SCD Textile Shop Online

by

Mr. Pichit Aksornjindarat

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

March 2002

/14.

SCD Textile Shop Online

by
Mr. Pichit Aksornjindarat

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

March 2002

Project Title   SCD Textile Shop Online

Name   Mr. Pichit Aksornjindarat

Project Advisor   Rear Admiral Prasart Sribhadung

Academic Year   March 2002

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.

Approval Committee:

Prasart Sribhadung   _S. C_
(Rear Admiral Prasart Sribhadung)   (Prof.Dr. Srisakdi Charmonman)
          Advisor   Chairman

Ketchayong Skowratha   _S. Th_
(Dr. Ketchayong Skowratananont)   (Assoc.Prof. Somchai Thayarnyong)
          Member   MUA Representative

March 2002

ABSTRACT

Saeng Chin Da, or SCD in short, is a textile shop which has been operating in Bangkok, Thailand for more than thirty years. It has a highly specialized skill regarding textile business. The shop handles mainly polyester textiles for female clothing. The customers are individuals, boutique shops and clothing factories.

The current selling channel of SCD Textile Shop is done using the traditional way of business, they sell mainly through their stores by sales persons. Most of the transactions are done through telephone conversations and manually visiting the customers to close sales. Very few customers come to SCD shop directly. If the customers would like to get more information on new products, new promotions, or new textile catalogs, they have to make a telephone call to the shop or manually visit the shop, which incur costs and efforts to the customers.

In order to make it more convenient for the customer to contact SCD shop and encourage its existing sales capability, this project paper has to develop a web site for SCD shop and develop an effective marketing plan for SCD web site. SCD web site will serve as a communication channel with the customers. The web site will also encourage the offline sales by providing various selling activities supports, for example, Ask Expert, Promotion, and Catalog Request.

The SCD web site is designed to be easy to navigate, information provided readily updated and relevant, and user friendly. All of the web site elements and features should achieve its objectives.

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

I. INTRODUCTION

1.1 Background of the Project

SCD is a textile shop which has operated in Thailand for more than 30 years. With its experience and know how in the textile industry, SCD has many customers ranging from small boutique shops to clothing factories. SCD also serves individual customers who directly came to the shop.

Recently, the innovation of Internet and E-Commerce technology has supported new ways for doing a business and a new opportunity for an enterprise. The existing company has developed its own web site for doing business on-line and some companies build up a web site for doing business on-line only. This New Economy is established by utilizing the technology of Internet.

SCD realizes this opportunity and decides to launch a web site in order to serve both existing and new customers over the Internet. In addition, the establishment of a commercial web site can serve as a new marketing channel for both local and international business. The web site of SCD is aiming to improve and encourage the existing offline sale.

By adopting a effective plan of web site marketing strategy with a high experience in the textile industry, the development of an SCD web site can serve as a powerful marketing tool which can improve over all operating processes and increase sales volume as well.

1.2   Objectives of the Project

    (1)   To develop a web site prototype of SCD Textile Shop Online that is aimed to encourage the existing offline sale.

    (2)   To develop a web site prototype of SCD Textile Shop Online that serves as a communication channel with its customers.

    (3)   To set up an effective marketing strategy for SCD Textile Shop Online web site using the Internet and E-commerce Technology.

    (4)   To submit as partial fulfillment of the requirements for the Degree of Master of Science in Internet and E-Commerce Technology, Assumption University.

1.3   Scope of the Project

The report will include the SCD Textile Shop web site prototype which shows how SCD web site is going to look like.

Due to the lack of financial backing enjoyed by the Thai financial institutions and less advanced technology to develop full E-Commerce features, the developing of a true online store and true E-Commerce where financial transactions occur online may be difficult. Therefore, the web site is mainly aimed to encourage the existing offline sale for SCD Textile Shop and provide information about SCD shop to the general public. This web site will focus on both the existing customers and the prospects who wish to know more about SCD shop.

The report also includes the marketing plan for SCD web site which explains the strategy going to be used to encourage the offline sale.

2

1.4   Deliverables

(1)   The project report will explain how to implement the effective marketing

strategy for the SCD Textile shop web site.

(2)   The web site prototype will show how SCD web is site going to look like.

II.   LITERATURE REVIEW

2.1   Electronic Commerce

Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services, and information via computer networks including the Internet. Electronic Commerce can be defined as:

(1)   From a communication perspective, Electronic Commerce is the delivery of information, products, services, or payments over the telephone lines, computer networks, or any other electronic means.

(2)   From a business process perspective, electronic commerce is the application of technology toward the automation of business transactions and work flow.

(3)   From a service perspective, electronic commerce is a tool that addresses the desire of firms, consumers, and management to cut service costs which improve the quality of goods and increasing the speed of service delivery.

(4)   From an online perspective, electronic commerce provides the capability of buying and selling products and information on the Internet and other online services.

The term commerce is viewed by some as transaction conducted between business partners. Therefore, the term electronic commerce seems to be fairly narrow to some people. Thus, many use the term e-business. It refers to a broader definition of electronic commerce, not just buying and selling but also servicing the customers and collaborating with business partners, and conducting electronic transaction within an organization. According to Lou Gerstner, IBM's CEO: "E-business is all about cycle

4

time, speed, globalization, enhanced productivity, reaching new customers and sharing knowledge across institutions for competitive advantage."

In its broadest sense, electronic commerce refers to the use of electronic means and technologies to conduct commerce, including within-business, business-to-business, and business-to-consumer interactions. The enabling technologies, of course, are also used for noncommercial activities such as entertainment, communication, filing and paying taxes, managing personal finance, research, and education, which may still include the services of online companies. As a result, it is somewhat difficult—and sometimes arbitrary—to separate electronic commerce areas from noncommercial applications of the same technologies and infrastructure.

Although these may be cutting-edge applications, conventional electronic commerce areas include:

(1)   Searching for product information

(2)   Ordering products

(3)   Paying for goods and services

(4)   Customer service

All are conducted online. The use of the Internet to support marketing and customer-interface is only part of electronic innovations that are changing the way firms do business. With intranets, corporations distribute internal memos and announcements to their employees, and knowledge exchange and scheduling communications flow worldwide in a timely fashion. With direct connection to suppliers (for instance, an extended intranet), the same technology is used for manufacturing and supply-chain management. 3M (www.mmm.com), for example, expanded its EDI service to the Internet, allowing its over 2,000 suppliers and customers access to its EDI transactions via any way they choose—private VANs, phones, and faxes, as well as the Internet. To

5

sum up, for within-business, business-to-consumer, and business-to-business applications, electronic commerce includes:

(1) Internal electronic mail and messaging

(2) Online publishing of corporate documents

(3) Online searches for documents, projects, and peer knowledge

(4) Distributing critical and timely information to employees

(5) Managing corporate finance and personnel systems

(6) Manufacturing logistics management

(7) Supply chain management for inventory, distribution, and warehousing

(8) Sending order processing information and reports to suppliers and customers

(9) Tracking orders and shipments

and countless other business activities. More important than the mere number of areas being affected by electronic commerce is the fact that these activities can be integrated into a holistic business process. Thus, all the areas mentioned above are not really a separate application, but rather, one aspect of the whole electronic commerce process. For example, inventory and supply management is tied to production as well as to the demand data collected from consumers ordering via web stores. In short, the business potential of electronic commerce is the capability to innovate and integrate business and market processes. The most obvious and immediate use is achieving transactional efficiency.

2.2   Commercial Use of Internet and E-Comemrce

Businesses need to place electronic commerce within the context of broader uses of the Internet than the traditional commercial framework. As a market, electronic commerce impacts not only marketing but also production and consumption.

Information collected through web stores is used to customize products, to forecast future demand, and to formulate business strategies. Consumers not only order and pay for products online, but also search for product information, reveal their preferences, negotiate with sellers, exchange information about products and firms, and use products online by filtering, processing, and linking them with other computer programs. Likewise, supply chain relationships among businesses and competitive strategies need to aim at increasing the overall market efficiency, not just transactional efficiency.

The Internet can certainly be used as an alternative marketing channel, selling existing products online, but the future of electronic commerce will be guided by innovative digital products and services that will emerge in the electronic marketplace. But from where are these products and processes coming? The explosive growth of the Internet gives a partial answer. The core of digital commerce comes from selling digital products, but no one is certain how big the digital product market will become. To get an idea, one only needs to list products that can be digitized: all paper-based information products such as newspapers, magazines, books, journals, and databases; computer software, and games; audio products, including music, and speeches; video and multimedia products, such as movies and television programs; other information products, such as weather reports, stock quotes, government information, consumer information, and even personal information; and digital counterparts for existing products, such as room keys, digital currency, digital checks and other financial instruments, airline and concert tickets, and so on.

Many business professionals dismiss the commercial potential of the Internet, pointing out that the most common uses of the Internet and the web are browsing and entertainment. In turn, the most promising use of the Internet technology is found in intranets and other within-business and business-to-business applications, in which

EDIs and corporate networking are already familiar. A survey found that only about one in ten uses the Internet for shopping. However, shopping here is very narrowly defined. Internet users seeking information are, in fact, in search of products, and thus, network uses commonly categorized as informational and entertainment activities need not be viewed separately from commercial activities. Unlike television entertainment in which commercial advertising and noncommercial entertainment are alternatively presented, commercial uses of the Internet encompass all aspects of user activities. Even e-mail messages can be thought of as digital products, for instance digitized information, which can be sold directly as a product or used as a component of business transactions. All so-called non-commercial activities on the Internet are indeed commercial, an important realization for digital product sellers. In a truly informational age, the immense amount of human knowledge already accumulated and linked via the Internet will be the product being exchanged. As Christopher Anderson of The Economist argued, "In the audacious uselessness of millions of personal fish tanks (web pages) lie the seeds of the Internet revolution" (1995). These fish tanks are displayed side by side with products marketed by America's corporate giants.

2.3   Classification of the E-Commerce Field by Nature of Transaction

A common classification of electronic commerce is by the nature of transaction. The following types are distinguished:

(1)   **Business-to-business (B2B).** Most of electronic commerce today is of this type. It includes the interorganizational information system transactions described earlier and electronic market transactions between organizations.

(2)   **Business-to-consumers (B2C).** These are retailing transactions with individual shoppers. The typical shopper at Amazon.com is a consumer, or customer.

(3) **Consumer-to-consumer (C2C).** In this category, consumers sell directly to consumers. Examples are individuals selling in classified ads (e.g.,www.classified2000.com) and selling residential property, cars, and so on. Advertising personal services on the Internet and selling knowledge and expertise in another example of C2C. Several auction sites allow individuals to put items up for auctions. Finally, many individuals are using intranets and others organizational internal networks to advertise items for sale or services.

(4) **Consumer-to-business (C2B).** This category includes individuals who sell products or services to organizations, as well as individuals who seek sellers, interact with them, and conclude a transaction.

(5) **Nonbusiness electronic commerce.** An increasing number of nonbusiness institutions such as academic institutions, not-for-profit organizations, religious organizations, social organizations, and government agencies are using various types of electronic commerce to reduce their expense (e.g., improve purchasing) or to improve their operations and customer service. (Note that in the previous categories one can usually replace the word business with organization.)

(6) **Intrabusiness (organizational) electronic commerce.** In this category we include all internal organization activities, usually performed on intranets, that involve exchange of goods, services, or information. Activities can range from selling corporate products to employees to online training and cost-reduction activities.

SCD web site can be classified as B2B if it sells the product to boutique shops and clothing factory. On the other hand, SCD web site will be classified as B2C web site if it sells its products directly to end customers.

2.4 The World Wide Web

The World Wide Web (the Web) is at the heart of the explosion in the business use of the Net. The Web is a system with universally accepted standards for storing, retrieving, formatting, and displaying information using the client/server architecture. It was developed to allow collaborators in remote sites to share their ideas on all aspects of a common project. If the Web was used for two independent projects and later relationships were found between the projects, information could flow smoothly between the projects without making major changes.

The web combines text, hypermedia, graphics, and sound. It can handle all types of digital communication while making it easy to link resources that are half-a-world apart. The Web uses graphical interface for easy viewing. It is based on standard hypertext language called Hypertext Markup Language (HTML), which formats documents and incorporates dynamic links to other documents and pictures stored in the same or remote computers. Using this links, the user needs only point at a point at highlighted key word or graphic, click on it, and immediately be transported to another document, probably on another computer somewhere else in the world. Users are free to jump from place to place following their own logic interest.

Web browser software is programmed according to HTML standards is universally accepted, so anyone using a browser can access any of the millions of Web sites. Browsers use hypertext's point-and-click ability to navigate or surf-move from site to site on the Web-to another desired site. The browser also includes a narrow or back button to enable the user to retrace his or her steps, navigate back, site by site.

Those who offer information through the Web must establish a home page-a text and graphical screen display that usually welcomes the user and explains the organization that has established the page. For most organizations, the home page will lead the user to other pages, with all the pages of a company being known as a Web Site. For a corporation to establish a presence on the Web, therefore, it must set up a web site of one or more pages. Most Web pages offer a way to contact the organization or individual. The person in charge of an organization's web site is called a Webmaster.

To access a Web site, the user must specify a uniform resource locator (URL), which points to the address of a specified resource on the Web. For instance, the URL for Assumption University is http://www.au.ac.th.

Http stands for hypertext transport protocol, which is the communications standard used to transfer pages on the Web. HTTP defines how messages are formatted and transmitted and what action Web servers and browsers should take in response to various commands. Www.au.ac.th is the domain name identifying the Web server storing the Web pages.

2.5   Internet and E-Commerce Security

Security is a critical concern for exchanging information and delivering business services via the Internet. Fear of security breaches is arguably the greatest obstacle to full public and business participation in Internet based electronic commerce. The public requires full assurance that the information they supply will not be misused, and that credit card information or other payment mechanisms are confidential and secure. Businesses share these concerns but also demand their systems are protected from intrusion and tampering. Robust solutions to Internet security concerns are rapidly emerging, driven by major software developers, corporations and banking institutions who have strong vested interests in developing a vibrant climate for electronic

commerce. Consequently the Internet has never been a safer place to conduct business. The main challenges remaining in Internet security are to ensure that solutions are simple and inexpensive enough to implement, and that the widespread public confidence in these solutions is strong. The large credit card companies, among others, realize this, and are conducting public awareness programs to educate cardholders about Internet secure payment systems and security protocols such as SET (Secure Electronic Transactions).

Security Elements

Internet security can be divided into six related parts:

Confidentiality - The transmitted information remains private, and is disclosed only to the intended recipient. Others cannot eavesdrop on exchanges or view private records. In the paper world, a sealed envelope prevents others from viewing information. In a digital world, encryption provides comparable protection both during transmission and storage.

Authenticity - The communicating parties are accurately identified. All parties must know the valid identity of the others to avoid fraud and misrepresentation. Identification and authentication components can be further classified as:

(1)   "Something you know" - such as a password or PIN (personal identification number), that is provided on request to establish identity.

(2)   "Something you have" - such as an object like a key, credit card, token or passport. A driver's license or other document issued by a respected authority may be accepted as proof identification. Digital certificates issued by trusted third parties serve as digital equivalents. Token or card reader systems also fall into this category, but because they require the user

to have special hardware these devices tend to be impractical for general Internet use.

(3) "Something you are" - such as a recognizable unique physical attribute like a fingerprint, voice, signature or picture. Digitally, biometric techniques such as voice recognition or retinal scans deal with the "something you are" aspect of identification and authentication. Hardware demands for these sophisticated systems limit their applicability for the Internet. In contrast, digital signatures also fall into this category but are practical for Internet use. Note that digital signatures are not quite analogous to handwritten signatures; a digital image of a signature is not secure as it can be easily copied.

Non-repudiation - The user cannot deny their electronic actions or that an exchange took place. For example, a customer cannot order a product, transmit electronic funds then deny the purchase at a later date. By convention and law, a signature and a third party witness bind a person to their actions. Digital signatures serve this purpose electronically.

Integrity - The information cannot be changed. The message received must be identical to the message sent. There can be no changes made either deliberately or accidentally in transit or during storage. A sealed envelope prevents tampering with paper documents. The nature of the printed page makes it difficult to alter without detection. Digital signature technology can create virtual envelopes that can be verified by the recipient to ensure that no unapproved changes are possible without detection. To ensure integrity of stored data against malicious changes it is necessary to guard against virus invasion and against unauthorized access to storage facilities. Encryption of stored

data can provide additional protection. Data backups allow recovery in the event that data is damaged.

Access Control - The resources are under the exclusive control of authorized parties and no others can access the systems or information. In the non-digital world, access control is provided by lock and key. In the digital world firewalls, access privileges and user identification and authentication techniques (such as passwords and authorization certificates) serve as equivalents.

Availability - The information or service is available for access when needed. Sending channels must deliver reliably, and information storage facilities must function when they are required. In the paper world, availability is assured through reliable mail and courier systems. Secure storage is achieved by protecting against damage by fire, water and other perils, by protection from theft, and by measures to ensure against accidental loss. Similar measures provide digital security, but additional steps must be taken to prevent disruption of service by power outages, or due to failure or overload of systems and communication networks. Data backup, virus protection, sufficient capacity to handle the demands posed by heavy network traffic, and redundant servers help assure availability.

Thought must be given both to the security of information in transit, and to the security of information stored on computers and networks. A secure transaction over the Internet must ensure confidentiality, integrity, authenticity, and non-repudiation. Access control is vital when records of electronic commerce are stored and a company's internal computer network is connected to an Internet, extranet or intranet site. Availability of systems and services is crucial as companies increase their reliance on Internet, extranet and intranet channels for doing business.

Web sites vary in the type and level of protection they need, depending on their function. Availability of service is important for all web sites, but vital for Internet services that are mission critical to a company. Web applications that mostly provide advertising can make do with provisions to ensure that the site is available, information presented is accurate and has not been accidentally or deliberately changed. Secure Internet, extranet or intranet sites must also ensure that the information they contain is safe from unauthorized access. When such sites are used not just for presenting information but also for conducting transactions, non-repudiation of transactions become increasingly important and protection of data integrity in transit and during storage must be considered more closely. Sites providing electronic commerce require strong solutions in all aspects of security.

Important Techniques for Internet Security

Encryption

Encryption involves scrambling a message using a code, so that someone can only unscramble the message with a specific key. This ensures message privacy from view by all but the intended recipient. In traditional cryptography, the same key was used to both encrypt and decrypt a communication. This is also known as private key encryption. Public key systems use two separate keys, one for encryption and another for decryption and has proven to be well-adapted to Internet use, because it avoids the difficulty of transmitting the symmetrical key securely. The public key can be published and distributed widely with no need to expose the private key to discovery.

Public Key Encryption

Public key systems can be used for encryption and decryption, as well as for digital signature generation and file integrity verification. Public key or asymmetrical cryptography operates with the use of two encryption keys. One key is made public, and

15

the other is held in secret. Data encrypted with one key is only decrypted using the other key. The standard procedure for this type of encryption is:

(1)   The intended recipient generates a public and private key.

(2)   The intended recipient transmits their public key to the sender.

(3)   The sender encrypts and transmits a document to the intended recipient.

(4)   The intended recipient decrypts the document with their matching private key.

This method of encryption is secure because only the matching private key can decrypt the document and only the recipient has the matching private key. For practical purposes, anyone who may deliberately or accidentally intercept the encrypted document will be unable to crack the code. The hardware and time required to crack a 512 bit encrypted code is so great that is unfeasible.

Public key encryption can also be used for digital signatures to ensure authenticity. This involves two sets of public and private keys. The sender uses their private key to sign a document and encrypt the message with the recipient's public key. The recipient uses their private key to decrypt the document then the public key of the sender to verify the signature. If the document decodes properly when the public key is applied, then it is authentic.

One other step is important - the person using a public key must have assurance that the private key is in fact held by the person with whom they wish to communicate. The public/private key pair should be registered with a Certificate Authority, who like a notary public in the paper world bears the responsibility for verifying that a certain public key belongs to a specific individual, and issues a digital certificate to that effect. This verification can be done at various levels, ranging from little more than a simple confirmation that the person concerned has claimed the key, up to higher levels where

individuals must present themselves in person with personal documents to prove their identity along with their public key.

The public key can be publicly distributed at will, often by posting it to Web sites, placing it in a central network directory or e-mailing it to potential users. The private key is held in confidence and protected from discovery by its owner.

Web users wishing to use public key encryption can obtain key pairs for general use and register them by visiting the web site of a certificate authority, such as VeriSign and following their online procedure. Generally, no charges are required for personal use but there is some fee required for the administration of the certificates for commercial purposes. Users may require several certificates, for example, one issued in association with a credit card for SET-based purchases on the Internet, one for a web browser, one for signing and securing e-mail, and another for logging in to a company network. Digital wallets, browser plug-ins for managing digital certificates and key pairs, will assist in managing a user's certificates.

Companies wishing to use public key encryption systems may purchase key generation software and certificate management servers, or outsource these functions to a vendor. Netscape, Microsoft, Entrust and others provide systems for developing in-house solutions. VeriSign, GTE Corp, BBN Planet Corp and others provide services for those wishing to outsource. Outsourcing may be the fastest to set up and the most cost-effective solution for smaller organizations. Purchasing a server may be most appealing for large Intranet applications because it avoids per-certificate charges and may provide more flexibility in managing directory-based access for employees.

Digital Signatures

A digital signature is the functional equivalent of a handwritten signature. It provides a means by which information cannot be repudiated by binding the

17

communication to the person who signed it. In addition, any change to the information after the digital signature is affixed can be detected, thereby establishing the reliability and integrity of the information contained in the digitally signed file. Digital signatures rely on public key systems, where anyone can access the public key associated with the private key that was used in signing the document. If the public key matches the message, the authenticity of the sender is verified, and the recipient can be confident that the message was not tampered with in transit.

Digital signatures are created by using public key cryptography and message digests. A message digest is a value generated for a message (or document) that is unique to that message. A message digest is generated by passing the message through a one-way cryptographic function; that is, one that cannot be reversed. When the digest of a message is encrypted using the sender's private key and is appended to the original message, the result is known as the digital signature of the message. The recipient of the digital signature can be sure that the message really came from the sender. Changing even one character in the message changes the message digest in an unpredictable way, the recipient can be sure that the message was not changed after the message digest was generated.

Digital Certificates

Digital signatures are poised to become a major tool in Internet security. A certificate identifies its owner to someone who needs proof of the bearer's identity; thus digital certificates are useful in a wide variety of situations. They can be used to sign an e-mail document to positively identify and authenticate the sender. Certificates are exchanged between web browsers and web servers using the Secure Sockets Layer (SSL) protocol to identify both the user of the web browser and the provider of the information and services on the web server. Certificates can be used to replace

passwords and log-in ID's anywhere that access is to be restricted to certain users, such as registered customers. In many applications, certificates may replace "cookies," which have proven unpopular with many Web users. Companies can issue digital certificates to their employees, and use the certificates as the basis to allow access to network resources, again replacing passwords and log in names. Employees accessing company networks from home or when travelling can use digital certificates to identify themselves to the corporate firewall.

A certification authority provides the digital certificate. The authority is responsible for establishing that a given public key does indeed belong to a given individual. The level of confidence that can be placed in a certificate depends on the rigour of the process used to verify identity when the certificate is issued. For example, VeriSign offers four classes of digital IDs. The identification requirements are greater for higher numbered classes. A Class 1 digital ID offers minimal assurance of the owner's identity. A Class 4 digital ID offers assurance of not only the individual's identity, but also of that person's relationship to a specified company or organization. Although versatile, the certificates rely on an infrastructure of services to issue and revoke them, store them and verify their status and ownership. Digital certificates are not yet fully standardized and interoperable. Many different issuing bodies exist, and a certificate issued for one popular browser may not work with another one, each application has its own way of handling the certificates, and not all certificates can be exchanged between all applications. This leads to the nuisance and complexity of obtaining and managing numerous digital certificates. The process of getting and using certificates is still difficult and confusing for people, although major players such as Verisign and the browser vendors understand this and are attempting to make the

process easier, as well as conducting publicity campaigns to increase consumer awareness and confidence.

2.6 Textile Industry in Thailand

2.6.1 Role of Textile Industry

The textile industry has remarkably played an important role in Thailand's economy in terms of valued-added, employment and export earnings. The impacts of textile industry are as follows:

(1) Having created the highest percentage of the gross domestic product in the manufacturing sector, amounted to 14.5% of the total manufacturing value – added in 1999.

(2) Having created the top rate of employment in the manufacturing sector amounted to 22.6% of total industrial work force in 2000, and estimated 1.1 million employees.

(3) Representing one of the highest exports' earner, amounted to 8.8% of the total export valued in 2000 worth 5,565.25 million US$.

(a) Number of Factories

Until 2000, 4,557 textile mills were apparently registered with the Industrial Works Department and in operation. The registration divides into 17 man-made fiber mills, 148 spinning mills, 677 weaving mills, 631 knitting mills, 412 dyeing, printing and finishing mills, and 2,672 clothing mills. Approximately 90.0% of the plants are located in Bangkok and its vicinity (Bangkok, Samut Prakarn, Samut Sakhon, Nontaburi, Patumtani and Nakhon Pathom), most of them operate clothing manufacture.

(b)   Workforce

In 2000, 1,083,700 workers were employed in textile industries. Of the total employees, 77.8% or 843,200 employees were working in clothing sub-sector. The numbers of 15,400, 60,310, 58,870, 57,740 and 47,180 employees engaged in man-made fiber manufacture, spinning, weaving, knitting and dyeing, printing and finishing, respectively, or at the respective rate of 1.4%, 5.6%, 5.4%, 5.4% and 4.4%.

(c)   Capacity in Terms of Machinery Installation

By the end of 2000, a total of 3.582 million spindles in spinning and 130,502 weaving machines were in place. The installation of knitting and sewing machines in knitting and clothing plants total 111,372 and 759,438 machines.

2.6.2 Production

(a)   Man-Made Fiber

In 2000, production of man-made fiber total 736.1 thousand tons. Of the total production, 430.2thousand tons were staple fiber, while the remainder of 305.9 thousand tons were filament. The principal varieties of man-made fiber comprised polyester staple fiber, polyester filament yarn, polyester pre-oriented yarn, nylon filament yarn, nylon pre-oriented yarn, acrylic stable fiber, and rayon staple fiber.

(b)   Yarn

Production of cotton yarn and man-made yarn in 2000 total 838.8 thousand tons. Of the total production, 299.2 thousand tons were cotton yarns while the remainder was synthetic yarns.

(c)   Fabric

Production of woven and knitted fabrics amounted to 466.2 thousand tons and 238.8 thousand tons in 2000. The woven products comprised cotton and man-made fabrics amount to 190.7 thousand tons and 275.5 thousand tons, respectively.

(d)   Clothing

The total production of clothing in 2000 amounted to 441.4 thousand tons, comprising those made from woven and knitted fabrics accounted for 264.2 thousand tons and 177.2 thousand tons.

Overall, the growth rate of textile and clothing production trends to be increasing less than that in the past because of high competition of the export of textile products in the world market, especially low level products.

2.6.3 Consumption

(a)   Fiber

Domestic consumption of textile fiber total 795.0 thousand tons, 332.6 thousand tons of which were cotton fiber and 462.4 thousand tons were man-made fiber. Of the total man-made fiber consumption, 239.1 thousand tons were staple fiber, while 223.3 thousand tons represented filament.

(b)   Yarn

Domestic consumption of 291.3 thousand tons of cotton yarn and of 420.8 thousand tons man-made yarn made up to the total yarn consumption of 712.1 thousand tons in 2000.

(c)   Fabric

The consumption of fabrics in 2000 total 659.5 thousand tons. Man-made fabrics led on top with 237.9 thousand tons of consumption. Next in line are cotton and knitted fabric with the consumption volume of 168.5 and 253.1 thousand tons, respectively.

(d)   Clothing

Of the total consumption of 262.0 thousand tons, clothing 187.7 thousand tons were made from woven fabrics, while the remainder were knitted fabrics.

2.6.4 Export

(a)   Fiber

In 2000 exports of fiber total 269,126.3 tons worth 260.246 million US$. Of the total fiber exports, man-made fiber made up a large proportion of 253,492.1 tons worth 241.730 US$. The figures for wools and cotton exports were 5,564.2 tons worth 16.014 million US$ and 524.1 tons worth 0.378 million US$, respectively.

(b)   Yarn

The figures for yarn in 2000 total 240,496.9 tons worth 497.874 million US$. Of the total export of yarns, man-made and cotton yarns shared large portions of 205,131.5 tons worth 362.587 million US$ and 26,282.8 tons worth 80.779 million US$.

(c)   Fabric

Export of fabrics in 2000 total 182,410.7 tons worth 920.351 million US$, comprising 115,405.5 tons of man-made fabrics worth 518.208 million

US$, 53,999.6 tons of cotton fabrics worth 318.125 million US$, and 12,428.4 tons of knitted fabrics worth 66.577 million US$.

(d)   Clothing

The figures of Thai clothing exports in 2000 total 184,020.6 tons worth 3,250.038 million US$, accounted for 58.4 % of the total textiles export value that year.   Among these, clothing made from woven and knitted fabrics amounted to 77,284.3 tons and 106,736.3 tons, accounted for 1,550.077 million US$ and 1,699.961 million US$ worth, respectively.

2.6.5 Import

(a)   Fiber

Imports of textiles total 508,749.2 tons worth 614.076 million US$ in 2000.   Imports of cotton and man-made fiber amounted to 381,816.1 tons worth 468.276 million US$ and 73,265.5 tons worth 88.963 million US$.

Major suppliers of cotton fiber are USA, Russia, Ivory Coast, Sudan, Australia, China, Mali, Syria, Egypt, India, Pakistan and Tanzania are important sources of man-made fiber suppliers.

(b)   Yarn

Imports of yarn in 2000 amounted to 112,557.3 tons worth 365.152 million US$.   The figures of imports of man-made and cotton yarn amounted to 89,044.3 tons and 18,375.4 tons, worth 231.303 million US$ and 82.799 million US$, respectively.

Major sources of cotton yarn supply are China, Pakistan, Korea, India, Taiwan, Japan and France. Japan is the principal supplier of man-made yarn.   Next in line are Taiwan, Indonesia, Korea, China and U.S.A.

24

(c)   Fabric

Imports of fabric have characterized the highest portion of total imports of textile products. Import of fabrics total 139,359.7 tons worth 906.621 million US$ in 2000, accounted for 38,5% of the total textile imports.   Among these, import of man-made fabrics reached 77,761.8 tons worth 416.297 million US$, while import of cotton and knitted fabrics amounted to 31,799.7 tons and 26,737.5 tons, worth 209.419 million US$ and 225.469 million US$.

Hong Kong, Japan, China, Korea, Taiwan, Singapore, India and Pakistan are main suppliers of cotton fabrics, while major suppliers of man-made fabrics are China, Taiwan, Korea, Japan and Indonesia Sources of Knitted fabric supply are Taiwan, Hong Kong, Korea, Japan and China

(d)   Clothing

Import of clothing in 2000 total 4,648.8 tons worth 84.619 million US$. Among these, clothing made from woven and knitted fabrics amounted to 771.0 tons and 3,877.8 tons, accounted for 22.186 million US$ and 62,433 million US$ worth, respectively.

III.   MARKETING PLAN FOR SCD WEB SITE

3.1   SCD Shop Overview

Saeng Chin Da, or SCD in short, is a textile shop which retrieves its products mainly from textile wholesalers. Since SCD doesn't have its own weaving machine or textile factory, it has purchased textile products mainly from the sale persons from the biggest textile market in Thailand named "Sum Peng" located near China Town in Bangkok. "Sum Peng" is considered the biggest textiles market because the suppliers can supply various types and styles of textile from both local manufacturer and imported textiles from abroad. Another factor that convinces SCD to purchase from "Sum Peng" is the payment terms it get. Most of the suppliers give SCD 30 to 90 days credit terms for each purchasing which can improve the cash flow of SCD shop itself.

After receiving textile products from the suppliers and inspecting the received product, SCD sales force will deliver the goods to the customers according to the order. Of course, if there is any defect or dissatisfaction arises, SCD will settle the dispute as soon as possible in order to ensure the high quality of services.

3.1.1 The Current Customers

There are over two hundred customers who are purchasing from SCD shop. They are classified into three main categories:

(1)   Clothing Factory

(2)   Boutique

(3)   Individual

The first type of SCD customers are clothing factories. The examples of SCD's customers are Jaspal, Chaps, Saha patana Group, Fly Now, Wacoal, and Central Group. Additionally, some factories purchase textiles from SCD for making uniforms for their

workers. These type of customers usually purchase a big volume but has a very strict material quality control since they produced brand name clothing and some portion of their end product are exported to other markets. However, these big-named customers are not the main customers of SCD. It generated a big quantity in sales volume but small in margin to SCD.

The second type of customers that are the main customers of SCD are clothing boutiques. These boutiques are usually located in Sukhumvit, Siam Square, and other metropolitan areas. These boutique shop usually are owned by the designer or dress maker who is ready to give a valuable suggestion about clothing to their customers. Their earn a design and dress making fees as their revenue. These boutique shops usually accept the textile brought by their customer and tailor according to customer need. However, most boutique shops in Thailand usually keep some textile stocks in order to be sold to their customers in case the customers don't bring the textile with themselves. This type of customer need an up-to-date and fashionable textile style in order to serve their customers preferences. SCD can enjoy a high margin from these customers since they care more about their fashionable and differentiated status than the textile cost. The big and famous boutique shops are even willing to pay a higher premium for the most fashionable textile styles available in the market. Some of the famous designers who already purchase from SCD are Anurak and Kirati.

The third type of SCD customer is the individual consumer. These type of customers share a common characteristic. They come directly to the shop and choose to buy among SCD various textile styles. These individual customers will bring the purchased textile to their preferred boutiques which is usually owned by designer or dressmaker. SCD also treats this customers type since they can bring both positive

effect and negative effect to the shop by word-of-mouth. The margins gained vary, some are high while some low or even loss for out-of-date textile styles.

The figure below shows the overview of SCD textile shop:

```
┌─────────────────────────────────────────────────────────────┐
│                                                               │
│  ┌───────────┐      ┌───────────┐      ┌───────────┐         │
│  │ Supplier 1│      │ Supplier 2│      │ Supplier 3│         │
│  └───────────┘      └───────────┘      └───────────┘         │
│                                                               │
│                    Sum Peng Market                            │
│                                                               │
└─────────────────────────────────────────────────────────────┘
                              │
                              ▼
                        ┌───────────┐
                        │ SCD Shop  │
                        └───────────┘
                 ┌────────────┼────────────┐
                 ▼            ▼            ▼
        ┌────────────┐ ┌────────────┐ ┌──────────────────┐
        │ Clothing   │ │ Boutique   │ │ Individual       │
        │ factory    │ │ shop       │ │ customer         │
        └────────────┘ └────────────┘ └──────────────────┘
```
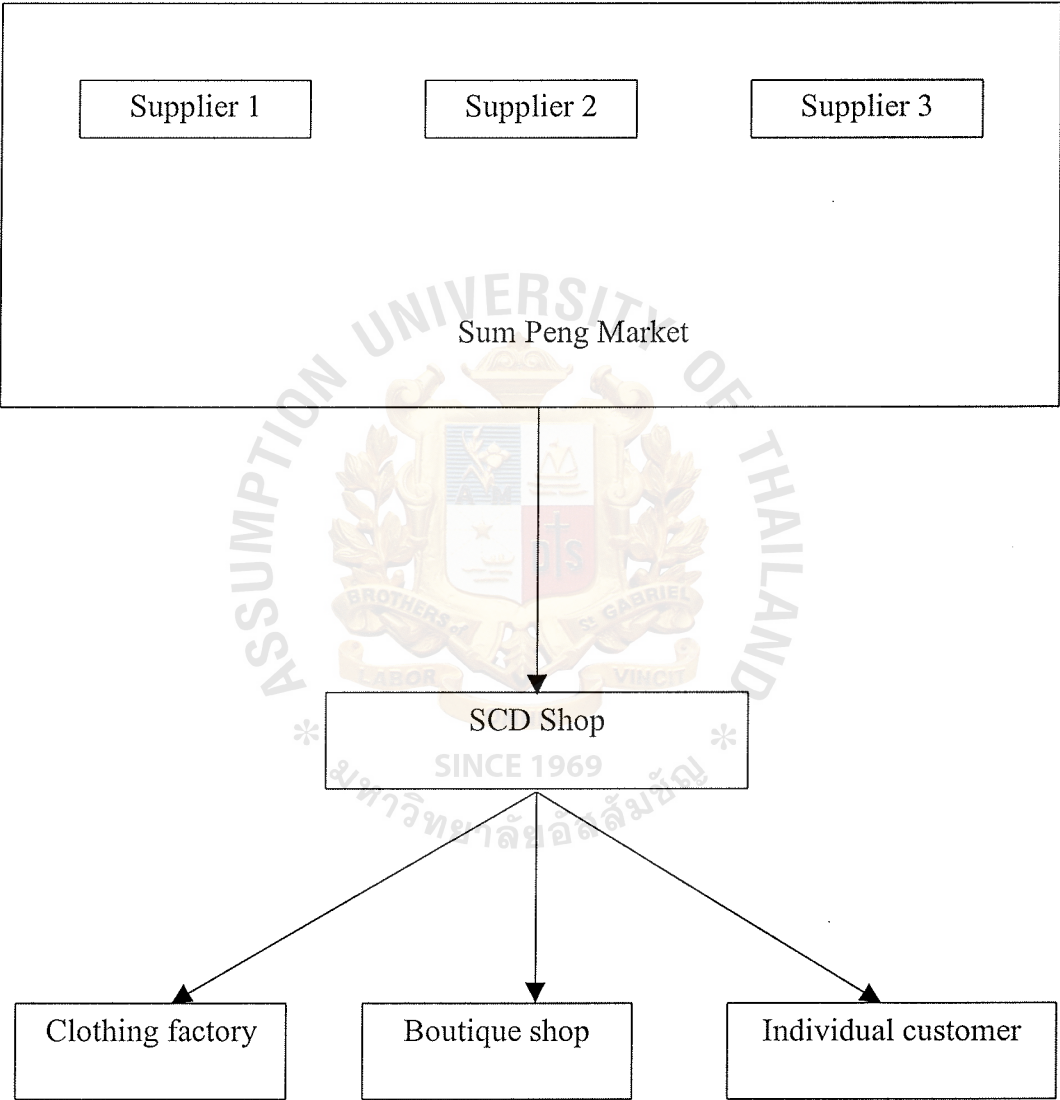
Figure 3.1.   Overview of SCD Textile Shop.

3.2 Adoption to the Web

Although SCD shop has a strong intention to fully adopt its selling process to become an Online Store, several limitations should be taken into considerations:

3.2.1 Limitations

    (1)   Limitation of Textile over the web

        Since the characteristics of textile consist of texture, color, and weight of textile, it is quite hard to describe all of these important characteristics over the personal computer display. Textile is a sensitive product for touch and feel when the customers make a Purchase decision. Customers need to touch the texture of textile, see the actual color of the textile, and feel the weight of the textile. The printed textile also take these factors into consideration.

        For example, the red color may vary when displayed on different computer screens. This effect can be caused by computer graphic card (nVidia, SIS, Voodoo, and ATI Radeon graphic processing unit) or the computer display type (normal CRT type versus Trinitron type). Moreover, the lack of touch and feel over the Internet makes the buyer face some difficulty when making their purchasing decision. Same color code, same textile name, producing from same material and made by the same factory may result in different touch and feel for final product due to the inconsistency of weaving process.

    (2)   Expertise limitation

        Due to the lack of personnel who specialize in pure online transaction, SCD decided to set up a web site which serves as one of the marketing

channel to its customers. The web site will offer a support function to SCD offline sale and provide all the necessary information about SCD.

(3)   Security concern

Although the research shows that more than 2 million people in Thailand know how to use the Internet by the end of year 2002, less than 30% of them actually make a purchase transaction online. The major obstacle is the security while making a transaction online.

The web surfers hesitate to give their credit card information over the Internet because they are afraid that there will be some person who can steal their credit card information for illegal purposes.

On the other hand, most Thai web surfers use the Internet to search for information they needed. SCD develops its web site in order to effectively provide the information to their customers and to all the people who are interested about SCD shop.

3.2.2 The Web Objectives

The main objectives of SCD web site are:

(1)   To encourage the existing offline sale.

(2)   To serve as a communication channel with its customers.

In order to be integrated effectively with SCD marketing strategy, the web site should have sub-objectives as follows:

(1)   Effective marketing, sales, and customer support

(2)   Collaborative activities support

(3)   Just-in-time information deliver

(4)   Enhance customers relationship

(5)   Enhance SCD Shop image

(6)   Useful, practical, and comprehensive information.

(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) Improve customer satisfaction.

3.3   Situational Analysis

Before effectively developing a web site, SCD should carefully analyse the current situation.

3.3.1 SWOT Analysis

The primary purpose of the SWOT analysis is to identify and categorize each significant factor, positive and negative, into one of the four categories and allow us to take an objective look at our business.

Strengths

(1)   Expertise textiles skill

For more than 30 years of being in the textile business, SCD personnel are the experts who highly specialize the textile field. They are ready to make a suggestion about the color, style, and design which is appropriate to a particular customer who comes directly to SCD shop. SCD personnel the experts who fully understand the nature of textile. Moreover, SCD sale personnel are trained for the textile knowledge. They are trained to share the

31

textile knowledge with the customers. This useful knowledge is also provided over the SCD web site.

(2) Quality of product

Every piece of textile should pass the quality standard at SCD shop. All the textiles received by the supplier will be carefully inspected in order to ensure zero defect before reaching the customer's stock. Every meter and yard should pass the textile quality control process. The color, texture and style of textile received should be the same as showed on the supplier's catalog. If there is some defect that happened, SCD will inform the supplier immediately and ask for the corrective action.

(3) Various styles of textiles

At SCD shop, the customers have their choice of various textile styles from the most famous textile market around the world for example, Japan, Korea, and Italy. These textiles are imported by the suppliers at Sum Peng and SCD usually get the first priority to purchase these fashionable textiles, both in plain color and printed. The example name of these textile are cotton, linen, silk, polyester, sand-wash silk, polymetalic, satin, poly-dyed satin, poly-black satin, poly navy, crepe, and cotton-poppin. These textiles are available in both plain color and printed design.

(4) Superior services

With the collaboration of SCD expert and good teamwork, the customer can enjoy the excellence services which they can get from SCD shop, and nowhere else. SCD staff will give the customers useful suggestion about the textile at SCD shop as well as the sale force who usually visit the customer. These sale personnel are well trained regarding textile knowledge

so that they can be able to give the advise to the customers when they visit outside customers.

When a problem arises, whether it is a product problem or service problem, SCD management will take the corrective action immediately. The management will carefully analyse the problem and find out the most appropriate solution for both parties in order to keep the high level of customers satisfaction.

SCD web site is one of the tools to enhance the customers relationship. Customers can find out useful information, see the updated textile product, notice the interest promotion, request for updated textile catalog, share their ideas, and contact SCD experts to ask for more information. As per the objectives, SCD web site serves as a powerful marketing tool to encourage the offline sale. SCD web site will allow the customers to visit 24 hours a day, 7 days a week, and at any place. The web site will ultimately improve the relationship between SCD and the customers.

(5) Good reputation

SCD can enjoy a positive reputation from both suppliers and customers. The suppliers at "Sum Peng" market already know the name of SCD and they support SCD by allowing the 30 to 90 days credit terms when SCD makes a purchase. This advantage, in turn, improves the cash flow of SCD shop. The customers also rely on SCD name. They usually become a routine customer by repetitively visiting SCD shop. Over 30 years of SCD name, the customers can feel safe and confident with our product.

Weaknesses

(1)　Limited in sale personnel

Although SCD can enjoy a long history in textiles business, its marketing coverage is limited due to the limitation in number of sales personnel. There are less than ten people in SCD field sale force plus only two sale personnel who normally stay at SCD shop. This limitation, in turn, affects the sale volume and marketing coverage of SCD shop. However, the establishment of SCD web site can help to lessen the effect of this weakness. SCD should promote its web site name by implementing the advertising and promotional plan in order to let the public know more about SCD shop. We will discuss more about this promotional plan later.

(2)　The textile product characteristic limitation

As already mentioned in the earlier paragraph, textile important characteristics are include color, texture and weight. These characteristics are hard to display over the web due to the lack of touch and feel feeling of textile products. Thus, in order to avoid any dispute or discrepancy in the future, SCD web site provide only the necessary functions that encourage the offline sale of the shop.

(3)　Lack of fund

Due to the limitation of fund invested to develop a fully function online buying and selling process, the web site is aiming to encourage the offline sale. There are some costs that is associated with the process of updating information on the web and maintenance cost. These costs should be controlled within the acceptable range of budget.

Opportunities

(1)   Expandable market

Textile market in Thailand is big in both volume and amount. One important factor that should be taken into consideration is that the textile product is directly related to clothing industry. The more clothing consumption, the more textile will be used. Although some portions of textiles are used for other purposes such as in the automobile seat industry and home decoration industry, the clothing for humans is the major usage of textiles.

The textile industry has remarkably played an important role in Thailand's economy in terms of valued-added, employment and export earnings. The impacts of textile industry are as follows:

(a)   Having created the highest percentage of the gross domestic product in the manufacturing sector, amounted to 14.5% of the total manufacturing value –added in 1999.

(b)   Having created the top rate employment in the manufacturing sector amounting to 22.6% of total industrial work force in 2000, and estimated 1.1 million employees.

(c)   Representing one of the highest exports' earner, amounted to 8.8% of the total export value in 2000 worth 5,565.25 million US$.

(d)   Until 2000, 4,557 textile mills were apparently registered with the Industrial Works Department and in operation. The registration divides into 17 man-made fiber mills, 148 spinning mills, 677 weaving mills, 631 knitting mills, 412 dyeing, printing and finishing mills, and 2,672 clothing mills. Approximately 90.0% of the plants

35

are located in Bangkok and its vicinity (Bangkok, Samut Prakarn, Samut Sakhon, Nontaburi, Patumtani and Nakhon Pathom), most of them operate clothing manufacture.

(e)   In 2000, 1,083,700 workers were employed in textile industries. Of the total employees, 77.8% or 843,200 employees were working in clothing sub-sector. The numbers of 15,400, 60,310, 58,870, 57,740 and 47,180 employees engaged in man-made fiber manufacture, spinning, weaving, knitting and dyeing, printing and finishing, respectively, or at the respective rate of 1.4%, 5.6%, 5.4%, 5.4% and 4.4%.

(f)   By the end of 2000, a total of 3.582 million spindles in spinning and 130,502 weaving machines were in place. The installation of knitting and sewing machines in knitting and clothing plants total 111,372 and 759,438 machines.

There still are a lot of room for SCD Shop to expand its market coverage and continuously increase the customer base.

(2)   Advantage of electronic commerce

With the development of SCD web site, people can go online 24 hours a day, 7 days a week, and at any place they wish. They can select only the information they needed over the web. Electronic commerce provides customers with more choices; they can select from many vendors and from more products. Customers can receive relevant and detailed information in seconds, rather than a day or week. Electronic commerce allows customers to interact with other customers in electronic communities and exchange ideas as well as compare experiences. The Internet substantially increase the

speed of information dissemination to the target audience than the traditional communication channels.

Threats

(1) Fierce competition

The textile business in Thailand is subjected to fierce competition who are struggling hard to survive in this business as well as the big players who enjoy their marketing power. The competitors usually cut down their price or even cut their margin in order to expand their market share. SCD, in order to survive in this market, should carefully implement the strategy which maintain current customers as well as obtaining new customers.

(2) Rapid changes in textile style

Due to the fact that clothing industry is rapidly changing in design, the effect is directly related to the raw material they require, the textiles. People always need fashionable clothing they wear, textile shops should serve this purpose in fast pace, otherwise the shop cannot survive with the out-of-date textiles.

What is the fashion trend coming up next year? Which color tone will become popular in this summer? Whether the plain color textile or printed textile will become the fashion trend this year? These are the common questions that the textile shop should forecast in order to effectively adapt its marketing plan.

(3) Economic downtrend

Even the government sector implements many plans to motivate the economic situation, but the result doesn't show much positive effects. All the business enterprises in Thailand suffer a lot from the economic crisis

during the past year as well as the textile industry. The buyers continuously find the way to reduce the total cost, while the supplier should struggle hard to survive.

Thai economy will continue to recover in 2002, 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. This economic situation has a strong effect to textile industry sector. Every related party should find the way to recover fast and stable from this economic crisis.

(4)   Technical limitation of electronic commerce

In Thailand, most people who go online mention that the security and privacy while they are surfing is the major obstacle. People are not sure whether they are free from being monitored by the others. Thus, there are very few portions of people who are going online that actually make a purchase transaction. They prefer to surf and find out the information they needed.

However, this security concern should be limited to certain electronic commerce area. For example, the large online companies like www.dell.com or www.cisco.com have a robust electronic commerce network system while the security concern of small online shops is still in doubt.

38

3.4 Marketing Concept

3.4.1 Need, Want, and Demand

(1) Need – One of the basic needs for everyone's daily life is clothing. People need clothing to protect their body. Of course, the raw material for making clothes is textile.

(2) Want – People share the same need but want differently. One person wants a plain color and basic style clothing while the others want a fashionable and colorful cloths. Textile industry should be able to serve these wants. Marketers cannot change people's need, but they can influences people's wants.

(3) Demand – As people have a willingness and purchasing power to buy the things they want, it becomes a demand for a certain product. People need clothing to protect their body, people have different wants in the clothing style and people have demand for particular clothing when they are willing to pay for the clothes they want.

3.5 Target Market

As we mentioned earlier, the target market of SCD textile shop is divided into three main categories, mainly for women's clothings. These target customers also are target audiences of SCD web site since the SCD web site is intended to encourage the offline sale and provide information to the public. The only requirement for SCD web site target is that the customer should know how to use the Internet.

The target market of SCD shop is listed below:

3.5.1 Clothing Factory

The first category of SCD customers are clothing factories who are the manufacturers of various clothing brands in the market. The examples are those

39

branded-name clothing such as Jaspal, Chaps, Fly Now, Blue corner and Wacoal. Another sub category of this target group is the factory that purchase textiles for making the uniform for their workers and the companies that would like to improve their image by letting their staff wear the uniform. For example, a steel factory may purchase textiles which are durable and able to protect them from severe accidents to make uniforms for their workers. A department store has a regulation that requires their staff to wear uniform in order to enhance their image.

These type of customers usually purchase a big volume but have a very strict material quality control since they produce brand name clothing and some portions of their end product are exported to other markets. However, these big-named customers are not the main customers of SCD shop. It generated a big quantity in sales volume but small in margins to SCD shop.

3.5.2 Clothing Boutique

Clothing boutique are the main customers of SCD textile shop. Clothing boutique is the small shop that has designer and dressmaker who are ready to design and make a dress for their customers. These boutique shops make a highly personalized dressing and clothing for each of their customers. These boutique shops are usually owned by the designer or dressmaker who are ready to give a valuable suggestion about clothing to their customers. They earn design and dress making fees as their revenue. The shops usually accept the textile brought by their customer and tailor according to customer need.

However, most boutique shops in Thailand usually keep some textile stocks in order to sell to their customers in case the customers don't bring the textile with themselves. This type of customer needs an up-to-date and fashionable textile style in order to serve their customers preferences. SCD shop can enjoy a high margin from

these customers since they care more about their fashionable and differentiated status than the textile cost. The big and famous boutique shops are even willing to pay a higher premium for the most fashionable textile styles available in the market. Some of the famous designers who already purchase from SCD are Anurak and Kirati. Moreover, most of the famous people and high-society people are the main customers of these boutiques. These people have big purchasing power. Some of the dress made and designed by a famous designer may have very high price ranging from 5,000 baht to 10,000 baht per dress.

3.5.3 Individual Customer

Individual consumer is the one who comes directly to SCD shop. After they purchased the textile, they will bring the purchased textile to their preferred boutiques which is usually owned by designer or dressmaker. This type of customer usually become a routine customer later. They will visit SCD shop again when they want new clothing. In turn, the customers usually bring the textile they bought to their usual clothing boutique. This becomes a marketing circle which can produce a synergy effect to the textile market.

SCD also treats these customers types specially since they can bring both positive effect and negative effect to the shop by their word-of-mouth. They may become one of the most powerful marketing channels of SCD shop. The margin gained vary, some high while some are low or even a loss for out-of-date textile style.

3.6   Customer Value

In terms of marketing, the customer value consisted of product value, service value, image value, and personnel value.

41

3.6.1 Product Value

The product at SCD shop is textile, mainly the polyester-typed textiles for women's clothing. However, SCD shop also handles some silk such as Thai silk, Korean silk, and Japan silk. But silk is not the major product at SCD shop. Other non-polyester textiles are cotton and linen.

The common type of polyester textile at SCD shop are sand-wash silk, polymetalic, polydyed satin, polyblack satin, poly navy, satin, and cotton poping, for example. These textiles are mainly used to make women's clothing which are available in various colors and printed styles. SCD shop also takes advantage to obtain the latest fashion textile from its suppliers. Thus, the customers can enjoy various styles textiles and most fashionable textiles at SCD shop.

Additionally, all the material SCD received form the supplier is carefully checked for defects. The quality control process at SCD shop is to ensure that only high quality material is received by SCD customers to ensure customer satisfaction.

3.6.2 Service Value

With SCD's service-minded staff, the customer can receive full service satisfaction guarantee. SCD staff will give the customers useful suggestions about the textiles at SCD shop as well as the sale force who usually visit the customer. When there is a problem, whether it is a product problem or service problem, SCD management will take the corrective action immediately, usually within 24 hours.

The establishment of SCD web site contributes to improve the service. It can enhance the customers relationship in both short term and long term. The customer don't need to travel to SCD shop or make a telephone call to SCD. Alternatively, customers can find out useful information, see the updated textile product, notice the interest promotion, request for updated textile catalog, share their ideas, and contact

SCD expert to ask for more information. One of the important web functions is to allow the customer to request for the updated catalog via the web. The web also allows the customer to contact directly with SCD management.

As per the objectives, SCD web site serves as the powerful marketing tool to encourage the offline sale. SCD web site will allow the customers to visit 24 hours a day, 7 days a week, and at any place. The web site will ultimately improve the relationship between SCD and the customers.

3.6.3 Image Value

The image value is the value associated with the owner image of becoming the owner of a particular product. For example, the image value of a Jaguar car owner will have the image of success, confidence, and elegance. This value usually comes with the famous brand name product.

However, since the textile is the raw material to make clothing, it contributes less to image value. Generally, the image value will be highly associated with the famous clothing brand such as Armani, Guy La Roach, and, Pierre Cardin.

The establishment of web site may improve some image value to the textile shop. It may help SCD shop to promote the shop as one of the shops that provide information online. The web enhanced the company's image as the customer waiting time will be reduced. The web site is designed based on the customer-oriented concept so it will create more customer satisfaction and as a result, it will increase the image value to SCD shop as a well-established textile shop.

SCD also uses logo, slogan, and other strategies in the market mix to create brand awareness of web site and make sure that the prospects are well aware of the site.

3.6.4 Personnel Value

The personnel at SCD shop is very specialized in the textile industry. Over 30 years of operation, SCD management gains a lot of textile knowledge. They are the experts who are ready to make suggestions about the color, style, and design which is appropriate to particular customers who come directly to SCD shop. This expertise skill also is disseminated to all the SCD staff. All the SCD personnel are the experts who fully understand the nature of textiles.

Moreover, SCD sale personnel are trained for textile knowledge. They regularly visit the customers and exchange the idea with the customers. They appreciate sharing the textile knowledge with the customers. If there is any important topic, it will be posted on SCD web site. As a result, they can serve the customers better and know what 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 SCD web site.

3.7 Ways to Reduce Customer Cost

In term of marketing, the customer cost consists of monetary cost, time cost, energy cost, psychic cost. The establishment of SCD web site can reduce the total customer cost in several ways.

3.7.1 Monetary Cost

In terms of the offline store, the monetary cost is the cost of the product. The customers should pay in order to obtain the product. Therefore the textile price is the monetary cost for the customers.

Since SCD web site objective is to encourage the offline sale, it seems that the monetary cost of the customer is the same. However, there is some motivation for the customers who contact SCD via the web. SCD web site has the catalog request section.

44

The customer who used to request a catalog via SCD web site can get a certain amount of discount by informing the catalog reference number when they make an order offline with SCD.

The customer's long-run total cost will be lower such as the cost of communication (for example, for the customer who are in the provinces or remote areas can reduce distant calls), operating, and ordering costs will be reduced as well.

3.7.2 Time Cost

The customer spends less time for collecting the information they need, and they can get the answer quickly from the web site. For the customers who live in other provinces and remote areas, this web site can substantially reduce travel time and cost. Customer don't need to travel back and forth or make a long distance telephone call in order to obtain their needed information. The web will help speed up the time for information dissemination. Customers can get the most updated information from the web such as new textile product, new color, and new promotion.

For example, the web site will provide a section with the form that the customer can fill in their questions. The management of SCD will reply back to the customer's mail box with in 24 hours. This is one of the important services that SCD will provide through the web site.

3.7.3 Energy Cost

Energy cost is the cost associated with the effort that customer needs to do when they request for particular products or services. With SCD web site as a powerful marketing tool, customers energy cost is greatly reduced.

Customers don't have to wait for the call back if the telephone line is busy. The web site helps the customer spend less effort to contact SCD shop. It uses less energy to look for 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, SCD web site can save customer energy.

3.7.4 Psychic Cost

In online marketing, psychic cost is the cost that happens when people go online and they do not feel safe when surfing the internet . This is security related type. SCD web site treats the customer security and privacy issue as the first priority web policy.

All the customers information is securely protected in SCD database. The name, address, and their preference is a secret from outsiders. Since SCD web site doesn't provide an online order transaction, customer don't need to provide credit card number and no credit card information is being stored at SCD web site. Therefore, customers will feel safe to contact SCD web site.

3.8 Positioning

According to the web site objective and target audience of SCD web site, the web site of SCD shop will serve as the communication center between the customers and the management of SCD shop. The web site is not to make textile order online, rather, its aiming is to encourage offline sale by serving as a marketing channel to the target customers. Customers can effectively contact SCD management via this web site. The important function that SCD web site provides to the web audience includes: Contact SCD shop, Catalog request, and Post and view web board, for example. The detail will discuss in the web site development topic.

The web site slogan is the same as the SCD shop slogan, which is "SCD discovery textiles".

3.9   SCD Web Site Competitive Advantages

Several strong points that SCD can enjoy the competitive advantage over other web sites are:

3.9.1 Information Enrichment

SCD web site focuses only on the textiles so the contents are more detailed. Textiles knowledge and other related news in the textile industry are included in SCD web site.

3.9.2 Communication Channel

The web site can disseminate the information more quickly than traditional channels. At the same time, SCD management can also receive a feed back from the customers and give them the answer in a timely manner.

3.9.3 Easy to Navigate

SCD web site is a design base on the concept of User Friendly Interface. Visitors can easily navigate the web site. They can know easily where they are because SCD web site is not too complicated. The speed for loading each web page is very fast. No special plugins or java that might use up the computer resources. Simple in design, but effective for usage.

3.9.4 Updated News and Information

SCD web site is updated daily. New textile color and style, new promotion, and textiles related news are the content that need routine update activities. The customers can ensure that they get the most recent information when they visit SCD web site.

3.9.5 Unique Features

There are several unique features of SCD web site that makes it different from the other textile web sites. These features include:

(1) Ask expert: the customers can contact directly with SCD textiles expert.

(2) Catalog request: the customers can request the most updated catalog available from SCD shop. The catalog will be sent directly to customer by postal service.

(3) Textile webboard: SCD web site provides the first textile-related web board in Thailand. The customers and suppliers can freely exchange their ideas and information freely.

(4) Clothing tips and techniques: interesting clothing tips and techniques which help the customers for their dressing style is included in SCD web site. It provides useful fashion tips which change periodically and encourage the web surfer to visit SCD web site again.

(5) Mailing list: be able to send the updated new textile and new promotion directly to customers mail box after subscribing.

IV.   THE 4Ps OF SCD WEB SITE

The 4Ps of SCD web site are Product (service), Price, Place, and Promotion. SCD shop plans their web site marketing strategy according to these 4Ps.

4.1   Product (Service)

The products at SCD shop are textiles. These textiles are available in various color, texture, and weight. The major type of textile at SCD shop is polyester. Table below will show the example of textiles at SCD shop:

Table 4.1.   Example of Textiles at SCD Shop.
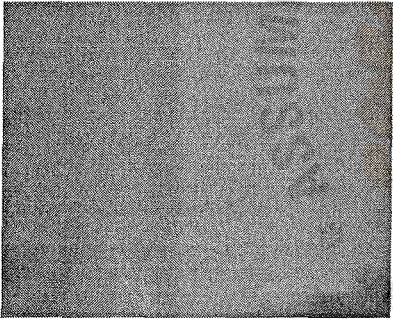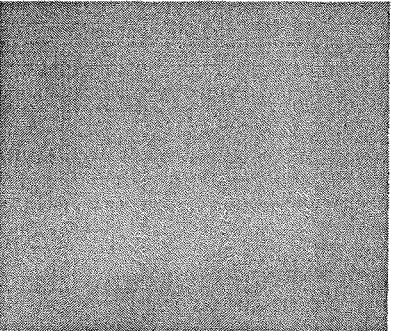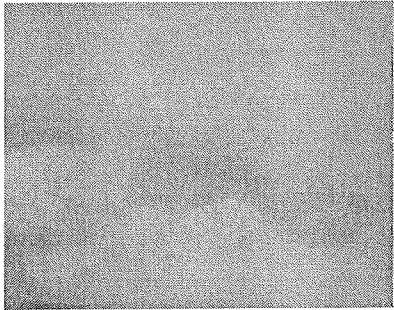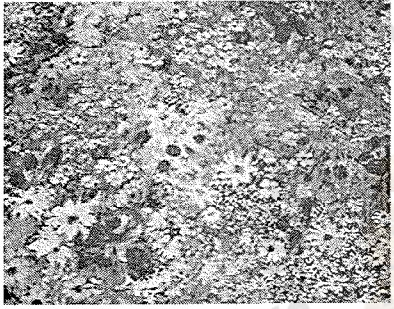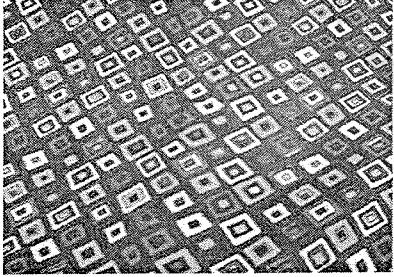
Sample picture	Name and description
	The red-colored sand-wash silk. The surface is more rough than the traditional silk. The weight is somewhat lighter than normal silk.
	The green-colored satin. It has a smooth surface and light weight.

49

Table 4.1.   Example of Textiles at SCD Shop (continued).

Sample picture	Name and description
	The light blue-colored cotton. It surface is quite rough and its weight is a little heavy.
	A flower-printed crape. The colorful flower make this textile suitable to make a colorful women dressing.
	The printed cotton popin is a special type of cotton. It can be used for various clothing design.
	Another colorful flower printed polyester textile. The printed sand wash silk is quite popular among the boutique shop.

There are still a lot of textiles at SCD shop that cannot be explained all here, both plain color and printed. As you see the above table only shows the picture and description, most customers need actual touch and feel of each textile type before making final purchase decision. Therefore, SCD web site will support the customers to make an off line order. SCD web site will include the following pages:

(1) About SCD: Explain the history of SCD textile shop from the beginning of its operation.

(2) Ask expert: Allow the customers to ask questions directly with SCD textiles expert.

(3) Product and promotion: Display and explain the main product and highlighted product. A special promotion for the web surfer is also included in this page.

(4) Services: Describe about SCD available services such as delivery services and product warranty.

(5) Catalog request: A page with a fill in form for the customers who would like SCD to send the latest catalog to them.

(6) Clothing Tips and Techniques: The cool tips and techniques regarding dressing and clothing.

(7) Mailing list: The customer can join SCD mailing list and receive the updated information which is directly sent to their mail box.

(8) Contact SCD: A web page that describes the details how to contact SCD shop offline including address, telephone number and other necessary information.

(9)　Webboard: An online community for the visitors to share and exchange their ideas with the others. They can post their interested topic and share their points of view regarding textile business.

(10)　Links: The center of textile-related link to other web sites, both inside and outside Thailand.

4.2　Price

The prices of textiles at SCD shop vary between the local textile and imported textiles as well as the old and the new. There are over one hundred textiles which has the different prices. The textiles price ranks from 100baht per meter to over 1,000baht per meter depending on the textile design and time of its arrival. The basic concept of a Markup pricing method is applied for SCD shop pricing strategy.

For the customers who wold like to access SCD web site, the cost occurred is only a telephone charges and Internet access fees. Then, the customers can instantly access SCD web site at anytime they wish and anyplace they want.

4.2.1 Cost of SCD Web Hosting

In order to develop a web site, SCD should have its own domain name and a storage space to store the web contents. As the webmaster of SCD web site has a special relationship with the owner of one local web hosting services company name www.host2care.com, he decides to use this web hosting service. The web hosting package fee is 400baht per month. The features of this web hosting are:

(a)　100MB disk space

(b)　5GB available data transfer

(c)　Unlimited E-mail account

(d)　Unlimited Forward / autoresponders mail

(e)　ASP/CGI/PL/PHP

52

(f)   Email component

(g)   Simple upload component

(h)   Server side include

(i)   WAP supported

(j)   Daily tape backup

(k)   Sub domain name

(l)   24hours services

Other options also available are as follows:

(a)   Control panel / 600 baht per year

(b)   Live statistic / 650 baht per year

(c)   SSL / 300 baht per month

(d)   SQL Server / 1,900 baht per month

(e)   Virus scan mail / 2,000 baht per year

Considering the relation ship with www.host2care.com owner, SCD shop gets 50% discount from normal rate. Thus, the yearly expense for SCD web hosting is only 3,050 baht per year including the Live statistic services (200 baht per month x 12 months plus 650 baht for yearly Live statistic fee).

Other value added services from www.host2care.com are Domain name registration and web site design.

4.3   Place and Distribution

4.3.1 Place

SCD shop location is located in the center of Bangkok, Thailand. The address is 1359 New Road, Bangrak, Bangkok, 10500 Thailand.

The web site URL of SCD shop is www.scd.co.th (the URL www.scd.com already registered by others). This domain is short and easy to remember by the

customers. The URL is the same as the shop name which is a good characteristic of domain name.

4.3.2 Distribution

There are three ways for the distribution of textiles product:

(1) Customer pick up: The customer will manually pick up their order at SCD shop.

(2) Delivery by SCD delivery services: The delivery man at SCD will directly deliver the textiles to the customer who is located in Bangkok and vicinity area. This is a very fast service provided by SCD shop. Usually, customers will receive their order textile within 24 hours after they have placed the order. Some orders can be delivered within the same day if the customers place the order in the morning time.

(3) Delivery by postal services: For the customers who are at a distance, SCD will deliver the textile by registered postal service. The cargo will be carefully protected by a special package which is water resistance to protect the textile inside.

4.4 Promotion

SCD web site can serve as a powerful marketing tool of SCD shop, especially for the advertising and promotion strategy. This final P of the marketing mix is very important for the marketing strategy of SCD web site.

4.4.1 Advertising

There are several reasons why companies advertise on the Internet. To begin with, television viewers migrate to the Internet. SCD recognize that they have to adapt their marketing plans to account for the ever-growing number of people spending increasing amount of time online. Other reasons why web advertising is growing rapidly are:

54

(1) Ads can be updated anytime with a minimal cost; therefore, they are always timely.

(2) Ads can reach very large numbers of potential buyers globally.

(3) Online ads are cheaper than other traditional media such as television and newspaper.

(4) Web ads can efficiently use convergence of text, audio, graphics, and animation.

(5) The use of internet itself is growing rapidly.

(6) Web ads can be interactive and targeted to specific interest groups and/or individuals.

The objective of SCD online advertising are:

(1) To build brand awareness.

(2) To drive a traffic to the web site.

(3) Providing information.

(4) To develop a qualified prospects.

The advertising strategy SCD is going to use are:

(1) Banners

SCD will advertise their shop and web site by placing their banner in the well known web site and textile related web site. The average banner size is around 460 x 60 pixels. The target web site that SCD will place their banner are:

(a) www.sanook.com

(b) www.pantip.com

(c) www.siam2you.com

(d) www.thaitextile.org

(e)   www.thailand.com

(f)   www.thaitrade.com

(g)   www.thailandpages.com

The first three web sites are among the most popular web sites in Thailand which is considered to have very high traffic per day. They are suitable to build brand awareness for SCD shop. The latter four web sites are the business related web sites including the business portal services for the foreigner who would like to invest in Thailand.

Several versions of SCD banners are shown below:

Figure 4.1.   Example SCD Banners.

(2) Search Engine

In order to drive more traffic to SCD web site, is should be registered with the search engine. By sending the URL to search engine, SCD web site can be displayed in the top ranks when they show the search result to the web surfers. SCD is aiming to register with the following search engines:

(a) www.google.com

(b) www.yahoo.com

(c) www.altavista.com

(d) www.hotbot.com

(e) www.northernlight.com

These are top rank search engines in the World Wide Web today. There are no cost associated with the registration with these search engines and it can be a very effective way for web advertising.

In addition, SCD web site will use the key word in its Meta Tag as "Thailand Textiles". This Meta Tag is to ensure that the search engine will display SCD web site URL with a short description within top ten search result.

(3) E-mail

SCD will gather the E-mail address from the current customers list and send the information directly to their mail box, for example, the purchasing department of clothing factory, the boutique shop, and each individual customer. Additionally, SCD also will do a research for the prospect e-mail in order to expand the market coverage. These E-mails provide an option for the recipients not to receive SCD e-mail in the future, which is one of the SCD privacy policy.

On the SCD home page, there is a "join mailing list" box which allows the visitors to enter their e-mail address in order to subscribe to SCD electronic newsletter.

4.4.2 Sales Promotion

As SCD web site objective is to encourage the offline sale, it serves as the supplement marketing tool to increase the sale volume at SCD shop. SCD web site sales promotion objectives are:

(1)   To provide a short-term boost up in offline sale volume.

(2)   To build a long-term customer relationship.

All the sale promotion information will be placed on SCD web site according to the appropriate period. The sale promotion strategy that SCD web site is going to use are:

(1)   Volume Discount

SCD shop will give a certain amount of discount when the customer purchases in big volume. The volume discount will be based on baht per meter. This volume discount program will apply to both the current customers and the customer who contact SCD via the web. Table below show the projected volume discount of SCD shop:

Table 4.2.   Projected Volume Discount for SCD Textiles.

Quantity purchased (meters)	Discount amount (baht per meter)
More than 200	2
Between 201 to 400	4
Between 401 to 800	6
Between 801 to 1,000	8
More than 1,000	10

58

(2)   Seasonal Discount

As a fact that textiles are a fashionable product, some style goes out-of-date quickly while the others stay stable in popularity for a long time. The SCD seasonal discount program is yet another effective incentive to boost up the short-term sale volume. For example, the textile which is popular in summer may have a discount at the end of summer period because the market will start looking for the textile which is for the rainy season. This is also an effective tool to control the inventory and manage the short-term cash flow.

All the seasonal discount information will be provided over SCD web site as well.

(3)   Premiums

In order to enhance the long-term relationship with the customers, SCD will provide a special premium or gift according to the following criteria:

(a)   The premium is given to the customers who have a long purchasing relationship with SCD shop, mostly over one year of continuous purchase.

(b)   The premium is given to every customer when there is a special event such as a New Year Festival and Anniversary Festival.

The examples of premium or gift that is going to be used are a SCD scissors, a SCD coffee cup, a SCD towel, a SCD sewing pack, and a SCD iron.

(4) Sweepstakes

An ever all time classic sale promotion tools is sweepstakes or a lucky draw. SCD web site provides a sweepstakes program every end of each quarter in order to boost up the short-term sales. So, the sweepstakes will be conducted at the end of March, June, September, and December each year. The example sweepstakes prizes are a mobile phone, a travelling package, a gold necklace, or a gift voucher.

The customers can got a chance to participate in this sweepstakes program when they purchase every 10meters of textile at SCD shop.

(5) Patronage Program

Like a frequent-flyer program of most famous airlines, SCD shop provides a points of textiles being purchased by the customer that can be turned in for free gifts from SCD shop. This program encourages the long-term sale and improve the customer relationship. Various gifts are available for the customer to choose such as a watch, a travelling package, a discount coupon, or a coffee cup, for example.

4.4.3 Public Relation

Public relation involves a variety of programs designed to promote and/or protect a company image. It is aimed to build a positive relationship with stakeholders. Using the public relation, SCD shop can gain public awareness at a lower cost than advertising. Additionally, an online public relation content can be easily updated and it will be included in the SCD web site news section. The SCD public relation objectives are:

(1) Build brand awareness

(2) Improve company image

(3) Hold down advertising cost

Public relation strategy that SCD shop using are:

(1) Donation Program

To improve the shop image, SCD will arrange a donation program which the shop itself acts as a donation center. The customer can bring their old belongings, such as cloth, books, toys, and other things to SCD shop. Then, the shop will combine and donate these things to upcountry schools, communities, and related foundation. The program will be implemented at the beginning of April and August each year.

(2) Press Release

SCD shop will distribute the publication about our web site as the material for other web sites to write the news about us. This program is done at the first stage when the SCD web site is first launched and when there are other important events. It is aiming to continuously build up SCD brand awareness to the public.

(3) Trade Exhibition

Periodically, SCD shop will join a textile trade exhibition regarding the import and export business and textile-related industry. At the trade exhibition, SCD shop will strongly introduce its web site as well. To join a trade exhibition is very important. It serves as a tool to hold down advertising cost, build up brand awareness to the local and foreign investors, and improve the image of SCD.

V.   SCD WEB DEVELOPMENT AND DESIGN

5.1   Web Site Design

SCD web site is designed based on the concept of easy navigation. Visitor should know easily where they are in SCD web site. The information provided is updated and relevant. SCD web site is not too complicated so that most of web surfers can feel that SCD web site is simple and user friendly. The web site includes only the pages and functions that are necessary to achieve the web objectives. Additional factors that should be taken into consideration are:

(1)   Page loading speed

(2)   Uniqueness of the web

(3)   Color usage

(4)   Graphics and fonts

(5)   Message consistency

(6)   Information being provided

Moreover, SCD web site is one of the marketing tools of SCD shop. Thus, the way that the web site communicates with the visitors should be ultimately integrated with SCD marketing strategy and the company objectives.

5.2 SCD Site Map

The structure of SCD web site is shown in Figure 5.1 below:
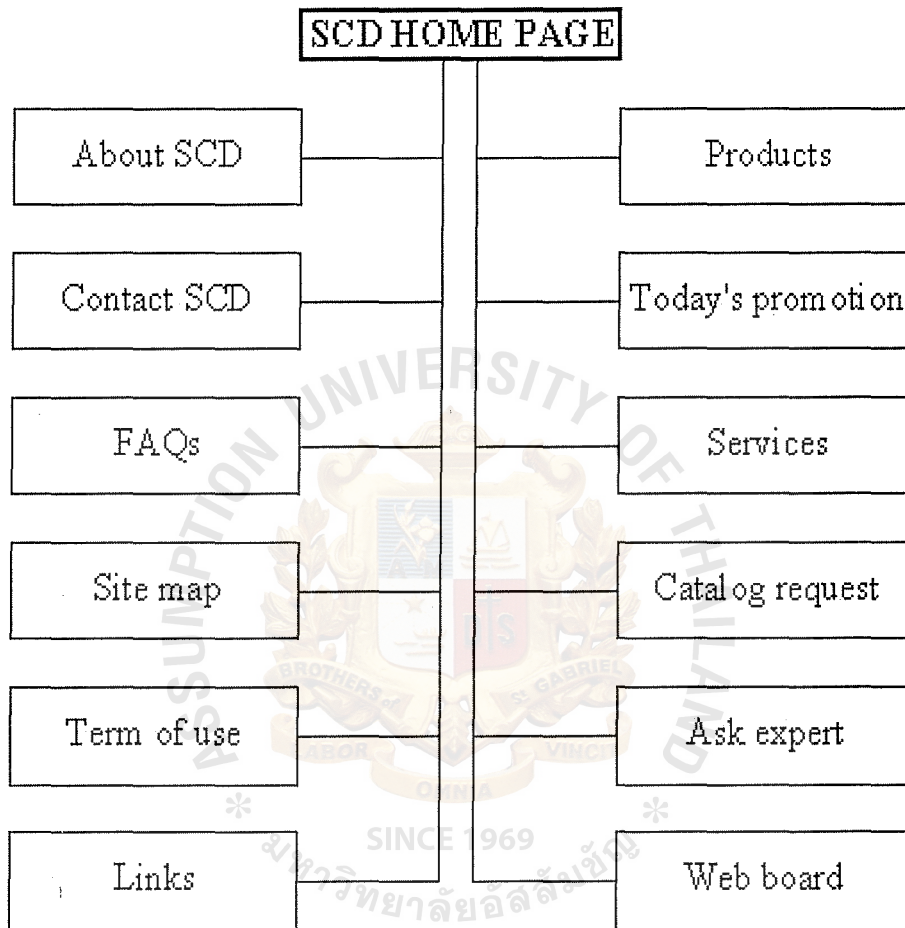
Figure 5.1.   SCD Site Map.

5.3 Page Layout

The SCD Page layout is show in Figure 5.2 below. Every web page in SCD web site has used the same layout in order to ensure the integrity and improve SCD shop image as well.

Figure 5.2.   SCD Web Page Layout.

5.4   SCD Web Site Features

At SCD web site, the visitors can find the following web pages:

5.4.1 SCD Homepage
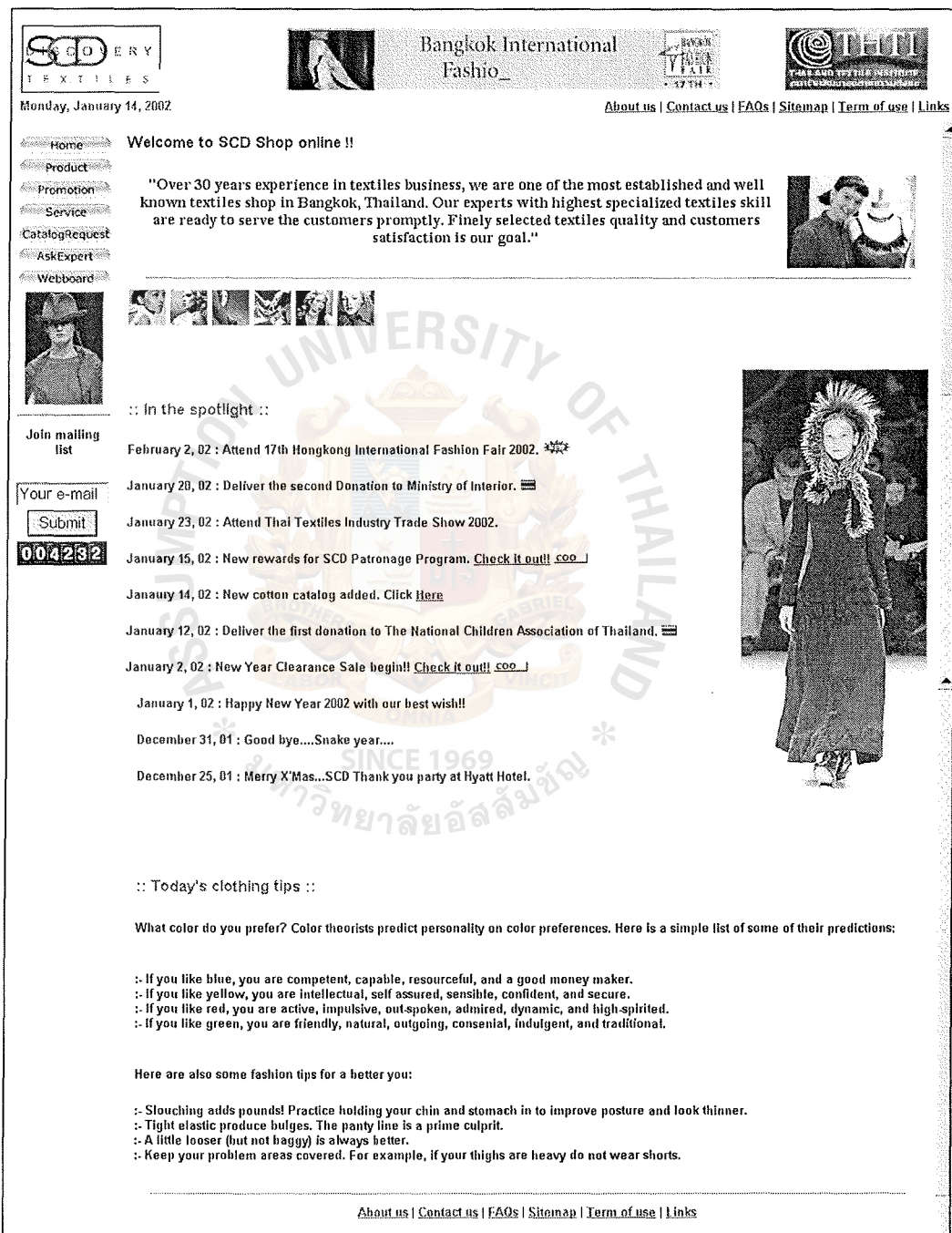
Figure 5.3.   SCD Shop Home Page.

The first page of SCD web site provides clear, simple, and user friendly environment to the web visitors. The page provides the links to all others pages and it serves as the door to SCD web site. Several important features in SCD home page are:

(1) Join mailing list: Visitors can enter their e-mail address in the box provided. Then our electronic newsletter will send directly to their mail box. Customers can be sure that they will not miss SCD new product and new promotion. The option to unsubscribe is also provided.

(2) Clothing tips & techniques: At SCD home page, visitors can know the interested clothing tips and techniques, which are changed periodically. For example, it will give advice how slim and tall women have their dressing in order to look good. And the useful suggestion for appropriat dressing for special events.

(2) News and update: The current news and updated information will be provided with the date. Customers can easily know what is going on at SCD web site and SCD shop.

5.4.2 Product

This page will display the textiles that are available at SCD shop. Textile pictures and its short description are included in this page. The highlighted textiles and new textiles are easily noticed by the web visitors. Only major and important textiles will be displayed. This product page also shows the most recent fashionable textiles.
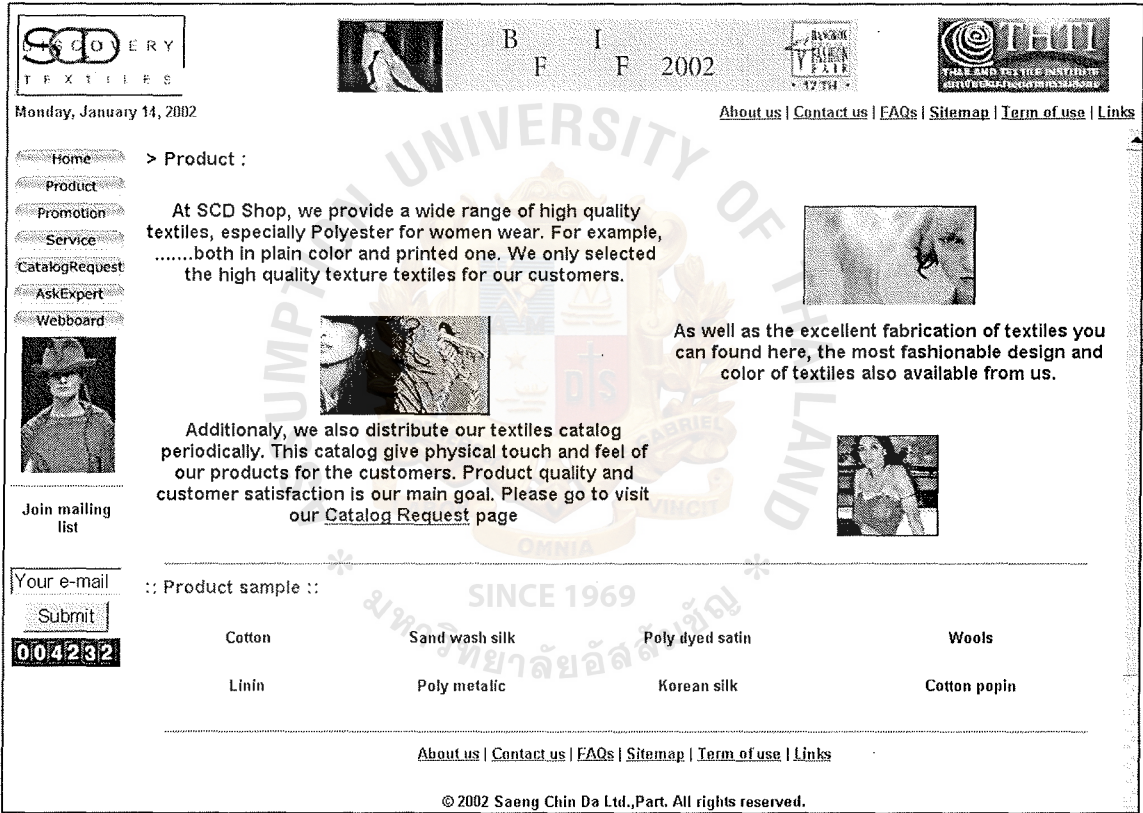
Figure 5.4.   Product Page.

5.4.3 Promotion

The hottest promotion available will be shown at this page. Customers will know what are the current sale promotion of SCD shop at this page. For example, stock out sales, patronage program detail, sweepstakes,...etc.

Figure 5.5.   Promotion Page.

68

5.4.4 Services

The visitors can check out the services available for SCD shop here, such as delivery services, product warranty,...etc.
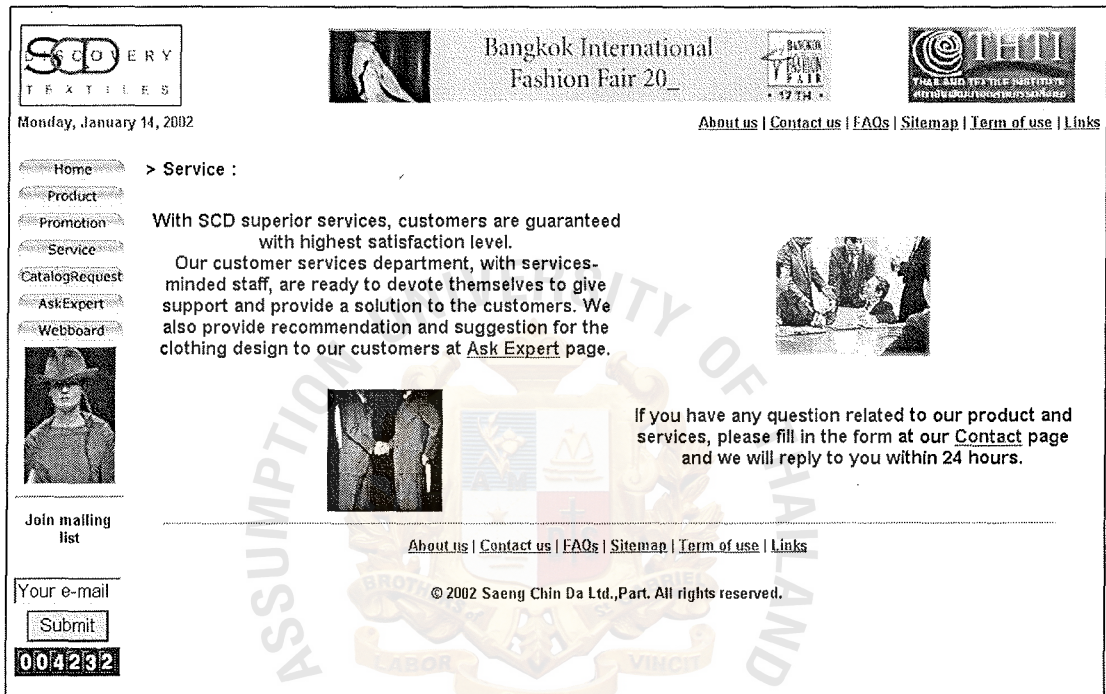
Figure 5.6. Service Page.

5.4.5 Catalog Request

This page will provide the fill-in form for the customers who would like SCD to send the catalog to their addresses. Just fill in the form and choose among various textiles catalogs, SCD will send the most updated catalog to the customers within 24 hours.

Figure 5.7.   Catalog Request Page.

5.4.6 Ask Expert

Any questions that arise regarding textiles, customers are given a chance to ask their questions here, with SCD textiles experts. They can get the reply within 24 hours.

Figure 5.8.   Ask Expert Page.

5.4.7 Webboard

The only textile online community that the visitors can share and exchange their ideas and information with others.
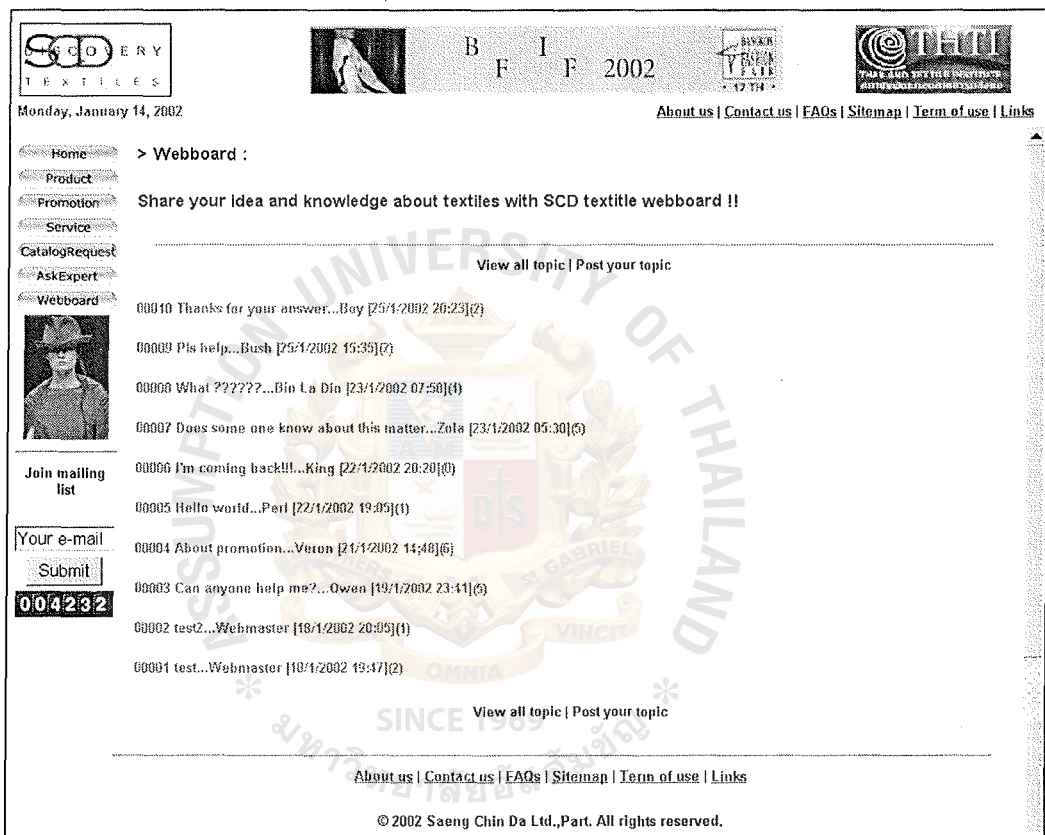
Figure 5.9.   Webboard Page.

5.4.8 About Us

This page will explain the history of SCD shop.

Figure 5.10.   About Us Page.

5.4.9 Contact Us

Visitors can contact and give their feedback to SCD management directly from the fill-in form available in this page. The management will give a reply within 24 hours.

Figure 5.11. Contact Us Page.

5.4.10 FAQs

Frequently Asked Questions, or FAQs, is the page that display the general questions and answers related to SCD shop and its textiles.

Figure 5.12. Frequently Asked Questions (FAQs) Page.

5.4.11 Sitemap

Sitemap will provide the general view of SCD web site structure, which can help the visitors to more easily navigate SCD web site.
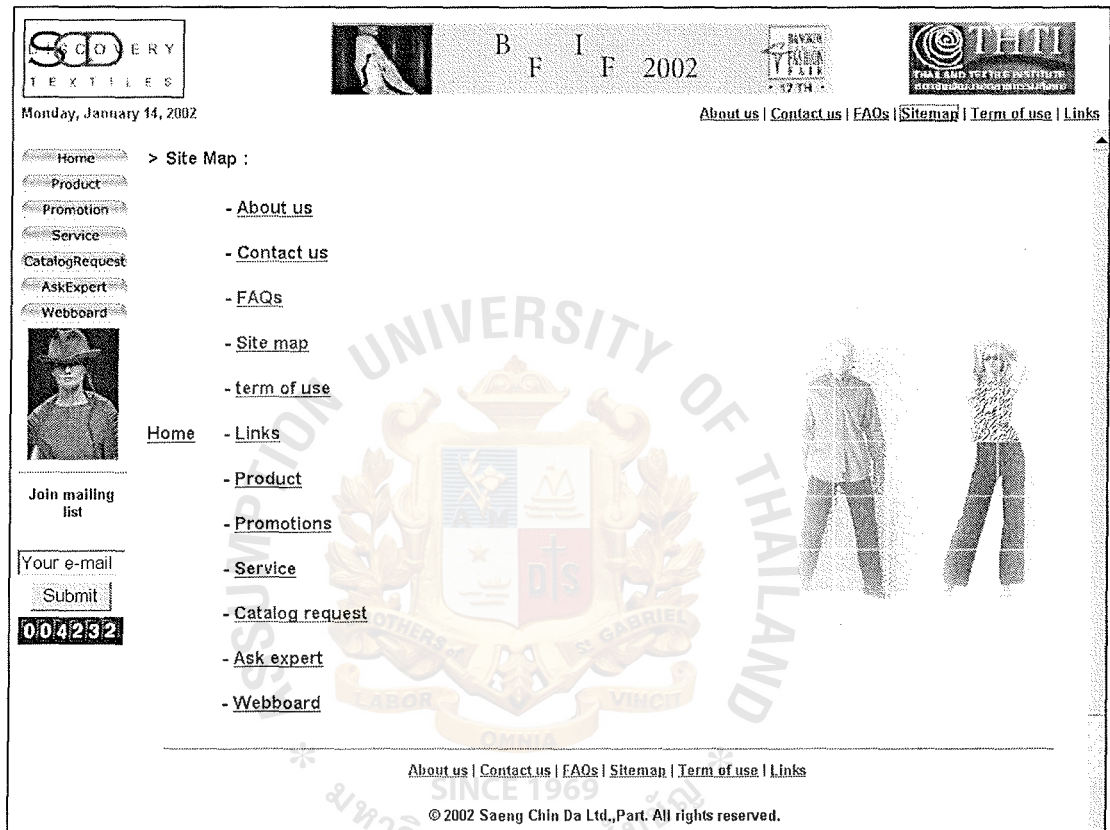

Figure 5.13.   Site Map Page.

5.4.12 Term of Use

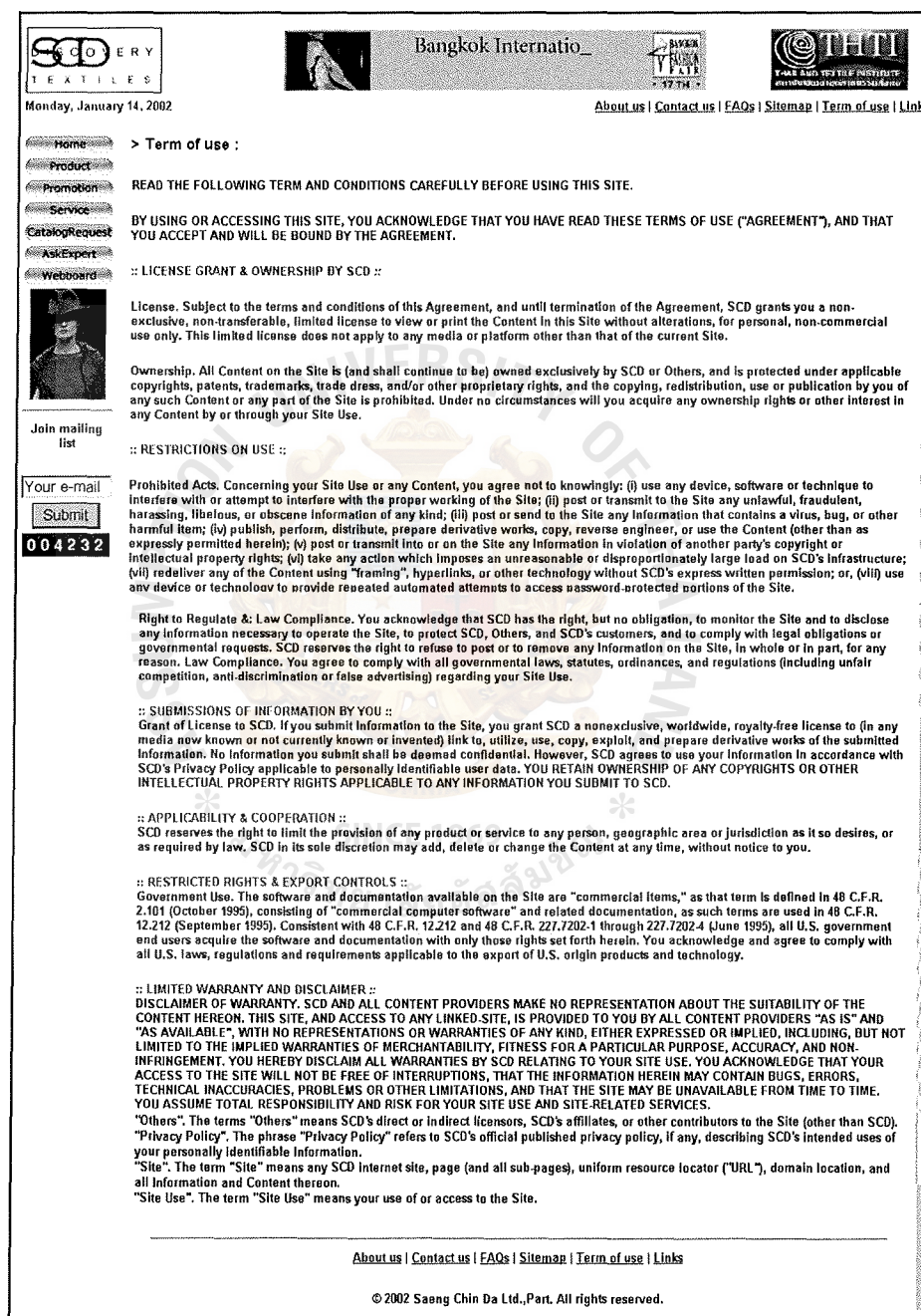Providing the legal related issue and disclaimer that is important in today's online world.
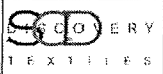

Figure 5.14.   Term of Use Page.

5.4.13 Links

The other important textile-related links and its short explanation are displayed here.

Figure 5.15.   Links Page.

5.5 Web Site Evaluation

In order to measure the effectiveness of SCD web site, the web site evaluation method should be defined.

According to the objective, the web site should encourage the offline sale of the existing SCD shop. Thus, certain amounts of sale volume should be increased which is the result from the web site. Two general scenes are the example that will be used to track the effectiveness of SCD web site:

(a) Visitors or customers visit SCD web site for SCD shop information

   (1) Visitors or customers visit SCD web site.

   (2) They learn more about SCD shop.

   (3) They contact SCD by phone or visit the shop.

   (4) SCD staff will ask them how did they know about SCD shop.

   (5) If the customers know SCD via the web and make an order, that order is the web-generated result.

(b) Visitors or customers visit SCD web site and request for the catalog

   (1) Visitors or customers visit SCD web site.

   (2) They go to SCD Catalog Request page and enter details in SCD catalog request form.

   (3) SCD shop received customers request and send textiles catalog according to the address. Each catalog has the reference number stated on them.

   (4) After receiving the catalog, customers will place the order according to catalog received, by phone or visit the shop.

   (5) The catalog reference number will be provided to SCD staff. Thus, they can know that the order is web-generated order.

79

These are the two general scenes that will happen as the result of SCD web site. The order that is the result from SCD web site is a web-generated order. SCD shop should compare the sale volume before and after development of SCD web site. The figure will show the effectiveness of the web site.

VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

SCD web site is aiming to encourage the offline sale of SCD textile shop. This "SCD Textile Shop Online" is one of the SCD marketing tools. It also serves as a communication channel between the shop and its customers.

Various features of SCD web site are aimed to achieve its objective. Catalog Request page allows the customers to request for latest SCD textiles catalog. These textile catalogs are provided to the customers free of charge. Contact Us page allow the customers to contact SCD management directly over the web. Ask expert page allow the customers to ask their textile-related questions with SCD textiles expert. The customers will get a reply within 24 hours. These features are aiming to encourage SCD offline sale.

SCD web site also serves as a communication channel with the public. The shop background information is provided at About Us page. Customers can find more about SCD textiles product information at SCD Product page. SCD promotion and public relation programs are provided at Promotion page. SCD services details are available at Service page. The Joint Mailing List box is available in case the customers would like to receive SCD newsletter via e-mail. Frequently Asked Questions (FAQs), Site Map and Webboard pages are the additional features of SCD web site. For the international legal concern, the web site legal statement is clarified at Term of Use page.

SCD web site is user friendly to the visitors. They can easily navigate through out the web site since SCD web site is simple and not too complicated. The content of SCD web site is rich in useful information to the visitors.

Finally, the web site strategy will be integrated with SCD marketing strategy and the company objectives. As one of the most powerful marketing tools to SCD shop, this web site will ultimately yield positive effects to SCD offline sale, improve the shop's image, and maintain customer relationship.

6.2 Recommendations

Since the textile business is closely related with the clothing industry and the fashion trend, the shop should carefully monitor, analyse, and forecast this dynamic marketing environment in order to cope with changes. The right textile should be available before the upcoming fashion trend. This is one of the most challenging aspects of doing a textile business. Not only a good marketing forecast but also the high textile experience are required for developing an effective strategic marketing plan.

6.2.1 Marketing Intelligence

SCD should frequently conduct marketing intelligence. It is concerned about collecting updated and relevant data and carefully analyse those data. SCD shop should gather all the textile-related data; such as clothing news, fashion trends, and yarn prices; and analyse these data to come out with useful information that SCD shop can use to develop a strategic marketing plan. This activities should be applied to the web site as well.

6.2.2 Modifications and Corrections

As mentioned earlier, the textile business is a dynamic business which has a direct relation to the clothing industry and fashion trend. Thus, a regular modification and correction on the marketing plan is necessary in order to survive in this industry. Keep track of the original plan and manage changes carefully. Although changes should be made only with good reason, the plan should be subjected to an updating process, especially in this textile business.

6.2.3 Variance Analysis

Variance analysis looks after-the-fact of what caused a difference between plan vs. actual. SCD shop should take a deep analysis in each variance occurring during its implementation so that it can make a right corrective action.

6.2.4 The Future

As the number of internet users is rapidly growing and Internet and E-commerce infrastructure is continuously improving, SCD shop needs to take further action for these changes. SCD web site will provide full function for order transaction online. After the customers receive SCD catalog, they can enter their order detail form at SCD web site and make their payment online. SCD also provides additional service for this online transaction such as Shipment Tracking System and Service Hot Line.

APPENDIX   A

TEXTILES RELATED TERM

TEXTILES RELATED TERM

This appendix will show the related terms in textile business with their meanings. The related textiles term are listed below:

Boutique   (n.) Small shop selling clothes and others articles of the latest fashion.

Cloth   (n.) 1. material made by weaving cotton, wool, silk, etc. 2. Things worn to cover person's body

Fabric   (n.) Type of cloth especially one that is woven, e.g., woolen, silk, cotton, etc.

Fiber   (n.) any of the slender threads of which many animal and plant tissues are formed.

Garment   (n.) article of clothing.

Knit   (v.) make a garment or fabric by forming wool, silk, etc. yarn into connecting loops, either by hands, or on a machine.

Textile   (n.) woven or machine-knitted fabric.

Texture   (n.) 1. Way a surface, substance or fabric looks or feels to the touch, e.g., its thickness, firmness, roughness, etc. 2. Arrangement of the threads in a fabric.

Weave   (v.) make fabric by passing threads or strips crosswise over and under lengthwise ones, by hand pr on a machine.

Woven   preposition of weave.

Yarn   (n.) fibers, especially of wool, that have been spun for knitting, weaving, etc.

BIBLIOGRAPHY

English References

1. Janal, Dan. Dan Janal's Guide to Marketing on the Internet: Getting People to Visit, Buy and Become Customers for Life. New York: John Wiley & Sons, Inc., 2000.

2. Kotler, Philip. Kotler on Marketing: How to Create, Win, and Dominate Markets. London: Simon & Schuster UK Ltd., 2001.

3. Kotler, Philip. Marketing Management, Tenth Edition. New Jersey: Prentice Hall, 2000.

4. Laudon, Kenneth C. and Jane P. Laudon. Management Information System, Sixth Edition. New Jersey: Prentice Hall, 2000.

5. Stanton, J. William, Etzel J. Michael, and Walker J. Bruce. Fundametals of Marketing, Tenth Edition. New York: Mc Graw Hill, 1994.

6. Tracy, Joe. Web Marketing Applied: Web Marketing Strategies for the New Millennium. New York: Advanstar Communications, 2000.

7. Turban, Efraim, Lee Jae, King David, and Michael H. Chung. Electronic Commerce, A Managerial Perspective, International Edition. New Jersey: Prentice Hall, 2000.

Thai Reference

1. วัชระพงศ์ ยะไวทย์. E-Commerce และ กลยุทธ์การทำเงินบนอินเตอร์เน็ต: กรุงเทพมหานคร: บริษัท ซีเอ็ดยูเคชั่น จำกัด(มหาชน), 2543.

Web Site References

1. Department of Export Promotion   http://www.depthai.go.th

2. EximWorld.com   http://www.eximworld.com

3. Thailand.com   http://www.thailand.com

4. Thailandpages.com   http://www.thailandpages.com

5. Thailand Textile Institutes   http://www.thaitextile.org

6. The Bobae Garment Association http://www.bobaegarment.com