



A Revolutionized Sport Online Store

by

Mr. Vuttisak Itthiarporn

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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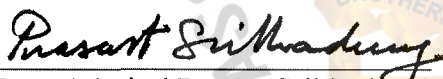
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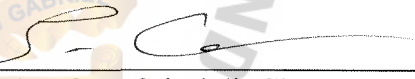
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The graduate School of Assumption University has approved this final report of the three-credit course, IC6997 E-Commerce Practicum, submitted in partial fulfillment of the requirements of the degree of Master of Science in Internet and E-commerce Technology.

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ABSTRACT

This project is the prototype of online business to study the potential of doing business online in order to increase the business opportunity in the future. Positioning a selective business character to pull alongside with the new business operation functions will not only offer the online service but also existing physical business to be the most divisible as possible. Other than analyzing the nature of the selected industry business, Business Advantage, Competitive Analysis, SWOT Analysis, Five Force Analysis, Customer Analysis, Financial Analysis, Break Even Analysis to Cost and Benefit and Buying Behavior are to be included in order to accomplish the objective. Setting a marketing strategy (4P's) in relevance with the business nature and website strategies for encouraging the usage of the website.

The Project Report includes database programming and web design named "Sport Revolution Online", a selling sport shoes and sports accessories shop. Nevertheless, the function of the database will be complied with the use of Microsoft Access and ASP scripting tool, while web design is relied on HTML, and Java technology developed by Edit Plus. A successful implementation will be accomplished according to all strategies – both marketing and web creating method defined in the project.

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TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
LIST OF FIGURES	vi
LIST OF TABLES	viii
I. INTRODUCTION	1
1.1 Background	1
1.2 Objective of the Project	1
1.3 Scope of the Project	2
1.4 Deliverables	2
II. LITERATURE REVIEW	3
2.1 The Concept of Electronic Commerce	3
2.2 The Web and Electronic Commerce	7
2.3 The Internet and Opportunities For business	11
2.4 Main Approaches to do Business on the Internet	16
III. EXISTING SYSTEM	17
3.1 Background of the shop	17
3.2 Reason of Opening an Online Store Front	18
3.3 How Can Website Increase Business from Existing Clients	22

<u>Chapter</u>	<u>Page</u>
IV. MARKETING ANALYSIS	24
4.1 Mission Statement	24
4.2 Marketing Objective	24
4.3 Marketing Mix	25
4.4 SWOT Analysis	30
4.5 Five Forces Analysis	32
4.6 Customer Analysis	33
4.7 Market Segmentation	33
4.8 Positioning and Differentiation	35
4.9 Associates Risk	35
4.10 System Security	36
4.11 Future Plan	37
V. FINANCIAL ANALYSIS	38
5.1 Break-even Analysis	38
5.2 Return on Investment	41
5.3 Net Present Value	43
VI. WEB DATABASE AND IMPLEMENTATION	45
6.1 Setting Up Websites Database	45
6.2 Building a Product Catalog	46
6.3 Managing Users with Sessions	47
6.4 Hardware and Software Requirements	49

<u>Chapter</u>	<u>Page</u>
VII. CONCLUSIONS AND RECOMMENDATIONS	51
7.1 Conclusions	51
7.2 Recommendations	52
APPENDIX A SITE MAP AND WEB DESIGN	53
APPENDIX B DATABASE DESIGN	66
BIBLIOGRAPHY	70



LIST OF FIGURES

<u>Figure</u>	<u>Page</u>
5.1 Break Even Point	40
5.2 Return on Investment	41
6.1 Web Server and Database Operation	45
6.2 Product Catalog	46
6.3 Session Management	48
A.1 Site Map	54
A.2 Homepage	55
A.3 Online Catalog	56
A.4 Adidas Accessories	57
A.5 Adidas Adventure Shoe	58
A.6 Adidas Apparel	59
A.7 Adidas Football	60
A.8 Adidas Training	60
A.9 Nike Accessories	61
A.9.1 Nike Football	61
A.10 Puma Football	62
A.11 Puma Accessories	62
A.12 Ordering Page	63
A.13 Create New Account for New User	64
A.14 Account Information	65
A.15 FAQ	66

Figure

Page

A.16 Policy	67
A.17 Contact Us	68
B.1 User's Data Input	69
B.2 User's Profile Database	69
B.3 Order Data Input	70
B.4 Product Control	70
B.5 Payment Channel	71
B.6 Check Subscribe	71



LIST OF TABLES

Table

Page

5.1. Break Even Analysis	40
5.2 Expense and Revenue Summary	42
6.1 Hardware Specification	49
6.2 Software Specification	50



I. INTRODUCTION

1.1 Background of the Project

The Internet is perfectly becoming the efficient tool for electronic commerce since it offers a traditional business pattern, an easier way to link between buyers and sellers. The Internet makes market more transparent and exposed. It cuts out the middlemen between firms and customers, thus getting right to the consumer target. It reduces transaction costs as well as offering 7 days a week, 24 hours day accessibility.

Moreover, it increases transactions not only for BSB but also B2C and CSC. Cross-Boundary transactions through Internet allow a more innovative and encourage initiative action from various part of the world to participate in the market. As a result, new opportunities are presented by the fast growth of virtual companies due to its reaping significant benefits from doing electronic commerce.

1.2 Objectives of the Project

The objective of the project is developing a prototype model for sport equipment web site which are:

- (1) To promote products for selling and advertising for the company.
- (2) To enhance the customer relation management of the sport equipment shop through the Internet channel.
- (3) To provide update news, update product and catalogue on line for customers.
- (4) To create awareness through online channels.
- (5) To provide an alternative choice for Sport equipment.

1.3 Scope of the Project

- (1) To apply acquired knowledge about technical and business aspects of Internet and E-Commerce Technology to the real functioning of a Virtual Store.
- (2) To provide a marketing plan including the target market, the market positioning and the promotional mix in the environment of the web and E-Commerce Technology.
- (3) To define SWOT Analysis in order to analyze and decide marketing strategy for implementing a real business.
- (4) To conduct an E-Commerce store following pre-determined goals and objectives in order to generate profit.
- (5) To design, develop and promote the website as well as provide access to all potential customers.

1.4 Deliverables

- (1) Prototype of <http://www.sportrevolutionshop.net>, which will be published as an actual online shop in October 2004.
- (2) Project Report

II. REVIEW OF RELATED LITERATURE

2.1 The Concept of Electronic Commerce

E-commerce is the pre-eminent buzzword of the online business revolution.

It captures the excitement and focus of this fast emerging market. But it is more than a slogan or glib party line. At its core it embodies a concept for doing business online.

Electronic commerce is the paperless exchange of business information using electronic data interchange (EDI), e-mail, electronic bulletin boards, fax transmissions, and electronic funds transfer. It refers to Internet shopping, online stock and bond transactions, the downloading and selling of "soft merchandise" (software, documents, graphics, music, etc.), and business-to-business transactions.

The concept of e-commerce is all about using the Internet to do business better and faster. It is about giving customers controlled access to your computer systems and letting people serve themselves. It is about committing your company to a serious online effort and integrating your Web site with the heart of your business. If you do that, you will see results.

The Internet's role in business can be compared to that of the telephone. It is a way for people to communicate with each other. It is also a way for a consumer to communicate with a company's computer systems without human intervention. In fact, the Internet is a communication medium like the many others we use in business every day.

Think of the ways you communicate with people in business. The best way is face to face. Body language, tone of voice, and facial expressions all help you understand what the other person is trying to say. When you cannot meet face to face, you may use any of a number of different means to communicate: a telephone, a fax machine, Federal

Express, the U.S. Postal Service, or maybe even a messenger service. These are all ways to deliver or receive information, authorization, even shipments of goods and merchandise.

The Internet is a reasonable alternative to all of those means of communication. Any place and any way that your business communicates with its customers, you should think about how you could have done it online. That is the power of e-commerce.

Send an e-mail with an attached photograph. When it comes the time to pay for merchandise, use a secured server to pay by credit card, or even digital cash. The opportunities and situations in which online business is possible are limitless.

Electronic commerce is defined as “a modern business methodology that addresses the needs of organizations, merchant, and consumers to cut costs while improving the quality of goods and services and increasing the speed of service delivery” (Kalakota and Whinston 1996). It is a combination of telecommunications technology, business process, and business strategies that facilitates the exchange of information, products and services. As the focus of EC broadens, EC is no longer limited to buying and selling over the telecommunications network. Today, it is radically changing the way organizations operate and the way business is conducted. The implementation of EC allows organizations to be more efficient in communicating with their customers, business partners, and developing new products and markets (Kalakota and Whinston 1996). Organizations achieve these advantages through a wide range of EC applications. Development in the EC arena in recent years has resulted in numerous EC applications. Applegate et al. (1996) defined three types of EC applications: business-to-customer, business-to-business, and interorganizational. Kalakota and Whinston

(1996) have a similar categorization for EC applications. They stated that the board categories for EC applications are:

- (1) Business-to-customer transactions such as online banking and online shopping.
- (2) Business-to-business transactions such as electronic data interchange (EDI).
- (3) Transactions that involve information processing such as point of sales (POS) information for marketing research and supply chain management (SCM).
- (4) Transactions that involve information distribution to potential customers and partners.

Today, more and more EC applications have emerged. Some experts claim that a new type of EC application, customer-to-customer, may be the next wave in EC (OpenSite Technologies 1998). The success of Ebay.com, one of the originators of the online auction concept, manifested the potential of this type of marketplace transaction on the World Wide Web (WWW). A number of other companies including Amazon.com have subsequently followed this trend and opened their auction site to explore new opportunities and markets.

Although it is extremely tempting to study all these exciting dimensions of EC, this research focuses on the business-to-customer aspect of EC. The advantage of using the Internet for business-to-customer transactions is clear. The openness of the Internet is creating opportunities for virtually all companies ranging from small start-ups to Fortune 100 companies. It is widely utilized to establish general market, as well as niche, solutions by these organizations (Terdoslavich 1997). In achieving these objectives, business uses the Internet as a communication, transaction or distribution channel (De Ville 1995; Anderson and Choobineh 1996). The most popular usage of the

Internet is as a communication channel. Due to its broad reach, vast amounts of commercial or noncommercial information are distributed around the world everyday at a relatively low cost. Some of the most interesting activities on the Internet involve simultaneous two-way communication (i.e. chat, shopping cart application). The second most popular practice is to treat the Internet as a transaction channel to facilitate sales activities between buyers and sellers. Being free from geographic and time constraints, sellers and buyers can carry out business transactions via the Internet regardless of physical distances and time differences. The least tapped function of the Internet is as a distribution channel. To qualify as a distribution channel, the Internet must accommodate the physical exchange of products and services. Currently, information goods, such as computer software, music, or reports, can be physically transferred through the Internet. Because of its attractive features, the pressure to develop a corporate presence on the Internet is intense.

A virtual store, simply stated, is “a storefront in cyberspace, a place where customers can shop from their home computers and where merchants can offer merchandise and services for a fraction of the overhead required in a physical storefront” (Yesil 1997). It allows companies to offer direct sales to their customers through an electronic channel (Hoffman et al. 1996). The emergence of virtual stores on the Internet has great impact on both the Internet and business communities. Although still a relatively small portion of the total sales, the growth of E-commerce on the Internet has been rapid (Schiesel 1997). One of the most important driving forces of such rapid growth is the existence of virtual stores on the Internet, which link buyers and sellers together regardless of the time and geographic differences. By establishing a presence on the Internet, a company instantly becomes an international company

operating 24 hours a day, 7 days a week. Virtual stores are at the frontier of business-to-customer transactions in EC, and they are the focus of this research.

2.2 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 sponsorship or banner Advertising

The company tries to persuade as many visitors as possible to the 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.

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

2877 e-1

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

2.3 The Internet and Opportunities for Businesses

The last few years have witnessed the phenomenal growth of the Internet, the world's largest collection of decentralized networks. The rate of the Internet's growth has been and continues to be exponential. As of January 2000, there are 10,008,475 com, org, net and edu domains registered worldwide (Zook 2000). The number of Internet users has also been growing at tremendous speed. The latest number from Global Research (2000) indicate that there are 148.5 millions of English speaking online users and 128 millions of non-English speaking users. While the United States still maintains the highest rate of Internet deployment, the fastest growth in the use of the Internet is international. For example, in Singapore, the number of Internet users increased from 52,000 in 1995 to 150,000 in 1997, and it is estimated that the figure will reach one million by the end of the decade (Teo et al. 1998). Originally designed to be a global research network, the Internet has changed into a global general-purpose network today. Its popularity is one of the most important driving forces of the recent revolution in personal computer technology. The Internet has quickly diffused into people's daily lives. Today, millions of people connect the Internet to get the latest news around the world, communicate with others, search for information, be

entertained, and purchase goods. Businesses have realized the great potential of the Internet. The recent advancements in computing technology, reductions in price for computer equipment, and availability of the Internet to both businesses and customers, are giving rise to new business opportunities through the Internet. A survey in 1997 shows that businesses doubled their usage of the Internet during the last year and approximately forty percent of the business owners admitted that the Internet has changed the way they do business (1997). Electronic Commerce is delivering its advantages over the traditional commercial approaches with the help of the Internet, and more and more businesses are taking advantages of it.

The Internet has expanded to become the largest global commercial network today. It is ideal for the rapid changing business environment due to its unique characteristics. Business value the Internet as a great complement to their traditional marketing strategy for the following compelling reasons:

Reaching Tremendous Numbers of Consumers

The Internet, sometimes called simply "the Net," is a worldwide system of computer networks - a network of networks in which users at any one computer can, if they have Permission, get information from any other computer (and sometimes talk directly to users at other computers). It was conceived by the Advanced Research Projects Agency (ARPA) of the U.S. government in 1969 and was first known as the ARPANET.

The original aim was to create a network that would allow users of a research computer at one university to be able to "talk to" research computers at other universities. A side benefit of ARPANet's design was that, because messages could .

Today, the Internet is a public, cooperative, and self-sustaining facility accessible to hundreds of millions of people worldwide. Physically, the Internet uses a portion of the

total resources of the currently existing public telecommunication networks.

Technically, what distinguishes the Internet is its use of a set of protocols called **TCP/IP** (for Transmission Control Protocol/Internet Protocol). Two recent adaptations of Internet technology, the **intranet** and the **extranet**, also make use of the TCP/IP protocol.

For many Internet users, electronic mail (**e-mail**) has practically replaced the Postal Service for short written transactions. Electronic mail is the most widely used application on the Net. You can also carry on live "conversations" with other computer users, using Internet Relay Chat (**IRC**). More recently, Internet telephony hardware and software allows real-time voice conversations.

The most widely used part of the Internet is the **World Wide Web** (often abbreviated "WWW" or called "the Web"). Its outstanding feature is **hypertext**, a method of instant cross-referencing. In most Web sites, certain words or phrases appear in text of a different color than the rest; often this text is also underlined. When you select one of these words or phrases, it will be transferred to the site or page that is relevant to this word or phrase. Sometimes there are buttons, images, or portions of images that are "clickable." If you move the pointer over a spot on a Web site and the pointer changes into a hand, this indicates that you can click and be transferred to another site.

Using the Web, you have access to millions of pages of information. Web browsing is done with a Web **browser**, the most popular of which are Microsoft Internet Explorer and Netscape Navigator. The appearance of a particular Web site may vary slightly depending on the browser you use. Also, later versions of a particular browser are able to render more "bells and whistles" such as animation, virtual reality, sound, and music files, than earlier versions.

According to Global Research (2000), as of February 2000, there are a total of 176.5 million Internet users worldwide, and the Internet is adding about 1.5 million new subscribers every month (De Ville 1995). By the year 2001, it is expected that there will be 112 million host computers connected to the Internet, implying a user base of more than 300 million (McClelland 1997). Such a large and fast growing marketplace is too significant for any business to ignore. A study conducted in 1996 showed that 68% of Web users were male, with an average age of 33, whose median household income was us\$ 59,000 (Pitkow and Kehoe 1996). This indicated a dramatic growth of the female population in Web users compared with the previous year. As previous studies found, the ratio of the number of female shoppers to the number of male shoppers in shopping centers is 2:1 (Dholakia et al. 1995), the growth of the number of female Web users makes the Internet an even more ideal medium to reach consumers.

Overcoming Geographic and Time Obstacles

The Internet electronically connects over 135 countries and makes information accessible at anytime from anywhere in the world (De Ville 1995; Anderson and Choobineh 1996; Corbitt 1996). The international segment of the Internet is the fastest growing portion of the network in terms of the number of new segments being added (Kozel 1992). With satellites coming into play, the Internet will soon be widely available to many people in rural areas and developing countries (Herther 1997). The Internet's global reach has provided opportunities that businesses have never even dreamed of: transactions around the world can occur 24 hours a day, 365 days a year (Yorgey 1997).

Low Cost

Unlike a lot of other information technology, the Internet incurs relatively low establishment and maintenance costs for businesses. In the last few years, advanced

technologies allowed the converging of low-cost processing power, digital compression technology, and increasingly high-speed communication links. Such technologies make Internet access widely available at a low cost for both businesses and their customers. Businesses are able to send literally millions of e-mails for less than the cost of a letter. And at the same time, business sectors using the Internet for marketing purposes claim that the response rate to Internet advertisements is quite reasonable for any marketing media (Hall 1995). Compared with other media, the variable cost of distributing information is very low on the Internet (Gogan 1996).

Flexibility

Business has much greater control over what information is displayed on the Internet than in any other medium. They are enjoying the flexibility of this digital medium by modifying existing information and delivering new information at will with little cost (Corbitt 1996). The Internet's flexibility is also reflected in the mode of access. It provides a way to distribute data to a large number of users in a low cost and platform independent environment. The Web was built on standards, including TCP/IP for communications, HTTP for application navigation, and HTML for display. These standards are supported by almost every major client/server computing environment (Howie 1998). One can connect to the Internet from almost anywhere with the help of a modem. Such flexibility significantly reduces the need for converting software.

Interactivity

Most of the traditional marketing channels (e.g. TV, radio and newspaper) facilitate one-way communication. The Internet provides a two-way communication solution that allows consumers and businesses to interact with each other in real time (Alba et al. 1997). For example, a company can collect customer information while the customer is making a purchase, and this information can be instantly used to make

suggestions for the next future purchase. Interactivity tends to increase consumers' attention span; therefore, it is essential that organizations attend to their audience's needs and respond to what they want to know and not what you want to tell them in a timely manner (Hoke et al. 1997). With the help of newly developed scripting languages (e.g. JavaScript and VB Script), new HTML development (e.g. Dynamic HTML, XML), and programming languages (e.g. Java and CGI), more and more interactive online applications are emerging on the Internet everyday. Marketers can immediately determine customers' preference through interactions and target customers with the right products and advertisements (Gogan 1996).

2.4 Main Approaches to do Business on the Internet

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

The business company can offer a product or services on web pages or offer free information to lure people to another web where 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 sponsorship or banner Advertising

The business company tried 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.

III. THE EXISTING SYSTEM

3.1 Background of our shop

Selling sport shoes and sport equipment is our family business that has been operated for more than 20 years. Our products consist of all sport shoes as well as sport equipment and accessories. International sport shoes and equipment brand name as Nike, Addidas, Puma and some other Europe products are our product ranges. Our products include imported as well as in-house products. However, the propotion is weighted towards imported rather than in-house products.

With strong support and corporation from the dealer-relationship in sport shoes and equipment, we have several items and models to cover the market's needs and wants. Our products are the best quality which is made from the high quality raw materials, providing with the best services for all customers. We have our specialist to test our products in order to guarantee our products. Through our full-service orientation and customer-service, customers are satisfied with our products. Other than using traditional distributions, we should increase the channel of distribution through E-Commerce, which not only provides convenience to our customers in finding their information but also increase an alternative buying and selling process.

To survive in this globalization era through the Internet, the opportunity to seek the advantage of the capabilities of electronic commerce to perform those buying and selling transactions over electronic networks is greater than merely adopting out the simple present viewing of commerce products.

3.2 Reason of Opening an Online Store Front

With continuous development of the Internet, companies and organizations as well as the customers now have access to immediate and easier means of viewing advertising and product ranges, especially, at a lower cost. This could help both, the buyer and seller, to reach their full potential in search for the suitable product and at a reasonable price. A one-shop-shop via web site is needed to be implementing in order to expand new market.

A home page or web site can be a relatively reasonably and and easy way to gain exposure to millions of people, keep customers informed of new offering, user friendly, easily accessible, make business transactions more convenient and more importantly attract potential targets, worldwide.

The Internet offers benefits to business of all sizes, regardless to the types of business and its nature. The following are the reasons for the use of the Internet to seek new marketplace to all businesses.

(a) Accesses the new market as well as creating new marketplace

Small local companies now can compete with the big companies anywhere in the world by presenting an on-line image of the companies' products and services. With an additional a real-time dimension pictures with audio sound mixed installed. The Internet offers the ability to create sales 24 hours a day, 7 days a week. The Internet never sleeps. People can access and order their products and services at any time of the day, day or night, and worldwide.

(b) Instant updates to the information

Advertising copy or brochure may be printed with errors or lack of update information that should have been included constantly. However, with

Internet advertising, the owners can change it at anytime they want. They can changes it to any kind of information they provide to their customers for example products, pricing or other company information. Data update is easily implemented.

(c) More convenient customer service capabilities

Customer services personnel can be freed from frequently asked questions or requests on their telephone lines for general information. Yet, by presenting the answers and information on-line, such problem may not occur, for customers can search for the answer on the web. On top of that, customer service personnel can utilize the time better than using time on route work. Moreover, information such as “Health Tip” and “FAQ” questions can be included in the web site to provide information for customer services.

(d) The ability to provide up to the minute information

Internet allows information accessibility anywhere at anytime. For example if someone is on the road and that information is needed right there for presentation, in such case the Internet can provide a solution if the information is loaded on the web.

(e) Information customized to customer's needs

Without the concern for printing costs and paper, users can create brochures on-line that appeal to their specific customer markets. Cost on printing is created at the right volume and can be adapted according to customer's needs.

(f) Improved operating efficiencies and reduced overhead

Create a “store” on-line or a “one-stop-shop”, which includes feature such as, “add to basket” along with different convenience payment method and

etc, will definitely improve operation efficiency and reduce overhead cost.

Fix cost such as overhead related to having a building, displaying inventory and hiring sales personnel to watch the store can be recuded accordingly.

These are the main reasons why companies are taking advantage of the Internet. And, why so many individuals are finding ways to start up their own businesses from home.

Benefits of having a Web site for my business:

(a) On-line Sales

A visible image with sound effect can create an on-line order taking service where any viewers can actually order products and/or services instantly, in real time, regardless of time differential across country. They can order whenever they please anytime despite the office operation time. Many sales orders can already be lined up in the process in the morning. This is one very strong benefit of having a web site.

(b) Instant Information

Most people like to search information in a quick and easy way. This is possible with a Web site because the Internet never closes. This means that the information that is online is readily accessible anytime and anywhere. It is easy to find this information because a visibilty image with sound effect and the web site name can be searched through the search engines or other internet media for a lesser time. Moreover, the name of the web site can be added in the business cards, flyers, brochures, ads, billboards etc to communicate the source for the search and instant information. People who are interested have the option to view a web site easily because of this address and find out about this company, products and services.

(c) Discount

With a web site, users can receive sales that they may not have otherwise got. One of the examples is to do the offering discounts from ordering on-line. This not only makes a web site more useful, but it also gives consumers a great reason to order online instead of using the traditional operation as well as creating the drive to use internet.

(d) Company Image

Modernization and up-to-date is important to create strong company image. Having a web site and being able to post company's name and address on the web is a great way to depict that a business stays ahead of the competition and wants to give their customers an easy way to find out about it first. A web site address on a business card or an advertisement does the job well to the target searcher as well as the prospect target customers.

(e) Prestige

Human beings simply want to gain good reputation in order to survive in this high competitive era. Having a web site is a useful tool to stay in this across-boundary business world. Thus, all businesses, especially new businesses need to start with something, and web site is a low cost mean to start a business.

For the information and the reasons that are mentioned above, opening an online store should be implemented rather than opening another retail traditional shop.

3.3 How Can Web Site Increase Business from Existing Clients?

The initiative to start a new business through a Web site continues to be seen as a little awesome and risky, consider pros and cons that a Web site can be used to increase business from existing clients, the answer may be different. Given the new

marketplace to satisfy customers' demand and create market value to the industry not only build needs and want, but also new market trends. With current high information era, customers have high purchasing power yet lesser time, so we need to show that our website can reduce time for them. Information can be retrieve quicker at anyone's convenient time.

Certainly, our customers already have a good idea about our items. So, it is better to be more skeptical about how a computer through the Internet or Web Site can improve our relationship while creating a new marketplace. First, an e-mail system or a Web site, just like a fax machine in the early '80s, are great tools to show our satisfied customers that we are dedicated to keep up with the technology. A tool to serve customers' needs and wants through the high speed communication with quick, efficient, and convenient results. Second, a Web site is an extremely flexible way for owners as well as the searchers. Real picture and sound effect can be installed to display ad that can be printed out, and serving as a combination business card, resume, and marketing brochure, which is rapidly becoming standard practice in the all kinds of trading industry, intangible and tangible products.

Undoubtedly, within a few months Web site cannot replace face-to-face contact or personal referrals. However, within a few years, Web site or mobile Internet may play as an important tool for finding new clients or overcoming service that have not been discovered before.

We do think that professionals are quickly finding that a Web site is a great supplement to many of their existing marketing efforts. First of all, it is another way of getting our name out in front of clients and prospects. Second, it is a wonderful way to introduce prospects to our firm without lugging round a box of marketing brochures and copies of articles. When we put our Web address, or Uniform Resource Locator (URL),

on our business cards and pass the cards on to potential clients, they can immediately access our site and browse the information that we want them to see, Sure, we will have to follow up. Having information ready for viewing on our Web site allows us to get past the general formalities and focus on demonstrating what we can bring to the prospect's business. Finally, a Web site is a cost-effective way to communicate new announcements about changes or additions to our firm, a new location, or new areas of practice.

Potential Business Benefits:

When defining the aims of Internet marketing, a company should conduct a comprehensive review of all the business benefits that could occur. This can be of importance for analysing the case for investment in a web site. www.Sportrevolution.net identifies the following as the main benefits of setting up an Internet site:

- (1) Create new marketplace;
- (2) Improved customer service;
- (3) Increased Product and Visibility Value;
- (4) Market expansion;
- (5) Online transactions;
- (6) Lower communication costs

IV. MARKETING ANALYSIS

4.1 Mission Statement

A mission statement sets one organization apart from others and is a prerequisite to developing a marketing mix and marketing plan. The mission statement of Sportrevolution.net is:

“Sportrevolution.net established to revolutionize the sport industry by Fulfilling the Need, of the sport-lover, with various-high-quality products.”

4.2 Marketing Objectives

Setting objectives is the conversion of mission into target outcomes and performance milestones with a deadline for achievement. Objectives can be stated in terms of financial performance and strategic performance.

Like other companies, Sportrevolution.net needs both long-term and short-term objectives. Long-term objective three years ahead drive targeted long term performance guided by short-term goals.

Long-term objectives of Sportrevolution.net emphasize the following:

- (1) Improve the quality of services for a higher market share.
- (2) Enhance revenue from value-added service development.
- (3) Develop an organizational as well as a website image.
- (4) Reduce cost for a better net profit margin.
- (5) Build up an online Sports equipment community.

Short-term objectives indicate the specific level of performance to be achieved. Current unsatisfactory performance and the external environment will lead to the next short-term objective of Sportrevolution.net.

Sportrevolution.net is in the introductory stage of the business life cycle and is a new operator in online business. Big investment is not considered important. Rather, developing a website image and offering high value added service together with customer satisfaction will be emphasized.

The short-term objectives of Sportrevolution.net are therefore:

- (1) Complete the introductory stage with a sales volume at the growth rate of 15% annually.
- (2) Emphasize quality service by developing competitive customer satisfaction.

4.3 Marketing Mix

Two components are involved in marketing strategy, the target market (customer), and the marketing mix. Marketing Mix refers to the levels and interplays of the elements of a product's or service's marketing efforts, including product features, pricing, packaging, advertising, merchandising, distribution, and marketing budget; especially as these elements affect sales results.

To be successful in online business, a well-planned marketing strategy is essential for Sportrevolution.net. Marketing strategy must be adapted to the cyber market environment. Sportrevolution.net will plan marketing strategy according to the online market situation and to the nature of transactions, referred to as Business to Consumer transaction. The marketing strategies of Sportrevolution.net are focusing on how to convert opportunities and marketing variables to maximize customer satisfaction by giving significant value to the customer as much as possible.

Sportrevolution.net is a specialized E-Store offering electronic sport equipments to customers online by implementing a partial cyber marketing strategy and reactive distribution strategy. In other words, some business procedures are done through

traditional paths using a direct marketing approach. The greatest challenge is to build up customer awareness during the introductory stage of Sportrevolution.net.

Therefore, marketing strategy concentrates on how to offer higher value to the customer to maximize consumer satisfaction. Using the web is one of the best value added service tools for customers.

Qualified marketing mix requires product, price, place, promotion and customer, described as follows:

Product

Product is a key element in the market offering. Marketing-mix planning begins with formulating an offering to meet the target customer's needs or wants. Product can be offered in many forms; physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas. The target customer will judge the offering by three basic elements: product features and quality, service mix and quality, and price appropriateness.

Product of Sportrevolution.net is physical goods, divided into many sub categories which offer many brands for customer such as Adidas, Nike, Puma, and Reebok etc. Therefore, product strategy is to provide detailed information to the customer. E-Mail, Chat or telephone calls can be used to provide such information.

Moreover, sport equipment products are a convenience product usually is low-priced and is widely available but it require basic skill and knowledge for use. The customer must be willing to search for information to order the best product for their needs. Most of potentials know the basics about our products and have already decided to buy this kind of convenience product.

Price

Price is the marketing-mix element that produces revenue. Others produce costs. Price is one of the most flexible elements: it can be changed quickly, unlike product features and channel commitments.

Profit-oriented objective is set as pricing policy. Sportrevolution.net will therefore ask top prices to make product special and exclusive. Price skimming is used to enhance customer demand for specialty products. Uniform delivery prices within Thailand will be set.

A Skimming price policy refers a method of pricing that attempts to first reach those willing to buy at a high price before marketing to more price-sensitive customers. Once there is business growth and a mature stage of the business life cycle is reached, prices can be lowered to be more competitive.

Pricing is set as follows:

- (1) A 10-20% marks up to generate profits, depending on each product.
- (2) Uniform Delivered pricing of 300 baht per delivery to all areas in Thailand. Foreign buyers are charged according to the actual delivery prices of United Parcel Service.

Sportrevolution.net offers three methods of payment:

- (1) Cash on Delivery (COD) for the Bangkok metropolitan area only. The sender will deliver by motorcycle and receive cash.
- (2) Money transfer. Upon receipt of confirmed documents from the customer, a call for confirmation will be made and prepare the shipment afterward.
- (3) However, Credit Card payment is in development plan and will be available after implementing the real shop. Payment can be made via VISA, MASTER Card, TFB Local Card, JCB, and SCB Local Card.

Place

While place refers to the availability of the goods and services, the importance of the place is the critical key because it is only a marketing variable that customer can reach to the product and service. Place also refers to channel of distribution starting from supplier to end user.

Recently, the Internet is considered as the most dynamic, attractive, and low operation cost for using as a place. The Internet offers convenience, wide range of information, and fewer hassles to the customer, while business owner can achieve higher audience volume, greater relationship with lower operation cost

Sportrevolution.net is based on cyber marketing, so no traditional physical store will be used. Rather, online ordering and distribution will be done. However, the store cannot be considered to exclusively use cyber marketing. Some transactions will still be performed in the traditional way. The use of traditional physical distribution channels and traditional payment methods is a reactive strategic posture toward cyber marketing.

Promotion

Promotion is all forms of communication other than advertising that calls attention to products and services by adding extra values toward the purchase. Includes temporary discounts, allowances, premium offers, coupons, contests, sweepstakes, etc.

Since Sportrevolution.net is in the introductory part of its business life cycle, our initial focus will be on customer awareness rather than on sales promotions like discount pricing. Strong web advertising and direct marketing using active push and passive pull strategies will be used to build customer awareness of www.sportrevolution.net

Compared to conventional advertising media such as TV, radio, and newspapers, the advantages of web advertising are:

- (1) It is highly accessible. Advertisements can be accessed 24 hours a day, 365 days a year. Costs are the same regardless of audience location.
- (2) It affords a great opportunity to create a one to one direct marketing relationship with customers.
- (3) Distribution costs are low. Millions of customers can be reached for the same cost as one customer.

Therefore, advertising method will rely on the use of banners. Banner swapping and banner exchanges with our partners can promote Sportrevolution.net to customers effectively while keeping advertising costs relatively low compared to the click ratio. Choosing the right partner is the key to success of banner advertising, and requires detailed study of the number of browsers of potential partners. A bigger audience means a better opportunity to attract customers. Banner advertising is known as pull/passive advertising strategy.

Our push/active advertising strategy will be performed by e-mail. We will randomly send e-mails to potential customers who are interested in sports. The disadvantage is that customers may regard our e-mail as junk mail. The key is careful selection of customers.

Both the active and passive advertising strategies of our web site share the goal of raising customer awareness and loyalty to increase our market share and be a leader in the sport equipment market. Promotion is costly, but keeping customer loyalty is an even greater challenge.

Targeting Customers

Customers are one of the key elements in the marketing mix. To maximize satisfaction, Sportrevolution.net must provide high quality service. This includes providing high quality products and efficient online service.

Customer orientation is also important for success. This requires getting and circulating customer information, and evaluating customer information. The customers' needs and values as well as how they wish to be served must be understood. This applies to both existing and potential customers. Marketing surveys are one of the best ways of getting this information. Circulating customer information refers to the process of translating customer needs into effective actions. Main and support divisions involved in customer satisfaction will take action and monitor their performance against a common benchmark. Evaluating customer information is the evaluation of these actions to see if they meet the target and setting benchmarks. A market survey questionnaire is a popular tool for performing these evaluations.

Customer Relationship Management (CRM) improving interaction with customers with the aim of increasing customer satisfaction and loyalty and it will be used to collect customer information as per the customer orientation concept. Every transaction and customer profile will be kept in a customer database. Customer data can be retrieved for multiple purposes such as order tracking and tracking of customer's needs, and acquiring customer feedback. CRM will help Sportrevolution.net satisfy their customers better and help improve our market share.

4.4 SWOT Analysis of Sportrevolution.net

SWOT Analysis is an examination of the internal environment of a firm (mission, objectives, strategies, resources, trends, etc) to identify particular strengths and weaknesses, and its external environment (demographic, economic, technological,

social and cultural. SWOT analysis helps the management team summarize the major facts and forecasts derived from external and internal analyses. SWOT Analysis allows management to derive a series of statements identifying primary and secondary strategies to capitalize on opportunities, counteract threats, and alleviate internal weaknesses.

SWOT Analysis of Sportrevolution.net can be described as follows:

Strengths:

- (1) Sportrevolution.net offers only high quality products, updated product.
- (2) Sportrevolution.net offers a 30-day money back guarantee.
- (3) Sportrevolution.net sells products online, providing both high accessibility and flexibility to the customer.

Weaknesses:

- (1) Sportrevolution.net has limited financial resources and a small investment fund.
- (2) Sportrevolution.net is in the introductory stage with a small customer base and a low market share.
- (3) Sportrevolution.net has limited experience in conducting online business.

Opportunities:

- (1) Health consciousness in Thailand is increasing in popularity.
- (2) The best way to improve quality of life is exercise.
- (3) Internet technology in Thailand is developing fast and broadband Internet will be available in the near future. Product display is therefore available anytime and anywhere.
- (4) Selling through The Internet and E-Commerce offers accessibility and flexibility to the customer.

- (5) Banner advertising on the web can reach a high number of target customers and can promote effectively.

Threats:

- (1) Most Thai customers want to see, touch and test a product before buying.
- (2) Globally there is a lack of confidence in online payment online because of security concerns.
- (3) Customers may lack trust in online business partners.

4.5 Five Forces Analysis

Threat of Entrants

The effects of a new company entering the sport equipment industry are complex. Offering lower prices and increasing the cost of competition are possibilities. Anyone can build a competitive web site. The expanding sport equipment market gives incentive to new entrants. However, this incentive is counterbalanced by high entry marketing and development costs.

Power of Buyers

The threat of buyers not being retained and thereby giving only a modest return is high in the sport equipment industry. Buyers have alternatives and low switching costs, giving them moderate to high bargaining power. Trying to add value by providing demand value is the solution. Value is comprised of strong/applicable/trustworthy sport equipment, high customer service, ease-of-use of service, timesaving benefits, and cost-saving benefits.

Threat of Substitutes

The extent, to which products or services, other than those in a given category, meet a buyer's needs, will be determined. Therefore, buying limits a selection of sport equipment. Some of the possible substitutes for Sportrevolution.net are: adding more

related product, advertising in all of the same places that Sportrevolution.net will advertise for them in the web site.

Power of Supplier

Determining the extent, to which value created for Sportrevolution.net, will be appropriated by suppliers. For instance, Sportrevolution.net offer a special sport equipment product, Supplier is the important, because all items must be from the same supplier that is under the contract between our online shop and dealer of each brand.

Rivalry among Existing Firms

The Sport equipment industry makes an attractive business proposition because there are few strong competitors at the moment and growth is rapid.

4.6 Customer Analysis

By sorting out targeted customer in order to plan and apply the best-fitted marketing strategy, Sportrevolution.net has also concerned in customer orientation concept. Thus, the best customer satisfaction can be achieved as well as generate higher sales volume and higher market share.

To understand customer characteristics is also another key to achieve those objectives. Customer analysis is the process of analysing customer wants and needs in order to decide the appropriate approach for satisfying those needs. Customer behavior is influenced by cultural, social, personal, and psychological factors. Therefore, the best firms can understand these factors; the best firms can satisfy their targeted customer.

Customers will also be sub-grouped by demographic features in order to offer the best customization, achieving the highest possible customer satisfaction.

4.7 Market Segmentation

Segmentation is a process of defining a possible target market. Market segmentation is a two-step process: First, broad product markets are named. Then,

these broad product markets are segmented to select target markets and develop suitable marketing mixes. The segmented group can be single or multiple depending on product characteristics and company resources. Multiple target markets are appropriate for those with substantial financial resources. Good market segments follow these criteria:

- (1) Homogeneous: The market segment should be as similar as possible with respect to likely responses to marketing mix variables and segmenting dimensions.
- (2) Heterogeneous: The market segment should be as different as possible with respect to their likely responses to marketing mix variables and segmenting dimensions.
- (3) Substantial: The segment should be big enough to be profitable.
- (4) Operational: The segment should be useful to identify a target market and decide on marketing mix variables.

The major transactions of sportrevolution.net will be focused on B2C (Business to Customer) environment. Customers can be both Thai and international. Sportrevolution.net segments our target group based on demographic, behavioral, and geographic criteria.

- (1) Demographic
 - (a) Age: 20 up
 - (b) Income: Baht 15,000 per month
 - (c) Interests: Sports lover
- (2) Behavioural
 - (a) Personality: Concern healthy conscious
- (3) Geographic
 - (a) Bangkok and International Based

Due to financial resources and product characteristics, major target group will be segmented as a single target market. Sportrevolution.net will focus on Sport equipment, aged between 20 up, with an income of about 15,000 Baht per month who live mainly in Bangkok and International country.

4.8 Positioning and Differentiation

By differentiating, the marketing mix will do a better job meeting the customer's needs and the firm builds a competitive advantage by making the customer view the firm as unique in the market. The development of the customer's view of the firm in the market is referred to as the positioning process. Once you know what your customers think, then you can decide appropriate marketing strategy, repositioning or even leave the market. Sportrevolution.net can easily be differentiated from competitors because it offers online selling of high quality products.

To reinforce our customers to think of Sportrevolution.net as the leading sport equipment online store by using a substantial website promotion campaign will be focused. Building up a strong brand image and customer loyalty are the keys to eventually generating high sales volumes and increasing market share.

4.9 Associated Risks

Defective Product Risk

A defective product is a major risk that can occur at any time. After supplier confirms the defect, Thirty days warranty for every item bought from Sportrevolution.net will be offered.

Hardware Breakdown Risk

Hardware breakdown is notorious and creates uncertainty in customer's minds. Reliable hardware with effective back up solutions like redundant servers will be used to prevent such problems. These servers should be placed far from each other to protect

against loss from robbery and natural destruction. Network protection such as firewall, intruder detection and virus protection are extremely important to prevent systems from computer attacks.

4.10 System Security

Customers' data is strictly protected against any unauthorized access at racingequipment.net. Protecting order information is the highest priority. Sportrevolution.net protects online orders by the use of Secure Sockets Layer (SSL) technology. SSL encrypts order information so that it can only be decoded by Sportrevolution.net. The security of the connection can be verified by looking at the bottom of the customer's browser window after accessing the server.

Some versions of browsers and some firewalls do not permit communication through secure servers. In these cases, customer will be unable to connect to the server, so customers do not have to worry about mistakenly placing an order through an unsecured connection.

At Sportrevolution.net, protecting customer privacy is highly concerned. The information from our customer database by the implementation of customer relationship management will be used. Customer can experience a dynamic, customized web page to serve their individual needs. Special offers will be informed through this function for customer appreciation. The customers will never have to worry about receiving a barrage of unexpected e-mail since selling, rental, or trading customer information will not be done.

When registering with Sportrevolution.net, some contacting information will be asked, such as customer's name and e-mail address. The customer contact information from the registration form will be used to send customer information about company

information and promotional material from some of the partners. If customers do not wish to receive future mailing, they can choose not to get this service.

4.11 Future Plans of Sportrevolution.net

Expand Market Coverage

Besides maintaining our existing group of customers, expansion of the market by Focusing on international markets will be achieved. The developed country has the greatest potential.

Extend Product Line

Adding other categories of sport products will be done. In the near future, all sport equipment in variety of items will be offered.

Develop and Apply Supply Chain Management Concept into Current System.

Strong supply chain management is essential to save distribution, transportation, inventory, and operation costs to prevent out of stock and over stock problems. Effective vendor management inventory and collaborative planning and forecasting replenishment will be implemented in order to build a win-win environment between customer, supplier, and Sportrevolution.net.

Accurate sales forecasting will rely on collaborative planning and an integrated supply chain. Meanwhile, vendor management inventory will help Sportrevolution.net plan stocking levels according to demand effectively and efficiently.

Supply chain management requires tools that enable the integration and collaboration of whole chains together. The Internet is considered as the best enabling tool of supply chain management. For real time communication, The Internet allows all members to share information about sales volume and sales forecasting.

V. FINANCIAL ANALYSIS

5.1 Break-even Analysis

One of the most common tools used in evaluating the economic feasibility of a new enterprise or product is break-even analysis. The break-even point is the point at which revenue is exactly equal to costs where no profit is made and no loss is incurred. The break-even point can be expressed in terms of baht sales. That is, the break-even units indicate the level of sales that are required to cover costs. Sales above that number result in profit and sales below that number result in a loss. The break-even sales indicate the baht of gross sales required to break-even. It calculates a break-even point based on fixed costs, variable costs per unit of sales, and revenue per unit of sales.

Break-even analysis is based on two types of costs: fixed costs and variable costs. Fixed costs are overhead-type expenses that are constant and do not change as the level of output changes. Variable expenses are not constant and do change with level of output. Because of this, variable expenses are often stated on a per unit basis.

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. In addition, these changes will change the break-even. So, a break-even point cannot 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.

5.1 The Break-Even Analysis depends on three key assumptions:

(1) Average per-unit sales price (per-unit revenue):

This is the price received per unit of sales. Take into account sales discounts and special offers.

(2) Average Variable per-unit cost:

This is the incremental cost, or variable cost, of each unit of sales.

(3) Monthly fixed cost:

Technically, a break-even analysis defines fixed costs as costs that would continue even if you went broke. It is recommended that the regular running fixed costs, including payroll and normal expenses (total monthly Operating Expenses) should be used.

Formula

The basis equation for determining the break-even unit is:

$$\text{Average Monthly Fixed Cost} / (\text{Average Per-Unit Sales Price} - \text{Average Variable Per Unit Cost})$$

The basis equation for determining the break-even sales:

$$\text{Average Monthly Fixed Cost} / [1 - (\text{Average Variable Per Unit Cost} \div \text{Average Per-Unit Sales Price})]$$

Sportrevolution.net would like to know the number of units required to reach the break-even point in each month. Three key assumptions:

Average per-unit sales price	325.00	Baht
Average Variable per-unit cost	248.07	Baht
Monthly fixed cost	94,035.00	Baht/Month

Table 5.1. Break-Even Analysis.

Break Even Analysis:	
Monthly Units Break-Even	1,222 Units
Monthly Sales Break-Even	397,262 Bath
Assumptions:	
Average Per-Unit Revenue	325 Bath
Average Per-Unit Variable Cost	248.07 Bath
Estimate Monthly Fixed Cost	94,035 Bath

The Break-Even Point Analysis in Table 5.1.1, calculates a break-even point on fixed costs, variable costs per unit of sales, and revenue per unit of sales. Therefore, we should sell an average of 1,222 units where profits nor loss would occur, as illustrated in the table below.

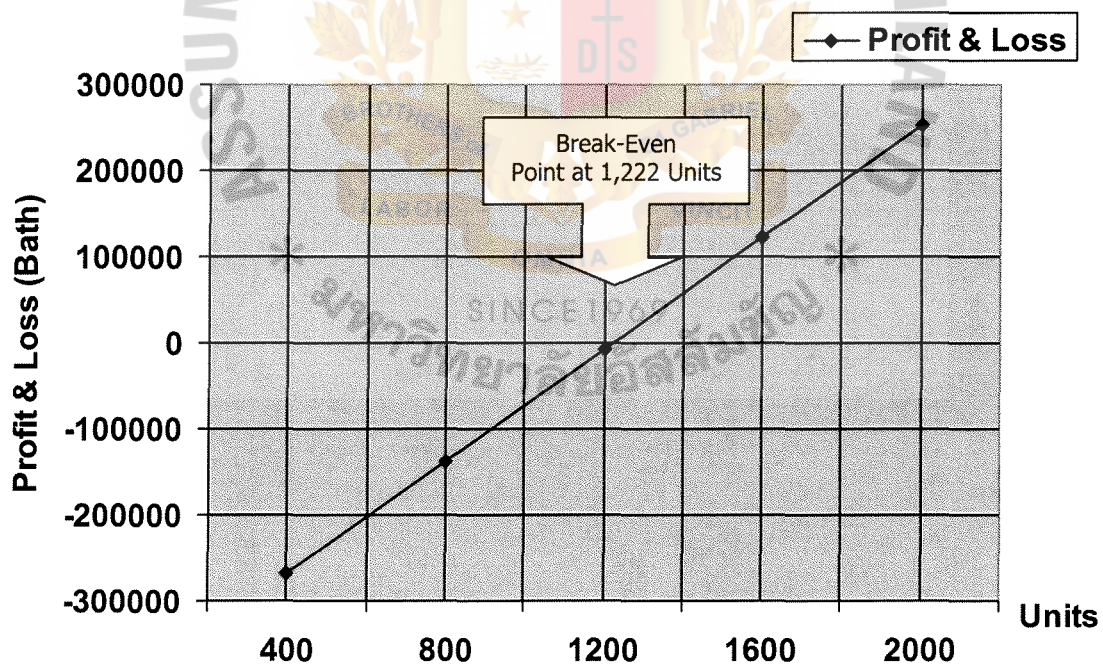


Figure 5.1 Monthly Units Break-Even Point.

Therefore, the Break-even Point Analysis determined what need to sell, monthly or annually, to cover costs of doing business.

5.2 Return on Investment

A measure of the net income a firm is able to earn with it is total assets. Return on investment is calculated by dividing net profits after taxes by total assets. i.e. what do I get back ('return') for the money I am being asked to spend ("investment")? The term means that decision makers evaluate the investment potential by comparing the magnitude and timing of expected gains to the investment costs.

Return on investment will be calculated by subtracting revenue while integrating capital investment cost as well as pre-operation cost. The annual fixed cost and variable cost every year is included. The expense and revenue summary in the first five years is shown below.

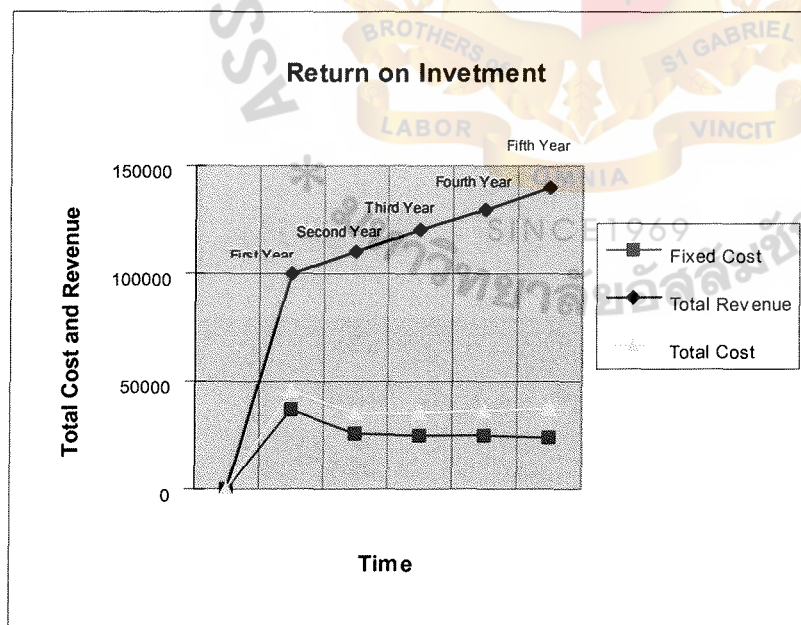


Figure 5.2. Return on Investment.

At the figure above, the return on investment is shown in five years time frame, while the detailed calculation is illustrated at the table displayed on at the next page.

Table 5.2. Expenses and Revenue Summary.

Expense	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Fixed cost					
Web Implementation	10,000	-	-	-	-
Facilities *Includes telephone	10,000	10,000	10,000	10,000	10,000
Internet/Hosting	12,000	12,000	12,000	12,000	12,000
Advertisement	5,000	4,000	3,000	3,000	3,000
Variable cost					
Transportation/ Delivery Costs	8,400	9,240	10,164	11,180	12,298
Total Cost	45,400	35,240	35,164	36,180	37,298
Revenue					
Sales	630,000	693,000	762,300	838,530	922,383
Direct Cost of Sales *Includes Cost of Goods Sold	530,000	583,000	641,300	705,430	775,973
Other Costs of Sales	0	0	0	0	0
Total Cost of Sales	530,000	583,000	641,300	705,430	775,973
Total Revenue	100,000	110,000	121,000	133,100	146,410
Total return	54,600	74,760	85,836	96,920	109,112

According to calculation shown in Figure 5.2 and Figure 5.3, total return in the first year is 54,600 Baht, therefore; the ROI period is one year.

5.3 Net Present Value

Net Present Value (NPV) is a way of comparing the value of money now with the value of money in the future. NPV compares the value of a dollar today versus the value of that same dollar in the future, after taking inflation and return into account.

If the NPV of a prospective project is positive, then it should be accepted. However, if it is negative, then the project probably should be rejected because cash flows are negative.

For example, assume that the economic situation, the interest rate is at 3 % according to the Bank of Asia for January 2004. Research estimates that the interest rate will be flat for about three years. NPV will be calculated for the next five years since it is estimated that the ROI is one year. Revenue is estimated for five years. An interest rate of 3% will be assumed.

Net Present Value = Present Value of Cash Inflow - Present value Of Cash Outflow

Present values of cash out flow

Assumption: The payment is paid at the beginning of the year.

Present value of cash out flow for the first year = 45,000

Present value of cash out flow for the second year = $35,240/1.03 = 34,213.59$

Present value of cash out flow for the third year = $36,297/1.03^2 = 34,213.60$

Present value of cash out flow for the fourth year = $35,208/1.03^3 = 33,187.00$

Present value of cash out flow for the fifth year = $34,152/1.03^4 = 32,191.30$

Therefore, present value of cash out flow = 178,805.49

Present value of cash in flow.

Assumption: The money is got at the beginning of the year.

Present value of cash in flow for the first year = 100,000

Present value of cash in flow for the second year = $110,000/1.03 = 106,796.11$

Present value of cash in flow for the third year = $121,000/1.03^2 = 114,054.09$

Present value of cash in flow for the fourth year = $133,100/1.03^3 = 121,805.34$

Present value of cash in flow for the fifth year = $146,410/1.03^4 = 130,083.37$

Therefore, present value of cash in flow = 572,738.91

Net Present Value = Present Value of Cash Inflow - Present value of Cash Outflow

Net Present Value = $572,738.91 - 178,805.49 = 393,933.42$

The net present value is therefore positive for this five-year estimate, equaling 393,933.42 Baht. Financial analysis indicates a return on investment in one year, which is reasonable in today's economic situation.

The results of this analysis gives positive signs for investment since after the first year there will be profit. There is also considerable opportunity for growth. Therefore, this project is a suitable one for investment.

VI. WEB DATABASE AND IMPLEMENTATION

6.1 Setting up Database Driven Websites

Some of the more popular tools for doing this are IIS and Microsoft Access. Therefore, we have installed them for further process as indicated in the figure below.

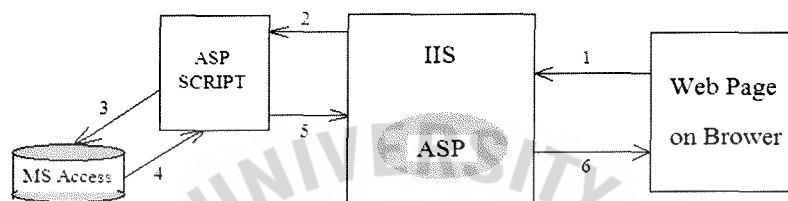


Figure 6.1. Web Server and Database Operation.

According to Figure 6.1, there is a web page that pulls some data out of a database. The user requests data from his browser and sent to the web server, which in turn calls an ASP script. The ASP script will be executed by the ASP preprocessor, which pulls data from the database. The results are then messaged by the rest of the ASP script and turned into HTML. The final HTML is sent back to the user's browser. For better understanding, we have illustrated them below:

- (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 as “.asp” is an ASP script that contains commands. One of these commands generates a connection and retrieve data from the database
- (3) The data from the database, and the file, which has extension name “.asp,” format the data. Typically, it will be organized before formatting it into HTML.

(4) The HTML sends back to IIS.

(5) IIS sends response back to the user's browser to complete user's request.

The user now can view a well-designed web page containing information from a database.

6.2 Building a Product Catalog

All E-Commerce systems involve three basic functions: Displaying a product catalog, browsing function through the product catalog, and purchasing function from the product catalog

Building a product catalog is also another critical activity to success an E-Commerce. Due to the importance of product catalog, it is concerned as only of channel that can generate revenue from customer. Therefore, product catalog design should be planned and implemented carefully in order to attract all potential customers and generate sales volume.

Here is a simple diagram to illustrate the process:

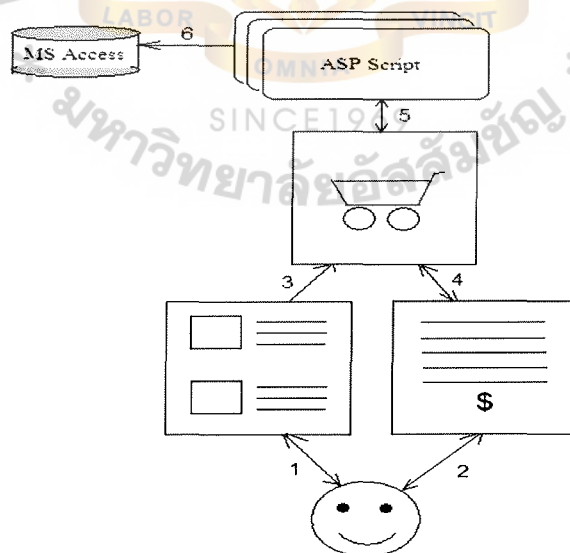


Figure 6.2. Product Catalog.

- (1) User visits the website and accesses the product catalog.
- (2) User confirms his payment for completing the transaction.
- (3) User browses through the catalog and adds items into his shopping cart.
- (4) The server updates the user's shopping cart with the items he has selected.
- (5) HTML sends user's data to server through ASP script.
- (6) The server generates user order summary calculating the price of the order and store it in server itself.

According to the figure, the product catalog plays a very important role in E-Commerce as the channel that can create transaction from the customer. However, only product catalog itself cannot work independently. They require HTML, ASP script to communicate with the database and server in order to complete the transaction.

Now that we understand how we should build our product catalog, let's shift our attention to the shopping cart. What exactly is a shopping cart, and how should it be built? A shopping cart is simply a list of products that the customer wants to buy, so it turns out to be really easy to build. In fact, our shopping cart will just be an associative array of product ID's and quantities, and it will be stored as a session variable.

The basic operations that we would like to be able to do with our shopping cart are:

- (1) Add products to the cart
- (2) Remove products from the cart
- (3) Count up the number of products in the cart
- (4) Calculate the total price of the products in the cart

6.3 Managing Users with Sessions

The session management allows multiple users to communicate with web server in the same time. Moreover, session management also allows web server to recognize

you and retrieve your personal information such as order, payment, etc from the database.

Since the web (or specifically, the HTTP protocol) is connectionless, that means each request made to a web server is independent of all the other requests. Whereas user's computer keeps information in primary memory and acquainted when user has log in and out; a web server does not. A web server simply waits for requests and sends responses.



Figure 6.3. Session Management.

According to the above figure, there are two users, User1 and User2, accessing Web Server, and their actions are like this:

- (1, 2) User1 and User2 look at the product catalog.
- (3, 4) User1 and User 2 add an item to his basket.
- (5, 6) User1 and User 2 go to the checkout.

Regarding that, HTTP is connectionless, each request is completely isolated from the other requests. The web server can complete those actions by response to all request by the implementing of session management through the scripting language.

6.4 Hardware and Software Requirements

Hardware Requirements

Only one portable computer is functioned as our workstation and web server, which is the existing hardware whereas the details of hardware specification is listed below:

Table 6.1. Hardware Specification.

HARDWARE	DESCRIPTION
CPU	Intel Pentium4 3.20 Mhz
Mainboard	Intel 848P Chipset
Memory	512 MB DDR PC 3200
Harddisk	120 GB HDD 7200rpm
Graphic Card	nVidia GeForce FX5200XT 3D AGP
Sound	Inte Stereo Sound System Dolby 5.1
Floppy Disk Drive 1.44	Default
Monitor	HP Pavilion 15" LCD
Modem	56 K ITU v.90 Modem

Software Requirements

The software requirement is listed as below, while the major function is a web server. Window 2000 Server (Microsoft Internet Information Server) is functioned as operating system and Microsoft Access treated as database because of its flexibility. Since ASP provides session management functions, it is being used as scripting tool.

Table 6.2. Software Specification.

SOFTWARE	DESCRIPTION
Web Server	Microsoft Window 2000 Server
Database Server	Microsoft Access or higher
Server-side Scripting Tool	ASP version 2
Web Development Tool	Edit Plus 2.11
Graphic Tool	Adobe Photoshop version 6.0.1
Screen Capture Tool	HyperSnap-DX version 4.22.01

VII. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

Electronic Commerce is about doing business electronically. It is based on the electronic processing and transmission of data. It encompasses many activities including not only electronic trading of good and services, online delivery of digital content but also involves both products; for example consumer goods and services, information services. Electronic Commerce also allows products to be marketed worldwide, while providing a wide range of option to the customers.

Web Design of Sportrevolution.net is implemented through HTML and Macromedia Dreamweaver MX which developed by Edit Plus. Apart from web model, web database is another key to complete the function of cyber shop. Microsoft Access and Microsoft Window 2000 server is functionalized as Database and Web server, while ASP functioned as server-side scripting Tool.

Therefore, Sportrevolution.net could not be success by focusing only web Design and Database. Situation Analysis, SWOT Analysis, as well Financial Analysis must be performed. Meanwhile, Marketing Analysis particularly in Customer Analysis assists in targeting customer and segmenting the market. As a result, one segmented is the best approach for Sportrevolution.net to maximize customer satisfaction. Accordingly, Financial Analysis answered that the return on investment will be only within one year and the profit could be gained in this business.

In addition attention the main benefit for online shop as following;

- (1) Create new marketplace
- (2) Improved customer service
- (3) Increased Product and Visibility Value

- (4) Market expansion
- (5) Online transactions
- (6) Lower communication costs

The addressed of above analysis and the function of web design and database, Sportrevolution.net can be achieved its objective efficiently and served target customer with provided online service. The advances of internet Technology drive Sportrevolution.net to initiate the cyber shop.

7.2 Recommendations

During the first launch, COD (Cash on Delivery, the sender gives goods to the receiver and the receiver pays cash to the sender) is the alternative to the customer. However, best effort will be made to develop a secure payment system to ensure customer trust. Electronic payment shops to encourage online payment will be carried out in the near future.

Supply chain management must be implemented efficiently to supply product to customers on time. Internet Technology to link customers and suppliers together for better information sharing will be developed.

Sportrevolution.net plans to increase the number of sport equipment available as well.

Promotion and advertising will be necessary to increase the visibility and popularity of the company and site during the introductory period. Continuous surveying and research are also required to ensure success.

A satisfied customer is essential for the survival of an online business. Customer Relationship Management concept (CRM) will be used in order to maintain targeted customer.

The secured payment will be consider as the major issue as well as supporting program availability for the customer to the specialist.

The other consideration point out in this project is to identify the major issues of sportrevolution.net. In order to carry out this investigation, some of these appropriate areas will be taking into considerations;

- (1) Identify different type of products and services that will influence the customer's choice in the Internet shopping.
- (2) Identify the type of customers which are appropriate for Sportrevolution.net
- (3) Identify the areas of Sportrevolution.net
- (4) Customer issue in sportrevolution.net that is security, privacy, access and term and condition will also taking into account.



A.1 Site Map

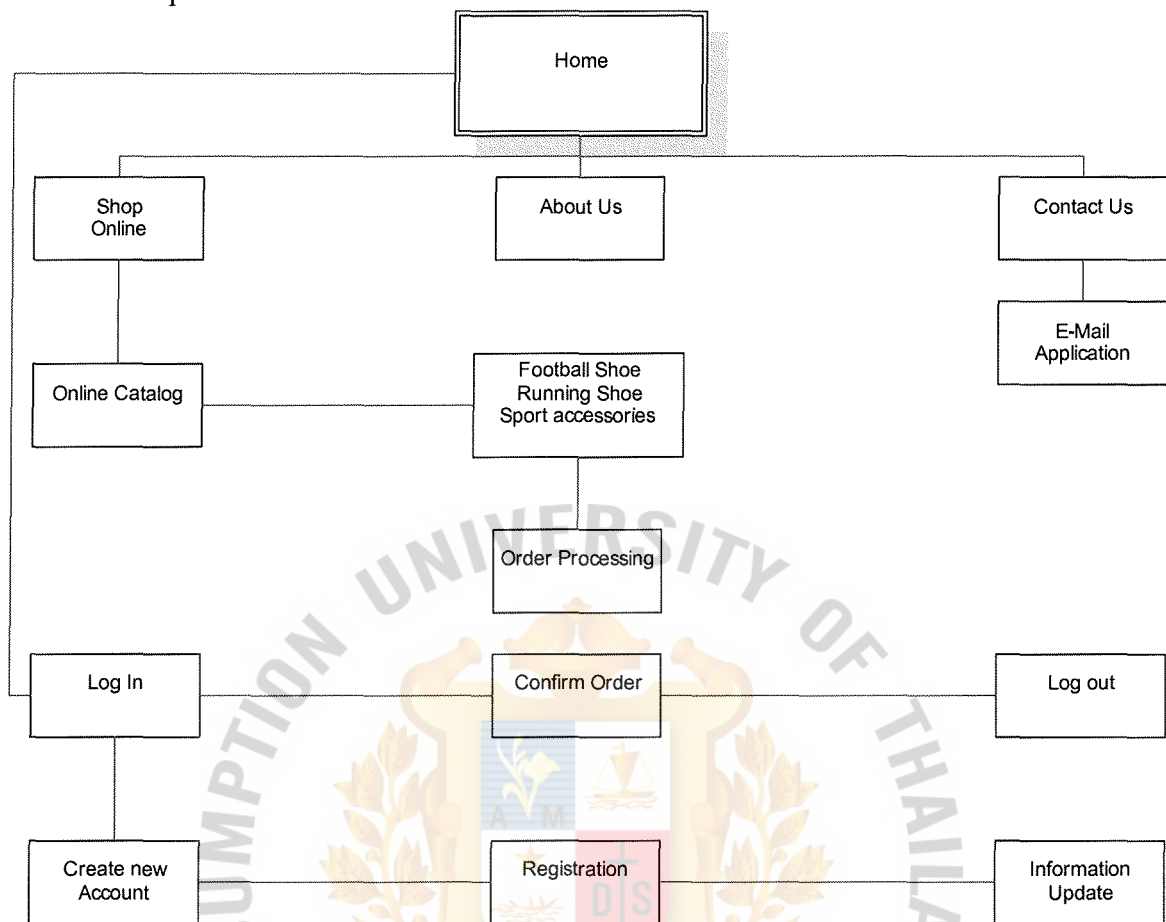


Figure A.1. Site Map.

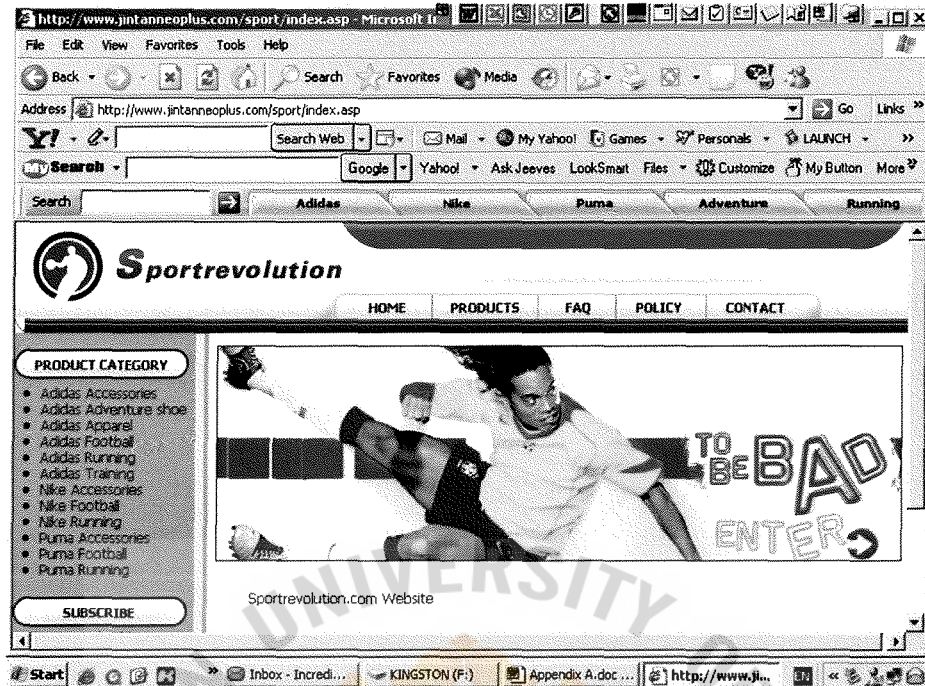


Figure A. 2. Home Page.

A.3 Shop Online

Shop Online offers online catalog for our products as well as payment method. Product pages are displayed at the left purple bar, which can be sorted by their brands. Currently, we have 5 brands with 3 sub-product menus;

Online Catalog:



Figure A.3. Online Catalog.



Figure A.4. Adidas Accessories.



* Figure A.5. Adidas Adventure Shoe. *

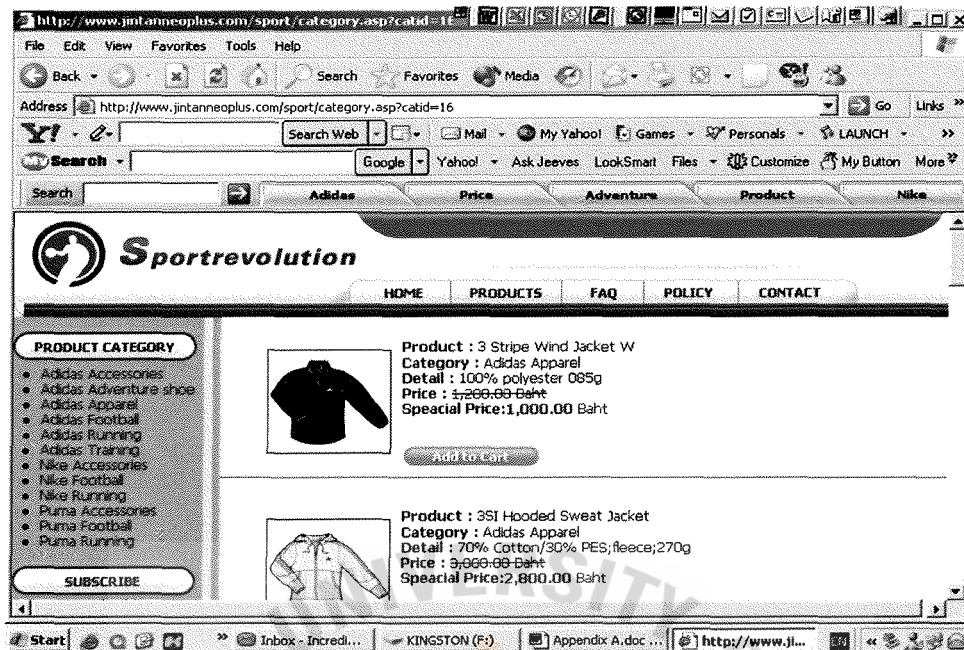


Figure A.6. Adidas Apparel.

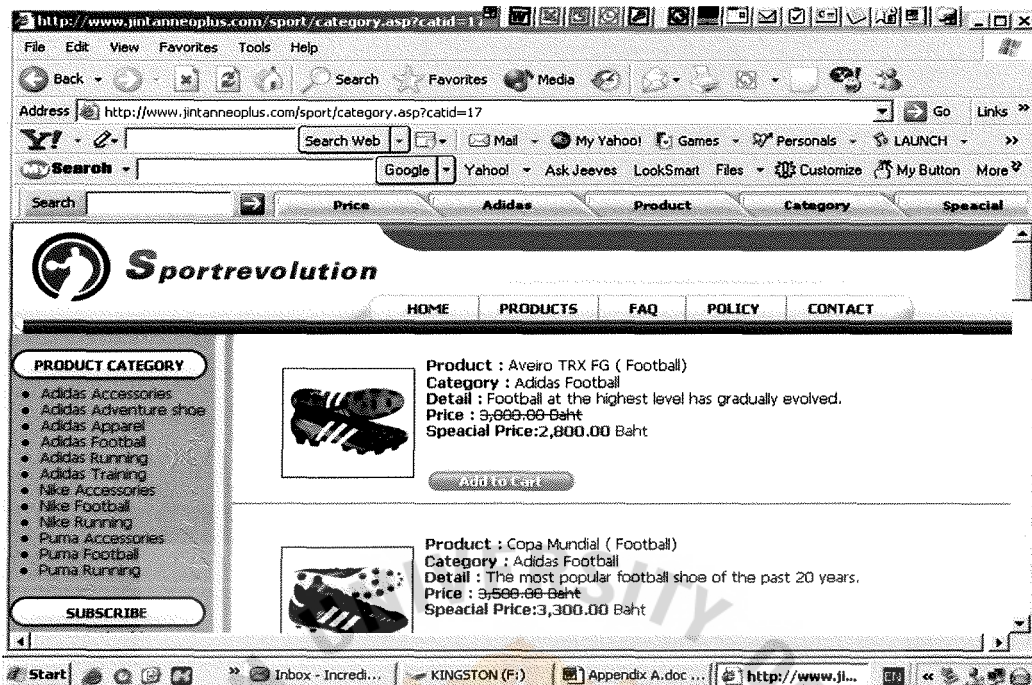


Figure A.7. Adidas Football.

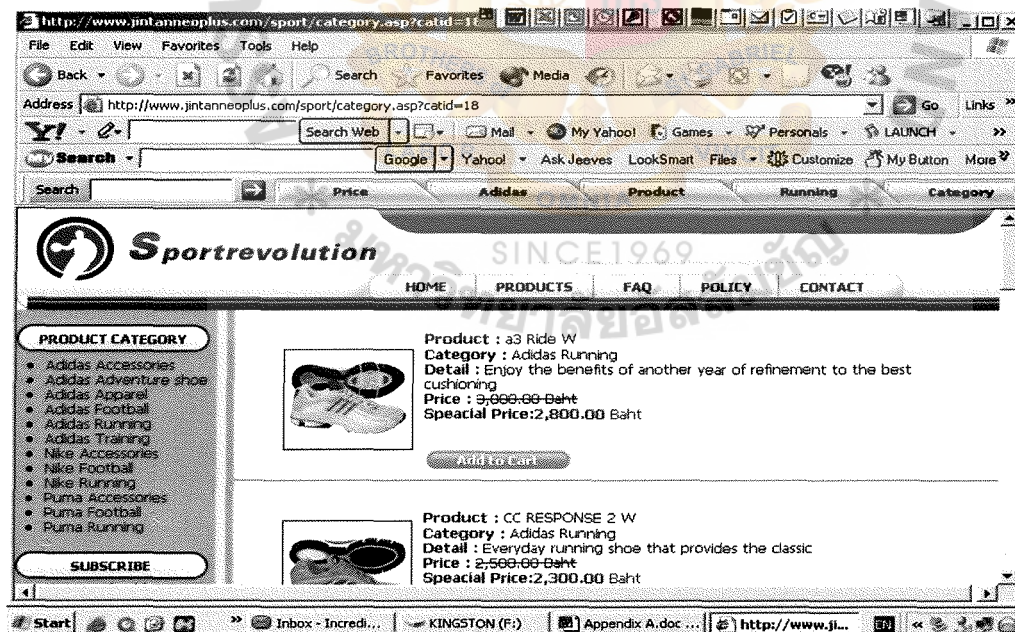


Figure A.8. Adidas Training.

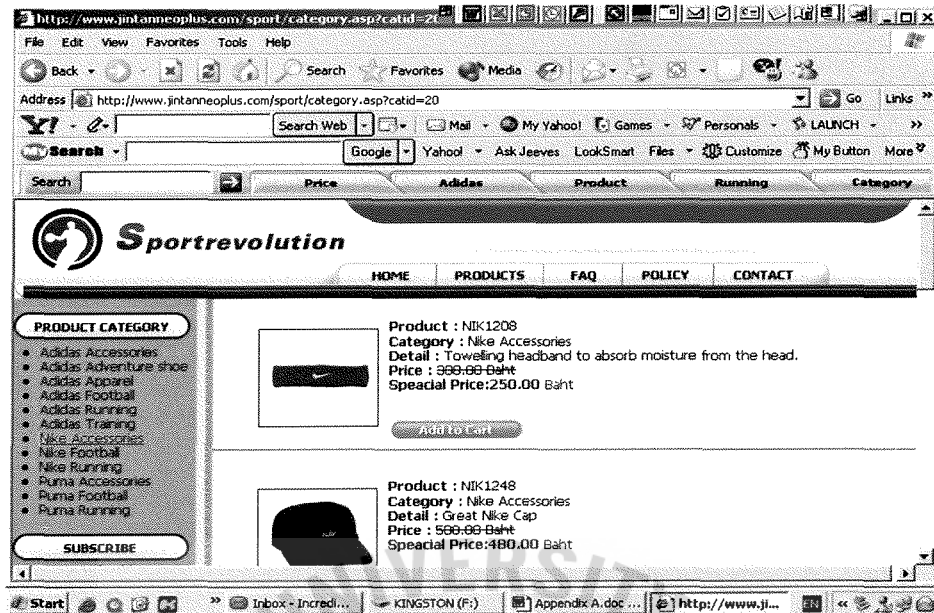


Figure A.9. Nike Accessories.

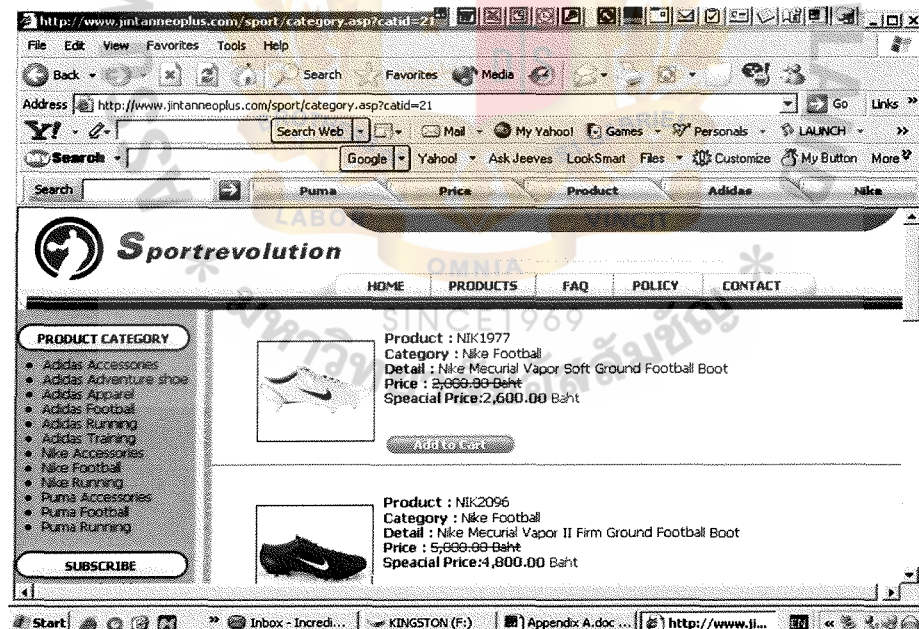


Figure A.9. Nike Football.

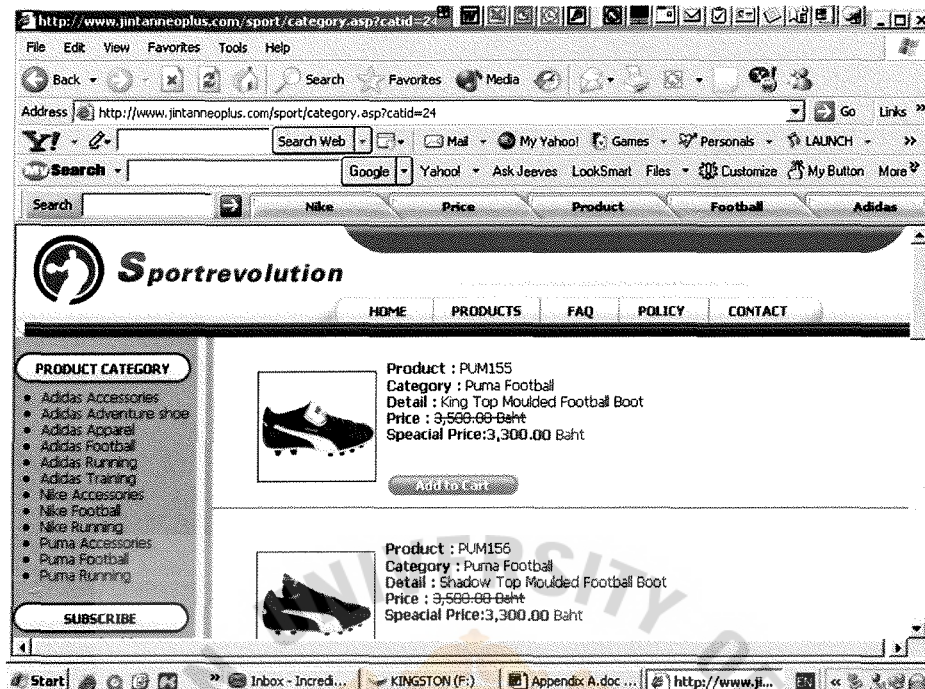


Figure A.10. Puma Football.

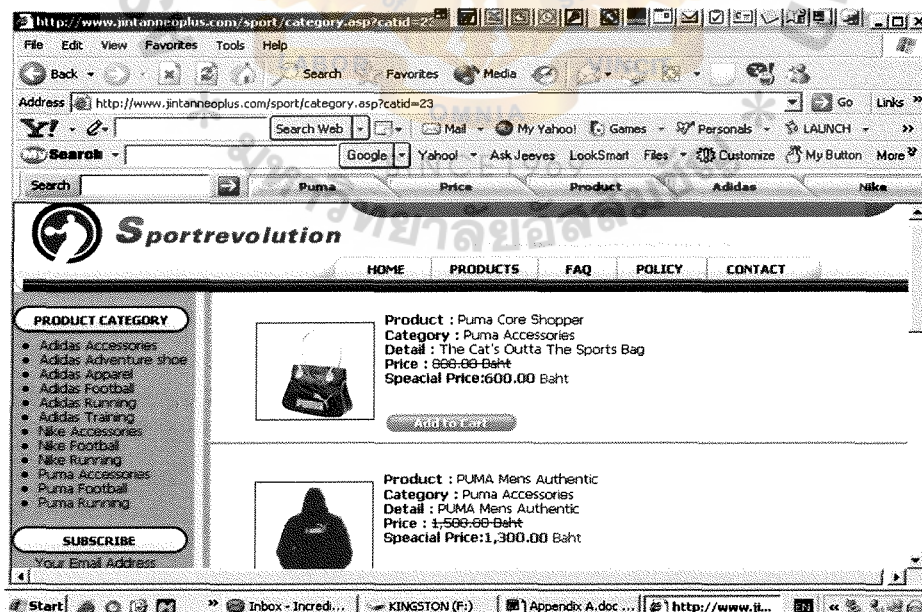


Figure A.11. Puma Accessories.

A.4 Ordering Page

The customer can shop for Sportrevolution.net by doing the steps as follows:

- (1) The web site will bring customers to the form page. If they are already members, just fill in their username and password.

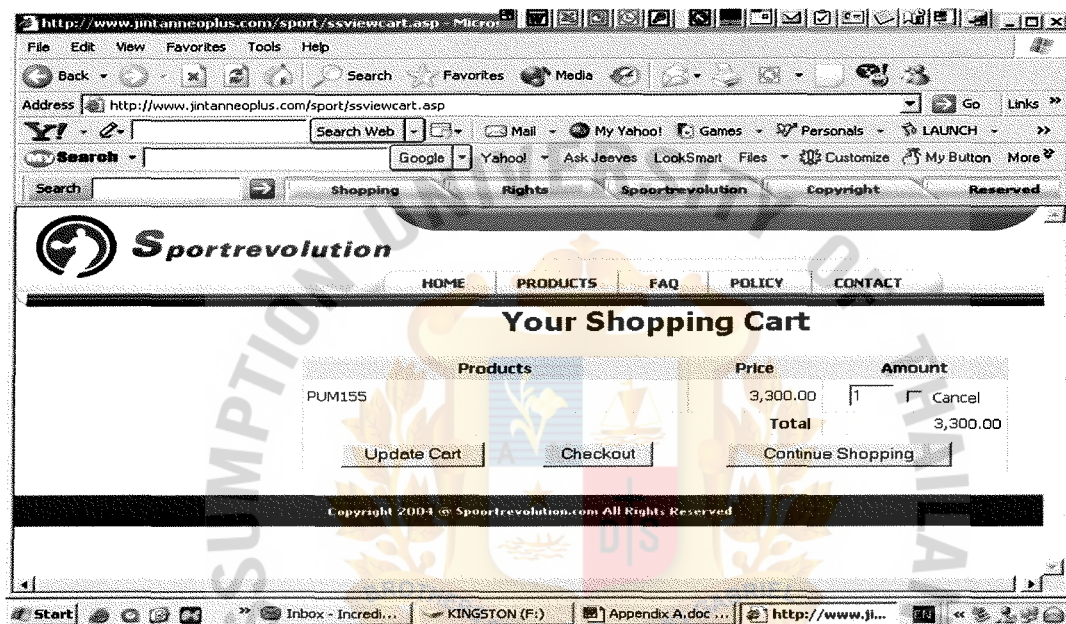


Figure A.12. Ordering Page.

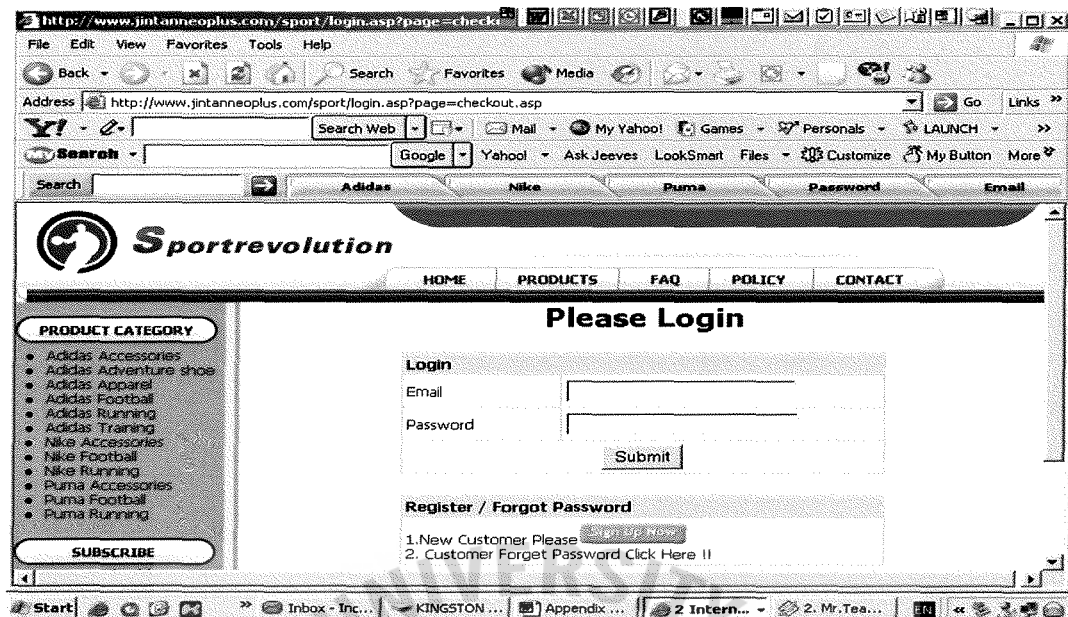


Figure A.13. Create New Account for New User.

- (2) In case of new user, they have to register for their account before ordering any product. New user has to fill in the information including login name, password, name, address and e-mail address.

Figure A.14. Account Information.

- (3) After new user finished their filling account information, they are ready to order any product in Sportrevolution.net

The main section consists of five sub-menus, described as follows:

A.5 FAQ

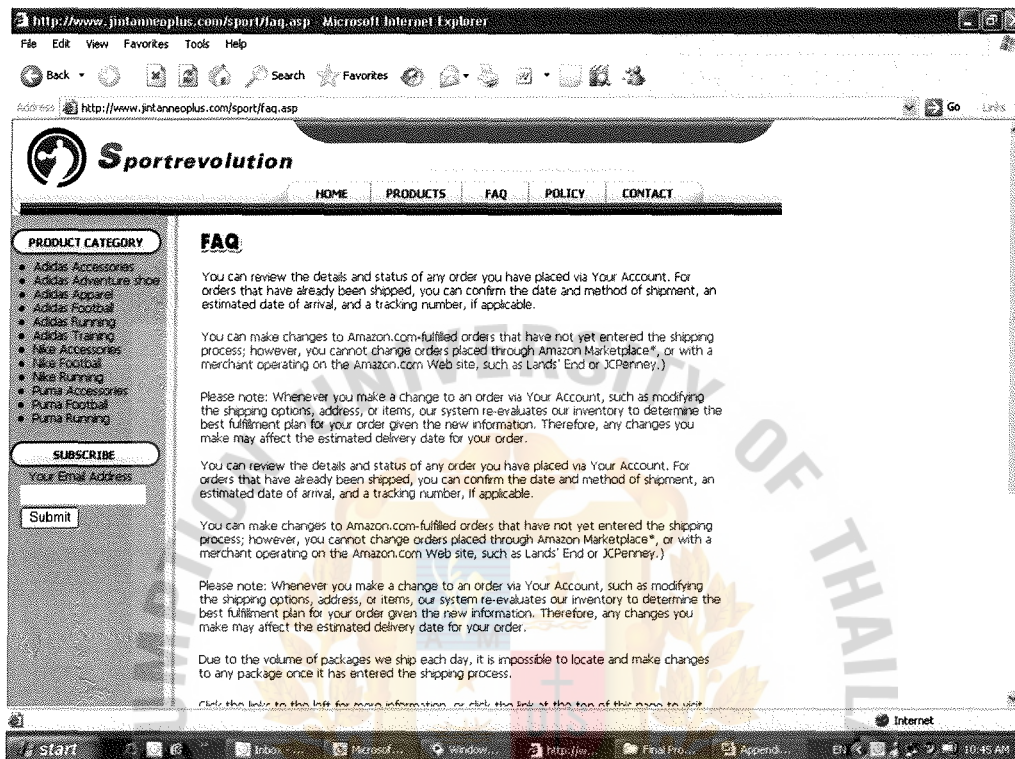


Figure A.15. FAQ.

A.6 Policy

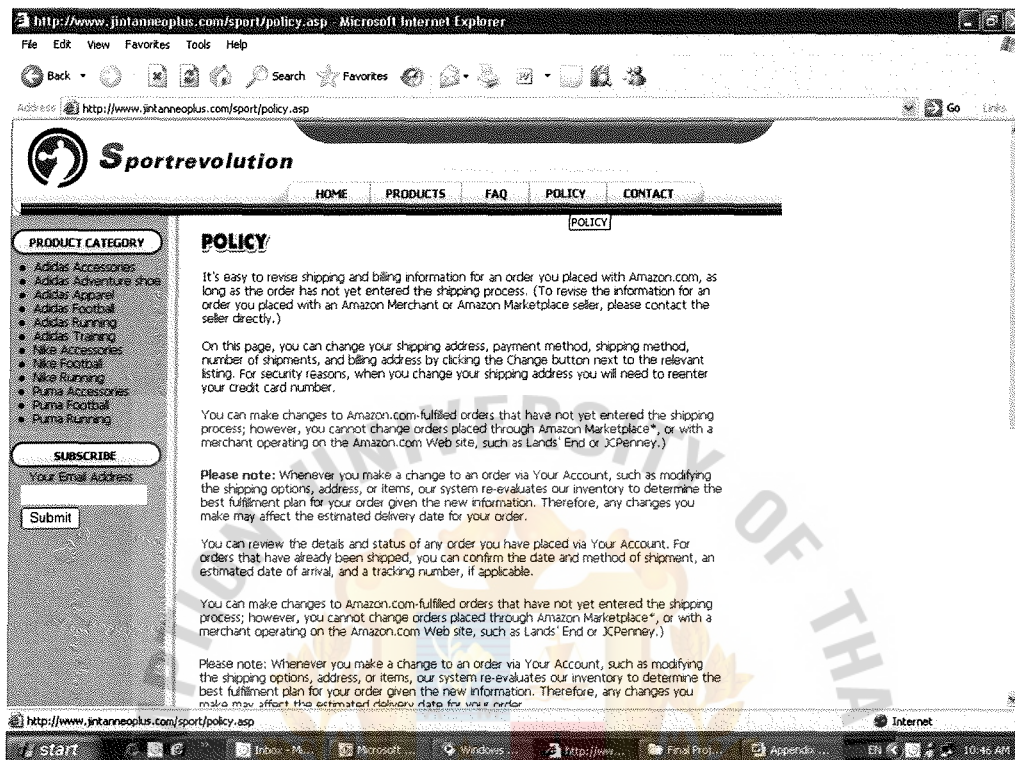


Figure A.16. Policy.

A.7 Contact Us

Customer can contact with Sportrevolution.net via E-Mail by contacting our menu.

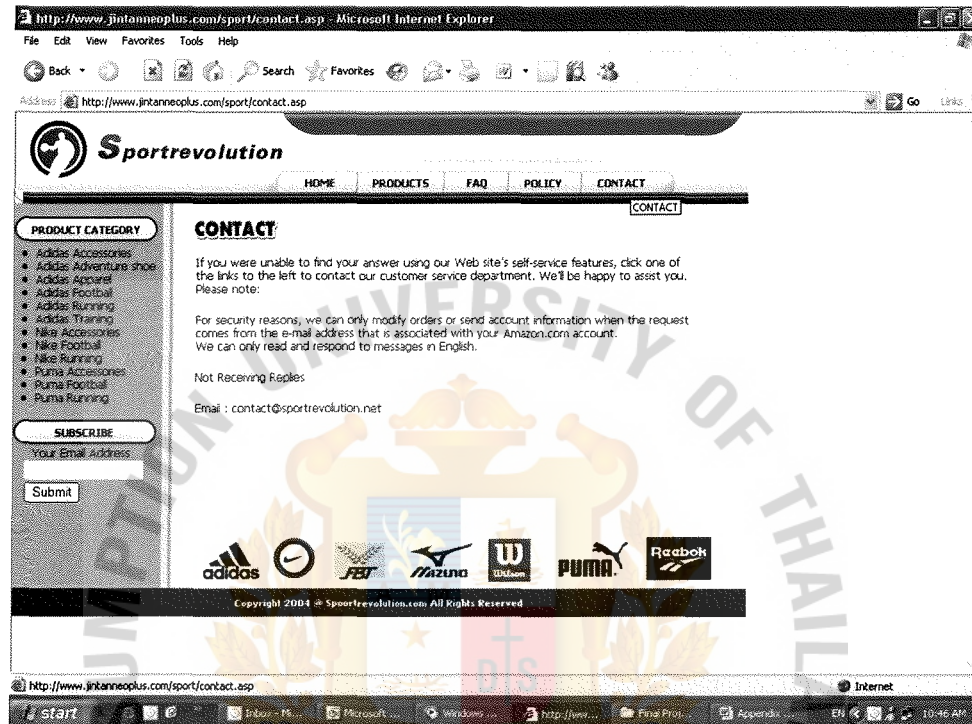


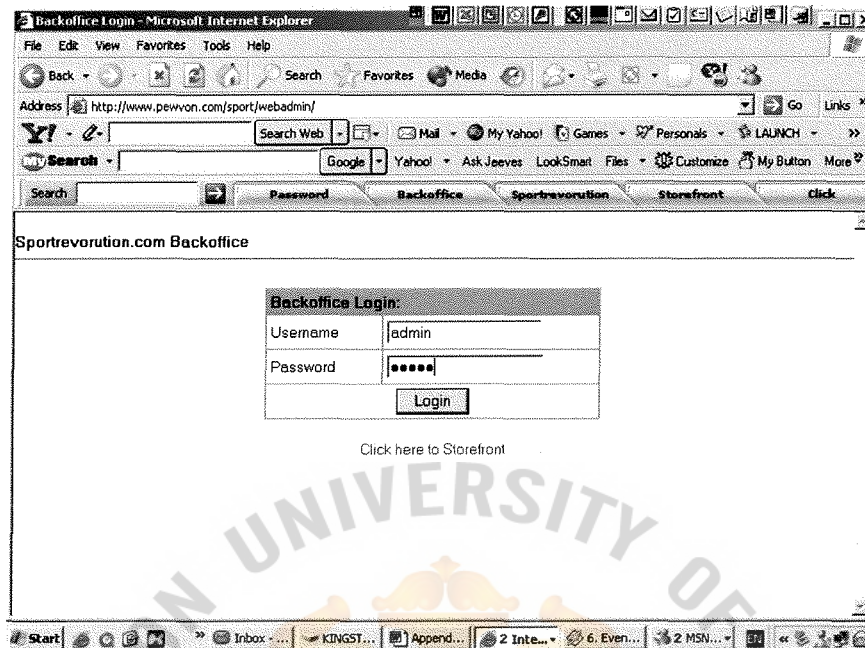
Figure A.17. Contact Us.



APPENDIX B

DATABASE DESIGN

Database Design for User's Profile



Backoffice Login - Microsoft Internet Explorer

Address: http://www.pewvon.com/sport/webadmin/

Search Web: [Search] [Google] [Yahoo] [Ask Jeeves] [LookSmart] [Files] [Customize] [My Button] [More]

Search: [Search] [Password] [Backoffice] [Sportrevolution] [Storefront] [Click]

Sportrevolution.com Backoffice

Backoffice Login:

Username: admin

Password: *****

Login

[Click here to Storefront](#)

Figure B.1. User's Data Input.

Database Design for User's Profile

http://www.pewvon.com/sport/webadmin/editcustomer.asp

File Edit View Favorites Tools Help

Back

Forward

Home

Search

Favorites

Media

Print

Stop

Reload

Close

Address http://www.pewvon.com/sport/webadmin/editcustomer.asp Go Links

Search Web Search

Mail My Yahoo! Games Personals LAUNCH

Search Google Yahoo! Ask Jeeves LookSmart Files Customize My Button More

Search Add Products Edit/delete Fullnameregisters thiarpom28/9/2

Sportrevolution.com Backoffice

Menu

Home Admin

Add Category

Edit/Delete Category

Add Products

Edit/Delete Products

Add Payment Channels

Edit/Delete Payment Channels

Add Fee Shipping

Edit/Delete Fee Shipping

Edit Profile Customer

Total Orders

Add Status Order

Edit/Delete Status Order

Change Your Password

Add Admin (For admin only)

Control Products Page

Check Subscribe

Logout

Total Customers 6 person

ID	Fullname	Registered Date	Tel	E-mail
6	Jane Tang	29/9/2547 10:00:29	222	myworkjune@yahoo.com
5	ppp aaa	29/9/2547 8:44:48	0-19131410	aaa
4	vuttisak lthiarporn	28/9/2547 22:49:48	01328282	aung555@hotmail.com
3	Kose Reyes	16/9/2547 11:29:01	019131410	pewvon@pewvon.com
2	Robert Pires	10/4/2545 1:25:53	0-2555-5555	somsak@thai.com

Pages 1 | 2

Start

Inbox ...

KINGST...

Append...

2 Inte...

7 Unkn...

2 MSN...

Figure B.2. User's Profile Database.

Database Design for Order Handling

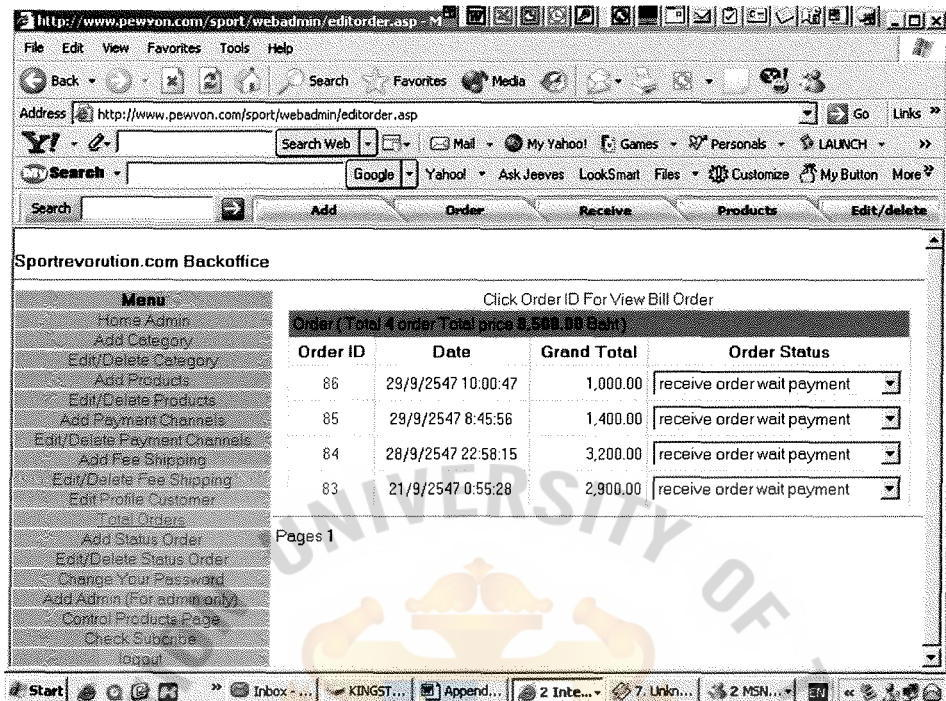


Figure B.3. Order Data Input.

Database Design for Product Control

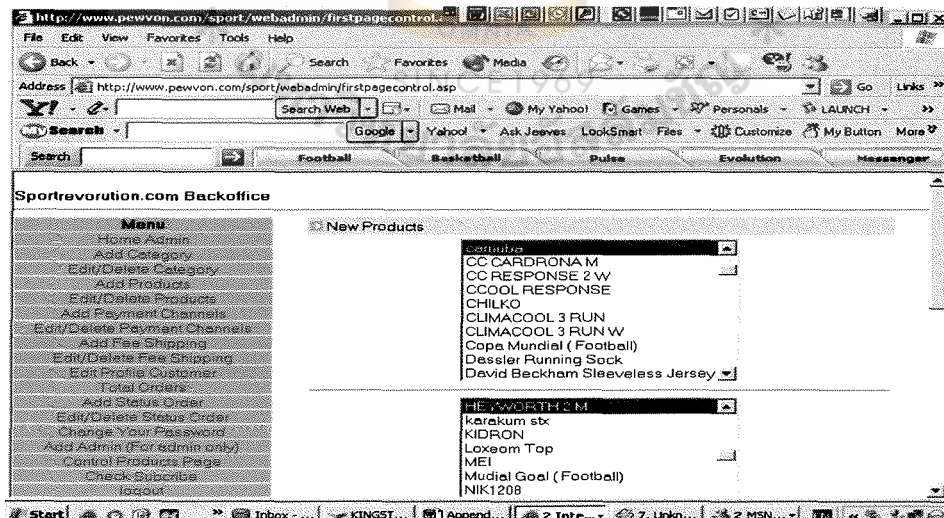


Figure B.4. Product Control.

Database Design for Payment Channel

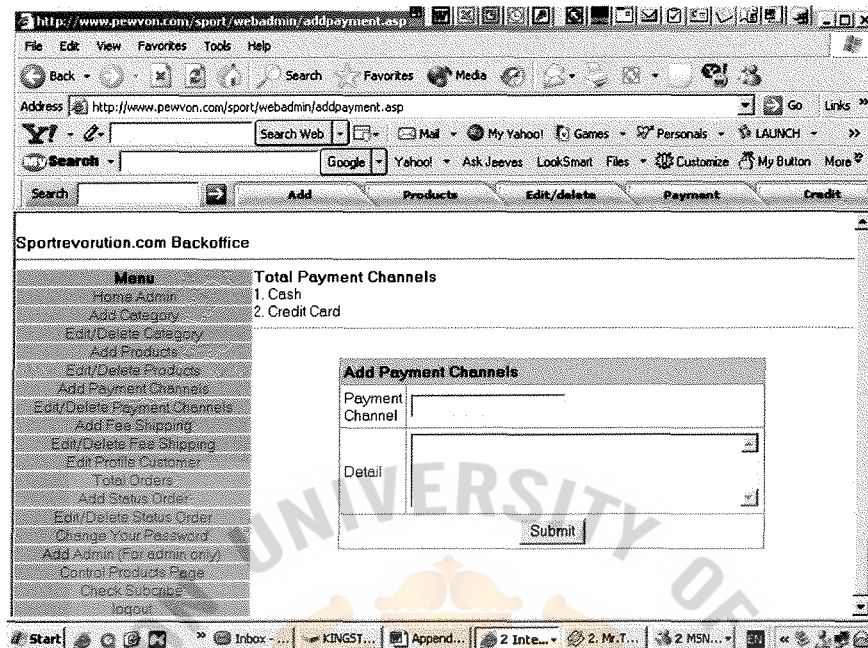


Figure B.5. Payment Channel.

Database Design for Check Subscribe

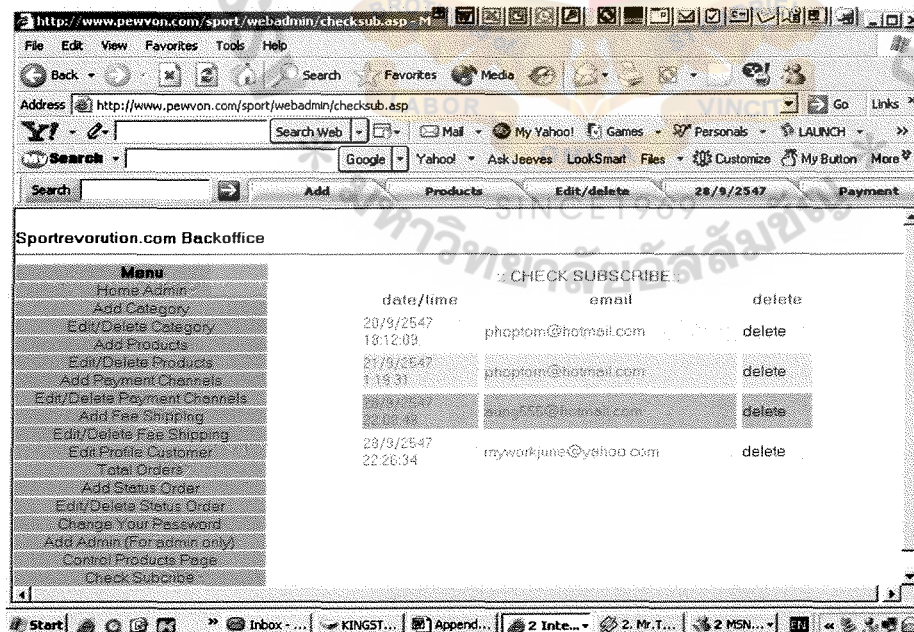


Figure B.6. Check Subscribe.

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