

Online Shopping Mall

by Mr. Kitipoj Trangwiwat

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

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

November 2006

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Project Title

Online Shopping Mall

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Academic Year

November 2006

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

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#### **ABSTRACT**

Nowadays the Internet has become an effective channel to exchange information as it is worldwide, everyone can communicate with each other even if they are in different sides of the world. Shopping online is a good choice for anyone who loves to shop because the shop can be open 24 hours a day. People can buy whatever they need all the time. Most companies have relied on using the Internet as a shopping network. As it can help them to save cost and also help customers to save time. That is the reason why "TidTeeShop.com" was created.

This website was built to decrease company's cost and also help customers to obtain the product's information completely. With e-marketing tools on the website, the customers can purchase their desired stuff online which is very convenient and flexible.

The purpose of this report is to collect all the required information that is used to support and drive the company to reach the ultimate goals. The report begins with the introduction of the project, strategic and marketing analysis, SWOT analysis, and break even analysis. The implementation of appropriate strategies will enable the company to survive in the real situation.

i

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# TABLE OF CONTENTS

| Cha  | <u>apter</u>   | Page |
|------|--|------|
| AB   | BSTRACT  |      |
| AC   | CKNOWLEDGEMENTS  | i    |
| TA   | ABLE OF CONTENTS                                       | ii   |
| LIS  | ST OF FIGURES  | V    |
| LIS  | ST OF TABLES   | vii  |
| I.   | INTRODUCTION   | 1    |
|      | 1.1 Background of the Project                          | 1    |
|      | 1.2 Objectives of the Project                          | 2    |
|      | 1.3 Scope of the Project                               | 2    |
|      | 1.4 Project Deliverables                               | 2    |
| II.  | LITERATURE REVIEW                                      | 3    |
|      | 2.1 Internet Overview                                  | 3    |
|      | 2.2 Internet User Trend                                | 4    |
|      | 2.3 Overview of Electronic Commerce                    | 6    |
|      | 2.4 Limitation of EC                                   | 7    |
|      | 2.5 Online vs. Traditional Commerce                    | 8    |
|      | 2.6 Three primary processes are enhanced in e-business | 10   |
|      | 2.7 Shopping Online Business in Thailand               | 11   |
| III. | COMPANY OVERVIEW                                       | 13   |
|      | 3.1 Company Summary                                    | 13   |
| IV.  | STRATEGIC AND MARKETING ANALYSIS                       | 15   |
|      | 4.1 Mission Statement                                  | 15   |

| Cha | apter |  | <u>Page</u> |
|-----|-------|--|-------------|
|     | 4.2   | Marketing Analysis Summary                 | 15          |
|     | 4.3   | Customer Behavior Analysis in Cyber Market | 15          |
|     | 4.4   | Market Segmentation                        | 16          |
|     | 4.5   | Target Markets                             | 18          |
|     | 4.6   | Business Position                          | 19          |
|     | 4.7   | Online Positioning Strategies              | 19          |
|     | 4.8   | SWOT Analysis                              | 19          |
|     | 4.9   | Competitive Advantage                      | 21          |
|     | 4.10  | Marketing Mix                              | 23          |
| V.  | FIN   | ANCIAL ANALYSIS                            | 27          |
|     | 5.1   | Cost Analysis                              | 27          |
|     | 5.2   | Break Even Analysis                        | 30          |
| VI. | WEI   | B DESIGN AND DEVELOPMENT                   | 31          |
|     | 6.1   | Planning for Web Site Development          | 31          |
|     | 6.2   | Site Structure                             | 31          |
|     | 6.3   | Visual Design SINCE 1969 Layout            | 33          |
|     | 6.4   | Layout                                     | 34          |
|     | 6.5   | Web site Content                           | 35          |
|     | 6.6   | Navigation System                          | 35          |
|     | 6.7   | Functional Design                          | 36          |
|     | 6.8   | Maintaining and updating the Web Site      | 54          |
|     | 6.9   | Implementation                             | 54          |
|     | 6.10  | Payment System Preparation                 | 56          |

| Cha  | <u>pter</u>  | Page |
|------|--|------|
|      | 6.11 Back Office   | 56   |
|      | 6.12 Security Plan   | 57   |
|      | 6.13 Security System on the Web  | 58   |
|      | 6.14 Database Design   | 59   |
| VII. | CONCLUSIONS AND RECOMMENDATONS   | 67   |
|      | 7.1 Conclusions  | 67   |
|      | 7.2 Recommendations  | 69   |
|      | <ul><li>7.2 Recommendations</li><li>7.3 Future Plan</li></ul>  | 69   |
| BIB  | LIOGRAPHY  ROTHERS OF SINCE 1969  SINCE 1969  SINCE 1969  PART OF SINCE 1969  SINCE 1969  SINCE 1969  SINCE 1969 | 70   |

# LIST OF FIGURES

| <u>Figure</u> |   | Page |
|---------------|---|------|
| 2.1           | Chart of the Internet users in Thailand | 5    |
| 5.1           | Break even point of TidTeeShop.com      | 30   |
| 6.1           | Tid-Tee Shop site structure             | 32   |
| 6.2           | Layout of Tid-Tee Shop site             | 34   |
| 6.3           | Home Page                               | 38   |
| 6.4           | Product Page                            | 39   |
| 6.5           | Product Description Page                | 40   |
| 6.6           | Order Page                              | 41   |
| 6.7           | Payment Page                            | 42   |
| 6.8           | Advance Search Page                     | 43   |
| 6.9           | Contact Us Page                         | 44   |
| 6.10          | Shopping Cart Page                      | 45   |
| 6.11          | Payment Summary Page                    | 46   |
| 6.12          | Register Form Page                      | 47   |
| 6.13          | Forget Password Page                    | 48   |
| 6.14          | Guaranteed Policy Page                  | 49   |
| 6.15          | Privacy and Security Page               | 50   |
| 6.16          | Pre-Order Page                          | 51   |
| 6.17          | Checking Order Status Page              | 52   |
| 6.18          | Upload Pay Slip Page                    | 53   |
| 5.19          | Back Office System                      | 57   |
| 5.20          | VeriSign Logo                           | 58   |

# LIST OF TABLES

| <u>Figure</u> |   | Page |
|---------------|---|------|
| 2.1           | Internet users in Thailand. Last update: 2004/11/01 | 4    |
| 4.1           | Demographic Segmentation                            | 17   |
| 4.2           | Psychographic Segmentation                          | 17   |
| 4.3           | Behavioral Segmentation                             | 18   |
| 5.1           | Price Range   | 28   |
| 5.2           | Total Revenue and Total Investment Cost             | 29   |
| 5.2           | Accumulated Revenue and Accumulated Cost            | 30   |
| 6.1           | Details of the Function on the site                 | 36   |
| 6.2           | Design of table Customer                            | 60   |
| 6.3           | Design of table OrderSummary                        | 61   |
| 6.4           | Design of table OrderDetail                         | 61   |
| 6.5           | Design of table PreOrder                            | 62   |
| 6.6           | Design of table Payment                             | 62   |
| 6.7           | Design of table Bank                                | 62   |
| 6.8           | Design of table Product                             | 63   |
| 6.9           | Design of table Brand                               | 64   |
| 6.10          | Design of table Category                            | 64   |
| 6.11          | Design of table Color                               | 64   |
| 6.12          | Design of table Material                            | 65   |
| 6.13          | Design of table Size                                | 65   |
| 6.14          | Design of table UserAccount                         | 65   |
| 6.15          | Design of table Administrator                       | 66   |

#### I. INTRODUCTION

# 1.1 Background of the Project

Nowadays, people all around the world are familiar with the Internet and E-Commerce technology. An outstanding increase in Internet users and changes in people's lifestyles encourages E-Commerce activities. Selling products on the Internet is one of the most formal activities that everyone who uses the Internet knows. It reduces time for shopping in the real world. It is very easy to shop online. People just sit in front of the computers connected to the Internet and enjoy their shopping.

Tid-Tee Shop (www.tidteeshop.com) is a brick and click type that is established to offer the various kinds of trendy products such as clothes, perfumes, accessories, cosmetics and so on. Even though many shopping places (Siam Center, Siam Paragon, etc.) web sites (Tarad.com, Center Point, and and online shopping ThaiSecondHand.com, PantipMarket.com and more.) are available in the market but not all of them can run their business successfully. Many companies fail to retain the customers because they do not understand the fact of customers' demands. The company decides to serve and fulfill the customer's needs and try to study the customers' insight by researches and fieldworks, so that the company can gain understanding on current behaviors and perceptions toward various products. The company would take this opportunity to create a successful online shopping business.

Using e-commerce solution can help the company to provide the completed information of all products to the customers. The customer can find what they are looking for more easily through the electronic tools on the web site. It is also able to reduce advertising cost and is available all day and all night. The key success factors for

the web site is a wide selection of affordable, high quality of products and services that are not easily found in local markets.

### 1.2 Objectives of the project

The main objective of this project is to develop a prototype of online shopping web site for "Tid-Tee Shop". The web site is expected to achieve goals as follows:

- (1) To offer a wide selection of quality products at competitive prices.
- (2) To expand the distribution channel to sell products.
- (3) To reduce the costs related to business developments.
- (4) To provide the best products and services to meet the customers' expectation.
- (5) To generate revenues from selling the products.

# 1.3 Scope of the project

- (1) To implement the knowledge gained from Master of Science in Internet and E-commerce for developing <a href="https://www.tidteeshop.com">www.tidteeshop.com</a>.
- (2) To analyze business processes of an online shopping web site.
- (3) To find the suitable products with high quality for online shopper.
- (4) To do a SWOT Analysis for web site development.
- (5) To develop marketing strategies, marketing analysis, financial analysis and a prototype web site.

#### 1.4 Deliverables

Project report contains the following content

- (1) The final project reports in detail covering the scope mentioned.
- (2) The prototype of a web site shows the concepts in the report being applied.

#### II. LITERATURE REVIEW

#### 2.1 Internet Overview

In 1969, the Internet was originally founded as a government project to network military bases and missile silos. Networks function to distribute information among machines. Since these machines may be widely spaced, it would appear the most cost effective solution that would snake its way through each machine once. However, consider what would happen if this wire was cut anywhere along its length - you would guarantee that some machines, or nodes, on the network would be permanently separated. Given the nuclear scare of the 1960's, it is no wonder a different scheme had to be devised to improve the integrity of the network as a whole, even if individual links between machines were lost.

In the 1970's, the Internet was a tool for those who had the funding to use it and the know-how to operate it. In the 1980's, the United States government funded a superfast network 'backbone' for the National Science Foundation (NSFnet), which speed up the transfer of data, with a goal of improving research and communication.

Today, the Internet is everybody's latest catch phrase. However, most people still do not understand how it functions or what it provides to the average citizen. The 'backbone' constructed by the NSF is now gone, largely replaced by commercial companies that lease out the phone lines, fiber-optic cable, and microwave transceivers which connect the major hubs of the internet. This on-line workshop will attempt to demystify the Internet, the Protocols, and the Applications that run over the Internet.

### 2.2 Internet User Trend

# (1) Internet Expansion in ASEAN countries

It was in 1993 that the Internet was first opened to commercial use. Before that, it was only used by the nonprofit sectors, such as academic, state, and military institutions. In Asia, the number of host computers connected to the Internet started to increase from around 1996, which were considered as the first year of the Internet age.

### (2) Current Extent of the Internet in Thailand

According to National Electronics and Computer Technology Center (NECTEC), the government organization that promotes diffusion of information technology in Thailand, the extent of Internet service and use in Thailand is as follows:

Table 2.1. Internet users in Thailand. (Last update: 01/11/2004)

| Year | Year A.D. | Users -   | Source Source                 |
|------|-----------|-----------|-------------------------------|
| 2534 | 1991      | 30        | NECTEC                        |
| 2535 | 1992      | 200       | NECTEC                        |
| 2536 | 1993      | 8,000     | NECTEC                        |
| 2537 | 1994      | 23,000    | NECTEC                        |
| 2538 | 1995      | 45,000    | NECTEC                        |
| 2539 | 1996      | 70,000    | NECTEC                        |
| 2540 | 1997      | 220,000   | Internet Thailand/NECTEC      |
| 2541 | 1998      | 670,000   | Internet Thailand/NECTEC      |
| 2542 | 1999      | 1,500,000 | ISP Club/NECTEC               |
| 2543 | 2000      | 2,300,000 | ISP Club/NECTEC               |
| 2544 | 2001      | 3,500,000 | NSO/NECTEC (household survey) |
| 2545 | 2002      | 4,800,000 | NECTEC (estimate)             |
| 2546 | 2003      | 6,000,000 | NECTEC (estimate)             |
| 2547 | 2004      | 6,970,000 | NECTEC (estimate)             |

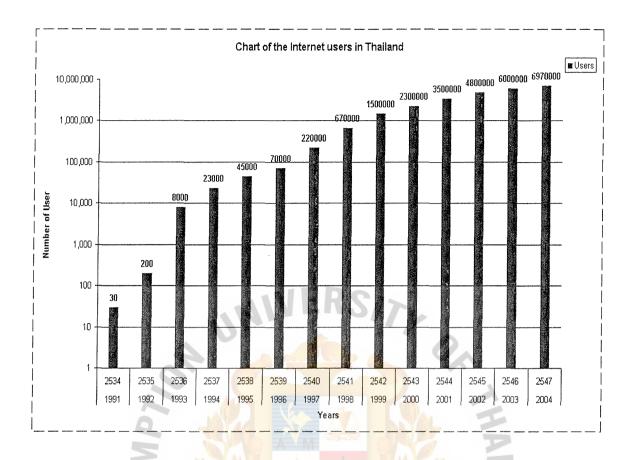


Figure 2.1. Chart of the Internet users in Thailand

From the above table the company can see the gradual increase of Internet users in Thailand from the year 1991-2004. The number of Internet users in the year 2004 shows a good fundamental of people's response to the communication technology which can easily develop and conduct other new coming technology in the future. It shows that people in Thailand are familiar, interested and ready to use Internet technology. This means they are ready to do e-business and e-commerce also (New update 8,420,000 Internet users as of March/05).

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#### (3) Profile of the Internet user

From the result of the survey of Internet users on the Net, the image of the typical Internet users in Thailand emerged: a young, highly educated male of 25 years old or older 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 have 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.

# 2.3 Electronic Commerce Overview

E-commerce is a technology-mediated exchange between parties (individuals or organizations) as well as the electronically based intra-or inter-organizational activities that facilitate such exchanges.

E-commerce consists primarily of the distributing, buying, selling, marketing, and servicing of products or services over electronic systems such as the Internet and other computer networks. The information technology industry might see it as an electronic business application aimed at commercial transactions. It can involve electronic funds transfer, supply chain management, e-marketing, online marketing, online transaction processing, electronic data interchange, automated inventory management systems, and automated data-collection systems. It typically uses electronic communications technology such as the Internet, extranets, e-mail, Ebooks, databases, and mobile phones.

E-commerce brings the universal access of the Internet to the core business processes of buying and selling goods and services. It helps generate demand for products and services and improves order management, payment, and other support functions. The overall goal is to cut expenses by reducing transaction costs and streamlining all kinds of processes

With the introduction of e-commerce well equipped with technologies, some small firms are now in a position to sell directly to final customers based in international markets. This has been a particularly important development for small enterprises targeting consumers based in these markets. Small businesses can develop their web sites so that orders and customer payment details may be taken on-line from customers located anywhere in the world. This alone has not only this reduced the market entry barriers faced by some firms, but it has also allowed these firms to supply consumers with goods.

#### 2.4 Limitations of E-commerce

The main limitations of E-commerce are related to the lack of a business model, lack of trust and key public infrastructure, slow navigation on the Internet, the high risk of buying unsatisfactory products, and most of all lack of security. The limitations of E-commerce can be categorized into 2 types, technological and non-technologies.

#### (1) Technological

For the E-commerce system itself, there is no universally accepted standard for quality, security and reliability. The software of e-commerce development tools are always evolving, and have difficulties in integrating the Internet and E-commerce software with parts of the existing applications and databases.

For general users of e-commerce, the accessibility to Internet, such as Digital Divide, is unstable, expensive and insufficient in particular areas. This will

generate limitations for business in accessing wider markets. Another problem is that if a business system's scalability is not sufficient and upgradeable, it will result in degradation, slowdown, and eventually loss of customers.

#### (2) Non-technologies

The lack of trust is one main reason why customers are unwilling to accept E-commerce due to privacy and security concerns. According to a 2000 Economist article, there were 95 percent of Americans showed reluctance to release their credit card number via the Internet. Some C2C action organizations are under an unencrypted payment environment, in which a customers' number might be stolen in the payment process. However, recent payment systems such as PayPal can solve this kind of problem. The danger of hackers accessing customer files and corrupting accounts is also related to privacy and legal issues.

For some customers, it is hard to change their habit of viewing merchandise online; those customers resist traditional ways of purchasing physical goods in actual shops and have difficulties in changing from a real to a virtual store.

#### 2.5 Online vs. Traditional Commerce

The Internet has changed the nature and structure of competition. In the past, most businesses had to compete within a single industry (such as groceries) and often within a specific geographic area, but the Internet is blurring those boundaries. An example is Amazon.com. The company began as an online bookstore but quickly expanded into new products and markets such as music, videos, home improvement supplies, zShops (used music, books, etc.), and even the auction business. Through the Internet, customers can purchase products from virtually anywhere in the world.

A traditional business may have large overhead costs associated with maintaining a storefront. On the other hand, a web-based business does not necessarily have that type of overhead, which may mean that continued growth becomes easier. With e-commerce, businesses can move more quickly and usually less expensively to reach a worldwide audience. For example, the cost of reaching a consumer in Minneapolis, Minnesota, is the same as reaching one in Clifton, Colorado.

An important difference between traditional business and e-commerce is the elimination of the middleman, known as disintermediation. Businesses and consumers can communicate directly to carry out transactions, which can help entrepreneurs market their products or services without the cost of salespeople or product representatives. Although e-commerce is still a developing part of the economy, some people believe that traditional stores and mail-order companies may eventually go out of business. Other observers believe that traditional and electronic commerce will find new ways to work together.

Despite some consumer wariness, due in part to reports of hackers breaking into allegedly secure web sites and downloading credit card information, businesses have found that financial transactions on the Internet can actually be more secure than in traditional retail environments. Many credit card frauds are caused by store employees who are mishandle the card numbers. Most consumers do not seem to realize their credit card numbers are vulnerable every time they hand their cards to waiters, place orders by phone, or toss out receipts. The encryption of card numbers for online transactions protects both the consumer and the business from credit card fraud.

Finally, the Internet is revolutionizing competition in the area of pricing. At any point, a business may choose to simply give away a service, free of charge, and others sell. One example was when Microsoft began to include a "free browser" with Windows

software. Such businesses generate income through other means, such as by selling ads or products and services related to the give-away item. Such strategies can help business attract customers. In addition, when "products" do not require manufacturing and packaging, as is the case with software downloaded via the Internet by a user, the reduction in business costs can be passed on to customers.

### 2.6 Three primary processes are enhanced in e-business

- (1) Production processes, which include procurement, ordering and replenishment of stocks; processing of payments; electronic links with suppliers; and production control processes, among others;
- (2) Customer-focused processes, which include promotional and marketing efforts, selling over the Internet, processing of customers' purchase orders and payments, and customer support, among others; and
- (3) Internal management processes, which include employee services, training, internal information-sharing, video-conferencing, and recruiting. Electronic applications enhance information flow between production and sales forces to improve sales force productivity. Workgroup communications and electronic publishing of internal business information are likewise made more efficient.

Successful B2C transactions must be supported by e-marketing efforts (for example personalization, e-mail marketing, campaign management and online dialogues) to build relationships and grow revenue. In addition, e-marketing efforts should lead consumers to a transaction. Appropriately, the e-marketing and e-commerce vendors are combining each other's functionality as part of their offerings.

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2.7 Shopping Online Business in Thailand 3132

It is the fact that Thailand is one of the many countries that most foreigners would like to visit as there are many beautiful places for travelling and vacating. Moreover, the another interesting point for those visitors are shopping places. Many foreign shoppers agree that the products in Thailand are cheaper than in their countries if comparing with the same product and brand name. There are many shopping places in Thailand, especially in Bangkok, a lot of shopping centers (both Malls and Open Markets) are available here such as Siam Center, Siam Paragon, Emporium, Jattujak, Suan Lum Night Bazaar and so on. However, it is not all places that provide you the same price even the products are exactly the same. Some places may offer you a cheaper price than another place. Some place may allow you to bargain while another one may not allow.

Nowadays, e-shopping businesses are increasing in Thailand. A lot of Thai people trend to implement e-shopping as their core business, as it requires a very low cost but it can generate high revenue. There are many typical e-shopping web sites that are very successful in Thailand such as Pramool.com, PantipMarket.com, ThaiSecondHand.com, Tarad.com, MarketAtHome.com and so on. Those web sites can attract customers to visit over 30,000 times per day. (Source: Truehits.net)

There are many factors related to customers' decision on either buying online or offline (physical shop). Some customers prefer to buy products at physical shops rather than online shop, as they feel that they may take risk when they buy product online. They are afraid that the product and the information that they perceive on the web site will not be the same as they get finally. They are not sure whether the product is damaged during delivery, or not. Unlike the physical shop, they have a chance to try and test before buying and they get the one they choose. Moreover, most customers feel that pay by credit card online is too risky, because someone may steal his or her credit

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card information during transaction process. However, some customers prefer to shop online and ignore all risks, as they feel that shopping online can help them to save cost, energy, and time. They also have a chance to know the information and compare price of the same product from many web sites without some pressure from the seller.

In summary, the factors influencing online shopping related to the product and company information, perceived risk, and perceived ease of use. A well-known company and trusted brand can increase confidence in the online transaction to some extent. The successful online products should be unique and different from those sold in traditional outlets. Most of the customers were afraid of losing their credit card information or being cheated by the company when they ordered products from the Internet, so if company can ensure their privacy and security, the customer may turn to shop online more. Furthermore, it will be better if companies can offer a sales warranty with a money back guarantee or after sales service to resolve the concerns about not receiving the right product.

#### III. COMPANY OVERVIEW

### 3.1 Company Summary

Tid-Tee Shop is a company that had been established in 2004. The company intends to provide only the best products with reasonable price to the customers. The company's products relate with fashionable and trendy stuffs such as clothes, perfumes, accessories, cosmetics and so on. It is the company's policy that all products must be high quality and at at affordable prices. Most products are imported from the famous countries such as USA, England, France, Netherlands, and so on, which have very high quality and are genuine brand names. Furthermore, the products can be sold cheaper than regular shops, as the company knows the source of products.

As the fashionable and trendy products change very fast, the product can be obsolete within 1 – 3 months, so the company must try hard to follow the fashion trend of the customers and also current price in the market. Consequently, the company really knows and understands the customers' needs, only the attractive products with affordable price will be delivered to the customers.

TidTeeShop.com is established because it can make the company's market expand hugely and also be able to reduce company's cost. Moreover, it is available all day and all night. Using e-commerce can also help customer to find the products that they want to buy more easily, they can see full detail of the products and clearly image without inquiring the seller. The customer can specify price range, brand name, color, size, and whatever they want through the useful function (Advance Search) that the company provides on the web site. This may helps customer to save both cost and time to find their desired products. The company also allows customer to make payment online, if they have registered as a member. TidTeeShop.com is a secure site; all of

necessary steps on making transaction are in the secure environment. The customer can ensure that no one can access his or her personal information including the credit card information. The privacy and security are guaranteed by SSL technology and VeriSign.

### Our Vision

TidTeeShop.com would like to provide the best quality products with reasonable price to all customers. The company will try to continue improving the quality of products and services to fulfill the customers' demand.



#### IV. STRATEGIC AND MARKETING ANALYSIS

#### 4.1 Mission Statement

- (1) To provide the customers with the best quality of products at extremely reasonable price
- (2) To generate return on investment within 3 years
- (3) To generate brand awareness to market by the end of the next year
- (4) To generate revenue with low transaction communication cost
- (5) To provide interactive and timely communication to customers

#### 4.2 Market Analysis Summary

Nowadays, trendy and fashionable products are not difficult to find in the local markets. The products can be sold very easily, as it is the one of human's basis needs. However, these kinds of product can be obsolete so quickly, it depends on the trend of customers' fashion. Most fashions are related to customers' perception on the life style of Western people. They may know those fashions from the magazines, TV, or any advertising sources. When the trend drops, the products will not be able to sell anymore. It is a major risk that the entrepreneur must be aware. Therefore, the companies must follow the fashions' trend and try to find the distinctive products for customers.

#### 4.3 Customer Behavior Analysis in Cyber Market

The process of payments is important in a shopping experience. Understanding how customers make purchase decisions will help real businesses to earn real profits. It can also explain why some early web sites, though deemed successes, were actually doomed from the beginning.

Customer behavior analyses show that the customers are more likely to use the Internet to gain information about competitive products and retailers than when they buy the product online. In the first stop, the consumer browses for items. Using a Web browser, consumers view an online catalog on the merchant's web site. The consumer selects items to be purchased by comparing prices and gauging the best value based on brand name, price, quality, and other variables.

The merchant presents the consumer with an order from the list of items, their prices, and total prices, which include shipping, handing and taxes. This order may be delivered from the merchant's server to the consumer's PC. Some online merchants may provide the consumer with the ability to negotiate pricing.

The consumer selects the means of payment. The different means of payment include digital cash, electronic checks or credit cards. The consumers send the merchant a completed order and a means of payment. The merchant ships the goods or performs the requested services according to the order. The merchant requests payment from the consumer's financial institution.

Most of the online activities today occur during the search stage of the shopping process rather than the purchase stage, which is often completed in the store.

#### 4.4 Market Segmentation

Market segmentation is the most important basis in market planning for the company in order to get closer to the customers. The company has segmented the markets based on geographic, demographic, psychographic, and behavior factors as follows:

### (1) Geographic Segmentation

Geographic segmentation calls for dividing the market into different geographical units such as nations, states, regions, counties, cities, or neighborhoods. As this factor, the company targets Bangkok Metropolitan area at the beginning stage. When the online shop is fully established, the

company would then target the rest of Thailand and finally the global market.

# (2) Demographic Segmentation

Demographic segmentation consists of dividing the market into groups that are based on demographic variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, and nationality. As this factor, the company can segment customers as follows:

Table 4.1. Demographic Segmentation

| Age        | 15-23, 24-30, 31-50             |
|------------|---------------------------------|
| Gender     | Male, Female                    |
| Occupation | Student, Worker, Business Owner |
| Income     | Medium, High                    |

# (3) Psychographic Segmentation

In psychographic segmentation, buyers are divided into different groups based on social class, lifestyle, and/or personality. As this factor, the company divides customers as follows:

Table 4.2. Psychographic Segmentation

| Life Style  | Shopping Lover |
|-------------|----------------|
| Personality | Modernization  |

# (4) Behavioral Segmentation

In behavioral segmentation, buyers are divided into groups based on their knowledge, attitude, use, or response to a product. Many marketers believe that behavioral variables are the best starting point for constructing market segments. As this factor, the company can segment customers as follows:

Table 4.3. Behavioral Segmentation

| Frequent of Internet Use        | Medium to High  |
|---------------------------------|-----------------|
| Attitude toward online Shopping | Like or Dislike |

# 4.5 Target Market

The target market will be emphasized on two groups as follows:

# (1) Student (Teenager)

- Gender: Male or Female

- Age: range from 15 to 23

- Live in Thailand

- Occupation: Student

- Income Range: Medium to High Income

# (2) Office worker or Business Owner

- Gender: Male or Female

- Age: range from 24 to 50

- Live in Thailand

- Occupation: Office Worker or Business Owner

- Income Range: Medium to High Income

#### 4.6 Business Position

Tid-Tee shop comes with slogan "Shopping Place @ Your Home". The company aims to offer the various kinds of trendy and fashionable product that are suitable to customers' demands. Only the best quality of products with reasonable price will be delivered to customers.

### 4.7 Online Positioning Strategies

TidTeeShop.com position its products and services to be the leader of online shopping by selecting only the distinctive products and providing the service differentiation to the customers. The products sold in the shop must be frequently changed and updated to follow the current fashion trends.

### 4.8 SWOT Analysis

To understand more in the business situation including all other environment around business, it is necessary to do a SWOT analysis. It is needed to evaluate the internal strengths and weaknesses periodically. Furthermore, the key of external environment that consist of opportunities and threats are also need to be monitored. The successful businesses should build on their strengths, correct weaknesses and protect against vulnerabilities and threats. The SWOT analysis of this project can be described as follows:

### Strengths:

- (1) The products are trendy, stylish and high quality (all products are imported)
- (2) The price of products is very reasonable (the price is cheaper than the regular shops or department stores for 20 –30 %)
- (3) The company has good customer service with satisfaction guaranteed
- (4) All of the products have free delivery throughout Thailand
- (5) The web site has good design and attractive to customers

- (6) The company allows customers to make pre-order for their desired products
- (6) The products are very easy to search through an advanced search tool provided on the web site
- (7) The accurate and clear information for both content and image of each product is presented to customers

#### Weaknesses:

- (1) The company has low profile in the market. It is hard to know by new customer
- (2) There is no immediate interaction with customer

### **Opportunities:**

- (1) The gradual increase of Internet users in Thailand and customers' lifestyles are changing to be Internet based
- (2) Online shop is available 24 hours a day, 7 days a week
- (3) Customers can access to the shop from anywhere
- (4) Rapidly declining in technology cost, thus the company can gain more advantage from using high technology with the low cost of investment
- (5) The company can easily access to a broader market

#### Threats:

- (1) There are always other competitors trying to imitate the company's products
- (2) The requirement of people with professional skill in Information Technology
- (3) Lack of touch and feel to the products sold online
- (4) Customer may feel insecure with online transaction especially in term of security of payment and privacy
- (5) There are new market channel establishments all the time

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(6) Trendy and fashionable products are obsolete so quickly, the exceed inventory may be occurred

### 4.9 Competitive Advantage

It is very important that the <u>company</u> must understand the customers' needs and wants. As customers typically choose products and services that give them the greatest value. So the <u>company</u> needs to offer the values that are better than competitors do. The company tries to gain competitive advantage through the differentiation as follows.

### (1) Price Differentiation

The majority of our company offers a variety of trendy and fashionable products in different categories with very reasonable price. Most products are brand name and imported from famous countries. However, the company knows the places that can offer us the best price, so the company can offer the price that is cheaper than regular shops or department stores for 20 - 30%.

### (2) Service Differentiation

Tid-Tee shop gains competitive advantage through service differentiations, for example, free shipping, order status online, pre-order, e-newsletter, payment channels, and advance search tool. The customers may make a decision in short time to buy the products because of the premium services they receive.

#### (1) Free shipping

The company provides free shipping throughout Thailand. The free shipping service is available for delivery by Ground Postal Service only.

### (2) Order Status Online

The company facilitates customers with the order status online. Customer can easily check their order's status online by entering the order id that is provided when they ordered, the system will inform the status.

#### (3) Pre-order

The company allows customers to make a pre-order for their desired products. However, they need to transfer money at least 30% of full price to our provided bank's account.

#### (4) E-newsletter

The customers can know our new promotion through e-newsletter.

They can register by themselves via the tools that the company provided.

They can also cancel, if they do not need to get our news anymore.

# (5) Payment Channels

The customer can select their payment channel as the company allows them to pay by credit card or transferring money at the banks.

### (6) Advance Search Tool

The customers can find their favorite products easier through the advance search tool that the company provides. This tool will help customer to get the right product faster.

### (3) Image Differentiation

The company has created its image differentiation with the slogan "Shopping place at your home". With this slogan, it means that customers expect to find their need on our web site. Therefore, the company must try to serve the customers' demand with high quality of both products and services which are better than the competitors do but with the competitive price in customers' view. Designing the marketing mix – product, price place and promotion – essentially involves working out the tactical details of the positioning strategy.

### 4.10 Marketing Mix

The marketing mix is probably the most famous phrase in marketing. The elements are the marketing tactics. Also known as the four Ps, the marketing mix elements are product, price, place, and promotion.

To be successful in doing business, TidTeeShop.com has to plan and generate the effective and efficient marketing plan and strategy by separating them into four parts which are;

#### **Product**

A key component in the marketing offering is the product. Marketing mix planning has begun with formulating an offering to meet the target customer's needs and wants. Product can be offered in many forms; physical goods, services, experience, information and ideas.

The company provides the high quality of trendy and fashionable products. All products are genuine brand name and are imported, so they are guaranteed for the quality. Even those kinds of product can be obsolete very quickly as it depends on trends but it can be sold easily as well.

Tid-Tee shop also provides customers with the best service; the company facilitates them with many intangible products such as images, information, and useful tools on the web site. It makes them be able to find their desired product so easily. This is an important point that can attract customers to select our web site as their first choice.

#### Price

Pricing is one of the marketing strategies that is very important in competing with competitors. The main objective of setting our product's price is to attract the current customers from the traditional channel to the online channel. The price of our products is reasonable and competitive compared to the similar products in the market because the company knows the places that can offer us the best price. Moreover, most of the

operation cost is reduced including inventory control, printed catalogues, order processing, and advertising on the shelf. Thus, the company can offer the products at reasonable prices while carrying 20-30 % profit margin of the products. The customer can also gain the competitive price from our company because there is no charge for shipping fee throughout Thailand.

The company will also use price adjustment strategies such as birthday, anniversary discount, and seasonal discount. The promotional price will be included in the special offering section. The pricing strategies will be flexible depending on the present situation.

#### Place

Place is also known as channel, distribution, or intermediary. It is the mechanism through the goods and/or services are moved from the manufacturer/service provider to the user or consumer. TidTeeShop.com is an online shopping site that uses the concept of click-and-click business strategy to establish the company and our web pages are available online 24 hours a day.

TidTeeShop.com provides two ways payment method as follows:

- (1) Transferring money through bank account and confirm with the pay slip.

  Once, the company receives confirmation documents from the clients, the company will send all the package information and received invoiced to the customer's address in Thailand.
- (2) Credit card payment is accepted via VISA, MASTER Card that can be made at the shop. Credit cards are the preferred method of payment, mainly because it allows us to quickly verify the customer's payment information and send his/her order on its way as fast as possible. Online credit card payment will be using Secure Socket Layer (SSL) technology to ensure

privacy and security to all transactions made through the site. Furthermore, E-payment offered to customers in order to increase customer satisfaction and convenience.

#### Promotion

TidTeeShop.com is a new company that is just established and is in its first year; the company also concentrates in this part to promote the web site. The main objectives of promotions are to create an immediate decision making or convince the buyers to place an order right away, and to encourage non-buyers to try buying from our site. The company would like to create web sites, brand and product awareness through the promotional strategies as follows.

- (1) Banner advertising on popular web site: This is a way to create web site awareness. The company targets to promote web site by posting banner at the popular web sites as follows;
  - (1) www.thiasecondhand.com
  - (2) www.pantipmarket.com
  - (3) www.tarad.com
- (2) E-Newsletter: The company will update customer for information about new products, new events, and new promotions by sending them enewsletter to their email address.
- (3) Sales Promotion: The company also provides promotional programs to build customer interest and sales volume. The company will offer the special price for some festivals such as New Year, Valentine's day, Christmas, and so on. This can help company to release some low moving items and be able to increase relationship between company and customers.

- (4) Search Engine Web site: The company also promote TidTeeShop.com via registering in search engine web sites as follows:
  - (1) www.google.com
  - (2) <u>www.yahoo.com</u>
  - (3) www.sanook.com
- (5) Banner exchange sites: The company will use banner exchange with other sites as well. The company decides to use the multimedia-based advertising since it can capture more customer attention. There are three types of banners consisting of static banner, animated banner and interactive banner. The sites would use the animated banner that has a moment to capture the attention of the audiences. Due to online advertising, customers would control the content to consume. The efficient advertising must be appealing and can express that the web is relevant to their needs.

#### V. FINANCIAL ANALYSIS

Financial analysis deals with the cost and benefit flows from the point of view of a firm or individual; it traces the investment's monetary effects. Financial analysis is carried out to assess the financial effects of the project; determine efficiency of resource use; assess incentives resources are available at the required time; assess any changes needed in organization and management. Financial analysis is used for project screening and selection. To establish the system, the company needs to consider total financial analysis. The area of financial management that is essential to support the operations and strategy of the company is called management accounting. Management accounting is vital for business planning, decision-making, budgeting and controlling including overhead cost management, activity-based costing, product cost controlling, and sales and profit analysis.

Strategic analysis helps us comprehend the competitive situation of the firm. Financial analysis helps us understand how in fact the firm is performing.

#### 5.1 Cost Analysis

It is important that the company needs to develop cost analysis for determining the budget. The company classifies development cost as fixed cost and variable cost. The fixed cost consists of hardware, software and maintenance cost. Variable cost includes people-ware, office supplies, and equipment and miscellaneous cost. The revenue of the company derives from selling products through the online store.

According to product type, the company sets the price in relation to the delivered value and customer perception. The table below shows the different price in each type of products.

Table 5.1. Price Range

| Product | Price       |
|---------|-------------|
| Simple  | 1,000 baht  |
| General | 2,500 baht  |
| Special | 7,000 baht  |
| Luxury  | 20,000 baht |

For sales forecast, the company estimates that a simple product can be sold at 200 pieces per year, general product can be sold at 100 pieces per year, special product can be sold at 50 pieces per year, and luxury product can be sold at 25 pieces per year. The company estimates to have 5% sales growth in the second year and 10% sales growth every year until fifth year.

The first operating expenses of the company in doing the business by opening the cyber shop has been investing in the total amount of 168,170.00 Baht. For domain name, web hosting and e-mail outsource, the company chooses <a href="https://www.24webhost.com">www.24webhost.com</a> to take care of it. For payment service and buyer authentication, the company will pick Verisign system to make sure that the company has safe payment system for the customer. As the company has good relationship with suppliers, so the products can be bought at competitive cost.

The total revenue and total investment cost are summarized in the table as follows:

Table 5.2. Total Revenue and Total Investment Cost

| Market Growth          |             |                     |              | 5%   | 10%          | 10%          | 10%  |
|------------------------|-------------|---------------------|--------------|--|--------------|--------------|--|
|                        |             | Year 0              | Year 1       | Year 2   | Year 3       | Year-4       | Year 5   |
| Revenue                |             |                     |              |  |              |              |  |
| Sales                  | Price /Unit |                     |              |  |              |              |  |
| - Simple               | 1,000       |                     | 200,000.00   | 210,000.00   | 231,000.00   | 254,100.00   | 279,510.00   |
| - General              | 2,500       |                     | 250,000.00   | 262,500.00   | 288,750.00   | 317,625.00   | 349,387.5  |
| - Special              | 7,000       | arrest and a second | 350,000.00   | 367,500.00   | 404,250.00   | 444,675.00   | 489,142.5  |
| - Luxury               | 20,000      |                     | 500,000.00   | 525,000.00   | 577,500.00   | 635,250.00   | 698,775.0  |
| Total                  |             |                     | 1,300,000.00 | 1,365,000.00   | 1,501,500.00 | 1,651,650.00 | 1,816,815.00   |
| Expense                |             |                     |              |  |              |              |  |
| Fixed cost             |             |                     |              |  |              |              |  |
| Domain Name Reg.       |             | 600.00              | 600.00       | 600.00   | 600.00       | 600.00       | 600.00   |
| Web Hosting            |             | 3,570.00            | 3,570.00     | 3,570.00   | 3,570.00     | 3,570.00     | 3,570.00   |
| Payment Service        |             | 43,000.00           | 43,000.00    | 43,000.00  | 43,000.00    | 43,000.00    | 43,000.0   |
| Salary                 |             |                     | 48,000.00    | 50,400.00  | 52,920.00    | 55,566.00    | 58,344.3   |
| Computer               |             | 00.000,08           |              |  |              |              |  |
| Maintenance Cost       |             |                     | 5,000.00     | 5,000.00   | 5,000.00     | 5,000.00     | 5,000.0  |
| Software               |             |                     |              |  |              |              |  |
| - Microsoft Office XP  |             |                     |              |  |              |              |  |
| 1 license@7,000        | 1           | 7,000.00            |              | 119/   |              |              |  |
| - Macromedia Dreamw    | eaver       |                     |              |  |              |              |  |
| 1 license@4,000        |             | 4,000.00            |              |  |              |              |  |
| - Other Softwares      |             | 30,000.00           |              |  |              |              |  |
|                        |             |                     |              | The state of the s |              |              | and the second s |
| Total Fixed Cost       |             | 168,170.00          | 100,170.00   | 102,570.00   | 105,090.00   | 107,736.00   | 110,514.30   |
| Variable Cost          |             |                     |              |  |              |              |  |
| Products               |             |                     |              |  |              |              |  |
| - Simple               | 700         | 105                 | 140,000.00   | 147,000.00   | 161,700.00   | 177,870.00   | 195,657.00   |
| - General              | 2,000       |                     | 200,000.00   | 210,000.00   | 231,000.00   | 254,100.00   | 279,510.00   |
| - Special              | 6,000       |                     | 300,000.00   | 315,000.00   | 346,500.00   | 381,150,00   | 419,265.00   |
| - Luxury               | 18,000      |                     | 450,000.00   | 472,500.00   | 519,750.00   | 571,725.00   | 628,897.50   |
| Transportation         |             |                     | 16,500.00    | 17,500.00  | 19,500.00    | 21,500.00    | 24,000.00  |
| Advertisement          |             |                     | 4,000.00     | 4,000.00   | 3,000.00     | 2,000.00     | 1,000.00   |
| Utility                |             |                     | 9,000.00     | 9,900.00   | 11,000.00    | 16,500.00    | 22,000.00  |
| Total Variable Cost    |             | 0.00                | 1,119,500.00 | 1,175,900.00   | 1,292,450.00 | 1,424,845.00 | 1,570,329.50   |
| Total Annual cost      |             | 168,170.00          | 1,219,670.00 | 1,278,470.00   | 1,397,540.00 | 1,532,581.00 | 1,680,843.80   |
|                        |             | ( )                 | 213371370100 |  |              |              |  |
|                        |             | LABOR               |              | A MI   | VCIT         | 440.000.00   |  |
| Net income             | 6.0         | 168,170.00          | 80,330.00    | 86,530.00  | 103,960.00   | 119,069.00   | 135,971.20   |
| Accumulated Net Income | 3/5         | -168,170.00         | -87,840.00   | A-1,310.00   | 102,650.00   | 221,719.00   | 357,690.20   |

## 5.2 Break Even Analysis

The break-even point is the regular form of cost and revenue comparison. This figure is important for the company to manage a business since the break-even point is the lower limit of profit when setting prices and determining margins. Obviously, the break-even point becomes very important when calculating a strategy for net profit. Comparing the cost of developing an online system and the revenue derived from selling products through an online shop to determine the point where costs and revenue become equal. The Figure 5.1 shows the break even-point where the revenue line (TR) can cut across with the cost line (TC) with is approximately 2 years and 1 month after operating the online shop.

Table 5.3. Accumulated Revenue and Accumulated Cost

|                     | Year 0     | Year 1                      | Year 2       | Year 3       | Year 4       | Year 5       |
|---------------------|------------|-----------------------------|--------------|--------------|--------------|--------------|
| Accumulated Revenue |            | 1,3 <mark>00,0</mark> 00.00 | 2,665,000.00 | 4,166,500.00 | 5,818,150.00 | 7,634,965.00 |
| Accumulated Cost    | 168,170.00 | 1,387,840.00                | 2,666,310.00 | 4,063,850.00 | 5,596,431.00 | 7,277,274.80 |

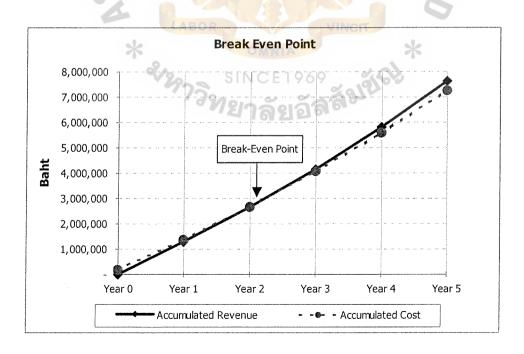


Figure 5.1. Break even point of TidTeeShop.com

#### VI. WEB DESIGN AND DEVELOPMENT

### 6.1 Planning for Web site Development

This is to determine what the company needs to consider before a web site can be created. The plans for web site development are shown as follows:

- (1) The type of products to be sold.
- (2) The type of services to be provided to target customers
- (3) The type of information to be provided to target customers
- (4) The concept and design of the web site to be presented to target customers
- (5) The technologies and interactive tools to be used for the web site
- (6) How to facilitate the navigation throughout the web site
- (7) How to order products
- (8) How to make the payment
- (9) How to contact the company
- (10) The privacy and security to be provided to customers
- (11) The cost of web implementation
- (12) The database structure to be used for the web site

#### 6.2 Site Structure

The structure of the web site is the critical points that can make the audience see whether this web site has a good organization, or not. The good web site must have good organization because it can create benefits to all the sides. If the web site has good organization, the audience will look through the things in the web site more clearly and make them find the products that they want more easily.

Tid-Tee Shop uses "Hierarchical Information Structure" as structure of the web site. The company decides to use this structure to create the web site because this

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structure provides a road map of the site and make us to manage the site easier. The site structure can gives us an idea of where each page is located and what link or graphic navigation is required.

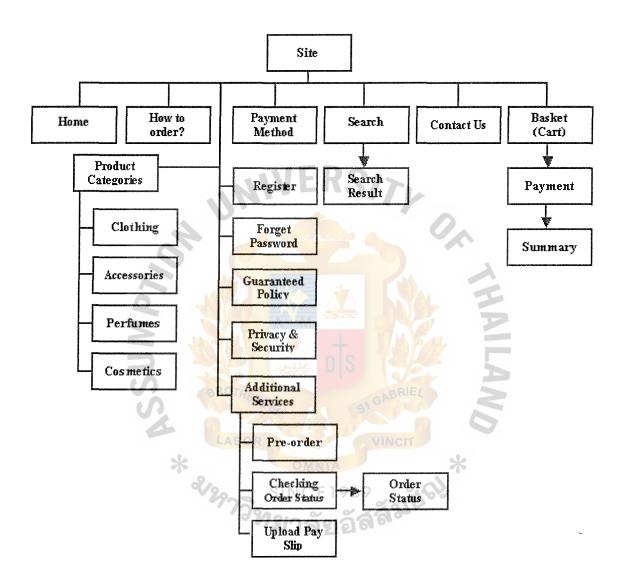


Figure 6.1. Tid-Tee Shop site structure

#### 6.3 Visual Design

Visual design is another key success factor in attracting visitors when accessing the site. The company applies white background color as it makes the web site look clean and make the content be more obvious. All web pages use bright pink (#FF3399) as color scheme. This color scheme can get along with dark navy text color and white background very well. The use of proper color can make the site look attractive, colorful, and cheerful.

The company tries to use the fonts that are easy to read and compatible with both Windows and Macintosh operating systems, the web site is based on typography as following:

- Typeface: Tahoma, Arial, Helvetica
- Type style: roman (regular), bold, and italic are applied on all pages
- Type size: default: 12 pixel; header: 16 pixel; minor: 10 pixel

The company uses both Graphics Interchange Format (GIF) and Joint Photographic Experts Group (JPEG) because it is the simple format and the file size is not too big. GIF is mostly used as icon and JPEG is used for product images and cross-sell banners. As GIF support transparency technique, so the company always uses them on color background. Both Animation GIFs and Flash Animation are also used on this web site, the roll banners beside the company's logo and the image on advertising section consecutively.

Cascade Style Sheet can help us to set the same font style, font size, font color, border style, and so on, with all pages. Using the CSS can make the site look more appealing. JavaScript is also used as it can make the web site look more interested and interactive with visitor.

#### 6.4 Layout

The page layout of this web site is applied with the easy pattern as the company would like visitors to focus and pay attention to all contexts and contents on the web site. All pages are created on center base. The main menu is placed on the top and bottom while sub-menu and other navigations are on the left of each page. This should be convenient and flexible for customers to use. However, the page layout of index page and the others are a bit different. The index page will provide some parts that are not necessary to be shown on the other pages. For example, shop statistics, clock and calendar, and company information. This will help us to have more space to provide the information to customers. Moreover, it can reduce time to scroll down for unnecessary blank space on each page. The page layout of TidTeeShop site is shown as follows:

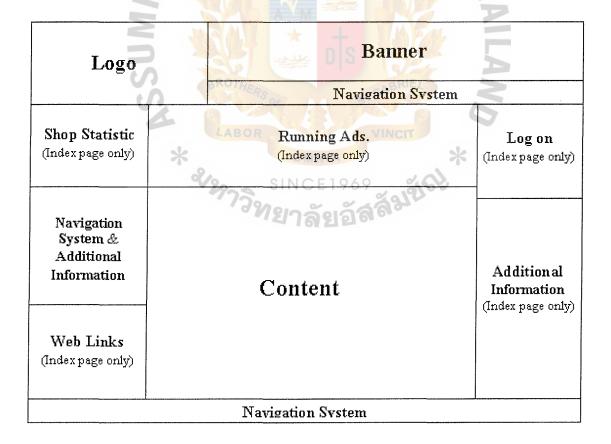


Figure 6.2. Layout of Tid-Tee Shop site

#### 6.5 Web site Content

Web site content is one of the critical success factors that can create either negative or positive impression to visitors. It can also increase the number of visitors and the values added to the web site. The content should be attractive because it can make the visitors decide whether they will come back to the web site again or not.

Referring to the purpose of this web site, the content is related to the site objectives that provide the related information to the audience. The contents of TidTeeShop.com include text, image, and the interactive activities such as register form, pre-order form, tracking order status, and so on. The interactive elements can create the web site to look more attractive. The main content is grouped and labeled into categories as follows:

- (1) Home
- (2) Product Categories
- (3) How to Order
- (4) Payment Method
- (5) Advance Search
- (6) Shopping Cart
- (7) Useful information
- (8) Additional Services
- (9) Contact Us

#### 6.6 Navigation System

The objectives of navigation design are to let audiences know where they are, where they have been, and where they are going. A good navigation system will allow visitors to access the information easily and quickly.

On this web site, the navigation system is positioned on every page; this will allow visitors to be able to move across another page on the web site easily. It is clear for visitors at every stage where they are in the site by emphasizing the currently active link. The navigation systems of this web site are both user-based and user-controlled navigation because the visitors will be able to move to different locations on a page or to other pages in my Web site to find useable information quickly and easily. Visitors can link to the essential pages, as well as to other sections of the site.

# 6.7 Functional Design

The web site provides both static and dynamic contents. The static page will show information without linking to the database while the dynamic page will retrieve information from the database. The details of the function on the site are shown in the table and figures as follows.

Table 6.1. Details of the Function on the site

| Menu                            | <b>Description</b>   | Туре    |
|---------------------------------|--|---------|
| Home                            | To provide the short description of the site,                | Dynamic |
|                                 | new arrival products, recommend product, and member section. |         |
| <b>Product Categories</b>       | To provide the product information and its                   | Dynamic |
| ■ Clothes                       | image in each category.                                      |         |
| <ul> <li>Accessories</li> </ul> |  |         |
| <ul><li>Perfumes</li></ul>      |  |         |
| <ul><li>Cosmetics</li></ul>     |  |         |
| Product                         | To provide the full detail with its image of                 | Dynamic |
| Description                     | each product   |         |
| Order                           | To provide the information about how to                      | Static  |
|                                 | order the product  |         |

Table 6.1. Details of the Function on the site (Continued)

| Menu                    | Description   | Type    |
|-------------------------|---|---------|
| Payment                 | To provide the information about the payment methods  | Static  |
| Search                  | To provide the tools for customer to define their criteria to get desired products.                   | Dynamic |
| Contact                 | To provide company's contact information and feedback form for customer.                              | Static  |
| Cart                    | To show the current item(s) that is/are stored in the shopping cart (basket)                          | Dynamic |
| Payment Summary         | To provide the order summary, mailing address form, and payment method when customer proceed checkout | Dynamic |
| Register                | To provide the application form for customer to register as a member                                  | Static  |
| Forget Password         | To facilitate the customer when they forget their password.   | Static  |
| Guaranteed Policy       | To provide the information about our guaranteed policy  | Static  |
| Privacy and<br>Security | To provide the information about our privacy and security   | Static  |
| Pre-order               | To provide the form for customer to make pre-order  | Static  |
| Order Status            | To provide tool for customer to track their order status  | Dynamic |
| Upload Pay Slip         | To provide tool for customer to inform us about their payment   | Static  |

• Home Page is the welcome page that contains the most interesting information to attract the customers. This page provides the customer with welcome message, new product arrival, recommended product, our promotions, and so on.

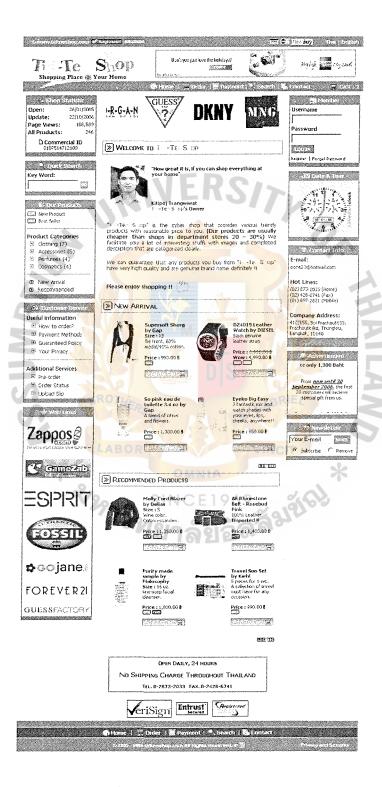
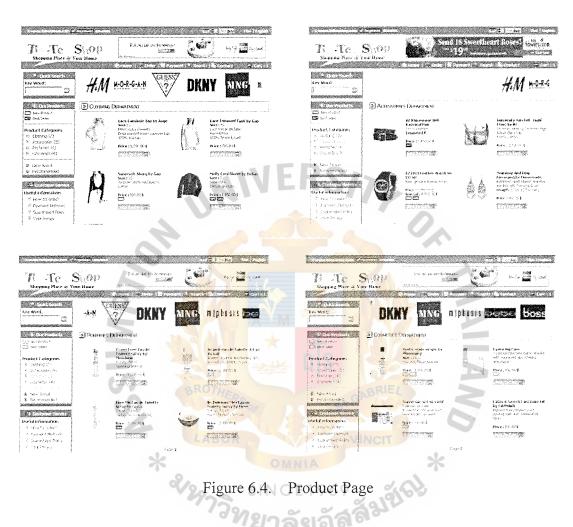


Figure 6.3. Home Page

Product Page is the page that shows the product information and its image in each category. The customer can buy the product by clicking [and to sait ] to add the product to the shopping cart. All pages retrieve information from database.



Product Description Page is the pop up page when customer clicks on the description of the product. The pop up page will provide the customer with full details and clearer image of each product. The information is retrieved from database.

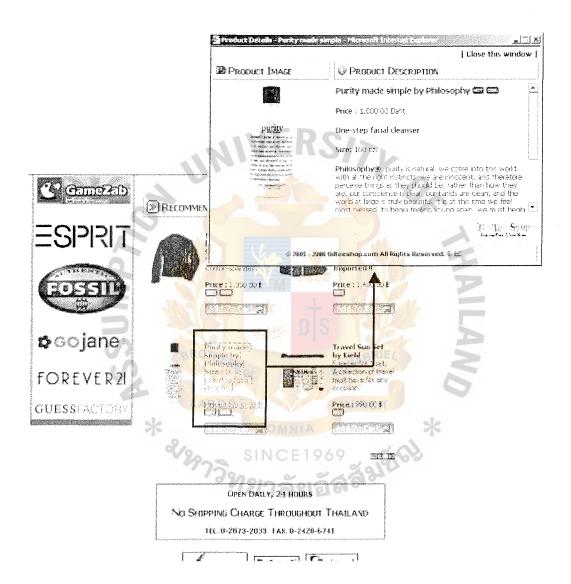


Figure 6.5. Product Description Page

• How to Order Page is the page that provides the information about how to order the product and the ordered methods that are available on the web site.

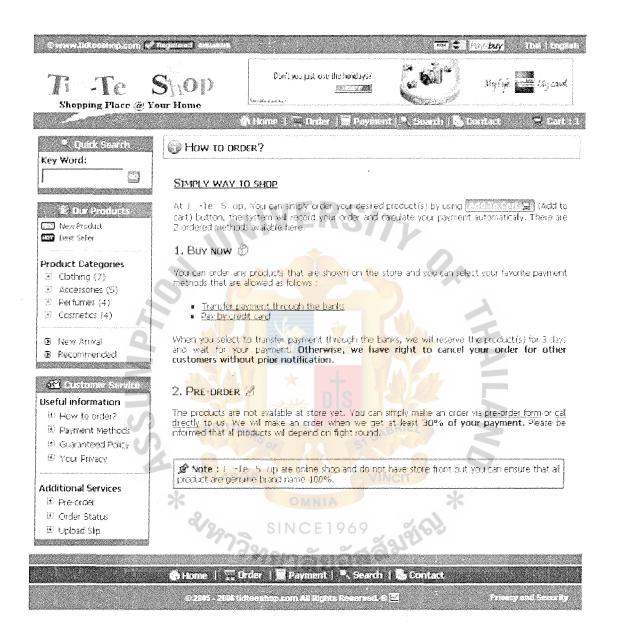


Figure 6.6. Order Page

 Payment Method Page is the page that provides the information about the payment channels that facilitate the customer.

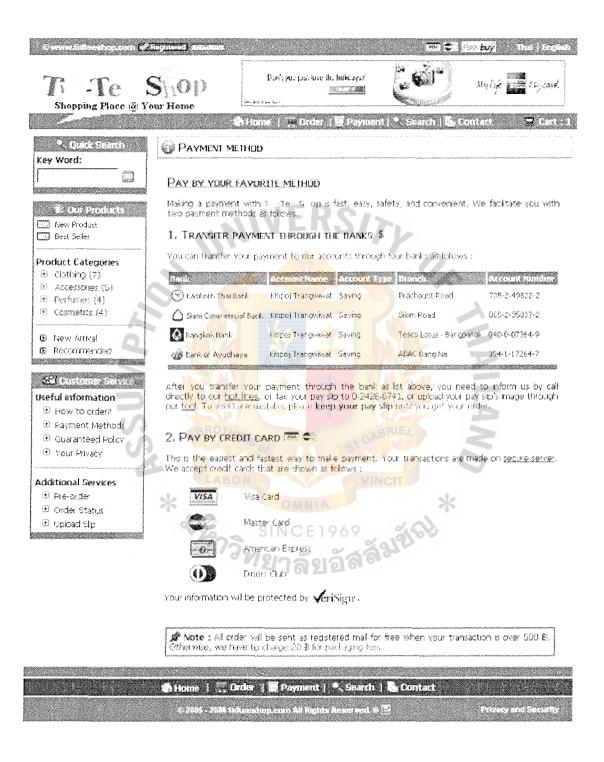


Figure 6.7. Payment Page

 Advance Search Page is the page that allows customers to define the criteria to find their desired product.

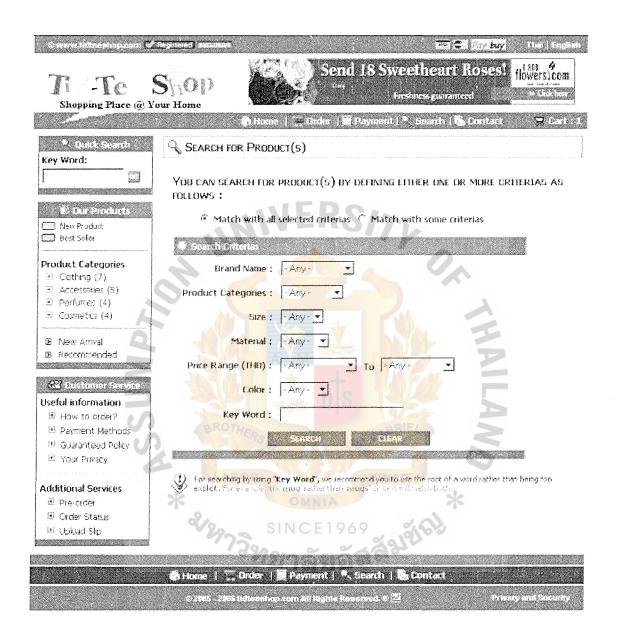


Figure 6.8. Advance Search Page

 Contact Us Page is the page that provides company's contact information and the feedback form for customers.

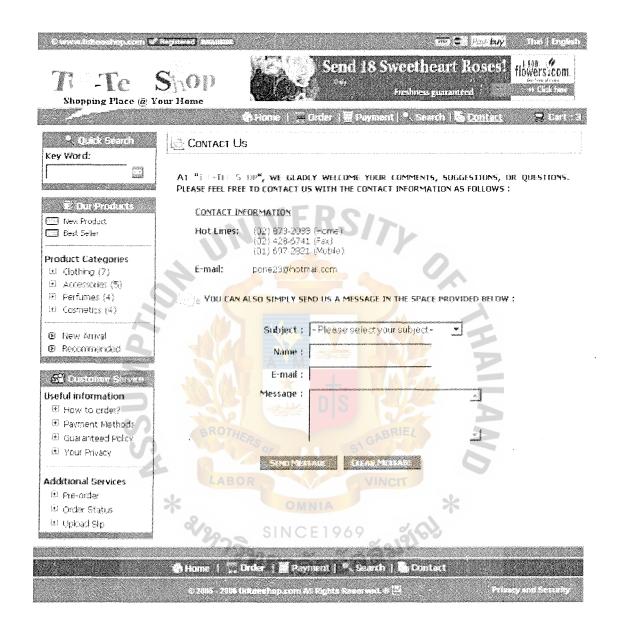


Figure 6.9. Contact Us Page

• Shopping Cart Page is the page that shows the current item(s) that is/are in the shopping cart. It also calculates the net amount of the order. All data is retrieved from the cookie that is stored on the client's side.

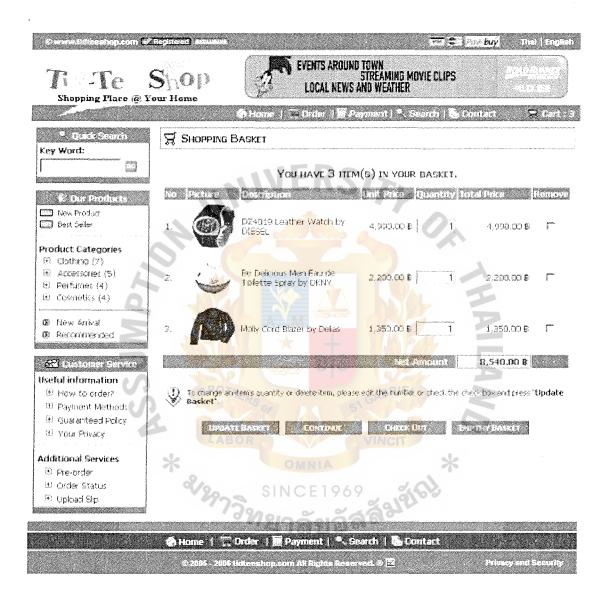


Figure 6.10. Shopping Cart Page

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• Payment Summary is the page that provides the order summary, mailing address form, and payment method when customer precede checkout. The customer can select their payment either transferring through bank account or pay via credit card.



Figure 6.11. Payment Summary Page

 Register Form Page is the page that contains form for customer to register as our member. All information will be kept on the secure database.

| To Te S  | (a)   | ign up today for Road Runner!   |
|--|---|---|
| Shopping Place @ You                                   | **- CONTRACTOR  |   |
|  | f. Com  | e   Wildrider   🖥 Payment   * Search   🖫 Contact 💢 - Cart : 3                         |
| To granke Strands<br>Key Word:                         | REGISTER YOUR IM                                      | FORMATION   |
| D p  | lease complete the fo<br>nformation in your sec       | orm below to register for a personal account. We will save this ure personal account. |
| E Eur Products  Tex Product                            | Fields marked with a red                              | aderik (†) stetenned.   |
| Product Eategories                                     | Username :  | parent 25   |
| III Clathing (7) III Accessories (5) III Diafornes (4) | Your Password :                                       | <b>张慈善者必要亦奉</b>   |
| iti Cosmetica (4)                                      | Re-type password:                                     | was was a san it is a line to the san it is a characters.                             |
| 09 Neveronnal<br>09 Recommended                        | augusta a saatar sa 1. 17 kilosa a 1 milioninii 1. 19 | echanos en arantra assertant e como escolo.   |
| GCE Exercises Service. Useful information              | 2. The convoleted and                                 | accurate information will help speed up on checkout process.                          |
| W How to order?<br>W Payment Melhod:                   | Name :  | Kitipo:   |
| ® Guaranteed Folicy  ® Your Privacy                    | Surname:  | Trangwiseol   |
| Additional Services                                    | Gender :  | € Male  |
| © Re-order © Order Status                              | Birth Date :  | Date Month Year Y   |
| © Upbad skp  | ID Card:  | (3100000257174  |
|  | E-mail:   | pone23@hotmail.com 4  |
| *  | Mailing Address :                                     | 410/155 Sõi Prachautt 33 Prachautt 🔝<br>Pd.Thungkru District Bangkok 10140            |
|  | 1973900   | \(\frac{\pi}{\pi}\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\                                       |
|  | State / Province :                                    |   |
|  | Country:  | Thailand ▼ *  |
|  | Postal Code :   | 19140   |
|  | Home Number :  Mobile Number :                        | 0-2873-2033   |
|  |   | is a second where the course proceeds gather companies are all assessmentations.      |
|  | ೯ - <u>ಗೀಪರ್ಭ</u> ಕಿಲ್ ಕಟರಾಗುಣ್ಣದೆ.                   | by email about new products, services and promotions.  Constrain Account.  Class.     |
|  |   |   |
|  | & Home   TOrder                                       | Payment   * Search   * Contact  |
|  | 6 2045 - 2046 tidlesendraj                            | com All Fights Poserreed.   Privacy and Security                                      |
|  |   |   |

Figure 6.12. Register Form Page

• Forget Password Page is the page that facilitate customer when they forget their password. The new password will be sent to the e-mail that customer used to register as new member.

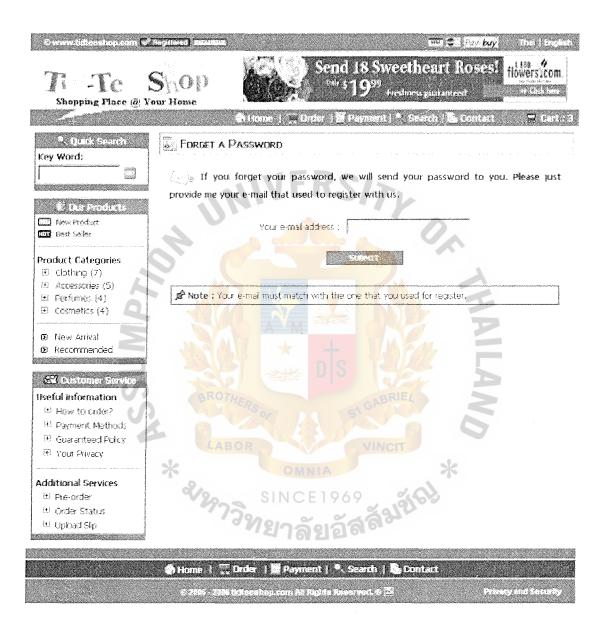


Figure 6.13. Forget Password Page

Guaranteed Policy Page is the page that shows information about our guaranteed policy.

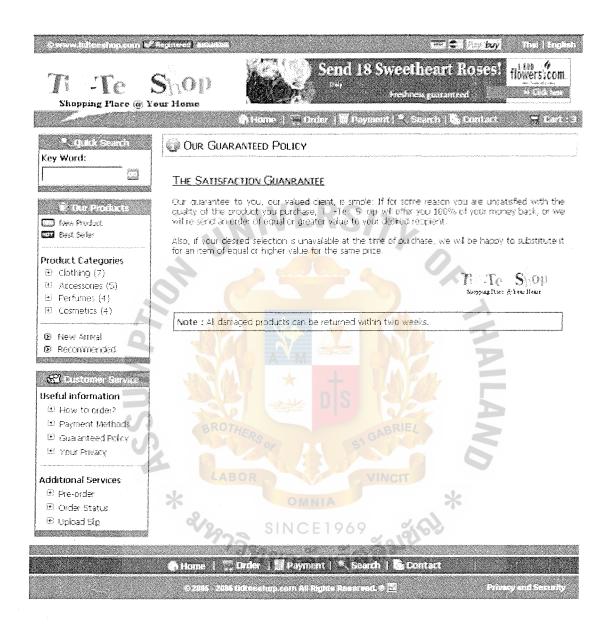


Figure 6.14. Guaranteed Policy Page

 Privacy and Security Page is the page that shows information about our Privacy and Security control on the web site.



Figure 6.15. Privacy and Security Page

• Pre-Order Page is the page that provides form for customer who is member to make pre-order. The information will be stored in database and the company will use back office s ystem to take care these transactions.

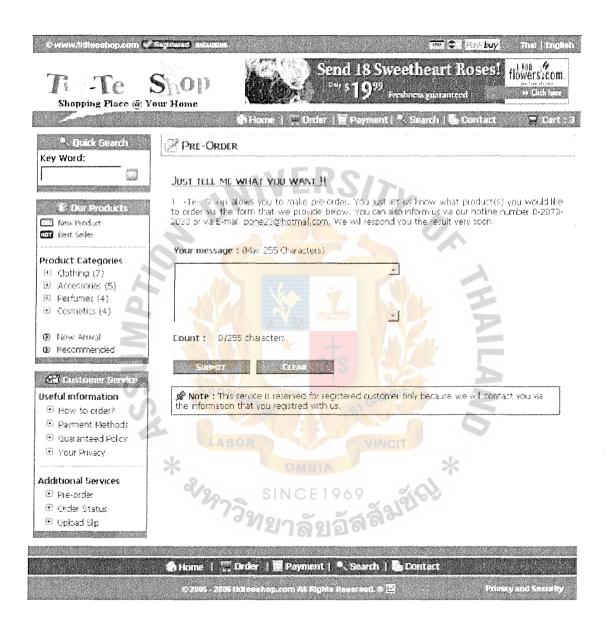


Figure 6.16. Pre-Order Page

Checking Order Status Page is the page that provides tool for customer to check their order status. The status and information of order that customer has made will be retrieved from database.

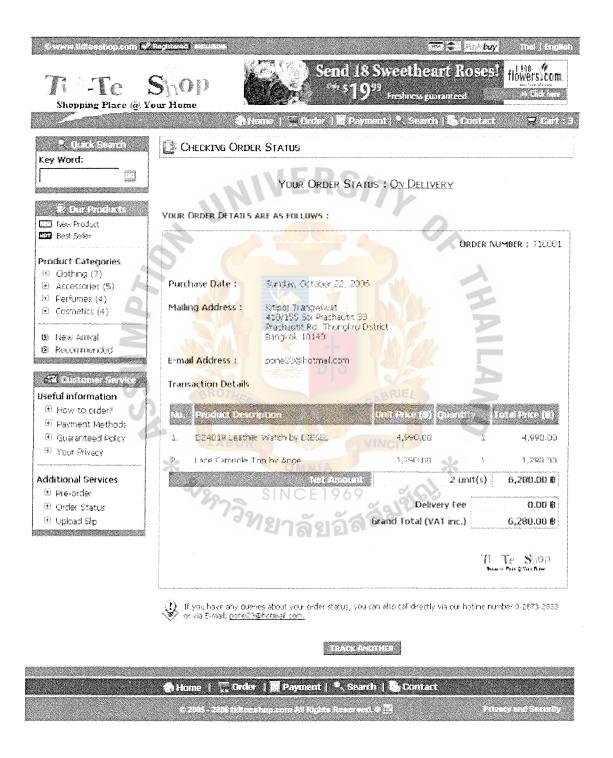


Figure 6.17. Checking Order Status Page

• Upload Pay Slip Page is the page that provides tool for customer to inform their payment. The information will be stored in database and the company will use back office system to monitor these transactions.

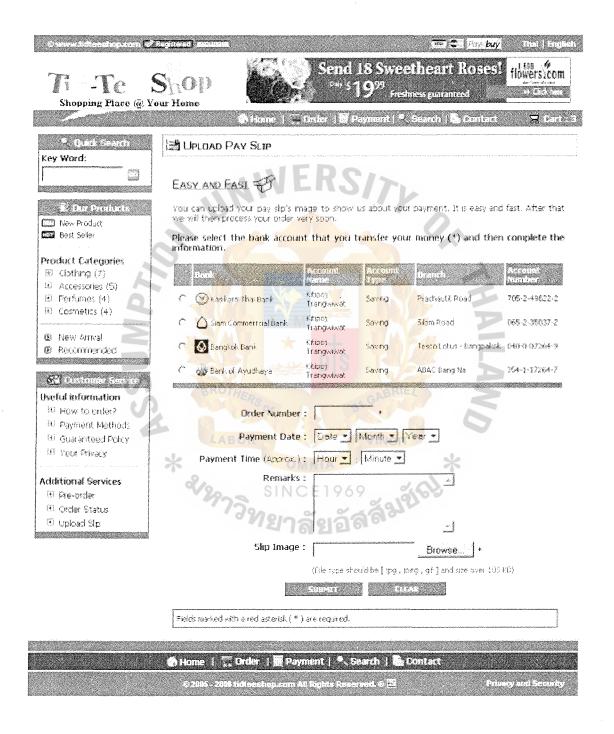


Figure 6.18. Upload Pay Slip Page

#### 6.8 Maintaining and updating the web site

The maintaining of the web site is the important step in publishing a web site. It is a way by which the shops that do business must find the way to make their shop more stable and more interesting to gain the customers' attention all the time. The web publisher must find the way to gain the attention from more customers all the time. Then, the web publisher should add and change the content periodically.

As the company runs business about trendy products, the Web site must be always up to date. The new product line or new product style should be added to the web site frequently. The benchmark is also important. The company has to evaluate and implement new technologies that will further site objectives and increase usability.

Lastly, the feedback is the essential part as it can tell the web publisher automatically whether it is working or not. So the company creates contact us page that makes it easy for the customer to contact the company and make the comment that can be used for improving our web site.

## 6.9 Implementation

#### (1) Domain Name

The company selects "TidTeeShop.com" as the domain name, which is the same as company name, and decides to register domain name as .com because it is easy to expand to the global market. The reasons for which the company selects "TidTeeShop.com" as domain name are shown as follows.

#### (1) It is easy to remember.

A name of an online shop is essential because there are many web sites in the cyberspace, then the company should choose the effective name and which is easy to remember and that must be helpful to recognize a site easily. The company chooses "TidTeeShop.com"

# St. Gabriel's Library, Au

because it is short and pronounceable. Moreover, it contains the normal characters or English alphabets.

## (2) It is attractive.

The attractive name of an online shop is also very important because it can motivate people to visit the web site. The company should also select the attractive name for the online shop. Therefore, "TidTeeShop.com" is used because it is an attractive one.

#### (2) Host and Database Server

To operate E-commerce, the company needs to have a host server, a database server and a network system to operate our electronic shop. For the host server, the company keeps the database and electronic shop at <a href="https://www.24webhost.com">www.24webhost.com</a> that provides us with the high security and reliable database system.

## (3) Hardware Preparation

For hardware preparation, the company requires only one computer for maintaining web application and operating the online shop. The company needs to use this computer to connect to web hosting for uploading new file and updating the data.

#### (4) Soft ware Preparation

The software that our company uses in developing, maintaining, and operating the online shop is ASP.Net Application, Microsoft Office XP Professional, Adobe Photoshop CS and Macromedia Dreamweaver MX.

#### 6.10 Payment System Preparation

TidTeeShop.com provides two alternate ways of payment method as follows:

- (1) Transferring money through a bank account and inform their payment via phone, fax, or online tools. Customers can transfer money via the Kasikorn Bank, Siam Commercial Bank, Bangkok Bank, and Bank of Ayudthaya.
- Card, MasterCard, AMEX, and Diners Club. Credit cards are our preferred method of payment, because it allows the company to quickly verify customer's payment information and send the order on its way as fast as possible. Online credit card payment will be using Secure Socket Layer (SSL) technology to ensure privacy and security for all transactions made through our site.

#### 6.11 Back Office

Back office is an important part of the business; it is used to perform operation works such as inventory control, settlement the transaction, financial and accounting overview, customer relationship management, and so on. Without a good back office, the company may not be able to run the business smoothly.

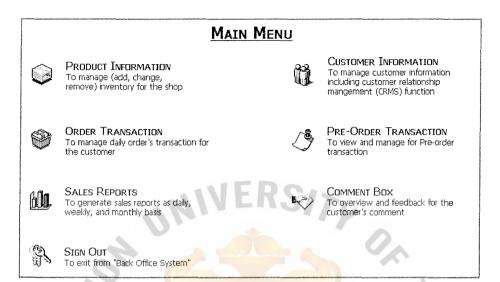
The company has developed the back office system for managing the inventory and monitoring all transactions. This system provides the functions that are used for working with the database, which are adding, editing, and viewing information such as product information, customer information, order transaction, and sales reports. The example of back office system is shown in the figure as follows.

o www.fifteeshop.com



BACK OFFICE SYSTEM

Saturday 4 November 2005 10 35 32 PM



2005 - 2006 tide eship com All Route Reserved # 🔄

Figure 6.19. Back Office System

#### 6.12 Security Plan

### Web Application Security

### (1) Copyrights

The company must ensure that the Web site assets such as image, picture, other components, including Trade Mark, Logo, know-how, and etc. that appear on the web are already protected by the Law of Thailand against the unwilling activities such as copies or change or duplicate are sold to the public or sell or rent for commercial purposes.

### (2) VeriSign

VeriSign delivers intelligence infrastructure services that make Internet and telecommunications networks more reliable and secure. Tid-Tee Shop

uses *VeriSign* as a security guarantee for customers. With *VeriSign*, customers feel more comfortable to give their credit card number and do transactions online. On the side of Tid-Tee Shop, *VeriSign* allows the company to have an online store that can accept credit card from customers easily and securely.



Figure 6.20. VeriSign Logo

The VeriSign payment solutions are;

Affordable - as your business grows, our payment solutions grow with you

Efficient - transactions authorized in a matter of seconds

Flexible - accepts all major forms of online payments

Trustworthy - VeriSign is the first name in Internet trust

#### 6.13 Security System on the Web

The privacy of our customer is the first priority for our company. Tid-Tee Shop believes in providing safe and secure shopping experience for all of our customers. The company provides stringent and effective security measures on our web site. The company guarantees that every transaction made on the web site will be 100% safe. The secure area of our website supports the use of Secure Socket Layer (SSL) protocol and 128-encryption technology- an industry standard for encryption over the Internet to protect data. When you provide sensitive information such as credit card details, it will be automatically converted into codes before being securely dispatched over the Internet. The information that customer registered as a member will be kept in the

security area. All information is encrypted before storing into the database so it can not be read by anyone who tried to access the data. Furthermore, information provided to the company will not be disclosed or sold to any third party.

#### 6.14 Database Design

Database design is the process of deciding what the database will look like. The good design of the database will influence the performance on retrieving the information to display on the web site. Database design involves with creating the tables and defining field for each table. Then the database designer must manage how each table is interacted with each other, this refers to Entity relationship (ER) modeling. Finally, the normalization of the database should be implemented as it helps reduce data redundancy within tables. The database is classified into tables as follows:

## (1) Entity Relationship Diagrams (ERD)

A type of diagram used in data modeling for relational database. These diagrams show the structure of each table and the links between tables. The relationship of databases below is used for TidTeeShop.com

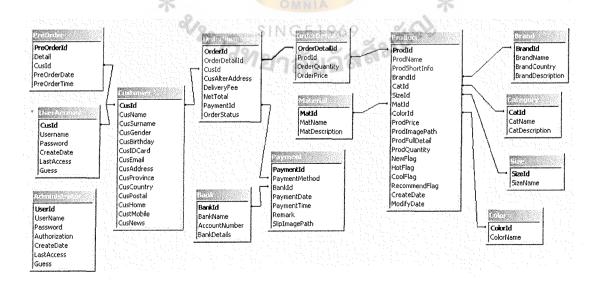


Figure 6.21. Entity Relationship Diagram

### (2) Customer Detail

This table is used for keeping the information of each customer who registers as a member. The data will be used for delivering an order or making customer relationship management. The details of this table are shown as follows:

Table 6.2. Design of table Customer

| Field Name  | Data Type | Remark      |
|-------------|-----------|-------------|
| CusId       | Text      | Primary Key |
| CusName     | Text      |             |
| CusSurname  | Text      |             |
| CusGender   | Text      |             |
| CusBirthday | Date/Time |             |
| CusIDCard   | Number    |             |
| CusEmail    | Text      |             |
| CusAddress  | Text      |             |
| CusProvince | Text      |             |
| CusCountry  | Text      | 19 125      |
| CusPostal   | THE Text  | GABRIEL     |
| CusHome     | Text      |             |
| CustMobile  | BOR Text  | VINCIT      |
| CusNews     | Yes/No    | A           |

## (3) Order Summary

This table is used for keeping the transaction of each customer in each time. The order details, customer details, and payment detail will be kept on the other tables. The details of this table are shown as follows:

Table 6.3. Design of table **OrderSummary** 

| Field Name       | Data Type | Remark      |
|------------------|-----------|-------------|
| OrderId          | Text      | Primary Key |
| OrderDetailId    | Text      | Foreign Key |
| CusId            | Text      | Foreign Key |
| PaymentId        | Text      | Foreign Key |
| AlternateAddress | Text      |             |
| DeliveryFee      | Number    |             |
| NetTotal         | Number    |             |
| OrderStatus      | Number    |             |

## (4) Order Details

This table is used for keeping the details of each transaction that is in table OrderSummary. The details of this table are shown as follows:

Table 6.4. Design of table OrderDetail

| Field Name      | Data Type | Remark      |
|-----------------|-----------|-------------|
| OrderDetailId 💛 | Text      | Primary Key |
| ProdId          | HER Text  | Foreign Key |
| OrderQuantity   | Number    |             |
| OrderPrice      | ABOR Text | VINCIT      |

## (5) Pre-Order Details

This table is used for keeping the details of each pre-order's transaction. This table will link to the table customer for checking which customer make this pre-order. The details of this table are shown as follows:

Table 6.5. Design of table **PreOrder** 

| Field Name   | Data Type | Remark      |
|--------------|-----------|-------------|
| PreOrderId   | Text      | Primary Key |
| Detail       | Text      |             |
| CusId        | Text      | Foreign Key |
| PreOrderDate | Date/Time |             |
| PreOrderTime | Date/Time |             |

## (5) Payment Information

This table is used for keeping the payment information of each transaction. The details of this table are shown as follows:

Table 6.6. Design of table Payment

| Field Name                  | Data Type | Remark      |
|-----------------------------|-----------|-------------|
| PaymentId                   | Text      | Primary Key |
| PaymentMethod PaymentMethod | Number    |             |
| BankId                      | Text      | Foreign Key |
| PaymentDate                 | Date/Time |             |
| PaymentTime                 | Date/Time | GABRIEL     |
| Remark                      | Text      |             |
| SlipImagePath               | BOR Text  | VINCIT      |

### (6) Bank Information

This table is used for keeping the information of bank account that company has. The details of this table are shown as follows:

Table 6.7. Design of table Bank

| Field Name    | Data Type  | Remark      |
|---------------|------------|-------------|
| BankId        | AutoNumber | Primary Key |
| BankName      | Text       |             |
| AccountNumber | Text       |             |
| BankDetails   | Text       |             |

## (7) Product Details

This table is used for keeping the product information. The information of each product that shows on the web site is retrieved from this table. To reduce the data redundancy on this table, all of other details of the products such as brand, category, size, and so on, are kept on the other tables. The details of this table are shown as follows:

Table 6.8. Design of table **Product** 

| Field Name     | Data Type | Remark            |
|----------------|-----------|-------------------|
| ProdId         | Text      | Primary Key       |
| ProdName       | Text      |                   |
| ProdShortInfo  | Text      |                   |
| BrandId        | Number    | Foreign Key       |
| CatId          | Number    | Foreign Key       |
| SizeId         | Number    | Foreign Key       |
| MatId          | Number    | Foreign Key       |
| ColorId        | Number    | Foreign Key       |
| ProdPrice      | Number    | BRIEL             |
| ProdImagePath  | Text      |                   |
| ProdFullDetail | Text      |                   |
| ProdQuantity   | Number    |                   |
| NewFlag        | Yes/No    |                   |
| HotFlag        | Yes/No    | 1969              |
| CoolFlag       | Yes/No    | učaá <sup>3</sup> |
| RecommendFlag  | Yes/No    |                   |
| CreateDate     | Date/Time |                   |
| ModifyDate     | Date/Time |                   |

## (8) Product's Brand Name

This table is used for keeping product's brand name. The details of this table are shown as follows:

Table 6.9. Design of table Brand

| Field Name       | Data Type  | Remark      |
|------------------|------------|-------------|
| BrandId          | AutoNumber | Primary Key |
| BrandName        | Text       |             |
| BrandCountry     | Text       |             |
| BrandDescription | Text       |             |

# (9) Product's Categories

This table is used for keeping product's categories. The details of this table are shown as follows:

Table 6.10. Design of table Category

| Field Name     | Data Type          | Remark                    |
|----------------|--------------------|---------------------------|
| CatId          | <b>Auto</b> Number | Pri <mark>mary Key</mark> |
| CatName        | Text               |                           |
| CatDescription | Text               |                           |

# (10) Product's Color

This table is used for keeping product's color. The details of this table are shown as follows:

Table 6.11. Design of table Color

| Field Name | Data Type  | Remark      |
|------------|------------|-------------|
| ColorId    | AutoNumber | Primary Key |
| ColorName  | Text       |             |

## (11) Product's Material

This table is used for keeping product's material. The details of this table are shown as follows:

Table 6.12. Design of table Material

| Field Name     | Data Type  | Remark      |
|----------------|------------|-------------|
| MatId          | AutoNumber | Primary Key |
| MatName        | Text       |             |
| MatDescription | Text       |             |

## (12) Product Size

This table is used for keeping product's size. The details of this table are shown as follows:

Table 6.13. Design of table Size

| Field Name | Data Type  | Remark *    |
|------------|------------|-------------|
| SizeId     | AutoNumber | Primary Key |
| SizeName   | Text       |             |

# (13) User Account

This table is used for keeping the record of user account that comes from customer's registration. This information will be used when customer do log in. The details of this table are shown as follows:

Table 6.14. Design of table UserAccount

| Field Name | Data Type | Remark      |
|------------|-----------|-------------|
| CusId      | Text      | Primary Key |
| Username   | Text      |             |
| Password   | Text      |             |
| CreateDate | Date/Time |             |
| LastAccess | Date/Time |             |
| Guess      | Number    |             |

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# (14) Administrator

This table is used for keeping the record of the administrator. This information will be used when the user connects to the back office system. The details of this table are shown as follows:

Table 6.15. Design of table Administrator

| Field Name    | Data Type | Remark      |
|---------------|-----------|-------------|
| UserId        | Text      | Primary Key |
| UserName      | Text      |             |
| Password      | Text      | 19/7        |
| Authorization | Number    |             |
| CreateDate    | Date/Time |             |
| LastAccess    | Date/Time |             |
| Guess         | Number    |             |



#### VII. CONCLUSION AND RECOMMENDATIONS

#### 7.1 Conclusion

E-commerce is the term used to describe the activity of doing business on the Internet. It includes business-to-business, business-to-consumer, and even consumer-to-consumer transactions that involve the buying and selling of goods and services, the transfer of funds, and even the exchange of ideas. Tid-Tee Shop is Business-to-consumer e-commerce that provides the customers with convenience and access to a wide range of goods and services. The company aims to offer the trendy and fashionable products that are chosen as high quality and affordable price. The target market is the customer who is 15-50 years old, middle to high income, love shopping and live in Thailand.

The company knows that it is very hard to get market share from the same business in the current market. So, the company tries to study the customer's insight by researchs and fieldworks in order to understand on current behaviors and perceptions toward the online shopping. The company has differentiated itself from the competitors by using SWOT analysis and also uses marketing mix strategies or 4Ps to help on marketing plan. Futhermore, the company tries to gain the competitive advantage through the differentiations such as price, service, and image.

As for the financial analysis, the first operating expenses of the company in doing the business by opening the cyber shop has been investing in the total amount 168,170.00 Baht. The revenue of the company is derived from selling products through the online store. The company estimates to have 5% sales growth in the second year and 10% sales growth every year until the fifth year. The break even-point is approximately 2 years and 1 month after operating the online shop.

For the website, the company uses "Hierarchical Information Structure" as site structure. The page layout and all elements are applied with the easy pattern because the company would like the visitors to focus and pay attention to all contexts and contents on the web site. All pages are created on center base. For navigation system, the main menu is placed on the top and bottom while sub-menu and other navigations are on the left of each page. Moreover, the company uses Cascade Style Sheet to make the site look more appealing. JavaScript is also applied as it can make the web site look more interested and interactive with visitor. For back office system, the company has developed web application to manage inventory, order transaction, and financial information. In addition, the web site uses Active Server Page (ASP) as programming language and Microsoft Access 2000 as database.

The company believes in providing safe and secure shopping experience for all of our customers. The company guarantees that every transaction the customer makes at our site will be 100% safe. The web site is developed to support secure online purchasing through Secure Socket Layer (SSL) technology. Moreover, there are also the copyrights and *VeriSign* for web site security.

### 7.2 Recommendation

In order to achieve our web site's objectives, the company should consider the various factors as follows:

- (1) The content in the web site should be updated frequently. The company should monitor whether the product is still currently available.
- (2) The company should add more product categories in order to fulfill customers' demands and expectations.
- (3) The security is one factor that enhances the e-commerce business, so the company should considers and offers high security to the customers.

- (4) The company should catch up with the IT technology that may be used to improve the web site.
- (5) The company should have some additional service like web board for sharing the opinion. This may help the company to get closer with customers.

### 7.3 Future Plan

The company has also set the future plan for greater customers' satisfaction and promote the company's achievements as follows:

- (1) The physical shop will be placed to make customers feel more confident.
- (2) The company will increase linked connection with more famous web sites to make the shop more well known.
- (3) The company will expand the market into the global market.

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