



Web Hosting Project
(www.CBhost.net)

by

Mr. Panich Khunakridathikarn

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
Assumption University

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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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ABSTRACT

This project report is about creating a Web Hosting Website call “CBhost.net” This report shows how the web site was planned and designed including market research, business strategy, financial analysis, and web design and development.

The market research shows market segmentation, target markets and also market positioning. Business situation analysis such as SWOT Analysis, the financial and competitors’ analysis is needed in running a web hosting. The contents of Web Development and design tools are also included in this project.

The last part of this project report is the conclusions, recommendations and the future plan. Overall strategies will focus on how to make this web site successful, the necessity of creating familiarity or trust in our web site and the need to consistently measure customer satisfaction. We also generated future plans to further develop the system to meet our customers’ needs.

ACKNOWLEDGEMENTS

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Overall, I am forever grateful to my family, especially my parents who support me in achieving my project goal.

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I. INTRODUCTION

1.1 Background of the Project

Nowadays, Internet and E-Commerce is extremely popular and attractive to many people. No one refuses that Internet is not important, on the contrary, they allow it to be a part of their lives. We can say that Internet has gradually changed people's lifestyles. For example, the way of communication among themselves, the classic example is e-mail; we have used e-mail instead of letter. we have used dialpad softwares instead of regular telephones especially for long distance calls. Not only the way of communication has changed, but the other parts of living also has changed such as hobbies, the way of learning and especially the way of buying and selling products and services.

Out business is the gateway to the Cyber World or Internet. As you know the major part of the Internet is the website. We provide a shared web hosting services. Everyone who would like to have a website they can choose to buy or rent a server and connect it to the Internet which is cost more than 5000-15000 per month. How are the other small websites? How they can join a cyber world with more affordable price? The answer is they have to find a web hosting company to rend a small space in one server to open a website. Only one server can host hundreds of small website which will share the cost together. With this idea everyone can have their own website with a very less cost. Sometimes, it cost you less than a hundred Baht per month.

The web hosting business is one of a very high competitive business, but also the one of the fastest growing business too. The key success is to find the right target, offer better services, and also offer the more advance technology.

1.2 Objective

- (1) To create a website to provide a web hosting services.
- (2) To make a website to be a community website for the customers.
- (3) To offer a new marketing channel and tool of conducting business to the customer.
- (4) To offer the way to overcome the limitation of time and place in physical store to the customer.
- (5) To offer cost reduction ways of doing business to the customer.

1.3 Scope

- (1) To apply the Internet and E-Commerce knowledge that has studied into this project.
- (2) To implement the marketing plan by conducting SWOT Analysis, defining target market, and marketing strategies.
- (3) To conduct financial analysis in terms of expected income and all costs.
- (4) To update web contents frequently.
- (5) To use both online (credit card) and offline payment (transfer by bank or ATM)
- (6) To provide knowledge regarding web hosting business.

1.4 Deliverables

The final report covers the scope as mentioned in the previous topic and source code of the web site.

The web site prototype will be published as:

- (1) CBhost.net (The Main Company Website)
- (2) CyberBuddy.net (Customers Support and Community Website)

II. LITERATURE REVIEW

2.1 What Is Internet?

It seems like everyone is talking about Internet these days. But what is it, how does it work and how to access it? Most importantly, what can it do for us at work or at home?

Fortunately, accessing and using the Internet is fairly simple. Internet marketing is a system for selling products and services to target audiences who use the Internet and commercial online services by utilizing online tools and services in a strategic manner consistent with the company's overall marketing program.

The World Wide Web is fast becoming one of the best ways for individuals and organizations to effectively, efficiently and economically communicate with an influential consumer. So any web companies who need to promote their business in cyberspace should implement Internet marketing in order to increase visitors and traffic for their web.

Internet is a worldwide collection of computer networks, cooperating with each other to exchange data, using a common software standard. Through telephone wires and satellite links, Internet users can share information in variety of forms. The size, scope and design of the Internet allow users to:

- (a) Connect easily through ordinary personal computers and local phone numbers.
- (b) Exchange electronic mail (E-mail) with friends and colleagues with accounts on the Internet.
- (c) Post information for others to access, and update if frequently.

- (d) Access multimedia information that includes sound, photographic images and even video.
- (e) Access diverse perspectives from around the world.

During the last two decades, primarily academic institutions, scientists and the government for research and communications used the network. The appeal of the Internet to these bodies was obvious as it allowed disparate institutions to connect to each other's computing systems and databases, as well as sharing data via E-mail.

In today's economy, E-commerce plays a very significant role in a rapidly increasing number of cooperation across a wide spectrum of industries. The ability to conduct secure business transactions across the Internet can give instant access to a new way to reach existing and new customers. There are numerous advantages to selling online or electronic commerce, but most of them come back to a single reality; it saves your company hard cash. From reducing reliance on call centers to eliminating printing and postage costs for catalogs, e-commerce enables business to address their customers directly and complete real-money transactions in highly efficient ways.

There are two main approaches to do business on the Internet

- (a) Directly offering a product/services for sales at web site

The company can offer products or services on web pages or offer free information to lure people to another web where product or services are available. This is the most popular way of making money on the cyberspace because it is easy to set up and get the initial profits overnight.

- (b) Aim at sponsor ship or banner Advertising

The company tries to persuade as many visitors as possible to web by enticing them to come with something special available on the site, such as valuable information, help, files stuff, etc. then, once the visitor counts are

high enough, the company can sell advertising space on the site or sponsorships of banner advertising.

In addition to text documents, the Internet makes available graphics files (digitized photographs and artwork), and even files that contain digitized sound video. Through the internet, users can download software, participate in interactive forums where users post and respond to public messages, and even join “chats” in which users and other users type (and, in some cases, speak) messages that are received by the chat participant instantly.

2.2 Defining Electronic Commerce

Today the Internet has played an important role in our life. Many people are confused about the different between E-Commerce and E-Business. E-Commerce (Electronic Commerce) means the opening of an electronic channel for one particular aspect of the overall business, such as sales via the Internet, electronic procurement or electronic payment that compose of B2C and B2B. And E-Business (Electronic Business) means the redefinition of the overall business approach of an existing company. This will usually be done by launching new types of service and products reflection the possibilities provided by interactive selling, interactive production and supply chain management, interactive (just-in-time) delivery.

Both E-Commerce and E-Business need to be implemented in an organization in this globalization era. This report focuses on an E-Commerce as Thai decor is a part of E-commerce structure.

Electronic commerce endeavors to improve the execution of business transactions over various networks. Theses improvements may result in more effective performance (better quality, greater customer satisfaction, and better corporate decision making), greater economic efficiency (lower costs), and more rapid exchange (high speed,

accelerate, or real-time in traction). More specifically, electronic commerce enables the execution of information-laden transaction between two or more parties using interconnected networks. These networks can be a combination of POTS (plain old telephone system), cable TV, leased lines, and wireless. Information based transactions are creating new ways of doing business and even a new type of business.

Transactions are exchanges that occur when one economic entity sells a product or service to another entity. A transaction takes place when a product or service is transferred across a technologically separable interface that links a consumer (client) with a producer (server). When buyer/seller transactions occur in the electronic marketplace, information is accessed, absorbed, arranged, and sold in different ways (see Figure 2.1) to manage these transactions, electronic commerce also incorporates transaction management, which organizes routes, processes, and track transactions. Electronic commerce also includes consumers making electronic payments and fund transfers.

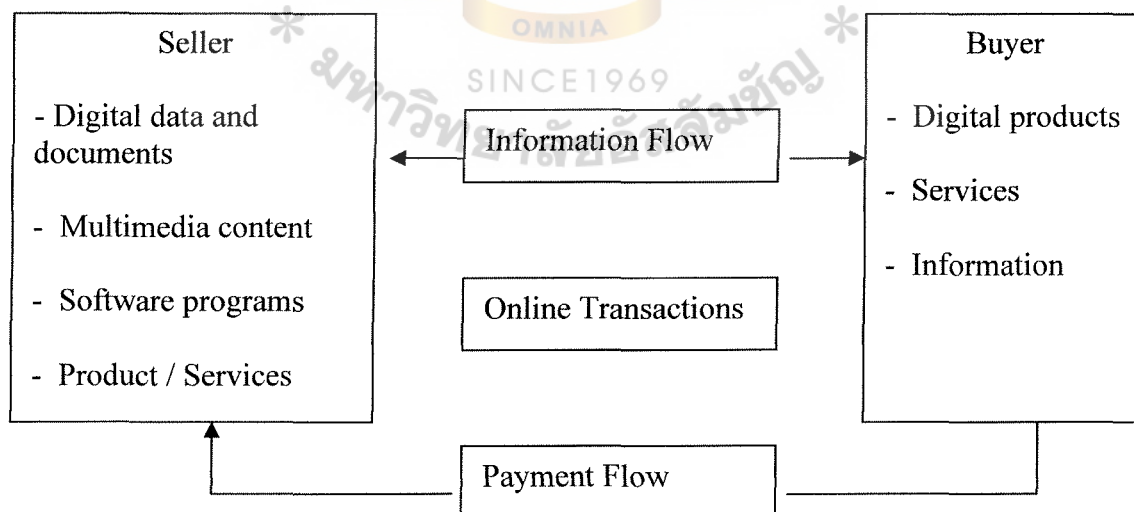


Figure 2.1. Buyer/Seller Transactions.

Another way of looking at electronic commerce is to view it as a production process that converts digital inputs into value-added outputs through a set of intermediaries (see Figure 2.2). For example, in case of online trading, production processes can add value by including more value-added processing on the raw information supplied to customers. Other value-added processing might include the charting of thirty-day moving averages, industry sector performance analysis, and other way of processing that results in better decision making.

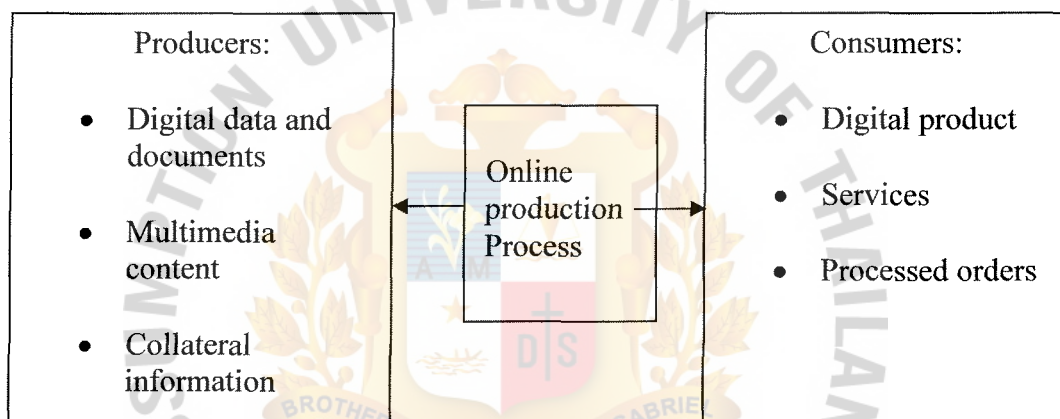


Figure 2.2. Producers/Consumers Interactive.

Firms use technology to either lower operating costs or increase revenue. Depending on how it is applied, electronic commerce has the potential to increase revenue by creating new markets for old products, creating new information-based products, and establishing new service delivery channels to better service and interacting with customers. The transaction management aspect of electronic commerce can also enable firms to reduce operating costs by enabling better coordination in the sales, production, and distribution processed (or better supply-chain management), and to consolidate operations and reduce overheads.

Currently, the goal of most electronic commerce research and its associated implementations is to reduce the “friction” in online transactions. Friction is often described in economics as transaction cost. Friction can arise from inefficient market structures and inefficient combinations of the technological activities required making a transaction. Ultimately, the reaction of friction in online commerce will enable smoother transactions between buyers, intermediaries, and sellers.

2.3 Forces Fueling Electronic Commerce

Now Cbhost.net is coming in the digital era, it is a good time to start up in the net commerce. Especially in the global situation, CBhost.net must study as fast as we can to cover the following four factors.

- (1) Economic forces
- (2) Customer interaction forces
- (3) Technology driven and
- (4) Digital convergence

These are fueling interest in electronic commerce.

Economic Forces

When CBhost.net moves to an Internet society, almost everything will be changed at its home, in school, at work, in the government and even in our leisure activities. Some changes are already here and they are spreading around the globe. It causes pressure to do a business due to strong competition, region trade agreement and extremely lower labor cost in some other countries.

Under relentless pressure to reduce costs and stay competitive, firms are attracted to the economic efficiencies offered by electronic commerce. These economic efficiencies include low-cost technological infrastructures that reduce the cost burden of technology upgrades and obsolescence.

Internal integration is perhaps even more vital than linking with what is outside an internally integrated organization, incoming orders are received electronically and the information is automatically sent not only to production, but to shipping, billing, and inventory systems as well. Internal integration also ensures that critical data is stored digitally in formats and on media that permit instantaneous retrieval and electronic transmission.

The ability to coordinate the movement of information is key to both external and internal integration, and firms need to find ways to design business processes. While technology is important to information integration, coordination of that information is indispensable. Coordination requires those employees, customers, and supplier's work together to solve problems, improve services, and create new products.

Marketing and Customer Interaction Forces

Because of the frequency and significant changes in market and power of consumer will be increasing, companies apply electronic commerce to provide marketing channels, to target micro segments or small audiences, and to improve post-sales customer satisfaction by crating new channels of customer service and support. Companies want to supply target consumers with product and service information in greater detail than that provided on television or full-page advertisement, because of web can be accessed anytime and anywhere. The connection between the TV set at home and the Internet starts now to be rolled out on a large scale. These open the door to a mass market and allow even more types of converging entertainment and information. And now Internet capabilities on the mobile telephones allow approaching them easier by desktop PCs called "WAP technology". As more companies flood the marketplace with new products, target marketing is becoming an increasingly important tool of differentiation. Not only are new types of products emerging, but also are new

players in old product categories, new action on a traditional plans, new pricing strategies, new target markets, new market research methods, and more.

The message for marketers is clear. The purchasing climate and the products change quickly. In order to be competitive, marketing executives must employ technology to develop low-cost customer-prospecting methods, establish close relationships with customers, and develop customer loyalty. Marketers must adapt to a business world in which traditional concepts of differentiation no longer hold.

In this new environment, brand equity can rapidly evaporate and marketers need to understand how customers allocate their loyalty. Given the proliferation of choices, consumer view brand names with growing indifference. So, it is necessary to create brand for the customer's mind, and product differentiation will bring E-Branding to the business. For the manufacturer, establishing a new brand is a formidable task and with increased competition it takes longer to break through and develop the customer base. Maintaining an existing brand is not much easier. In the light of this, marketers in all industries are seeking new ways of interacting with customers and delivering services.

Technology and Digital Convergence

Digital technology has made it possible to convert characters, sounds, pictures, and motion videos into bit streams that they can be combined, stored, manipulated, and transmitted quickly, efficiently, and in large volumes without loss of quality. As a result, electronic commerce and the multimedia revolution are driving the previously disparate industries such as communication, entertainment, publishing, and computing worlds into ever and close contact, forcing industries with traditionally different histories and cultures to compete and cooperate.

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The relentless advance of technology, the emergence of multimedia standards, and the shift to distribute computing and internetworking are providing the raw power for the “digital convergence.” Convergence has two dimensions:

(1) Convergence of Content

Convergence of content ensures that digitized information can be processed, searched, sorted, enhanced, converted, compressed, encrypted, replicated, and transmitted at low cost. This tool has profound implications for content-based industries like newspapers, magazines, and books.

Convergence of content enables sophisticated information publishing and browsing tools. For instance, content convergence is the fundamental idea behind the browser industry exemplified by the meteoric rise of Netscape Communications.

Content convergence also enables companies to use networked databases and electronic publishing to improve corporate and individual decision making and information processing. Except for production, distribution, and delivery of physical goods, commerce consists of forms of information gathering, processing, manipulation, and distribution. Content convergence facilitates the creation of a computer and network infrastructure that enables the coordination and integration of business processes or workflow.

(2) Convergence of transmission

Convergence of transmission compresses and stores digitized information so that it can travel through existing phones, wireless, and cable wiring systems. Convergence of transmission is a convergence of communication equipment that provides the “pipelines” to transmit voice, data, image, and video over the same line. Transmission convergence over a single line makes it easier to connect computers, high-speed peripherals, and consumer electronic devices, and to enhance a wide range of image-

intensive or multimedia applications. From a business mentioned, convergence of transmission results in easier access to networks and in a creation of new, low-cost delivery channels for new and old products aimed at either existing customers or new customer segments.

Today, many companies can see a path that leads to total integration of voice with a video with data networking, from the wide area network (WAN) all the way to the desktop. Transmission convergence is also facilitated in part by the convergence of information access devices essentially the blurring of lines among telephones, computers, and televisions. Other technologies such as cable modems, hybrid fiber /coaxial systems, and asymmetrical digital subscriber line (ADSL), which uses traditional twisted-pair telephone wires, offer the prospect of almost unlimited bandwidth to the home. These access technologies are becoming increasingly multiform and have the sophistication to switch between various functions.

Economic forces, marketing forces and digital convergence factors have influenced with industries which are repositioning themselves to take advantage of new opportunities, including the creation of entirely new service delivery channels, the development of new markets for existing products, and the development of new information-based products for the online environment. For instance, digital convergence is reshaping the product and service for E-commerce transaction such as Thai Decor business.

2.4 The Web and Electronic Commerce

Many companies use the Web to communicate with customers and suppliers by publishing contents on their Web server for widespread distribution. Motivated by the potential for business-to-business as well as business-to-consumer commerce, many firms are taking steps toward selling their products and services on the web.

The Web is also changing and reshaping industries whose core business is information transfer between the firm and the consumer. Examples of such business functions include advertising, marketing, sales, and customer service. Industries that engage in information transfer with customers including banking and financial services, retailing and electronic publishing and edutainment.

Within these industries, the Web is used for four major tasks:

- (1) Attracting new customers via marketing and advertising.
- (2) Serving existing customers via customer service and support function.
- (3) Developing new market and distribution channels for existing product.
- (4) Developing new information-based products.

Marketing and Advertising

Interactive marketing related use of the web includes brand-name management, distribution for product catalogs and sales information, and production announcements. The consumers can click with his/her mouse on a banner advertising for more information or send e-mail to ask any questions for the best outcome is customer relationship.

Web provides a friendly interface that will open new channels or interacting with and selling directly to customers. While companies have yet to realize revenues directly from web sales, the majority of Web usage by business still revolves around activities that do not involve the direct transfer of money. In the promotion, e-mail is becoming a big business, which companies are buying e-mail lists from house lists. The lists, a valuable source of new customer leads, are used as direct marketing tools.

Advertisers are discovering that innovative, high-quality content attracts consumer attention such as animation banner ads. Advertisers have to resist the temptation to simply dust off old botchers and put them online. They need to create new

offerings to exploit the Internet's unique properties, access on demand 24 hours a day to all of a wide range of user, ability to provide unlimited information at a low cost and easy update. In addition, the Internet can provide detailed interaction with customer, the ability to create distinct market segments, and the ability to personalize service for individual users (one-to-one direct marketing relationship with customers).

The Internet technology that makes marketing and advertising feasible is the ability to broadcast information using web bulletin boards, web bill boards, banner, e-mail, chat room, forums and etc.

There are two main approaches to do business on the Internet:

- (a) Direct offering of product/services for sales at web site

The company can offer a product or services on web pages or offer free information to lure people to another web that products or services are available. This is the most popular way of making money on the cyberspace because it is easy to set up and get the initial profits overnight.

- (b) Aim at sponsor ship or banner Advertising

The company tries to persuade as many visitors as possible to the web by enticing them to come for something specially available on the site, such as valuable information, help, files stuff, etc. then, once the visitor counts are high enough, the company can sell advertising space on the site or sponsorships of banner advertising.

In addition to text documents, the Internet makes available graphics files (digitized photographs and artwork), and even files that contain digitized sound video. Through the internet, users can download software, participate in interactive forums where users post and respond to public messages, and even join "chats" in which users and other users type (and, in some cases, speak) messages that are received by the chat participant instantly.

Customer Service and Support

The Web is particularly useful in handling information queries that otherwise would be handled by a customer service representative. The amount of free information is tremendous and it is accessible any time from any place and substantial discounts can be found, especially if you have time and patience. Thus, the web can provide value-added task for both of customers and suppliers, especially in service industry and perform a variety of customer-oriented tasks including:

- (1) A new distribution channel for software, software patches, and support information.
- (2) Customer interaction and query capability.
- (3) New avenues for customer relationships.
- (4) Access to government information.

Developing New Markets and Distribution Channels.

The Web will enable firms to build on the assets that they already possess like brand name recognition, operational infrastructure, information, and customer relationships in order to develop new markets and distribution channels.

Publishers using the web need to determine how to convert proprietary online information services into open, pay-per-page services targeted to specific customer segments, translate print-based publication and market expertise into online services focused on defined interest areas, and implement services that enable publishers to receive payment for corporate, professional and individual copies of copyrighted publications.

In case of distribution channel, the software industry has been a pioneer in using the Internet for product distribution, which is digital product. Some electronic distributors selling a few groups of product are very successful. Typically, specialty

stores sell books, CDs, flowers, software & hardware, automobiles and clothing that are both of physical and digital products.

Developing New Online Products/Services

Web allows new product and service to be created and /or existing product to be customized in innovative ways. Such changes may redefine organization, mission and the manner in which they operate.

Education and entertainment are two areas where new online products have the potential to do well because the interactivity enabled by the Web. In the case of education, students can do research and receive instructional material from anywhere without having to physically go to a particular city or academic institution. The longer term potential of education on the web, the more creations of new products that enhance the transfer of knowledge from not only companies that are currently in the business of long-distance learning but also from major academic and research institutions.

In the case of entertainment, players can play games against other game players scattered all over the world. Users will be able to download software and play others online without regard to the actual whereabouts of each player. These opportunities are major revenue opportunities for the game providers, both existing and new entrants, and a new form of entertainment for consumers.

2.5 E-Commerce Business Integration

By virtue of its similarities, the scope of operations for E-Commerce is nearly as broad as traditional commerce. E-Commerce includes both traditional activities (e.g. providing product information) and new activities (e.g. conducting online retail in virtual malls, publishing digital information). Some of the common operations that define E-Commerce are specific business-to-business and business-to-customer interactions, such as:

Information Exchange

- (1) Goods or services trading
- (2) Sales promotion and advertising
- (3) Online digital content delivery
- (4) Electronic funds transfers and transaction processing
- (5) Electronic share trading
- (6) Electronic bills of lading processing
- (7) Collaborative work interaction
- (8) Manufacturing management
- (9) Accounts settlement
- (10) Online sourcing
- (11) Public procurement
- (12) Direct consumer marketing
- (13) Inventory management
- (14) Post-sales service
- (15) Commercial auctions.

Although every E-Commerce implementation will differ, most SMEs focus operations on:

- (1) Product promotion via online catalogues
- (2) Transaction processing (exchanging digitized monetary information)
- (3) Customer Support.

E-Commerce conducted over the Internet differs from typical commercial activity in that it is influenced by the unique characteristics of the medium itself. In contrast to print media, E-Commerce is dynamic, allowing users to interact with the commercial site, send comments, and even define the scope of a document. Unlike person-to-person

commerce, E-Commerce allows for a controlled interaction between vendor and potential purchaser, where the vendor may strategically direct the customer through a series of options and processes. E-Commerce also differs from traditional commerce by its boundless relation to time and space. Interaction is not restricted to normal working hours or geopolitical borders. There is a potential to conduct business with other merchants and consumers around the world in different time zones, 7 days a week, 24 hours a day.

In the short-term, entry into E-Commerce may offer a competitive advantage over slower to act competitors. The market for E-Commerce is growing, as more consumers and businesses gain Internet access and transaction processing technologies improve security. Companies that establish an operation today, still in the early stages of Internet based E-Commerce, will have a fuller understanding of the issues and be better prepared to capitalize on emerging technologies when E-Commerce markets open up in the next few years.

The benefits of E-Commerce to a small business may include capabilities to:

- (1) Extend the range of sales territory
- (2) Streamline communication to suppliers and clients
- (3) Expand reach to new clients
- (4) Improve service to existing clients
- (5) Reduce paperwork and time spent on correspondence
- (6) Track customer satisfaction
- (7) Expedite billing
- (8) Improve collaboration on work projects
- (9) Expand markets beyond geographical, national boundaries
- (10) Leverage legacy data

- (11) Improve inventory control, order processing
- (12) Establish position in emerging E-Commerce marketplace
- (13) Lower costs of overhead
- (14) Realize economies of scale by increasing sales volume to new markets
- (15) Monitor competition and industry trends
- (16) Improve or expand product lines - locate new suppliers, products that could be included in catalogue.

2.5.1 How Does It Integrate with Traditional Services?

As E-Commerce matures and more traditional businesses enter the electronic marketplace, it will become difficult to distinguish the E-Commerce merchant from traditional merchant. Although some firms operate exclusively as E-Commerce merchants, it appears that the greatest opportunities are for established firms that venture into E-Commerce as a means to refine existing business processes and gain new customers.

E-Commerce may complement or replace traditional commercial activities, depending upon the industry and the functions. Because it is both a threat and an opportunity for various industries, it is worthwhile to:

- (1) Study how E-Commerce can integrate into operations. Determine needs and capabilities. E-Commerce operations may shadow traditional operations to provide redundant services such as product information distribution.
- (2) Develop an E-Commerce strategy into the business and marketing plans. Understanding how an E-Commerce system will strategically fit with the firm's existing operations will help to allocate the management and financial resources necessary for it to be a success. In the long-run, there have to be

resources to set-up and sustain a system, making it work best for the type of operation that will be managed.

- (3) Monitor competitors, suppliers, and customer's movements into E-Commerce. Special attention to their capabilities will help determine areas of E-Commerce that need development.
- (4) Establish a consistent operations review process. E-Commerce technology and operations are constantly evolving. Changes in technology frequently introduce opportunities to refine or create new services.

2.5.2 Barriers to Business and Consumer Target Markets

Business-to-business E-Commerce presently represents the bulk of commercial volume over the Internet, although business-to-consumer traffic is growing and has the potential to become an even larger market. The primary reason why business-to-consumer E-Commerce has not kept pace is that the Internet is still not as established in the home as it is in the office. Many businesses have invested in Internet access technologies, are online and ready to expand their commercial capabilities into this emerging marketplace. Consumers should come online as the costs of Internet access decrease, data throughput increases and Internet connectivity becomes as simple to initiate and commonplace in the home as television and telephones.

Low confidence in security technologies has also restricted growth of E-Commerce activity. Business-to-consumer E-Commerce in particular has suffered from poor consumer confidence in secure monetary and personal data transactions. Business confidence in secure transactions is higher and continues to increase as electronic payment and encryption technologies are widely employed. It is important to note that this issue is strictly about confidence. Secure technology exists today. This indicates that business is either more informed or willing to take risks than consumers are. In

either case, business-to-business E-Commerce is vibrant and demonstrates a confidence in the supportive technologies that should continue to transfer to consumers.

A third barrier to growth is the concern of legal issues, mostly the uncertainty of litigious boundaries. Since the Internet crosses political boundaries, legal jurisdiction is in question. Although the Internet improves access to foreign markets, national export/import laws still apply to all E-Commerce transactions.

2.6 Benefits and Limitations

The Benefits of EC

The innovations in human history encompass as many potential benefits as EC does. The global nature of the technology, low cost, opportunity to reach hundreds of millions of people, interactive nature, variety of possibilities and resourcefulness and rapid growth of the supporting infrastructures result in many potential benefits to organizations, individuals, and society. These benefits are just stating to materialize, but they will increase significantly as EC expands. It is not surprising that some maintain that the E revolution is just “as profound as the change that came with the industrial revolution” (Clinton and Gore 1997).

Benefits to Organizations

The benefits to organizations are as follows:

- (1) Electronic commerce expands the marketplace to national and international markets. With minimal capital outlay, a company can easily and quickly locate more customers, the best suppliers, and the most suitable business partners worldwide.
- (2) Electronic commerce decreases the cost of creating, processing, distributing, storing, and retrieving paper-based information.

- (3) Electronic commerce allows reduced inventories and overheads by facilitating “pull” type supply chain management. In a pull-type system, the process starts from customer orders and uses just-in-time manufacturing.
- (4) The pull-type processing enables expensive customization of products and services, which provides competitive advantage to implementers.
- (5) Electronic commerce reduces the time between the outlay of capital and the receipt of products and services.
- (6) Electronic commerce supports business processes reengineering efforts. By changing processes, productivity of salespeople, knowledge workers, and administrators can increase by 100 percent or more.
- (7) Electronic commerce lowers telecommunications costs.
- (8) Other benefits include improved image, improved customer service, new found business partners, simplified processes, compressed time, increased productivity, eliminating paper, expediting access to information, reduced transportation costs, and increased flexibility.

Benefits to Consumers

The benefits of EC to consumers are as follows:

- (1) Electronic commerce enables customers to shop or do other transactions 24 hours a day, all year round, from almost any location.
- (2) Electronic commerce provides customers with more choices; they can selected from many vendors and from more products.
- (3) Electronic commerce frequently provides customers with less expensive products and services by allowing them to shop in any places and conduct quick comparisons.
- (4) In some cases, especially with digitized products, EC allows quick delivery.

- (5) Customers can receive relevant and detailed information in seconds, rather than days or weeks.
- (6) Electronic commerce makes it possible to participate in virtual auctions.
- (7) Electronic commerce allows customers to interact with other customers in electronic communities and exchange ideas as well as compare experiences.
- (8) Electronic commerce facilitates competition, which results in substantial discounts.

Benefits to Society

The benefits of EC to society are as follows:

- (1) Electronic commerce enables more individuals to work at home and to do less traveling for shopping, resulting in less traffic on the roads lower air pollution.
- (2) Electronic commerce allows some merchandise to be sold at lower prices, so less affluent people can buy more and increase their standard of living.
- (3) Electronic commerce enables people in Third World countries and rural areas to enjoy products and services that otherwise are not available to them.
- (4) Electronic commerce facilitates delivery of public services, such as health care, education, and distribution of government social services at a reduced cost and/or improved quality. Health-care services, for example, can reach patients in rural areas.

The Limitations of EC

The limitations of EC can be grouped into technical and non-technical categories.

Technical Limitations of EC

The technical limitations of EC area as follows:

- (1) There is a lack of system security, reliability, standards, and some communication protocols.
- (2) There is insufficient telecommunication bandwidth.
- (3) The software development tools are still evolving and changing rapidly.
- (4) It is difficult to integrate the Internet and EC software with some existing applications and databases.
- (5) Vendors may need special Web servers and other infrastructures, in addition to the network servers.

Non-technical Limitations

The non-technical limitations of E-Commerce are as follows:

- (1) Cost and justification; The cost of developing EC in-house can be high, and mistakes due to lack of experience may result in delays. Furthermore, to justify the system one must deal with some intangible benefits, which are difficult to quantify.
- (2) Security and privacy; These are especially important in the B2 area, especially security issues that are perceived to be more serious than they really are if appropriate encryption is used. Privacy measures are constantly improved. Yet, the customers perceive these issues as very important, and the EC industry has a very long and difficult task of convincing customers that online transactions and privacy are, in fact, very secure.
- (3) Lack of trust and user resistance; Customers do not trust an unknown faceless seller, paperless transactions, and electronic money. So switching from physical to virtual stores may be difficult.

- (4) Other limiting factors lack touch and feel online; some customers like to touch items such as clothes and like to know exactly what they are buying.
- (a) Many legal issues are as yet unresolved, and government regulations and standards are not refined enough for many circumstances.
 - (b) Electronic commerce is still evolving and changing rapidly. Many people are looking for a stable area before they enter into it.
 - (c) There are not enough support services, For example, copyright clearance centers for EC transaction do not exist, and high-quality evaluators or qualified EC tax experts, are rare.
 - (d) In most applications, there are not yet enough sellers and buyers for profitable EC operations.
 - (e) Electronic commerce could result in a breakdown of human relationships.
 - (f) Accessibility to the Internet is still expensive and/or inconvenient for many potential customers.

The potential benefits may not be convincing enough to start EC activities. Much more compelling activities are the business drivers that may force companies to engage in EC.

Though the E-commerce has many limits, rapid progress in EC is taking place. For example, the number of people in the United States who buy and sell stocks electronically increased from 300,000 at the beginning of 1996 to about 5 million in fall 1998. As experience accumulates and technology improves, the ratio of EC benefits to cost will increase, resulting in a greater rate of EC adoption.

2.7 Benefits of the Internet

The organizations are already benefiting from the use of internet in many ways, reducing communication costs, enhancing communications and coordination, accelerating the distribution of knowledge, improving customer service and satisfaction, and facilitating marketing and sales. The Internet has enormous potential for helping organization to participate in electronic commerce and for reducing their transaction costs.

(a) Reducing Communication Costs

Prior to the net, to realize the communications benefit, organizations had to build their own wide-area networks or subscribe to a value added network service. Employing the Internet, accept from being cost free, is certainly more cost effective for many organizations than building one's own network. And small businesses find reduced communication cost particularly beneficial because it sometimes enables them to compete with larger companies in markets that would otherwise be closed to them.

(b) Enhancing Communication an coordination

The Internet has made it easier and less expensive for companies to coordinate a few staff when opening new markets or working in isolated places because they do not have to build their networks.

(c) Accelerate the Distribution of Knowledge

Because modern economies have become information economies, access to knowledge is critical to the success of many companies. Organizations are using E-mail and the availability of databases all over the world to again easy access to information resources in such key areas as business, science, law, and government.

(d) Improving customer service and satisfaction

The companies large and small are using the Internet to communicate efficiently to make product information, ordering, and technical support easier and immediately available.

(e) Facilitating Marketing and Sales

Marketing and sales via the Internet are new and only beginning to be viable. The advent of the web has made marketing and sales possible because the web is a passive instrument, it requires potential customers to seek out offering by companies rather than having those companies actively reach out to potential customers, as is traditional in most marketing and advertising. Retailers update their web pages offering virtually as often as needed. Suppliers can also update techniques used by consumers just as easily. Even with Limitations, the Net helps buyers and sellers make contact.

As for the benefits of the Internet to organization, the best aspects of marketing and sales product or service online are that start up and operational costs are minimal and it is possible to access potential buyers at an unprecedented speed. The reason is that earnings can come only after 24 hours of online business launch. The advertising can be tested in a matter of days, whereas conventional media advertising takes months to conduct a single test.

Among the ways that users are taking advantage of the Internet are:

- (a) Sharing research and the business data among colleagues and like-minded individuals.
- (b) Communicating with others and transmitting files via E-mail
- (c) Requesting and providing assistance with problems and questions.

- (d) Marketing and publicizing products and services.
- (e) Gathering valuable feedback and suggestion from customer and business partners.

Only user's vision and creativity limit the Internet's potential and as the Internet grows, new and innovative uses will surely follow.

Internet marketing and running an Internet business is a fantastic way of business if it is done right. The Net simply works better than traditional media, but it is new, so it requires some imagination to envision role and character to be online. There are two basic attitudes towards online marketing:

(1) The Silent Marketer

It gets direct from web sites, newsgroups, BBC's, and e-mail without any directly interaction with the customer. The company gets the customers coming to it.

(2) The mouth piece

It gets sales from active participation in newsgroup, mailing lists, etc. (i.e. starting advice in forums, thereby building a relationship with each potential customer individual).

2.8 What Should My Site Include to Make It Effective?

To maximize the effectiveness of your site, you must consider the following:

- (a) Functions, features, and presentation
- (b) Marketing
- (c) Interactivity
- (d) Distribution of related information
- (e) Subscriber services
- (f) Linking arrangements

- (g) Look and feel of the site

The details of each consideration are:

- (a) Functions, Features, and Presentation

Once the business purpose has been defined, attention turns to important issues such as functions, features, and presentation. With regard to functionality, the design should consider the need for:

- (1) Searching
- (2) Indexing
- (3) Screening
- (4) Linking
- (5) Adaptability
- (6) Expandability

Common features for a Web site include:

- (1) Tool bars
- (2) Buttons
- (3) Online forms
- (4) Graphics
- (5) Music

As company noted earlier, presentation can range from simple Web sites designed primarily to disseminate information to complex interactive sites that require graphics and sophisticated software development

Decisions on these factors, particularly presentation, often will affect the choice of a Web site designer, because many designers may not have the knowledge and experience to produce a higher-quality site design.

(b) Marketing

A variety of strategies can be followed to generate traffic through a Web site. Web site owners may engage consultants to assist them with marketing issues. In fact, a number of Web site developers also provide marketing-related services, including advice about enhancing the look and feel of the site to make it user-friendly. According to these consultants and developers, proper design of a Web site is analogous to configuring an office or a store. Users should be able to quickly and easily navigate through the site to find the information and other products they need. Web site owners, or their consultants or developers, may arrange for preliminary testing of the site design by using focus groups and other surveys that provide feedback on features included within the site.

In many cases, Web sites for professional firms include:

- (1) A description of the practice areas in which members of the firm are active
- (2) Biographies of individual service providers
- (3) Information that can be used by prospective clients to contact the firm
- (4) Copies of articles, memos, and briefing papers prepared by members of the firm
- (5) Links to related sites (e.g., sites providing copies of cases, laws, regulations, and administrative interpretations)

(c) Interactivity

Try an interactive approach when designing the site. If possible, find ways for visitors to communicate with the company. Lawyers and accountants might establish a system that allows visitors to pose questions to members of the firm.

The questions could be answered in a confidential e-mail response, or arrangements could be made, where appropriate, for sharing the answer with all visitors through postings on the site. Visitors should be advised that only generic questions would be answered. The most frequently asked questions could be collected and placed in a different part of the site so that visitor could come in and browse.

A variation of this idea is to establish and maintain a chat room that allows visitors to ask questions and receive answers in real time. Chat room sessions should be scheduled in advance, and the times and topics should be posted on the site.

(d) Distribution of Related Information

In addition to information about the site owner's products and services, consider providing additional information on items of interest to site visitors. For example, a company selling its own software or computer equipment via the Internet might want to include copies of articles and reports on industry trends or that which explains technological advances. If this is done, the site owner must be sure that it has all necessary permissions to post materials created or owned by third parties.

As an alternative, the business might generate its own documents. In any event, this type of content tends to build confidence among visitors that the site owner has a good understanding of the relevant markets and technologies.

Web site owners should be creative in choosing additional information they include on their site. For example, a site for an immigration attorney might include links to job location assistance sites or sites of organizations providing support for immigrants.

(e) Linking Arrangements

Even the best Web site isn't much good if you can't drive traffic to it. So once the content has been developed and is up and running. You must find other related sites that might be interested in a lining arrangement. For example, a tax lawyer with a site that contains information on estate and tax planning for small businesses might want to approach the local chamber of commerce to see if it is interested in including link to the tax lawyer's site as part of its online information services for small businesses.

Uncertainty exists about the legal aspects of linking arrangements. One possible solution, at least in cases where the parties are willing to enter into a linking arrangement, is a Web site linking agreement that sets out the rights and responsibilities of the "linker" and the "linkee."

If the parties cannot reach a mutually acceptable accommodation, the linking party should consider including a disclaimer on its site that makes it clear that there is no relationship between the parties. Another possibility that might avoid a claim of trademark infringement is for the linking party to avoid using the name of the linkee or any of the linkee's products and services by simply including generic reference to the purpose of the linkee's site. For example, in the well-known Ticket master-Microsoft dispute, Microsoft might have simply referred to a popular site that has current information about events and ticket ordering.

(f) Look and Feel of the Site

The look and feel of the site should not be ignored. One thing to bear in mind is that many computers and modems may be too old to fully take advantage

of the graphics that are often placed on Web sites. So it makes sense to offer visitors the option of all-text version of the site.

The site itself should be clean and uncluttered, have a logical organization and good navigational tools, and include solid search functions and smooth links that allow visitors to get to what they need as soon as possible. As technology improves, consideration might be given to including audio and visual files as part of the site.

(g) Attracting and Retaining Advertisers

In order to attract advertisers, our site must fulfill certain criteria. Our site must be targeted to a specific audience; that is, your site attracts members of this audience and they return often. How do you know if your site meets this standard? If you haven't defined your audience, you have a problem. If you don't know who your audience is, then neither will potential advertisers. Compare your site to other sites in your industry that also offer sponsorship for the following key points:

- (1) Features
- (2) Interactivity
- (3) Ease of navigation
- (4) Graphics
- (5) Content quality
- (6) Frequency of updating

III. MARKET RESEARCH

3.1 The Marketing Environment



Figure 3.1. The Marketing Environment.

The marketing environment surrounds and impacts on the organization. There are three key perspectives on the marketing environment, namely the 'macro-environment,' the 'micro-environment' and the 'internal environment'.

The macro-environment

This includes all factors that can influence an organization, but they are not under their direct control. A company does not generally influence any laws (although it is accepted that they could lobby or be part of a trade organization). It is continuously changing, and the company needs to be flexible to adapt. There may be aggressive competition and rivalry in the market. Globalization means that there is always the

threat of substitute products and new entrants. The wider environment is also ever changing, and the marketer needs to be prepared for changes in culture, politics, economics and technology.

(1) Economic Factors :

- (a) Local competition from other web hosting (small business): There is hundreds of small web hosting in Thailand that provided similar services as us. We compete with them by providing superior services to the customer while maintaining relatively low price.
- (b) Internet Service Provider (ISPs): Most of the Internet Services Provider in Thailand also provides a web hosting services, but they are not considering as a direct competitor to us. The Internet Service Provider (ISPs) are well known company they invest millions Baht on their infrastructure. So, they try to capture middle to high ended customer. Most of their customers are companies and advance web developers who pay most attention on system reliable and support rather than the low price. Our company target on students, small company, and people who interested in developing their own website with limited budget.
- (c) The state of economy: It depends on how much money people can spend on web hosting service. Many people would like to have a website but can not afford a cost to make their own Internet web server. They'll look at share web hosting service which cost a lot cheaper. They may consider using services among various companies. The ISPs provide a very good system reliable, good customer services, but cost more. The International Hosting Services seem to cost less and have more choices to consider from very low prices to high prices. The

problem with International Hosting Services is they are not in Thailand (Mostly located in the United States or United Kingdom), you can not call them when needed or the cost to call is too high. You can just send a support e-mail and wait for their respond. Many people who don't have a credit card also have a problem with them. So, they will consider at Thai small hosting company who provide relatively low price with better support. It's our chance to serve this group of clients.

(4) Technological Factors: As you know the Internet is one of the fastest growing technology ever created by human being. There are new technologies coming out almost every day, but not all of them are widely used. In order to compete with other host we need to provide an up to date technology to our clients. We have to check for the new coming technology every day and decide which technology that we'll have to add up to our services. In order to provide an up to date technology we selected to use a well known control panel system. This system will make us easy in update the component or add new services into our server.

The micro-environment

This environment influences the organization directly. It includes suppliers that deal directly or indirectly with consumers and customers, and other local stakeholders. Micro tends to suggest small, but this can be misleading. In this context, micro describes the relationship between firms and the driving forces that control this relationship. It is a more local relationship, and the firm may exercise a degree of influence.

(1) Clients:

The advantages of our community website to our clients are:

- (a) Customers can access our resources 24 hours a day, 7 days a week.

- (b) Clients can exchange their opinion among each other in the forum area.
- (c) Clients can search for help and suggestion from our support team and other clients post in the forum section.
- (d) Clients can get an up to date news from us and know what is going on with us.
- (e) Updated information on new Internet technology are found in here.

The disadvantages of our online clinic to the consumers are:

- (a) Clients can not get real time support from our officer.
- (b) Limited Internet access.

(2) Suppliers: We as a small company do not own a Network Operation Center. So, we need to co-location our server to the Network Operation Center which provide a good care to our server and also ensure the reliability of the Internet connection. They consider as our supplier. We selected one of the largest Network Operation Center as our supplier to ensure that our servers will have a good take care will have least network problem as possible. The Network Operation Center we use has more than 6Gbps direct connection to 8 Internet backbones. If one of the connections fails, it's simply just switch to the backup system. They can ensure more than 99.99% up time. So, we can provide a high quality to our clients.

(3) Stakeholders: The stakeholders are Mr. Panich Khunakridathikarn and friends. Mr. Panich is a graduated student from Assumption University. He studies a Master of Science in Internet and E-Commerce (MsIEC). He applied knowledge studied from this program into a real business. He started CBhost.net business in late 2001.

The internal environment

All factors that are internal to the organization are known as the 'internal environment'. They are generally audited by applying the 'Five Ms' which are Men,

Money, Machinery, Materials and Minutes. The internal environment is as important as the external one to manage changes. As marketers we call the process of managing internal change 'internal marketing.' Essentially we use marketing approaches to aid communication and change management.

Internal marketing is an important 'implementation' tool. It aids communication and helps us to overcome any resistance to changes. It informs all staff involved of new initiatives and strategies. It is simple to construct, especially if you are familiar with traditional principles of marketing. If not, it would be valuable to spend some time considering marketing plans. Internal marketing obeys the same rules as, and has a similar structure to external marketing. The main differences are that your customers are staff and colleagues from the organization.

(1) Man : Our web hosting is a new small web hosting. We have only one Administrator and two technical support stuffs. The Administrator will take care of all most everything. He is also the owner of the business. The technical support stuffs will monitor the servers, answer support e-mail from clients and help them solve their problems.

(2) Money : We are still consider a small web hosting. We didn't have a large amount of capital or initial investment. However, we can say that our business is operating in the most cost effective way and we always get profit.

(3) Machinery: (Server) Now, we operate our business for over one year. We have 5 up-to-date servers to server our clients. All of our servers are considering high quality and used world leading brands components.

(4) Materials: (Software) All of our servers use the world well known control panel system. Such as Cpanel Control Panel, Ensim Control Panel. With control panel clients can manage their account more efficient and it also add value to our services

compare with the web hosting that doesn't have a control panel. Clients can create e-mail accounts, create ftp users, setup sub-domain, or install scripts with the Automatic system very easy and it doesn't require any advance skill.

(5) Minutes: Our normal working hours are 9:00-17:00 every day and plus 24/7 support in emergency cases such as server down.

3.2 Market Segmentation

Market segmentation describes the division of a market into homogeneous groups which will respond differently to promotions, communications, advertising and other marketing mix variables. Each group, or "segment", of our business can be targeted by a different marketing mix because the segments are created to minimize inherent differences between respondents within each segment and maximize differences between each segment.

There are many good reasons for dividing a market into smaller segments. The primary reasons are:

- (a) **Easier marketing.** It is easier to address the needs of smaller groups of customers, particularly if they have many characteristics in common. In the group of CBhost.net web site customers will be general public in Thailand and most of them are students, collage students, small company and anyone who interested to have a website.
- (b) **Find niches.** Web hosting business is not a new business in Thailand. It also considers one of the most competitive online businesses. So, we do not provide only a web hosting services which are the same among others. We also provide professional e-mail services to serve different group of customers.

(c) **Efficiency.** More efficient use of marketing resources is made by focusing on the best segments for our offer – product, price, place and promotion. Some customer may use only e-mail service while some may use all www, ftp, e-mail, etc. So, we use marketing mix method to provide services in several packages to serve each group of customers.

Our web hosting segments its market by demographic, psychographic and behavioral variables as follows:

Demographic Segmentation

Demographic segmentation divides the market into groups based on variables such as age, gender, size, income, occupation, education etc. Demographic factors are the most popular bases for segmenting customer groups, largely because consumer needs, wants and usage rates often vary closely with demographic variables. Also, demographic variables are easier to measure than most other types of variables.

(1) **Occupation:** We divide customer into three main groups the first group is student and collage student, the second group is individual who interest in create a website and the third group is a small company. Each group of customers tends to have different needed. So, we serve them with different packages.

(2) **Web Development Skill:** We found that customers who have different web development skill will have different needed. Student and Collage Student may need a good and easy to use control panel system. Then they can create e-mail account for friends; install web board from automatic system, etc. While more advance user may need a Secure Shell Support (SSH) because they want to use command line to develop their website.

Psychographic and Behavioral Segmentation

Psychographic and behavioral segmentation do not play a significant part in management of the cbhost.

3.3 Target Markets

In the first stage, in order to promote the web hosting company, the target market would be 100% Thai customers with the Internet access in Thailand. The web hosting company is not only provide a web hosting service, it's also have a community website call "CyberBuddy.net" that aimed at providing web development information to any interested users in Thailand who have the Internet access and wish to obtain help information about web hosting.

(1) Type of Markets

- (a) Bangkok Market (Customers who live only in Bangkok)
- (b) National Market (Customers who live in the other provinces of Thailand)
- (c) International Market (Future Plan) (Customers who live anywhere in the world with internet access and VISA or major credit card)

(2) Type of Customers

B2C: The first group is student and collage student, the second group is individual who interest in create a website and the third group is a small company. Each group of customers tends to have different needed. So, we serve them with different packages.

3.4 Market Positioning

Once the web hosting company has decided which segments of the market it will enter, it must decide what "positions" it wants to occupy in those segments. As consumers are overloaded with information about products and services, they cannot reevaluate products, or organize products into categories – they "position" product, service, and companies in their minds. A product's position is the complex set of

perceptions, impressions, and feelings that consumers hold for the product compared with competing products. So we must plan positions that will give our products/services the greatest advantage in selected target markets.

The web hosting company promotes its services on specific attributes. We create a community website to make a close relationship between clients and provider. Clients will feel that they will be treated as a friend. They will always feel free to ask question or even help us improves our business. The company tries to be the best budget web hosting in Thailand.

3.5 The Marketing Mix

- (1) Product : Cbhost.net mainly provides a web hosting services to the customers.

We set our service into several packages to serve different group of customers. They can compare the prices and package details in our website.

We separate our services into three main categories as follow:

(a) SavePack Package – SavePack packages are target to Student, Collage Student and Individual who interested in creating a website. This group of customers is new to the web development process. They prefer easy to use and moderate functions. They do not want to spend additional money on unnecessary functions and larger space that they may hardly use.

(b) PlusPack Package – PlusPack packages are target to more advance clients. This group of customer requires most possible functions and usually need more space and bandwidth than the SavePack's customers. The PlusPack packages will load with full functions plus advance customer support.

(c) GroupPack Package – GroupPack packages are target to customer who would like to have a full control of their web hosting account. The

GroupPack account also consider as multi-domains reseller account. It's mean that GroupPack customer have ability to setup new domain's account by themselves. They can host more than one domain in their account. A group of customer can share together to get only one GroupPack account instead of open individual account which will cost more. They can resell the additional spaces to the others or even open their own web hosting company without having to have their own server.

- (2) Price : Price is one of the main factors which customers will consider. The operation cost of Cbhost.net and the cost of maintaining the servers are relatively low compare with the larger host company. We can provide services to the customer with a lower price. We are not the cheapest web hosting in the market, but we still consider one of the cheapest quality host available. Compare with the same quality competitors we are always have slightly lower price. This will make more competitive advantage over the competitors.
- (3) Place : Our business is pure click and click. We can serve customers from everywhere in Thailand that has Internet access. In mid 2004, when we have complete a credit card processing system we'll expand our business to serve international customers. So, everyone in the world that has Internet access and major credit card (VISA, AMEX, Master Card, etc.) can use our services. To provide the services to both Thai and International customer we choose to co-location all of our servers in the Unites State of America. We have tested the access speed from Thailand with 5 major Internet Services Providers. We found that with the medium to high quality ISPs there is no different in access speed and page load up speed. The only different will be

found when using the sub-standard low quality Internet Services Provider who has less International Link. The server located in the United States also has a benefit of the e-mail system. All e-mail sending from servers in the US will not have any problem and all of them reach destination correctly. While some e-mail sending from Thai server seem to get lost.

(4) Promotion :

- (a) We offer an electronic discount coupon from time to time. Such as, the summer when student have a school break. They will have time to play more on Internet and usually looking for a host at that time more than any period of the year. So, we will gave special packages or provide 10%-50% special discount for students who signup during that period.
- (b) The promotions are not limited only discount, but we also gave free web space for a good website in exchange of the banner space in their website. Most of the sites that qualified for a free web space are websites that provide a quality contents and also have a high visiting rate. Now, we give a free web space to more than 20 websites which have more than 10,000 unique visitors per day (in TOTAL) it means that 10,000 people will see our banner every day.
- (c) Affiliate Program – We give some discount coupon for a current customer who introduce his friends to our host. With this way, the current satisfied customer will tell everyone who looking for hosting to see our website. They will get discount or free extension period if the person they introduce has sign up with us.

3.6 Differentiation from Competitors

Generally, customers choose products and services that will offer them the best quality and service. Thus, the key to winning and keeping customers is to understand their needs and buying processes better than competitors do and to deliver more value. To the extent that a company can position itself as providing superior value to selected target markets, either by offering lower prices or by providing more benefits to justify higher prices, it gains competitive advantage. Positioning should begin with actually differentiating the company's marketing offer so that it will give consumers more value than competitor's offers do. The company must find ways to differentiate itself at every point where it comes in contact with a customer.

3.6.1 Product /Service Differentiation

The services offered by most of the web hosting company are quite similar. The company tries to differentiate in term of customer services. People know that most low-cost or budget web hosting company usually provides less customer support than the more expensive company. Our company provide above average customer support when comparing with other companies who are in the same price range.

3.6.2 Image Differentiation

Companies must try to establish images that differentiate them from competitors. Our company aim to create high customer royalty. We are a very first budget web hosting in Thailand that have Community website for the customer. The can share their experiences, exchange their knowledge and help each other. We treated customer as they are our partner. Customers always feel that we are their friend who will always help them. They always feel free to ask question and give a good suggestion that make us improves over time.

IV. BUSINESS STRATEGY

4.1 Critical Success Factors

Critical success factors are the essential business, technology, and human factor that help to achieve the desired level of organizational goals. Since critical success factors are highly dependent on the company's situation, it is helpful to start considering business environments and benefits of electronic commerce, then, analyzing any risks involved in the electronic commerce project. Many critical success factors may include organization, customer, supplier aspects, technology, and information system issues. Several critical success factors can be identified for specific circumstances.

- (1) Specific Services Offered
 - (a) Web Hosting Services.
 - (b) Reseller Web Hosting Services.
 - (c) Professional E-Mail Services.
 - (d) Community Website provides knowledge base regarding web development.
- (2) Special Promotions Offered
 - (a) Electronic Coupon Discount from time-to-time depends on occasion.
 - (b) Special discount for students.
 - (c) Affiliate Program for current customers.
- (3) Well-Organized Web Team and Web Design
 - (a) The web site will be regularly updated with new web development information.
 - (b) Good web design to attract users by using complimentary color scheme and simple layout which is user friendly.

(c) Our web hosting's main website is easy to search for on popular search engines.

(d) Cost of operating the web site is very low.

4.2 Customer and End User Benefit

The customers are the end users of this service. They will benefit from having an up to date online service which provides current web development news. They will also have access to community website where they can exchange their opinion with other clients in the forum section. They can search a knowledge base or Frequency Asked Questions (FAQs) sections to find the solution to common problems. If they can not find the solution to their problem they can submit a support ticket from support section.

4.3 SWOT Analysis

The goal of the competitive analysis is to identify the critical factors that will determine the success of the electronic commerce project. A popular way to conduct such an analysis is to start with environmental scanning using a SWOT analysis. SWOT is an acronym used to describe particular strengths, weaknesses, opportunities, and threats.

(1) **Strengths** refer to the specific areas of current and future strengths for the company to be described.

Strengths for our web hosting are listed as follows:

- (a) With a very good operational plan make us have a very low operation cost compare with the competitor. That make us can offer lower price than the others.
- (b) We are the very first web hosting in Thailand that have Community Websites for the customer that makes most of our customer feel like they are one of us.

(c) We have a strong customer royalty. We are a new web hosting, but our customer relationship consider being very well. Customers feel like they are part of us. They willing to help each other and willing to help us to improve our business.

(d) We have a customer support team who available 24/7 for emergency cases.

(2) **Weaknesses** refer to the specific areas of current and future weakness for the company to be stated.

Weaknesses for our web hosting are examined as follows:

(a) We are new to the business and do not consider a well known web hosting yet.

(b) At this time we do not have 24/7 customer support yet. (for normal cases).

(c) We do not have Credit Card processing system yet..

(3) **Opportunities** refer to the external current and future opportunities available for the company to be examined.

Opportunities for our web hosting are as follows:

(a) The rapid growth of Internet make more people would like to have a website everyday.

(b) The cost of internet connection is lower and better everyday make more people surfing the net. It creates more opportunity to have an online business.

(c) Internet is no frontier. With just a website we can server the customer from everywhere in the world.

(4) **Threats** refer to the external threats the company is facing now and in the future.

Threats for our web hosting consist of the followings:

(a) The web hosting business consider as one of the most competitive online business in Thailand.

(b) The technology changes very fast we have to follow it to have an up-to-date services to server to the customer.



V. THE PROPOSED CBHOST.NET WEB SITE

5.1 Company Background

CBhost.net was founded by a group of students who studied a Master of Science in Internet and E-Commerce at Assumption University. When we studied the Master Degree there are many subjects that required us to create a website. Some subject such as web programming requires us to create a webpage that contain scripts such as Python, Java, Java Scripts, etc. All of these functions needed server side support. The University provides every student with free web space for student to create their own website, but it has many limitations. Some of them rented a share web hosting services from a web hosting company. It was found that if each one of us opened a new account with Host Company it was going to cost us a lot. Then we had an idea to rent a small dedicated server to share space among us. It was found that the shared hosting is very cost effective. Many of our friends were interested in joining us. Our web hosting has grown up quite fast until now one server is not enough. When our web hosting company got the second server our web hosting company decide to open our services to the public and use knowledge we have learned from the University to apply in this business. Now, our web hosting company has 5 brand servers with more than 500 domains as our clients. The next step of our web hosting company is to open our business globally.

5.2 The Name of CBhost.net Web Site

CBhost.net came from the name CyberBuddy (CB) it's means we are we are friends. Our web hosting always has a good customer relationship, we make them feel that they are one of us. They can help us provide better services.

The reasons for choosing this name are:

- (1) “CBhost.net” was chosen because it gives a clear indication of the web content. The name is already mentioned that we provide a web hosting services.
- (2) It is easy and simple to remember.
- (3) This name is easy to search for.

5.3 Logo



Figure 5.1. CBhost.net Logo.

CBhost.net’s logo uses a name of the website directly. This will make customer easy to know our web address when they found the logo. We also use a modern font and different colors to separate the name “CB” out of the word “host”

5.4 Slogan

CBhost.net web site’s slogan is “**The Everyone Hosting**”

The reason for using this slogan is to show customers that our services are for everyone. We have different packages to serve different group of customers.

5.5 Objective

- (a) To create a website to provide a web hosting services.
- (b) To make a website to be a community website for the customers.

(c) To offer a new marketing channel and tool of conducting business to the customer.

(d) To offer the way to overcome the limitation of time and place in physical store to the customer.

(e) To offer cost reduction ways of doing business to the customer.

5.6 Scope

(a) To apply the Internet and E-Commerce knowledge that has studied into this project.

(b) To implement the marketing plan by conducting SWOT Analysis, defining target market, and marketing strategies.

(c) To conduct financial analysis in terms of expected income and all costs.

(d) To update web contents frequently.

(e) To use both online (credit card) and offline payment (transfer by bank or ATM)

(f) To provide knowledge regarding web hosting business.

VI. WEB DEVELOPMENT AND DESIGN

6.1 Hardware and Software Requirements

Hardware Requirements

CBhost.net uses only one computer for work as workstation in the office. The web hosting company uses rented dedicated servers as a web server. It use the following hardware in order to create CBhost.net website and its relative websites.

Table 6.1 Hardware Specification.

| HARDWARE | DESCRIPTION |
|------------------------|-------------------------------|
| Cpu | Intel Pentium IV 1.8 Ghz |
| Mainboard | Chipset i845E |
| Memory | Double Data Rate Sdram 256 Mb |
| Harddisk | Maxtor 30G /ATA133 |
| Graphic Card | ATI Mobility M6 16 Mb |
| Sound | Sigma Tel Codec |
| Floppy Disk Drive 1.44 | Default |
| CD-Writer | Matshita UJDA340 |
| Monitor | ATI Mobility M6 |
| Modem | Lucent Internal Modem |
| Printer | HP Deskjet 710C |

Software Requirements

CBhost.net should have the following software below installed and working. The major software is a web server that helps the computer to perform the web server. So CBhost.net use Apache instead of Microsoft Internet Information Server, because it is free and stable. CBhost.net is using MySQL because it is quick and easy (also free). CBhost.net is using PHP4 (also free again) because it provides session management functions.

Table 6.2 Software Specification.

| SOFTWARE | DESCRIPTION |
|----------------------------|--|
| Web Server | Apache 1.3.9 or higher |
| Database Server | MySQL 3.22.20 or higher |
| Server-side Scripting Tool | PHP4 or higher with MySQL support compiled in |
| Web Development Tool | Edit Plus 2.11 |
| Graphic Tool | Adobe Photoshop version 7.0.1 |
| Screen Capture Tool | HyperSnap-DX version 4.22.01 |

6.2 Setting Up Database Driven Websites

Before development begins, we have to install web server, an SQL database server, and a server-side scripting tool that ties everything together. Some of the more popular tools for doing this are Apache, MySQL, and PHP4.

It is helpful to have a feeling for what goes on behind the scenes, so here is an over simplification of how things would work, this diagram is not really correct but it should be enough for now:

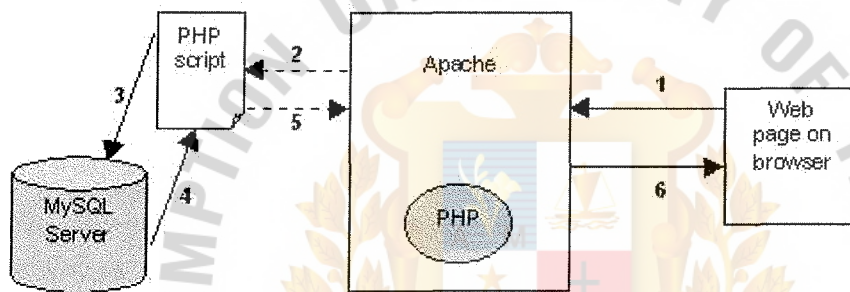


Figure 6.1. Web Server and Database Server Working.

So let's set the scenario. We have a web page that pulls some data out of a database. The user requests this page from his browser and the request is sent to the web server which in turn calls a PHP script. The PHP script is executed by the PHP preprocessor which pulls data from the database. The results are then messaged by the rest of the PHP script and turned into HTML. The final HTML gets sent back to the user's browser.

Let's look at this step by step:

- (1) The users clicks on a link from his web browser; the web browser sends a request.

- (2) The file which has the extension name like “.php” is a PHP script that contains commands. One of these commands is to open a connection to a database and grab some data. PHP knows how to talk to the database, so it does its work.
- (3) The data comes back from the database, and the file which has extension name “.php” does something to format the data. Typically, this would be to make it look pretty before formatting it into HTML.
- (4) The HTML goes back to Apache.
- (5) Apache sends this back to the user's browser, as the response to his request. The user now sees a pretty web page containing some information from a database.

Again, that is not 100% correct but it is enough to understand what goes on. Now we have a basic understanding of what we are trying to accomplish.

6.3 Payment Methods

Online payment system through the Internet by providing credit card system does not seem popular in Thailand at this time. The most common payment method that many e-commerce businesses use is to transfer the money to the bank and fax the slip to the e-commerce company. The current payment process of CBhost.net is as follow.

- (1) Customer Submit the Order Form from our website.
- (2) Customer will receive an automatic e-mail with the money transfer instruction.
- (3) Customer transfer money into our company bank account. (Customer can transfer money via bank counter or any ATM)

(4) Customer submits money transfer information to our company. (Customer can Fax a slip to our company, send an e-mail with the requires information or use an online form in our website)

(5) Our company will register a domain and open a web hosting account for the customer within 12 hours after we get the money transfer information.

(6) Customer will receive a notify e-mail when their account is fully activated.

6.4 Web Development Strategy

Mission Statement

CBhost.net website have a main mission to provide information related to web hosting services. With our plan we'll create our website to be center point of both prospec customer and current customer.

Long-term goal

It appears that the long-term goals of this specific site included

- (1) To develop the company presence in the online world.
- (2) To promote our services to public.
- (3) To create relationship between the customers and the company on the internet.
- (4) To push quality and creativity online.

Short-term goals

It appears that the short-term goals of this specific site included

- (1) To increase online and off line market share.
- (2) To increase sales volumn of web hosting services.
- (3) To distribute information and knowledge-base to both current customer and visitors

Target Audience

We do budget webhosting services where customer can find a quality of services with affordable prices. Most of our customers are targeted to school student, collage student and individuals who interested in creating web site. Some of our customers are small company who would like to join the online world.

Site Attraction and Unique Services

Our attractions are our products itself. We are proud to say that we offer the lowest possible price for the services available in the market. When our visitor come they would like to compare prices of each packages and see the detail of the package specifications.

CBhost.net design with easy to use format to suit our target group. Because most of our customer are newbies they didn't know much about the services. We try to provide the information in the easiest ways, using less technical term as possible and we also use less computer graphic. That will make our site have a fast to download and can display correctly even with the old fashioned web browser.

6.5 User Experiences

One of the important rules Web Designers need to bear in mind is that they must not ignore the needs of their users. Most of the time, the common mistake is made because sites are built more for designers and their needs than for the site actual users. It is worth nothing that what designers understand is not what a user will understand. Many users will not necessarily have the same knowledge of the sites or even the interests as designers do. Most user often have unrealistic requirements and expectations for the sites. Some user will not think carefully about the individual components of the web sites. Therefore, the key to successful, usable Web site design is always trying to think from the users' point of view. In addition, we must remember that while users may have similar basic characteristics, they are also individuals. What may

seem easy to one user maybe hard for another. Site that are created for common user may not meet the needs of all user. Experienced user may find the site restrictive while novice users find it too difficult. Users are individuals certain shared capacities and characteristics. Sites should take account of the relevant differences while focusing on the shared common features. In summary, the web should be designed for the common user, but account for different.

A good website must be created by a combination of utility and usability. Utility describes the site's functionality that hopefully meets a user's need. Usability describes the user's ability to manage the site's features in order to accomplish a particular goal. If a site does not function properly, either because of designer mistake or poor design choices that make it difficult to use, it is not a good site. Usable sites will be efficient, easy to use, and help users accomplish their goals in a satisfactory and error-free manner.

Given these criteria, CBhost.net and CyberBuddy.net use the user's point of view in order to design a good web sites. With easy to use navigation system in CBhost.net, users can easily navigate to each sections of the web site and find what they want. From every pages of CBhost.net user can switch to

another page with just one click. CBhost.net provide a web hosting services so the purpose of the site's visitors are to find the information they needed. With this design user can find the information easily. For CyberBuddy.net which is a Community Web Site of CBhost.net's members. Have more features that the CBhost.net main web site, but still on the basis of easy to use. User can find the link to each page from left menus. The menu are separate in two which are Support Menu and Main Menu. The support menu on the top-left of the page will help members who need helps or support. They can go to FAQ section to find the answer of the frequently asked question or go to

support ticket to submit a support form. If they didn't find what they want they can also use search function to search for the content they need. The last option of the Support Menu is Web Board where customer can post their questions or give suggestion to other members or exchange their knowledge. While Main menu provide functions of main site which link customer to other services such as Download area which contain some useful scripts for them to download to use with their sites. Gallery is also one of our services, our customer can ask for free Photo Gallery which they can upload the photo they want to post. The Topic and Review sections are news related where customer can find announcement from our support team.

6.6 Defined Audiences

As we provides a budget web hosting services where customer can get a best services, but still cheap enough for every one. Our main target audiences are:

- (1) School and Collage Student who interested to have their own website.
- (2) Small company who want to have their own company web site.
- (3) Individuals who interested in developing website.

6.7 Competitor Website Analysis

There are hundreds of web hosting companies in Thailand, but not all of them are the real compettitors of us. As we provide a budget web hosting services for students and newbie, our main competitors are web hostings that provide the budget services. From hundreds of them we screen down to few new web hostings that provide quite similar product packages with us.

CyberBeing.biz

When I take a tour around their web site, I've notice that cyberbeing.biz provides quite similar tous. We have analyze their web site into categories as follow:

URL: <http://www.cyberbeing.biz>

Goal: Almost the same as us. Cyberbeing.biz tends to provide a good service with low prices.

Target Audience: They have quite similar target as us. Because we're new in this business we cannot get trust from experienced user or large company. Then we have to target to newbies first. After we're strong enough we'll have plan to catch middle-level customer.

Content: Cyberbeing seem to have few contents at this time, because they are new. They try to give some basic knowledge to customers and also use less technical term to make un-experience user feel better and understand each details. But they have less information need. I would like to find where they place the server with, but didn't find one. They seem to put more information on the front page instead of putting it in FAQ section. This way make home page look mess. When I navigate into web Hosting package section they provide all specification, but not have any detail explanations. I think they will provide more information in the future.

Site Layout and Design: cyberbeing use block style of design. They put menu on the top left section where it is mess with other content. In middle area they give customer with basic knowledge of the web hosting which is good. On the right column block they show up their package prices. On the left they provide some more knowledge which is too much. The most problem is the top part where they put a very big graphic. It's have nothing related to web hosting even it's a nice photo but it shouldn't be their. The logo plus that photo take 30% of the screen which is useless.

As we seen cyberbeing didn't use metaphor same as us. They tend to use text-link instead of visual or functional metaphor.

Navigation: cyberbeing use only menu on the top-left block to navigate into each section. They didn't provide complete navigate system. Too many services in the menu can make new customer confuse.

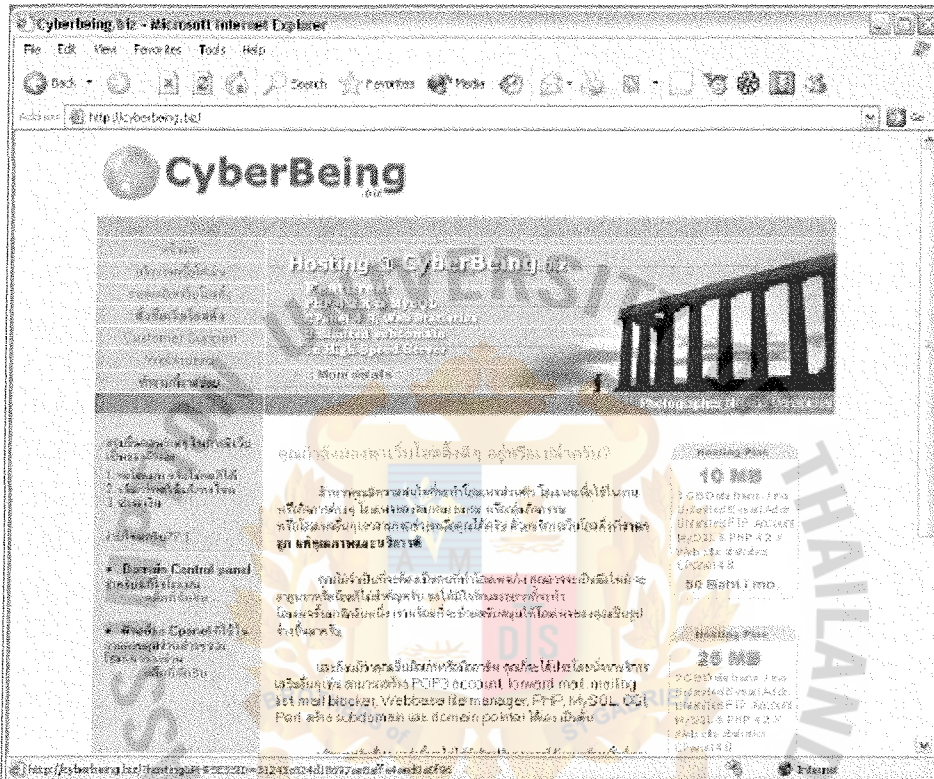


Figure 6.2. CyberBeing.biz website.

Table 6.3 Comparison between CyberBeing.biz and CBHost.net websites.

| Company | Content | Design | | | Site and Page Label | Navigation |
|----------------|---------|--------|------------|---------|---------------------|------------|
| | | Color | Background | Graphic | | |
| CBHost.net | 4 | 3 | 4 | 3 | 4 | 5 |
| CyberBeing.biz | 4 | 4 | 4 | 4 | 3 | 2 |

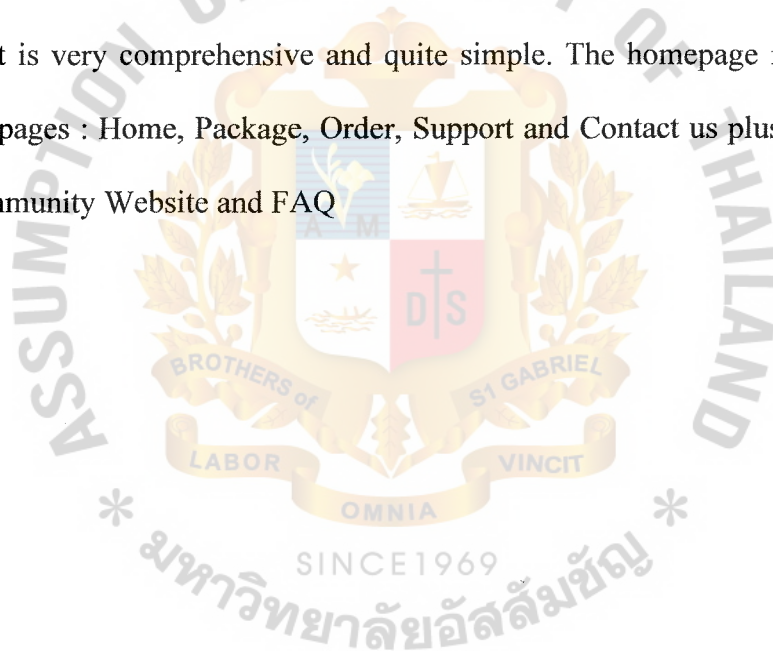
6.8 Site Structure

The site structure of CBHost.net and CyberBuddy.net are created to make it simple to use. It provides a sense of organization how one section of the site relates to other

areas. The logical site organization allows users to view product and where to find a thing. Method of arranging information allows users to extend their knowledge from pages they have visited to pages they are unfamiliar with.

The information is ranked in importance, and organized by the degree of interrelationship among units. The hierarchies are built from the most important and most general concepts, down to the most specific or optional topics. The site structure gives an idea of where each page is located and what link is required. It like a site map that making it easier to manage the site.

The site structure of CBhost.net start with a homepage, serving as an entrance to other pages. It is very comprehensive and quite simple. The homepage is linked with other 5 menu pages : Home, Package, Order, Support and Contact us plus 3 sub menu: Network, Community Website and FAQ



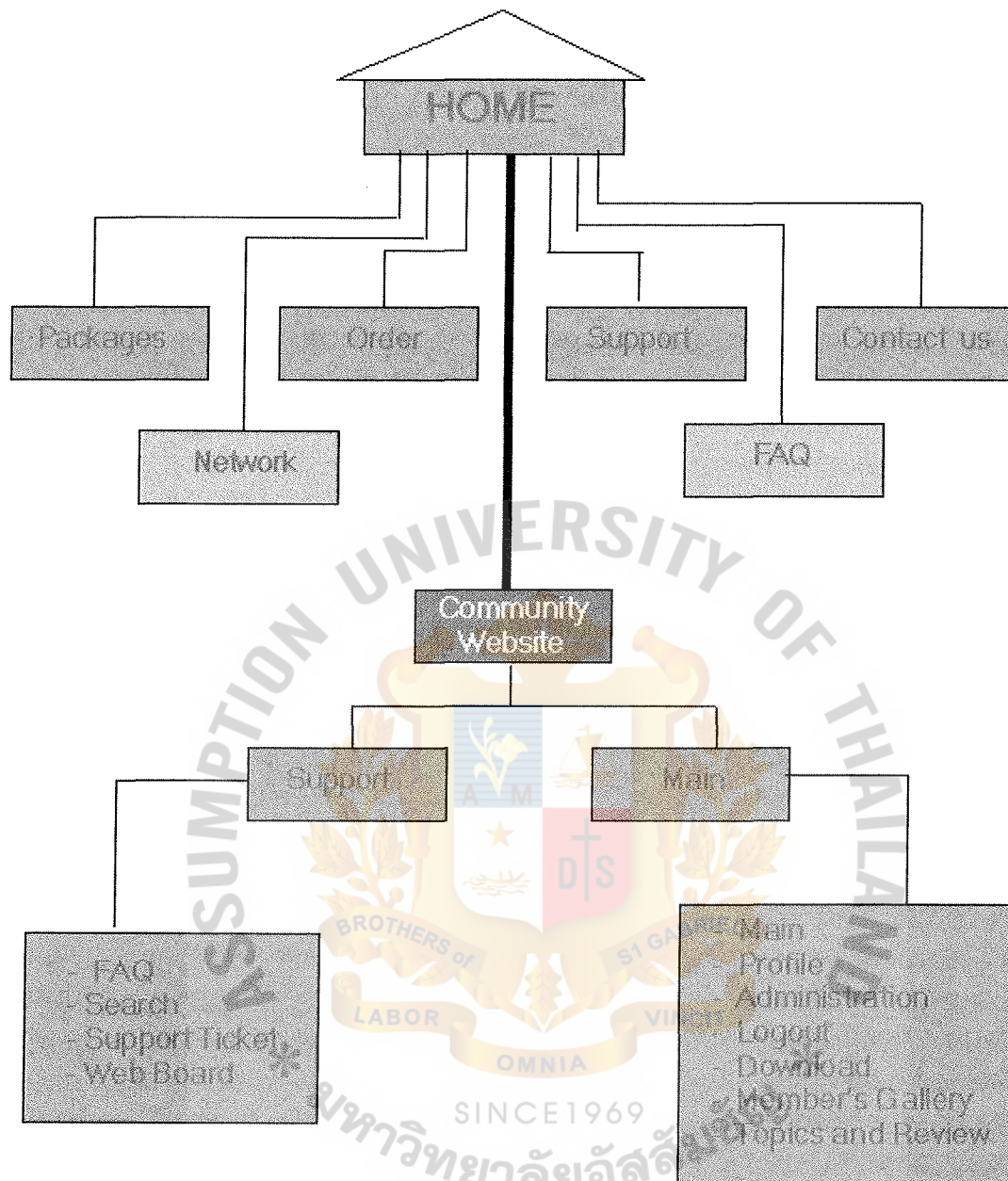


Figure 6.3. CBhost.net Site Structure.

Content Quantity

CBhost.net doesn't load with huge amount of information, but still has enough information needed. CBhost.net divides into 5 major categories which are Home, Package, Order, Support and Contact us. Also with 3 minor categories which are Network, Community Website and FAQ.

CyberBuddy.net which is community website for CBhost members have only two major categories which are Support section and Main section.

Home

This is a main page of CBhost.net website provides products features, promotion packages, and the support services of the server.

Package

This section provides product informations in detail. Where customer can compare each packages in both prices and specifications. From this page customer can directly order the package they want.

Order

This section is the order form where customer can submit their order. In this section we try to collect customer informations and detail of product they try to order.

Support

In this section customer can get support to their product. It has the link to Community Website and also contact information of our customer support team.

Contact us

This section provide a varieties ways that customer can contact us. E-mail are separated in several departments and also live support via ICQ and MSN.

Support Zone

The Support Zone of CyberBuddy.net website consistes of 4 minor categories. It's provide place for member to use services fo the site.

- (a) FAQ
- (b) Search
- (c) Support Ticket
- (d) Web Board

CyberBuddy.net Main Menu (CBhost.net's Community Website)

Main Menu of CyberBuddy.net provides link to other services of the website.

Which are the following.

- (a) Main Page
- (b) Profile
- (c) Administration
- (d) Logoff
- (e) Download
- (f) Member's gallery
- (g) Topics/Review

Content Quality

The Content Quality of CBhost.net and CyberBuddy.net are good. We'll talk about CBhost.net first. CBhost.net provide clear content to customer. Most information are explained in details then customer can read and understand very easy.

In main page it's provide the informations about products' features, promotion package, and also product specifications. If customer want to see more details they can easily navigate to each sections.

In package sections, user will have full detail explanation of each package and customer can compare each package by themselves. Most of the product different are in term of disk space and Data transfer where CBhost put it on top. User can see the important part easier than to navigate down.

In FAQ section, it's provide a basic knowledge and understanding of the web site. User can look in to per-asked question and see if the similar question was asked by someone else. If yes, they'll find the answers to their questions. If not, they can use the ask new question form at the bottom to ask some more question.

Now I will talk about CyberBuddy.net The web site using content management system (CMS) to manage their content. Pace shows dynamically and customer can search for the content they want very easy. Each information provided in this website is pre-reviewed by the admin to make sure of its accuracy. So, the quality of the website is good. Not only the content from staff it's also have a web board, where other customers help each other and exchange their knowledge. Then it's the most valuable resources.

Content Freshness

For CBhost.net the content freshness is in middle level because most of the information provided are the facts that need not to be updated. Then Customer may see the same information each time they come into this website. However, we try to update our web site more often to make customer feel different each time they visited.

For CyberBuddy.net as we use dynamically content system the content freshness is great, each time customer comes into our website they will find the different. In main page the latest news will be in the middle-top of the page while the old one will be at the bottom. Not only staff can add news, but also members who have some announcement to tell other people. So, we can say the content freshness of CyberBuddy.net is great.

Content and Functional Requirement

Given the desired audiences of CBhost.net and CyberBuddy.net are ranged from students, college students and individuals who are interested in developing websites. CBhost.net is functional for all its target audiences. The functionality of the site content rather meets the requirements and objectives of these target audiences.

Since, we target on students, college students and individuals who would like to have their own website. So, you'll see most of our targets are newbie in developing web site. What is needed is just simple information that they can read and understand. Many

other web hosting try to use lots of graphic, animation and several script functions to make their web site look cool. If the visitor are experienced web maker they'll appreciate that web technique, but for newbie they didn't have the same knowledge as experienced user or understand the difficult technical term in the web site. Then CBhost.net try to express the information in the easier ways. The information are written in normal languages, we use less technical term as possible, Then they can understand all the content without having to contact us.

For CyberBuddy.net which is a community website for CBhost members we still use easy to use format and make it's like their home. When they come to visit our website they will feel warm. On the right column it's the Buddy List Block which will show the online user. They can add their friends in list with this block they can talk to friends in listed and send short message, e-mail to them. All the instruction are written in bi-lingual which are Thai and English then users can set to use their appreciate languages. We also have new topic post block that will show the latest topics posted. User can click on link to go for details.

Both site use an easy to understand navigation system where customer can navigate across every pages of our website from just one click. With this method our website functions are suitable for all kind of visitors.

Content Grouping and Labeling

CBhost.net grouped content into 5 main categories which are Home, Package, Order, Support and Contact us. Plus 3 minor categories which are Network, Community Website and FAQ. With a large navigation bar on top of every pages user can easily navigate into each sections.

Within a group there are related informations like in package page. It provides a detail of 5 products which are SavePack 1, SavePack 2, SavePack 3, Group Pack 1 and

Group Pack 2 with this smart grouping customer can compare the the products prices and specifications easily.

The labelling of the site use text-based as a logo it's use "CBhost.net" this way is good for users because when they see the logo they will easily think of the site. The name we use already mention what we are. When customers see the name CBhost.net they will easily guess that we are a web hosting.

For CyberBuddy.net the CBhost.net members' community website. We grouped content into just two main categories which are Support Section and Main Menu. Customer can easily select what they want. If the need some kind of services they will go into support section. If they need another type of service they will go with Main Menu.

In support section user can navigate to each section without having to pass many pages the menu section will provides just one click direct to what they wants. In main menu user can choose the service like download, Gallery and many other services they want with no doubt.

The label of CyberBuddy.net web site use the same method as CBhost.net we use decorated text as our logo. This way customer can recognize both our logo and www address at the same time.

6.9 Organization Metaphor

"Metaphor" is a figure of speech in which the context demands that word or phrase not be taken literally. Generally, in visual design, people define metaphor as familiar image that portrays actions or activities that work similar to the physical product represented.

As the design of CBhost.net, it use none of Metaphor in their website. Instead of using Metaphor they intend to use Text label.

The “Function Metaphor” usually tell us what audiences can do with the site. It’s easily noticable that CBhost.net still use mone of Function Metaphor as same as Visual Metaphor.

CyberBuddy.net website which is CBhost members’ community website use some visual metaphor on the top navigation bar.

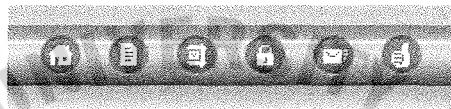


Figure 6.4. CyberBuddy.net Top Navigation bar.

Each of them represent diffrent links to severals section of our website.

6.10 Navigation



Figure 6.5. CBhost.net Top Navigation bar.

CBhost.net start with home page where customer can navigate into every pages. CBhost.net put navigation bar on top of every pages for customer to navigate back and forward or jump to another sections easily.

Big buttons on top of navigation bar will bring you to 5 major section of the websites which are Home, Package, Order, Support, and Contact us. While sub menu under bar will link you to 3 minor sections which are Netowrk, Community Website and FAQ. Everytime customer select page from main buttons. It'll illuminate to show the current page. Examples of navigation bar in each page are as follow:

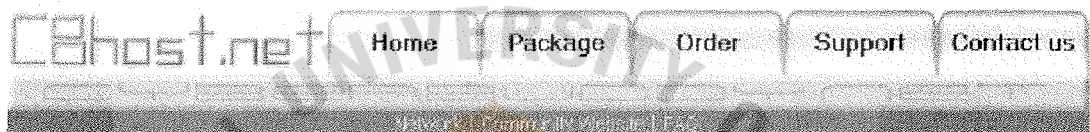


Figure 6.6. CBhost.net Top Navigation bar (Home Page)



Figure 6.7. CBhost.net Top Navigation bar (Package Page)



Figure 6.8. CBhost.net Top Navigation bar (Order Page)

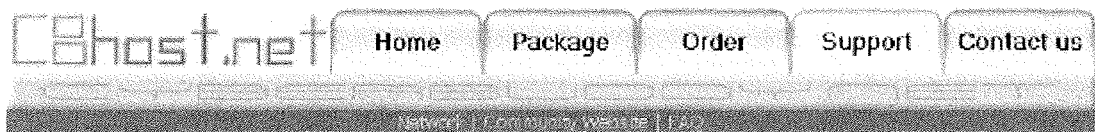


Figure 6.9. CBhost.net Top Navigation bar (Support Page)



Figure 6.10. CBhost.net Top Navigation bar (Contact us Page)

CyberBuddy.net use different navigation system. The menus are on the left and still show on every pages. The Menus are separate into two sections which are Support Menu and Main Menu.

Support Menu provides link to each support section which are FAQ, Search, Support ticket and Web Board where customer can find ways to get support.

Main menu will link customer to other services of our community website. Such as Home, Profile, Administrator, Logout, Download, Members' Gallery and Topic/News.

On the right column is the Buddy Zone that perform functions of login and show online members. User can add their friend into buddy list, then they can send short message, e-mail between each other.

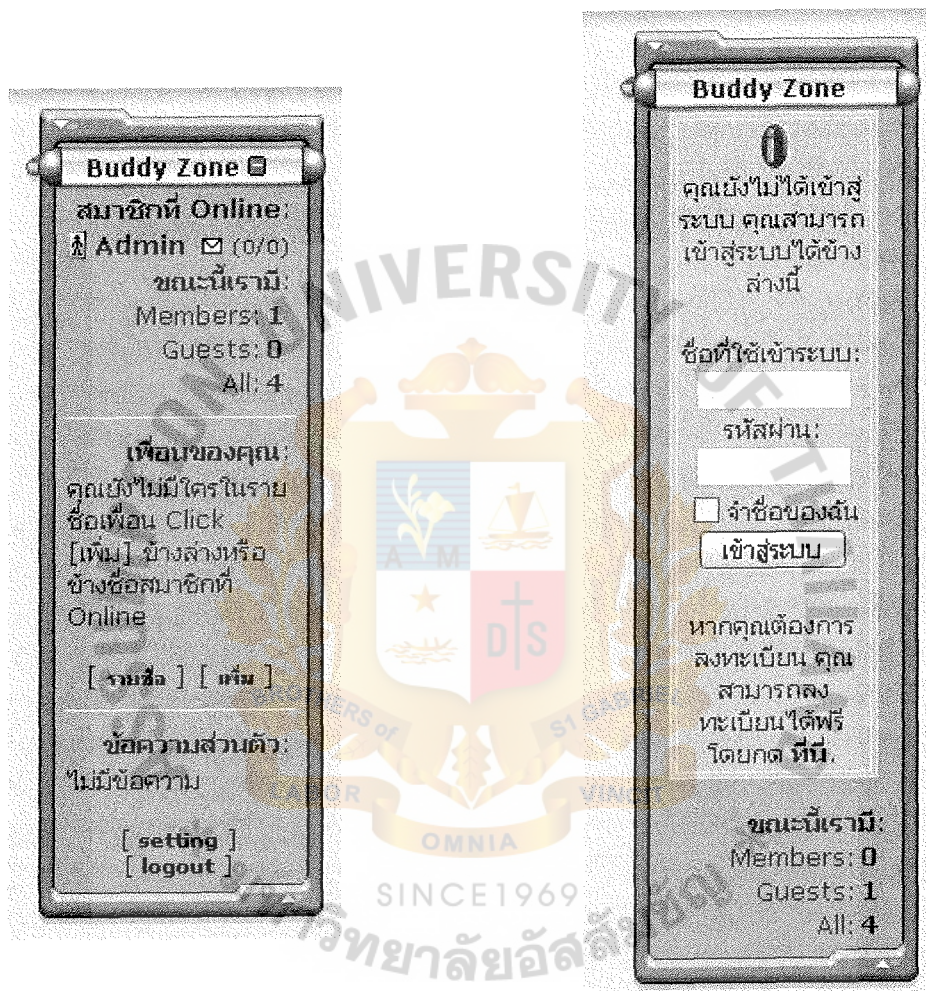


Figure 6.11. CyberBuddy.net right navigation bar. (When log in and not log in)

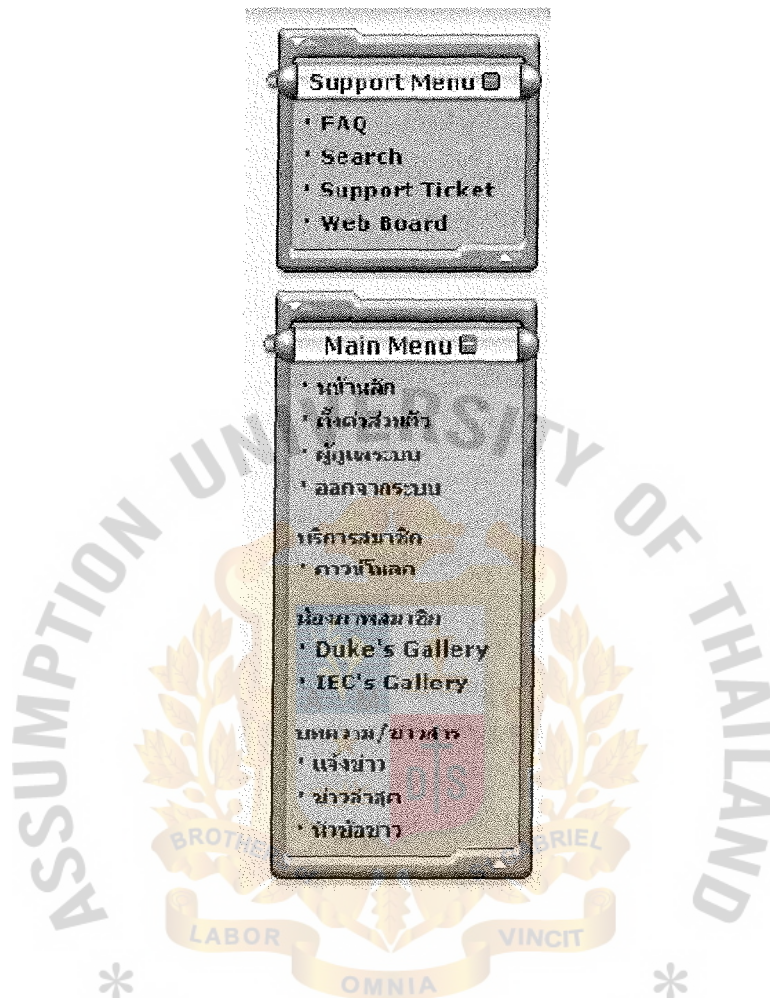


Figure 6.12. CyberBuddy.net Left navigation bar.

6.11 Visual Design

The main website is CBhost.net where we provide a visitor with information, prices, package and specification of our services. In CBhost.net we tend to use a simple style with easy to sue method. The color seem less attractive, but effective. Users can find the information they need in just one click.

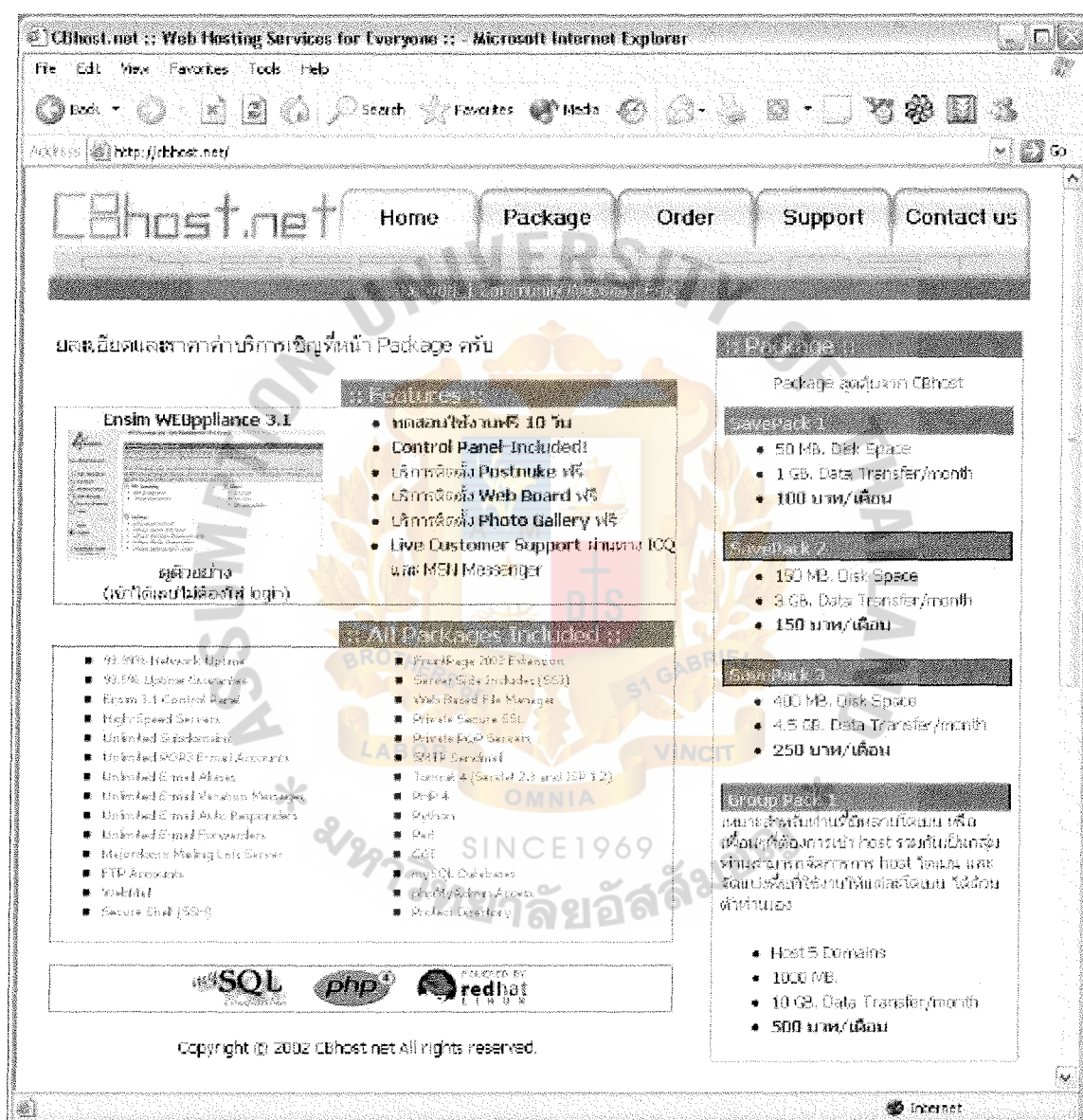


Figure 6.13. CBhost.net Home Page.

CBhost.net :: Web Hosting Services for Everyone :: Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Search Favorites Media

Address http://cbhost.net/package.htm

CBhost.net

Home Package Order Support Contact us

Home :: Log in :: Package :: Order :: Support :: Contact us

| Package | SavePack 1 | SavePack 2 | SavePack 3 | Group Pack 1 | Group Pack 2 |
|-----------------------------|--|-------------|---------------|--------------|--------------|
| Disk Space | 30 MB. | 150 MB. | 400 MB. | 1000 MB. | 1500 MB. |
| Data Transfer | 1 GB./month | 3 GB./month | 4.5 GB./month | 10 GB./month | 15 GB./month |
| Host Domain (Name-base) | 1 | 1 | 1 | 5 | 20 |
| Control Panel | Yes | Yes | Yes | Yes | Yes |
| สามารถสร้าง sub host ได้ไหม | No | No | No | Yes | Yes |
| MySQL Database | Yes | Yes | Yes | Yes | Yes |
| Subdomain | unlimited | unlimited | unlimited | unlimited | unlimited |
| pop3 E-mail | unlimited | unlimited | unlimited | unlimited | unlimited |
| Auto Responders | unlimited | unlimited | unlimited | unlimited | unlimited |
| Forwarders | unlimited | unlimited | unlimited | unlimited | unlimited |
| Mailing Lists | unlimited | unlimited | unlimited | unlimited | unlimited |
| Mail Blockers | unlimited | unlimited | unlimited | unlimited | unlimited |
| WebMail | Yes | Yes | Yes | Yes | Yes |
| FTP Accounts | Yes | Yes | Yes | Yes | Yes |
| SMTP Sendmail | Yes | Yes | Yes | Yes | Yes |
| Secure Shell (SSH) | Yes | Yes | Yes | Yes | Yes |
| Prices (อัตราค่าบริการ) | 100 บาท | 150 บาท | 250 บาท | 500 บาท | 800 บาท |
| Promotion (สำหรับ 6 เดือน) | 550 บาท | 800 บาท | 1,350 บาท | 2,700 บาท | 4,400 บาท |
| Promotion (สำหรับ 1 ปี) | 1,000 บาท | 1,500 บาท | 2,500 บาท | 5,000 บาท | 8,000 บาท |
| หมายเหตุ* | 10 วัน | 10 วัน | 10 วัน | 10 วัน | 10 วัน |
| บริการจดทะเบียน* | 500 บาท/ปี | 500 บาท/ปี | 500 บาท/ปี | 500 บาท/ปี | 500 บาท/ปี |
| วิธีการชำระเงิน | โอนเงินผ่านบัญชีธนาคารหรือบัตรเครดิต ATM | | | | |
| | Order Now | Order Now | Order Now | Order Now | Order Now |

*Domain name ค่าเช่า บริการจดทะเบียนชื่อโดเมนกับกรมการทะเบียนชื่อโดเมน (กรมการทะเบียนชื่อโดเมน) โดยปกติแล้วค่าเช่าโดเมนจะอยู่ที่ 100 บาท ต่อปี ค่าเช่าโดเมนจะขึ้นอยู่กับ host ที่เลือกใช้บริการกับเรา

*บริการจดทะเบียนชื่อโดเมน (กรมการทะเบียนชื่อโดเมน) ค่าเช่าบริการจดทะเบียนชื่อโดเมนจะอยู่ที่ 500 บาท ต่อปี ค่าเช่าบริการจดทะเบียนชื่อโดเมนจะขึ้นอยู่กับ host ที่เลือกใช้บริการกับเรา

*Free Domain Registration เมื่อชำระค่าบริการเป็นรายปี (SavePack 2 และ Group Pack)

บริการจดทะเบียนชื่อโดเมน (กรมการทะเบียนชื่อโดเมน) ค่าเช่าบริการจดทะเบียนชื่อโดเมนจะอยู่ที่ 500 บาท ต่อปี ค่าเช่าบริการจดทะเบียนชื่อโดเมนจะขึ้นอยู่กับ host ที่เลือกใช้บริการกับเรา

\$15 Domain Registration
www.thairdnic.com

Copyright © 2002 CBhost.net All rights reserved.

Figure 6.14. CBhost.net Package Page.

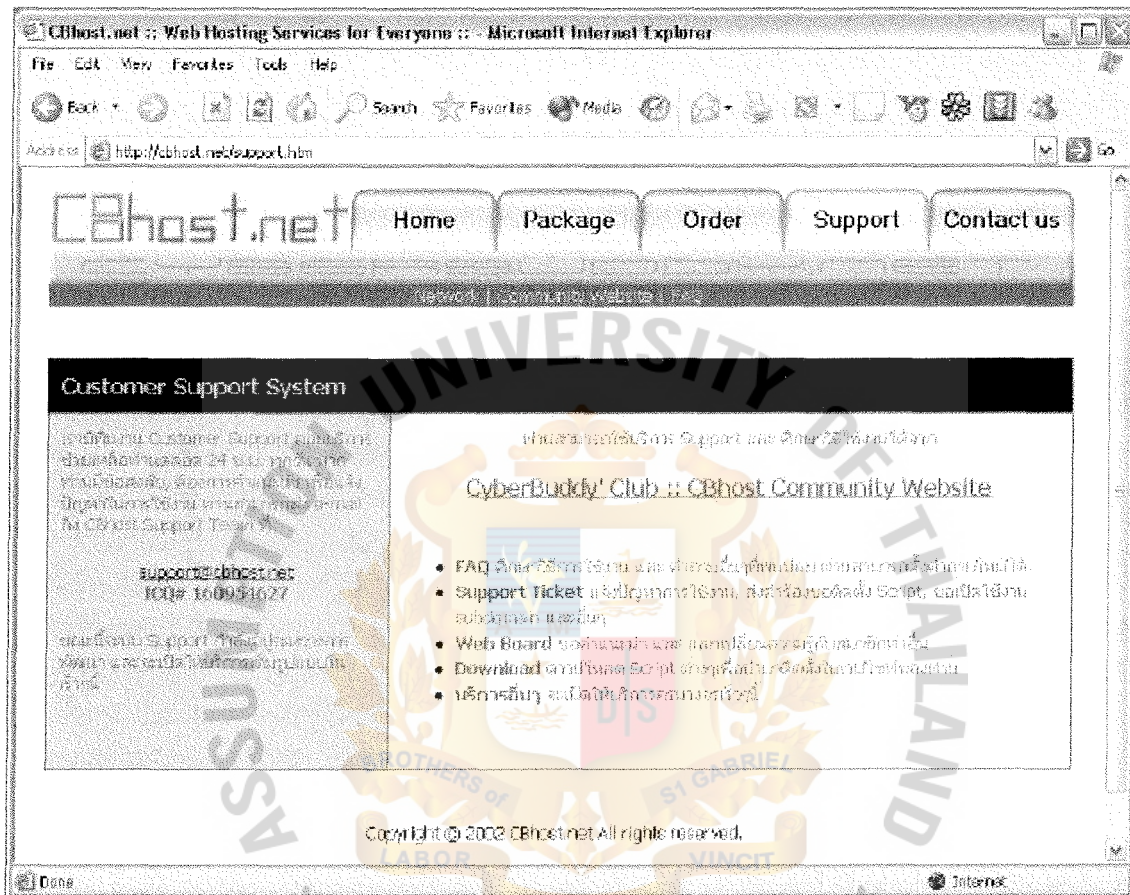


Figure 6.16. CBhost.net Support Page.



Figure 6.17. CBhost.net Contact us Page.

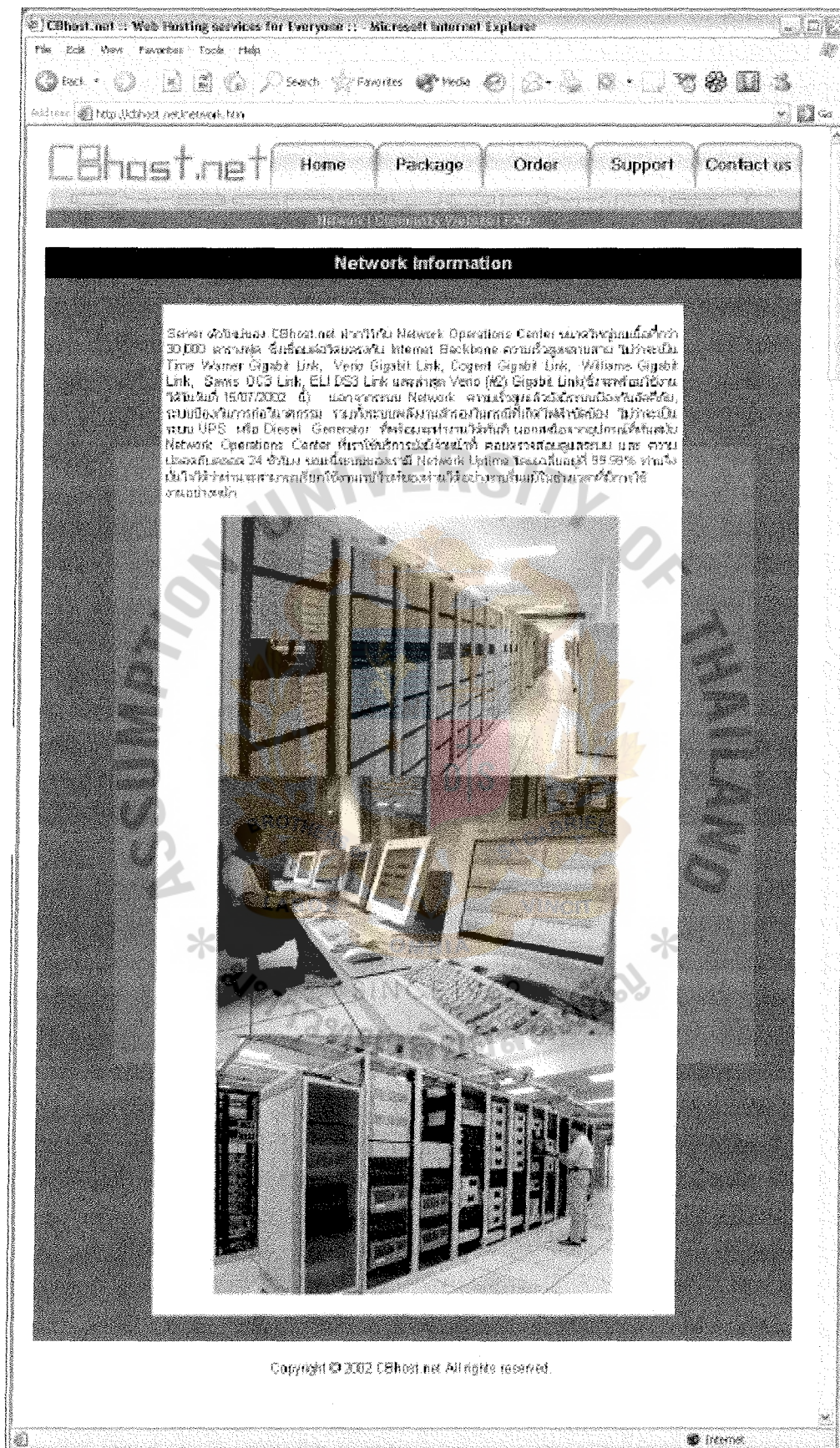


Figure 6.18. CBhost.net Network Page.

We do not have only a main web site, but we also have Community website. CyberBuddy's Club this website is the members community where our current customer will come to get services. They can use our Support Zone and Main menu. In this web site user can search for information they need, talk and exchange experienced, knowledge with other members.

This web site have a special features because it's created from Postnuke system which bring page to be dynamics. Content can be update faster, more efficient. Also the design, user can change the Skin of a whole web site to suit their need.

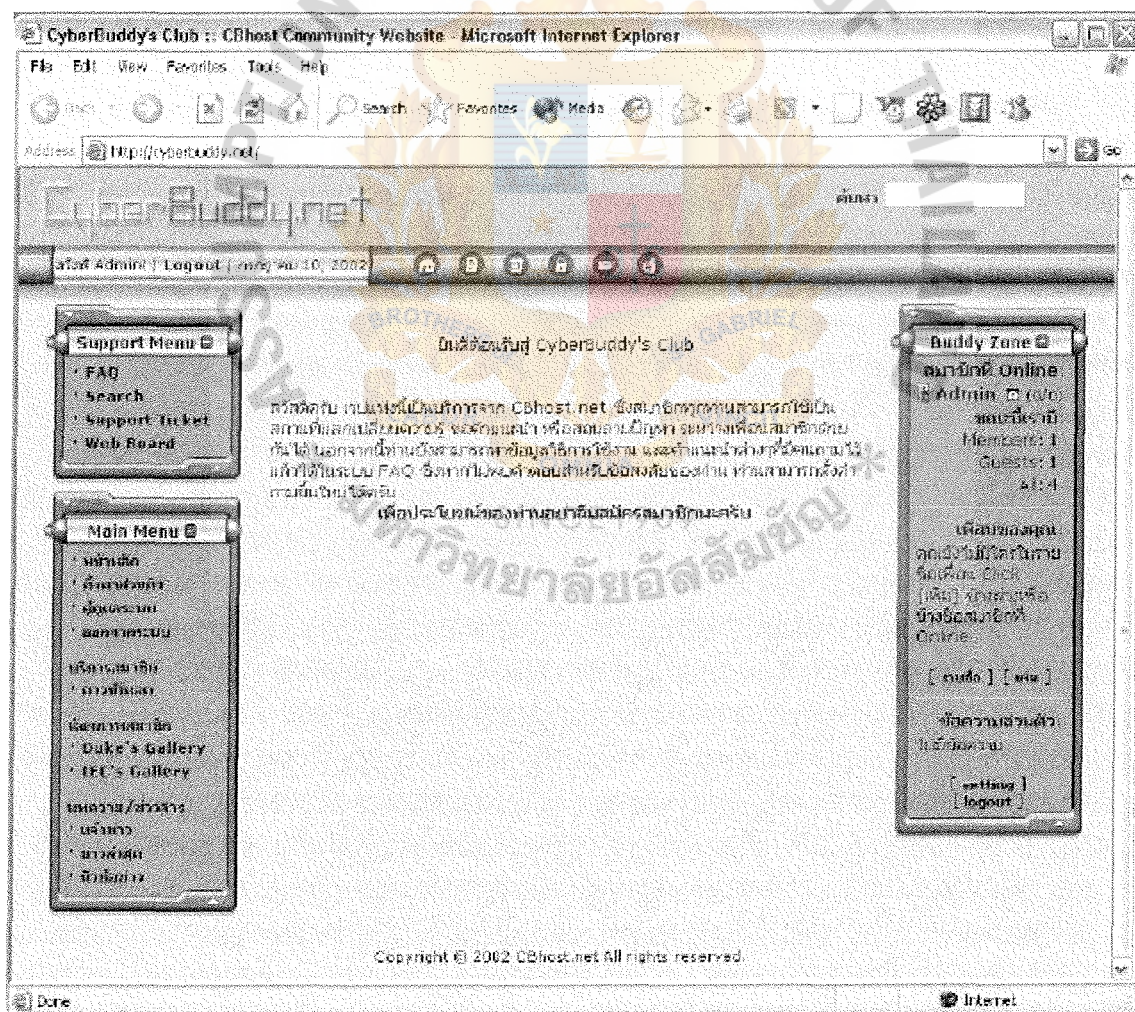


Figure 6.19. CyberBuddy.net Main Page (Default Skin)

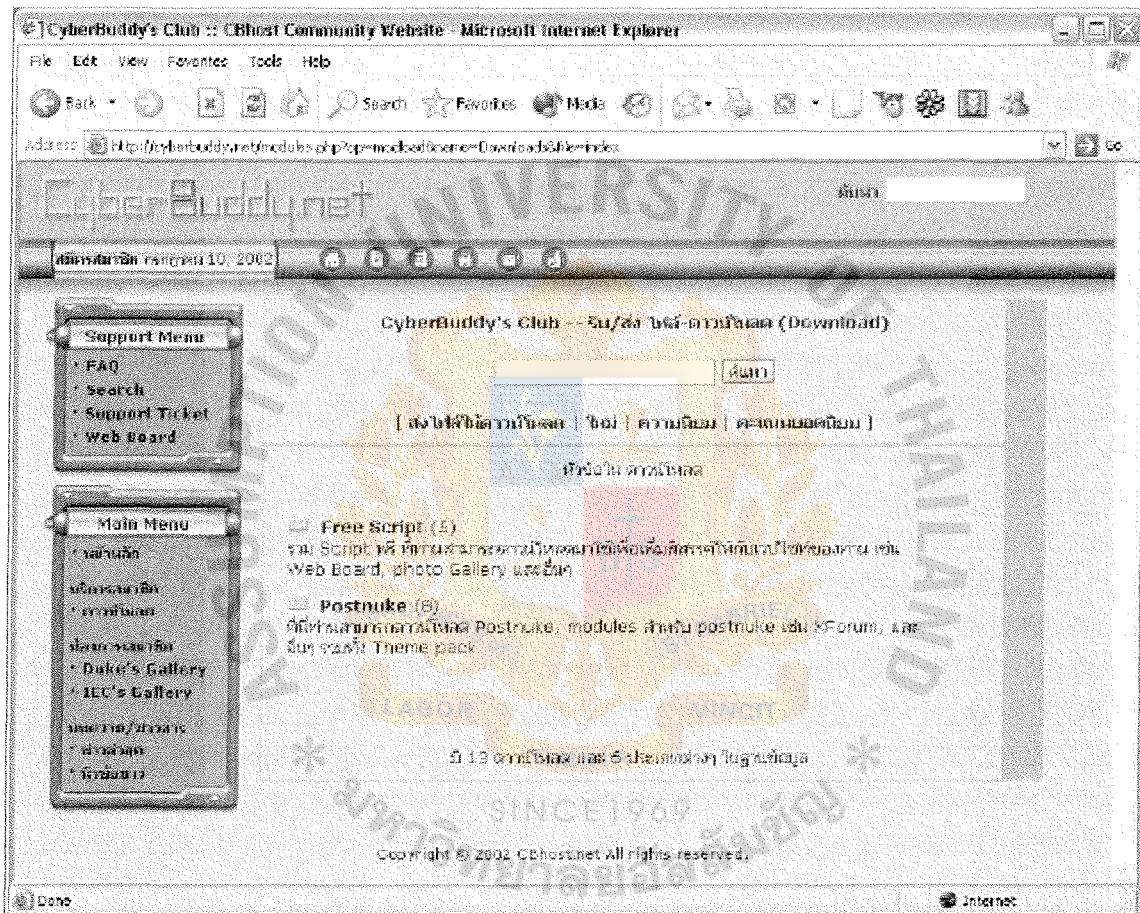


Figure 6.20. CyberBuddy.net Download Page (Default Skin)

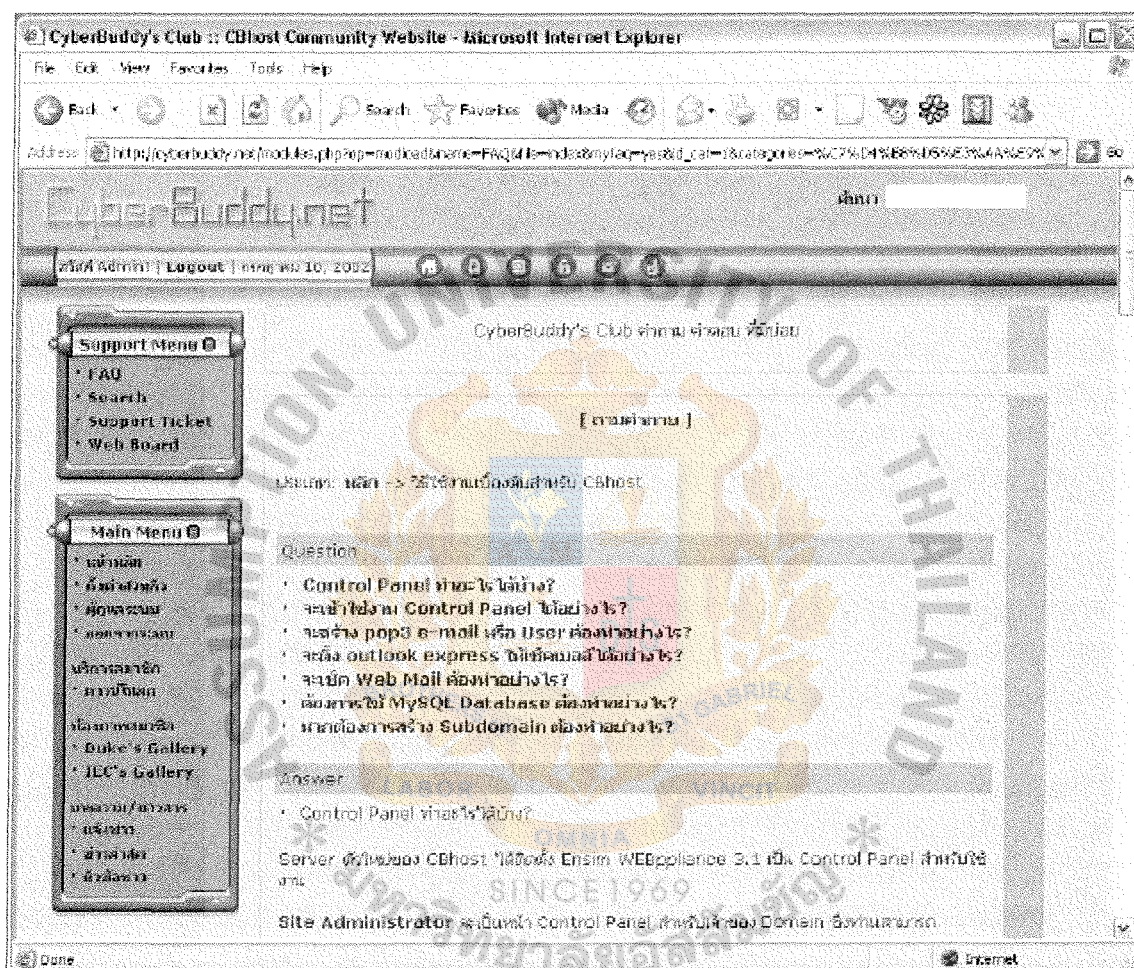


Figure 6.21. CyberBuddy.net FAQ Page (Default Skin)

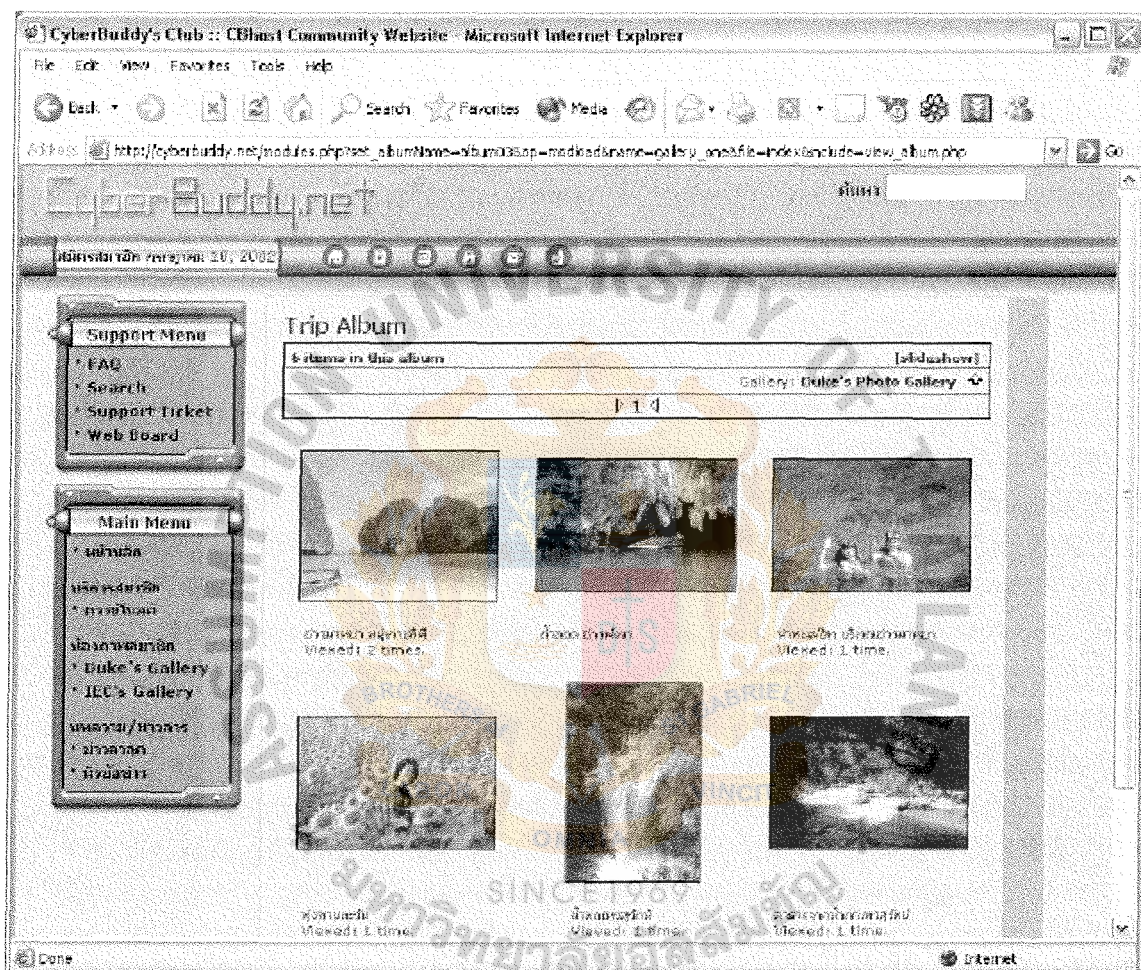


Figure 6.22. CyberBuddy.net Gallery Page (Default Skin)

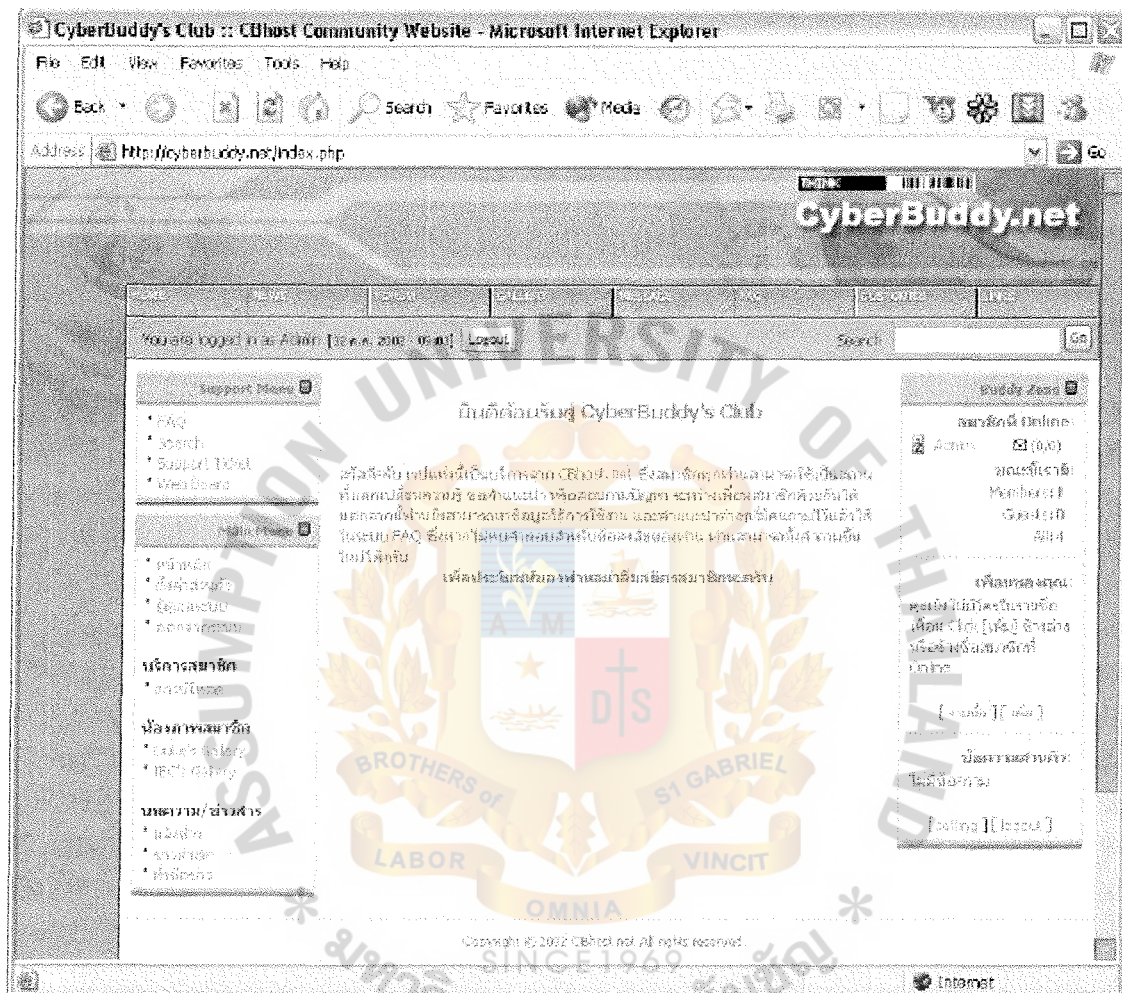


Figure 6.23. CyberBuddy.net Main Page (Diffrent Skin)

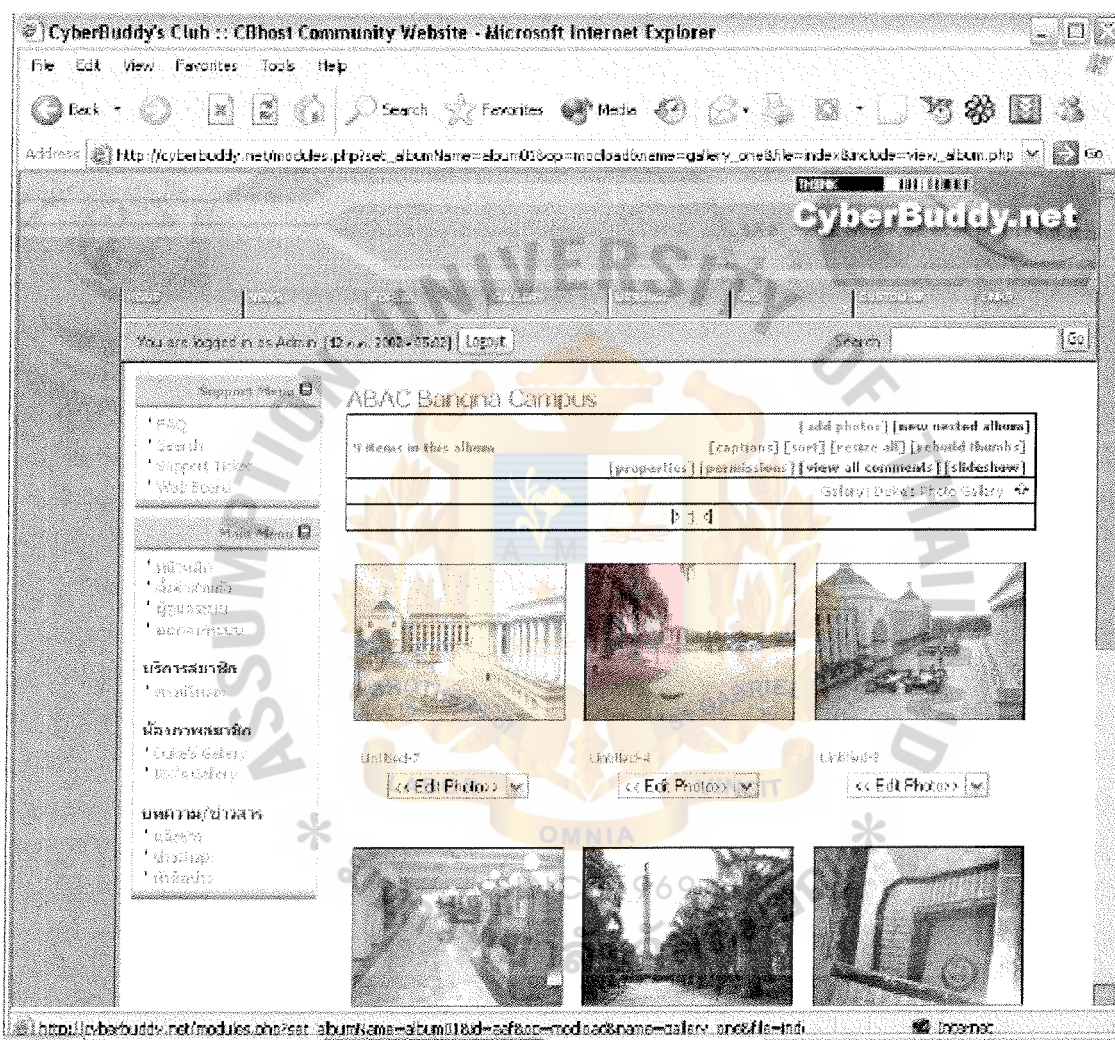


Figure 6.24. CyberBuddy.net Gallery Page (Diffrent Skin)

VII. FINANCIAL ANALYSIS

7.1 Financial Analysis

In order to get the web site started, we need to find out what costs will be involved first. There are two main types of cost: fixed and variable.

For Estimated **Fixed Cost**, there will be:

| | |
|---------------------------|--------------------------|
| Web Design | 10,000 Baht |
| Initial Server Setup Cost | 10,000 Baht |
| Total | 20,000 Baht/month |

For Estimated **Variable Cost**, there will be:

| | |
|---|-------------------------|
| Dedicate Server Rental cost* (9,500/Server/month) | 9,500 Baht/month |
| Total | 9,500 Baht/month |

*One Server can handle 300 domains.

From the estimation shown above, we can see that in order to survive, we have to make revenue which covers the initial fixed cost of 20,000 baht and the variable cost of 9,500 baht per month from having more customers and from advertisers.

7.2 Break-even Analysis and Net benefit

One of the most common tools used in evaluating the economic feasibility of a new enterprise or product is the break-even analysis. The break-even analysis is the point at which revenue is exactly equal to costs. At this point, no profit is made and no losses incur.

Once the break-even point is met, assuming no change in selling price, fixed and variable cost, a profit in the amount of the difference in the selling price and the variable cost will be recognized. One important aspect of break-even analysis is that it is normally not this simple. In many instances, the selling price, fixed costs or variable

costs will not remain constant resulting in a change in the break-even point. So, a break-even point must not be calculated only once. It should be calculated on a regular basis to reflect changes in costs and prices and in order to maintain profitability or make adjustments in the product line.

- (1) The customer in the first month is about 40.
- (2) The customer increase in the average of 20% every month.
- (3) Each customer will spend in the average of 100 Baht/month
- (4) Assume that no clients cancel their service within year.
- (5) $\text{Revenue} = \text{Number of Customer} \times 100 \text{ (Baht/month)}$

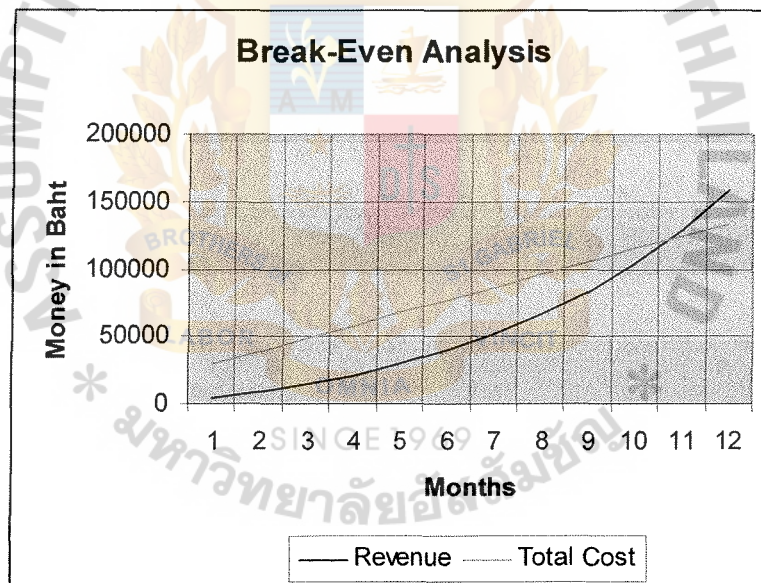


Figure 7.1. Break-even Analysis of Cbhost.net

As show in the graph above, the break-even point is approximately fixed at 11 months to cover the costs. It means if the website is running longer than 11 months, we will make a profit. If the website is running less than 11 months, there will be a loss.

Table 7.1 Net Benefit

| Expense | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
|---------------------------------|---------|---------|---------|---------|-----------|-----------|
| Fixed Cost | | | | | | |
| Web Implementation | 10,000 | - | - | - | - | - |
| Initial Server Setup | 10,000 | | | | | |
| Variable Cost | | | | | | |
| Dedicate Server Cost | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 |
| Total Expense | 29,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 |
| Cumulative Total Expense | 29,500 | 39,000 | 48,500 | 58,000 | 67,500 | 77,000 |
| Revenue | | | | | | |
| Sales and Service | 4,000 | 4,800 | 5,760 | 6,912 | 8,294.4 | 9,953.28 |
| Cumulative Total Revenue | 4,000 | 8,800 | 14,560 | 21,472 | 29,766.4 | 39,719.68 |
| Net Benefit | -25,500 | -30,200 | -33,940 | -36,528 | -37,733.6 | -37,280.3 |

| Expense | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fixed Cost | | | | | | |
| Web Implementation | - | - | - | - | - | - |
| Initial Server Setup | | | | | | |
| Variable Cost | | | | | | |
| Dedicate Server Cost | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 |
| Total Expense | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 | 9,500 |
| Cumulative Total Expense | 86,500 | 96,000 | 105,500 | 115,000 | 124,500 | 134,000 |
| Revenue | | | | | | |
| Sales and Service | 11,943.94 | 14332.72 | 17,199.27 | 20,639.12 | 24,766.95 | 29,720.33 |
| Cumulative Total Revenue | 51,663.62 | 65,996.34 | 83,195.31 | 103,834.7 | 128,601.7 | 158,322 |
| Net Benefit | -34,836.4 | -30,003.7 | -22,304.4 | -11,165.3 | 4,101.674 | 24,322.01 |

VIII. CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusions and Recommendations

To make this report successful, our company has to analyzing CBhost.net and competitor websites in detail. Not only analyze our web itself, we also surf to see many of our competitors to compare and contrast our web site with them.

It was found that CBhost.net web site have some good points which are easy to use, fast page load and have a clear content. The cons of the web site are the color and graphic. CBhost.net seems to use text based style web site. It's not having much attractive to the customer.

Our suggestion would be to use more graphic designs, use more color in to every page that can attract more users. We also recommend changing the page grouping. CBhost.net has several packages they show all package details in one page. This is good and bad at the same time. The good point is the customers can compare each packages easily, but the bad point is it will confuse with a huge amount of data that looks messy. CBhost.net can group some packages together. Like, SavePack 1-3 which targeted to students and entry level customers. We can group these 3 SavePack packages together while grouping 2 GroupPack packages together. Because GroupPack packages are target to reseller customer they have nothing to compare between GroupPack and SavePack. To separate both package types will make customer easier to read the page content.

For CyberBuddy.net the system is good, but as we found it's still have less content quantity. It's should be better if CyberBuddy.net will insert more useful information to make the website be a data center for all users.

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