

GardenOnline

by

Ms. Matinee Rachanirom

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

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

July 2002



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

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## ABSTRACT

This report focuses on establishing and operating the E-commerce website at GardenOnline.com. The introductory part gives the general information on the background, objectives, scope and deliverables of the GardenOnline.com. project. It then provides the basic picture of overall E-commerce-related issues in the present day eg. the Internet, its benefits, users' driving forces, E-commerce in Thailand, and the profits of providing websites. The background of GardenOnline website is also given in the next section, explaining the objectives, mission and key success of GardenOnline.com. After that, market-related issues are thoroughly analyzed and examined: SWOT analysis, target market, market segmentation, market positioning, product analysis, financial analysis, competitive analysis, financial analysis, and marketing strategies. Next, the issues of project implementation such as hardware and software requirements, site structure, site map, and web operating function are discussed by concentrating at provision of value added services to customers. The, it continues by providing information on payment methods of GardenOnline.com. and security for online payment. Finally, it gives recommendations for further developments of GardenOnline.com.

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My appreciation is due to my family for their help and support. Above all, I am grateful to my parent, whose readiness to invest in my future has enabled me to accomplish my educational goal and objective.

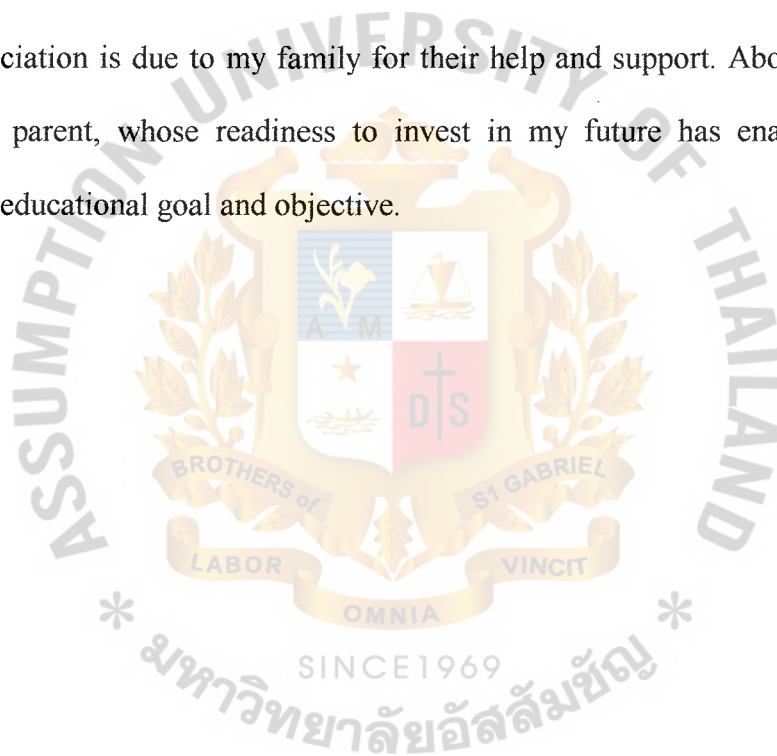


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## I. INTRODUCTION

### 1.1 Background of the Project

The Internet has an enormous impact on people's experience. First, It encourages the growth of businesses by providing new ways of advertising products to a large audience, and thus helps companies to publicize their products. Secondly, It allows more people to find out what goes on in other countries by learning about other cultures and by exchanging their opinions and ideas with other people worldwide. This may well promote a better global understanding. Finally, by allowing people to access vast amounts of information easily, it will change how they make decisions and ultimately also their lifestyle.

Since the World Wide Web became popular through point-and-click programs that made it easier for non-technical people to use the Internet, over 21,000 businesses and corporations have become accessible through the Internet. With the Internet, the whole globe is one marketplace and the Internet's information-rich WWW pages can help companies reach new customers. Through the Internet, new opportunities to save money are created for companies. One of the bigger savings is the cost of transmission.

Another benefit from the Internet, the ability to process orders quickly has always been an important factor in the business world, especially for mail-order companies. Traditional methods however tended to be fairly expensive. The Internet attracts so many companies because they can use it as a tool for communication, marketing, advertising, sales, and customer support. It is not only faster and more efficient than using traditional methods, but it is also cheaper. The Internet doesn't just promote growth of businesses; it also creates new ways for people to get in touch with the rest of

the world. It lets people expand their horizons and learn about different countries and cultures by getting insight into others people's lives across the globe.

Because the growth of the Internet and E-commerce worldwide especially in Thailand, we think that it's time for us to go online so we decided to start the business on the Internet. Most of virtual garden shops did not sell their products on the website. So we consider that this is our chance to take this advantage before the others. That's why we decided to create GardenOnline website. The main products of GardenOnline are such as indoor plants, outdoor plants, garden accessories & tools and outdoor furniture. We have almost 80 kinds of plants and more than 30 items for other products category. Our main customers will be people who live in Bangkok and metropolitan areas because our main product is plant. For other items in our website exclude the plants, the target customers will be in Thailand and worldwide because those items can be delivered easily.

## **1.2 Objectives of the Project**

- (1) To be a new channel for buying plants from the website customer especially people who live in Thailand.
- (2) To promote and introduce our garden accessories products to the international market.
- (3) Taking the advantages of Internet to increase the opportunity of our Garden business.
- (4) To generate revenue from selling goods.
- (5) To enable customers to visit and purchase our products from the website anytime they want.
- (6) To make things easy we are providing customers with many products categories for our garden.



- (7) To provide customers with the best shopping experience on our website.
- (8) The website is our new channel to promote our business to be recognized to more people in the future.

### **1.3 Scope of the Project**

- (1) To apply concepts of learning in Master of Science in Internet and E-commerce course by create an online garden shop.
- (2) The final report will cover SWOT analysis, competitive analysis and future plan.
- (3) To provide the marketing plan by locating target market, market position and promotion and advertisement.
- (4) To sell garden products and plants on the website as our new channel to expand our market. Our main product is plants, which can be separated into two main categories, Indoors and Outdoors plants. And others are such as garden equipment & tools, garden furniture, etc.
- (5) Using our website as a tool to support the virtual store.
- (6) Using online and offline payment method, it depends on customer's preference.

### **1.4 Deliverables**

- (1) This report covers the information concerning the project.
- (2) The proposed e-commerce website consists of the garden products and plants plus plants information such as price and description for each plant

## II. LITERATURE REVIEW

While it is true in theory the Internet gives small and medium-sized enterprises (SMEs) new opportunities to compete, because it reduces transactions costs and barriers of entry, their e-commerce business models must be adapted to their competitive strengths and not just replicate the approaches of bigger players. If a small enterprise tries to compete with a large multinational simply by making a large investment in powerful equipment for its website, the chances are that its productive and/or distribution capacity will never allow it to recover the costs. For SMEs and enterprises in developing countries like Thailand, e-commerce may create new opportunities to participate in international trade. But although putting up website opens a window to global markets. The Internet allows SMEs to implement new, cheaper strategies to build brand names and images in markets to which they had little access in the past.

The Internet is considered a valuable means of communication offering the enticing possibility of interaction (one-to-one communication, e-mail), for many people the web has turned into a primary information resource (one-to-many communication, broadcasting). Most of the information on the Web is either company or product-specific information to increase awareness. As with traditional marketing media, such information is offered free of charge. However, many companies who generate information on the Internet, which are not their core business, are investing in new possibilities offered by the medium. They consequently face the challenge to transform these opportunities into adequate and sustainable profit.

Currently the cost of content provision on the Web is hardly covered by the contribution of Internet sales. The driving force for a Web presence is more the belief

that the Web will lead to competitive advantage, or will turn into a competitive necessity in the future.

## **2.1 What Is the Internet?**

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 be routed or rerouted in more than one direction, the network could continue to function even if parts of it were destroyed in the event of a military attack or other disaster.

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 (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 chatting program. More recently, Internet telephony hardware and software allows real-time voice conversations.

## 2.2 Internet Growth

In the early 1960s, the Internet was primarily the domain of military, research, and educational institutions. It grew out of ARPANET, a research network created by the Department of Defense (DoD) Advanced Research Projects Agency (ARPA). In the mid 1980s, DoD moved its military operations machines to a separate network and ARPANET was transformed to NSFNET, a new network founded by the National Science Foundation. NSFNET consists of more than a dozen regional networks linked by high-speed (1.5 megabits per second) connections. The regional networks connected various other networks in universities, corporations, and research institutes. In 1995, NSFNet was shut down and management of the backbone was turned over to companies such as MCI, Sprintlink, and Advanced Network and Services (ANS). The Internet became a commercial network with main Network Access Points being located at Chicago, New York, Bay Area, and Washington, D.C. being served by Ameritech and Bellcore, Sprint, Pacific Bell and MFS Datanet respectively.

The World Wide Web has evolved as a main component of Internet. It is a powerful medium to deliver on-demand, just-in-time information. The Web has undergone tremendous growth in the past five years. While there were approximately 100 Web sites in 1992, today there are more than 200,000; there were fewer than 30,000 Internet linked computer networks two years ago, today there are more than 90,000; there were 300 Internet host computers in 1980, today there are more than 10 million; the amount of information on the Internet doubles every year, the Web grows by 300,000 pages every seven days.

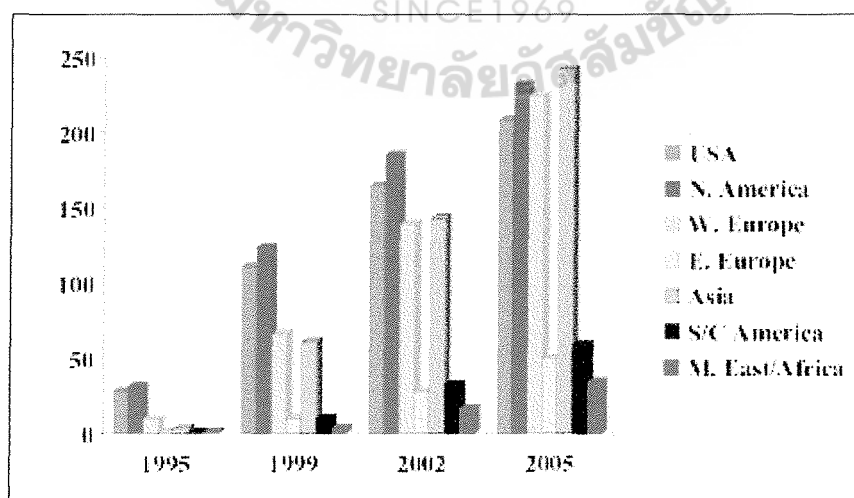
Businesses and entrepreneurs who have taken the first step towards Internet based transaction systems can be considered to be Web commerce pioneers. The biggest obstacles remain privacy, security, and authentication issues. Companies that develop



web browsers have recognized this and in the short span of less than two years have made successful attempts to address these issues. Once digital payments come to be accepted on par with regular over-the-counter consumer credit card sales, the web will expedite financial transactions that are completed electronically. This will reduce outstanding balances and ultimately help bring together separate work processes and business functions, which will enable manufacturers and suppliers, quickly delivery competitively priced goods tailored to customers needs in today's fast changing market.

### 2.2.1 Internet Users Globally

The Figure 2.1 shows the growth of Internet users for the main regions of the world. Six regions and the U.S. totals are listed in the bar graph. The projections show Asia Pacific will become the largest region with 242M Internet users in 2005 up from 61M in 1999. Western Europe with 224M Internet users will also top the 208M Internet users forecasted for the U.S. The Middle East/Africa region will have the lowest number of Internet users at 34M in 2005, but showing strong growth from only 3M in 1999.

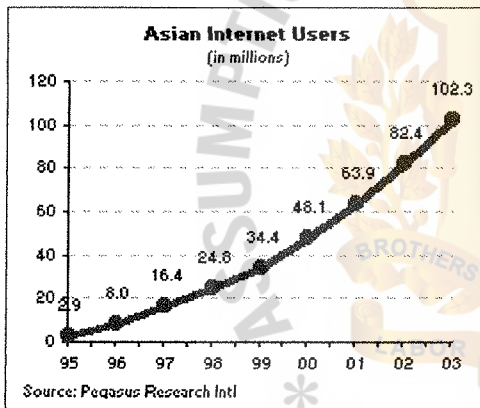


Source: Nectec

Figure 2.1. Internet Users by Regions.

### 2.2.2 Internet Users in Asia

The Figure 2.1 shows of Internet users in Asia. Currently, the majority of Internet users in Asia are in Japan, where more than 14 million Netizens reside. Japanese also happens to be the second most common language spoken by Web users. However, the landscape is shifting. Japanese Internet growth will start to slow down just as other countries in the region are picking-up speed. In China, there are expected to be over 21 million Net users within five years. By mid-2000, China will surpass Australia as the second largest Net nation in the region. India, despite crossing the one billion-population threshold this year, has less than one million Net users.



Source: <http://www.pegasusresearch.net/>

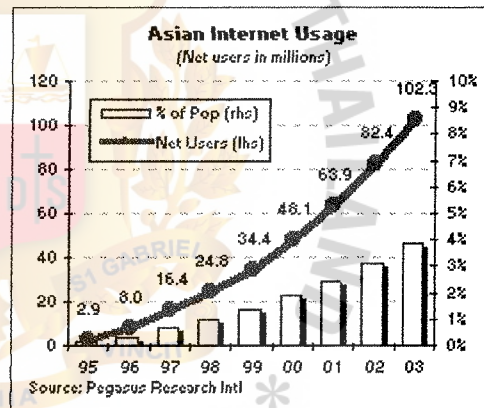


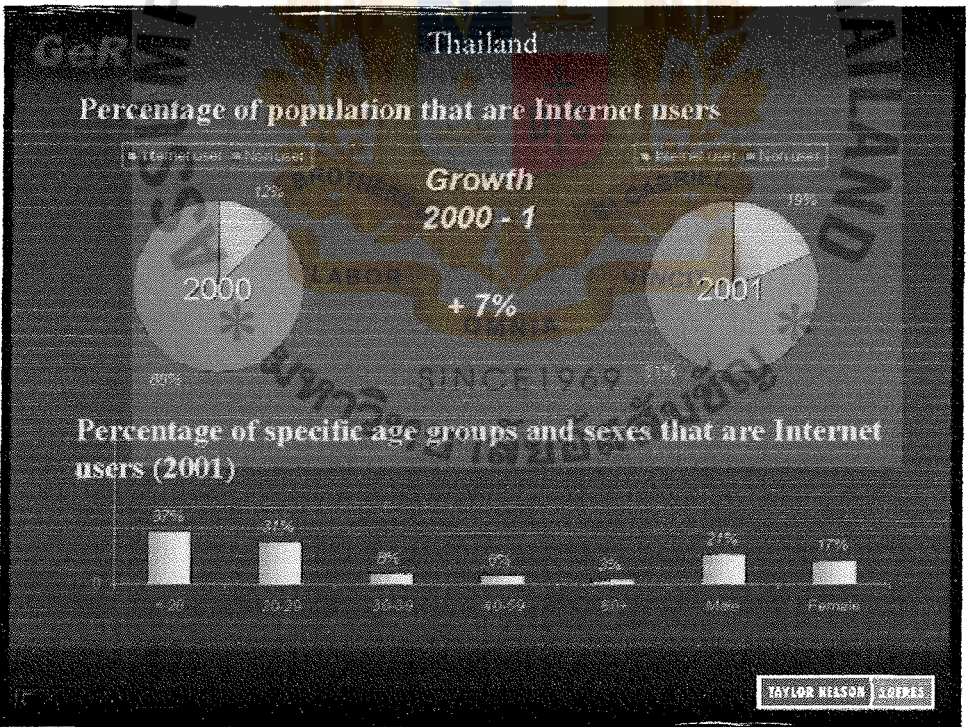
Figure 2.2. Asian Internet Users.

Figure 2.3. Asian Internet Usages.

Asian Internet users currently account for 19% of the web population. By 2003, Asia will account for nearly one-quarter (24%) of all Net users. Within the Asian region, Japan (54%), Australia (15%) and China (6%) currently account for three-quarters of the Net population.

2.2.3 Internet Users in Thailand

From the result of the survey of Internet users on the Net, image of the typical Internet users in Thailand emerged: a young, highly educated male of 20 years old or older and lives in Bangkok. Typical respondents use the Internet relatively frequently and many of them access it from home. Their main purpose is sending and receiving e-mail, downloading files and Web surfing. Few have any experience of online shopping. But the people who actually use online shopping has revealed that they utilize the Internet in many different ways from purchase of computer software, books and CDs to hotel reservation. This suggests that the online shopping market in Thailand has passed the experimental stage and is about to take off.



Source: Nectec

Figure 2.4. Percentage of Population That Are Internet Users.

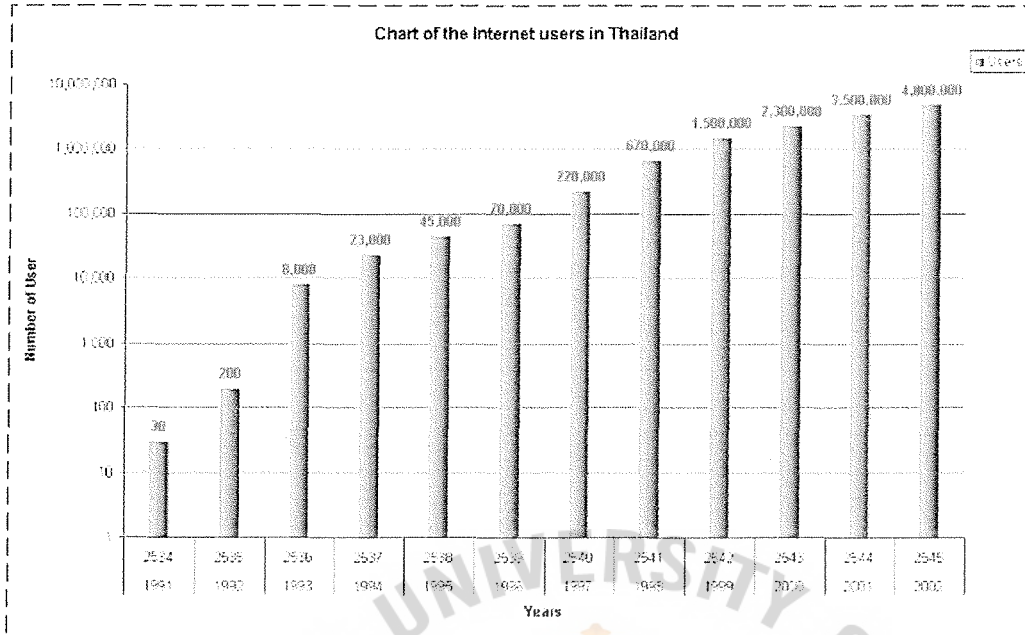


In addition to Internet Thailand, the first Internet service provider in Thailand, MKSC and Loxley Information Services have announced lower service fees since the first half of this year, followed suit by other ISPs, thanks to severe competition. About five years ago, users had to spend at least 40 baht an hour on top of a 1,000 baht start-up charge to get connected to the worldwide web. By comparison, access to the network now costs an average of between 10 baht to 15 baht an hour. Industry experts have predicted that the number of net users in Thailand currently put at more than 1 million. It will be 20 percent of the population, or 15 million in the next five years, with a wider spread of participants between Bangkok and rural areas. Seeing the growth of Internet users, both the public and private sectors are gearing up to provide access services.

Table 2.1. Internet User in Thailand from Year 1991-2002.

Year	Users	Source
1991	30	NECTEC
1992	200	NECTEC
1993	8,000	NECTEC
1994	23,000	NECTEC
1995	45,000	NECTEC
1996	70,000	NECTEC
1997	220,000	Internet Thailand / NECTEC
1998	670,000	Internet Thailand / NECTEC
1999	1,500,000	ISP Club / NECTEC
2000	2,300,000	ISP Club / NECTEC
2001	3,500,000	NSO / NECTEC (house survey)
2002	4,800,000	NECTEC





Source: Nectec

Figure 2.5. Internet Users in Thailand from 1991-2002.

### 2.3 Benefits of the Internet

The Internet is becoming the principle platform for electronic commerce and electronic business because this technology provides so many benefits. Those benefits are such as the following:

(a) Connectivity and global reach

The value of the Internet lies in its ability of easily and inexpensively connecting so many people from so many places all over the globe. The Internet's global connectivity and ease of use can provide companies with access to business or individuals who normally would be outside their reach. Companies can link directly to suppliers, business partners, or individual customers at the same low cost, even if they are halfway around the globe.

Internet gives the opportunities for the businesses to find new source for their products and services because of the information flows.

(b) Reduced Communication Cost

Internet technology can reduce communication cost by allowing companies to create virtual private networks as low-cost alternative to private WANs. It also reduces the cost for fax, phone and mail by using Email.

(c) Lower Transaction Cost

Businesses have found that conducting transaction electronically can be done at a fraction of the cost of paper-based processes.

(d) Reduced agency costs

The cost of managing employees and coordinating their work by providing low-cost network and inexpensive communication and collaboration tools that can be used on global scale.

(e) Interactivity, Flexibility, and Customization

Web pages have capabilities for interacting with viewers that cannot be found in traditional print media. Companies can use e-mail, chat rooms, and electronic discussion groups to create ongoing dialogues with their customers, using the information they have gathered to tailor communication precisely to fit the needs of each individual.

## 2.4 Internet User Driving Forces

There are numerous factors that are driving the growth of the Internet. The key driving forces are summarized in the next table. The left column shows important factors that have been active recently and continue to add growth to the Internet. The

right column lists the factors that are emerging and are likely to have a strong impact in a few years.

Table 2.2. Internet User Driving Forces.

1998-2001	2002-2005
<ul style="list-style-type: none"> <li>• Email proliferation</li> <li>• Free web browse</li> <li>• Content explosion</li> <li>• Low-cost PCs</li> <li>• Intranets</li> <li>• Web hosting services</li> <li>• Business-to-consumer e-commerce</li> <li>• PC purchase rebates from ISPs</li> <li>• Business-to-business e-commerce</li> <li>• "Free" ISP rates in international markets</li> <li>• Web-driven productivity gains</li> </ul>	<ul style="list-style-type: none"> <li>• Business-to-business e-commerce</li> <li>• Broadband connections</li> <li>• Web cellular phones</li> <li>• M-commerce (E-commerce for mobile devices)</li> <li>• Application service providers (ASPs)</li> <li>• Web appliances</li> <li>• Web entertainment appliances</li> <li>• Hardware cost bundled in ISP rates</li> <li>• Declining &amp; fixed ISP rates outside U.S.</li> <li>• E-commerce driven productivity gains</li> <li>• Web interactive TV service</li> </ul>

Source: [www.eforester.com](http://www.eforester.com)

"Free" ISP rates are not really free. They are used in countries where all telephone call fees are based on usage rates. The ISP offering "free" Internet access receives a share of the per minute telephone charge from the telephone company.

Broadband Internet access such as cable modems and Digital Subscriber Lines (DSL) are growing rapidly and will have positive impact on the user experience. Fixed wireless is a third broadband technology that is improving rapidly and could have significant impact. The next generation cellular technology (3G) may be the biggest broadband technology of them all. With data transfer rates of 384Kbps for moving vehicles and up to 2 Mbps for stationary receivers, 3G cellular may be a potent broadband technology.

Information appliances will have a major impact on Internet usage. Web cellular phones will extend the time and place of Internet access. They will also extend the number of Internet users-especially in developing countries where fixed phones lines are limited. Web appliances and web entertainment appliances will also extend the time and place of Internet access.

## **2.5 Electronic Commerce**

Electronic commerce or E-commerce is a term that describes the emerging way to conduct business and market processes using Internet technologies. Although relatively young, this new way of commerce has a great deal of promise and is changing the way people conduct business in several industries. Most commonly, E-Commerce is online shopping as conducted through the use of powerful web browsers. The customer now has the opportunity to compare several prices of commodities and find the lowest one. Therefore competition becomes much fiercer and customers pay lower prices, as E-commerce becomes its own styled market.

Electronic Commerce is the paperless exchange of business information. In order for electronic commerce to work, certain standards have to be in place so that there is a common format in which companies can exchange data. This is achieved by using Electronic Data Interchange (EDI), which provides a format based on a public standard. Some of the advantages offered by EDI include increased speed of business transactions, reduction of manual data entry errors, lower costs for printing, mailing, and labor.

### **2.5.1 Electronic Business**

Electronic business or e-business, derived from such terms as "e-mail" and "e-commerce," is the conduct of business on the Internet, not only buying and selling but also servicing customers and collaborating with business partners. One of the first to use



the term was IBM; it launched a thematic campaign built around the term. Today, major corporations are rethinking their businesses in terms of the Internet and its new culture and capabilities. Companies are using the Web to buy parts and supplies from other companies, to collaborate on sales promotions, and to do joint research. Exploiting the convenience, availability, and worldwide reach of the Internet, many companies, such as Amazon.com, the booksellers, has already discovered how to use the Internet successfully.

With the security built into today's browsers and with digital certificates now available for individuals and companies from Verisign, a certificate issuer, much of the early concern about the security of business transaction on the Web has abated and e-business by whatever name is accelerating.

#### 2.5.2 Trends in E-commerce

Electronic Commerce is transforming industry and commerce. It shifts business focus from retail and physical stores to the virtual business. Every month, an estimated one million new Internet users join the growing online community worldwide. Moreover, half a million new buyers enter the pool of some 10 million Internet buyers-people who actually purchase something on the Internet each month.

#### 2.5.3 Benefits of E-commerce

- (a) Electronic commerce enables customers to shop or do other transactions 24 hours a day, all year round, from almost any location.
- (b) Electronic commerce provides customers with more choices; they can select from many vendors and from more products.
- (c) Electronic commerce frequently provides customers with less expensive products and service by allowing them to shop in many places and conduct quick comparisons.

- (d) Allow quick delivery, especially with digitized product.
- (e) Electronic commerce allows customers to interact with other customers and exchange ideas as well as compare experiences.
- (f) Electronic commerce facilitates competition, which results in substantial discounts.

#### 2.5.4 The Future of E-Commerce

It is difficult to predict the future of e-commerce. As yet, there are no standards by which to measure an organization's successful implementation of e-commerce. Although on-line purchases have steadily risen, and continue to do so, it may be at the expense of more traditional methods of buying (mail catalogs, retail stores, phone orders, etc.) Also, as technology changes every day, it is uncertain whether or not many companies will have the resources to keep up. Yet another issue is that of visibility. Large companies with name recognition and deep financial resources will not have a problem attracting consumers to their web sites. It is the smaller organizations that have to try to compete for the customers' attention on a playing field that is far from level. However, there is a general consensus that overall e-commerce will increase exponentially in the future. For year 2002, total online shopping and B2B transaction are estimated to be in the range of \$500 billion to \$3 trillion. The number of Internet users is predicted to reach 750 million by 2008.

Although the future looks bright for these primarily consumer-oriented segments, the biggest market promises to be business-to-business commerce. According to e-Marketer newsletter, and web site, business-to-business transactions will jump from \$5.6 billion in 1997 to \$268 billion by 2002. Business to consumer retail growth is projected to be \$26 billion by 2002, up from \$1.8 billion in 1997. Areas that promise

some of the highest growth include entertainment, travel, financial services (as on-line security becomes less of an issue), and groceries.

## **2.6 E-commerce in Thailand**

E-commerce web sites in Thailand are categorized into five levels of service:

- (a) Full e-commerce sites, representing 8.73% of all web sites, offer a complete range of integrated online services such as online payment systems, product shipping and delivery, security and after-sales service to customers.
- (b) Almost full e-commerce sites represent 15.87% of all web sites.
- (c) Web sites with e-commerce transactions represent 35.71%.
- (d) Online payment sites, hosted mostly by hotels or software businesses, which do not deliver physical products to customers, represent 18.25%.
- (e) Web sites without a payment system represent 21.43%.

The most popular transaction payment method is charging on a credit card, followed by transferring funds from bank accounts and direct payment such as postal money orders. Of all the credit and charge cards used in Thailand, Visa enjoys the largest share, followed by MasterCard and American Express. In terms of product shipping, the e-commerce traders prefer using the Communication Authority of Thailand, then the service of foreign express delivery companies ranking DHL, UPS, and Federal Express respectively.

The E-commerce Resource Center (ECRC) of the National Electronics and Computer Technology Center (NECTEC) suggested that the government provide the necessary infrastructure and manpower to promote the adoption of e-commerce and proposed development strategies in four areas including banking, laws, infrastructure: telecommunications and certification authority, and human resources and R&D. The

ECRC has also set another eleven work plans to support the strategies in order to pave way for the e-commerce market expansion in Thailand.

## **2.7 Four Possibilities to Profit from Providing a Website**

Internet activities, and content provision on the Web as a special kind of Internet activities, can contribute to a company's performance in four ways.

- (1) Increased margin per unit sold
- (2) Increased margin per unit sold
- (3) Content sold as stand-alone product
- (4) Advertising income generated from Web pages

### **Increased Number of Units Sold**

Internet-based marketing and public relations aim at increasing awareness about a company and its product and service range. As with traditional marketing, this is costless for consumers; profit is made when the marketing costs are made up for by additional sales. Currently the largest potential in Internet-based marketing is seen in attracting new customers world-wide and in establishing distant, long-term customer relationships.

In most instances it is difficult to discover how many additional units are sold because of a Web presence. Further, some of these may be substitutes for 'traditional' sales (internal channel cannibalisation). As long as overall world-wide or regional sales do not increase, but almost every book store and computer dealer, etc. is present on the Web (with rather different offers), it is not obvious how they all could increase their total turnover. It seems to be more like a football league: every team strengthens themselves during the summer, but by the end of the following season, there are few "winners", and there will always be some "losers".



There is no doubt, however, that Internet-based turnover is predicted to grow tremendously over the next years. But with more efficient business processes and price transparency leading to decreasing margins there is not too much reason to foresee an increase in total (traditional and Internet-based) turnover.

#### Larger Margin per Unit Sold

Larger margins per unit can be achieved (1) by lower costs (efficiency) or (2) by charging higher prices per unit. Lower costs may be achieved by using the web for various processes such as internal communications, receiving orders and payments, or providing customer service (process / business re-engineering). Customers could, for instance, download information from the company's Web site and special requests could be answered via (automatic) e-mail. From a more in-depth perspective, most efficiency gains will result from decreased working capital achieved by introducing electronic commerce, e.g. Internet-based activities.

Higher prices charged per unit need to be based on value-added for customers. This means that a particular book, computer or type of coffee that is advertised and sold via the Internet is more expensive than if it were sold via traditional marketing media and sales channels. This notion is the reverse of the more popular idea of selling cheaper via the Internet due to economies of scales, improved transparency, and fewer players in the value chain. The only example of a product sold at higher prices because of a Web presence that the author is aware of is TV advertising minutes, the actual product sold by (private) TV stations to companies that place their commercials.

#### Provided Content Sold as Stand-alone Product

While classic marketing content is not produced to be sold, companies are increasingly placing other forms of content on the Web - mainly to encourage customers to visit their sites and ultimately buy their products. They could profit from extending

their 'traditional' product line to information-based products, e.g. providing access to a special database or interactive games (new business opportunity).

The most prominent examples are carefully maintained databases offered by book stores. Depending on the up-to-date and the content of such a database, its maintenance costs go far beyond 'putting a paper-based catalogue on the Web and just updating it quarterly'. More drastic examples can be found when visiting the content offered by TV stations (and newspapers) on the Web. News features as well as sports results go beyond what has traditionally been offered and need almost continuous updating.

These information resources are free for consumers, who, in turn, are by no means bound, maybe not even encouraged, to watch the respective TV program or to read the newspaper "on paper". Experience even shows that both the Web pages offered by TV stations and by newspapers are often accessed by those consumers who temporarily or generally do not watch / read the traditional medium.

Different approaches to selling such content offers are possible, the three most popular are: (1) charging per month, (2) charging per actual time visiting the site, and (3) charging per page accessed. Whether such information-based products primarily reach the end-consumer directly from the company that 'has the content' or from intermediaries, who repackage the content and maintain the actual sales channel on the Web, remains to be seen. Important is that whoever invests in building and maintaining the contents needs to be able to charge for it, regardless if end-consumers or intermediaries (business-to-business) pay. If intermediaries collect information themselves, manufacturers / designers lose a business opportunity; but as long as it does not involve any expenses not covered by additional income, this goes along with the overwhelming trend of specialisation and outsourcing (with specialised partners increasingly co-operating in a network or virtual organisation).

## Advertising Income Generated from Web Pages

As time for commercials is the main “product sold” by TV stations, the market for advertising space on the Web is also booming. Only those companies whose contents attract a certain number of site visitors can sell additional space to others who then place their ads. While this opportunity for profit is gaining importance, it is mainly suitable for those large companies whose sites are well known and visited, e.g. TV stations, newspapers, magazines, etc. It does not appear to be a feasible source of income for the millions of SMEs that also offer content on the Web.



### **III. BUSINESS BACKGROUND**

#### **3.1 Who Is GardenOnline?**

How many times have you seen a really gorgeous house surrounded by a really ugly yard? Never? Same here. That's why we spend almost as much time working on our lawns and gardens as we do on our windows and wood floors. A house just isn't a house without great landscaping.

GardenOnline provided indoor plants, outdoors plants, garden accessories, garden tools, Garden Décor, garden books, gardening information and more. GardenOnline, the ultimate one stop shop online garden provides over 1,000 related garden products and in-depth garden content and instruction. GardenOnline offers 24-hour ordering, special promotion and e-mail newsletter about the updated information and more.

GardenOnline saves you time, effort and money. It's a vital addition to your usual gardening habits rather than an alternative. You can use our website from the comfort of your own home whenever you've a spare moment, 24 hours a day, seven days a week. And when you buy a plant, you can depend on it to arrive direct from the source in excellent condition within the specific time.

Our web site is carrying an extensive selection of indoor plants, outdoors plants, garden furniture, garden accessories, garden decoration service and books perfect for your garden. The purpose of this site is providing the dwellers with a new opportunity of buying plants and other related products from the Internet. Customers will be able to order plants, garden tools & equipments, outdoor furniture, garden books, and arrange for garden decoration via the website. We have extensive resources of plants that have been compiled by the plant expert.



We also provide the delivery service to customers that order over 1,000 baht so they don't waste their time to pick them up. Plants are shipped from the resources to customer's home. The target markets are people who own houses and would like to decorate the garden to make it look good. And also people whose work involves home and garden such as interior decorator or gardener. Most people now are stressed from work, life environment so they would like something to help them get relief. Having a beautiful garden is a good idea because plants give fresh air to people.

### **3.2 Mission**

GardenOnline website is much more than an online garden shop. Our mission is to become the best source for Tropical plants on the Internet. We will help customers make the most of their outside space, be it a balcony or a suburban garden and we aim to provide the extensive range of quality plants with a brief description for the customers to be able to know what kind of plant is suitable to them. We also provide the garden decoration service which can be arranged via the website. Our website will be the most competitive and reliable source of plants and garden products for our customers. We achieve this by providing innovative and effective design that allows wider selection, competitive price, consistent quality & service and closer relationship with our customers.

### **3.3 Objectives and Goals of GardenOnline**

The key goals and objectives of our company are:

- (a) We focus on the new channels to increase sales in our product items.
- (b) We want to increase new customers.
- (c) We provide products and services, which will reduce the customer's time to go out.

- (d) We always provide the best possible value to our customers who care about their environments, and we want every baht spent with us to be well spent.
- (e) We provide only best quality of plants and other garden products, by giving good care for our plants and we also selected the most excellent sources for our garden tools and furniture.
- (f) We focus on providing faster information and better customer services with frequency updated.

### **3.4 Key to Success**

- (a) Sell product of the highest quality with excellent customer support.
- (b) Communicate with our customer base through continued use of the newsletter and our website.
- (c) Retain customers to generate repeat purchases and make referrals
- (d) Continue to enhance daily sales by expanding the products line and services offered.

### **3.5 Why the Need to Go Online**

According to the growth of the Internet in Thailand and worldwide, we can see new opportunities in our garden business to be able to gain more profit and be able to reach more people. Most garden websites in Thailand only provide information about Thai plants but did not provide the ordering online. Only a few garden websites in Thailand provide the actually sale plants on the Internet. So we think this is our chance to grab this opportunity. The Internet is also our new channel to advertise our garden business to be recognized by new customers in the future.

We decided to create GardenOnline website. The name of “GardenOnline” is selected because, first of all, it gives customers the correct connotation of the product image and explicitly reflects the business of the company. The customers who visit

GardenOnline will not get confused about what kinds of products are sold in this website. Also the customers who are looking to buy plants or garden products will obviously know that they are entering into the right place. A wide variety and species of plants and garden accessories are available for them at GardenOnline.

The word “Online” is added to imply that our website offers online products and ordering products via the Internet. It helps expand the customers’ perception that GardenOnline is certainly the place that provided plants and garden products for the customers to buy online. The word GardenOnline is easy to pronounce, recognized and remember. It is also generalized and flexible. A vast collection of products can be included in website because it is generalized enough to cover any kind of products concerning gardens. This, subsequently, enables us to expand our business to encompass other categories of garden products and services without changing the name in the future.

## IV. MARKETING ANALYSIS

### 4.1 SWOT Analysis

The key to successful accomplishment of GardenOnline depends on our ability to coordinate between strengths, weaknesses, opportunities, and threats to maximize the benefits to GardenOnline. The SWOT analysis allows us to translate the key strengths into unique capabilities that provide better value to customers than is the case for competitors. It also allows the company to turn weaknesses into strengths and capabilities. Finally, the potential threats in the environment can be avoided or minimized.

Strengths and weakness exist inside GardenOnline, in the key relationships between the company, suppliers and customers. Relative to market needs and competitors' characteristics, GardenOnline has to think in terms of what we can do well and where we have deficiencies. The following SWOT analysis captures the key strengths and weaknesses relating to the market analysis summary and describes the opportunities and threats facing GardenOnline.

#### Strengths

- (a) We always updated our products and other information on the website frequency. The good thing about website is that all the information can be changed at all times due to the Internet capacity.
- (b) We have the specialist's who can always give helpful information or advice on how to design your garden (Garden Décor service). They have a high level of experience and product knowledge.
- (c) We have reliable sources for garden products such as garden tools and accessories. They always provided us with a good quality items.



- (d) Low competitors because we have various collections of the popular Tropical plants.
- (e) Suitable price for our products and services because Thai plants are less expensive than plants from foreign countries.
- (f) We have delivery service for our customers on every item they buy.
- (g) Easy to remember with name and easy to type GardenOnline.com
- (h) Be a new channel for the customers to buy plants and garden products from Internet. Also save customer' time & expense from traveling.
- (i) We provided only good quality plants and garden products.
- (j) Flexibility of product, we will keep on adding new product lines and related services.
- (k) Everyone automatically becomes our members after they sign up our email service. We will inform our members with a newsletters, updated information on our website, etc
- (l) User friendly, the interface of web is designed to support customer's demand, it's simple to use and easy to find the required information. We make it easy for our customers to navigate the site. No matter where he/she is, they can always see where they are by looking at the menu bar that indicate the current page and the roots they came from.
- (m) More comfortable and convenience than going to the plants market, as compared with traditional way to sell plants, people have to go directly to the plants market like Jattujak. Everyone knows that what Jattujak looks like – hot and too many people in the market.

- (n) We also use our website as a new advertising tool to promote our website to be recognized by others. Customers can find out more information about us on the web page.
- (o) The cost of advertisement on the Internet is lower than the traditional advertising methods.
- (p) Relationship selling. We get to know our customers, one by one by keeping record of the customer's details and behavior from what they buy. That information is such as birthday, what kind of plants and other products they like. For example: when the customer's birthday comes, we will send something to greet them and this will maintain a relationship with our customers.
- (q) Excellent and stable staff, offering personalized customer service.
- (r) Strong relationships with suppliers that offer flexibility and respond to product requirement.

### **Weaknesses**

- (a) Unrecognized by potential customers yet due to our new entrant status on the e-commerce market.
- (b) There are a few competitors who have been providing similar products and service. But actually they are not exactly the same as what we were doing. Some of them sell orchids, some provide only information about plants but they did not sell plants online, etc.
- (c) There are a few number of Internet users in Thailand if compared with other countries like Japan, USA, etc.
- (d) Limitation of technology levels in Thailand.

- (e) We provide only Thai plants but some people may want to buy foreign plants that we did not have in our website.

### Opportunities

- (a) Changes in technology and markets. Internet users in Thailand are tending to grow faster compared to those in the past few years. So this means that our website has more chances to continue our services. People tend to move from physical to cyber. The technology can increase opportunities of the Internet, and offer us another area of strength in comparison to the traditional stores.
- (b) Traffic situation in Thailand is getting worse every day and this will affect the customer's behavior. They will start to use the Internet rather than go out in hot weather with the bad traffic condition.
- (c) Changes in government policy or regulations. Right now the e-commerce transaction law in Thailand has been approved so the trend of shopping from the Internet will increase from last year. Also the government strongly supports IT revolution with particular emphasis on e-services, e-trade, and e-government, known as E-Thailand initiative. This particular initiative helps accelerate the growth of e-commerce in Thailand.
- (d) Product and service. As our target market needs more products and services, our competitors are less likely than ever to provide it. Most of their business model doesn't include enough products and services, just provide plants information and using their web as the method to contact customers.
- (e) Convenience compare with traditional store. We have more opportunities than a traditional store because customer can visit our website 24 hours a day 7 days a week.

- (f) Changes in social patterns, population, lifestyle and economical.
- (g) A portion of our target market still doesn't know we exist.
- (h) Promising activity from new home construction activity.
- (i) Changes in design trends can initiate garden updating and, therefore, generate sales.

### **Threats**

- (a) Method to payment online with credit card in Thailand was not popular. People do not want to give out their credit card numbers on the Internet. They did not trust the transaction process in Thailand whether would be secure enough for them.
- (b) Thailand does not have adequate advance telecommunication infrastructure.
- (c) The Internet is open to all since entry barrier is low, therefore new entrants may benchmark our site.
- (d) Customer behavior. Some prospects' preferences are to go to plants market or plants shop to get what they want. They prefer to see the real products before they decided to buy them.
- (e) We cannot deliver plants to foreign countries due to the difficulty of delivery process.
- (f) The downturn in the economy has impacted on every business. It has not been good since year 2000.

### **4.2 Target Market**

The target market is mainly segmented by psychographics. Our website's target markets can be separated into two main groups, which are people in Thailand group and worldwide group:



### **For Thailand Group**

- (a) People who care for plants and their home environment.
- (b) People who want to buy plants and other garden products without going to the plant market.
- (c) People whose hobby is growing a plant for their lifestyle.
- (d) People who want to receive the update information or event that happens around Thailand. We provide them by posting the updated events like when/where the up coming “Garden Fair”.
- (e) People who want to search for information about tropical plants.
- (f) People who want to find the gardener’s team who can manage to perform the garden decoration for them.
- (g) People who want to arrange for monthly / weekly Lawn care Service.
- (h) People who work as interior designer for house or organization.
- (i) People whose careers are involved with plants and decoration. For example: people who work as a homebuilder, gardener for hotels, schools, restaurants, public garden, organizations, or other places of work where they have space of garden or plants.
- (j) Group of people who purchase a new house.

### **For Worldwide Group:**

- (a) People who want to buy hand made products from Thailand. For example: pottery and crockery.
- (b) People who want to search for information about plants in Thailand.

The overall target market for our website will be people within the ages of 26-50 with interest in plants and garden products, especially people who live in Bangkok and metropolitan areas.

### 4.3 Market Segmentation

To compete successfully in business today, we need to provide more with the best offer to be able to attract people to buy our products. Marketers must attract certain segmented markets that exhibits unique needs and wants. Market segmentation is therefore necessary for today's competitive business markets environment. The overall objective of market segmentation of GardenOnline is therefore to improve our competitive position, better serve the needs of our customers, and enhance our business's image.

The profile of our customer consists of the following geographic, demographic, psychographics and behavioral factors:

- (a) Geographic: the company targets the customers who live in Bangkok and metropolitan area. For other product lines exclude plants, the company targets customers worldwide (including Thailand) who are interested to buy Thai hand made pottery & crockery and other garden accessories such as teak furniture.
- (b) Demographic: the company targets customers whose age is between 25-50 years old. Their income should be at a moderate level. The gender can be both male and female. The family life cycle will be married or older people because this group of people already have houses, own their homes, townhouses and/ or condominiums, belong to one or more business, social and / or organization, which may include gardener, interior decorator, garden designer, etc.
- (c) Psychographics: People who care for plants and their house environment. People who love to plant and want to make their garden look beautiful. People who want to get a plant to be a present for special occasions. People

with lifestyle of growing plants or gardening. The appearance of that people's home is a priority. Entertaining and showing their home is important. People who read one or more of the following magazines such as Home & Garden, Elle Décor, etc.

- (d) Behaviors: People who takes pride in having an active role in decorating their home and garden. Her / his home is a form of communicating "who she is" to others.

GardenOnline is providing its customers the opportunity to create a beautiful home and garden environment. They have a choice to select their plant and other garden accessories. We believe that they have potential to contribute to the business success of GardenOnline. Moreover, the segments also has the potential to grow and generate profits to GardenOnline as well.

#### **4.4 Market Positioning**

“GardenOnline offers gardeners and nature lovers a carefully-selected and well-organized collection of tropical plants and garden products. So if you enjoy plants, either in the garden or in nature, stop on by, the gate is open”.

For the person who seeks to create a unique impression of his home, GardenOnline is the source for selection and price for plants, garden decoration service and a variety of other home accessories and furniture products. Customers will be impressed with the great plant selection, value pricing and excellent customer service. GardenOnline is a pleasant and tasteful resource for plant lovers or people in the process of rebuilding/ redesigning the garden.

#### **4.5 Product Analysis**

GardenOnline focuses on selling plants and garden products for the people who love to decorate their garden/yard. The main product is plant for people who live in

Bangkok and metropolitan areas. Other categories (garden furniture and garden tools) are focused on the people worldwide. The products in our website are Indoor plants, Outdoor plants, Garden furniture, garden tools & accessories. We also provide a special service, which is Garden Decor to the one who wants us to decorate/redecorate their garden for them. GardenOnline offers a vast array of premium quality products as follows:

- (a) Indoor Plants: The indoor plants offered are varieties of plants that include bonsai, cactus, gift plants and other kinds of indoor plants.
- (b) Outdoor Plants: The outdoor plants offered are varieties of plants that include water plants, air plants, palms and shrubs.
- (c) Garden Furniture: the garden furniture offered are varieties of furniture from the best sources in Thailand. Those products include hardwood furniture, modern style furniture and pot & planters.
- (d) Tools & Accessories: this section offered many tools and accessories for your garden including hands tools, powerful tools and soil & fertilizer.
- (e) Garden Décor service: this service is for the customers who would like to arrange for our staffs to rebuild their garden or create a new design garden for customers. After they make the arrangement via the Internet, we will go to see the place where they need us to use our garden decoration service. After that we will advise the appropriate design or customer can inform us about what they want it to look like. Finally, we will calculate the cost for rebuild / build their garden.



#### 4.5.1 Why Are Plants and Accessories Selected?

There are many valid reasons for people to put a pretty garden in their place. The garden may be in front of the house, at its side, or even at the back yard. We can conclude the reasons as follows:

- (a) To beautify your place - one major reason to have a good looking house is solely for ones who live in that house. It is good for people who are passing by. Also a good-looking house reflects the people in it. If the house and surroundings are left messy, it is not only uncomfortable for you but also is the habitats of some poisoned animals.
- (b) Serve as place for your relaxation - when your place is nice, you will not want to go anywhere else. You just use your own home as the place that you can take a big rest to be ready for the next coming weekdays. Moreover, you will have a good place to get pure oxygen for your lungs.
- (c) Garden serve as protection - in case of a big tree, they can serve as a protection from light, sound of the passing automobiles (even noisy motorcycles). Also plants act as filter to protect dust from the road to your house.
- (d) Serve as sources of food - if you select to plant vegetables, you will probably have your home-planted food. Besides you have your own food source, you will be sure that the vegetable is clean with no poison from insects or chemicals.

Plants and accessories are selected because there are few competitors in Thailand who are doing exactly the same website as us. But the difference is that we provided more product categories and garden decoration service for our customers. We will take

this opportunity to increase our sales by using website to be our new channel for selling plants and garden accessories directly from the website.

Nowadays, people are exhausted and tired from work because of bad environment such as traffic, pollutions, etc. The gardens provide them with the retreat from the day's stress; they improve the environment, give fresh air and exercise, as well as increase the value of property. So when you are ready to garden, we are here to help. It is our aim to provide the most attractive gardening site on the web, combining the creative use of interactivity with imaginative content and a user-friendly interface. We are your online quality garden plants, flowers and garden accessories. Customers will find many plant selections from the first page, which include indoor plants, outdoor plants, garden furniture and garden tools & accessories. Whether you are a beginner or an expert gardener, our goal is to make your gardening experience an enjoyable one. As everyone sees that we can get a lot more benefits from plants so let's buy more plants for your garden now!

#### 4.5.2 Products Description

- (a) Our primary point of differentiation is to offer these qualities:
- (b) The most extensive access to in-stock plants and garden products, first quality plants and other product items at affordable prices.
- (c) The largest selection of plants, with arrangement to have most of those products shipped to the customer within 3 days of placing the order. If customer request for special delivery, we can deliver the item within 24 hours after receiving the order but with the charge of a higher price for fast delivery.

- (d) The specialist staffs who have excellent knowledge about how to make your garden look beautiful. They will be able to satisfy customer's need for their garden decoration.

GardenOnline will give quality for the most attractive discount for the customers by offering lower pricing for purchases more than 1,000 baht with a free delivery. The primary product lines will include the following plants:

- (a) Indoor Plants include Bonsai, Cactus, Gift Plants, and Miscellaneous.

Bonsai section contains more than 20 bonsai species and each bonsai specie has a different size/ age for the customer whether they want small size or larger size. Suitable for decorate office table, bathroom, living room or a present for special occasions. Price of bonsai will depend on size, specie and pattern of bonsai and the age. Also the price of bonsai is quite high compared with other indoor plants because bonsai takes time to grow and require special care more than other plants. The price of bonsai is round about 800-1,000 baht.

Cactus section contains more than 20 cactus species and some cactus specie has a different sizes. For the customers who want small size or larger size. Suitable for decorate living room, bathroom, office table, computer table (placing cactus beside the computer can protect you from the computer radiance) or they can be a present for special occasion. Price of cactus will depend on size and specie. The price of cactus is round about 35 baht per pot.

Gift Plants section contains about 10 gift plants style, suitable for giving on special occasions like Birthdays or Valentine's because the leave of plants have a heart shape. There is the same species, which is called

“Hoya”. They have different sizes and styles for the customers who want to give these plants to the ones they love whether they want small size or larger size. Price of gift plants will depend on size and pattern of it. The price of gift plants is round about 300-700 baht.

Miscellaneous section contains more than 30 miscellaneous indoor plants species, suitable to decorate office table, bathroom, living room, dining room or they can be a present for special occasions. Price of plants in this section will be round about 35-200 baht.

(b) Outdoor Plants include Air Plants, Water Plants, Shrub and Palms

Air Plants section contains more than 20 orchid species, suitable for decorating garden by hanging them on the trees or somewhere else. Price of orchid will depend on specie of that orchid. The price of orchid is round about 150-350 baht.

Shrubs section contains more than 30 miscellaneous shrubs species. They are very popular shrubs plants in Thailand and hot climate countries. This section includes Hibiscus, Bougainvillea, Frangipani, Gardenia, Cup of Gold, Flame Tree, Adenium, Allamanda, Champak, Plumbago, Jasmine, Rose, etc. Each of them has different size and color, for example: Bougainvillea are available in purple and orange, suitable to grow in the garden where plenty of sunlight required. Most of shrub plants have a beautiful flower so they will be very attractive in your garden. Price of shrub plants in this section will be round about 35-1,500 baht.

Water Plants section contains more than 20 miscellaneous water plant species. This section includes torch ginger, lotus, water lily, etc. Each of them has different colors, for example: Water lily is available in pink, white



or blue. Most water plants need a pond / basin or near the pond. Can be put in a pottery or crockery and place it in your garden. Price of water plants in this section will be round about 120-350 baht.

Palms section contains more than 10 palm species. This section includes Butterfly Palm, Date Palm, Mediterranean Fan Palm, Parlor Palm, Sago Palm, etc. Some of them come in different sizes for example: Date Palm is available in 1.5 feet and 2 feet. Palms do not require a special care and they can be used as indoor plants as well. Price of palms in this section will be round about 800-1,300 baht.

The complementary accessories product will include the following items:

- (c) Garden Furniture includes hardwood furniture, modern style furniture, pots and planters.

Hardwood section contains more than 10 hardwood furniture styles. This section includes Swing Hammock, Hardwood Bench, etc. Each of them come with different sizes for example: Hardwood bench available in 4 feet and 5 feet. Can be used as outdoor furniture for your garden. Price of hardwood furniture in this section will be round about 2,500-5,000 baht.

Modern Style section contains more than 10 modern styles furniture. This section includes Resin table set, Round Side Table, etc. Some of them come with different colors, for example: Resin table set available in Aqua Green and white. Can be used as outdoor furniture for your garden. Price of modern styles furniture in this section will be round about 1,200-2,000 baht.

Pots & Planters section contains more than 10 pots and planters design. This section includes crockery, pottery etc. Some of them come with different colors and sizes, for example: Flower Pot available in size 5 x 6

and 8 x 7. Can be used as planters for growing plants. Price of pots & planters in this section will be round about 120-1,800 baht.

- (d) Garden Tools & Accessories include powerful equipments, hand tools and Soil & Fertilizer.

Hand tools section contains more than 10 tools to maintain your garden. This section includes Cultivator, Transplanter, Pruner, Carbon Steel Garden Fork, Carbon Steel Garden Spade, etc. They can be used to maintain your garden. Price of hand tools in this section will be round about 200-880 baht.

Powerful equipment section contains more than 10 powerful equipments. This section includes Lawn Mower, etc. They can be used to maintain your garden. Price of products in this section will be round about 9,000-14,000 baht.

Soils & Fertilizer section contains more than 10 kinds of soils and fertilizers to nourish plants in the garden. This section includes soil and fertilizer, etc. Each of them has different formula for different kinds of plants needed. Price of products in this section will be round about 35-220 baht.

- (e) Garden Books & Magazines include Magazines and books.

Magazines section contains more than 10 magazines for more information about home & garden.

Books section contains more than 10 books about plants and how to grow plants or anything related to plants.

- (f) Again, we also have a *Garden Decoration* service for the people who wants us to design the garden with a suitable style for home environment.

Knowledge and experience are two key ingredients that separated GardenOnline from other plant markets. We have extensive experience in plants care and decorated garden. We, therefore, are ready and able to serve our customers whether they want us to rebuild their garden or create a new design to meet the customer needs. The customers can be assured that they will be treated with the utmost dedication, reliability and respect.

#### 4.5.3 Sourcing

- (a) Plants: The plants that we sell on GardenOnline website are from our own source. We grow them at the plant nursery farm. We take good care for every kind of plant so our plants are healthy and strong.
- (b) Garden Furniture: A majority of the furniture is purchased through local furniture makers. We also work with a number of specialty manufacturers for garden furniture.
- (c) Garden Tools: A majority of garden tools is purchased through manufacturers who supply garden tools. They have the experience in this business for many years.
- (d) Garden Accessories: The main source for garden accessories is purchased through local makers. Most accessories such as pottery are from Rachaburi because they are famous in producing hand made pottery.

#### 4.6 Price Analysis

Product pricing is based on offering a high value to our customers compared with most price points in the market. Value is based on the best quality available, convenience, and timeliness in acquiring the product. GardenOnline will also provide better quality and selection than the latter. We set prices, which are consistent with the competitive situation operating in the market. Pricing policy that we are using on our

website is intrinsically linked to business objectives. The following are the pricing policy that we used:

- (a) Market Penetration Pricing – we set low prices for our products relative to key competitors in order to gain a large market as quickly as possible. For example: Dwarf Jade Bonsai Plant (size 7inch, age 3 years), our website sell at 800 baht while our competitor sell at 1,500 baht.
- (b) Psychological Pricing – the prices level of our products are determined for psychological rather than rational reasons. Perceived value pricing is based on what buyers believe the product to be worth. For example: the customers would expect the price of plants on the Internet to differ from that at traditional plant markets. For example: Pink Water Lily (size 2 feet), our website sells at 350 baht while the traditional shop sells at 400 baht.
- (c) Odd-even pricing – this is related to the psychology, involves in trying to attract customers using odd number prices. The idea is that more customers will purchase an item priced at 199 baht than 200 baht. For example: Hardwood Bench, we sell at 2,999 baht.
- (d) Promotional Pricing – this approach to pricing involves the use of special price levels to increase sales in the short-term. This can involve the use of special-event pricing, perhaps in a New Year, Valentine, etc. For example: 10% discount if buying our products during this month.

Delivery Price for our products will be about 150 baht per one order and minimum order is 300 baht. The inventory is placed at Jattujak market. The customers who purchase more than 1,000 baht will receive a free delivery service. Delivery outside Bangkok and metropolitan area will be charged differently. We will use DHL service for posting the order to the customers, this service is only provided for garden



products only but not include the plants. Plants can only be delivered to the customers who live in Bangkok & Metropolitan area at the moment.

#### **4.7 Competitive Analysis**

There are some websites in Thailand that sell plants and garden accessories on the Internet. But most of them specify for only one product category. They intended to sell for a niche market. For example: one website sells only cacti plants or some website sell only orchids. The following are our competitors in Thailand:

- (1) <http://www.tropical-plant.co.th>

This website provides services for plants care and garden decoration for office area including outdoors and indoors. For indoor plants, they also provide plant-renting service. Customers can arrange to rent plants for specific times, during the time they will come to look after their plants and change to new plants if any of them are not in good condition.

- (2) <http://www.cactusthailand.cjb.net>

This is a niche market website that sell only cacti plants for their customers. Customers can place and order via the Internet and use the offline payment method. Customers have to pay by depositing the money into the bank account. They can deliver their products within Bangkok area only with additional delivery cost of 100 baht.

- (3) <http://www.thaising.co.th/>

This website provides similar plants to our website but our website has a lot more plant categories. They have only 4 categories of plants. Mainly they're using their website as a tool for advertisement of their plants like what kind of plants they have by putting up some picture of plants. And if customers are interested to buy, they need to contact them via email,

phone or visit the shop for more information about price or other related details.

- (4) <http://www.orchidkb.com/>

This website sells only orchids, customer can place order via the Internet. They also export their orchid to other countries as well.

- (5) <http://www.thaipalms.com/>

This website sells palm seeds and also provide information about Thai palms. People can search for information about each palm species.

#### 4.8 Financial Analysis

Financial analysis is used to determine whether the project is economically feasible. Numerous approaches have been developed to measure the value of the proposed project to an organization. The expense-to-sale ratio should be analyzed in an overall financial framework to determine how and where our company is marketing money. Our income comes from selling plants, garden accessories and garden decoration service.

##### Detail of estimate sales (Unit: Baht)

##### Estimate 1st year sales

##### **For Indoor Plants:**

Bonsai category	30 pots x 1,000	= 30,000
Cactus category	70 pots x 35	= 2,450
Miscellaneous category	240 pots x 100	= 24,000

##### **For Outdoor Plants:**

Water plants category	120 pots x 270	= 32,400
Shrubs category	160 pots x 600	= 96,000
Air plants category	80 pots x 230	= 18,400

Palms category	40 pots x 780	= 31,200
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**For Garden Furniture:**

Hardwood category	8 pieces x 3,500	= 28,000
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Modern Style category	8 pieces x 1,000	= 8,000
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Pot & Planters category	40 pieces x 700	= 28,000
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**For Garden Tools & Accessories:**

Hand tools	40 pieces x 600	= 24,000
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Powerful equipment	3 pieces x 11,000	= 33,000
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Soils & Fertilizers	100 pieces x 100	= 10,000
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**For Garden Décor service**

Decoration Service	8 times x 50,000	= 400,000
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Lawn Mowing Service	50 times x 600	= 30,000
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**For Plant Books:**

Books & Magazines	48 books x 300	= 14,400
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<b>Total of 1st year income</b>		<b>= 809,850</b>
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**Estimate of 2nd year sales**

**For Indoor Plants:**

Bonsai category	40 pots x 1,000	= 40,000
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Cactus category	80 pots x 35	= 2,800
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Miscellaneous category	300 pots x 100	= 30,000
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**For Outdoor Plants:**

Water plants category	150 pots x 270	= 40,500
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Shrubs category	180 pots x 600	= 108,000
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Air plants category	100 pots x 230	= 23,000
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Palms category	60 pots x 780	= 46,800
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**For Garden Furniture:**

Hardwood category	15 pieces x 3,500	= 52,500
Modern Style category	15 pieces x 1,000	= 15,000
Pot & Planters category	60 pieces x 700	= 42,000

**For Garden Tools & Accessories:**

Hand tools	60 pieces x 600	= 36,000
Powerful equipment	5 pieces x 11,000	= 55,000
Soils & Fertilizers	150 pieces x 100	= 15,000

**For Garden Décor service**

Decoration Service	12 times x 50,000	= 600,000
Lawn Mowing Service	60 times x 600	= 36,000

**For Plant Books & Magazines:**

Books & Magazines	60 books x 300	= <u>18,000</u>
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**Total of 2nd year income** = **1,160,600**

**Estimate of 3rd year sales****For Indoor Plants:**

Bonsai category	50 pots x 1,000	= 50,000
Cactus category	90 pots x 35	= 3,150
Miscellaneous category	320 pots x 100	= 32,000

**For Outdoor Plants:**

Water plants category	170 pots x 270	= 45,900
Shrubs category	200 pots x 600	= 120,000
Air plants category	120 pots x 230	= 27,600
Palms category	70 pots x 780	= 54,600

**For Garden Furniture:**



Hardwood category	20 pieces x 3,500	= 70,000
Modern Style category	20 pieces x 1,000	= 20,000
Pot & Planters category	80 pieces x 700	= 56,000

**For Garden Tools & Accessories:**

Hand tools	80 pieces x 600	= 48,000
Powerful equipment	6 pieces x 11,000	= 66,000
Soils & Fertilizers	200 pieces x 100	= 20,000

**For Garden Décor service**

Decoration Service	14 times x 50,000	= 700,000
Lawn Mowing Service	70 times x 600	= 42,000

**For Plant Books & Magazines:**

Books & Magazines	80 books x 300	= 6,000
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**Total of 3rd year income = 1,361,250**

**Estimate of 4th year sales**

**For Indoor Plants:**

Bonsai category	60 pots x 1,000	= 60,000
Cactus category	120 pots x 35	= 4,200
Miscellaneous category	350 pots x 100	= 35,000

**For Outdoor Plants:**

Water plants category	200 pots x 270	= 54,000
Shrubs category	230 pots x 600	= 138,000
Air plants category	150 pots x 230	= 34,500
Palms category	100 pots x 780	= 78,000

**For Garden Furniture:**

Hardwood category	40 pieces x 3,500	= 140,000
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Modern Style category	30 pieces x 1,000	= 30,000
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Pot & Planters category	120 pieces x 700	= 84,000
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**For Garden Tools & Accessories:**

Hand tools	100 pieces x 600	= 60,000
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Powerful equipment	10 pieces x 11,000	= 110,000
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Soils & Fertilizers	260 pieces x 100	= 26,000
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**For Garden Décor service**

Decoration Service	20 times x 50,000	= 1,000,000
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Lawn Mowing Service	100 times x 600	= 60,000
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**For Plant Books & Magazines:**

Books & Magazines	120 books x 300	= <u>36,000</u>
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<b>Total of 4th year income</b>		= <u><b>1,949,700</b></u>
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**Estimate of 5th year sales**

**For Indoor Plants:**

Bonsai category	70 pots x 1,000	= 70,000
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Cactus category	130 pots x 35	= 4,550
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Miscellaneous category	360 pots x 100	= 36,000
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**For Outdoor Plants:**

Water plants category	210 pots x 270	= 56,700
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Shrubs category	240 pots x 600	= 144,000
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Air plants category	160 pots x 230	= 36,800
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Palms category	110 pots x 780	= 85,800
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**For Garden Furniture:**

Hardwood category	50 pieces x 3,500	= 175,000
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Modern Style category	40 pieces x 1,000	= 40,000
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Pot & Planters category	130 pieces x 700	= 91,000
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**For Garden Tools & Accessories:**

Hand tools	110 pieces x 600	= 66,000
Powerful equipment	12 pieces x 11,000	= 132,000
Soils & Fertilizers	270 pieces x 100	= 27,000

**For Garden Décor service**

Decoration Service	25 times x 50,000	= 1,250,000
Lawn Mowing Service	110 times x 600	= 66,000

**For Plant Books & Magazines:**

Books & Magazines	130 books x 300	= <u>39,000</u>
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<b>Total of 5th year income</b>		= <u><b>2,319,850</b></u>
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**Initial Investment Cost**

- |                                |                 |
|--------------------------------|-----------------|
| 1. Hardware                    | = 60,000        |
| 2 set of computers             |                 |
| Printer                        |                 |
| Scanner                        |                 |
| 2. Furniture                   | = 20,000        |
| 3. Land for Cultivating Plants | = 60,000        |
| 4. Inventory                   | = 300,000       |
| 5. Garden Equipments           | = 30,000        |
| 6. Miscellaneous               | = <u>12,000</u> |

<b>Total Investment Cost</b>	= <u><b>482,000</b></u>
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**Operating Expense (per year)**

Maintenance WebPages	= 30,000
Domain name Fee	= 800

Advertising & Exhibition	= 50,000
Salary	= 391,200
Renting	= 90,000
Warehouse	= <u>80,000</u>
<b>Total Operating Expense (per year)</b>	<b>= <u>702,000</u></b>

Table 4.1. Profit and Lost Projection.

Year	0	1	2	3	4	5
Estimated Sales		809,850	1,160,600	1,361,250	1,949,700	2,319,850
Less: COGS		(100,000)	(143,310)	(168,087)	(240,748)	(286,454)
Gross: Profit		709,850	1,017,290	1,193,163	1,708,952	2,003,396
Less: Operating Exp.		(702,000)	(772,200)	(849,420)	(934,362)	(1,027,798)
Net Operating Income		(7,850)	245,090	343,743	774,590	1,005,598
Less: Depreciation		(24,400)	(24,400)	(24,400)	(24,400)	(24,400)
EBIT		(16,550)	(220,690)	319,343	750,190	981,198
Less: Interest Exp.		0	0	0	0	0
EBT		(16,550)	(220,690)	319,343	750,190	981,198
Less: Income Tax		0	(61,242)	(95,803)	(225,057)	(294,359)
Net Income		(16,550)	159,448	223,540	525,133	686,838



## Financial Analysis

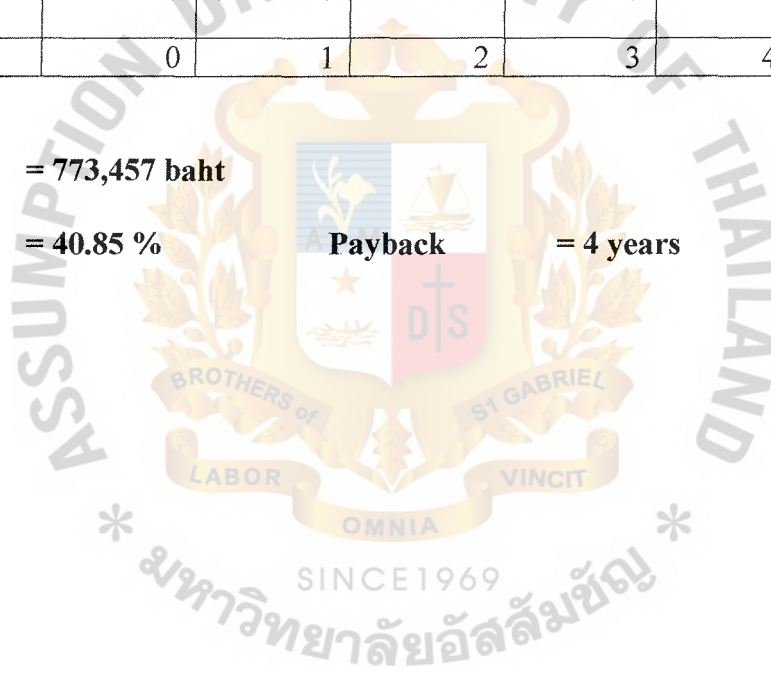
Table 4.2. Net Cash Flow Projection.

Year	0	1	2	3	4	5
Investment Cost	(482,000)	(16,550)	159,448	223,540	525,133	686,838
Net Income						
Plus: Depreciation		24,400	24,400	24,400	24,400	24,400
Plus: Inventory						150,000
<b>Net Cash Flow</b>	<b>(482,000)</b>	<b>7,850</b>	<b>183,848</b>	<b>247,940</b>	<b>549,533</b>	<b>861,238</b>
Acc. Cash Flow	(482,000)	(474,150)	(290,302)	(42,363)	507,171	1,368,409
Period Calc.	0	1	2	3	4	5

NPV = 773,457 baht

IRR = 40.85 %

Payback = 4 years



## V. MARKETING STRATEGY

### 5.1 Advertising

Advertising on the Internet is another way to endorse products. The goal of our advertisement is to reach our target audience effectively and efficiently. Researches found that three-quarter of PC users were willing to give up television to spend more time on their computers. There are several reasons why our company advertises on the Internet:

- (a) Our ads can be updated any time with a minimal cost; therefore, they are always timely.
- (b) Our ads can reach a very large numbers of potential buyers globally.
- (c) Online ads are sometimes cheaper in comparison to newspaper, radio or television.
- (d) Web ads can efficiently use the convergence of text, audio, graphics, and animation.
- (e) The use of the Internet itself is growing very rapidly.
- (f) Web ads can be interactive and targeted to specific interest groups and/or individuals.

The most successful advertising methods that we used to promote GardenOnline are as follows:

- (a) Print our e-mail and web addresses on all our company's print out, letterhead, business cards, pottery, press releases, package label and display advertising. To make people believe they can find out more about our products or services by looking online.

- (b) Advertise on the magazine such as BanlaeSuan (Home & Garden), Pleaw, or other garden magazines.
- (c) Advertise on the BTS by post on the poster of GardenOnline. The poster will include some pictures of our plants and the address of our website plus email, phone and fax number.
- (d) We are going to hold a fair like the Exhibition show about plants and garden products.
- (e) We will produce brochure to give out to the people who come to visit us at the exhibition show.
- (f) Advertise GardenOnline web site to web search engines that index the web, such as Sanook, Yahoo, Lycos, Google, and InfoSeek.
- (g) Provide a free download screen server and wallpaper that present our logo and web address.

## **5.2 Promotion**

The most successful promotional activities that we will use to increase our sales volume are as follows:

- (a) Customers will receive the points after they buy our products and get a reward when they reach the minimum point. They will get 1 point for every 20 baht they spend on our products. The minimum point is 200 points, after they reach 200 points – they can use their point to exchange with the current rewards or they can continue collecting point for a bigger / more valuable rewards.
- (b) Customers who introduce their friend to be our new subscriber, will get addition points (100 points) or other reward depending on the current promotion.

- (c) During the first 4 months we will give a small gift to the customers who buy our products. The presents are such as a pot of plant or something else. The gift will be sent with the products that customer ordered.
- (d) Provide a Newsletter for people who become our members. The newsletter should contain any updated information on our website, current event, etc.

### **5.3 Value Added Services**

The value services have been added to our website to use as the techniques to bring the customers back to visit our website regularly. The following are the value added services that can be found on GardenOnline:

- (a) We provide a weekly Garden Tips & Ideas in our website. The tips will give useful information about plants or other interesting tips, for example: the idea on how to decorate Christmas trees without buying anything by using some stuff in the house.
- (b) We provide hot events information and hot news that happen in Thailand. For example: Kasert fair, Home and Garden exhibition.
- (c) We provide the free email account for every customer who subscribes to be our member.
- (d) We will send the newsletters to our members to let them know about what's going on today in our website. And also to inform any updated information related to the topic that they choose when they apply to be our member. They can choose to receive or not to receive any newsletter from us and they can unsubscribe from our mailing list if they change their mind later on.
- (e) Garden Talk (web board): Forum for gardeners to share question, knowledge, view, information or experiences with other gardeners / nature lover.



#### 5.4 Place

The Internet offers great opportunities for marketing, with its reach, targeting possibilities and continuously evolving technology. The way we have exploited our business is by selling via GardenOnline website. It allows customers to order products online through the website. The following are the place strategy that we are using:

- (a) The primary source of distribution is through traditional retail channel.
- (b) On a secondary basis, it will be through the GardenOnline website.
- (c) Other distribution is Exhibition and Garden Fair. We will exhibit at the plants trade fair (Kaseat Fair or KU fair), or any Garden Exhibition. It is the other way to increase our sale, increase customers and to be well known by other.



## **VI. PROJECT IMPLEMENTATION**

### **6.1 Hardware and Software Requirements**

The requirements of this system are as follows:

#### **(1) Hardware Specification**

- (a) Pentium 4 1.6 GHZ
- (b) DDR-RAM 256 MB
- (c) HDD 40 GB
- (d) CD-ROM Drive 52X
- (e) 3.5 inch Floppy Drive
- (f) 15 inch Monitor
- (g) Keyboard
- (h) Mouse
- (i) Modem 56k

#### **(2) Software Specification**

- (a) Microsoft Window Me
- (b) Macromedia Dream Weaver 4.0
- (c) Cute FTP
- (d) Internet Explorer 6.0
- (e) Internet access
- (f) PhotoShop 6.0

### **6.2 Site Structure**

The site structure of GardenOnline is put into logical order to create interest for customers. GardenOnline allows customers to make successful predictions about where to find things. In addition, consistent methods of ordering, labeling, and graphically

arranging information allow users to extend their knowledge from pages they have visited to pages they are unfamiliar with. The site structure gives an idea of where each page is located and what link.

The site structure of GardenOnline starts with a home page, serving as a clear entrance to other pages. The home page is linked with other pages: Product, Member, Garden Tips & Ideas, Garden Talk, Calendar of Events, Wallpaper & Screensaver, Terms & Conditions, Disclaimer, About Us and Contact Us, etc. Each sub-menu page is also further divided into many topics relevant to that particular sub-menu. To understand clearly how GardenOnline organizes the site, the site structure of it, is shown in Figure 6.1.



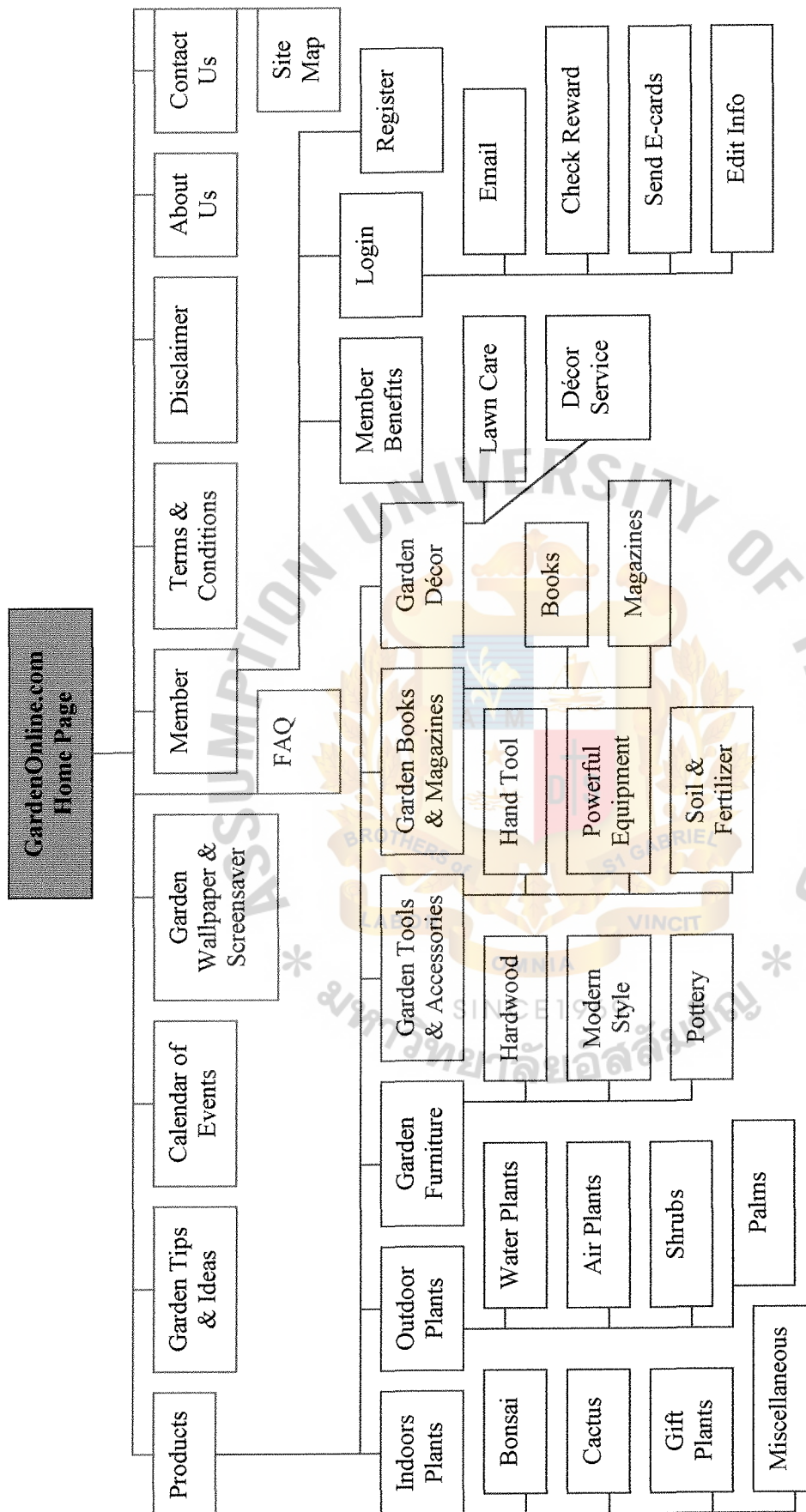


Figure 6.1. Garden Online Site Structure.



## 6.3 Site Map

### Main Menu

- (a) Product
- (b) Member
- (c) Garden Tips & Ideas
- (d) Garden Talk
- (e) Calendar of Events
- (f) Wallpaper & Screen Saver
- (g) Term & Conditions
- (h) Disclaimer
- (i) FAQ
- (j) About Us
- (k) Contact Us

### Product

- (a) Indoor Plants
- (b) Outdoor Plants
- (c) Garden Furniture
- (d) Garden Tools & Accessories
- (e) Garden Books & Magazines
- (f) Garden Décor

### Indoor Plants

- (a) Bonsai
- (b) Cactus
- (c) Gift Plants
- (d) Miscellaneous

## **Outdoor Plants**

- (a) Water Plants
- (b) Air Plants
- (c) Shrubs
- (d) Palms

## **Garden Furniture**

- (a) Hardwood
- (b) Modern Style
- (c) Pots & Planters

## **Garden Tools & Accessories**

- (a) Hand Tools
- (b) Powerful equipments
- (c) Soils & Fertilizers

## **Garden Books & Magazines**

- (a) Books
- (b) Magazines

## **Garden Decor**

- (a) Lawn Care Service
- (b) Garden Decoration Service
- (c) Portfolio

## **Member**

- (a) Login member / Register
- (b) Check email
- (c) Check Points
- (d) Send E-card

#### 6.4 Web Operating Functions

We provides a directory menu (for example: Product, Member, Garden Tips & Ideas, Garden Talk, etc.) to tell the customer that they can go to anyplace at anytime they want without going back to the main page. So this makes it easier for the customers to manage the site. The following are the operation function in GardenOnline:

- (a) Homepage – customers can go to the index page by clicking anywhere on homepage as shown in Figure 6.2.

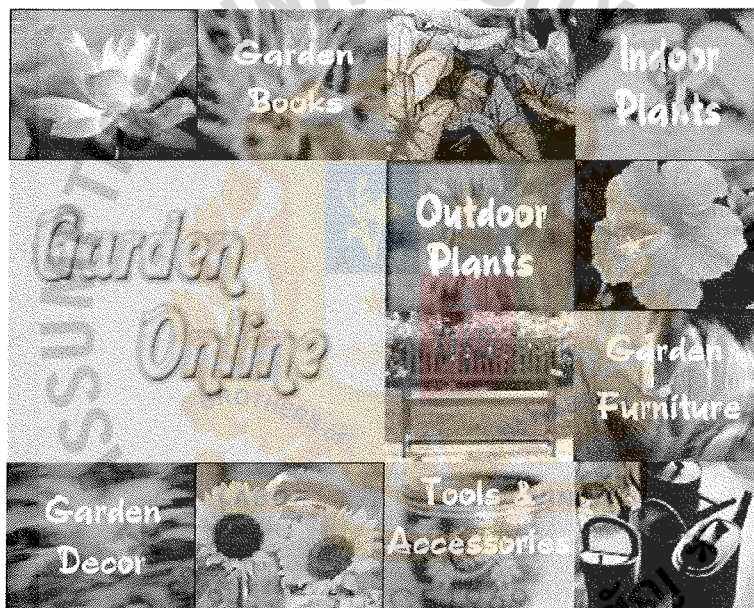


Figure 6.2. Home Page of GardenOnline.

- (b) Index Page – this page consists of every thing that the customers can do on GardenOnline. The links on this page will guide you about what you can do on our website. Those pages are Products, Member, Garden Tips & Ideas, Garden Talk, Calendar of Events, Wallpaper & Screensaver, Terms & Conditions, Disclaimer, About Us and Contact Us.

- (c) Products: we provide the information on what we sell on our website. We have many categories of garden products such as Indoor Plants, Outdoor Plant, Garden Furniture, Garden Tools & Accessories, Garden Décor, and Garden Books & Magazines. Sample of Products page is shown in Figure 6.3.

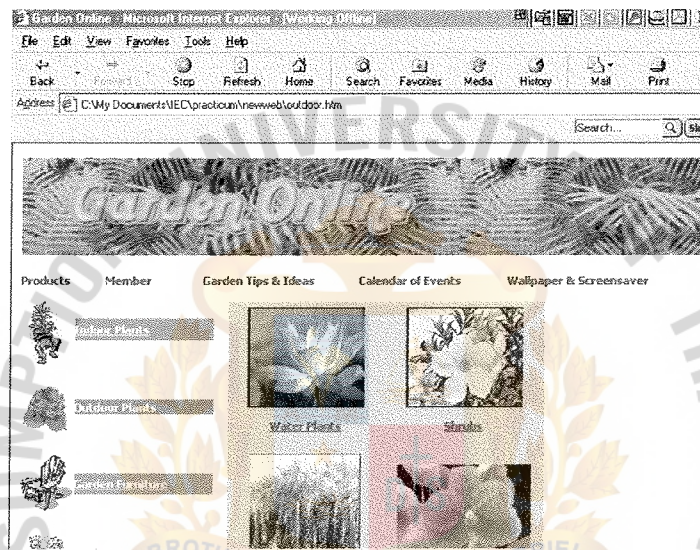


Figure 6.3. Sample of Products Page.

- (d) Member: This is where the customers can apply to be our new members by clicking on Register and the register form will come up. And customers can find out the benefits information after they become our member. This is where the customers can login into the member's area to check Reward points, update/ change their information such as password, address, etc. Further more, member can also check email and send e-cards.



- (e) Garden Tips & Ideas: This is weekly updated, we will provide useful information about garden or it can be an idea on how to create something, for example: how to create a Christmas tree.
- (f) Garden Talk: This is where the customers can exchange their ideas or comment about our website among the other customers.
- (g) Products: Calendar of Events: This is where we will post the hot event in the current month. For example: we will post about the up coming “Garden fair” – when it starts, at what time and where the location is.
- (h) Wallpaper & Screensaver: This is where the customer can get a free download of our screensaver and wallpaper.
- (i) Terms & Conditions: This is where the customers can find out about our terms and conditions in our website. Include guarantee, policy, delivery info, etc.
- (j) Disclaimer: To tell the customer that data and information is provided for informational purposes only.
- (k) About Us: it's contained the information about our company, for example: how long we are doing this business, experience, our management team, etc.
- (l) Contact Us: this is where the customers can contact us by using email.

Others important functions on our website are as follows:

- (a) Indoor Plants page: If the customers click on Indoor Plants section, it will take them to the Indoor Plants page. This page contains the link to indoor plant categories such as Bonsai page, Cactus, Gift Plants page and Miscellaneous page.
  - (1) Bonsai page: it will show up if the customers click on Bonsai.
  - (2) Cactus page: it will show up if the customers click on Cactus.

- (3) Gift Plants page: it will show up if the customers click on Gift Plants.
  - (4) Miscellaneous page: it will show up if the customers click on Miscellaneous.
- (b) Outdoor Plants page: If the customers click on Outdoor Plants section, it will take them to the Outdoor Plants page. This page contains the link to outdoor plant categories such as Water plants page, Air plants page, Shrubs page and Palms page.
- (1) Water plants page: it will show up if the customers click on Water plants. Customers can find a list of water plants here.
  - (2) Air plants page: it will show up if the customers click on Air plants. Customers can find a list of air plants here.
  - (3) Shrubs page: it will show up if the customers click on Shrubs. Customers can find a list of shrubs plants here.
  - (4) Palms page: it will show up if the customers click on Palms. Customers can find a list of palms here.
- (c) Garden Furniture page: If the customers click on Garden Furniture section, it will take them to the Garden Furniture page. This page contains the link to Garden Furniture categories such as Hardwood page, Modern Style page and Pottery & Planters page.
- (1) Hardwood page: it will show up if the customers click on Hardwood. Customers can find a list of hardwood products here.
  - (2) Modern Style page: it will show up if the customers click on Modern Style. Customers can find a list of modern style products here.

- (3) Pottery & Planters page: it will show up if the customers click on Pottery & Planters. Customers can find a list of pottery & planters products here.
- (d) Garden Tools & Accessories page: If the customers click on Garden Tools & Accessories section, it will take them to the Garden Tools & Accessories page. This page contains the link to Garden Tools & Accessories categories such as Hand Tools page, Powerful Equipment page and Soils & Fertilizers page.
- (1) Hand Tools page: it will show up if the customers click on Hand Tools. Customers can find a list of hand tools products here.
- (2) Powerful Equipment page: it will show up if the customers click on Powerful Equipment. Customers can find a list of powerful equipment products here.
- (3) Soils & Fertilizers page: it will show up if the customers click on Soils & Fertilizers. Customers can find a list of soils & fertilizers products here.
- (e) Garden Books & Magazines page: If the customers click on Garden Books & Magazines section, it will take them to the Garden Books & Magazines page. This page contains the link to Garden Books & Magazines categories such as Books and Magazines page.
- (1) Books page: it will show up if the customers click on Books. Customers can find a list of garden books here.
- (2) Magazines page: it will show up if the customers click on Magazines. Customers can find a list of powerful equipment products here

- (f) Garden Décor page: If the customers click on Garden Décor section, it will take them to the Garden Décor page. This page contains the link to Garden Decoration service and Lawn Care service.
- (1) Decoration Service: it will show up if the customers click on Decoration Service. Customers can find all of information about how to arrange the Garden Decoration service from us.
- (2) Lawn Care Service page: it will show up if the customers click on Lawn Care Service. Customers can find all of information about how to arrange the Lawn Care Service from us.



## VII. PAYMENT

### 7.1 Payment Methods

Due to the lack of technology and security system for the online payment in Thailand, people do not want to give out their credit card number to buy the products from the Internet especially people in Thailand. They did not trust that those website have a secure transaction process. So we provided many payment methods for them to choose whether they want to pay online or offline. But as this is for people in Thailand only, for people who live outside Thailand will have to pay by credit card only. The following are the payment methods that we are using in our website:

- (a) Pay via teller counter – depends on customers whether they want to go to bank and pay via the bank teller. They can transfer fund from their bank account to GardenOnline's bank account. But this method has a limitation to the banking hours service.
- (b) Pay by Credit Card – The Credit Online enables merchants to sell products with credit card payment over the Internet via the Electronic Data Capture (EDC) device to the acquiring bank. We are using SSL technology for our transaction method, the data will be encrypted before sent to our server.
- (c) Pay via Online-Banking - This is a very convenient and quick process. Customers need to have the bank account at Thai Farmer Bank (TFB) or Siam Commercial Bank (SCB) before they can use this service. They have to apply to be a member for using this Online-Banking service from the particular bank. For example: TFB - the customers will receive the online account and a password and customers need to follow the step of TFB for every transaction they made. It is very convenient because the customers do



not have to go out to do the transaction, it can be done at home at anytime they want to.

- (d) Pay via ATM – Today, customers can transfer by using ATM in every branch. This method is also quite convenient. Customer will not be charged by transferring from the same bank (different branch is fine) but if transferring from different bank, ATM transferring service will charge about 10-30 baht depending on the bank. This is similar to “Pay via Teller Counter” method above but this method can be done at anytime including after banking hours. Customer can transfer money by using ATM transferring fund service to transfer money into our bank account.
- (e) Pay via Mobile Phone - This service can be used on the mobile phone with Digital GSM 2 Watts network only. And you need to have the bank account at Siam Commercial Bank.

For the customers in Thailand, they can choose to pay for only 30% earnest of the full amount or pay for full amount depends on what they prefer. For the one who choose to pay 30% earnest of the full amount, they need to pay the rest when we deliver their order. The reason for having choices for customers in Thailand is because they don't have the confidence to pay by credit card – lack of trust and faith. Another reason is that some people may not have a credit card at all.

For the customers outside of Thailand – they have to pay by credit card for full amount only.

In terms of product shipping, the e-commerce traders prefer using the Communication Authority of Thailand, then the service of foreign express delivery companies ranking DHL, UPS, and Federal Express respectively.

## 7.2 Security for Online Payment

The Internet is changing the way people shop. Online, customers are purchasing a variety of goods and services with increasing frequency. Most online customers are attracted to the convenience that online shopping provides: 24-hour availability, no waiting on lines, and no salespeople. Both customers and retailers, however, are concerned about the security of online transactions. Demand for e-commerce solutions will eventually require installing encryption or other security software onto the servers.

Many consumers are wary of sending their credit card and other personal information across the Internet. Very often, online purchases are completed via fax or telephone because of this concern about security. Additionally, many online customers are hesitant to purchase from a retailer with whom they are not familiar, for fear that they will have no recourse should there be a problem with the product, or, should no product be delivered at all. Retailers are concerned about security. They are aware of customer wariness about the security of online transactions, and retailers are also concerned about the security and integrity of their internal networks.

The biggest reasons for not purchasing online are security related with 25% of Internet Users stating as shown in Appendices A.1 and A.2 (Source: <http://www.tnsfres.com/ger2001/home.cfm>) that they didn't want to give credit card details and 21% citing general security concerns.

Although security was seen as a major issue for all Internet user groups, the general issue of security was not as prevalent in younger people as the main reason for not shopping online in the same proportions as those of older age groups. This is likely to be driven by the lack of a credit card or not having as much money to spend in general. The privacy and security are important reasons customers are reluctant to shop online. Their challenge has been to develop technology to allow the secure exchange of

sensitive information in a manner that will gain the confidence and trust in online transactions.

In response to the security system, our security measures used by GardenOnline involve some form of data encryption. Using this technology, information is encrypted or converted into a code that can only be unscrambled and read by an authorized person with the appropriate electronic key. Encryption increases the level of security for transmitting data online so customers can more securely send financial information, such as credit. In addition, we use digital certificates and encryption technology that enables customers and retailers to verify the authenticity of the parties involved in online credit card transactions. Digital certificates serve to ensure that the parties to an online transaction can trust each other.

We use Secure Sockets Layer (SSL) encryption, certified by SCB. SCB has developed Payment Gateway Solution for e-commerce payments by charging buyer's credit card & putting the money into seller's account. Transactions will be processed in real time & protected by SIPS (SCB Secure Internet Payment System). SSL is used in most highly successful online shopping websites. SSL is developed by Netscape for transmitting private documents, works by using a private key to encrypt data. Both Netscape Navigator and Internet Explorer support SSL, and many web sites use it to obtain confidential consumer information, such as credit card numbers.

All your booking information - including customer name, addresses and, of course, the credit card numbers - is encrypted using a secure server. This information cannot be read as it travels to our web server. The data customers send to us is encrypted by their web browser before it leaves customer's computer using SSL technology.

## VIII. CONCLUSIONS AND RECOMMENDATIONS

### 8.1 Conclusions

It's easy to build a Web site. Anyone can do it for little or no money. What is not easy is building a successful business with it. There is always a good purpose for starting a web site. We recognized all the great things that will happen to us when we start our own web site:

- (a) Our business will be open 24 hours a day. This means we can receive the order at all times even nighttime. Customers who live somewhere far from our shop will still be able to shop via our website. Any time someone wants to know our working hours, location, directions, or any other details about your company, they can get it without disturbing someone.
- (b) The main product of GardenOnline is plant and other products are such as garden tools & accessories, garden books & magazines and we are also provided garden decoration service for the customer who wants to arrange for it.
- (c) Create an image of a well-established company. The Internet is a great medium through which we can create any image of our company we want. It is all in our hands: design a professional web site, add helpful content, and our company will immediately take a step up in the image it represents. No matter how small the business is, with the right tools and a great desire we can make it look like a corporation on the web.
- (d) The main target group is people who lives in Thailand especially Bangkok area. Because due to the difficulty of delivery process.



- (e) Advertising methods that we use are such as print out email address and URL of our website on every product, for example: we can print on pottery. Another way of advertising is apply to be in the list of popular search engine like sanook.com, yahoo.com, google.com, etc.
- (f) Promotion for the new customer is to accumulate points for every time customers buy our products, and get reward when they reach the minimum point. For current customers they can also receive the extra 100 points for customers who introduce their friends to be our new subscribers. We also give souvenirs to the new customers during the first 4 months of launching the web. This souvenir can be a small pot of plants, which can be place on your table.
- (g) We provide many services as the ways to attract customers to come back again and again. Those services are such as Calendar of Events, Garden Talk, and Tips & Ideas of the week.
- (h) We provided many payment methods for our customers to be able to chose whether they want to pay by credit card, ATM, Mobile Banking, Online Banking or even Teller Counter. It's depending on what they prefer. Some people may not trust with the online payment then they can choose to pay offline.
- (i) From the financial analysis, our payback period will be in 4<sup>th</sup> year.

There are many other things that we get from providing GardenOnline website. We can increase credibility in the marketplace by establishing a website. Be able to sell the products or services to desirable demographic markets. Website created the possibility to open international markets. We can also receive the feedback from customers and make use of the comments to improve our products and services. The



customer can easily reach us via the website. We can reduce postage and printing costs and publish a newsletter for no cost.

Internet is still in its babyhood, no matter how many web sites there are out there. It has been less than a decade since companies decided to use web sites as part of their marketing strategies. We will place our web site address in the newspaper ads and any other promotional materials to make people aware of Garden Online web site. People can find our web site and place an order or search for plants information or contact us about the services offer, etc.

## 8.2 Recommendations

- (a) We will keep on updating our information on the website and try to give efficient news and hot events for our customers.
- (b) We plan to redesign our website structure and interface every year, to make our web more attractive and interesting
- (c) Maintain the customer relationship by providing a special promotion for any special occasion. For example: New Year
- (d) Expansion of our product line such as renting plants – for office, or other product lines related to home & Garden, like home accessories.
- (e) We plan to provide both Thai and English language on GardenOnline website.
- (f) Keep on updating to the new technology (introducing flash into our website) make it more eye-catching and interactive.
- (g) Improve our customer service and maintain the customer relationship by keeping contact with them. Make them believe that they are very important to us. For example: giving a special present for the customer who is a long term member.

- (h) Improve the delivery service to worldwide (plants).
- (i) Introduce a Garden Decoration Contest for our customer. The winner will receive a reward from us.
- (j) Find business partners (garden & plants) around Thailand especially in big cities like Changmai, Songkla, Ubonratchatane, etc. They will be our delivery channels to the customers so we can deliver the plants in very area of Thailand. For example: when we receive the order from people who live in Changmai via the GardenOnline website, we will contact the partners in Changmai and they will deliver the order in Changmai for us. This can increase new customers in other area not just in Bangkok. Also the cost of delivery will be cheaper than sending from Bangkok.





**APPENDIX A**  
**ONLINE SHOPPERS**



Figure A.1. Future Online Shoppers.





Figure A.2. Online Shoppers by Country.







Figure B.1. Reasons for Abstaining from Shopping Online.





Figure B.2. Security Issues.

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