



The Marketing Program for Intelligence Interactive Kiosks:
A Case Study of Just Click Online Co., Ltd.

by

Ms. Weerawan Jitrattanaajinda

A Final Report of the Three-Credit Course
CE 6998 Project

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Computer and Engineering Management
Assumption University

July 2004

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Project Title	The. Marketing Program for Intelligence Interactive Kiosks: A Case Study of Just Click Online Co., Ltd.
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Academic Year	July 2004

The Graduate School of Assumption University has approved this final report of the three-credit course, CE 6998 PROJECT, submitted in partial fulfillment of the requirements for the degree of Master of Science in Computer and Engineering Management.

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ABSTRACT

Just Click shop is a service provider for members who provide products and services via Intelligence Interactive Kiosk to increasing customer self-service channel, the product will be standard product such as VDO, CD, books, gifts, flowers and premium products. These are conforming to our main target market, which is officials who work at the office. Main objective is to respond to customers needs especially buying individual.

The bestseller business is retailing business, which has sales value 567,356.7 million baht increasing 9.4% compared with quarter 4 of 2002, the statistic indicated that sales value and growth rate of retail are good to invest in this area.

In this project we created effective marketing program by concerning concepts and theories, which emphasize on marketing moves to digital economy, consumers behavior and consumer's perception. The marketing objective is to have sales growth rate per kiosk at least 20% by the end of first year so we have analysed SWOT, and create marketing mix (4P); products positioning can quicken response to customers needs including convenience, variety and delivery services within 1 day, use competitive price strategy, place in Central Business Distinct area and the most important is promotion such as advertising, sales promotion, public relations and personal selling.

In the meantime, Kiosk services are convenient, informative and have fewer hassles. It can also support Internet technology although now e-commerce transaction is not popular but it has positive high potential. Thus people who want to have their own business can bring this plan in order to be the guideline and adapt for planning the strategic marketing for their business further.

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I. INTRODUCTION

1.1 General Point of View

Today Internet is becoming a technology of choices for people who want to succeed in the business because it is another way to communicate between the seller and buyer. Everyone can use the Internet anywhere in the world, with less cost and convenience. Internet can link the people together via the computer with telephone line. This allows users to communicate with one another wherever they are in the "net".

To be successful in business, the effective strategy is not enough, the firm needs more channel and technology to access customer satisfaction. So some companies have designed "customer-order-placing machines" called kiosks (in contrast to vending machines, which dispense actual products) and placed them in stores, airports, and other locations. Kiosk services have been designed to be the one channel to deliver value added services to customer and can offer direct response services to customer and can be placed anywhere.

Kiosk services is a cutting edge Point Of Sale Activation (POSA) Technologies Corporation in the development, deployment and management of state-of-the integrated solutions for small, medium and large merchants. Kiosk services combines the power of two dynamic industries, pre-telecommunications and electronic automatic processing to profit center for merchants by increasing their bottom-line profit enhancing their communications product lines.

Just Click Online Co.,Ltd. is a service provider who provides products and services to customer via Intelligence Interactive Kiosks, which have touch screen online network including fast delivery to customer. The Just Click will be a new style of retailing which is different from current distribution channel and can reduce restriction

of other distribution channel such as inadequate shelf space, problem with product explanation and cannot respond to customer requirement. Although the trend of Internet and E-Commerce are very popular there are still limitations about speed to download information, problem to connect with Internet service provider, unreliable on payment system and less number of people who have own computer and Internet.

As a whole, the Internet population is younger, more affluent, better educated, and more male than the general population. But as more people find their way onto the Internet, the cyberspace population is becoming more mainstream and diverse. Younger users are more likely to use the Internet for entertainment and socializing. Internet users in general place greater value on information and tend to respond negatively to messages aimed only at selling. They decide what marketing information they will receive about which products and services and under what conditions. In on-line marketing, the consumer, not the marketer, gives permission and controls the interaction. The new buyer capabilities mean that the exchange process in the age of information has become customer initiated and customer controlled. Marketers and their representatives are held at bay till customers invite them to participate in the exchange. Even after marketers enter the exchange process, customers define the rule of engagement, and insulate themselves with the help of agents and intermediaries. Customers define what information they need, what offering they are interested in and what prices they are willing to pay. In many ways, this customer-initiated and customer-controlled marketing completely reverses time-honored marketing practices.

Kiosks in Department Store

Kiosks were established in Faneuil, Boston. The kiosk model design for the most utilization. If the department store pays attention to decorate and choose the attractive product, kiosks will be the good intermediaries to attract customers because kiosks have

small size, manage area efficiency and a few products so the customer can make buying decision easier. But if the department stores are negligent of kiosks, it will destroy aesthetic and be an obstacle to the shopping of customers. The disadvantage will make the department store look not smart and compete with products in the department store because product on kiosks will have almost everything such as products which sell on TV direct, decoration and toys etc.

The kiosk keyword is to be careful. Too much kiosks in the same area and it will be an obstacle to customers. The objectives are "Fun, Little, Exotic & Surprise" such as salesperson should have good personality or have concept of the shop.

This marketing program will also include the marketing strategies, SWOT analysis, tactics, analyze market situation of retailing, consumer behavior analysis and next step to expand the business. A strong emphasis will be put on keeping customers and building brand loyalty through programs based on technology and customer satisfaction.

1.2 Scope of the Study

This marketing program encompasses the effective marketing strategy via Kiosk services, analyze benefit and trend of kiosk systems in the future and other necessary information.

1.3 Objectives of the Study

This marketing program is prepared for the following objectives:

- (1) To use Kiosk services for increasing customer self-service channel, the product will be standard product such as VDO, CD, books, gifts, flowers and premium products.
- (2) To create marketing strategy to respond the customer's satisfaction.

- (3) To reduce service cost at front office. Kiosk services terminal can support many customers at a low cost operation but efficiently.
- (4) To analyze marketing situation of retailing.
- (5) To analyze benefit and trend of kiosk systems in the future.

1.4 Benefit and Expectation from the Study

Based on the project, Just Click shop will use Kiosk terminal to increasing customer self-service channel that is the new selling channel. We can reduce cost at front office by using Kiosk services terminal to support many customers at the same time. This project also includes efficiency of the strategic marketing planning and operation plan which may benefit to marketers or person who wants to start new channel of business online.

On-line services provide a number of benefits as follows:

- (1) Quick adjustments to market conditions: Companies can quickly add products to their offering and change prices and descriptions.
- (2) Lower costs: On-line marketers avoid the expense of maintaining a store and the costs of rent, insurance, and utilities. They can produce digital catalogs for much less than the cost of printing and mailing paper catalogs.
- (3) Relationship building: On-line marketers can dialogue with consumers and learn from them. Marketers can download useful reports or a free demo of their software or a free sample of their newsletter.
- (4) Audience sizing: Marketers can learn how many people visited their on-line site and how many stopped at particular places on the site. The information can help improve offers and ads.

II. LITERATURE REVIEW

The marketing program for Just Click shop: there are concerned concepts and theories, which emphasize on **marketing moves** as follows:

2.1 Positioning Marketing as the Driver in the Digital Economy

(Kotler, Jian and Suvit, 2002)

Business and marketing strategy are undergoing a sea of change. Consider the statements of some of America's business leaders:

"Every now and then, a technology or an idea comes along that is so profound, so powerful, so universal that its impact changes everything. The printing press. The incandescent light. The automobile. Manned flight. It doesn't happen often, but when it does, the world is changed forever". (Lou Gerstner, Chairman of IBM)

"Embrace the Internet. Bring me a plan as to how you are going to transform your business beyond adding an Internet site". (Jack Welch, former CEO of GE)

"The Internet is not just another sales channel. It's not just an advertising medium. It is a tool to change fundamentally how a company does business and how it takes orders from its customers and provides value to them". (Esther Dyson, Chairman of EDventure Holding Inc.)

These business leaders are focusing on the potential impact of the Internet on future market and business behavior. But the Internet, with its underpinnings in digitalization and networks, is only one of several technological advances dramatically reshaping markets and businesses. Others include biotechnology, new materials, new medical treatments, new communication advances, and smart chips. Globalization is another major force affecting our lives. Consumers around the world are exposed to new ways of living and consuming and want many of the things they see. And a growing

number of companies are responding by expanding their global reach to satisfy the new appetites. Deregulation and privatization are additional forces opening up markets and creating vast new opportunities.

These changes have made it fashionable for observers to talk in terms of the "old economy" and the "new economy". They see the old economy as having been built on the logic of managing manufacturing industries. Manufacturers apply certain principles and practices for the successful operation of their factories. They try to standardize their products in order to bring down their costs. They continually seek to expand their market and organizational size in order to achieve economics of scale.

The new economy is based on the digital revolution and the management of information industries. Information has a number of attributes. It can be infinitely differentiated, customized, and personalized. It can be dispatched to a great number of people who are on the network and can reach them quickly. To the extent that the information is made public and transparent, it will make people better informed and be able to make better choices. New economy organizations tend to be flat, decentralized, and open to employee initiative.

2.1.1 Major shifts toward the digital economy

Firms must make nine major shifts in their business and marketing thinking if they are to operate successfully in the digital economy.

- (a) From asymmetry of information to the democratization of information
- (b) From goods for elites to goods for everyone
- (c) From make-and-sell to sense-and-respond
- (d) From local economy to global economy
- (e) From the economics of diminishing returns to the economics of increasing returns

- (f) From owning assets to gaining access
- (g) From corporate governance to market governance
- (h) From mass markets to markets of one
- (i) From just-in-time to real-time

2.1.2 Consumer and Businesses Acquire New Capabilities

New Consumer Capabilities

The digital revolution has given buyers several new capabilities:

- (1) A substantial increase in buyer power.
- (2) A greater variety of available goods and services.
- (3) A great amount of information about practically anything.
- (4) An increased ability to interact with vendors when placing and receiving orders.
- (5) A leveraged ability to chat with other buyers and compare notes.

New Business Capabilities

Today's companies have also benefited from new capabilities ushered in by the Internet.

- (1) Companies can add a powerful new information and sales source with extended geographical reach to inform customers and to promote their products and services.
- (2) Companies can facilitate two-way communication with their customers and prospects as well as expedite transactions.
- (3) Companies can customize their offerings and services to individual customers.
- (4) Companies can improve their purchasing, recruiting training, and internal and external communication.

2.1.3 Matching Capabilities with Value Drivers

These capabilities dramatically change the configuration of markets. In the digital economy, every business comprises two kinds of markets-the physical market, namely

the marketplace, and the virtual market, namely the marketplace. Driven by the Internet and digital technology, most businesses-including banking, insurance, and travel agencies-have added a marketplace presence to their marketplace presence. We see three major drivers shaping today's markets: customer value, core competencies, and collaborative networks (see Table 2.1)

Table 2.1. Drivers for Mastering the Value Stream in the New Business Landscape.

Value Driver	Business Imperative
Customer value	<ul style="list-style-type: none"> - Operate as a customer-centric company - Focus on customer value and satisfaction - Develop distribution channels matched to customer preference - Develop and manage with a marketing scorecard - Make profits on customer lifetime value
Core competencies	<ul style="list-style-type: none"> - Outsource those activities that others can do better, faster, or cheaper - Benchmark against "best practices" around the world - Keep inventing new competitive advantages - Operate with cross-department teams that manage processes - Operate in marketplace as well as in the marketplace
Collaborative networks	<ul style="list-style-type: none"> - Focus on balancing stakeholder interests - Be generous in rewarding the company's partners - Use fewer suppliers and turn them into partners

2.1.4 The Need for a New Marketing Paradigm

The three value drivers - customer value, core competencies, and collaborative networks-are leading to a new marketing paradigm. This paradigm has evolved through two stages and is about to move into the third.

Under the selling concept, a company's task was to sell and promote the products coming out of its factories in an effort to win as much volume, and therefore profits, as possible. The job was to hunt down prospects wherever they could be found and use the

mass persuasion power of advertising and the individual-persuasion power of personal selling to make a sale. Management gave little thought to segmenting the market and developing different product and service versions that met the varying needs in the marketplace. The success mantra was product standardization followed by mass production, distribution, and marketing.

The marketing concept shifted the company's attention from the factory to customers and to their varying needs. Now, a company's aim was to develop appropriate segment-based offerings and marketing mixes. Companies refined their skills in market segmentation, targeting, and positioning. Delivering high customer satisfaction in each chosen segment would produce loyal customers whose repeat purchasing would lead to an upward spiral of high profits.

The holistic marketing concept represents a broadening of the marketing concept, made possible by the digital revolution. It is a dynamic concept derived from the electronic connectivity and interactivity among the company, its customers, and its collaborators; it integrates the value exploration, value creation, and value delivery activities with the purpose of building long-term, mutually satisfying relationships and co-prosperity among these key stakeholders.

Under the holistic marketing concept, the starting point is individual customer requirements. To explore, create, and deliver individual customer value in a very dynamic and competitive environment, marketers need to invest in the company's relational capital covering all stakeholders—consumers, collaborators, employees, and communities. Companies therefore go beyond the business concept of customer relationship management toward the concept of whole relationship management. Marketers constantly renew the market by building and managing a customer database and delivering value, with the help of collaborators linked together in a value network.

Holistic marketers succeed by managing a superior value chain that delivers a high level of product quality, service, and speed. Holistic marketers achieve profitable growth by expanding customer share, building customer loyalty, and capturing customer lifetime value.

2.1.5 The Holistic Marketing Framework

The holistic marketing framework enables management to answer the following questions:

How can a company identify new value opportunities for renewing its markets?

How can a company efficiently create the more promising new value offerings?

How can a company use its capabilities and infrastructure to deliver the new value offerings efficiently?

Value emerges and flows within and across markets. Because markets are dynamic and competitive, management needs a well-defined strategy for value exploration. Developing such a strategy requires understanding the connections and interactions among three spaces: 1) the customer's cognitive space, 2) the company's competency space, and 3) the collaborator's resource space. In chapter 3 we examine how a company can use value exploration to renew its markets.

To exploit a value opportunity, the company needs value creation skills. Marketers need to: 1) identify new customer benefits from the customer's cognitive space, 2) utilize core competencies from its business domain, and 3) select and manage business partners from its collaborative network.

To be able to deliver value requires substantial investment in infrastructure and capabilities. The company must become proficient at 1) customer relationship management, 2) internal resource management, and 3) business partnership management. Customer relationship management allows the company to discover who

its customers are, how they behave, and what they need or want. It also enables the company to respond appropriately, coherently, and quickly to different customer opportunities. To respond effectively, the company requires internal resource management to integrate major business processes (e.g., order processing, general ledger, payroll, and production) within a single family of software modules. Finally, business partnership management allows the company to handle complex relationships with its trading partners to source, process and deliver products.

To create, maintain, and renew their business, companies can utilize the holistic marketing framework shown in Figure 2.1. This framework shows the connection and interaction between relevant actors (customers, company, and collaborators) and value-based activities (value exploration, value creation, and value delivery).

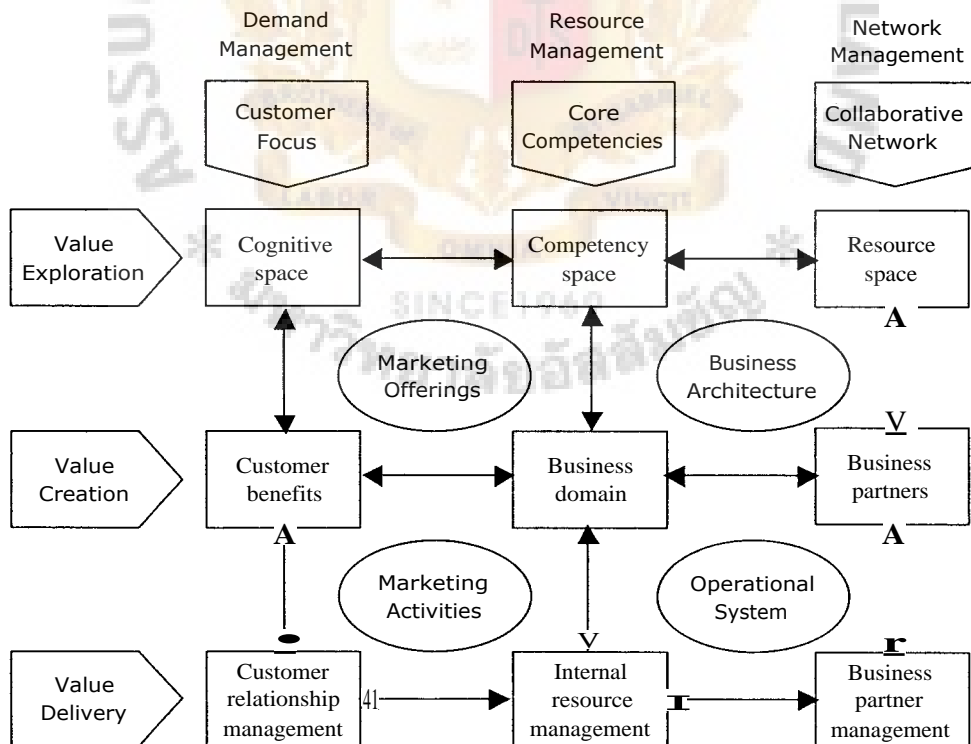


Figure 2.1. A Holistic Marketing Framework.

The holistic marketing framework provides guidance for reconfiguring a company's current organizational structure. Three organizational functions will play the major roles in the digital economy - the demand management function, the resource management function, and the network management function. The frameworks show the high-level process of each of the three major functions. For example, the process along the demand management function starts with assessing the customer's cognitive space, then progresses to identifying customer benefits, and ends with building the relationship with the customer. The framework provides management with insight into ways of improving a company's organizational structure.

2.1.6 Crafting the Competitive Platforms

Companies need platforms for exploring, creating, and delivering value. The nine building blocks in the holistic marketing framework constitute a strategic foundation for crafting four key competitive platforms for establishing corporate and business strategies.

- (1) **Market offerings platform.** The first set of basic building blocks-cognitive space, competency space, customer benefits, and business domain-give management strategic insight for developing market offerings.
- (2) **Business architecture platform.** The next set of basic building blocks-competency space, resource space, business domain, and business partner-guides management in reconfiguring the business architecture, which is made up of several value chains.
- (3) **Marketing activities platform.** The next set of basic building blocks-customer benefits, business domain, customer relationship management, and internal resource management-helps management to formulate its marketing activities to support the market offerings.

(4) Operational system platform. The final set of basic building blocks-business domain, business partners, internal resource management, and business partnership management-provides strategic insight for designing the operational system.

To master the value stream, the three major functions-demand management, resource management, and network management will work closely as cross-functional teams to drive a corporate and business strategy based on these four competitive platforms.

We argue that the outputs from the four platforms-market offerings, marketing activities, business architecture, and operational systems-provide the basis for corporate and business strategy (see Figure 2.2). Companies need a well-defined corporate and business strategy to drive profitability and hence increase shareholder value.

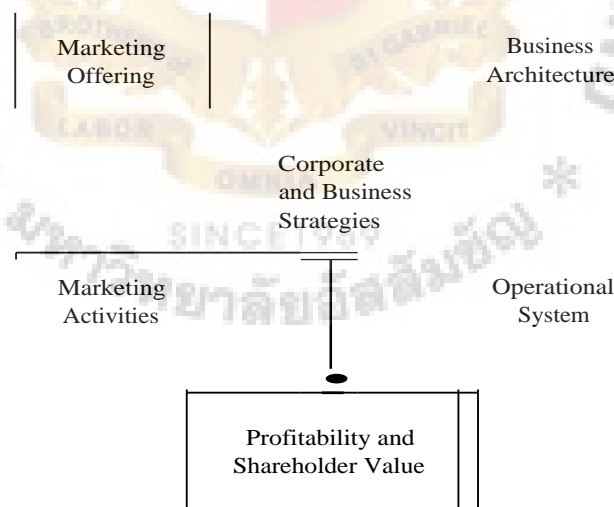


Figure 2.2. Four Competitive Platforms That Deliver Value.

In arithmetic terms, $\text{profit} = \text{revenue} - \text{cost}$. The market offerings and business architecture can be viewed as the revenue drivers, while marketing activities and operational systems can be viewed as the cost drivers.

2.2 Marketing Strategy and Consumer Behavior

(Hawkins, Best, and Coney, 2001)

Since all four of the application of consumer behavior focus on the development, regulation, or effects of marketing strategy, we will now examine marketing strategy in more depth.

To survive in a competitive environment, an organization must provide target customers more value than is provided by its competitor. Customer value is *the difference between all the benefits derived from a total product and all the costs of acquiring those benefits*.

Providing superior customer value requires the organization to do a better job of anticipating and reacting to customer needs than the competition does. As Figure 2.3 indicates, an understanding of consumer behavior is the basis for marketing strategy formulation. Consumers' reactions to this marketing strategy determine the organization's success or failure. However, these reactions also determine the success of the consumers in meeting their needs, and they have significant impacts on the larger society in which they occur.

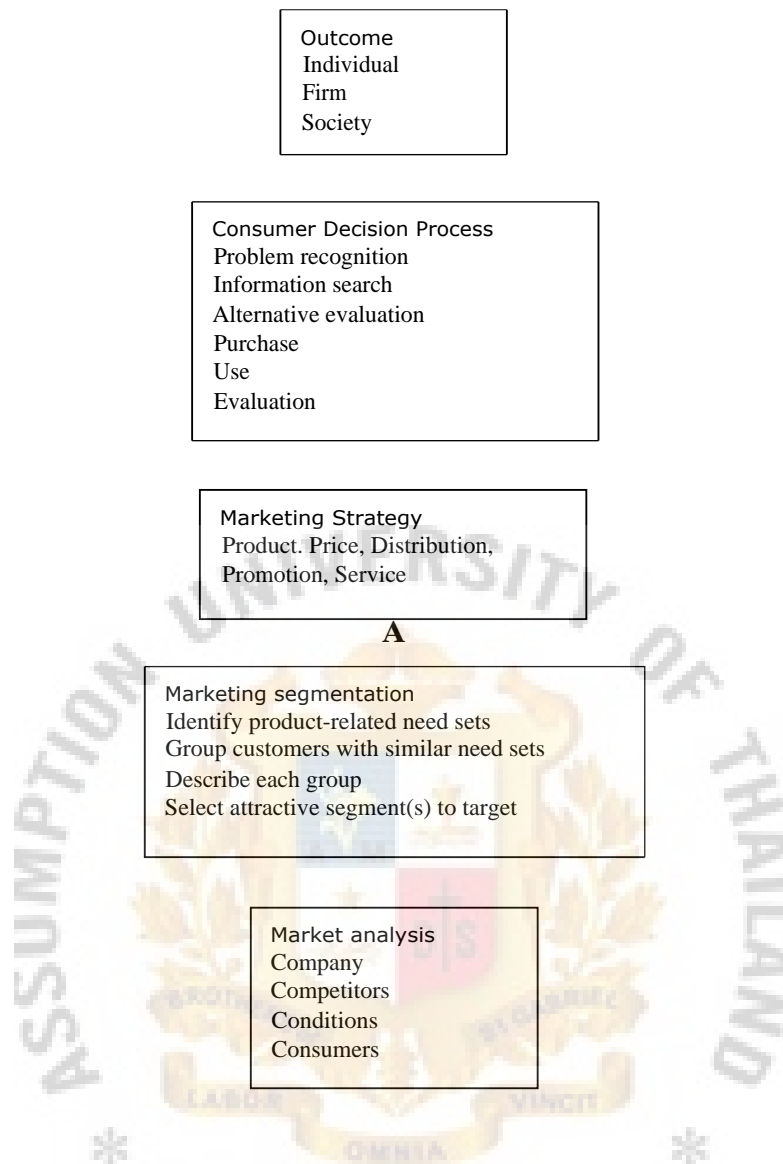


Figure 2.3. Marketing Strategy and Consumer Behavior.

Marketing strategy, as described in Figure 2.3, is conceptually very simple. It begins with an analysis of the market the organization is considering. This requires a details analysis of the organization's capabilities, the strengths and weaknesses of competitors, the economic and technological forces affecting the market, and the current and potential customers in the market. Based on the consumer analysis portion of this step, the organization identifies groups of individuals, households, or firms with similar needs. These market segments are described in terms of demographic, media

preferences, geographic location, and so forth. One or more of these segments are then selected as target markets based on the firm's capabilities relative to those of the competition (given current and forecast economic and technological conditions).

Next, marketing strategy is formulated. Marketing strategy seeks to provide the customer with more value than the competition while still producing a profit for the firm. Marketing strategy is formulated in terms of the marketing mix. That is, it involves determining the product features, price, communications, distribution, and services that will provide customers with superior value. This entire set of characteristics is often referred to as the total product. The total product is presented to the target market, which is consistently engaged in processing information and making decisions designed to maintain or enhance its lifestyle (individuals and households) or performance (business and other organizations).

2.2.1 Marketing Analysis Components

Market analysis requires a thorough understanding of the organization's own capabilities, the capabilities of current and future competitors, the consumption process of potential customers, and the economic, physical, and technological environment in which these elements will interact.

The Consumers

It is not possible to anticipate and react to customers' needs and desires without a complete understanding of consumer behavior: Discovering customers' current needs is a complex process, but it can generally be accomplished by direct marketing research.

The Company

A firm must fully understand its own ability to meet customer's needs. This involves evaluating all aspects of the firm, including its financial condition, general managerial skills, production capabilities, research and development capabilities,

technological sophistication, reputation, and marketing skills. Marketing skills would include new product development capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, market and consumer knowledge, and so forth.

The Competitors

It is not possible to consistently do a better job of meeting customer needs than the competition without a thorough understanding of the competition's capabilities and strategies. This requires the same level of knowledge of a firm's key competitors that is required of one's own firm.

The Conditions

The state of the economy, the physical environment, government regulations, and technological developments affect consumer needs and expectations as well as company and competitor capabilities. The deterioration of the physical environment has produced not only consumer demand for environmentally sound products but also government regulations affecting product design and manufacturing.

2.2.2 Market Segmentation

Perhaps the most important marketing decision a firm makes is the selection of one or more market segments on which to focus. A market segment is a portion of a larger market whose needs differ somewhat from the larger market. Since a market segment has unique needs, a firm that develops a total product focused solely on the needs of that segment will be able to meet the segment's desires better than a firm whose product or service attempts to meet the needs of multiple segments.

To be viable, a segment must be large enough to be served profitably. To some extent, each individual or household has unique needs for most products (a preferred color combination, for example). The smaller the segment, the closer the total product

can be to that segment's desires. Historically, the smaller the segment, the more it costs to serve the segment. Thus, a tailor-made suit costs more than a mass-produced suit. However, flexible manufacturing and customized media are making it increasingly cost effective to develop products and communications for small segments or even individual consumers.

Market segmentation involves four steps:

- (1) Identifying product-related need sets.
- (2) Grouping customers with similar need sets.
- (3) Describing each group.
- (4) Selecting an attractive segment(s) to serve.

Product-Related Need Sets

Organization approach market segmentation with a set of current and potential capabilities. These capabilities may be a reputation, an existing product, a technology, or some other skill set. The first task of the firm is to identify need sets that the organization is capable (or could become capable) of meeting. The term need set is used to reflect the fact that most products in developed economies satisfy more than one need.

Customers with Similar Need Sets

The next step is to group consumers with similar need sets. For example, the need for moderately priced, fun, sporty automobiles appears to exist in many young single individuals, young couples with no children, and middle-aged couples whose children have left home. These consumers can be grouped into one segment as far as product features and perhaps even product image are concerned despite sharply different demographics. This step generally involves consumer research-including focus group interviews, surveys, and product concept tests.

Description of Each Group

Once consumers with similar need sets are identified, they should be described in terms of their demographics, lifestyle, and media usage. In order to design an effective marketing program, it is necessary to have a complete understanding of the potential customers.

Attractive Segment(s) to Serve

Once we are sure we have a thorough understanding of each segment, we must select our target market—that segment(s) of the larger market on which we will focus our marketing effort. This decision is based on our ability to provide the selected segment(s) with superior customer value at a profit.

2.2.3 Marketing Strategy

It is not possible to select target markets without simultaneously formulating a general marketing strategy for each segment. A decisive criterion in selecting target markets is the ability to provide superior value to those market segments. Since customer value is delivered by the marketing strategy, the firm must develop its general marketing strategy as it evaluates potential target markets. The marketing mix is the product, price, communications, distribution, and services provided to the target market. It is the combination of these elements that meets customer needs and provides customer value.

The Product

A product is anything a consumer acquires or might acquire to meet a perceived need. Consumers are generally buying need satisfaction, not physical product attributes.

Price

Price is the amount of money one must pay to obtain the right to use the product. One can buy ownership of a product or, for many products, limited usage rights.

decide that it is the best available solution, proceed to buy it, and become satisfied with the results of the purchase.

2.2.5 Outcome

Firm Outcome

- (1) Product position: The most basic outcome for a firm of a marketing strategy is product position—an image of the product or brand in the consumer's mind relative to competing products and brands
- (2) Sales: Sales are a critical outcome, as they produce the revenue necessary for the firm to continue in business.
- (3) Customer Satisfaction: Marketers have discovered that it is generally more profitable to maintain existing customers than to replace them with new customers. Retaining current customers requires that they be satisfied with their purchase and use of the product.

Individual Outcomes

- (1) Need Satisfaction: The most obvious outcome of the consumption process for an individual, whether or not a purchase is made, is some level of satisfaction of the need that initiated the consumption process.
- (2) Injurious Consumption: Injurious consumption occurs when individuals or groups make consumption decisions that have negative consequences for their long-run well-being.

Society Outcomes

- (1) Economic Outcomes: The cumulative impact of consumers' purchase decisions is a major determinant of the state of a given country's economy. Consumers' decisions on whether to buy or save impact economic growth, the availability and cost of capital, employment levels, and so forth.

- (2) **Physical Environment Outcomes:** Consumers make decision that have a major impact on the physical environment of both their own and other societies.
- (3) **Social Welfare:** Consumer decisions affect the general social welfare of a society. Decisions concerning how much to spend for private goods rather than consumers' generally make public goods indirectly elected representatives. These decisions have a major impact on the overall quality of life in a society.

2.3 Consumer's Perception

(Hawkins, Best, and Coney, 2001)

Marketers do not want their target audience to look only at the models in their ads. They want to communicate something about their product as well. A sound knowledge of perception is essential to avoid this and other problems encountered when communicating with various target audiences. Perception is the critical activity that links the individual consumer to group, situation, and marketer influences.

Information processing is a series of activities by which stimuli are perceived, transformed into information, and stored. Figure 2.4 illustrates a useful information-processing model having four major steps or stages: exposure, attention, interpretation, and memory. The first three of these constitute perception.

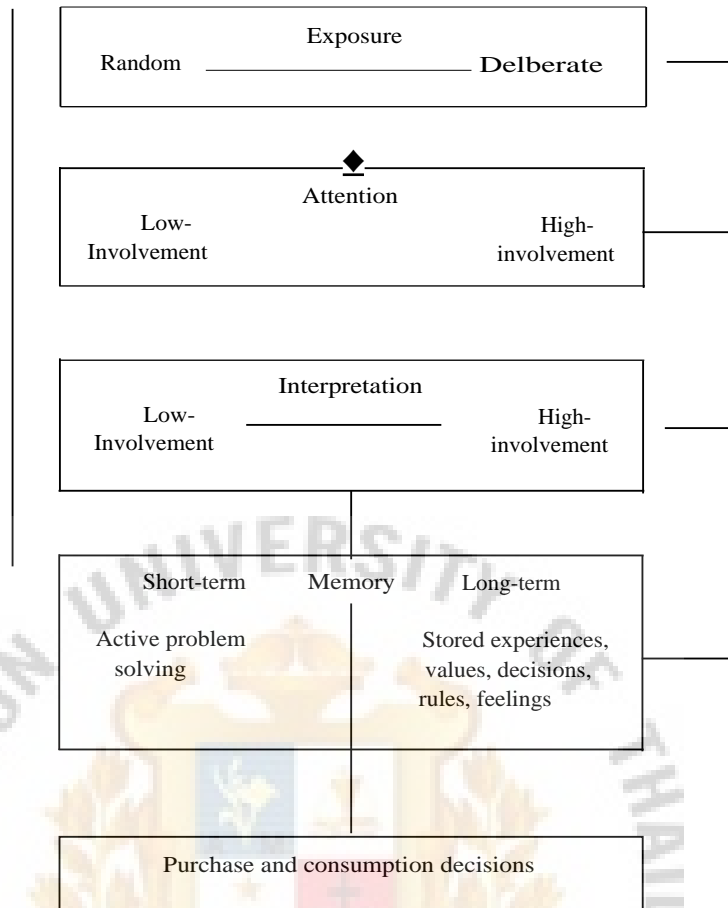


Figure 2.4. Information Processing for Consumer Decision Making.

Exposure

Exposure occurs when a stimulus such as a billboard comes within range of a person's sensory receptor nerves-vision. For an individual to be exposed to a stimulus requires only that the stimulus be placed within the person's relevant environment. The individual need not receive the stimulus for exposure to have occurred. That is, you have been exposed to a television commercial if it aired while you were in the room, even if you were talking to a friend and did not notice the commercial.

Attention

Attention occurs when the stimulus activates one or more sensory receptor nerves and the resulting sensations go to the brain for processing. We are constantly exposed to thousands of times more stimuli than we can process. Therefore, we have to be selective in attending to marketing as well as to other messages. This selectivity has major implications for marketing manager and others concerned with communicating with consumers. Attention always occurs within the context of a situation. The same individual may devote different levels of attention to the same stimulus in different situations. Attention is determined by the three factors-the stimulus (size and intensity, color and movement, position, isolation, format, contrast, and information quantity), the individual (interest, need, and ability) , and the situation (the ad or package, time pressures, and a very crowded store).

Interpretation

Interpretation is the assignment of meaning to the received sensations. It is a function of the gestalt or pattern formed by the characteristics of the stimulus, the individual, and the situation. Thus the entire message, including the context in which it occurs, influences our interpretation, as does the situation in which we find ourselves. For example, our beliefs about a new product are influenced by our beliefs about the capabilities and social responsibility of the company that produces it. Likewise, consumers may interpret a high level of advertising for some products as meaning that the products are of low quality.

Memory

Memory is the short-term use of the meaning for immediate decision making or the longer-term retention of the meaning.

Figure 2.4 and the above discussion suggest a linear flow from exposure to memory. However, *these processes occur virtually simultaneously and are clearly*

interactive. These processes occur virtually simultaneously and are clearly interactive. That is, our memory influences the information we are exposed to, attend to, and the interpretations we assign. At the same time, memory itself is being shaped by the information it is receiving

Both perception and memory are extremely selective. Of the massive amount of information available, an individual can be exposed to only a limited amount. Of the information to which the individual is exposed, only a relatively small percentage is attended to and passed on to the central processing part of the brain for interpretation. The meaning assigned to a stimulus is as much or more a function of the individual as it is the stimulus itself. Much of the interpreted information will not be available to active memory when the individual needs to make a purchase decision.

This selectivity, sometimes referred to as perceptual defenses, means that *individuals are not passive recipients of marketing messages*. Rather, consumers largely determine the messages they will encounter and notice as well as the meaning they will assign them. Clearly, the marketing manager faces a challenging task when communicating with consumers.

2.4 Designing the Operational Systems

(Kotler, Jain and Suvit, 2002)

2.4.1 The need to speed up time to market

Companies are eager to accelerate the time it takes to bring new products to the market. A company that launches a product six months earlier than its rivals will triple the lifetime profits of the product. Merck was one of the first companies to figure out how to shorten the Federal Drug Administration's approval time, and it gained considerable profits by arriving on the market first.

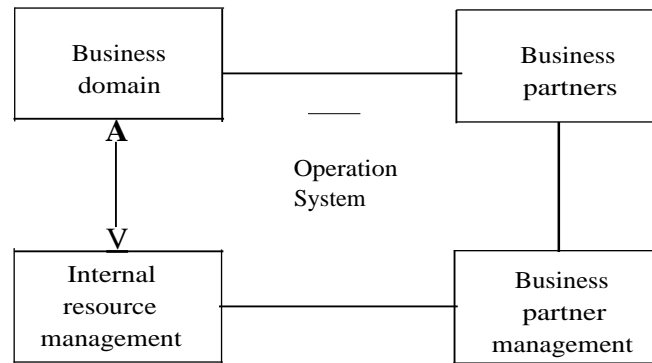


Figure 2.5. The Operational System Platform.

The profit penalty can be severe if a product's introduction is even six months late. Slowness to market erodes consumers' attitudes toward a company and hence company profitability. This reality has frustrated General Motors for years, as GM has watched rival automakers getting credit for innovations that GM initiated. Fast-moving automakers learn of GM's basic research and still manages to beat GM to the market. Consumers form their judgments based on the cars they see, and unfortunately, GM is always perceived to be playing catch-up!

2.4.2 The need to streamline the order-to-delivery process

Companies also need to improve their order-to-delivery process. Many companies' value propositions, such as speed, convenience, reliability, and customization, depend on a well-designed delivery process.

The demand for faster service penetrates all sectors of commerce. Weyerhaeuser, for example, is able to command price premiums because it offers a fast, differentiated delivery cycle. Cemex, the Mexican cement producer, made a substantial investment to digitize its delivery process and now is faster than any of its competitors. GE Aircraft Engines set up an integrated logistics solution that decrease its order-to-delivery cycle

time by fifteen to thirty days and lowered its cost of issuing a purchase order form \$100 to \$5.

To minimize order-to-delivery time, a company needs to integrate its selling chain with its supply chain. Dell Computer has virtually integrated its front-end system, where customers place orders, with its back-end assembly, manufacturing, and part and component functions. Customers' orders are simultaneously submitted by Dell to its suppliers via e-mail every two hours. As a result, Dell receives shipments from suppliers every two hours and carries only eighty days' worth of inventory.

Incumbents in many industries are making investments to move from atoms to bits. Wal-Mart, for example, spent roughly \$300 million to digitize its logistics system. It installed sophisticated communications and stock management systems to provide real-time sales its competitors.

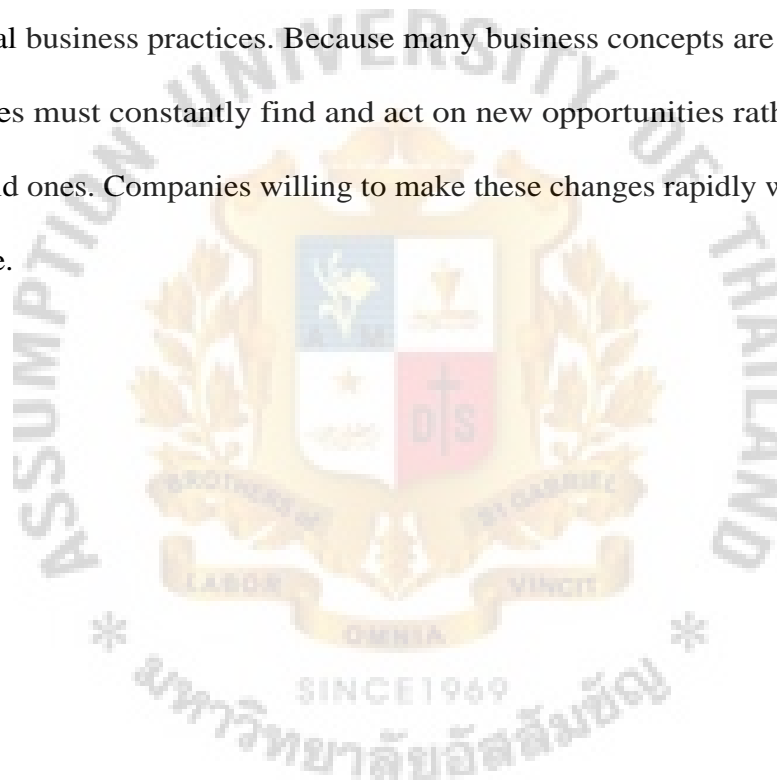
Customers now penalize companies that cause delays, mistakes, or inconveniences. If companies don't expedite processes, customers will switch to others that do.

2.4.3 The reluctance of businesses to go online

Traditional businesses tend to move slowly into e-commerce because of channel relationship, sales force resistance, and current asset investments. Some companies, underestimating the competitive power of the newcomers, decide to pursue a wait-and-see strategy. This delayed response is shortsighted, however, as e-business has caught on and industry incumbents have found themselves in an evermore disadvantageous position to compete against their e-business counterparts. As Alex Birch and others have pointed out, "You can take part and lose-but if you do not take part, you're already lost."

Such unwillingness to sacrifice the dominant, outdated business design often leads to business failure. Lacking adequate vision and strategic leadership, senior management finds itself totally unprepared to make the virtual leap. As Peter Drucker has pointed out, "It is both cheaper and more profitable to obsolete yourself than it is to let your competitors do it for you."

In today's economy, competitive advantage is more difficult not only to attain but also to sustain. A focus on Internet initiatives is a necessary but not sufficient condition for critical business practices. Because many business concepts are easily replicable, companies must constantly find and act on new opportunities rather than trying to sustain old ones. Companies willing to make these changes rapidly will gain a distinct advantage.



III. SITUATION ANALYSIS OF RETAILING

3.1 Economic Analysis

Thailand strides into 2004 with a confidence that has not been evident for some time. While confidence has been led by consumers who have helped power impressive economic growth, there are increasing signs of the country's growing confidence in its ability to engage the wider world. For example, the successful launching of free trade pacts with powers such as China and India with more in the pipeline signal the willingness of political leaders and policymakers to act decisively to seize opportunities.

The country's stronger companies are also revising their strategies and adopting a more regional focus. For some it means tapping the potential of China as both a manufacturing base and a growing consumer market. For others, it means taking increasing advantage of the Asian Free Trade Area to build economies of scale.

How Thailand asserts its role in Asia in activities as diverse as trade, finance, energy and tourism could well hold the key to future growth and prosperity.

Having concluded that economies overly dependent on exports to traditional markets such as North America and Europe are not sustainable, Asian policymakers are now embracing regional integration as a new model. For its part, Thailand continues to pursue a dual-track policy of building on local strengths in order to create a more equitable distribution of wealth, while leveraging those strengths to create new market opportunities beyond the country's borders.

Recent developments in inflation and economic conditions, the Thai economy expanded 6.7 per cent in 2003, growing 7.8 per cent in 2003 Q4, with private consumption being the main driving force as well as strong, export growth and acceleration in public spending. With regard to 2004 Q1, preliminary data indicated that

economic activity would continue to expand, despite the slight decline in consumer and investor confidence following news of the avian flu outbreak and unrest in the southern region of Thailand. (Bank of Thailand)

3.2 Retailing Analysis

The Thai retail market improved slightly in 2003 with gains in the second half offsetting the adverse affects from the Sars outbreak and the war in Iraq earlier in the year. Increased consumer purchasing power in line with the expansion in the economy and a readjustment in retailers' marketing strategies were two factors supporting the retail market. Also spurring consumer spending was the government policy to stimulate local travel and the low interest rates from hire purchase firms. We can specify the modern retailing as follows:

- (1) Department Store such as Central, The Mall, Emporium, Robinson
- (2) Super center such as Lotus, Makro, Carrefour
- (3) Supermarket such as Tops supermarket, Villa, Foodland
- (4) Convenient Store such as 7-eleven, Family Mart, Star Mart
- (5) Special Store such as Loft, Habitat
- (6) Category such Super Sport, Power Buy

The National Statistic Organization has survey sale value of each type of business that in the first quarter of 2003 has total sales 685,570.30 million baht. The best seller business is retailing business, which has sales value 567,356.7 million baht increasingly 9.4% compared with quarter 4 of 2002. (National Statistic Organization)

Competitive Environment

Leading players in the retail industry commanded very small market shares over the review period. This was indicative of the tough competitive environment in the market.

Tesco Lotus was largest player with a retail sales share of 5.7%. Tesco Lotus owned the highest number of retail outlets in the hypermarket subsector, and used price as the driving force for its sales.

In 2001, Central Retail Group captured the second largest proportion with Bt33.5 billion, which translates to a mere 4.4% of market shares. Central Retail Group operates businesses in wholesale, retail, property, hotels and fast food.

Big C of Casino Group accounted for 4.3% of total retail sales, or Bt32.6 billion. It was initially established as a joint venture between Central Retail Group and Casino Group, until the impact of the Asian economic turmoil caused liquidity and debt problems for Big C. In 1999, Casino Group became its largest shareholder.

Makro and Carrefour captured 2.6% 2.0% of market shares respectively. By 2006, total retail sales is anticipated to reach Bt1,811.2 billion, with Bt670.0 billion and Bt1,141.2 billion of food and non-food sales respectively. (Euromonitor International, 2002)

Thailand's retail sector witnessed a sharp increase in new investments from both local and foreign players in 2002 despite economic uncertainty and cautious consumer spending. The retail sector has been active throughout the year while protests from local small retailers against international discount stores were growing. However, foreign retailers shrugged off the protests and continued to open more stores nationwide. At a first glance, the government seemed to support local retailers. Allied Retail Trade Co (ART) was officially set up on Sept 1 to help grocery stores and family-run stores survive.

Table 3.1. Major Retail Operators (Allied Retail Trade Co (ART)).

Major retail operators			
Company	Number of Outlets		
	2001	2002	2003* (forecast)
Tesco Lotus	34	42	48
Big C	29	33	37
Carrefour	15	17	19
Makro	20	21	23
Tops	41	49	57
Food Lion	28	38	48
Central	12	13	14
Boots	67	67	56
Watson's	55	61	n.a.
7-Eleven	1,800	2,050	2,300
Family-Mart	150	250	n.a.

The new retail law had been in the drafting stage for two years but finally the draft was scrapped in favor of a plan to use existing regulations to govern the industry but in ways that would not impede market liberalisation and foreign investment. This failed to mollify critics who alleged unfair competition between discount stores and local small retailers.

Consumers are still worried about the future economic recovery. Factors such as a possible war between the US and Iraq and a downturn in the global economy have delayed spending. In 2002, executives estimated that almost 15 billion baht had been spent on developing new outlets and store renovations across the country, up from 11 billion baht in 2001. Most of the new investment was in convenience stores, department stores, shopping complexes and discount stores.

Discount store chains such as Tesco Lotus, Carrefour, Big C and Makro have developed 15 new outlets in 2002, adding to the 102 outlets already in operation. Convenience store 7-Eleven also added another 300 new stores.

The biggest retail development was Siam Paragon, a joint venture between Bangkok Intercontinental Hotels Co (BIHC) and The Mall Group. The luxury shopping project, worth 10 billion baht, is due to be built on the site of the former Siam Intercontinental Hotel, which has been torn down.

Central Pattana Plc (CPN) has been busy with new projects as well. In December it opened the Central Rama II complex in Bangkok, and as the year drew to a close it bagged a major trophy, taking over the 300,000-square-metre World Trade Centre retail and office complex at the Ratchaprasong intersection from the cash-strapped Wang Petchaboon group, and securing a new 30-year lease at the site from the Crown Property Bureau.

With the improving real estate market, CPN decided to dust off its existing projects that had been frozen since the 1997 economic crisis. The company expects to double its local shopping complexes to 14 projects over the next six years. Four new neighbourhood malls were built by Siam Future Development Plc in various locations in Bangkok in 2002.

The Netherlands-based CRC Ahold Co introduced its new City Market By Tops format, a downtown supermarket that combines convenience store and supermarket features. There are now four City Market By Tops outlets at All Seasons Place (Wireless Road), Sathon Road, Sukhumvit Soi 24 and Thong Lo. Gaysorn, the luxury retail centre near the Ratchaprasong intersection, was relaunched in July with a new upmarket concept.

Major renovations were also under way or completed at Robinson Department Store, Seacon Square, Seri Centre, Imperial World (Samrong and Lat Phrao branches), outlets of The Mall, Tang Hua Seng department store and in some provincial areas including Diana Department Store in Hat Yai, Topland in Phitsanulok and Laem Thong in Chon Buri.

All of them changed their looks, adding new magnets such as IT and educational zones, theme parks and new shopping space, mainly for teenagers. IT products have been widely used to attract shoppers as the IT business is growing and was forecast to achieve a market value of 60 billion baht in 2002. Using retail space in mini-plazas is also becoming more popular. Following the economic crisis in 1997, increasing numbers of laid-off workers and university students have chosen to run their own businesses. At least two mini-plaza projects are expected to be opened in Bangkok by former executives of The Mall and Seacon Square. Each plaza needs an investment of between 30 million and 100 million baht.

Despite the dominance of discount stores in the market, department stores are still growing from strength to strength. At least five department stores are projected to open over the next five years. "With the mushrooming of foreign discount store chains, I still believe in the potential of department stores because they offer different shopping environments for customers" said Chamnarn Maythapreechakul, senior vice-president for marketing of The Mall Group. "Although strong competition remains in the retail market, we are very satisfied with our performance. About 60% of shoppers who come to shop at Central are loyalty customers" said Allan Namchaisiri, senior vice-president for marketing at Central Department Store.

The Wholesale and Retail Association of Thailand was also set up, with small and medium-sized wholesalers as its members. It orders big product lots to reduce costs for

such as computer distribution of Dell Corporation or customization market of Federal Express. The use of technology in business such as distribution goods via Kiosk — McDonald's in Chicago, USA use automatic ordering machine to support customers but still have sale person to receive order. Kiosk machine attract customers and can increase sales value, the average ordering rate via kiosk machine higher than via sales person about 1.2 US\$ per one bill so McDonald's plan to setup more Kiosk in each branch overall USA. (Weekly Tharnsettakij)

Trade & Service Sentiment Index 2003: TSSI

TSSI was established among SMEs, Economic Office Index-the former Ministry of Commerce and Economic Forecasting Center-The University of Thai Chamber of Commerce.

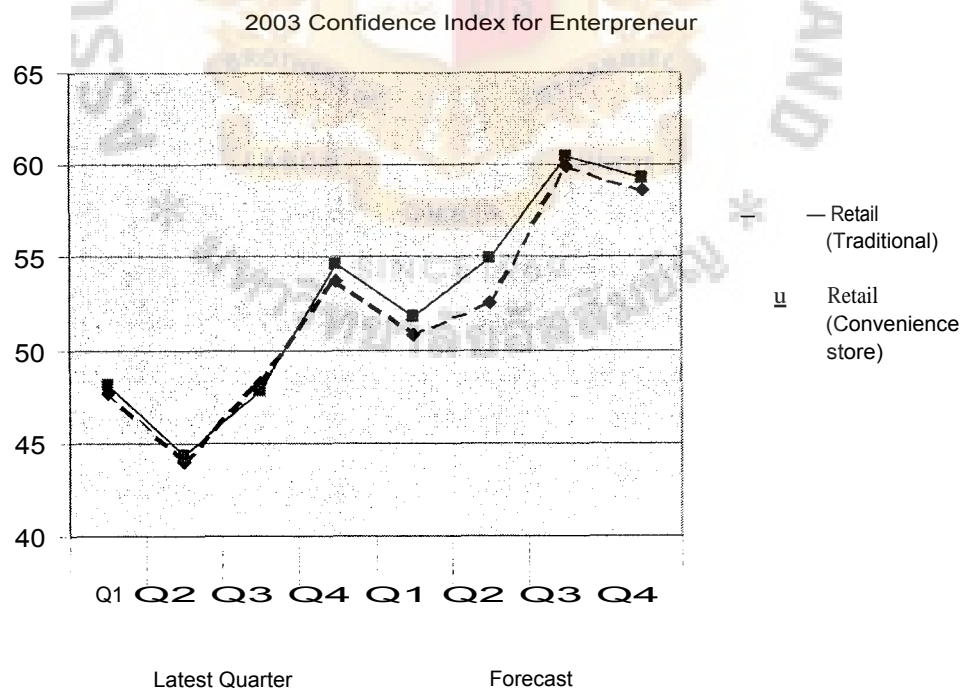


Figure 3.1. 2003 Confidence Index for Entrepreneur (TSSI 2003, www.sme.go.th).

The total index has changed in positive direction since quarter 1, in quarter 1 and 2 some businesses have the confidence index for Entrepreneur lower than 50, which is not good level but it increased continually in quarter 3 and 4. The forecast in the next year change in the good direction because the index have value more than 50 and increase continually.

The SARs outbreak critical effect to retailing, restaurant, hotel and entertainment. This made confidence business decline in quarter 2, however after critical the confidence business continue increase in quarter 3 and 4. (TSSI 2003, www.sme.go.th)
Kasikorn Research Center (KRC)

Kasikorn Research Center (KRC) forecasts that over the next three to five years, modern retail trade outlets like department stores are set to improve over the past few years, thanks to two main supportive factors. First, the favorable economy where the stock market has gained steadily and 2004 economic growth being projected to grow eight percent will induce consumers, particularly those in the medium income bracket and higher-the main target group for department stores - to have greater confidence toward spending. Second, several players in the business have implemented marketing strategies through a wide variety of sales promotions that will help encourage decision-making among consumers toward purchases of goods and services.

In 2004, department stores are likely to have a more pivotal role for consumer purchases in the midst of fierce competition. Each retailer will be seeking the best strategy to win consumer purchases. Thus, 2004 should see a serious showdown among department stores in Thailand, which of course is worth monitoring. Despite the fact that business at department stores in 2004 will certainly improve over recent years since

the 1997 crisis, it is unlikely to see a boom like that during 1995-1996, when the Thai economy was very bullish and there were fewer competitors in the market.

(Thai Farmers Research Center Co.,Ltd.)

Pittaya Jia, president of Thailand Retail Association, expected that the 223-billion-baht Thai retail market would grow by 7% from 2002. The investment climate in the industry was upbeat as the local stock market rallied, interest rates remained low and the gross domestic product shot up to almost 7% at the end of the year. This all helped lead to a trend among retail chains to renovate their stores to give them a more modern look. According to a Bangkok Post survey, retailers in almost all sectors including discount stores, department stores, health and beauty, convenience and specialty stores spent in total nearly 25 billion baht on adding new outlets or renovating existing ones.

Table 3.3. 2004 Superstore Growth.

Superstore growth			
Operator	Branches		
	2002	2003	2004F-forecast
Siam Macro	22	24	27
Big C	32	36	40
Tesco Lotus	42	47	52.54
Carrefour	17	18	20.21

In the hypermarket business, Big C Supercenter Plc spent 3.5 billion baht, arch-rival Tesco Lotus spent 1.3 billion baht and Carrefour and Siam Marko each spent 500 million baht. The total number of discount and cash-and-carry stores rose to 125 branches, compared with 113 in 2002.

In the health and beauty store business, the bulk of the spending came from Central Watson Co, the operator of Watsons, which spent 100-150 million baht to open seven new stores nationwide after closing six poorly performing outlets located at Bangkok skytrain stations. About 500 convenience stores were opened during the year including more than three hundred 7-Eleven outlets and 50 Family Mart outlets.

A key renovation project included the World Trade Center, now operated by Central Pattana Plc, the property management arm of the Central Group, and renamed Central World Plaza. Amid protests against the expansion of discount store chains, new types of retail shops were opened as a new alternative for consumers.

"In 2004, each retail chain will have a clear market position. Sectors will not compete across other sectors. Discount stores will compete with discount stores because department stores have upgraded themselves with a new product approach," said Mr Chamnarn. (www.bangkokpost.net/yearend2003/retailing1.html)

Supermarkets gain on discount chains

The prospects look good for two retail sectors in 2004 supermarkets and department stores, as the rosy outlook for the economy should spur consumer spending.

According to Randy Guttery, chief executive officer of CRC Ahold Co, the operator of Tops Supermarket, the country's largest supermarket chain, the future of his business is not as bad as what was expected when competition from discount stores started heating up. Specifically, he said the price gap between discount stores and supermarkets was now about 1.2% and would become narrower.

In addition, he said based on his experience, in an improving economy, consumers tend to shift their shopping to supermarket. "With the improvement of the Thai economy, consumer sentiment will increase and their shopping habits will change. They are concentrating more on their jobs and have less time to shop around. So, the

supermarket business will get stronger," said Mr. Guttery. "2003 has been a very successful year. Consumers' confidence has improved because of the government's policy to stimulate spending and along with that, foreign investors' confidence has picked up. We hope this trend will continue well into 2004," he said.

An analyst expects the next phase in the supermarket sector will involve intense competition to upgrade technology, along with marketing plans to gain brand loyalty.

The number of new stores opened by the big supermarket chains in 2003 was less than last year. Tops opened only one branch in Nang Linchee while Belgium-based Food Lion opened five in 2003 compared with 10 a year earlier. Greater Bangkok is large enough to sustain 40 to 50 new supermarkets and hypermarkets between now and 2006, an industry executive said.

There are now over 250 big supermarkets in Thailand, many of them in Bangkok and its suburbs. In 2004, the supermarket firms are expected to go ahead with plans to open new stores including three by Food Lion under the Food Lion Paradise concept.(www.bangkokpost.net)

IV. CASE STUDY

Just Click Online Co., Ltd.

Vision

" The number one to provide goods and services to customer satisfaction"

Mission

1. Propose high quality of goods and services direct to customer satisfaction.
2. Use high technology response to customer needs fast and efficiently.
3. The most access to customer needs.

Slogan

"You Click, We Deliver"

4.1 Background of the Company

Just Click Online Co.,Ltd. is subsidiary to ITANS Co.,Ltd, stands for "Internet Technology and Network System", and was established in 2000. ITANS is in the business of providing the latest in advanced technology solutions for its clients. Our main focus is to provide suitable solutions for small and medium-sized businesses, majorities of ITANS a complete solution are as the following:

- (1) Consultation and Design Services.
- (2) Internet / Intranet integration System.
- (3) Installation Services
- (4) Maintenance and Guarantee Fast Response Time.
- (5) Reseller of H/W and S/W
- (6) Reseller of LAN equipment and accessories.

Just Click Online Co.,Ltd. is a service provider who provides product and service to customer via Intelligence Interactive Kiosk, which have touch screen online network

including fast delivery to customer. The Just Click will be new style of retailing which different from current distribution channel and can reduce restriction of other distribution channel such as inadequate shelf space, problem with product explanation and cannot respond to customer requirement. Although the trend of Internet and E-Commerce are very popular there are still limitations about speed to download information, problem to connect with Internet service provider, unreliable on payment system and less number of people who have their own computer and Internet.

Business Description Section

What is Just Click Shop?

Just Click Shop is a new model of retail business, the objective to respond to customers needs especially buying individual. The Just Click Shop will receive order machine through computer system, when member ordered goods the company will deliver goods to customer according to customer's place. For example customers may order goods from the Just Click Shop which is set inside your office building, the order will go automatically to company server to prepare goods delivery within 1 working day. This will be a benefit to customer who don't have much time, don't want to waste time for shopping and can get goods after order on time.

4.2 Consumer Behavior Analysis

Today, we live in a society with modern comfort, but also filled with hectic environmental hazards. Life is getting busier and more complicated than ever. Consumers today are widely looking for products that can offer multifunctional benefits to save time and effort.

Changing lifestyles are influencing to selling channel. Consumer was interested in online marketing such as shopping via Internet, Cable TV, and TV-Media etc.

According to research "Requirement to buy goods through Internet" from Ex-MBA student at Thammasat University (July-September 1998), target between 21-30 years old, result as follows:

- (1) Purchase goods per time between 1,000 to 2,000 baht
- (2) They were interested in soft goods and hard goods
- (3) Acceptable delivery period about 4-5 days

Another research "Satisfaction factor to Internet users in Bangkok" from Panarat Nuchcharoen, Veerachai Vorasangasit and Charoon Chantaviroj who study about comments and trend of Internet users in Thailand. The conclusion is as follows:

- (1) Problem in slow and down of server
- (2) Difficult to find website
- (3) Busy phone line
- (4) Customer services problem and expensive service charge
- (5) Too old Information on the Internet
- (6) English language problem
- (7) Problem with understanding of Internet

However, there are other reasons why people buy goods or services on the Internet such as:

- (1) Convenient, fast and save transportation costs
- (2) Decrease traffic problem
- (3) Can buy anytime anywhere

Another research topic "Status of E-Commerce in Thailand" from Research and Development Institute by Somkiat Tungkiyvanij found that the main problem to buying decision through Internet is as follows:

- (1) Unreliable in products, they are not sure that they will get the same as advertisement.
- (2) Incredible payment system
- (3) They are not interested in products
- (4) Ordering process too complex
- (5) Don't know any benefit from e-commerce

The important factor should consider as follows:

- (1) Convenient purchasing process
- (2) Products unable to find or difficult to find.
- (3) More choice for shopping
- (4) Can buy 24 hours
- (5) Fast delivery services

In addition to research "Study of comments of Internet users in Thailand" of Assistant Professor Chawan Pawan, October 1996. The sampling from 456 persons and found that only 12 persons have experienced to buy goods through Internet and all these people have experienced to buy goods through Direct Mail or Catalog. Besides, they pay attention to product details and services included with guarantee and convenience. The research has concluded the reasons of buying behavior factors as follows:

- (1) Image of goods and services factor included in ordering method and other factors such as brand, reputation, image of company, price, guarantee.
- (2) Benefit to consumers factors such as convenience and save time.
- (3) Variety factor to propose product such as 2 dimensions and 3 dimensions

All above research we can solve the factors in buying products through Internet. It creates idea to be Just Click shop; Intelligence Interactive Kiosk, which have touch

screen online network including fast delivery to customer. The Just Click will be new style of retailing which is different from current distribution channel and can reduce restriction of other distribution channel such as inadequate shelf space, problem with product explanation and cannot respond to customer requirement.

4.3 SWOT Analysis

Strengths

- (1) The new business model helps to decrease distribution costs.
- (2) The new distribution channel that can access individual targets.
- (3) Have barrier to entries because the company will have agreement with building owner, they don't have the same kind of our business in the building.
- (4) Investment cost per place less than open a store so we can quickly expand business.
- (5) It's difficult to be our competitors because we have full service system so the competitor cannot startup to compete with us.
- (6) The company has specialist officers.
- (7) Easy to change goods, services, prices and other information in shorter time.
- (8) Can deliver goods at the same place but many customers so it can save delivery costs and can manage logistic efficiency. Customers can get goods within 1 day that have an advantage over direct marketing services.
- (9) Just Click Shop will deliver goods to customer's workplace, which is easier for customer to pick up goods. Because most time they will spend at the office so this will be convenient to target groups.
- (10) Customers can easily get product information and can compare price between products, only just click on the screen. So customers can save their time for shopping and increase flexibility.

- (11) Customers can buy goods 24 hours a day even during working hour because they can buy all products in a short time, only 10-15 minutes.
- (12) Can save customer's profile that can use for sale analysis and marketing plan.
- (13) The selling channel is Kiosk, it will service customers at office building. The advantage is customers can see the screen like the Internet on Kiosk but they do not need to subscribe with Internet Service Provider (ISP), don't find server down problem.
- (14) Have personal shopping to buy product because they can order by themselves, no need to contact to sales person.
- (15) New distribution channel for product owner to create new channel to increase sales value and not have channel conflict problem.

Weaknesses

- (1) Just Click Shop is a new company so we don't have much negotiation power with supplier.
- (2) Customers may not trust our product because they cannot see or touch real products, can see on the computer screen only.
- (3) Take time for customers to familiar with Kiosk machine because this is the new selling channel.
- (4) High expenditure for promotion at the startup period because this is the new services channel.

Opportunities

- (1) Consumers and producers are interested in the trend of E-commerce.
- (2) There are the new payment tools from the bank to support E-commerce such as E-card or Electronic Card or Debit card.
- (3) Network equipments more efficient and prices was decreased.

- (4) More software to manage and support online shopping via Internet.
- (5) The economy had delayed spending in the past period, it is the cause of some retail business winded up company and price war. So the Just Click shops will be the new choice for customers by taking advantage of lower operation costs and reduction of front office cost.
- (6) Government encourages SMEs such as reducing interest of loan, establishing Financial Consulting Center for SMEs etc.

Threats

- (1) Basic communication systems in Thailand don't have enough efficiency system.
- (2) Consumers don't have liability in payment system such as E-cash, Electronic Card.
- (3) Buying power was decreased when compared to the past period.

Market Section

4.4 Marketing Objective

- (1) Increase sales growth rate per kiosk at least 20% by the end of first year.
- (2) Expand services 5-10 kiosk machines per year.
- (3) Building online business knowledge of Just Click shop to target group at least 50% at the first year.

4.5 Target Group

The target group of Just Click shop is official for those who work at office buildings in the central Bangkok, medium high incomes and almost time working in the office.

4.6 Product Positioning

We provide the positioning of Just Click shop in term of retail business that can have quick response to customers' needs including convenience of ordering, more detail of products and delivery services within 1 day.

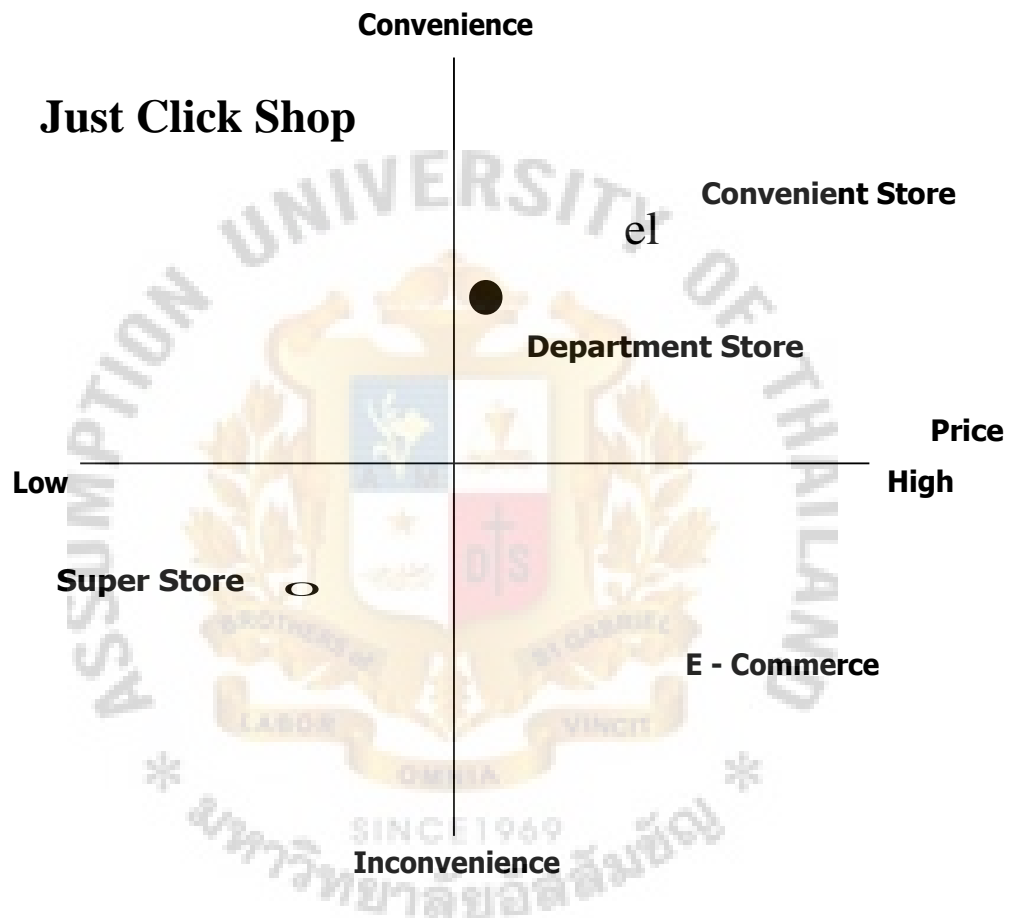


Figure 4.1. Product Positioning of Just Click shop.

4.7 Marketing Mix

Product

Just Click Shop

Just Click shop is Intelligence Interactive Outlet, which sells goods, or services include with delivery to customers workplace. The appearance similar to ATM machine but kiosk will design to be fashion entertainment kiosk, searching information by touch screen that is easy to order and search information. Furthermore we have virtual assistance to advise ordering process under name "Mr.Click".

In addition, we will have TV screen separate to advertise shopping online shop and introduce products. The Just Click shop in each building will have 3 screens as module: (see Appendix A)

Services of Just Click Shop

The Just Click shop is Intelligence Outlet and information technology center, customers can search goods and services with just only a touch on the screen. They can get lower priced goods or privilege more than buying at department stores and delivery to your place. The strength of Just Click shop is customizing capacity to individual needs by using our software. This is a use of technology on-line interactive system, it can access to target groups and meet customer individual needs that can push ordering and increase ordering volume per time for example, When Ms.Sunisa logs in to our services by key in username and password, the system will automatically show her membership number and personal details. And then Mr. Click will say "hi" to Ms.Sunisa and show a screen that customized especially for Ms.Sunisa such as Ms.Sunisa likes romantic movie, it will pop up the new VDO of romantic movies introduce to her and if Ms.Sunisa has recorded that she likes to order flower, the system will show the flower icon to her. In the meantime that Ms.Sunisa chooses each product

there will have sound of Mr.Click to suggest that product but if Ms.Sunisa takes too much time for making decision, Mr.Click will push buying decision by offering promotion of Just Click Shop. In case Ms.Sunisa often orders goods or services at Just Click shop, she can use "Just Click Line" telephone ordering. All buying behavior of Ms.Sunisa will be recorded in the system to compile the result such as Ms.Sunisa ever buy toothpaste 3 months ago, the program will setup reminder to ask Ms.Sunisa to buy that product later.

Details of product in Just Click Shop

The product in Just Click shop will be standard goods and convenience goods. The company will continue check and inquire target group needs, and offer variety goods and services to customers as much as we can. The main product selection, we will choose only quality products and be popular in each occasion. Just click shop has made focus group survey to collect opinion from target group, the popular goods or services are standard goods and convenience goods. We can separate goods or services into 5 groups as follows:

(1) Consignment group

The characteristics of goods will be the product that we provide and send to customers. We emphasize on payment services and delivery services, the product in this group are as follows:

- (a) VDO, Tape, CD, VCD and DVD
- (b) Books
- (c) Gifts, souvenir and specialty goods
- (d) Cosmetic and supplement foods
- (e) Premium consumer goods
- (f) Wine, alcohol and beverages

- (g) Electronic machines
- (h) Clothes and jewelry
- (i) Special occasion goods

(2) Small shop group

Just Click shop has opened for other suppliers who were interested, can sell their goods and services through Just Click shop. Just Click shop will design store front on the screen and add product list the same as group 1 as above. Customers can buy goods and services through Just Click shop, we will send order to suppliers so suppliers will deliver and get payment directly from customers. The revenue from this group will come from rental space on the screen. This group we will choose the goods that have good quality, short life time, need more maintenance and direct services more convenience such as:

- (a) Tourism services and hotel
- (b) Flower delivery
- (c) Food delivery

(3) Advertisement Goods

The goods and services for this group differ from other group, does not have order and services through Just Click shop but Just Click shop will be medium advertisement, public relations goods and services to customers. We will put banner on the screen, when customers want to buy they will directly contact with the owner of products includes with deliver and payment transaction. Just Click shop will get revenue from rental advertisement space.

(4) Rental VDO services

Just Click shop will have rental and selling VDO delivery services, we will have suppliers from CVD International, Right Picture and World Picture. The delivery

services can attach with others goods and can deliver within 1 day, if customers order in the morning they will get goods in the evening. They can browse VDO list at Just Click shop and can preview movies on the screen, we will separate category according to type of movies or actors. In case customers knew what 's a movie they want, they can order directly on the phone through "Just Click Line"

(5) Special services to member

- (a) Cards and flowers delivery services
- (b) Information Technology services to members such as movies program, music VDO, daily news, public relations news, movies hit chart, songs hit chart, football result report, classified etc.
- (c) Horoscope services for members
- (d) Individual information services "Product Introducing by Individual Information", services only for individual the system will analyze member's profile and buying behavior of that person.

Price

The price strategy of Just Click shop will use "Competitive Pricing Strategy". The setting price policies depend on competitors in each product line. We always examine competitors' costs, prices, and offers. The key to perceived-value pricing is to determine the market's perception of offer's value accurately. Sellers with an inflated view of their offer's value will overprice their product. Sellers with an underestimated view will charge less than they could. Market research is needed to establish the market's perception of value as a guide to effective pricing.

The research result of consumer behavior, customers don't want mark up price more than market because they can make faster decision making. Just Click shop has advantage in low cost management because our shop does not have expense to set up

and maintain store front, don't want sales persons in the shop. But Just Click shop will not cut price fully and reduce perceived quality. We will add value to our services instead such as free delivery services, free wrap gifts, design good packaging etc.

Place

There are 3 phases to set up Just Click shop in Bangkok as follows:

- (1) 20 office buildings within Central Business District (CBD).
- (2) 20 office buildings outside Central Business District (Non-CBD).
- (3) 20 buildings type Condominium and Service Apartment in central area.

The 20 office buildings within Central Business District (CBD) as follows:

- (1) Diethelm Towers
- (2) All Seasons Place
- (3) Q. House Sathom
- (4) Sindhorn
- (5) Sathorn City Tower
- (6) Thai C.C. Building
- (7) Thai Wah II
- (8) Raj anakam
- (9) Bangkok City Tower
- (10) Empire Tower
- (11) Sathorn Thani
- (12) Q. House Asoke
- (13) Oriflame Asoke Tower
- (14) CMIC Tower
- (15) Lake Rajada
- (16) Ocean Tower

- (17) Ramaland Building
- (18) Abdulrahim Place
- (19) U-Chu Liang
- (20) Vibulthani

For phase 2-office buildings outside Central Business District (Non-CBD) and phase 3-buildings type Condominium and Service Apartment in central area, we will consider and evaluate marketing program while we are processing Just Click shops phase 1.

The selection criteria of office building.

The target groups are official who work at the office so the selection criteria of Just Click shop should be office buildings that have high purchasing potential, have not much time and most time is in the office. So the location should be office building in Central Business District (CBD) for efficiency investment. The selection criteria of office building consist of the following factors:

- (1) Location in business area because of rental of building in business area has decreased in past 2 years so it will be opportunity for new business.
- (2) Minimum area office 15,000 square meters
- (3) Locations far away from department store more than 300 meters because the main competitor for Just Click shop is department stores.
- (4) Minimum occupancy rate 50% because occupancy rate is a number that implies to circulation of people in the building.
- (5) There are people who work in the building at least 1,500 people, we estimated from many factors and supposes that 1 person using average area 15 square meters as the following formula:

$$\text{Number of people} = (\text{Area} * \text{Occupancy Rate})/15$$

- (6) The building age start until now not exceed 8 years because the building that will setup Kiosk should be ready to support our necessary system for Just Click shop.

Promotion

Just Click shop is the new company and type of business is very new in Thailand market but we have more advantage than other distribution channels such as our price cheaper than department store, customers do not need to travel for shopping because we have free delivery services etc. So the promotions policies at the first stage create business awareness to Just Click shop, increase new member and encourage repeat buying decision for existing members. In addition, our company has policies to communicate with other parts who involve in Just Click shop such as supplier, owner of building that have Just Click shop, management of company inside building. Just Click shop separate promotion into 3 steps as follows:

Step 1: Pre-Opening

At this step we will use communication strategy to access target group perception and create curios emotion. This step will happen 1 week or 5 working days before opening Just Click shop. It consists of the following activities:

- (1) Advertising: Use board or stand in the building that will setup Kiosk, print and broadcast ads "Teaser Ads" create sentence that attracts attention such as "Do you believe another 7 days will have a big book store here?" or "Do you believe another 6 days will have VDO rental shop here?" or "Do you believe only 5 days will have a big tape and CD shop here?" to create target group attention.
- (2) Point-of-purchase displays: To demonstrate Kiosk machine of Just Click shop to build customers perdeption.

- (3) Leaflet: Issue leaflet to promote and create attention to target group. We will distribute leaflet in advance about 5 working days or 1 week before grand opening in each building. We will have mini series 5 stories (1 serie a day), the story is about the shopping problem such as inconvenience, traffic etc. Also introducing Just Click shop services that benefit for membership.
- (4) Posters: Advertising provides opportunities for dramatizing the company and its products through the artful use of print in the lift.

Step 2: Grand-Opening

The grand-opening step will push sale promotion as shown below:

- (1) Distribute leaflet: Details in leaflets will introduce Just Click shop "What's Just Click shop?", "Any services in Just Click shop", "Benefit of Just Click shop" , benefit for member, how to apply to Just Click shop. Just Click shop members don't have to pay membership fees and leaflet will attach application form too.
- (2) Personal selling: There are promotion girl to attract people in the building, they include a distinct invitation to engage in the transaction now, they will persuade new members and introduce how to use Just Click shop to create familiarity to new members.
- (3) Special Event (Buddy Game): Let target group fill in name and friends in the building who you want to send gift and choose gift from Just Click shop. And then we will select randomly the lucky person who will get gifts. The result for this event will create business awareness to customers.
- (4) Sales Promotion: To push the first time buying decision, we will give 10% discount immediately for the first time ordering.

- (a) Building modern image to building.
- (b) Response customers needs in building because Kiosk machine will make customers feel convenient for shopping.
- (c) Kiosk will have multimedia to advertise building and directory inside building, people can search office list or other information on Kiosk machine. The building owner does not need to pay for services.

Management of companies

Building good attitude to Just Click shop and try to build buying behavior to management to be reference cases for customers. We will specify these people to be VIP members of Just Click shop. Benefits for VIP members such as:

- (a) Invitation card to join our Grand Opening
- (b) Automatic to be VIP member, no membership fee and special privilege.
- (c) Get special information quickly through direct mail.

4.8 Evaluation of Marketing Plan

The marketing program for Just Click shop, we utilize the several marketing communication tools, which are called integrated marketing communications (IMC). These consist of advertising, sales promotion, event marketing, public relation, personal selling and demonstration. Therefore, it must evaluate the effectiveness of the project, which can achieve the company's objective in order to have sales growth rate per kiosk at least 20% by the end of the first year.

The Evaluation Methods

The new business is introduced into an authentic setting to learn how large the market is and how consumers repurchase the products so we need the evaluation method to test marketing program for Just Click shop as follows:

Pre-Test

This test will be used for evaluating the brief program, by evaluating the understanding of the consumer how they can know marketing communications planning program such concept of shop, benefit of Kiosk and product positioning. All of these for studying how the consumers accept and understand with Just Click shop concept or not. This can reduce the risk of the problem in marketing process. The tools that we bring to use in pre-test such as stimulated test marketing, which will find 30 to 40 qualified shoppers and questioning them about services familiarity and preference in a specific product category. These people are then invited to a brief screening of both well-known and new commercials or print ads. Consumers receive a small amount of money and are invited into Kiosk terminal, where they may buy any items. This provides a measure of the ad's relative effectiveness against competing ads in stimulating trial. Consumers are asked the reasons for their purchases or nonpurchases. Those who did not use the services are given a free sample. Some weeks later, they are reinterviewed by phone to determine services attitudes, usage, satisfaction, and repurchase intention and are offered an opportunity to repurchase any products.

This method has several advantages. It gives fairly accurate results on advertising effectiveness and trial rates in a much shorter time and at a fraction of the cost of using real test markets.

Post-Test

After we carry out the work according to marketing program project, we need to evaluate for the achievement of the project. The tools that we bring to use in post-test such as;

- (1) To evaluate the sales growth rate per kiosk at least 20% by the end of first year.
- (2) To observe from the place of setting Kiosk in order to see that target consumers will come to use our Kiosks or not.

(3) To evaluate from the record of using our Kiosk terminal and the number of e-mails that consumers give the suggestion or ideas, which we will check and evaluate every month.

Furthermore, we will do the survey research by using the questionnaires as a tool in focus to our target market, in order to evaluate the level of brand awareness, the number of the target usage are increased or not, consumers' behavior, attitude to our services, knowledge, the consumers' preferences and the satisfaction media exposures, the consumers' purchasing and usage behavior. We will do the research on the next stage.



For this marketing program will be the new selling channel though Kiosks, people who want to have own business can bring this plan in order to be the guideline and adapt for planning the strategic marketing for their business further.

5.2 Limitations of the Study

In studying the consumers' behavior of target market and market situation, we use only the secondary data such as Internet, publications, magazine and news which may not be enough to analyse rather than doing the research. We did not emphasize on the consumer's attitudes, which cannot specify the feeling of the consumer in each aspect clearly.

5.3 Benefits and Trends of Kiosks System

Kiosk Marketing: Advantages and disadvantages. Why have on-line services become so popular? They provide three major benefits to potential buyers.

- (1) Convenience: Customers can order products 24 hours a day wherever they are. They don't have to sit in traffic, find a parking space, and walk through countless aisles to find and examine goods.
- (2) Information: Customers can find reams of comparative information about companies, products, competitors, and prices without leaving their office or home.
- (3) Fewer hassles: Customers don't have to face salespeople or open themselves up to persuasion and emotional factors; they also don't have to wait in line.

On-line services also provide a number or benefits to marketers:

- (I) Quick adjustments to market conditions: Companies can quickly add products to their offering and change prices and descriptions.

- (2) Lower costs: On-line marketer avoids the expense of maintaining a store and the costs of rent, insurance, and utilities. They can produce digital catalogs for much less than the cost of printing and mailing paper catalogs.
- (3) Relationship building: On-line marketers can dialogue with consumers and learn from them. Marketers can download useful reports or a free demo of their software or a free sample of their newsletter.
- (4) Audience sizing: Marketers can learn how many people visited their on-line site and how many stopped at particular places on the site. The information can help improve offers and ads.

However, Kiosk marketing is not for every company or for every product. Kiosks are useful for products and services where the shopper seeks greater ordering convenience (e.g. books and music) or lower cost (e.g., stock trading or news reading). Kiosks are also useful where buyers need information about feature and value difference (e.g., automobiles or computers). Kiosks are less useful for products that must be touched or examined in advance. But even this has exceptions. Who would have thought that people would order expensive computers from Dell or Gateway without seeing and trying them in advance! People regularly order flowers and wine on-line, sight unseen.

Trend of Kiosks in overseas such as make automatic contact prints of photograph machine by Kodak, ATM, Selling movies ticket machine, Printing Identity Card machine in Ontario, Canada, Urgent delivery machine from FedEx and Urgent take a photo machine etc. (Appendix D) (Positioning Magazine, March 2004)

5.4 Recommendations

From the limitations above, this project mainly emphasizes on the marketing program, and we did not emphasize on the consumers' behavior we used only secondary

data so we may not know the real behavior and feeling to our project. For further study to this project we should do financial analysis and the marketing research such as questionnaires, which are used to collect primary data, in order to evaluate the consumers' knowledge, behavior, beliefs, attitudes, preferences, satisfaction media exposures, purchasing and usage behavior. In addition, we should have the qualitative research such as focus group in order to create interaction between target group, and us hoping they will reveal deep feeling and thoughts. These methods will bring the best results to analyze business forecasting in order to improve the project.

According to process plan of Just Click shop at the first period, we will open 20 branches in the first year and continue to expand to 50 branches within 5 years. The first period will specify to Central Business District area only. However we still have plan to go outside CBD such as condominium and services apartment. We expect this group to have high potential to our business. We will consider according to market situation later.

Our main revenue is not only from selling the product via Kiosk terminal, we plan to sell advertisement through our Kiosk terminal such as "flash animation" the screens will have interactivity and storytelling to entertain customers when they are searching products on Kiosk terminals, another one is media advertisement such as PVC stickers that wrap on the terminal. Our company can get more revenue from all these advertisements.

The operation section is also more important to our business so we will consider both logistic system and purchasing system. If business meets our objectives we plan to set up operation section as shown in Appendix B.

In the meantime, computer system in Just Click shop can support Internet technology although now e-commerce transaction 's not popular, it has positive high

potential in the future. The next plan Just Click shop will expand to delivery service to home if we have high demand and good response to our business. Our advantage is the business experience in office building area and has stable computer system to support E-commerce business through Internet.

Marketers can bring this marketing program in order to be the guideline and adapt the planning the strategic marketing for the other products further.





APPENDIX A

LOGO AND KIOSKS MODEL OF JUST CLICK SHOP

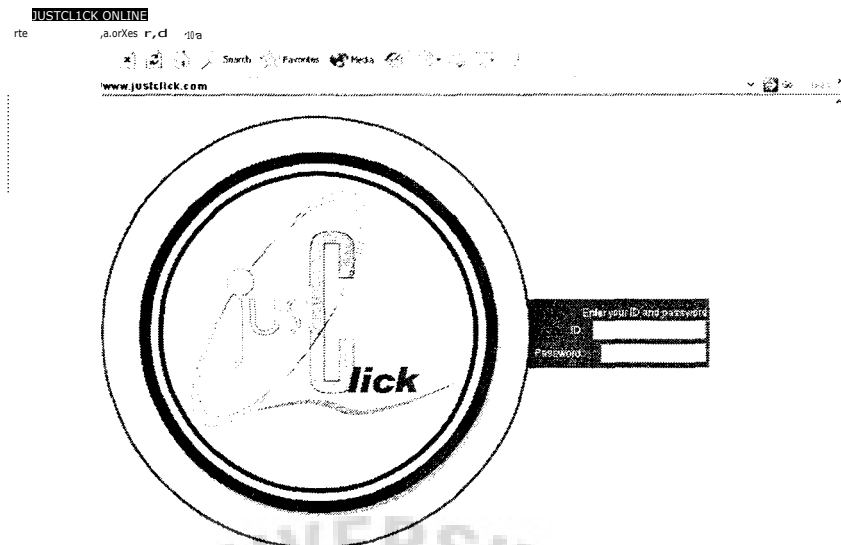


Figure A.3. Sample Screen 1 of Kiosk

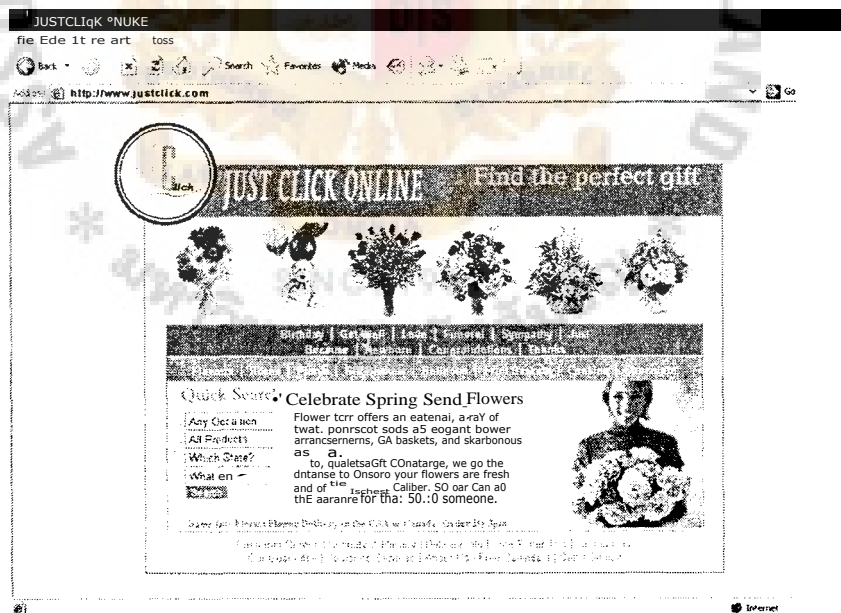


Figure A.4. Sample Screen 2 of Kiosk



APPENDIX B
OPERATION SECTION

OPERATION SECTION

B.1 Logistic System

The design of logistic involves planning, implementing, and controlling the physical flows of materials and final goods from points of origin to points of use to meet customer requirements at a profit. Just Click shop will separate into 2 sections. The first section is transportation from supplier to warehouse and the second is transportation from warehouse to customers. The company has policy to minimize inventory and the fastest delivery to customers. We try to use JIT system to automate our flows of materials.

Transportation from supplier to warehouse policy:

The company will order goods from supplier, and supplier will send lot size of products to our warehouse at Rama III where we have the central of target office building. We will separate the products into 2 levels according to size of products as follows:

- (1) Small size products such as books, CD and VDO, we will order in lot size according to agreement and transportation period to warehouse at least 1 day since submitting order. In addition we will have EDI (Electronic Data Interchange) system with supplier who has high transaction with Just Click shop, it will reduce waste of time and be more accurate. For supplier who has not much transaction we will order through fax or e-mail, we will order when warehouse is at repeat order point.
- (2) Big size products such as TV and refrigerator etc., supplier will send products directly to customer and can make payment with supplier.

Transportation from warehouse to customer policy:

Delivery cost to customer may be cheaper than other because Just Click shop can deliver goods or services to many customers at each time, some customers may work at the same building or at the same area. Our policy emphasizes on fast delivery and accuracy. Furthermore we will create value to our products which is the basic need for our target group as follows:

- (1) **Packaging:** Just Click shop will have our special packaging and emphasize on easy to carry and flexible to transport. The package will have barcode to scan products.
- (2) **Messenger:** Our messenger will have colorful uniform including our logo, service mind, honest and polite because messenger will contact directly with customers and get payment from customers.
- (3) **Vehicle:** Consists of 2 teams such as
 - (a) **Express Bike:** Responsible to deliver small size products, less volume and urgent products, at the first period we often use express bike and we will design bike to load more products, safe and colorful including logo. This can be another way to promote Just Click shop to customers.
 - (b) **Turbo Ranger:** We start to use 3 mini vans and decorate under concept shopping via Kiosk, create image for Just Click shop and also advertise brand of products in Just Click shop. The high quantity products will be sent by Turbo Ranger and have schedule 2 rounds a day per building and some round will have Kiosk technician to go along with the van too. Planning destination will use shortest route. Key factor for planning is volume of purchasing but next step will expand kiosk to 30-50 points so we will set up Just Click Node; 1 Just Click Node per 10 points. The benefit of Just Click

Node is similar to temporary warehouse, it makes convenience to each Kiosk points.

- (4) Payment system: We will make payment at destination because customers are not reliable to make payment through credit card or debit card so we use this method as customer see the products first and then make payment to us.

B.2 Purchasing System

Consignment

Consignment policy of Just Click shop as follows:

- (1) Purchasing department of Just Click shop will contact directly with distributors to negotiate for the best prices.
- (2) The purchasing method in Lot Size.
- (3) Credit term from suppliers at least 30 days
- (4) Supplier must deliver products to Just Click shop according to PO.
- (5) The products can be refunded to supplier.
- (6) Some products need warranty such as electronic machine; each supplier will issue warranty directly to customers.

Small Shop

We will contact direct with suppliers and let them deliver products to customers.

Revenue come from rental space fees, 150 Baht per month per Kiosk and sign contract at least 6 months. We will limit small shop at 40 suppliers to limit competition, the space of each shop will be about 10 MB so they can support products at least 50 items.

Advertisement product

Just Click shop will lease space to brand owner who wants to promote or advertise their product. The advertising rate is 100-200 baht per month per Kiosk depending on space size.



APPENDIX C

SUPPLIERS

SUPPLIERS

C.1 Type of products: VDO for Rent

Companies:

- (1) CVD International Co., Ltd.
- (2) Right Pictures Public Co., Ltd.
- (3) World Pictures Co., Ltd.

Conditions:

- (1) Just Click shop will purchase 5,000 VDO from suppliers.
- (2) Just Click shop will purchase new VDO in each month.
- (3) At the first period, we will still not get credit term from suppliers.

Services:

- (1) New movies launched to market do not take longer than 1 month, rental 30 baht per day for each.
- (2) Movies launched for 1-3 months, rental 30 baht per 3 days for each.
- (3) Movies launched for 3-6 months, rental 30 baht per 5 days for each.
- (4) Movies launched more than 6 months, rental 30 baht per 7 days for each.
- (5) A fine 20 baht per day.

C.2 Type of products: VDO for Sell

Companies:

- (1) CVD International Co., Ltd.
- (2) Right Pictures Public Co., Ltd.
- (3) World Pictures Co., Ltd.

Conditions:

- (1) Suppliers will deliver products to Just Click shop.

- (2) No minimum order for ordering.
- (3) Refundable old products to new products within the period.
- (4) Gross profit about 10-15%.

C.3 Type of products: CD and Tape

Company: SP Sound Co., Ltd.

Conditions: Tape

- (1) Just Click shop will purchase in Lot Size each 50 tapes.
- (2) Refundable products about 10% of total order.

CD

- (1) No minimum orders.
- (2) Cannot refund or return goods.

Gross profit about 15 and payment by cash only.

C.4 Type of products: CD Edutainment

- (1) MS Windows, MS Office and Internet self study CD.
- (2) Tutor manual for primary and secondary school self study CD.
- (3) Monthly computer magazine CD.

Companies:

- (1) Computer International System Co., Ltd. (CIS)
- (2) Data First Co., Ltd.
- (3) Quick PC Co., Ltd.

Conditions:

- (1) Just Click shop will purchase in Lot size, minimum order 5 CD per time and suppliers will deliver products to Just Click shop.
- (2) Gross profit about 40-60%.
- (3) Credit term about 30-60 days.

C.5 Type of products: Books

Companies:

- (1) Samakki Sam Publishing.
- (2) SE-ED Ucation Publishing Limited.
- (3) Dokya Publishing.

Conditions:

- (1) No minimum orders so we can purchase according to ordering.
- (2) Refundable.
- (3) Gross profit about 20-25%.
- (4) Credit term payment between 30-60 days.

C.6 Type of products: Supplement Foods

Name of product: **Brand**

Companies: Serebos (Thailand) Co., Ltd.

Conditions:

- (1) Purchase products through distribution center.
- (2) Purchase products by submitting purchase order and calling to distribution center.
- (3) No minimum order.
- (4) Credit term payment 30 days.
- (5) Gross profit about 20-30%.

Name of products: Vinifea, Evening Primrose, Tab 18

Companies: Nature Life Co., Ltd.

Conditions:

- (1) Members can purchase the first product full price and then can get discount 20-40% for the next purchasing.

- (2) No minimum order.
- (3) Credit term payment about 60 days.

Name of products: Omex 3

Companies: TC Union Foods Co., Ltd.

Conditions:

- (1) Minimum order 6 bottles.
- (2) Gross profit 30% for ordering 6-40 bottles per time.
- (3) Gross profit 40% for ordering more than 48 bottles per time.
- (4) Credit term payment about 60 days.
- (5) Can return products within 150 days after ordering products.

C.7 Type of products: Consumer products

Companies: Unilever Co., Ltd.

Conditions:

- (1) Just Click shop will specify products and quantities to distribution center and Unilever will quote the price and deliver products to Just Click shop.
- (2) No minimum order.
- (3) Credit term payment about 30 days.

C.8 Type of products: Gift and Specialty

Companies: Krungthep Royal Standard Co.,Ltd.

Conditions:

- (1) Ordering products in Lot size at least 12 pieces.
- (2) Gross profit about 40%.
- (3) Credit term payment about 60 days.



APPENDIX D

SAMPLE OF KIOSKS IN OVERSEAS

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