-commerce sites vary from 2 percent to 6 percent.

Most firms assure the existence of sellers' goods and buyers' credit. Money moves from an escrow account once the product arrives. Delivery can be coordinated through the dot.com.

Options available to buyers and sellers vary greatly. Some offer auctions, fixed price or name-your-price transactions. eGreenBiz.com of Boulder, Colo., offers online auctions and direct sales and also recently premiered a request for a bids system for plants and equipment.

PlantFind.com, a Boynton Beach, Fla.-based service that finds both common and rare plants, features separate chat rooms for agriculture and horticulture operators. It also helps sellers market goods through Web pages it designs and creates free of charge.

Michael Ferraro, president of PlantFind.com, has negotiated a deal with Plant and Supply Locator where users can look up materials in its directory and discover if they are available at PlantFind.com.

The Internet's advantage, he says, is that it pulls together a fragmented market and allows for buying hard-to-find products quickly and inexpensively.

Other firms, like *eGarden.com*, which has an interactive calendar of lawn and garden industry events, draw users in with content.

"We have a news area and regional reporters who feed us news items," says Linda Watson, *eGarden.com's* president. "We also have a stock listing for the top 25 lawn and garden companies."

Green2go.com hired Kris Sweet, editor of *Ornamental Outlook*, to generate copy for the news, weather and industry information section of its Web site. The site also has a staff entomologist, Suzanne Wainright, who answers pest-related questions.

In the golf industry, one new e-commerce venture is the tee time reservation network, where courses enter into contractual agreements with services to allow golfers to book tee times on their courses.

Book4Golf.com of Scottsdale, Ariz., which launched its site in January, lists all courses in North America on its site and has 1,000 of those courses under contract. Around 300 of those courses were "bookable" as of mid-July, says Marney Edwards, senior vice president of Book4Golf Vacations.

*Book4Golf.com* takes a 3.5 percent to 5 percent commission of the total round price. In one week in June, the firm booked more than 2,100 rounds of golf online.

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**Here are some of the many green industry Web sites that you'll find useful:**

gcsaa.org
turftech.com
usga.org/green
ngf.org
bidmgr.com
wunderground.com
turfnet.com
ntep.org
golfsat.com
greentrac.com
e-greenbiz.com
igreens.com
precisionusa.com
golfbusiness.com
pestfacts.org
lawnsite.com
horticopia.com
egarden.com
floraplex.com
growit.com
growzone.com
greenbuyer.com
weedalert.com
turfco.com
green2go.com
perma green
greensuccess.com

### Build your own?

The secret to Web commerce is to bring traffic through a site. Without visitors, a Web site has just as much value as a bad catalogue or billboard.

First, those who wish to have their own Web sites should ask themselves what their goals are. Then they should hire professional Web site developers to turn their visions into reality.

Melanie McGee, president of Cleveland-based ImageNation, designs and implements Web sites.

"I would like customers to have ideas of how their sites should look and function, but not concrete demands," she says. "Many people forget that form should follow function."

While she says logos, promotional materials and other advertising materials help sites, she cautions against imitation. "When a client demands that its site look exactly like joe-bob.com's site, [the client] may be selling itself short."

Decide what the site should do for the businesses.

"I don't think that many people understand the capabilities of good Web developers," McGee says. "They can put more than an advertising-type of site online. If you can dream it up, it can probably be done. Use the knowledge of your Web developer. [Those people] are excellent sounding boards for ideas."

Of course, being ready to built your site makes life easier. It's also a good idea to have everything on disc in digital form. Electronic data (brochures, databases, letters, etc.) is easier to work with than paper-based data.

> "The 18,000 buyers that represent those co-ops will come to us when they are looking to purchase lawn and garden and outdoor living products online."
>
> — David Harper, CEO, eGarden.com

### Big bucks

If you're thinking about creating a site for a wholesale or distributing business, be assured that this enterprise is more expensive than a promotional site.

"There is a tremendous up-front cost, in the neighborhood of several hundred thousand dollars," says *EGarden.com's* Harper.

John Cochran, president of e-Greenbiz.com, says his firm's startup,

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## Survey Says

**We surveyed landscape contractors, lawn care operators and grounds managers to discover their e-business tendencies. We found:**

- ▶ **One in five** have their own Web-sites (21 percent).
- ▶ **More than half** (53 percent) use the Internet for business-related purposes (71 percent of grounds managers, 55 percent of landscape contractors and 46 percent of lawn care companies managers said they use the Web for business).
- ▶ **50 percent** use the Internet to find product information.
- ▶ **47 percent** use it for weather news.
- ▶ **45 percent** participate in e-mail or bulletin boards online.
- ▶ **28 percent** find association information online.
- ▶ Searching for general information is the most popular use for **89.5 percent**.
- ▶ Searching for industry information is second most popular for **82.9 percent**.
- ▶ **35.5 percent** said they make purchases on the Internet.
- ▶ **Mean hours** spent online are 4.18 a week

**We asked 100 Golfdom readers: How often do you use the Internet in your work? They responded:**

No answer-3%
Never-24%
Daily-29%
Weekly-16%
Occasionally-28%
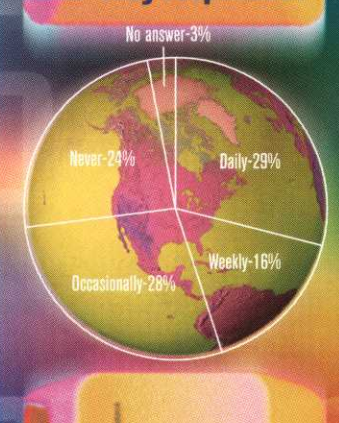
which launched April 1, had software costs of $2 million.

Once a site is built, the next task for a site owner is to generate traffic through promotion and advertising. Albert's XSAg.com site was recently recognized by *Farm Journal's* AG Web Service as having the second best recognized commercial agricultural site on the Web, behind John Deere & Co. Albert says his site's monthly transactions are in the millions of dollars and that there are 50,000 registered users.

When it comes to traffic, *eGarden.com's* Watson, *Green2go.com's* Gardner and *Plantfind.com's* Ferraro talk about building a critical mass, which means a large number of buyers and vendors.

Launched as a retail site in December 1997, *eGarden.com* currently has 150 vendors and projects it will have 500 by January . Eighteen months after founding the site, Watson sold it to U.S. Home and Garden. Last November, *eGarden.com* went wholesale and launched an auction site. In July, it opened a virtual store that offers 26 categories of goods in lawn and garden and outdoor living products.

The operation sells goods to both consumers and retailers. In fact, the latest feather in its cap is signing a long-term agreement with the nation's three largest hardware cooperatives — Ace, Tru-Serv and Do-it-Best — to be their exclusive online sales outlet.

Partners and alliances are the building blocks of these businesses. *Plantfind.com's* Ferraro has cut a deal with the Plant & Supply Locator directory. In return for becoming that publication's exclusive online agent, Plantfind.com will help find it new growers' markets.

### What's the fate of offline wholesalers?

When asked whether online distribution foreshadows an end to real-time

businesses such as brokers and distributors, online business people take a deep breath and say, "No."

Right now, e-commerce sites need vendors as much as they need buyers. Harper and Watson both say that buyers and sellers at their site switch hats all the time. They may come in to sell equipment but, while they're on the

site, they might see some fertilizer available at a price from which they can make a profit.

Like so many others, green industry professionals have to get used to the idea of engaging in commerce on the Web. With online transaction sales percentages increasing every year, they can't afford not to. ∎