Online Tea Store

by

Ms. Tassanee Klieosirikul

A Final Report of the Three-Credit Course
IC 6997 E-Commerce Practicum

Submitted in Partial Fulfillment
of the Requirements for the Degree of
Master of Science
in Internet and E-Commerce Technology
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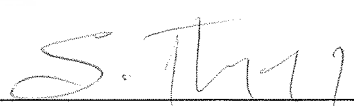| Project Title | E-Commerce Technology for Online Tea Store |
|---|---|
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| Academic Year | November 2004 |

The Graduate School of Assumption University has approved this final report of the three-credit course, IC 6997 E-Commerce Practicum, submitted in partial fulfillment of the requirements for the degree of Master of Science in Internet and E-Commerce Technology.

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November 2004

# ABSTRACT

Online Tea Store project report discussed on the background , objectives and the scope of the project. It also consisted of the concept of Internet and E-commerce , on what basis online tea store was created and the benefit of e-commerce for the company and the customers. This report explained about the existing system and introduced the proposed system, followed by the marketing analysis and internet marketing strategy. The final part of this report was the website implementation.

This project was created to expand sales channel and sales volume to penetrate the international market. The existing system of the tea store was based on manual and some computerized system. Most of the data were stored on paper and some were kept in Microsoft Excel. So it was difficult to use and to calculate when the customers needed to know more varieties of teas. It required many staff members to give service to the customers with the manual system. The company inevitably faced with error problems.

The new proposed system was developed to replace the manual system and data kept in Microsoft Excel with the database in Microsoft Access. All data would be stored in Microsoft Access and used mysql to get the data. The customers and users were facilitated with the web browser,and Microsoft Internet Explorer. It could solve the problems of manual system and expanded to penetrate the international channel using online catalogue, shopping cart and online payment.

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# I. INTRODUCTION

As we enter the third millennium, we experience one of the most important changes in our lives-the move to an Internet-based society. Electronic commerce(EC) describes the manner in which transaction take place over networks, mostly the internet. It is the process of electronically buying and selling goods , services, and information.

E-commerce includes at least the following: The exchange of goods and services across an interactive digital network .A computer-mediated and virtual market with new relationships among business and consumer. A digital means of exchange (digital money, e-cash, secure credit card transaction). The increasing of digital information as a commodity. New business processes and technologies to support digital transaction. New business strategies and models to gain a competitive edge in the digital marketplace. Technologies to ensure privacy and protect intellectual property. A legislative and regulatory environment that supports e-commerce (domestic and international).

By using the internet, manufacturer can sell directly to customers and provide customer support online. In this sense, it can effect the business cycle that makes it shorter than before. Electronic commerce disintermediates the role of traditional distribution channel by allowing the customers to bypass the channels so the traditional intermediaries may be eliminated.

Tea shop online is a business that is a distributor, which imports the products from the producers mainly in China, Japan and distributes to factories, restaurant, retailer and individual buyer in Thailand and international.

The solution to be more effective and flexible for the internal operation and work more closely between supplier and customer  by responsive to the needs of the

customers. And expect to sell in a global market by creating a system to support the global market in online payment ,using online catalogue – shopping cart, and using back office to control and add product to the online store.

## 1.1 Background of the Project

Electronic commerce (e-commerce) is going to have a profound effect on the Government, the industry and the community on the way people lives and work. The Internet offers a convenient means for e-commerce activities as transactions can be conducted almost anywhere and at anytime the user wants. E-commerce can occur at any stage of the supply chain, whether within an organization, between businesses, and between businesses and consumers. The major barrier for the wider adoption of e-commerce is on the concerns about security and the protection of personal data when transactions are conducted over the Internet. The presence of supporting infrastructures is extremely important to address the identities of the parties involved, the integrity and confidentiality of the information transmitted, and the non-repudiation and legal status of the electronic transactions.

For the above reason, TeaAtHome would like to expand market to the industry and the community and try to solve the barrier of E-commerce such as transfer process, payment method and etc…

## 1.2 Objective

(1)    To create a prototype of electronic Tea online shop.

(2)    To apply the concepts learnt in the Master of Science in Internet and E-commerce Technology and Internet marketing course.

(3)    To study the effect of internet to B2B and B2C model.

(4)    To analyze the possibilities of an electronic Tea online shop in Thailand.

(5)    To study and analyze the strategy for an electronic Tea online shop.

(6)    To promote and introduce our company to international market.

(7)    To open new markets and be able to reach new customers.

(8)    To enable consumers to visit the site 24 hours a day 7 days a week.

(9)    To increase customers service.

## 1.3  Scope

The project will consist of the following information:

(1)    The information and effect of B2B and B2C.

(2)    Business concept which contain the detail of business model, service and benefit of online business.

(3)    Marketing strategic and plan, SWOT analysis, market segmentation, target market and marketing mix.

(4)    Web prototype of Tea online shop.

## 1.4  Deliverables

(1)    Project Report

(2)    Web Prototype

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## II. LITERATURE REVIEW

### 2.1 Internet and E-commerce

E-commerce application were first developed in early 1970s with innovation such as electronic fund transfers(EFT). However, the extent of the applications was limited to large corporations, financial institutions, and a few daring small businesses. Then came electronic data interchange, know as EDI, which expanded from financial transactions to other types of transaction processing, thus enlarging the pool of participating companies from financial institution to manufacturers, retailers, services, and many other types of businesses.

E-commerce could become a significant global economic element within 10 to 20 years (forrester.com). Networked computing is the infrastructure for EC, and it is rapidly emerging as the standard computing environment for business, home, and government applications. Networked computing connects multiple computers and other electronic devices that are located in several different locations by telecommunication networks, including wireless ones. This allows users to access information stored in several different physical location and to communicate and collaborate with people separate by great geographic distance. Although some people still use a stand-alone computer exclusively, the vast majority of people use computers connected to global networked environment known as the internet.

Classification of E-Commerce

E-commerce (or electronic commerce) is any business transaction whose price or essential terms were negotiated over an online system such as an Internet, Extranet, Electronic Data Interchange network, or electronic mail system. It does not include transactions negotiated via fax machine or switched telephone network, or payments made online for transactions whose terms were negotiated offline. Classification of E-

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Commerce can divide into six distinct types such as : Online Storefront (see for example www.amazon.com), Internet Presence, Content , Mall, Incentive Site and Search Agent(see for example www.yahoo.com). E-Commerce sites must be effective, empowering, dynamic, and fast. Customers demand personalized information to make decisions. Companies require cost-effective and agile solutions.

Types of e-commerce:

E-commerce is changing the way many companies do business. It enables companies to share business information (internally), carry out EDI (Electronic Data Interchange) with customers, suppliers and partners and not to mention competitors via the Internet. For e-commerce to be successful it must have a seller and a buyer in order to make money.

There are three major forms of e-commerce depending on who are involved in the transaction.

(1)    Business-to-Business (B2B)

(2)    Business-to-Consumer (B2C)

(3)    Consumer-to-Consumer (C2C)

(1) B2B e-commerce: involves the transactions between businesses and organizations providing goods and services for other businesses and organizations either within its value chain or with others outside its value chain. Such as its suppliers, distributors etc.For example, Wal-Mart purchases its products to sell in the store from its vendors over the Internet.

(2)    B2C e-commerce involves the retailing transactions between a company and individual customers. This type of transaction takes place on the Internet rather than the extranet because customers don't have access to private extranets.For example, Dot-com companies like Amazon.com, E*Trade.com, Shopnaked.com etc. see www.amazon.com

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(3) C2C e-commerce involves individuals, organizations or companies who are selling and buying directly with each other via the website on the Internet. For example, a Web auction: in which individuals or businesses use a Website to offer items for sale and bid on items to buy. Such as Tradenexchange and eBay see www.tradenexchange.co.nz or www.ebay.com

The conducting of business communication and transactions over networks and through computers. As most restrictively defined, electronic commerce is the buying and selling of goods and services, and the transfer of funds, through digital communications. However EC also includes all inter-company and intra-company functions (such as marketing, finance, manufacturing, selling, and negotiation) that enable commerce and use electronic mail, EDI, file transfer, fax, video conferencing, workflow, or interaction with a remote computer. Electronic commerce also includes buying and selling over the World-Wide Web and the Internet, electronic funds transfer, smart cards, digital cash (e.g. Mondex), and all other ways of doing business over digital networks.

## 2.2 Why Create Online Tea Store

TeaAtHome Company was the physical store that sells a variety of tea leaf from all over the world. Now most of the customers are in domestic and my company gets order via telephone, fax and the physical store front. And my company got a chance to deal with some international customers at International Trade Fair or International Exhibition. So if there are not the international exhibition or trade fair, my company do not have a chance to deal with them that mean we will lose market share and can not gain the opportunity in the business.

Most systems that we use in the physical store are based on manual with some computerization which can be led to high cost and more time to complete our

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task. Therefore, Online Tea store web site is developed to solve the following problem. The purpose is to expand a market to the global market but still keep the domestic or the current customers. Online Tea store wants to generate revenue from selling products and provide customers to visiting the website 24 hours a day and 7 days a week, also reducing cost and time for running business such as brochure, printing catalogue or communication expend between company and the customers. By creating the website, the customers from all over the world can directly contact the company and provide customer support online. So the price for the product will be cheaper because in e-commerce the traditional intermediaries are eliminated.

## 2.3 Benefit to the company and customers

Benefit to the company

(1)     E-commerce expands the marketplace to national and international market. with minimal capital outlay, a company can be easily and quickly locate more customers, the best suppliers, and the most suitable business partners worldwide.

(2)     E-commerce decreases the cost of creating, processing, distributing, storing, and retrieving paper-based information. For example, by introducing an electronic procurement system, company can cut purchasing administrative cost by as much as 85 percent.

(3)     E-commerce reduces the time between the outlay of capital and receipt of product and services.

(4)     E-commerce enables efficient e-procurement that can reduce administrative costs by 80 percent or more, reducing purchasing prices by 5 to 15 percent, and reducing cycle time by more than 50 percent.

(5)    Other benefits include improved corporate image, improved customer

service, new business partners, simplified processes, compresses time to

market, increased access to information, increased productivity, reduced

paper and   paperwork, reduced transportation costs, and increased

flexibility.

Benefit to the customers

(1)    E-commerce allows customers to shop or perform other transactions   year

round, 24 hours a day, from almost any location.

(2)    E-commerce provides customers with more choices.They can select from

many vendors and from more products.

(3)    E-commerce frequently provides customers with less expensive products

and services by allowing them to shop many places and conduct quick

comparison.

(4)    E-commerce allows customers to interact with other customers in electronic

communities and exchange ideas as well as compare experience.

(5)    E-commerce facilitates competition, which results in substantially lower

prices for customers.

# III. THE EXISTING SYSTEM

## 3.1 The existing System

TeaAtHome system uses offline channel to sell product. Most of the customers are the domestic customers, and our company use sale people to boost a sale volume by offering the product directly to the purchasing department such as at hotel, restaurant or retailer and etc...

At domestic market, our customers are restaurants and hotels. They buy our product to provide service their customers as a beverage. The process that the sale people offer the product to them are a printing catalogue, paper price list and use purchasing order base on paper to confirm order. For the retailer, our customers have a store at department store. Our company also uses the sale people to offer product to them by giving them a print catalogue, and paper price list.

## 3.2 The current Problem

From the above system, as you know that our company use sale people to give a service and get order from visiting the customers at their store. So the current problems are very high because, our company needs to use many sale people and many paper resources in printing catalogue, price list, and purchasing order paper. When the new product arrives and the price changes, our company needs to make a new copy for a few item. Moreover there is a transportation cost and time cost to get the order. All of the problems lead our implementation cost very high that can cause the high product price.

The important problem for TeaAtHome is the manual system which can not support the global market. We can not expand sale volume and sale channel by using people walk into the store in every countries all over the world. So creating a website is the best way to expand the market and can solve the problems related to costs in doing business.

# IV. INTERNET MARKETING PLAN ANALYSIS AND STRATEGY

## 4.1 Key to success

(1) The company must retain current market and expand to global market.

(2) The company must show the benefit of using internet and online channel such as the benefit that customers will gain when using online channel compare with offline channel.

(3) The website must be easy to access,to navigate, understandable and quick to download.

(4) The company must build the customers' trust in the website such as the quality product at a good price with the excellent service or delivery time even charge rate , policy return and etc… reliable to the customers.

## 4.2 Business Model

TeaAtHome.com supplier-oriented marketplace of Business-to-Business (B2B) and Business-to-Business (B2C) are models to conduct the business. Both business models are applied to online store and set up the website for individual and business customer to visit and use their service. The main purpose of the website is to create a convenience to the customer in order to view products, get their details, to order product and even to a purchase through the website.

The concept of B2B commerce can be conducted directly between a buyer and seller via an online intermediary. The intermediary can be an organization, a person, or an electronic system.

The concept of B2C is all about automating processes used by sellers and buyers to make a transaction in a wholesale price without the involvement of intermediaries such as distributors, wholesalers, or dealers. So the most significant characteristic of B2C commerce is the ability to create a direct relationship to the customers and online

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retail store offering consumer services with a quality merchandise at good prices, coupled with excellent service.

### 4.3 Market Segmentation

The company website divides a market into groups of buyers with differences of needs, characteristics, or behavior. Segmentation can be bases on demographic, psychographic, geographic, or behavioral variables. TeaAtHome classified the market into the following segments:

(1) Demographic Variables

(a) Entrepreneurships such as hotel, restaurant, beverage corner, retailer and etc... to serve their customers.

(b) Factory who would like to order tea to produce a beverage for selling in the market.

This segmentation will be focused on business customers whom the company already have relationship with them. So the company has to retain the current market and through the online channel they can buy the product with high quality and reasonable price in the same quantity order similar to an offline channel.

(2) Behavioral variables

(a) The customers who love to drink tea.

This segmentation will be focused on the individual customers who love to drink tea and would like to shop online. They will get more convenience because they don't want to go outside or visit the physical store to view or choose a tea for drinking.

(3) Geographic

(a) The customers who locate both in Thailand and in other countries.

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This segmentation will be focused on the global market. The people all over the world can visit TeaAtHome.com to view the product , and  make online purchasing if they are interested in the company product.

## 4.4  Target Market

The company's target groups are individual and business customers both in Thailand and in other countries. They would like to look for a convenient channel for a quality product with a reasonable price of tea.

## 4.5  Internet Marketing Analysis

TeaAtHome.com is a website to offer a tea and tea set to the customers. The core concept of the internet marketing strategy starts with prepurchase steps, followed by the actual purchase, and finally by postpurchase steps. Consumers begin with an awareness that they need to make a purchase and identify the basic need and want.

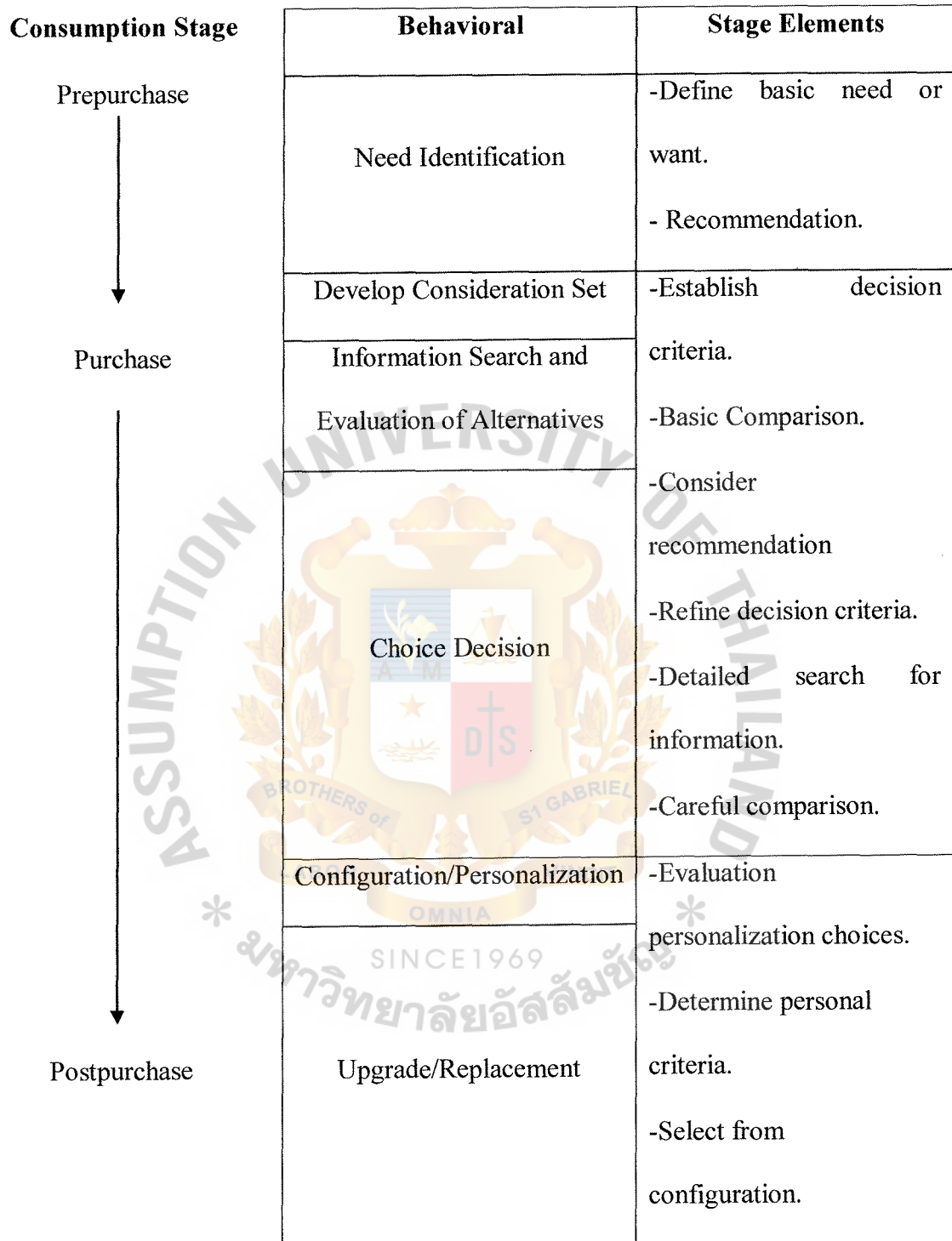| Consumption Stage | Behavioral | Stage Elements |
|---|---|---|
| Prepurchase ↓ | Need Identification | -Define basic need or want.<br>- Recommendation. |
| Purchase | Develop Consideration Set | -Establish decision criteria. |
| | Information Search and Evaluation of Alternatives | -Basic Comparison. |
| | Choice Decision | -Consider recommendation<br>-Refine decision criteria.<br>-Detailed search for information.<br>-Careful comparison. |
| | Configuration/Personalization | -Evaluation personalization choices. |
| Postpurchase | Upgrade/Replacement | -Determine personal criteria.<br>-Select from configuration. |

Figure 4.1. The consumer Purchase Decision Process.

So the company starts with identifying need and want of the customers. The need of the customers who visit TeaAtHome.com is to seek for the healthy beverage then their want is to select a tea for drinking or service tea as a beverage to their customers. Because tea is a well know kind of the healthy beverage and TeaAtHome.com also provide a variety of tea to meet the customer's want.

After identifying need and want, the company analyzes the customer's perception of the product's to satisfy his or her need which is the customer delivery value (CDV). They are product , service, personnel and image value.

For the product value, TeaAtHome.com provides a variety of products to meet different preferences of each customer. And service value, the company provides a global shipment and return policy within 15 days return after the customer get the products. With the website easy to access and easy to click to find whatever the customers want to looking for. With the Internet technology, the people can access company website 24*7 services and the company creates product differentiation in each season and condition of tea such as at the beginning of the winter the company will offer a harucha green tea as a personnel value. The last one is an image value; the website is created as a healthy tea website and provides a variety of tea which has the image, " think of healthy tea think of TeaAtHome.com".

Finally, the company will analyze the customers' cost. It consists of monetary, time, energy, and psychic cost.

Monetary cost for the customer purchasing tea or tea set at TeaAtHome.com is a fair price because it is based on the online market price. Time cost for using the company website is lower than using physical store because Internet could reduce time cost with real time interaction. Also in waiting for a product it uses little time cost because after the customers make a purchasing, they will get the product within 7 days.

Energy cost is very little due to the customers use little energy to finding the product by just sit and click to view and buy the product. Psychic cost is the last cost for the customers to make online transaction at TeaAtHome.com. These costs for the customers are very low because tea as a healthy beverage, people feel fulfill their want when they view and want to drink tea and become happy to purchase a beautiful tea set from TeaAtHome.com. Moreover the company has a return policy as a service value , from the above reason to attract the customers to shop at TeaAtHome.com

## 4.6   Site Positioning

TeaAtHome.com is the website for tea lovers. The company's customer can be an individuals and business customers. The site offers a wide variety of tea from all over the world and a beautiful tea set for those who love to collect and use them. The customers  will get every kind of tea when visit this site, which makes the people feel that think of tea think about TeaAtHome.com.

## 4.7   Online Market Research and Marketing Mix (4Ps) Strategy

The internet is a powerful and cost effective tool for conducting market research regarding consumer behavior, identifying new markets, and testing consumer interest in the products. Market research that utilizes the Internet is frequently more efficient, faster, and cheaper. On the web, market research can conduct a very large study much cheaper than with other method. Internet – based market research is often done in an interactive manner by allowing personal contacts with customers, and it provides market, and the competition.

That is the reason why the company website has to plan for marketing mix. Marketing mix is the combination of elements that you will use to market your product. There are four elements: Product, Place, Price and Promotion. They are called the four Ps of the marketing mix, illustrated in Figure 4.2
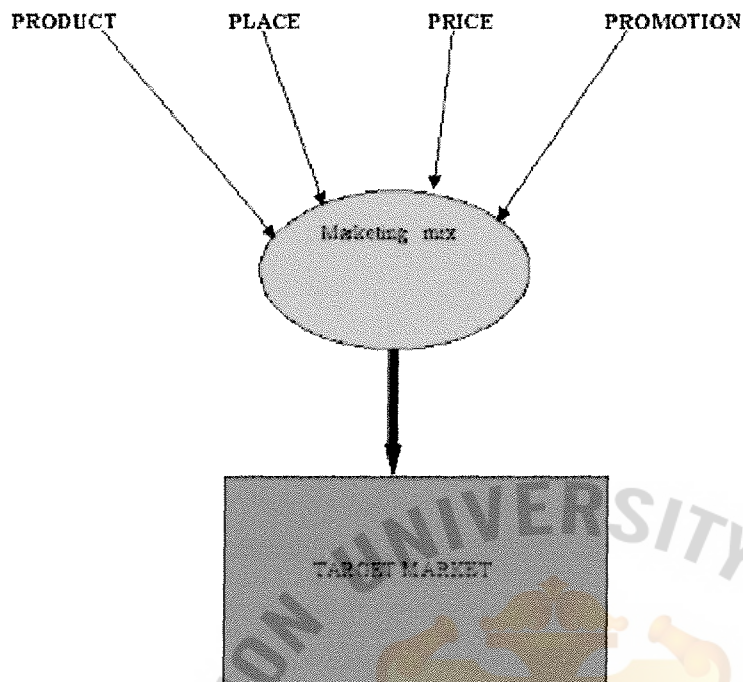
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PRODUCT        PLACE        PRICE        PROMOTION

Marketing mix

TARGET MARKET

Figure 4.2. Marketing Mix Strategies.

Product Strategy: In tea business, there are thousand of businesses. Most companies try to offer product with a special blend or special ingredient for customer health and service. For the company product, the first priority concerned is the quality of product and guaranteed with non toxin product. The company feature products are designed in a nice package, convenient for use and keep and easy to ship without damaging at your home. Company service will offer with a warranty return within 15 days after you got a product.

Price Strategy: Pricing and services are very important in any economy, including the digital one. Pricing in many cases determines sale volume, market share, and product profitability. TeaAtHome.com uses competitive pricing which company product is sold at the lowest competitive price compare to all the competitors.

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Sometimes, competitive pricing is essential. For instance, when the products are basically the same, this strategy will usually succeed. The success of TeaAtHome competitive pricing strategy depends on achieving high volume and low costs.

Place Strategy: The place is where company can expect to find the customers and consequently, where the sale is realized. Knowing this place, company has to look for a distribution channel in order to reach customer. In any marketing mix it is to correctly identify the distribution channels. It exists today, with the internet; with more channels than in the past but basically TeaAtHome has to consider two main distribution channels: Selling to the direct customer and the business customers. So the company needs to maximized customer convenience, the market coverage, the place is not where your business is located but where your customers are, and choice must focus on two major facts: the margin and the image.

Promotion Strategy: The function of promotion is to affect the customer behaviors in order to close a sale. Of course, it must be consistent with the buying process described in the consumer analysis. Promotion includes mainly three topics: advertisement, public relations, and sales promotions.

(1) Advertisement may take many forms but good advertisements need to reach the target market which is affected by the advertisement. The frequency rate of time that the customers see the message and the message sometimes, it is called a creative. However, the message must get attraction, capture interest, create desire and finally require action that is to say close the sale. The company chooses to advertise on the internet and newspaper.

(2) Public relations are more subtle and rely mainly on personality. For example, one can deliver public speeches on subjects such as economics, geo-economics, futurology to several organizations (civic groups, political

groups, fraternal organizations, professional associations), these speeches will enable one to develop new relationships and their cost is nil!

(3)   Sale Promotion includes coupons, discounts and is linked to the sales strategy. TeaAtHome uses Inside sales operated mainly by phone or by internet. Company website will provide a promotion to the customers who want to buy product by cut coupons and sent it back at the site or give a special discount.

The four Ps, product, price, place and promotion are the elements of the marketing mix which is used to establish a detailed and to finalize the marketing plan. After the product which is a paramount, the place is very important because it describes how the company reach the consumer and what distribution channel the company are going to choose: Margins and image are quite important features in this matter.According to the company product and place, the pricing strategy will weight heavy consequences on the promotion campaign and on success or failure of business as a whole.
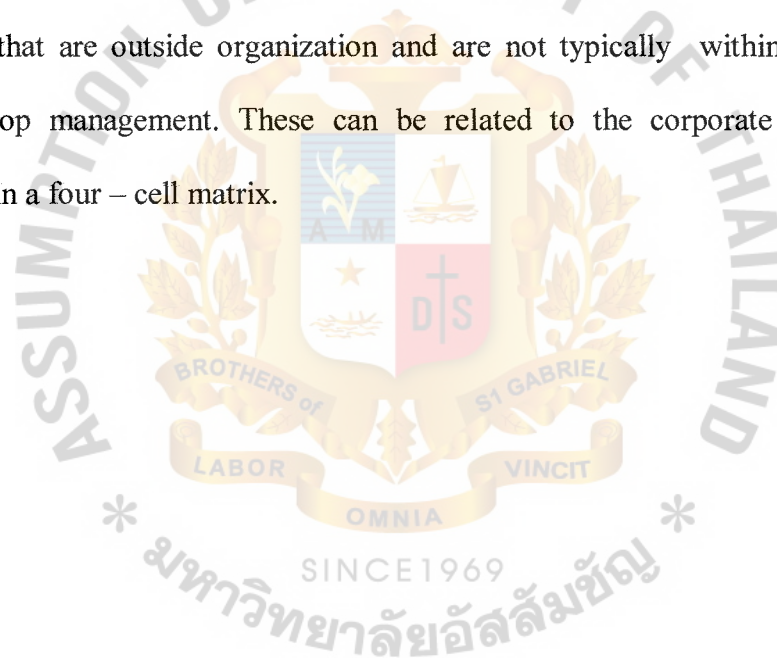
In the global connection, time is to emphasize on the relationship and the logical connections between all these elements. But the competitive pricing implies low costs and a lot of technical progress, which requires big investments and big money. Further, the mass market strategy implies considerable budgets in advertising and once again a big money. It is easy to view all the implications.

On the contrary, high involvement products with low price elasticity do not always imply big investments or important expenses in advertising: Value is subjective to the consumer and is not related to the real cost

## 4.8  SWOT Analysis

SWOT analysis is a tool for auditing an organization and its environment. It is the first stage of planning and helps marketers to focus on key issues.Once key issues have been identified, they feed into marketing objectives. It can be used in conjunction with other tools for audit and analysis, such as PEST analysis and Porter's Five-Forces analysis. It is a very popular tool with marketing students because it is quick and easy to learn. During the SWOT exercise, list factors in the relevant boxes.

SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors. The external environment consist of opportunities and threats that are outside organization and are not typically  within the short run control of top management. These can be related to the corporate strengths and weaknesses in a four – cell matrix.

| Internal Factors / External Factors | Strengths (S) | Weaknesses (W) |
|---|---|---|
| Opportunities(O) | **SO Strategies** Generate strategies here that use strengths to take advantage opportunities | **WO Strategies** Generate strategies here that take advantage of opportunities by overcoming weaknesses |
| Threats | **ST Strategies** Generate strategies here that use strengths to avoid threats | **WT Strategies** Generate strategies here that minimize weaknesses and avoid threats |

Figure 4.3. SWOT Diagram.

Strengths

(1)  There are specialists in marketing in the company. TeaAtHome ever has an experience in physical store so they can use their experience to apply with an online channel.

(2)  The company products are guarantee for non toxin product from health organization world.

(3)  The company product is a healthy product, so it is not harmful to any every customers.

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(4) The company website provides the variety of products all over the world. The customers can choose and compare product, price, and quality within a short time.

(5) Reasonable price with the product quality or same quality compared to the competitors.

(6) The company website has a return policy within 15 days after customers received the product.

Weaknesses

(1) TeaAtHome.com has just entered in the global market so the company is inexperience in the international market.

(2) Because the offline channel, the company uses sale persons so the company can not directly contact the customers.

(3) When the customers would like to know more information about company product, price and etc…The customers have to wait for office hours.

(4) Tea is an undifferentiated product in the market.

Opportunities

(1) As an in the technology world, the internet is rapidly growing so the company get this opportunity to expand market by using internet as a tool to develop market.

(2) Expand to the new segment market that can make the company improve the profit.

(3) Expand to the global market as a new channel to make profit.

(4) The company can gain some market share.

(5) Introduce company website and product to the market.

Threats

    (1)    There are tea vendors in the global market.

    (2)    New competitors are developed to the market all the time.

    (3)    Some competitors set the price not following the gimmick of the online market so it leads to the price war between sellers.

Impact of the Internet on Marketing Mix and Competitive Forces

The Internet can dramatically lower entry barriers for new competitors. Companies can enter into e-commerce easily because they do not need sales forces and huge capital investments as they do in offline markets. As the number of people with Internet access increases, the competition for online business in many industries will also increase. According to the Department of Commerce's 'Digital Economy 2000' report1, in 2000 the number of people with Internet access reached an estimated 304 million worldwide, an increase of almost 78 percent over 1999 (Betts 2000). The Internet also brings many more companies into competition with one another by expanding geographic markets (Porter 2001).The Internet changes the basis of competition by radically altering product/service offerings and the cost structure of firms (e.g., cost reductions in production, distribution, and transaction). The Internet also changes the balance of power in relationships with buyers and suppliers by increasing or decreasing the switching costs of these buyers and suppliers. By reducing customers' search costs, the Internet makes price comparison easy for customers, and thus increases price competition (Bakos 1998). The price competition resulting from lowered customer search costs increases rivalry among existing competitors, reduces switching costs of customers, and thereby shifts bargaining power to customers. On the other hand, IT reduces menu cost—the cost of administering multiple prices for a number of different products or services—and, in part, facilitates price discrimination (Bakos and Brynjolfsson, 1997). The Internet creates new substitution threats by enabling new approaches to meeting customer needs and performing business functions (Porter 2001). World Wide Web (WWW) technology itself has produced new promotion venues. The Internet also facilitates an electronic integration of the supply chain activities, achieving efficient distribution and delivery. It also facilitates partnerships or strategic alliances by networking partners or allies.

### 4.9  Competitive Advantage

When the company put the business on the Web to offer products or services nationally and internationally the company website are in competition. The market is defined by how far people are willing to travel to get their products. But when the company decided to sell tea and tea set online, the company website've just entered the competitive arena. The company has just launched a business that will compete for sales internationally.

To succeed, TeaAtHome need to identify company set of core competencies. Determine what kinds of competencies company online competitors bring to the Web, and then see how to leverage strengths to gain a competitive advantage. The world doesn't need 15 online tea store will succeed, and the rest will get so little business that they'll drop off the Web in a year or two. In order to succeed company will need to find a way to leverage your strengths in such a way that you can offer something better than the competition -- better selection, better service, better prices, more interesting photos and articles, benefit for drinking tea or larger collection of used tea set. Something must be better or company will fail to attract attention and repeat buyers. Mediocrity leads to bankruptcy.

Decide How to Sustain Your Competitive Advantage

Finally, the company will need to determine how to maintain your competitive advantage over time. In any business, but especially on the Web, innovations can be copied easily. The great idea that pulls you ahead of your competition will be reproduced. Company may have some unique expertise or strength, but can company sustain that over the long haul? An idea may rocket the website ahead for a while, but a pattern of innovation is necessary to keep company's website ahead. Successful businesses count their people and in-house expertise as their most valuable assets.

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Company will need to retain your cutting edge competence in order to make future gains on the Web. Determining what the company are, and engaging them in building your e-business, is the first step in developing an online marketing plan.

Competitive advantages are especially difficult to sustain in the Network Economy.
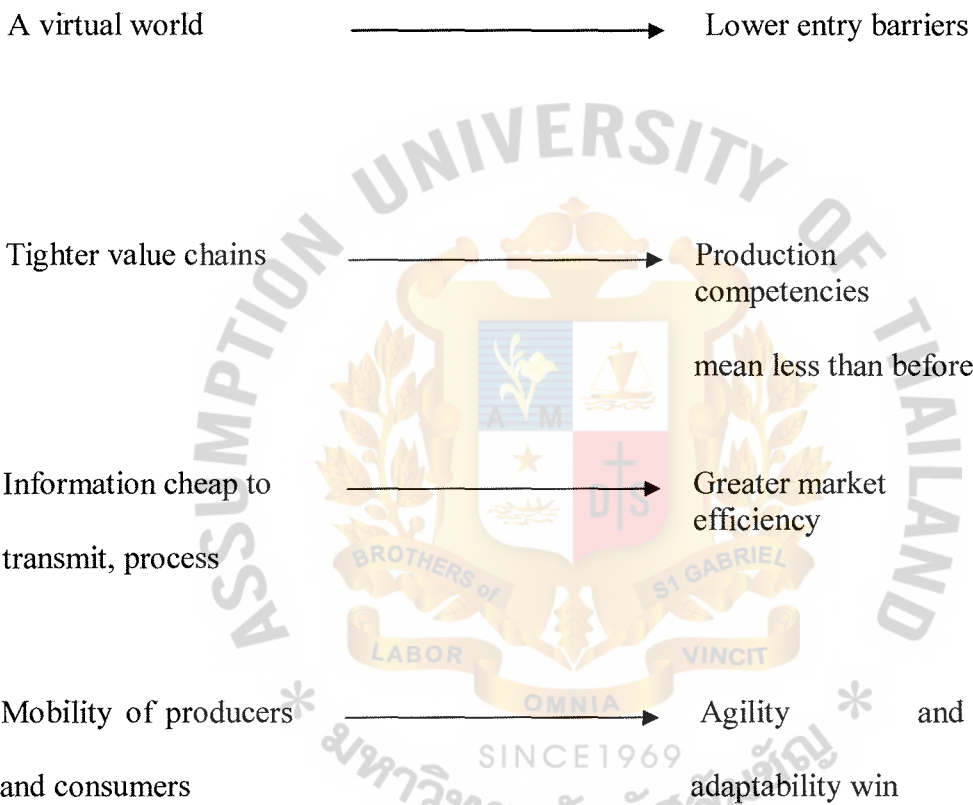
A virtual world           ⟶      Lower entry barriers

Tighter value chains       ⟶      Production competencies

mean less than before

Information cheap to       ⟶      Greater market efficiency

transmit, process

Mobility of producers       ⟶      Agility       and

and consumers                   adaptability win

Figure 4.4.   Moving On the Internet Time.

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# V. THE PROPOSED SYSTEM

E-commerce is fundamentally changing the economy and the way business is conducted. E-commerce forces company to find new ways to expand the markets in which the company competes, to attract and retain customers by tailoring products and services to their needs, and to restructure their business processes to deliver products and services more efficiently and effectively. However, despite rapid and sustained development of e-commerce, many companies doing e-business are still in the investment and brand-building phase and have yet to make a profit (Zwass 1998). Many e-businesses (or Internet companies) have focused on the visual attractiveness and ease of use of their Web sites as the primary method of increasing their customer base. However, as e-businesses shift their focus from building a customer base to increasing revenue growth and profitability, they should re-evaluate their current business system.

## 5.1 System Design

To expand the market by using online channel, TeaAtHome.com has designed the system to provide convenience to the customers which the following function:

TeaAetHome.com will provide the same product, information, and detail as an offline channel. By using online channel, the customers have more choice to contact and get the information about us more than offline channel whether about goods or the profile of our company. In proposed system, the offline customer can contact the company and buy their product via telephone or fax, and the online customer can contact the company and order the product by using the shopping cart system and online payment. They can view the price, image, detail of the product by online catalogue. A buyer will be able to see whether an item is in online catalogue, because the system automatically tracks inventory as sales are made.

In addition, we provide a membership ship service for every person who visit company website and register with us. They have to fill in their personal information such as name-surname, address, telephone number and e-mail address at membership form. The membership function will be a convenient to the customers because they need not fill in the personal information in every purchasing, the system will collect them in the customer record and the company will give the special condition to the membership when shopping online.

## 5.2 System Specification

The requirements for TeaAtHome.com system are as follows:

Hardware Specification

(1) CPU Intel Pentium IV 2.8 GHz PRESCOTT

(2) Mainboard LM-PT800SL

(3) Monitor 17" digital control

(4) VGA geforce 4mx440 RAM 64 MB

(5) DDR-Ram 256 MB BUS 400MHz

(6) Hardisk 40GB 7200 RPM

(7) CD-RW 52X 32X 52X

(8) Floppy Disk Drive 1.44 MB

(9) Internal 56KBPS Fax modem

(10) Case ATX 350W

(11) Speaker 800W

(12) Sound On Board

(13) LAN On Board

(14) Mouse on Window

(15) Keyboard on Window

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(16)  Scanner

(17)  Telephone Line

Software Specification

(1)  Microsoft Windows XP Professional

(2)  Microsoft Office XP

(3)  Cute FTP, WS_FTP Pro

(4)  Internet Account

(5)  Adobe ImageReady CS

(6)  Adobe Photoshop CS

(7)  Adobe Acrobat 6.0 Professional

(8)  Macromedia Dreamweaver MX

(9)  Macromedia Fireworks MX

(10) Macromedia Flash MX

## 5.3  Payment System

Company website provides both offline and online payment. For offline payment, the company allows customers order the product via e-mail, telephone or fax and use money transfer at the bank, western union system or ATM.

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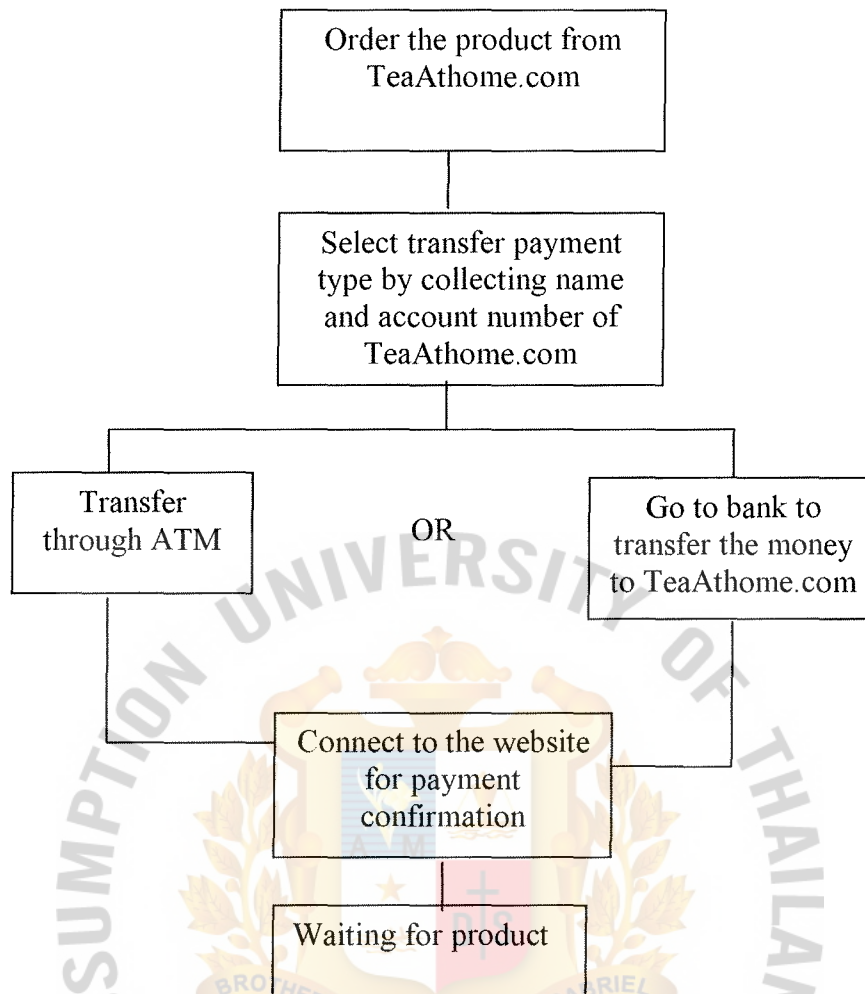
Figure 5.1. Offline Payment System.

In online payment, the company provides convenience to a customer by using a credit card. Credit cards can be authenticated and purchases verified online because the system can tie in the banks of the merchant and the customer. A credit card offers a convenient way to pay for your purchases and making payment for purchases simpler. The alternatives can also serve those markets.

## 5.4 Delivery System

Delivery service is one key to success in conducting E-commerce. So our company website decides to improve communication, automating, and speeding the resolution of customer problems.

As e-commerce companies find out ways to fulfill customer orders with greater speed and accuracy, more and more of them are offering same-day shipping. With this method, once a customer places an order, it is transmitted directly to the e-tailer's warehouse, where the item is located, boxed and shipped within hours.

For a small e-tailer that processes only a few orders per day, providing same-day fulfillment is not usually difficult. But at a large company that receives scores of orders every hour, such speedy fulfillment can be a complex and sometimes overwhelming endeavor.

Therefore TeaAtHome uses Fedex as an air mode to deliver the product to the international channel. The customer will get the product within 7 days. For local customer, the company uses the service of private transportation such as Doakoo Transportation Company and also ship product by mail.

## 5.5 Security and Control

Adequate security is now accepted as a basic requirement for every e-commerce. It is very important to keep the customer's sensitive information especially in credit cards detail, personal information or purchasing order detail. In nowadays, the risks from the fraudulent make more than 50% who use an internet hesitate to make online purchasing. From this reason company website has to use the security technology to ensure the customers to rely in company website.

So company website uses Secure Socket Layer (SSL) to control and make the system secure. The SSL system is the most popular security system for receive and

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transfering the information. The purpose of the SSL is to protect and keep the customers information in privacy and the process only start at sending and receiving the information not included the information that stored in your computer.

SSL provides major strengths to users. The key length generated in every encryption that is long for 40 bits and 128 bits causing the difficulty in breaking the encryption code during the transmission. Lastly, most browsers support the 40 bit SSL session while the resent browsers enable users to encrypt transaction in 128 bit session that is stronger than 40 bit session. In addition, an SSL protocol in the systems provides authentication, integration and confidentiality to cyber users.

TeaAtHome uses Secure Socket Layer (SSL) to secure all transactions through Microsoft internet explorer and many other browsers. As customers enter personal information, SSL encodes it so that it is available only to them and TeaAtHome. Encryption makes doing business over the Internet as secure as making a purchasing by telephone call.

| Customer | Data | Encryption in PKI | Data | Tea@home .com |
|----------|------|-------------------|------|---------------|

Figure 5.2.    Example of SSL Security System.

Another way for security payment is using Verify by Visa service. Verified by Visa, a new service offered by VISA International to facilitate a more secured method of payment on-line. You can now shop on-line with a greater peace of mind as your private information is double-protected with: Verified by VISA password, a authorization code only known by yourself; and Personal Assurance Message (PAM) to

ensure that the on-line shop is a VISA-authorized merchant. Once one has registered with Verified by VISA, no one would be able to one's card number for on-line payment without knowing your Verified by VISA password. One can register for Verified by VISA service using any of Bank Asia's Asia VISA credit card or Asia VISA Electron at no cost.

Verified by VISA Benefits

(1)    Increased security with Verified by VISA Password and Personal Assurance Message (PAM)

2)    Shop with authorized merchants from worldwide.

(3)    Easy registration via www.BankAsia4U.com

(4)    Alternative card usage with every type of Bank of Asia's Asia VISA credit card  and Asia VISA Electron.

Registrant's Requirement

Rightful holder of every type of Bank of Asia's Asia VISA credit card or Asia VISA Electron.

How to Register

(1)    You should own at least one of Bank of Asia's Asia VISA credit card or Asia VISA Electron.

(2)    Visit www.BankAsia4U.com and go to Verified by VISA to register

(3)    Fill in the on-line secured form with your credit card number and details as required.

(4)    Specify your own password and password hint.

(5)    Specify your own Personal Assurance Message (PAM)*

One can use the Verified by VISA password 24 hours after registration. Please accept the terms and condition to complete the registration process. Personal Assurance

Message is the message that is specified during registration and only authorized merchant will be able to display the right PAM back .

Using Verified by VISA to shop on-line

(1) One can use Verified by VISA service at any on-line merchant that bears the Verified by VISA logo, by simply using Verified by VISA password together with credit card number.

(2) The merchant will send back the specified PAM for confirmation. If the PAM sent is different from what is specified during registration, or if there is no PAM sent back, that would mean this merchant may not be rightfully authorized by VISA International, and it should be cancelled the purchasing process immediately.

In using Verified by VISA via Bank of Asia's debit card (Asia VISA Electron) to make purchase on-line, the account available balance will be checked. If there were sufficient balance, the payment would be made. If there was insufficient balance, but there is an e-Cash applied, the credit line would be checked. However, if both available balance and e-Cash credit line were insufficient, payment would not be possible.

Editing and Canceling Verified by VISA password

(1) If one forgets the Verified by VISA password, it may be requested for password hint that is specified during registration.

(2) One can edit the Verified by VISA password any time by entering www.BankAsia4U.com and go to Verified by VISA.

(3) One can cancel the Verified by VISA password any time by entering www.BankAsia4U.com and go to Verified by VISA.

## 5.6 Financial Analysis

Financial analysis deals with the cost and benefit flows from the point of view of a firm or individual; it traces the investment's monetary effects. Financial analysis is carried out to: assess the financial effects of the project; determine efficiency of resource use; assess incentives; provide investment plan and debt repayment capacities; assess whether the investment resources are available at the required time; assess any changes needed in organization and management. Financial analysis is used for project screening and selection.The company website calculates the financial analysis by assuming 3 years of sale forecast with at least products of 300 Bath per piece. The company analyze the financial from the fixed cost and variable cost of the company website.

Table 5.1. Sale Forecast Analysis.

| | 2005 | 2006 | 2007 | Total |
|---|---|---|---|---|
| Sale forecast (bath) | 672,000 | 1,249,800 | 2,137,500 | 4,059,300 |
| Unit Sale (pcs.) | 2,240 | 4,166 | 7,125 | 13,531 |

Table 5.2. Fixed Cost Analysis.

| Fixed Cost | 2005 | 2006 | 2007 | Total |
|---|---|---|---|---|
| Hosting Installation & Leased line | 120,000 | 120,000 | 120,000 | 360,000 |
| Domain Name Fee | 1,000 | 1,000 | 1,000 | 3,000 |
| Web design &Development | 50,000 | 50,000 | 50,000 | 150,000 |
| Advertisement | 150,000 | 150,000 | 150,000 | 450,000 |
| Office Investment Cost | 246,000 | 180,000 | 180,000 | 606,000 |
| Total | 567,000 | 501,000 | 501,000 | 1,569,000 |

Table 5.3. Variable Cost Analysis.

| Variable Cost | 2005 | 2006 | 2007 | Total |
|---|---|---|---|---|
| Cost of Goods Sold | 268,800 | 499,920 | 855,000 | 1,623,720 |
| Staff Member | 120,000 | 240,000 | 240,000 | 600,000 |
| Office Operating Cost | 24,000 | 30,000 | 32,000 | 86,000 |
| Miscellaneous | 20,000 | 17,000 | 25,000 | 62,000 |
| Total | 432,800 | 786,920 | 1,152,000 | 2,371,720 |

Table 5.4.  Revenue, Cost And Net Income Comparison.

|  | 2005 | 2006 | 2007 |
|---|---|---|---|
| Revenue | 672,000 | 1,249,800 | 2,137,500 |
| Total cost | 999,800 | 1,217,920 | 1,553,000 |
| Net income | -327,800 | 31,880 | 584,500 |
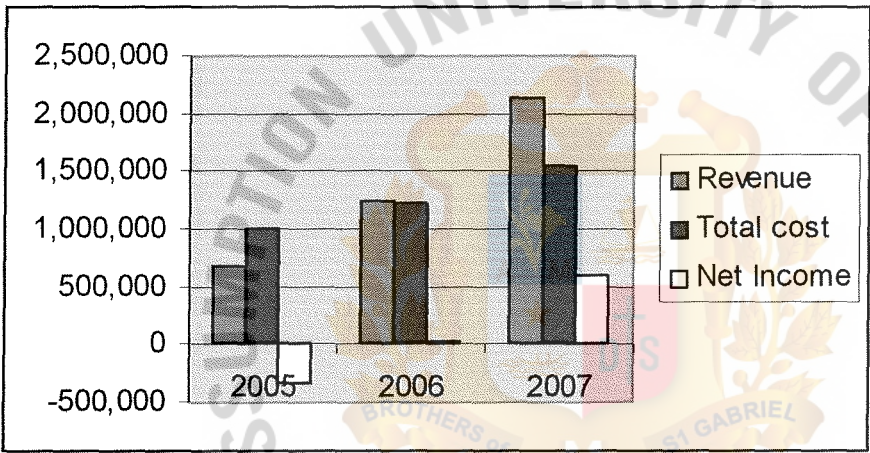


Figure 5.3.  Revenue, Cost And Net Income Comparison Chart.

Break-even Analysis

Break-even analysis is a technique widely used by production management and management accountants. It is based on categorizing production costs between those which are "variable" (costs that change when the production output changes) and those that are "fixed" (costs not directly related to the volume of production).Total variable and fixed costs are compared with sales revenue in order to determine the level of sales volume, sales value or production at which the business makes neither a profit nor a loss (the "break-even point").

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Table 5.5.  Break even Analysis.

|  | 2005 | 2006 | 2007 | Total |
|---|---|---|---|---|
| Revenue | 672,000 | 1,249,800 | 2,137,500 | 4,059,300 |
| Total fixed cost | 567,000 | 501,000 | 501,000 | 1,569,000 |
| Total variable cost | 432,800 | 786,920 | 1,152,000 | 2,371,720 |
| Total cost | 999,800 | 1,217,920 | 1,553,000 | 3,770,720 |

Variable cost / Sales   =   2,371,720/4,059,300

=   0.5842 or   58.426%

Break – even level of revenue = Fixed Costs / Additional profit from each additional

Bath or sales

=   1,569,000/ 0.415   →   3,780,722.89 baths
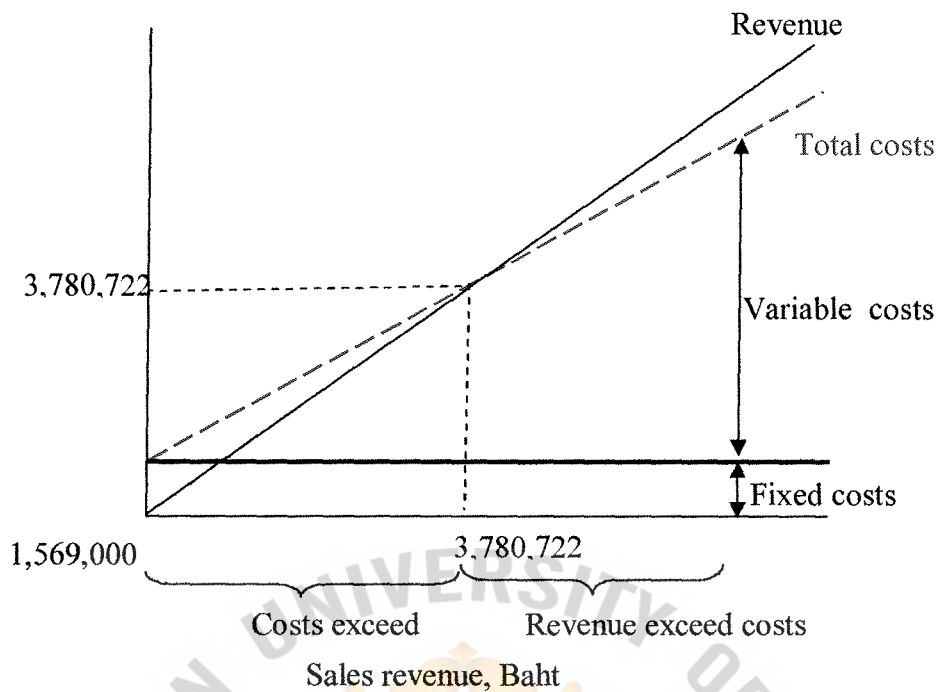
Figure 5.4.   Break even Analysis.

So break even of the revenue of the company is 3,780,722 baht. From the above analysis the company will get the exceed revenue at the year 2007 since the sale accumulate from 2005 until 2007 will be 4,059,300 baht. The company generates the revenue and sales at least 300 baths per piece and the cost of goods sold is 40% of sales

To establish the system, the company considers with the cost and revenue analysis. From the above analysis, there are fixed cost and variable cost. Fixed cost is cost that fix amount in every month in each year. Company will develop and maintain system in every month and advertise in newspaper by signing contract with an advertisement company.

Office investment, company lease the office and have to pay in advance for first investment and decorate the office. For next year the company only pays for lease fee in fix amount in every month.

Variable cost is the cost for company web site implementation such as staff member salary, telephone fee and etc…

# VI. WEBSITE IMPLEMENTATION

## 6.1 Design Implementation

Implementation Procedure:

Company website is developed by using Dreamweaver MX, notepad in coding and Photoshop as Web Graphic Tools techniques to implementation of web pages

(1) Determine the goal of the home page:Will it be used to sell products, create an image or serve as a library for company information?

(2) Create the outline of the web related to the concept of objectives and goal of marketing.

(3) Create content and design web pages to be more attractive to customers.

(4) Import file into an HTML program by using Macromedia Dreamweaver and Notepad to adapt code.

(5) Scan for all company products and make it suitable to website with Photoshop software.

(6) Insert the content, picture, link, and any others in the website by using the navigation and out line of the web. TeaAtHome assigns text, display picture, link to other pages and allow forms and e-mail to send.

(7) Create a form of customer registration, membership by using Macromedia Dreamweaver.

(8) Load web site onto a computer server.

(9) Checking errors, and time for loading in each page and debug if need.

## 6.2 Website Design

In the design and construct the website, web publishing and design is the most important to be considered. Every visitor is attracted to the beautiful, easy to access, easy to find whatever they want to find and can understandable website.

Designing website in usable website that users can meet their expectation enjoy many advantages. There are four most important advantages are gain competitive edge, reducing development and maintenance costs, improving productivity, and lower suppot costs [Donahue 1999]

(1)    Gaining a Competitive Edge

Essential to success of website is its conversion, which is the percentage of visitors who take action on the site. Taking action can mean "buy something", if it's an online shopping site; it can mean "register to receive information".

The top factor for high conversion rate is easy to use. Usable websites consistently have the highest conversion rates. So if customer have an enjoyable experience, they are likely to spend more time on a site, make purchases, and return to the site for further shopping. If they have to waste time searching for an item or figuring out how to buy it, they quickly become frustrated and leave. All other things being equal, the site that offers the better user experience will win the market place.

(2)    Reduced Development Maintenance Cost

Learning about the needs of real users before creating a website results in lower development costs by saving from implementing features that people don't want. Most maintenance costs arise from "unmet or unforeseen" user requirements.

(3)    Improved Productivity

For people using a shopping site, improved productivity means being able to purchase items quickly.

(4)    Lower Support Costs

When a website is understandable, users don't need to call customer support. This can add up to significant saving.

TeaAtHome.com starts with a home page that serves as a clear entrance to other pages. The home page is linked with every page such as:

(1) Home

(2) About Us

(3) Shopping Cart

(4) Promotion

(5) Shipping & Return policy

(6) Contact Us

These five menu bars are set on every page of web site for easy navigation. Visitors can go to every page and back to the home page easily. In the members' part, members can get more useful and clear information, and will get more profits from this part.



Figure 6.1.  Index Page.
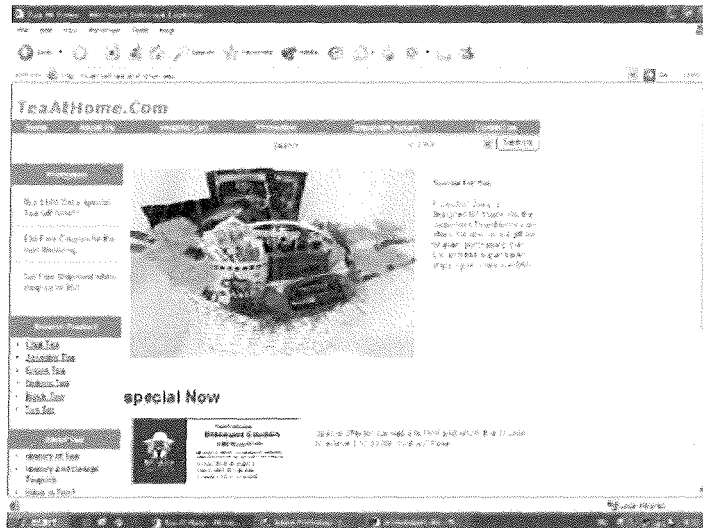
Figure 6.2.    Promotion Page.
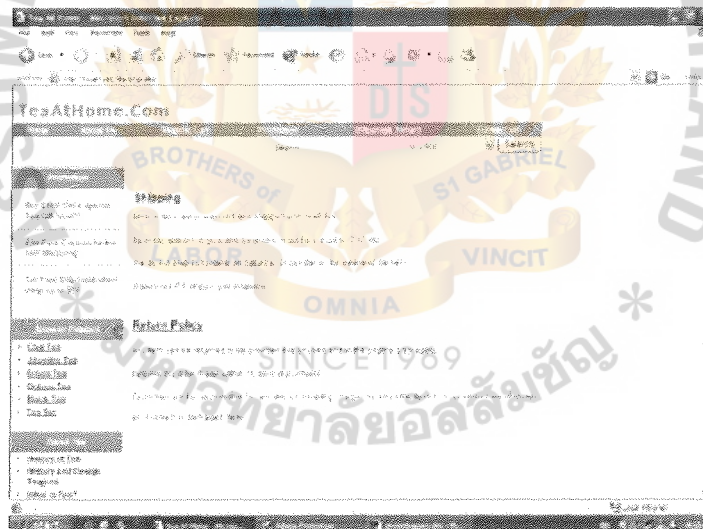


Figure 6.3.    Shipping & Return Policy Page.
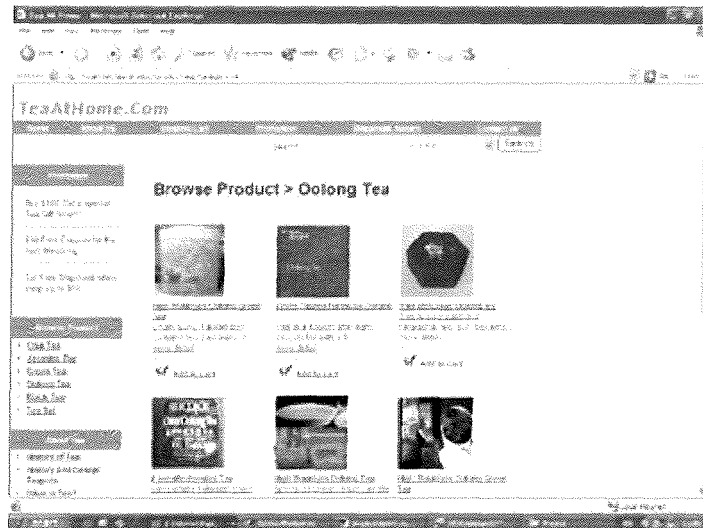
Figure 6.4.    Product Page.
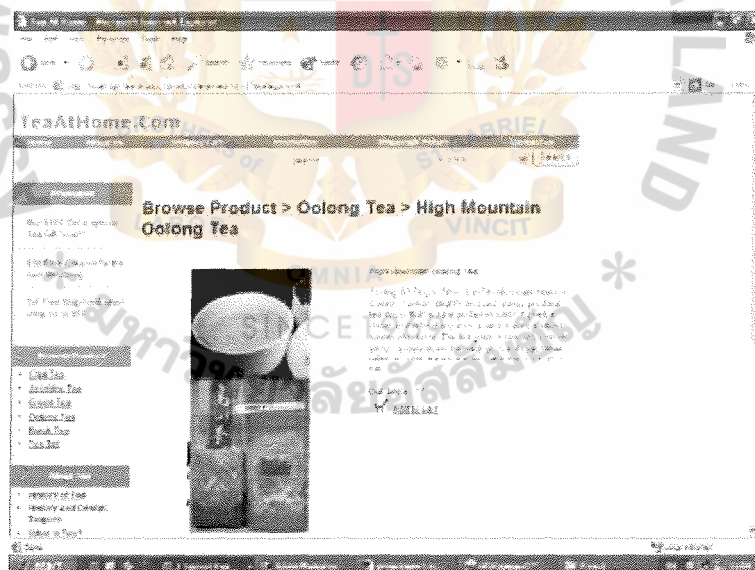


Figure 6.5.    Product Detail Page.

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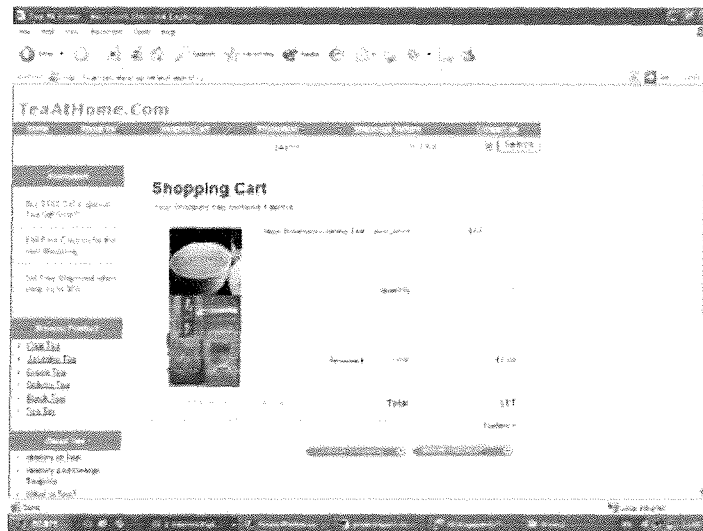
Figure 6.6.   Shopping Card Page.
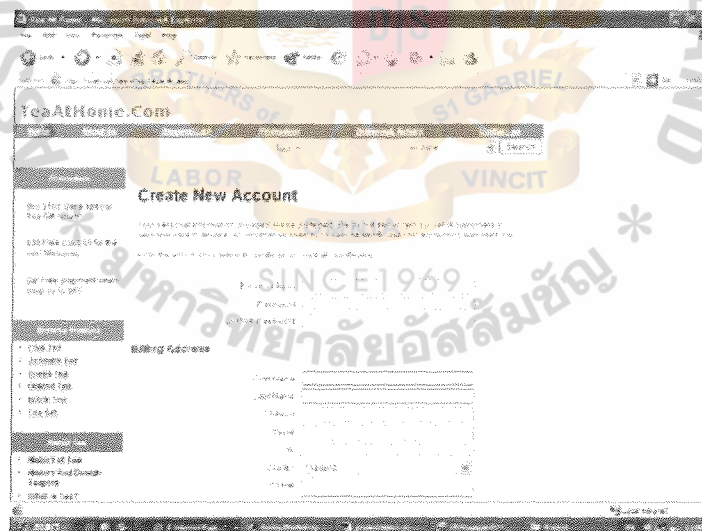


Figure 6.7.   Member Page.
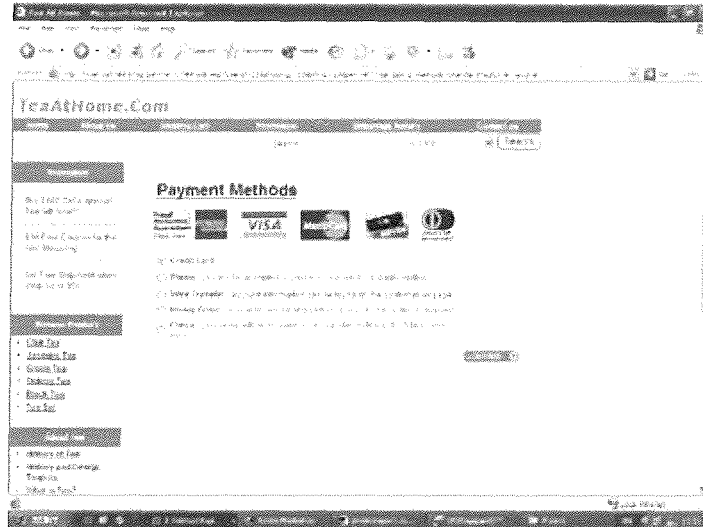
Figure 6.8.   Payment Method.
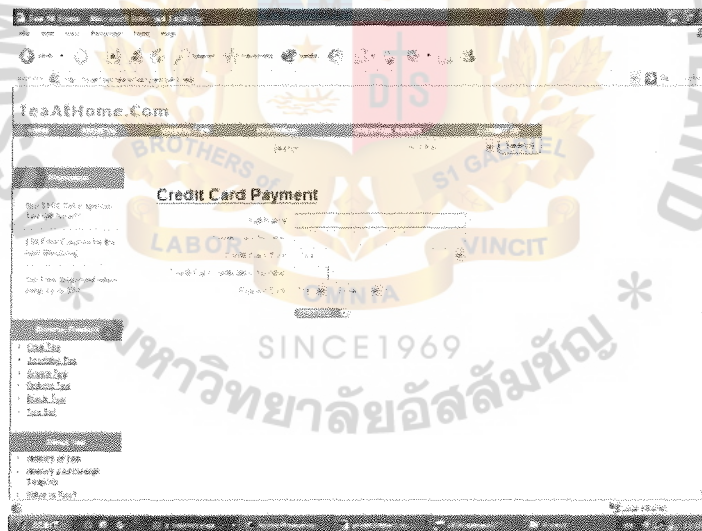


Figure 6.9.   Payment Form.
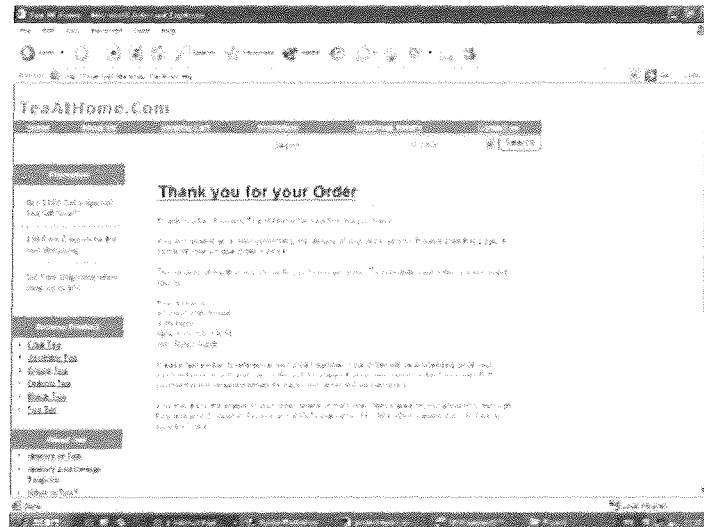
Figure 6.10.  Thank You Page.

## 6.3 Database Design
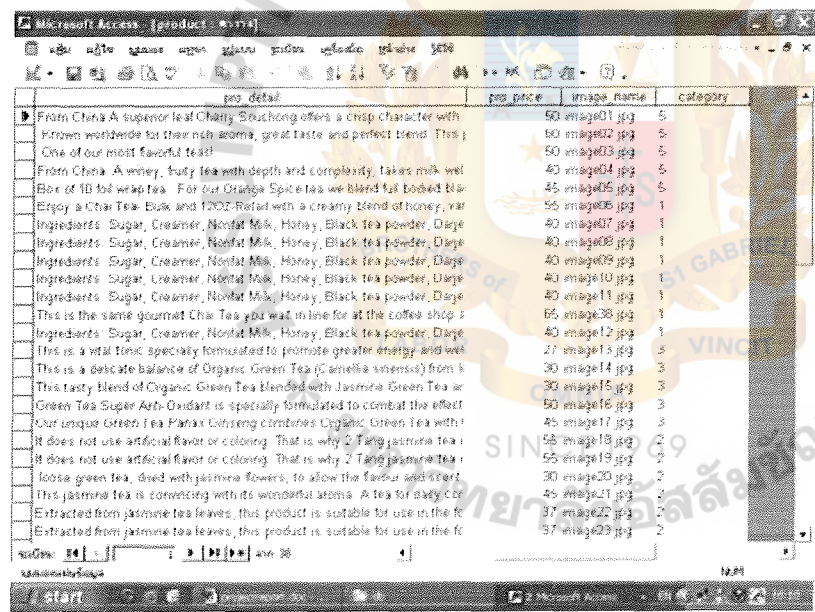
Database is very important in the present day because it can help the company organize the company data such as product detail, customer detail and etc…   When the company would like to change the data or some data must be developed, the staff members are not necessary to use more time to change in every pages of information. Database can link with the web site implementation when the customers processing on the web. From these advantages of using database the company and the customers will save time and money to process the data.

So the company design database to organize the data in the website such as product table, membership table, address member and etc…

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Table 6.1. Product Table.

| Field | Type | Description |
|---|---|---|
| Pro_id | AutoNumber | ID Key |
| Pro_name | Text | Product Name |
| Pro_detail | Text | Detail of the |
| Pro_price | Number | Product price |
| Image_name | Text | Image number |
| Category | Number | Number of category |



Figure 6.11. Product Database.

Table 6.2.  Member Table.

| Field | Type | Description |
|-------|------|-------------|
| ID | AutoNumber | User ID |
| Username | Text | Customer's username |
| Password | Number | Security number for |
| Applied _Date | Number | Applied date |
| Old username | Text | Old customer's name |
| fame | Text | First name |
| lname | Text | Last name |



Figure 6.12.  Member Database.

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Table 6.3.   Address Member Table.

| Field | Type | Description |
| --- | --- | --- |
| ID | Number | Id of address |
| Userid | Text | User id |
| Fname | Text | First name |
| Lname | Text | Last name |
| Address | Memo | Address |
| Street | Memo | Street |
| City | Text | City |
| Postal | Text | Postal |
| Country | Text | Country |
| Phone | Text | Phone |
| Fax | Text | Fax |
| Type | Text | Shipping , Billing |

Figure 6.13. Address Member.

## 6.4 Entity Relationship Diagrams (ERD)

A type of diagram used in data modeling for relational data bases. These diagrams show the structure of each table and the links between tables.

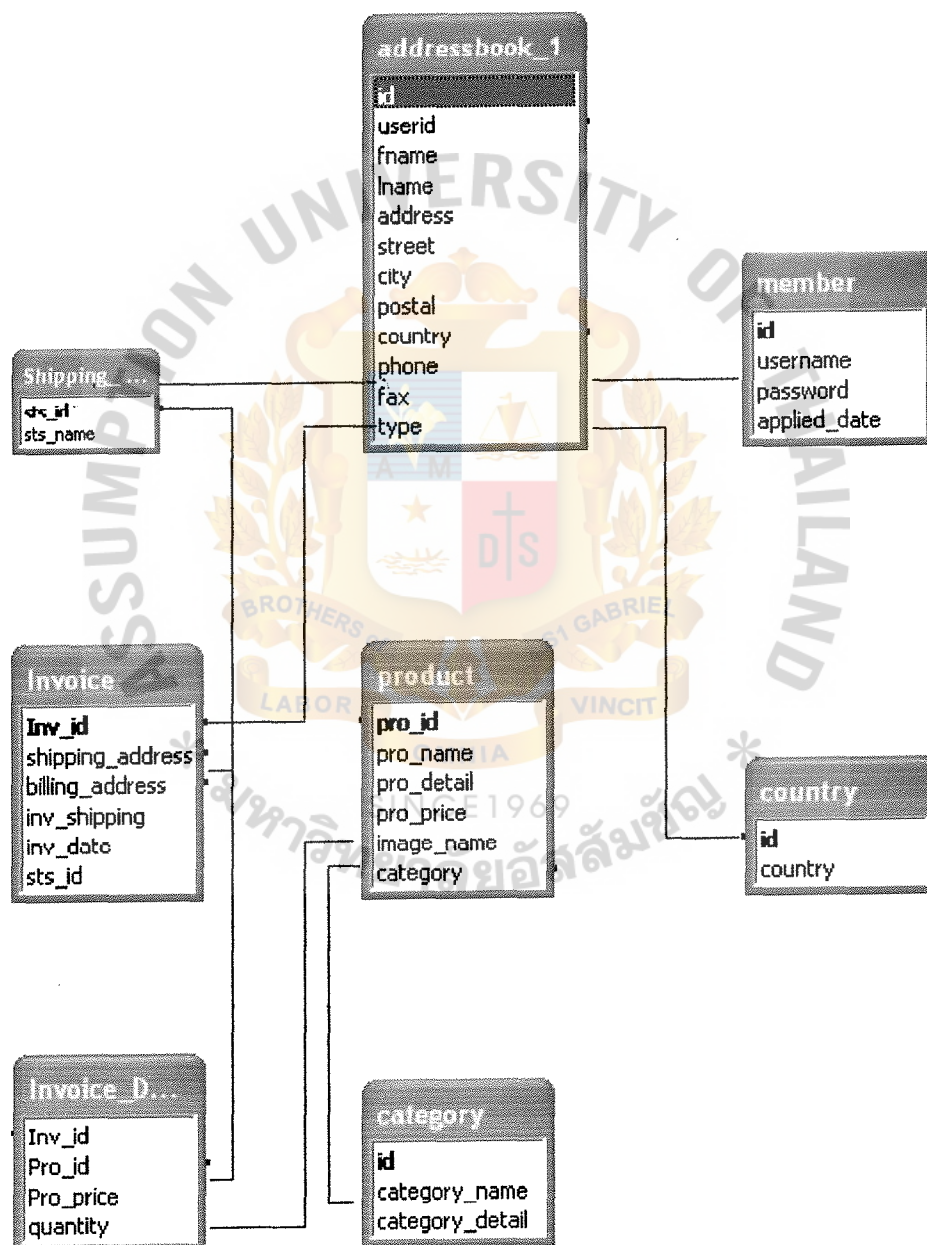The relationship of databases below is used for TeaAtHome.com.



Figure 6.14.   Entity Relationship Diagram.
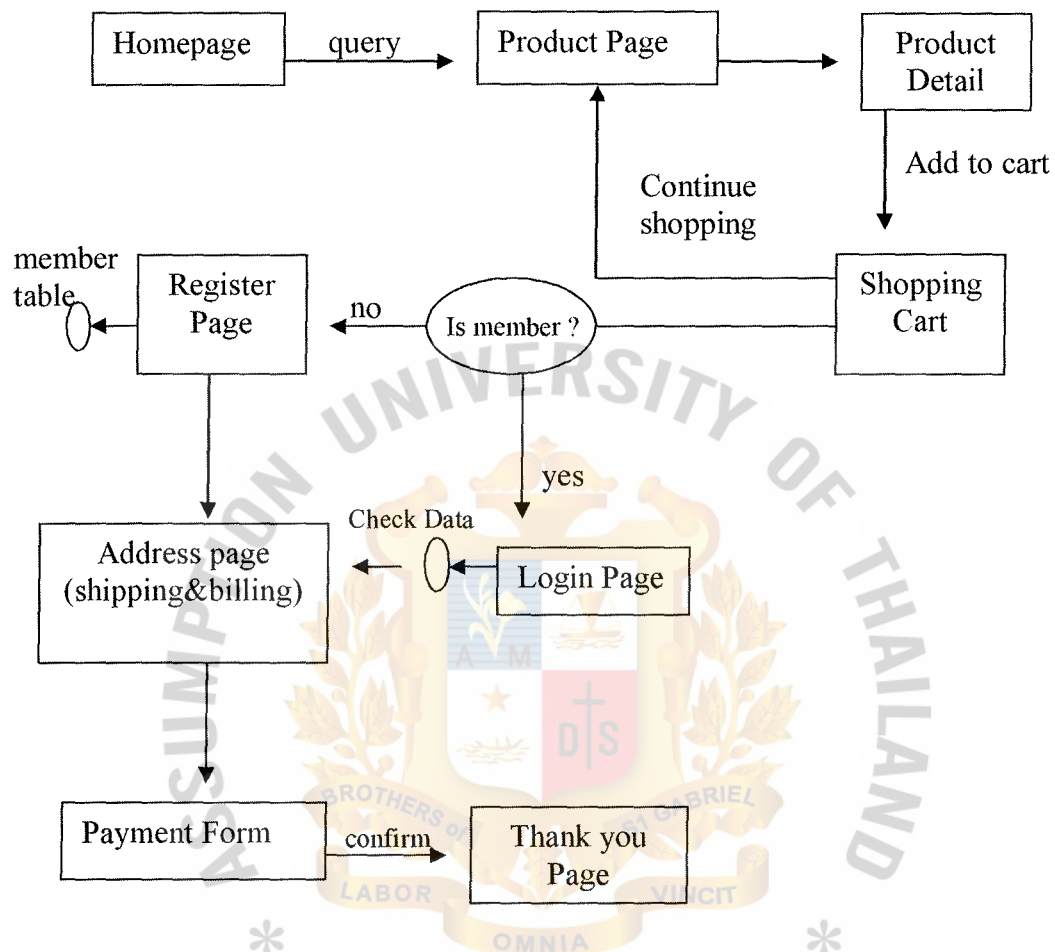
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## 6.5  Data Flow in The Site



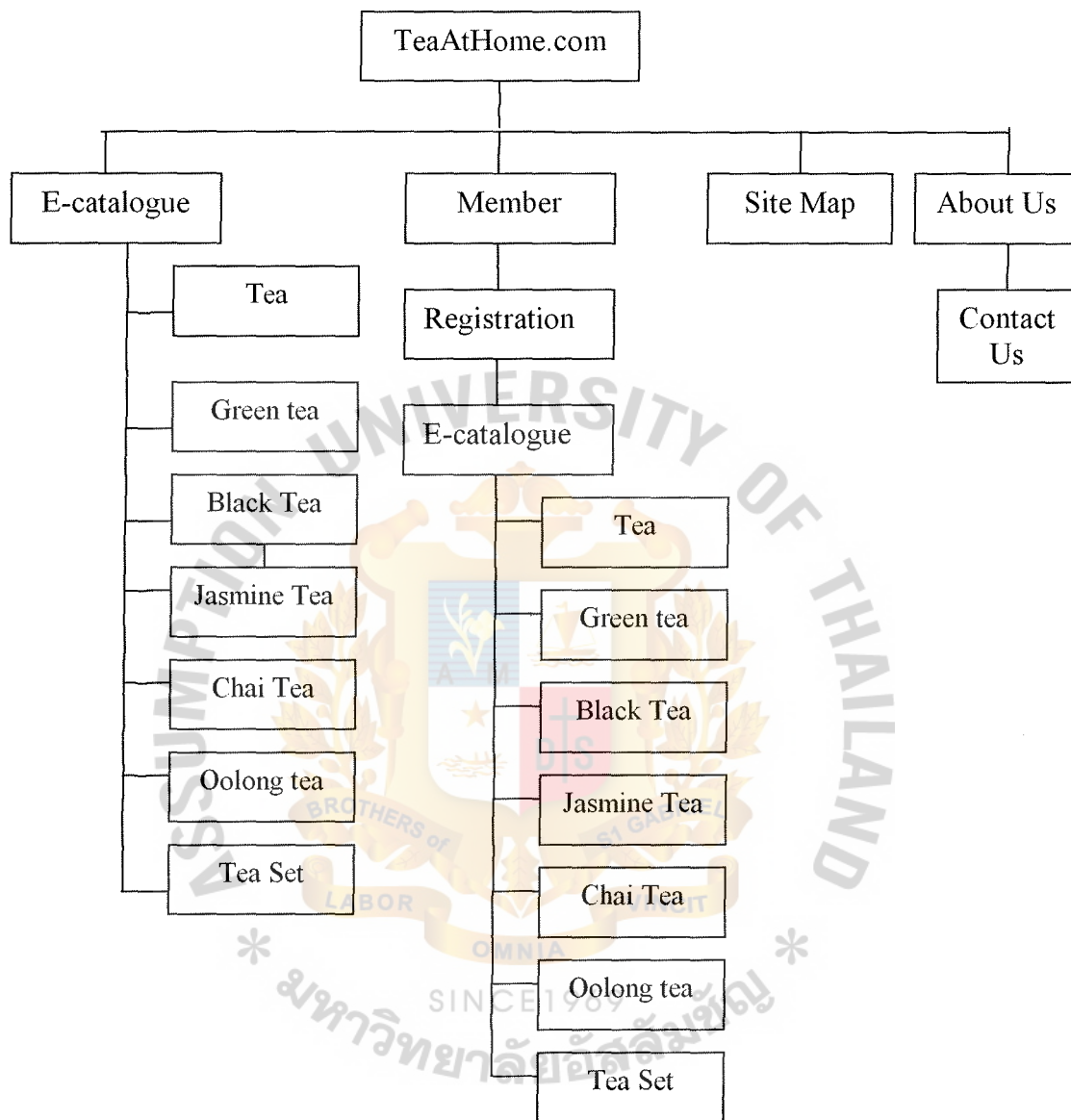Figure 6.15.    Data Flow Diagram in The Site.

## 6.6 Site Map



Figure 6.16. Site map.

From this figure, site map is designed as navigator to create the web site as required. After deciding upon the structure of the site, customers can visit company web site easily with systematic direction to get useful information and comfortable to use with efficiency.

TeaAtHome.com extensively uses such visual design as colors, graphics products pictures to provide with sense of place from theory. Visitors will find company products at the center of page. It is believed that the visitors of TeaAtHome.com will have positive impression on this web site with the unique products and viable for products design. Every picture in this web site saves as JPEG file for small sizing and quick loading.

## 6.7   Resource Requirements

The requirements for TeaAtHome.com to develop web site:

Hardware Specification

(1)   CPU Intel Pentium IV 2.8 GHz PRESCOTT

(2)   Mainboard LM-PT800SL

(3)   Monitor 17" digital control

(4)   VGA geforce 4mx440 RAM 64 MB

(5)   DDR-Ram 256 MB BUS 400MHz

(6)   Hardisk 40GB 7200 RPM

(7)   CD-RW 52X 32X 52X

(8)   Floppy Disk Drive 1.44 MB

(9)   Internal 56KBPS Fax modem

(10)   Case ATX 350W

(11)   Speaker 800W

(12)   Sound On Board

(13)   LAN On Board

(14)   Mouse on Window

(15)   Keyboard on Window

(16)   Scanner

(17)   Telephone Line

Software Specification

(1)     Microsoft Windows XP Professional

(2)     Internet Information system to set a desktop as a server

(3)     Microsoft Office XP

(4)     Cute FTP, WS_FTP Pro

(5)     Internet Account

(6)     Adobe ImageReady CS

(7)     Adobe Photoshop CS

(8)     Adobe Acrobat 6.0 Professional

(9)    Macromedia Dreamweaver MX

(10)   Macromedia Fireworks MX

(11)  Macromedia Flash MX

# VII.  CONCLUSION AND RECOMMENDATION

## 7.1  Conclusion

Technology has a place in everyone's day-to-day activities and soon e-commerce will be a major factor in the decisions we have to make. E-commerce, along with the Internet, is an outlet for business.

New E-commerce is still in its formative stage. The business-to-business and intra-organizational segments currently dominate e-commerce. Many major digital retailers are as yet in the investment and brand-building mode and show no profits; yet many established retailers realize profits from the new selling channel.

The hierarchical framework presented above offers an opportunity to separate concerns and analyze the specific aspects of this enterprise. The technological infrastructure currently imposes several limitations on the development of a global market-space and on the personal convenience of the participants. An integrated consumer-oriented transaction space is yet to emerge. The consumer marketplace is being developed by a large number of entrepreneurial initiatives, many of them experimenting on the frontiers. Moving the links of supply chains and products into market-space offers a major promise in raising economic efficiency of both manufacturing and service industries. As these moves take place and as the supply chains are reconfigured, many new firms may be expected to emerge and specialize around newly redefined core capabilities. The business models of many existing firms will be threatened. Although several intermediary roles are threatened by E-commerce, others are not, and new intermediary opportunities emerge.

The capabilities of the new marketplace that combines the properties of a medium with that of a global location will be exploited to redefine many products and marketplaces. Notable are the possibilities to provide customized products, in the

process moving ever larger segments of the supply chains to the Internet, branding through bonding to a Web site and thus to its sponsor, the advantages of virtual auctions, and the possibility to create large reverse markets.

New E-commerce will present over time countless opportunities and challenges to our economies and societies. Expansion of commerce and technological innovations are two of the levers of economic growth. These forces are combined in the progress of E-commerce. The macroeconomics effects of E-commerce on the national and regional economies, and on the international trade and its terms will need to be assessed and analyzed. The prevailing judgment at this stage of E-commerce development is to allow free-market forces to assert themselves unhampered by excessive government regulation. The traditional institutions, such as banks of issue, commercial banks, universities, established business intermediaries, media and publishing companies, would find a need to redefine their roles in the new environment. The taxability of products traded globally over the Internet is as yet an open issue. Intellectual property that can be converted to on-line content may find itself reevaluate in the global marketplace.

The tension between the transactional efficiency of spot purchasing facilitated by electronic markets and the need for long-term relationships of trust and forbearance, enabled by electronic hierarchies, will persist and call for much study. The geographical limitations that have bound the place of residence to the place of work, and that have already been eroded by the growth of telework, may be expected to be even less binding. Indeed, the possibilities of the loss of rural space to the new ex-urbanites are already causing environmental alarms. A number of countries that had been marginalized by their geographical position take extremely active interest in E-

commerce as the means to move to the center of the virtual geography. The redistribution work has to be studied from multiple perspectives.

E-commerce has entered a stage of rapid and sustained development. A large number of business models have been enabled by it. A number of questions have been posed here. All of these and many others will require further experimentation, experience, observation, analysis, and research.

So TeaAtHome.com is set up for communicating between customer and supplier to decrease a paper cost, time cost and etc… The company website is planed to trade via internet for both B2B and B2C. The creator would like to retain the local market and expand to the international market. The website is created easy to access and navigate. It provides beautiful color and font to make customers feel comfortable while shopping online. E-catalog will show product picture with detail and button to serve for customers who want to buy company product via shopping cart. In member area, member will get more benefit such as the quotation letter from company, and ask for more detail or technical term for each product. The web site is reducing picture resolution by less time for downloading of visitors but they can ask for bigger picture with higher resolution with contact page.

The existing system is the manual system by using paper based and the data kept in Microsoft Excel. And also use sale person to expand the sale volume but the proposed system is designed for more convenient and works effectively by using the online system. All data will be kept in database that make the member staff easy to organize and correct the data. The customers get more chance to directly contact with the company because in the propose system, the company did not use a sale person to make a profit for company therefore in long term the proposed system will give benefit for both supplier and buyer.

From market plan analysis, the company analyzes the market from the marketing mix analysis and SWOT analysis that gives the benefit to the company to know the customers. From the SWOT analysis, it makes the company decided to expand market to the international market because there are many weaknesses for the company such as the customer can not directly contact with the company and in case of the more information which customers want to know or the problems that occur with the products and the processing. These weaknesses drive the company to expand market by using online channel to fulfill the customers need and want base on the customer purchasing decision.

Financial part, the company forecasts 3 years sale forecasting but to set up the new system the company also has fixed cost and variable cost. Both of 2 costs made the company loss at the first 3 years so the company will get some benefit in the year 2007

For creating the website, company website using database to organize the data and information of the product and customers to provide a convenience, accuracy, time consuming and can be up to date the product and all data at any time.

TeaAtHome.com expects that the website will be the viable communication between company with companies in aboard and website is an effective tool to create close relationship with suppliers, and customers via e-mail. This website provides many features with service as much as comfortable to visitors and to satisfy customers' needs.

## 7.2   Recommendation

TeaAtHome.com is developed to fulfill their customer need and would like to retain the current customers and expand to the international new markets. So the company has planed to improve the system to give the benefit for both suppliers and buyers all the time and update website consistency. Expand the web section to provide more services to the customers, and offer a promotion to the customers. Finally, There

is also a survey in the website of the company involving, product , service or anything that can improve the website that can return benefit to the customers.

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