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Fax Machine Is Good Marketing Tool

by

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"The fax is the greatest communication tool to come to the produce industry in the last 25 years," wrote Marshall Anderson in the April 2, 1988, edition of *The Packer*. I agree with Mr. Anderson and add that beside being an excellent communication tool, the fax also is a potentially very good marketing tool.

First, a few basics. A fax machine can transmit almost any paper document over the phone lines to another fax machine. The document can have text, graphs, pictures, (needs a "gray-shading" feature), and/or tables. All you need are two fax machines-one sending and one receiving. Currently, some discount stores are selling machines for as little as \$1,000. A standard page of text can be transmitted in about 12 seconds. Be sure to buy a "group three" machine. In 1987, 460,000 fax machines were sold; in 1986 that number was only 190,000. Estimates for 1988 range from a 50 to 100 percent increase over 1987 sales. Why is the fax machine a good marketing tool? First, if you are a grower/shipper and have an established customer base, you can provide more detail on each order, talk on the phone with your buyer about the details while both of you are looking at the same document, and consummate the contract by initialing the document. Also, the fax machine helps if you want to expand your customer base and minimize the risk of having your product rejected by an unknown customer. You can specify the conditions of the transaction and have the unknown customer initial the specifications and this document serves as a contractual agreement.

Small and relatively new grower/shippers stand the most to gain by investing in a fax machine. Although Mr. Anderson states that a "fax auction" is not good for the produce industry, I believe it can bring more efficiencies to the marketplace. A fax auction is the following: A buyer puts out the word that he/she would like fax-transmitted price quotes every morning from potential suppliers. The buyer then places the order from the lowest bidder. This provides access to new and smaller suppliers. However, as Mr. Anderson cautions, it also presents problems: price-cutting and delivery of off-product, and it minimizes the personal contact between buyer and seller, etc. These are potential problems, but it is up to the supplier to maintain his/her market by providing good quality product and a profitable price and it is up to the buyer to "blackball" suppliers of off-product. If both parties are satisfied with the transaction, then the market functioned well.

In today's produce markets, information and the speed at which information is made available are very important. The produce industry is in a transitional stage in both the demand and supply sides of the market. On the demand side, customers want greater diversity of products, are more concerned about the products they buy, and are willing to pay for higher quality product. On the supply side, greater volume of product is available, there are more newcomers to the market, and many more regions of the country supply product during the same season. The fax machine is a relatively inexpensive investment that will allow in the long-run for more efficient produce markets because it allows for the speedy transmission of market information.