



Online Provident Fund Service

by

Mr. Sittiporn Kesornvibul

A Final Report of the Six-Credit Course
IC 6998 E-Commerce Practicum

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Internet and E-Commerce Technology
Assumption University

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Project Title Online Provident Fund Service

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The Graduate School of Assumption University has approved this final report of the six-credit course. IC 6998 E-Commerce Practicum, submitted in partial fulfillment of the requirements for the degree of Master of Science in Internet and E-Commerce Technology.


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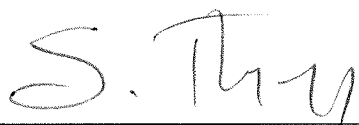
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ABSTRACT

PVD Co., Ltd. is the company that offers the service of setting up and managing the provident fund for an organization. The pfund.com is established to facilitate customers and is used as the way to achieve our objectives. The site is basically aimed to satisfy the basic needs for both the organization and also its employees. Information and other features are added into the site to increase the customers' value. Analytical documents are provided as the basis for developing the marketing plan. Several marketing mixes including product, price place and promotion are developed and put into implementation. Information from several sources are gathered and used as the basis for developing marketing plan as well.

In conclusion, the report included the prototype of the web site, the general concept of the site and also the marketing plan based on the information collected.

ACKNOWLEDGEMENTS

I am indebted to the following people. Without their full support and assistance, this project would never have been completed.

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Finally, I would like to thank my friends and most of all my parents who always give me unfailing support and assistance in the developing of this project.

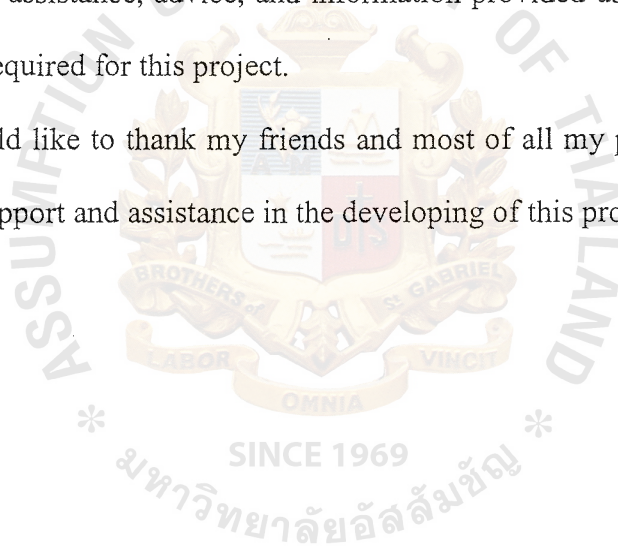


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I. INTRODUCTION

From the government's thought that the employees in private sector should have the assurance of working so the employees will have some amount of savings when they have no work which may be because of sickness, retirement, or to their family if they die. Provident Fund has been set up for this purpose which occurs from the cooperation between the employers and the employees. The employees will pay for some amounts of savings while the employers also pay the additional part of the same amounts or more to the provident fund. The fund will be managed by the fund manager who will invest for the maximum returns for the members of the fund.

PVD Co., Ltd. also offer the service to set up and manage the provident fund under investment committee and for the need of many of the employers and the employees of both private and public companies who are interested in setting up the provident fund for their benefits of the returns and the tax exemption. In addition, for the existing customers who are the employees who would like to view their investment that is financial data such as the annual and monthly returns and the balance sheet, they can view it through the web site that I will set up to provide the information they would like to know.

1.1 Company's Background

In 1997, PVD Co., Ltd. was registered and set up as one of fund management company that can manage provident fund and also initiated a provident fund for its employees who started their employment after January 1, 1997. The contributions from employees are deducted from the monthly salaries, with the company matching individuals' contributions. The fund is managed by an authorized fund manager and has been registered in accordance with the Provident Fund Act B.E. 2530 (1987). The

company has 4 teams in dealing with the customer: marketing team, member support team, fund manager team, and operation team.

The marketing team will deal directly with the customer, their duties are to make presentation of provident fund, give information, answer the question of the customer, co-ordinate with the other teams and help the customer set up rules and regulation for the provident fund of their company. Member support team will do the job of doing report or the financial statement of each member of the provident fund and issue the cheque to the member in case of the member resigns, retires, etc. from the provident fund. Fund manager team will bring the contribution from the company for investing in the assets that can be savings, bond, etc. according to the investment policy and the current market. Operation team is involving with the accounting task.

1.2 Mission Statement

To create above-norm values for our customers, shareholders, employees, and society is done through excellent services, high quality staff, financial strength, steady profit growth, and corporate governance.

1.3 Goals and Objectives

✓ 1.3.1 Goals

- (1) Useful, practical, and comprehensive information.
- (2) Easy to navigate; Customers can easily find the information they want.
- (3) Fast loading; don't waste customers or visitors 's time with unnecessary waiting.
- (4) Readable by most browsers both old and new.
- (5) Attractive, easy-to-read layouts; small, eye-catching graphics on the home page.
- (6) Interactive – the users can participate with the web site

- ✓ (7) Create the community on the web site to share knowledge and experience to each member in the community.
- ✓ (8) Resolve the problem of difficulty to get information or reach the right party since the customer can find the topics or ask the questions directly through the web site.
- ✓ (9) Use the web site as one of the research tools to research visitors and current customers to identify their problems, gather new ideas, test proposed product improvements and marketing mix changes.
- ✓ (10) Increase customer satisfaction.

1.3.2 Objectives

- (1) Reduced the telephone costs by 30% of total costs
- (2) Attract and persuade the existing customers to use web site for searching for the information and looking for the answer for their problems instead of asking for the information from the phone call in which they have to wait for the answer or have to wait for the call back if the staff or marketers are busy or being on a phone with other customers.
- ✓ (3) Reduce the time of sending reports to the customer through traditional mail as the customer can view their statements and reports at our web site that will lead to more customer satisfaction
- ✓ (4) Provide customer support
- ✓ (5) Enhance the company's image
- ✓ (6) Provide enough information for you to see if our service meets your needs and to provide help for the existing customers and useful information is the focus.

II. SITUATIONAL ANALYSIS

2.1 SPELT analysis

Social

As the life expectancy of people in Thailand will increase resulting from the advancement in medical, there will be more older people in the near future and also more need to spend their money and they will also the stability and low risk of an investment.

Political

From last election, Thai Rak Thai Party has won over Democrat Party and received the trust from Thai citizen who have the right to vote. They formed up the coalition which has the stability as for the government side it accumulates totally 300 members while the opposition is just over 100 members, so the government has the power in the parliament as when there is a vote to approve the draft or the laws, it will pass easily although the senators have to review them again.

Economic

Economic is still down, interest rate is still low and the people who have savings account with the bank will look for new ways for investing their money as we can see from the purchase of loan bond and stock bond of a good rating company such as AIS and DTAC that a lot of people try to purchase to gain more interest that means more return on their investment than just to deposit at the bank.

The Thai economy will continue to recover in 2001, but at a slower pace due to a slowdown in world economic conditions. The export sector is still expected to be the main mechanism for economic recovery. In addition to this, the agricultural sector and domestic consumption should benefit from the new government's policy to stimulate the economy, emphasize income creation and household expenditures in rural areas.

These factors should push the economy to grow at a rate of about 3.5%, while inflation should remain at acceptable level for domestic stability.

It is likely that the operating results of an overall commercial banking system will continue to improve in 2001 in response to the economic recovery and the progress that has been made in debt restructuring. However, so far there has been no clear sign of growth in investment, and major corporations will be relying more on the issuance of debt notes rather than resorting to bank loans, there will be limited opportunities for an increase in bank loans. Commercial banks, therefore, will continue to face the problem of excess liquidity and consequently have to manage its cost carefully, efficiently control operating expenses, create suitable net interest margin, seek more non-interest incomes from other services, and finally speed up the solving of the remaining NPLs.

In 2001, there will be greater competition in almost all areas of the commercial banking industry as many commercial banks have succeeded, to a certain degree, in solving the problem of NPLs and restructuring their internal organization. Still, there are many risks facing commercial banks in 2001. These include uncertainty in Thailand's economic recovery, global economic conditions, that may affect the bank's debtors and the credit quality for both good loans and restructured loans. Other risk factors include impacts of the new government's policy to strengthen financial institutions and revive credit expansion, the establishment of National Asset Management Corporation, changes in regulations governing financial institutions, and amendments to the legal framework concerning the solving of NPLs. All of which could lead to further business adjustments among financial institutions.

The economic downturn may make the employers of the company to slow down setting up the provident fund because they may see that the provident fund might increase the unnecessary costs to the company.

Legal

Besides of the social welfare that is the laws and is a must for every employee to have for the well being of his/her health when he/she gets sick or accident. In the near future there is a trend that every company will have a provident fund for their employees.

Technological

Today the technology is changing rapidly, especially the computer chip industry and its related technology is changing every month and this makes personal computer (PC) cheaper with a higher performance than in the past. In addition, new technology tends to connect to the Internet such as GRPS mobile phone, PDA, etc. As the number of people around the world who use the Internet increases every day at a tremendous rate and also many websites have opened up everyday. E-commerce on the internet also will be another choice for the customers today as they just sit at the device connecting to the internet and look through the virtual store all over the world, when they would like to buy, they just use credit card and then the products will be delivered to their home.

2.2 SWOT Analysis

Strengths

We are the experts who take care of the need and want of the customers who would like to set up the provident fund and also want the advice for almost 10 years. In addition, we have the fund managers who have experienced at least for 5 years in managing the fund to invest in the suitable portfolios that will give the profit back to the customer. We also have the good history of the return on investment as the returns are always higher than the savings interest rate since we begin to operate and manage the fund.

Weaknesses

We have high operating costs compared with the competitors and also set up the provident fund after the competitors so we can not gain the reputation to be the pioneer in this service and because we only have begun to set up the website for the provident fund, it takes time to develop trust and loyalty of the customers or visitors to use our website. We need to develop the image of the website that will also effect our name in the real world. We just establish web site while the competitor is being implemented and having their own site for more than 1 years. Personnel may not get used to dealing with the customers through the internet, so they may have some resistance to the internet and it requires a training for them in order to update and maintenance our web site.

Opportunities

Government support is a welfare to the employee other than social welfare so the employee will have some amount of money when they retire or resign from the job. The government had toyed with the idea of making provident funds mandatory for all companies. Employers or the owners of the company see the benefits that they will receive from doing provident fund and they can compare the prices and services that they will receive in the future and other relevant information from our web site.

Threats

The employees who have low salaries may view the provident fund like the social welfare and the tax that is a must and don't see the benefits that they will receive from the provident fund because they don't understand and may not get enough information for their decision so our web site will be one of the medium to find and collect the information that they want.

2.3 Competitive Analysis

www.tiscoassets.com is the web site of Tisco company (refers to A.1 Tisco's Homepage in appendix a on page 47) that is doing provident fund and also is our direct competitor in this business. Their web site has the content of both private fund and provident fund. In addition, their site also have the basic information about provident fund and the access page for the existing customer to log in in which the customer can look for the financial data about their company. The content and the topics included in their site are;

- (1) About TiscoAsset; (refers to Figure A.2 About TiscoAsset's Page in appendix a on page 48) these topics include company profile, strengths, investment styles and approaches, and profiles of their fund managers.
- (2) Business scope; (refers to Figure A.3 Business Scope's Page in appendix a on page 49) the scope features mutual fund, private fund, and provident fund.
- (3) Mutual Fund; (refers to Figure A.4 Mutual Fund's Page in appendix a on page 49) the history of mutual fund.
- (4) Private Fund; (refers to Figure A.5 Private Fund's Page in appendix a on page 50) the history of private fund.
- (5) Provident Fund; (refers to Figure A.6 Provident Fund's Page in appendix a on page 50) the history of provident fund.
- (6) FAQs; (refers to Figure A.7 FAQs's Page in appendix a on page 51) the related questions about mutual fund.
- (7) Contact us; (refers to Figure A.8 Contact us's Page in appendix a on page 51) comments, recommendations, map, and address.

- (8) Related Sites (refers to Figure A.9 Related Sites's Page in appendix a on page 52)
- (9) Site Map; (refers to Figure A.10 Site Map's Page in appendix a on page 52) the site structure of Tisco's web.
- (10) Daily NAV Announcement; (refers to Figure A.11 Daily NAV Announcement's Page in appendix a on page 53) daily Net Asset Value (NAV) of all the funds under Tisco's management.
- (11) Weekly Market Commentary; (refers to Figure A.12 About TiscoAsset's Page in appendix a on page 53) weekly market update of Thai market.
- (12) Publication for Thai Version Only; (refers to Figure A.13 Publication's Page in appendix a on page 47) this is in Adobe Acrobat file in Thai language. The contents concern the suggestion of the investment.
- (13) Investment planning Service for Thai Version Only; (refers to Figure A.15 Investment planning Service's Page in appendix a on page 47) this section is under constructions.

Strengths;

- (1) More Experiences; they are in this type of business longer than us so they have more experience than us and also have more customers.
- (2) More products available to customers; they have a more variety of products than us so the customers have more choices to choose from.
- (3) Features on their web; they have web site that features many benefits including information access for the customers and their web also have both Thai and English language.
- (4) Low Prices; they charge the fees to the customers lower prices than us because of less operating costs.

Weaknesses;

- (1) Lack of Fun; although Tisco's web site has many features, they still lack of some entertainment and other free stuff that makes the customers revisit their web site.
- (2) Product-oriented web site; Tisco's web site arrange their contents and the topics according to their products and services that are available to the customers.
- (3) Shallow Contents; although the web site has many topics, the content of each topic does not provide much information.
- (4) Lack of promotion.



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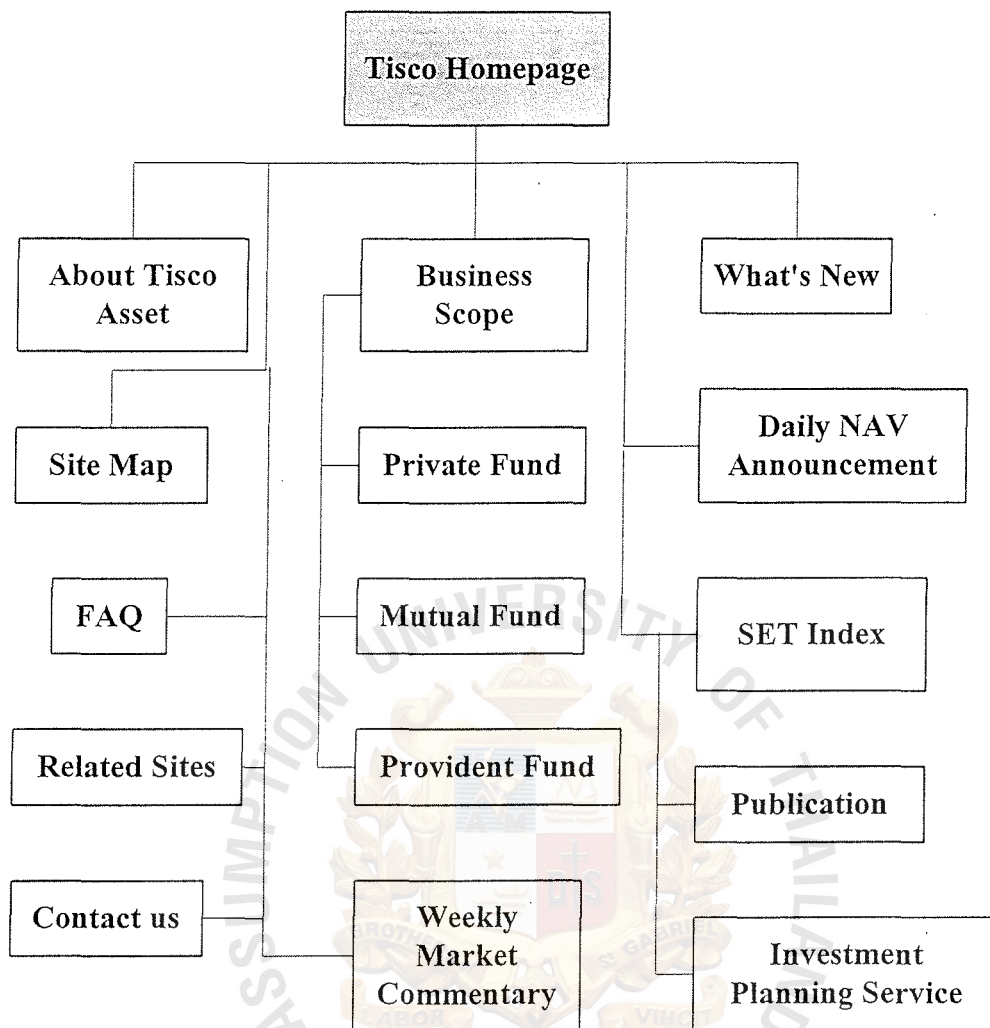


Figure 2.1. Tisco's Site Map.

III. MARKETING CONCEPTS

3.1 Need, Want, and Demand

3.1.1 Need –financial need that is the need for money to spend in order to satisfy basic needs.

3.1.2 Want –People want more return for their saving or contribution than just the interest rate of the bank that they deposit as the customers have more choice to select or choose from. From employers' point of view, they want to lower turnover ratio so that the employees will stay longer with the company. This will create the loyalty to the company and the employees feel good with the employers as they think that the employers care about their future life after their retirement or resignation from their job.

3.1.3 Demand -The company chooses to set up the provident fund by the employees negotiate with the employers in the term of contribution rate that the company will pay additional other than the contribution deducted from the employee's salary then set up the provident fund to satisfy their need and want.

3.2 Target Markets

We aimed at niche market that is;

- (1) The employees and employers who are interested in provident fund as welfare and create loyalty to the company, and reduce turnover rate.
- (2) Employees who want to know more about provident fund, to educate both employers and employees.
- (3) Employers of the organization
- (4) Member of provident fund
- (5) Individuals who are the employees of the company including the employers who are interested in provident fund.

- (6) Institutions that wish to set up the provident fund for their employees who could be education institutions that set up the provident fund for their instructors or other staffs in those institutions.
- (7) Businesses or the companies that would like to set up the provident fund for their employees.
- (8) The individual should earn 15,000 baht up and have a contribution of 500 baht each month and each company should have the total contribution of 50,000 baht up which includes both contribution from employers and employees themselves.

3.3 Customer's Value

3.3.1 Product and Service Value

- (1) Give better service to the customer, what is the better service in term of customer definition. The customers can better understand what the provident fund is. Also when they have any questions, they can get a quick and correct response.
- (2) Update information and database include the financial reports and other statements for the existing customers to access with login name and password, so there is no need for the customer to wait for the reports and if there are some mistakes, we can correct just the incorrect one and do not have to correct all of the reports that are sent to the customer and also have to answer the questions about the mistakes from the customers.
- (3) Customization. We will design the web site based on the customer-oriented that will divide the section and the topics include the layout according to the need and want of the customer as we will divide the usage to three categories those are;

- (a) New Customer: The customers who are new to the provident fund and they don't know anything about the provident fund and would like to set up the provident fund.
- (b) Existing Customer: The customers who already have provident fund and would like to transfer their fund to use the service from other company and want to compare among the fund managers in the area of expertise, condition, the fees, etc.
- (c) Prospective Customer: The customers who just want the additional topics or want to search more for the specific topics that they want.
- (4) Speed and response time; our site will use less time to download, so the customer can spend more time collecting the information on our web site and will not get irritated by the download speed.
- (5) Problem-solving; other than FAQs section, the customer can ask the question through the web site or e-mail us, then our staff will answer that question within 24 hours.

Value Chain Added

We will analyze each value chain that is the step that the customer uses to satisfy their needs and wants and we try to use the internet which is our web site to increase value to make the customer more satisfied and be able to deliver the value added to the customer with the same or less cost.

For the traditional process of setting up the provident fund, the customer has to collect basic knowledge including the fees and condition of each fund manager and make a call to the selected fund manager for the additional information by fax, mail, or e-mail. The second step for the customer is to appoint the fund manager for the presentation to clarify some points that they don't understand and answer the questions.

The third step, the customer will compare the fees, the performance, and expertise of each company, which will also include the yield that each fund manager can do in the past. Finally they selected the fund manager and then that fund manager will prepare the document in setting up the provident fund for that company.

Our company will use web site as a communication tool between the customer and us and also as a set up provident fund tool. In the first step, when the customer would like to collect the information about the provident fund, they can go to our web site and collect all the associated information they required. Then we will ask the customer to provide some information for us to calculate the fees, the conditions, the investment policy and with that information we will use it as a customer profile and kept in our database system. Then we send back the fees and other information through e-mail to the customer and also the login name and password for the customer access. Later we will also upload the presentation on the web and send the presentation file to the customer through e-mail so if the customer can't receive mail or already deleted mail, they can download or look again at our web site and when they have question they can contact us online or appoint us the time to chat online so the customer can ask us the questions and get answer immediately in the real time. All the form required for the customer to fill will also be on the web site so the customer can download and print it. So it is convenient and easy for the customer to set up the provident fund just by visiting our web site.

3.3.2 Image Value

- (1) Enhance the company's image as the customer wait time will be reduced. As we base the web site on customer-oriented so it will create more customer satisfaction and as the result, it will increase the image value to our company as a well-established service company.

- (2) We also use logo, slogan, and other strategies in the marketing mix to create brand awareness of web site and make sure that the prospects are well aware of the site.

3.3.3 Personnel Value

Our staffs have the experiences of working with provident fund for 3 years or more so they have expertise in this field. As a result, they can serve the customers better and know what the information the customers want and they also know the problems that occur from the complaints of the customer, so they can bring that experience to apply with our web site.

3.4 Ways to Reduce Customers' Cost

3.4.1 Monetary Costs

The customer will receive more discount fees than the traditional ways of doing business as the costs of using web site is much less because we use direct selling through our web site. As the result, the reduced cost will effect directly the customer as the expense they will have to pay will be less and they will receive more service and support from us. The customer's long-run total cost will be lower such as the cost of communication (for example, for companies that are in the province or remote area they can reduce distant calls), operating, and ordering costs will be reduced. For the ordering costs, the customer can reduce the paper work costs as they can collect their information from us because we will have the customer's record with our server and also the backup so the customer can review and get information they need through our web site.

3.4.2 Time cost

The customer spends less time in collecting the information they need, and they can get the answer quickly from the web site. They don't have to appoint the committee of the company to listen to the presentation as the committee can review the

presentation any time they want so it is convenient for them to make decision easily. No need for the company to contact us for the presentation as we can customize the presentation which includes the offer, the fees and other information through web site and e-mail so the customer can review it at any time and it is so convenient and easy to use. The customers can compare the services and the costs they have to pay us in a short time as we provide all the information related on the web site.

For the customers who live in the province and remote area, this web site can reduce travel time and cost which include the cost of distant call and they can easily help setting up the provident fund by just visiting our web site and providing some information about their companies such as the name, address, estimate number of employees who will join, their salary per month, and the estimated contribution per month that the company and the employees will pay.

3.4.3 Energy Cost

The customer don't have to wait for the call back if the phone line is busy and they use less energy looking all the information they need to know on the web site so they don't have to wait for the documents from the fax or call back again if the fax is not clear enough or the information is missing between the transmission. So our web site can save their energy.

3.4.4 Psychic Cost

We offer the security that is a login name and password to the customer, so others can not access or know the secret information of the customers such as their salary, how much of the money they have accumulated now so the web site creates the private world to the customers. The web site provides the physical address of the company and the staff's profile as well as ensure of the company's existing. The company' background that show management experience of the company and the staff in the expertise in this

field will reduce the psychic cost of the customer. We also will have the yield or return of investment from the first year of management the fund until recently, so the customer can compare or benchmark the yield with the bank's fixed interest rate in that year to see the performance of the company. We will have a list of the current customers who use our service to build trust and confidence in the trust of the company's web site.

The provident fund is not only useful for the organization, but also for the employees as well. Normally the employees will get their funds after their retirement. As the result, some employees who want to retire and don't want other to know, they can check their fund through our site. This will help them consider their retirement easily and know how much they will get without letting other people know.

3.5 Positioning

As most of our target market is organization who would like to set up the provident fund for their employees, information on term and condition and also all the associated information are very important for them to make their decision on selecting the fund management company. Also they will properly like to know the return they will get or the associated cost in setting up the provident funds. Not only the organization that wants the information, the employees will definitely want to know how much they are going to get if they resign from their present job. Therefore, information and ease of use are major factors for the customers. As the result, we will position our web site as one stop solution web site for setting up the provident fund. This is not only aiming at the organization but also at employees for that organization as well. We would like to position our site as the one stop web site for provident fund where information on setting up the provident fund will be available and also employee account can be accessed.

In conclusion, the customer will find all they want in our web site and they can easily use the web site to set up the provident fund. Also employees can use the site to check their current account. The site provides all the necessary functions to set up the provident fund.

Positioning statement: “Pfund.com, perfect solution for provident fund.

Slogan: “Pfund – Smart way for you”

3.6 Competitive Advantages

- (1) Information Enrichment: Our web site focuses on the provident fund so the contents are more in detailed than the competitor site that just provides general ideas about provident fund.
- (2) More interactive as our web site allows the customers to participate in setting up the provident fund through the web site.
- (3) User Friendly and better customer support web site so if the customers need help, they can find it at our web site. We also provide help desk as well.
- (4) Calculation: The customers both organization and its employees can easily check their account and calculate their return. Customer can just fill in the term and condition which includes the year of working, monthly salary and the contribution ratio into our site and let our site calculate their return.
- (5) Updated News: The updated news or any changes in policy or term and condition will be automatically sent to our existing customers and also for the interested individual or organization who register with us.
- (6) Customer database: We also collect customer database to learn their profile and try to create the marketing mix to satisfy each customer’s need. In this way, we will be able to customize our marketing and develop more appropriate marketing plan.

IV. MARKETING PLAN

4.1 Product

- (1) Core product – Return on employee 's money more than savings rate and curiosity to know their current money status.
- (2) Actual product – Provident fund and update financial data.
- (3) Augmented product – investment advice, news, entertainment, and sport.

Our products are the provident fund that can be classified into 2 categories those are;

- (a) Single Fund- mostly are large company or group of the companies that have the same owner and have the total size fund of 100 million baht up.
- (b) Pool Fund- for small to medium sized companies. These companies have less bargaining power and limited choices of investment because of the beginning contributions that are still small, so they have to join together for more bargaining power and more choices of investment. The customer pays less costs than the pool fund because every company in the pool must share the costs(for example, the auditors 'fees) and this cost depends on the size of fund of each company in the pool, large fund size pays more.

For each category, the customers can choose the investment policy and the risk of each investment policy that they can accept. The major types of investment policy are;

- (a) Fixed –Income Investment Policy
- (b) Flexible Investment Policy
- (c) Mixed Investment Policy

- (d) Bank-Risk Investment Policy
- (e) Low-risk Investment Policy

Features that will be included in our web site are;

- (1) About us – provides information about the company's history, staff, and background.
- (2) Contact us- the customer can contact us by e-mail or phone.
- (3) FAQs provides the frequently asked questions and the answer or solution from the company.
- (4) Online Access provides financial data and reports of the existing customer from the database of the company. The reports consist of Investment Portfolio, Provident Fund Management, and Statement of Provident Fund Account and Member Statement Summary.
- (5) Investor choice/ Employee choice is the section that provides the alternative of the investment to the employee other than saving at the bank or in the provident fund and for the employees who would like to be the investors in the near future. This section will introduce the type of fund, the level of risk that may arise, and the return.
- (6) Your money – this section will calculate the money that you will have in the future which will be calculate from the contribution deducted from your salary in which the future may be 5-10 years.
- (7) Tips, which are the knowledge of the savings and the investment like how-to save more money, or how to increase their money value
- (8) News and Newsletter is like the financial news inside and outside Thailand and up to date news on the fund's investment status and performance.

- (9) Promotion such as lucky draw for the visitors and special promotion like reducing fees if the customer wishes to set up provident fund through the web.
- (10) Entertainment provides movie preview, box office movie report, Etc.
- (11) Sport provides the results of the game or match such as soccer, golf, and tennis.
- (12) Help wizard – the help wizard will help new customer who doesn't have knowledge about provident fund in setting up the provident fund. The wizard will guide the customer step-by-step instruction until finished the process and the wizard will provide the information that the customer needs to know about provident fund.
- (13) Search-for the visitor or customer to search for the specific information or contents.
- (14) Tracking is the section for the new customer to track the process of the set up fund so they can know what we are doing now and if it is nearly finished or not.
- (15) Links- the web link to the related web site inside and outside Thailand.

4.2 Price

4.2.1 Pricing Objective

To gain profit margin and use mark up price approach after calculating the fees from the customer depends on the contribution of the employees of the company and from the company itself but we have a minimum fees of 50,000 baht per company or 500 baht per head and the initial fund if the company is transferred from other fund manager and also their salary.

For each customer, the fees that we collect will vary and depend on many factors such as the number of employees , contribution per head of the employees, the percentage of contribution that the employees deduct from their salary (not include O.T. and Gas that they receive each month) that will come in the provident fund and the contribution that the employers pay for the employees 's provident fund. The fees that we collect from the customers are;

- (1) Set up fee- this fee is paid just once by the company and the fee range from 5,000 – 50,000-baht.
- (2) Management fee-the fund management company will collect from the fund in which the customers have the status of employers of that fund and the rate will vary from 0.2% of NAV.(Net Asset Value) to 1.0% of NAV. and will collect once a year.
- (3) Membership fee- if numbers of employees of the customer's company are more than 100 persons we will charge the membership fee as the number of employees will directly affect the variable costs of the company. The company will collect from the customers' firm once a year. The membership fee will vary from 30 baht up to 100 baht.
- (4) Custodian fee- the custodian is the financial institution that has the duty of keeping the assets of the provident fund managed by other company because the fund management company can't keep the assets and profits that occur from the investment to prevent conflict. The rate is between 0.03-0.04 % of NAV. and it will be collected once a year from the fund.
- (5) Auditor fee-by average the auditor fee is between 70,000-120,000 baht per fund and will be collected from the fund and pay once a year.

4.2.2 Cost Benefit Analysis

Can be divided into

Fixed cost which are:

- (1) Development cost
- (2) Operational and maintenance
- (3) Database development
- (4) Depreciate on equipment such as computer
- (5) Domain name fees
- (6) Salary costs
- (7) Training fees
- (8) Etc.

Variable Costs are:

- (1) Operational cost
- (2) Payroll and electricity bill
- (3) Telephone and fax bill

Table 4.1. Projected Cost of Establishing the Web Site and Its System, in Baht.

| Description | Number | Salary/Month (Baht) |
|-------------|--------|------------------------|
| Web Master | 1 | 26,000 |
| Total | 1 | 26,000 |

Table 4.2 Cost of Hardware and Software of the Computerized System, in Baht.

| Hardware/Software | Quantity | Price/Unit | Total (Baht) |
|-------------------------------------------------------|----------|------------|--------------|
| Web Server included Windows NT Server | 1 | 300,000 | 300,000 |
| PC Workstation included Windows NT Workstation | 2 | 40,000 | 80,000 |
| Laser Printer | 1 | 13,000 | 13,000 |
| Network System | 1 | 80,000 | 80,000 |
| UPS | 1 | 5,000 | 5,000 |
| MS SQL Server 7.0 with 5 Client Access Licenses | 1 | 250,000 | 250,000 |
| Web Application system | * 1 | 140,000 | 140,000 |
| Total | | | 868,000 |

Payback Period

Payback period will tell us that how many years or months the initial investment is recouped. The pay back period for this system is approximately 1 year and two months.

Payback Period = Investment / Profit

Total of Investment = Cost of System (Hardware and Software)

$$= 868,000 / 800,000$$

$$= 1.085$$

Estimated Annual Profit = 800,000 Baht

4.3 Place

We will use www.pfund.com as our domain name to communicate the function that we do that is the management of provident fund other than the physical office that we used to operate the business. The Internet or website can reduce travel time for us to present and reduce telephone cost to call the customer as the transaction can occur at the real time. The web site will be another distribution channel that creates sales and provides customer support. We will use logo as “the trunk of the tree” as a sign of the growth of the tree compared with the return on money that will accumulate more and more with stability.

4.4 Promotion

4.4.1 Advertising

Objectives of online advertising:

- (1) Build brand awareness.
- (2) Drive traffic to the web site.
- (3) Develop qualified leads.
- (4) Conduct sales.

The strategies that we use are;

- (1) We will build relationships with the customer with newsletters that will keep the customers and the fund committee up to date on the fund's investment status and performance through our newsletter released every three months. The process will be;

(a) Gather e-mail addresses of our target audience through our web site.

(b) We will write the publication and distribute the newsletter to the customer and prospects by e-mail

(c) Encourage people to pass the newsletter to friends and subscribe.

So we have to create loyalty to the customer that will lead to profits. For web site, we can treat customers as individuals.

(2) We will put our banners on the site that our target markets are interested in which can be www.pantip.com, www.sec.co.th, www.bot.co.th, and in the financial sector web site especially the web site that has the contents about fund and investment.

(3) Register web site on the search engine for the purpose of building traffic.

(4) Register on Yahoo! Because Yahoo! is one of the most frequently used search tools on the Internet by registering under the appropriate category on Yahoo! So the prospects can find our site easily and we can register in two additional categories. We can further list our site in a geographic edition of Yahoo! in order to get targeted traffic from our local audience that is the main target for our web site.

(5) We will have free wallpaper and screensaver section that the customer can download free wallpaper and screensaver that has our domain name and logo on them to promote our web site and make them revisit our web site.

4.4.2 Sales Promotion

- (1) Reduce fees if they apply the provident fund on the Internet. This is to attract more customers to use our service online. It can help reduce their physic cost of doing transaction online.
- (2) Lucky Draw for the visitor who visits the site in which the prizes can be mobile phone, gold, gift certificate, PDA, etc. By attracting customers to our site, our brand awareness can be increased and also more audience will visit the site and may become our prospect.
- (3) Apart from that, we also exempt the fee of setting up the provident fund which is around 10,000 – 40,000 baht based on the condition and the contribution of each company.
- (4) Games like answering 20 questions to get gifts or reduced price – the customers can find all answers in our web site. This will make the visitor read through our site and gain some knowledge. It can make people stay with our site longer than usual.
- (5) The company who refers our site to other organizations or to their friend will receive a reduction in membership fee. This is aimed to increase awareness of our site among the audience. It is the better way to use word of mouth because it is more trustable when people refer to the site than the use of advertising.

4.4.3 Public Relation

- (1) Co-operation with Theatre for preview movies for the grand opening and introducing day.
- (2) Press Release – invite the press to join press conference that will introduce the web site to the press and also distribute the publication about our web

site as the material for press to write the news about us. Also the press conference will be set up to announce the grand opening of the site as well.

- (3) Use testimonials to increase credibility for our web site that is the comments from the visitor or users in full name so we would ask them to write their comments for us. We will post them on the site , newsletter, and print material.
- (4) Charity: Every 1% of membership fee will be donated to the foundation. This is to increase the company image in the positive side and also convey the message to people that they not just only benefit from the provident fund but also they are helping the communities in a certain way as well.
- (5) Donation: Used cloths, books, toys and other items will be donated to the upcountry schools or other foundation every year. We also invite other people to join the program as well. This will make people feel like helping the society, thus increasing their ego. The project name that contains the company's name will be remained in the customers' mind as well.

V. WEB DEVELOPMENT AND DESIGN

5.1 Web Concept

5.1.1 Objectives of the Site

- (1) To provide customer support in term of information and help.
- (2) To assist the prospects in setting up the provident fund.
- (3) To use the web as a communication tools for the remote customers and make the service convenient and easy for them to use and to provide promotional tools that persuade the customers to use the service with us and help the customers make their decision quickly and easily because the customers can compare the value that we offer with the others .
- (4) To educate the audiences about the provident fund.
- (5) To create online community of the customers who currently use the service and the new customers who want the advice or comments.

5.1.2 The Site's Audience

The site's audience of the web site will emphasize Thailand and we aim at institutions, medium to large sized business, and the others who want to know the information about the provident fund which can be benefits of the provident fund, the process of the setting up the provident fund, etc.

We can divide the audience who visit of the site into;

- (1) The prospects audience

The prospects audience are the people who have been authorized by the top management or the owner of the company to find the information about the provident fund which will include the search for the management fund companies that legally manage the provident

fund and compare the costs that they have to pay and the return that they will receive for each management company that they know, from the friends, colleague, the other company who currently use the provident fund . The prospect can be organization that currently use the provident fund services from a competitor but they want to switch to use the provident fund service from us. This kind of audience can be our customers because they have the wants, the authorization, and the demand for the provident fund.

(2) General audience

The general audience can be people who link from the other web sites, the people who don't know anything about the provident fund but heard from friends who join in the provident fund about its benefits so they want to know more. The general audience can be customers who currently use the services from our company that want to know more information about the provident fund, their financial status report, update news and rules, tips and advice, ask the questions, can't solve the problems that occur and need help, contact us, want to know more about our company.

5.2 Web Design

In designing web site, we will use a consistent message, fonts, logo, to every page of the web site and other elements of a marketing campaign to communicate with the target markets.

We emphasize on:

- (1) Easy to navigate – the web site will have the navigator tools that the customers can click to go back to homepage, previous page, or other section that they want.
- (2) Fast downloading time- the pictures will be necessarily used to reduce download time because the speed of internet in Thailand is still slow compared with the other country such as Singapore.
- (3) User friendly.
- (4) Find the information the customers' want in a short time.



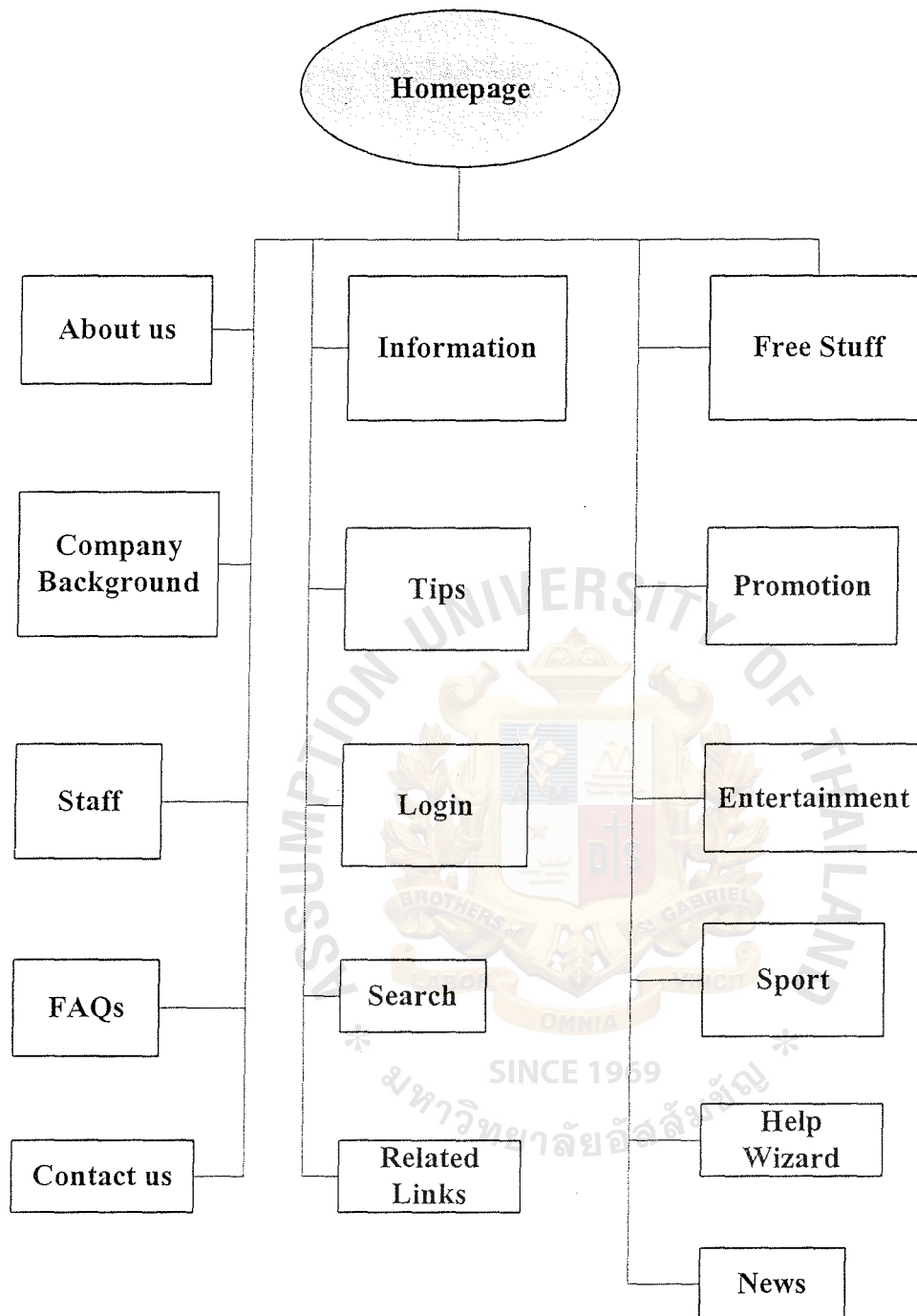


Figure 5.1. Pfund Site's Structure.



Figure 5.2. Web Interface Design.

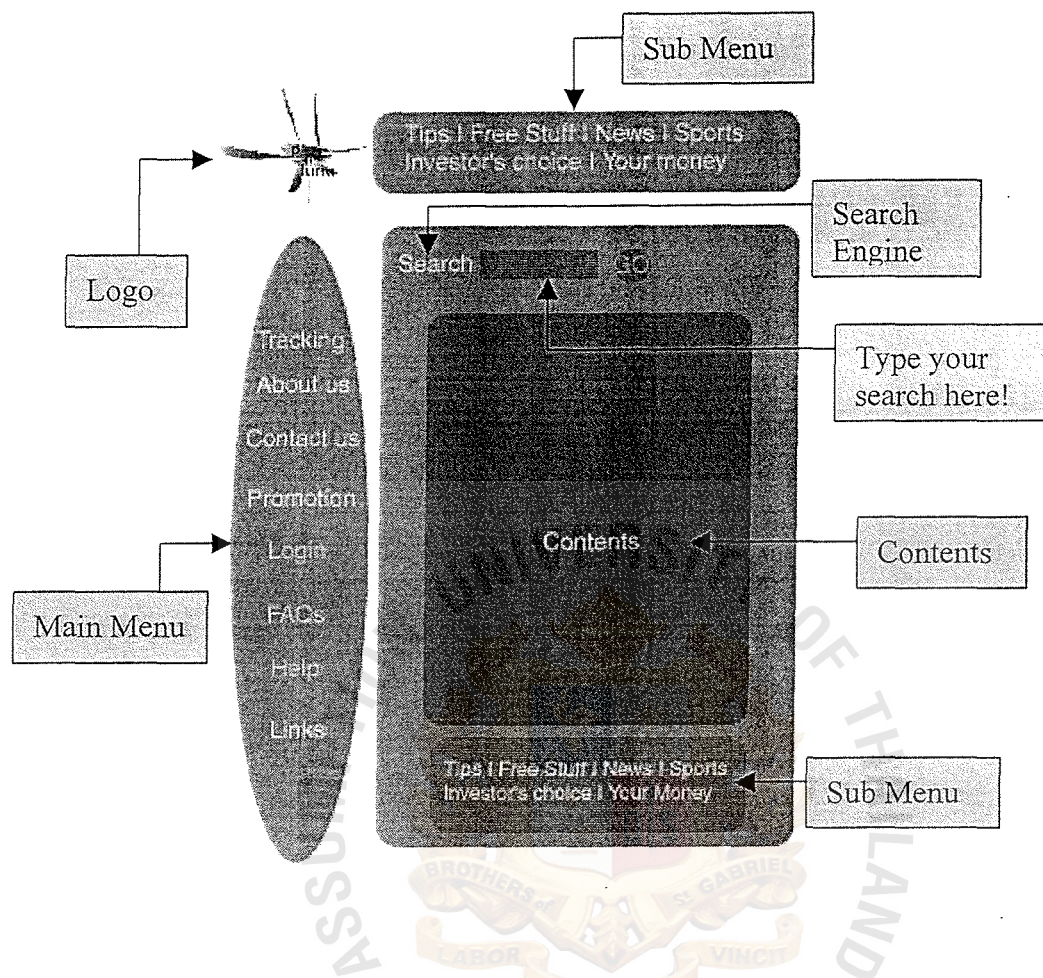


Figure 5.3. Homepage Layout.

5.4 Security Systems

The rapid growth of the Internet has created enormous opportunities for new ideas and business concepts. The key is maintaining "secure and private." The data that passes through is confidential. Any breach of security could severely damage the company's reputation and endanger a customer's bank accounts or personal information. We recognized early on that we would need to employ multiple layers of protection throughout our environment in order to guard against malicious activity from outside or inside the company. We not only wanted to protect the systems that handle consumer data, but our entire corporate network that prompted the company to turn to SAFE suite

intrusion detection and security management solutions from Internet Security Systems (ISS). Among other things, SAFE suite intrusion detection, RealSecure, utilizes a wide range of network and system "sensors" to analyze network traffic and system logs unobtrusively. It recognizes hostile activity by interpreting network traffic patterns indicative of attacks. RealSecure resides on individual hosts, it can review system logs for evidence of unauthorized activity. When it identifies a threat, it responds immediately by automatically terminating the connection, setting off alarms or pagers, reconfiguring network devices such as firewalls, and recording the attack for forensic analysis. Finally, we required an intrusion detection system that would leverage its existing infrastructure of Microsoft Windows NT. That made it possible to embrace a state-of-the-art solution without an expensive upgrade to new hardware. We found that Internet Security Systems' solutions excelled in two crucial categories: overall product quality and commitment to service. Not only did the RealSecure solution recognize more attack signatures than any other system, ISS had the track record to support the product. RealSecure sensors continuously monitor all of the company's Internet connections, servers and internal networks. That makes us possible to respond to attacks and unauthorized internal activity in real time using a variety of methods--reconfiguring a firewall, disabling a user account, executing a user-defined program, or automatically alerting staff via e-mail, pager, or phone. Equally important is the ability of RealSecure to provide centralized management capabilities. That makes it possible to set up custom alerts to notify the company's operations center that a possible security breach has taken place--without providing access to the security systems that might be under attack. In the end, that gives the company's top security analysts greater control over the entire environment. There's no staff to maintain, and single vendor contact greatly simplifies support.

RealSecure offerings include remote firewall, anti-virus, intrusion detection, PKI/VPN and other security management essentials. Each installation is backed by ISS' advanced, standards-based security lifecycle methodology, and can be paired with e-commerce insurance for a complete e-business risk management solution. These powerful business solutions protect critical infrastructure 24 hours a day, 7 days a week, 365 days a year. And they work without an extensive investment in staff or technology. This flexibility allows us to receive best-of-breed security management .

5.5 Database connection

We create a connection between our existing database that store in our web server with the Common Gateway Interface, or CGI, that is a standard for external gateway programs to interface with information servers. We also use “Dreamweaver Ultradev 4” in creating web site and use it to simulate a real situation as we upload all the data to server. For example, when the visitors click on our web site, what are the experiences that they will receive from our web site and also the time and speed that use to load our web site.

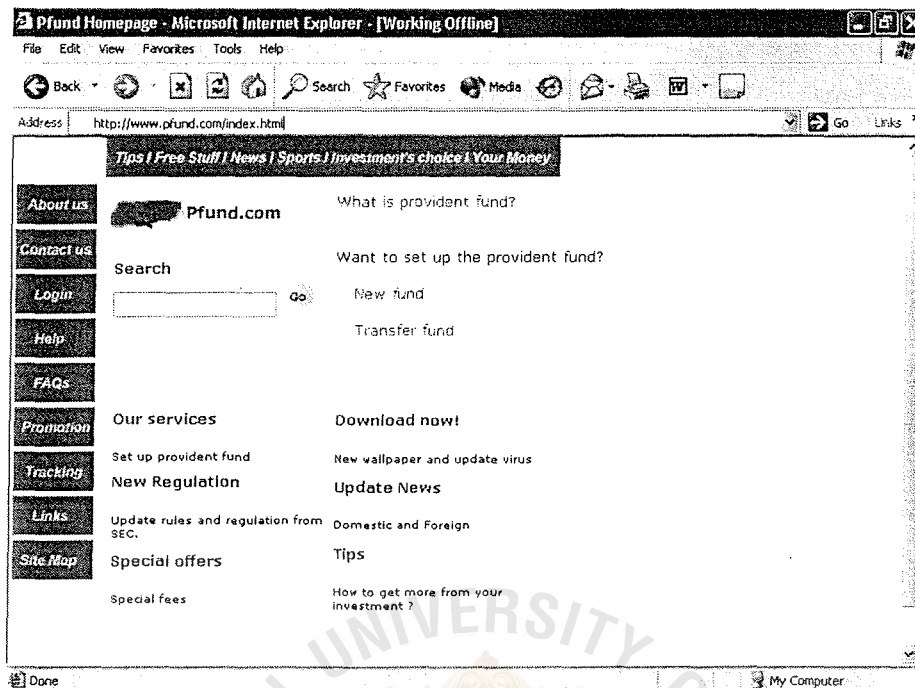


Figure 5.4. Pfund's Homepage.

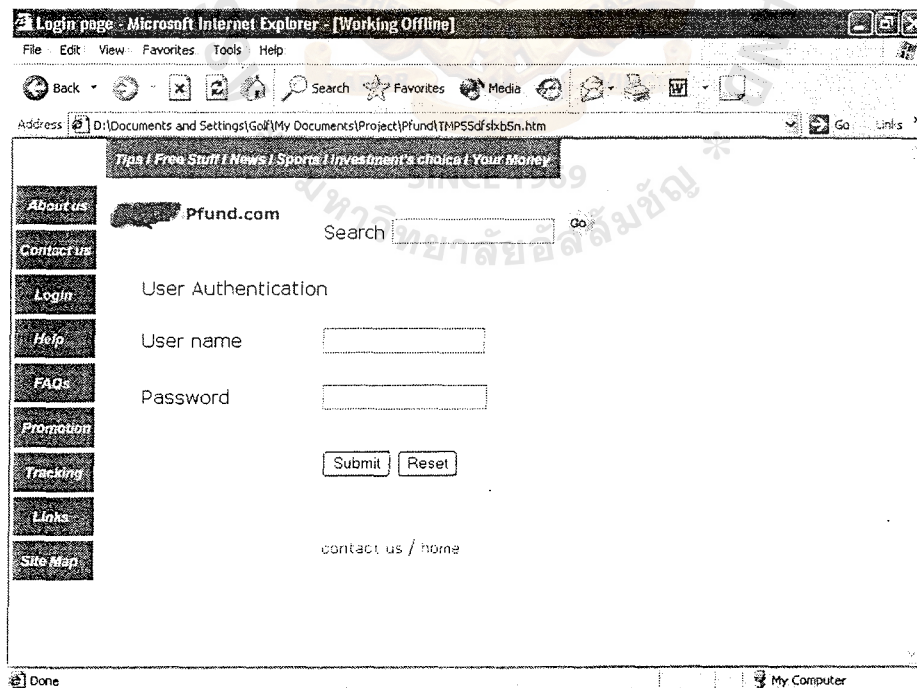


Figure 5.5. Login's Page.

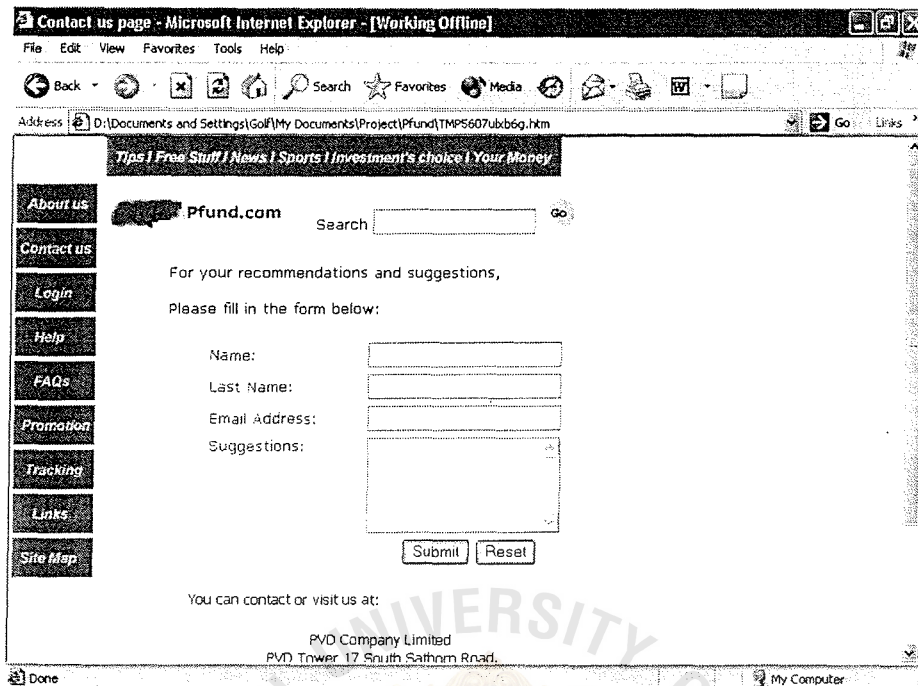


Figure 5.6. Contact us's Page.

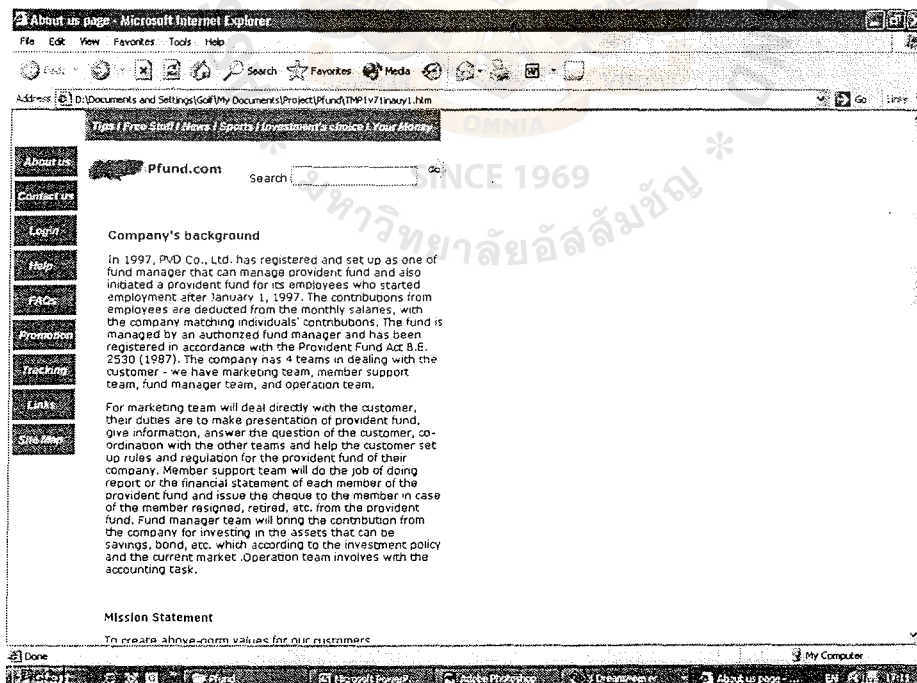


Figure 5.7. About us's Page.

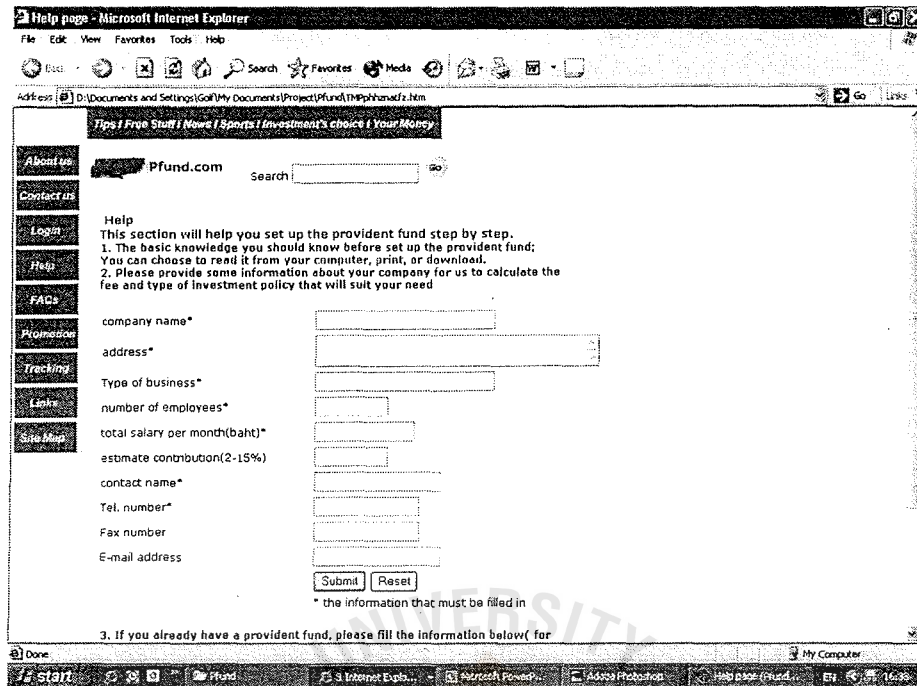


Figure 5.8. Help's Page.

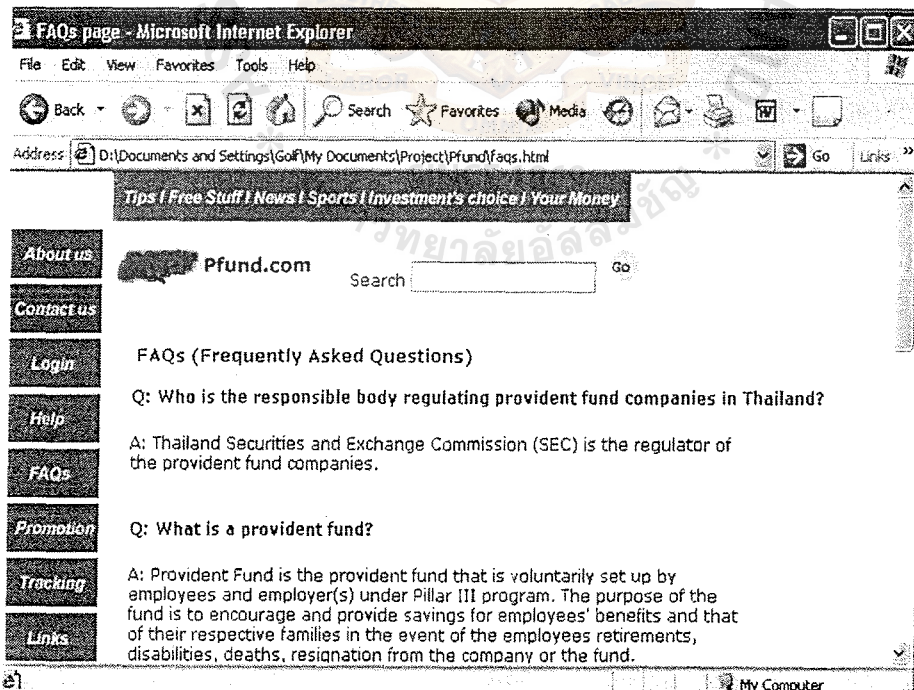


Figure 5.9. FAQs's Page.

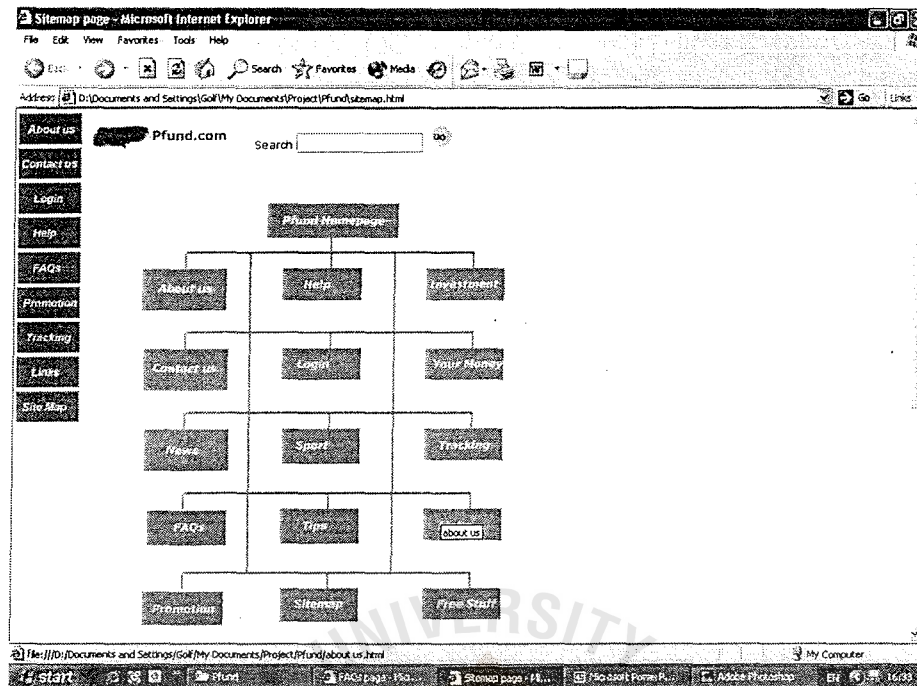


Figure 5.10. Sitemap's Page.

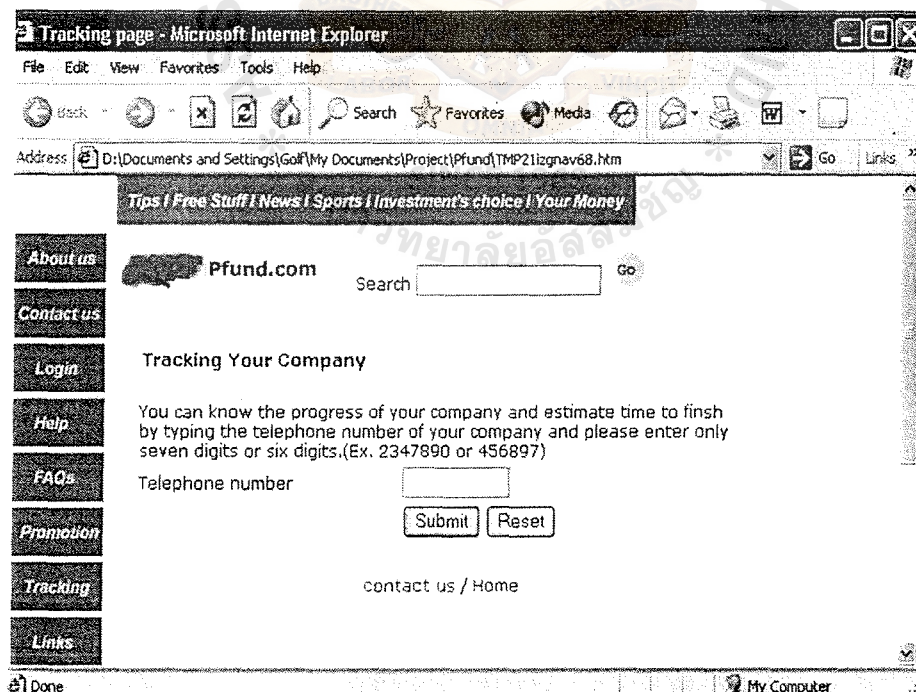


Figure 5.11. Tracking's Page.

We can divide homepage into 5 parts, those are;

- (1) Logo of the web site; it will show every page when the customer browses through the web site, so the customer can remember our logo with the domain name more easily than just a name alone without the picture. People can easily recognize the picture so when they see the logo they will think of our web site. The logo will be located on the top left corner of the page.
- (2) Main Menu ; The main menu will not change when the customers select any topics of the web site so the customers can easily go to the other topics and it's easy for them to remember. The main menu will be located on the left of the page. The main menu consists of ;
 - (a) Tracking (refers to Figure 5.11 on page 41) -the customer can track the process of the set up provident fund. They can know what we are doing now, the documents that they need to prepare for the next step of the process, the remaining time left to finish the process. This process will help the customer's staff, who has been authorized to co-ordinate with the fund management company, report the progress to the top management or the owner of the company to see the whole picture clearly.
 - (b) About us (refers to Figure 5.7 on page 39) – this section will create the trust in our site that is the representative of the company's image. The information provide is the company 's history, address of the physical office, map of the office, telephone and fax number, list of the current customers who are using our services, staff's profile, the performance of the company from the past until now.

- (c) Contact us (refers to Figure 5.6 on page 39) - the form will be provided for the customer to fill in and submit to us by e-mail. They can also send the questions and comments to us. For the questions that they ask, the staff will answer back within 24 hours.
- (d) Promotion- we use the web as a promotional tool so we will launch the special promotion only for the customers who use our web site as a communication tool. This promotion will provide the incentives such as discount fees, fee gifts, and lucky draw to encourage the customers to visit our web site and make the decision easily.
- (e) Login (refers to Figure 5.5 on page 38) –an online access to financial data, rules and regulation of each fund that the customers are the member of that fund, the conditions that the employers of the customer's company will pay, how long the employees will receive the additional contribution from the company other than the employees contribution, and reports of the existing customer from the database of the company. The reports consist of Investment Portfolio, Provident Fund Management, and Statement of Provident Fund Account and Member Statement Summary. The employees can see the time remaining to receive the contribution and its benefits from the employers and if they want to quit from the job, they will not lose those benefits. For example, if the rules of the fund set by the committees of the company state that the employees will receive the contribution and its benefit for 30% of the contribution that the employees themselves pay to the fund from the company or employers if they worked with the company equal to and more than 3 years other

wise , if Mr. A has worked with the company for nearly 3 years and wants to quit from the job, he can go to the web site and check the remaining time, in this case we assume that 10 days left so Mr.A will quit from the job on the day that has been working with the company for 3 years to receive the money from the company.

- (f) FAQs (refers to Figure 5.9 on page 40) provides the frequently asked questions and the answer or solution from the company.
 - (g) Help (refers to Figure 5.8 on page 40) – the help wizard will help new customer who doesn't have knowledge about provident fund in setting up the provident fund. The wizard will guide the customer step-by-step instruction until finishing the process and the wizard will provide the information that the customer needs to know about provident fund.
 - (h) Links – suggest the relevant and interesting web sites. We will divide into two categories, those are;
 - (1) Domestic Links – the links will be to the web site of the related organizations that provide the information about the fund and investment. For example, www.sec.or.th, www.bot.or.th, www.set.or.th.
 - (2) International Links – The links to the international organizations outside Thailand that provide the information about tips and basic investment of the fund. For example, www.ici.org.
- 3) Sub menu is located both on the top and bottom of the site. They add more value to the site apart from the main menu. They are;
- (a) Investor choice/ Employee choice - this section will educate the customers about the investment policy in the area of the types of assets

that each investment policy will invest, the percentage of the investment made to each asset, the return on investment of each investment policy and the risk associated so the customers can choose from the alternative of the investment policy suitable for their wants and the risks that they can accept and for the employees who would like to be the investors in the near future. This section will introduce the type of fund, the level of risk that may arise, and the return.

- (b) Your money – this section will calculate the money that you will have in the future which is calculated from the contribution deducted from your salary in the future may be 5-10 years.
 - (c) Tips, are the knowledge of the savings and the investment like how-to save more money, or how to increase their money.
 - (d) News and Newsletter is like the financial news inside and outside Thailand and up to date news on the fund's investment status and performance.
 - (e) Entertainment provides movie preview, new movies that will be coming soon, synopsis of the movies, box office movie report, movie star new update, Etc.
 - (f) Sport provides the analysis and results of the game or match such as soccer, golf, and tennis.
- (4) Contents – the contents of each menu will be changed each time the visitors change the topics and it will use most area of the web page to display.
- (5) Search Engine - search engine for the visitor or customer to search for the specific information, keywords, or contents from the web site.

VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

Our web site offer the customization to the customers so they can't find it on the traditional business transaction because of the high costs to implement but for the web site we can make it really happen with the low cost of implementing. Each customer can select the specific information that satisfy his or her need and want and the web site also provide the privacy in protecting the customer's profile with the login and password. The web site will facilitate and help the customer making their decision about the provident fund. The web site offer the lower price of service and special promotion that they can't refuse. The web site provide the additional value to the customers. They can set up the provident fund online. We offer the convenience and save time for the customer.

6.2 Recommendations

Though provident fund is not much well recognized by the prospects, it can be expected that the usage of provident fund will be increased in the future. Therefore, in the near future we will add more features which will increase the functions of the web site and add more benefit to the audience and the customers who visit our web site. The features in which we will add are:

- (1) The customer can calculate their contribution such as if they have the salary for some amount and then calculate their contribution.
- (2) For example, now if the customer has the salary of 15,000 baht and assume that their contribution to the provident fund is 5% from their salary that is 750 baht what are the amount that will be remaining if he or she retires or resigns from the job.



APPENDIX A
TISCO'S WEB SITE

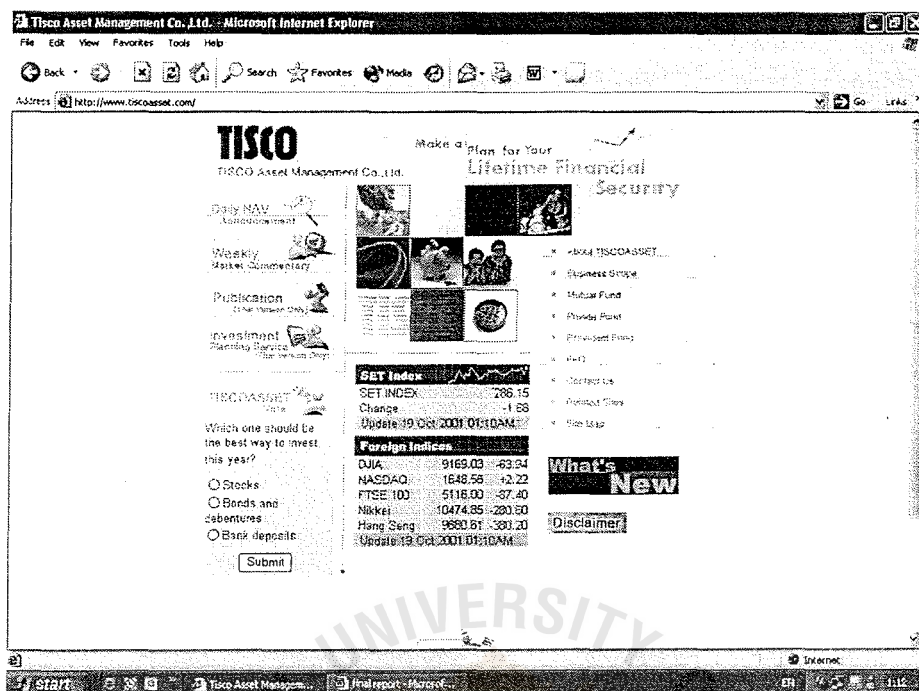


Figure A.1. Tisco's Homepage.

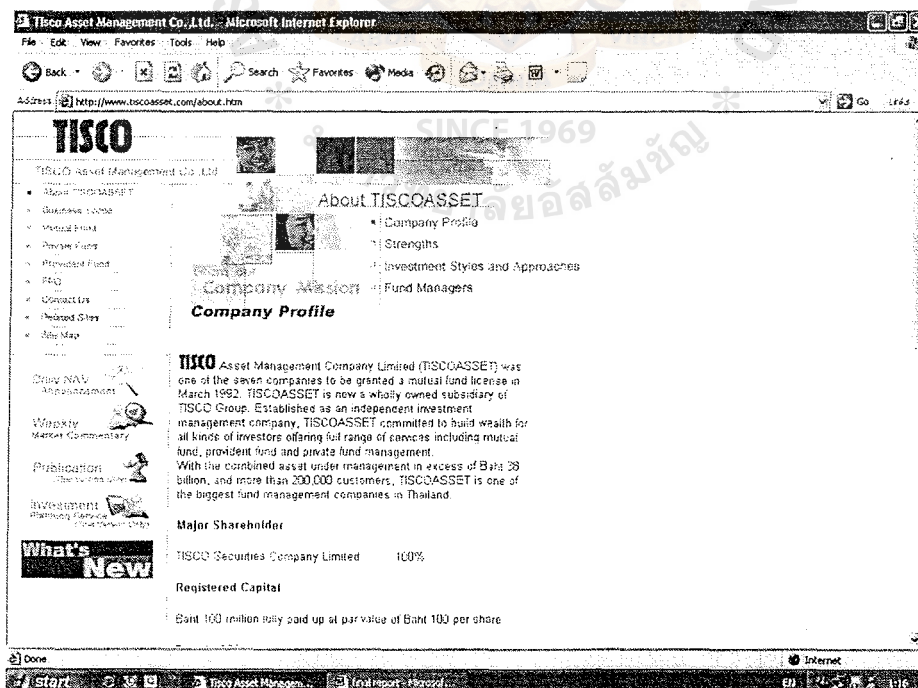


Figure A.2. About TiscoAsset's Page.

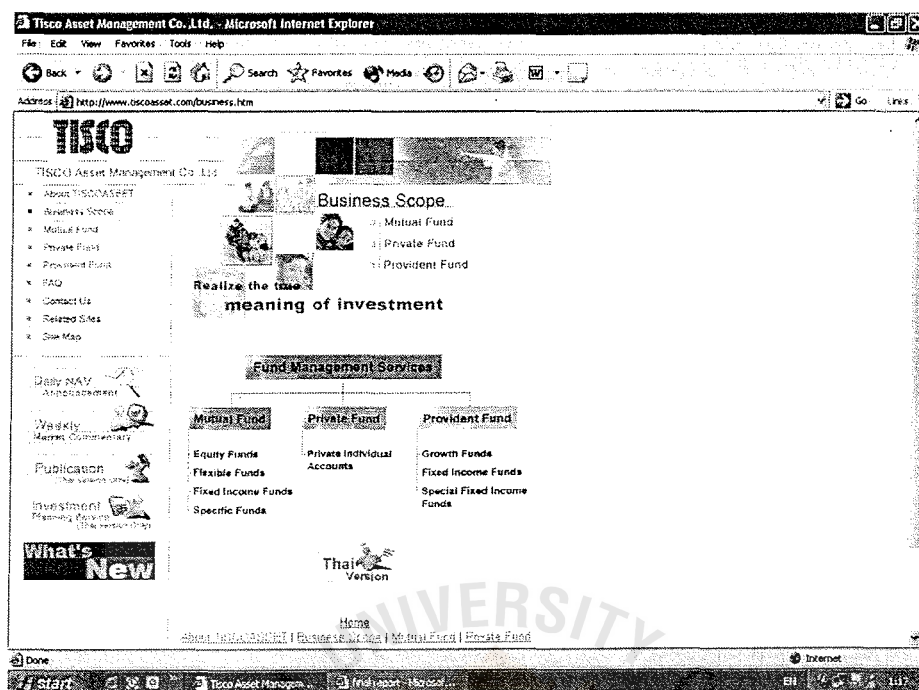


Figure A.3. Business Scope's Page.

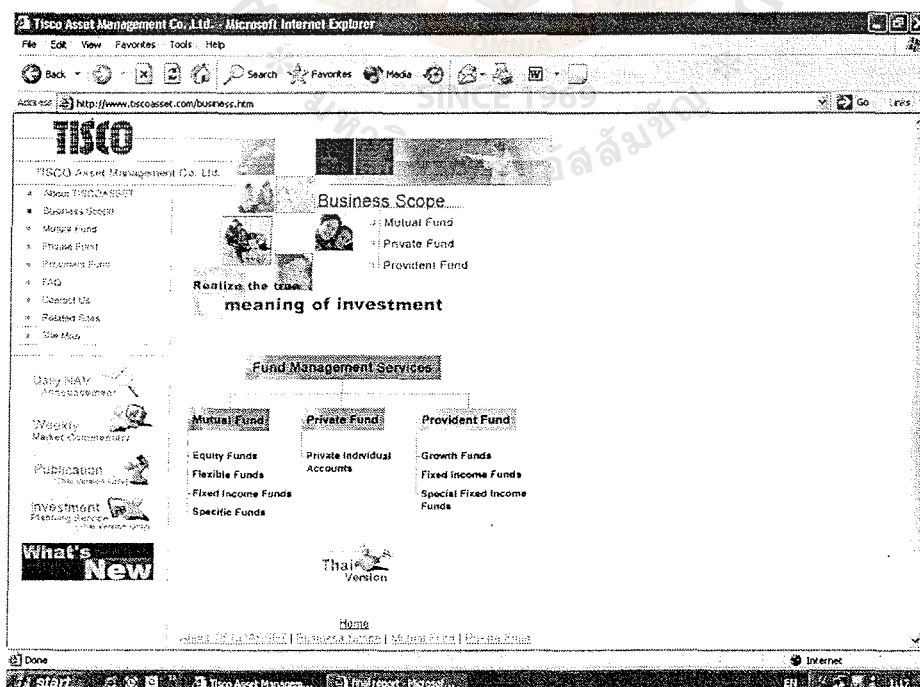


Figure A.4. Mutual Fund's Page.

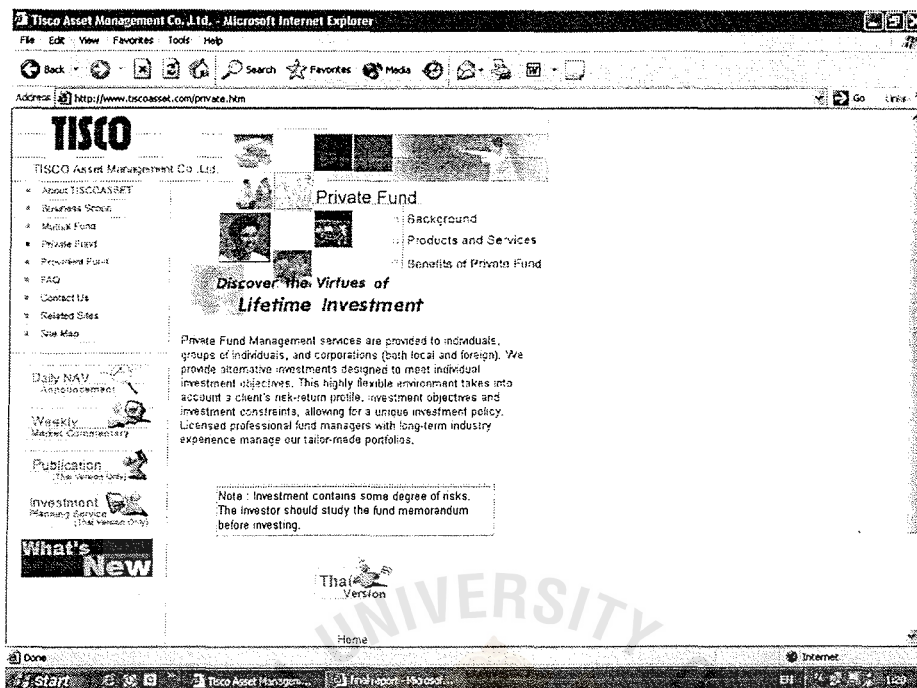


Figure A.5. Private Fund's Page.

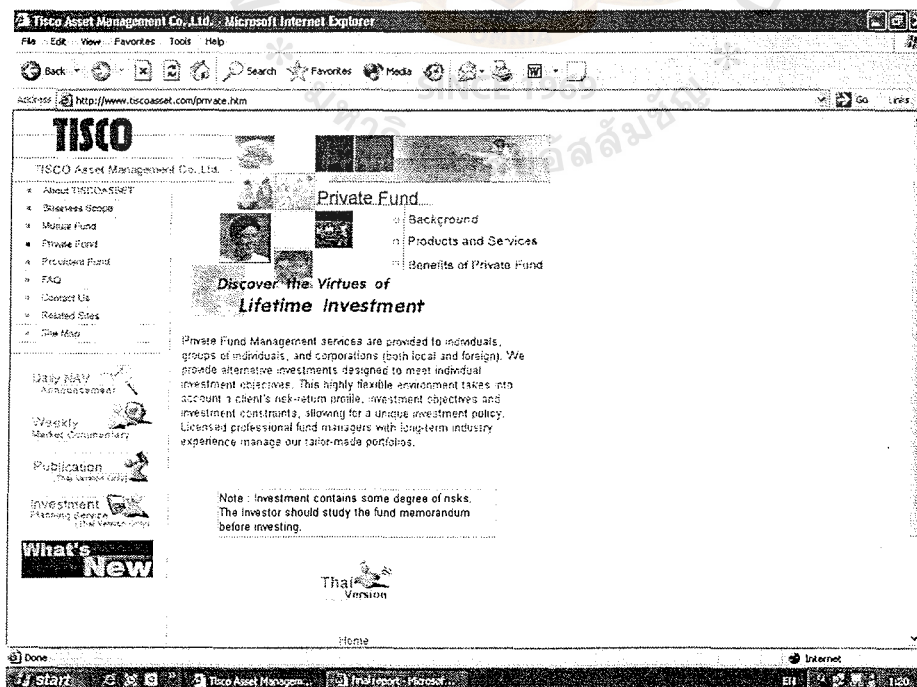


Figure A.6. Provident Fund's Page.

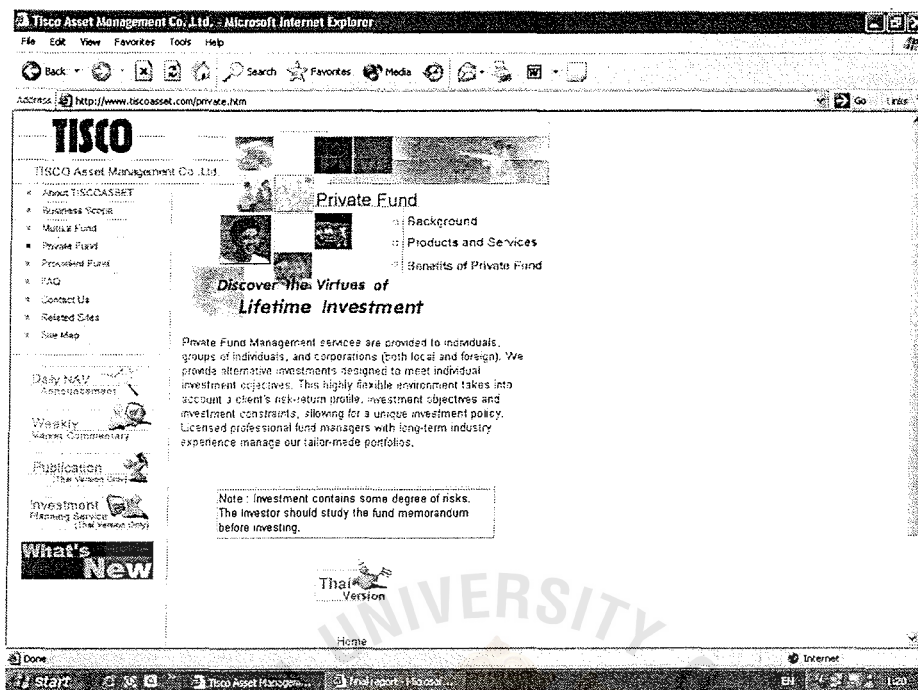


Figure A.7. FAQ's Page.

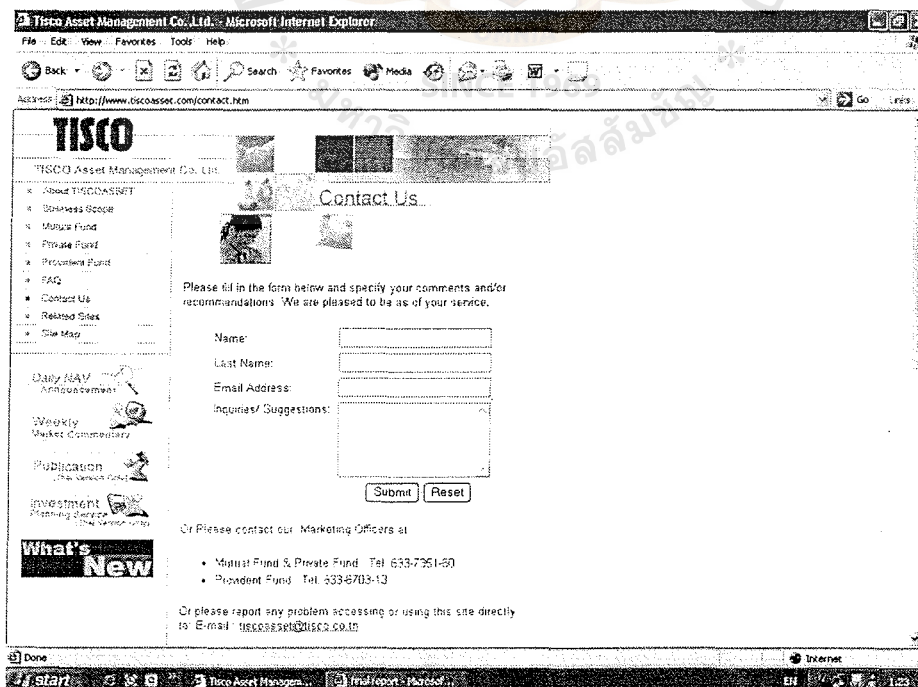


Figure A.8. Contact us's Page.

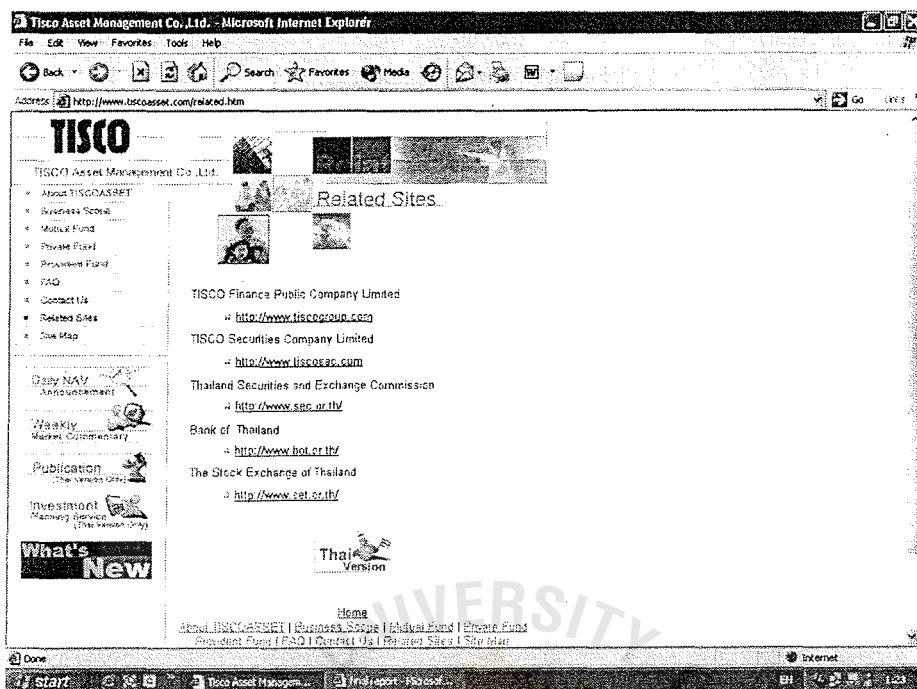


Figure A.9. Related Sites's Page.

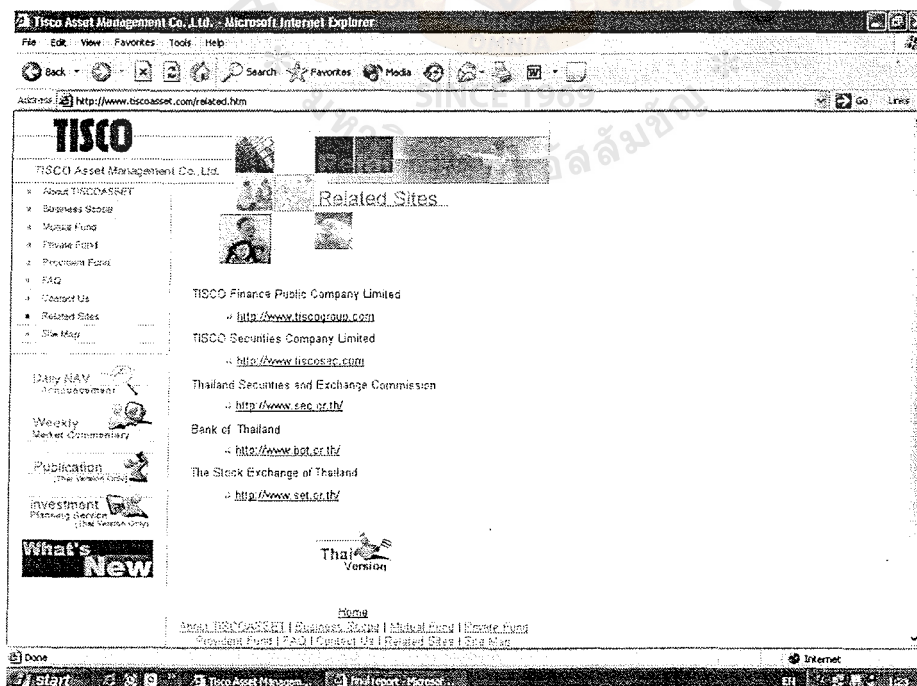


Figure A.10. Site Map's Page.

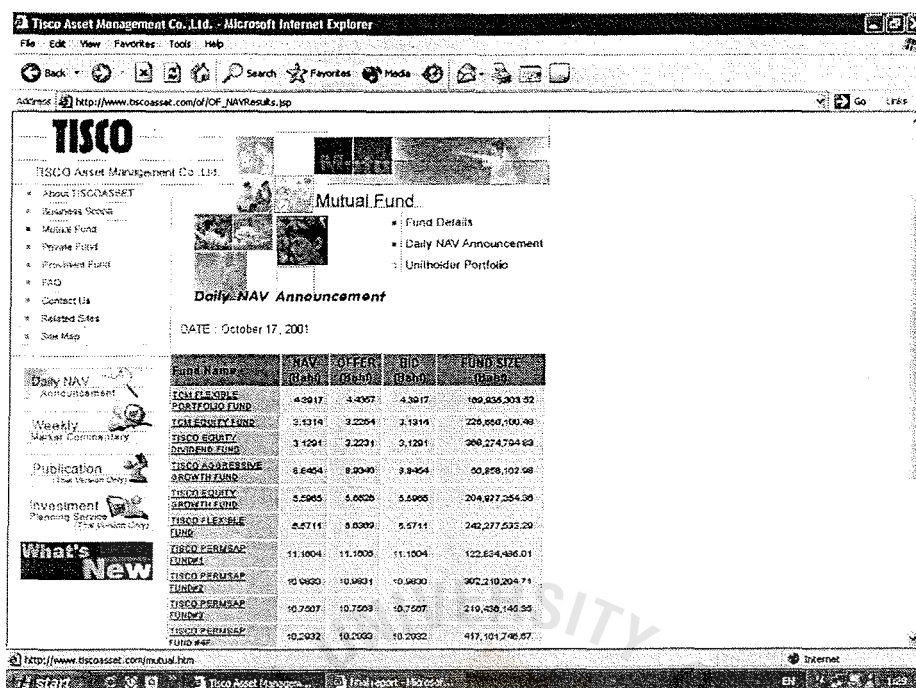


Figure A.11. Daily NAV Announcement's Page.

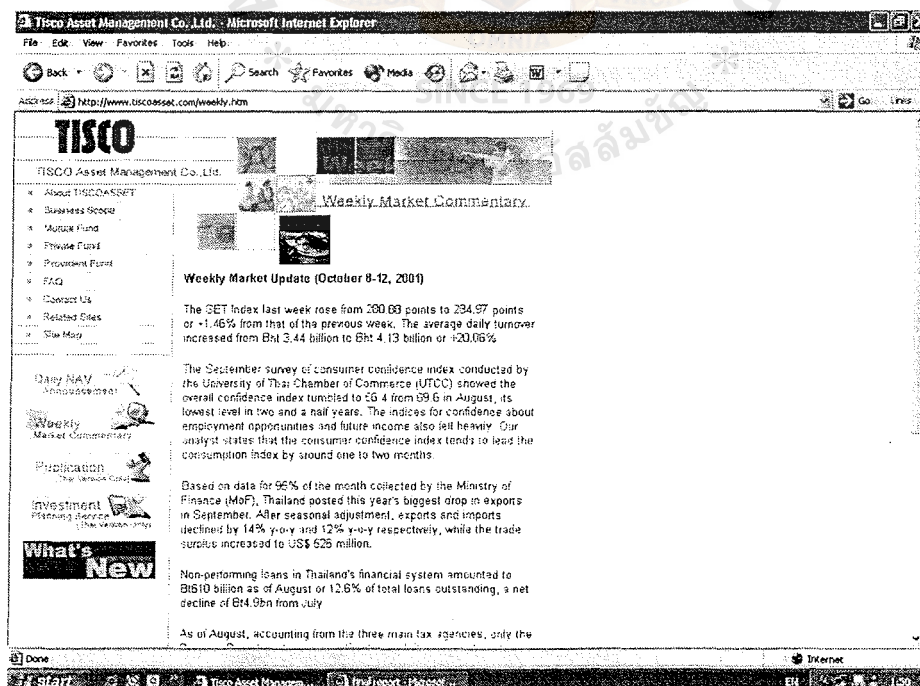


Figure A.12. Weekly Market Commentary's Page.

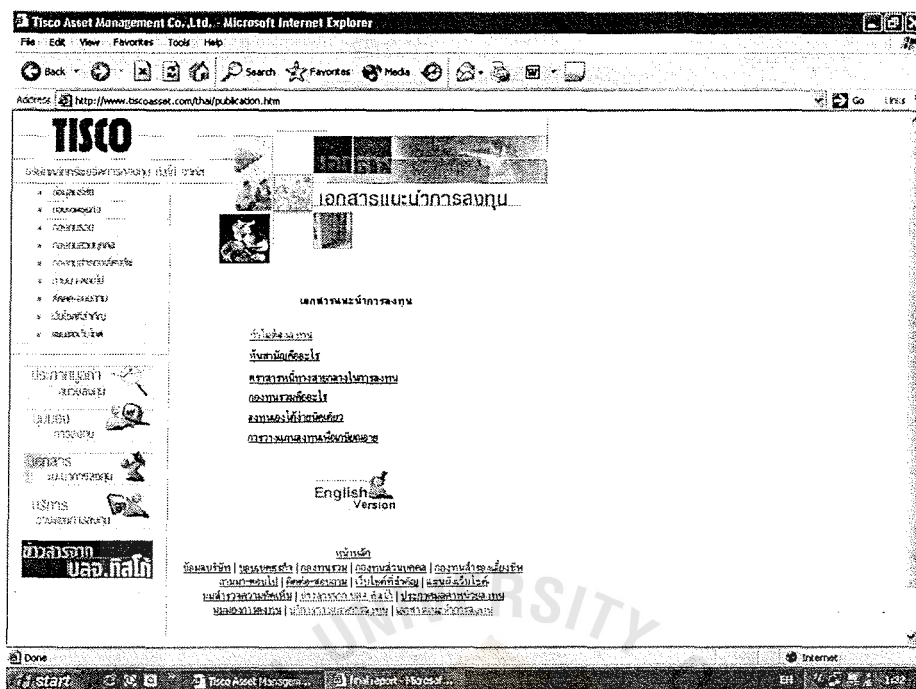


Figure A.13. Publication's Page.

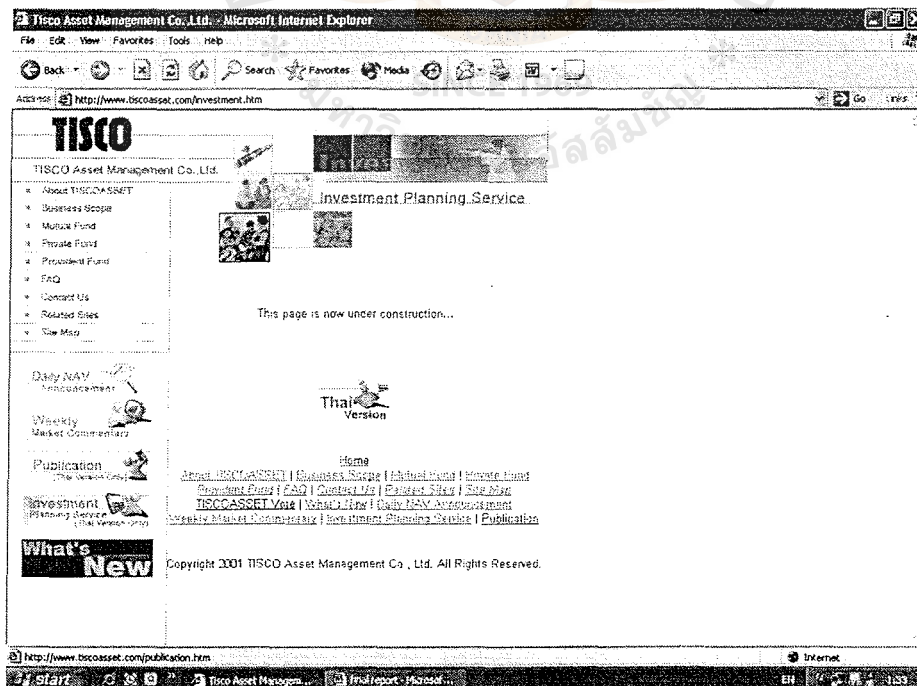


Figure A.14. Investment Planning Service's Page.



Figure A.15. What's New.

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