



Web Application for Souvenir Shop

by

Ms. Winita Patipokasut

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 2003

Web Application for Souvenir Shop

by

Ms. Winita Patipokasut

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 2003


Project Title Web Application for Souvenir Shop
Name Ms. Winita Patipokasut
Project Advisor Rear Admiral Prasart Sribhadung
Academie Year November 2003

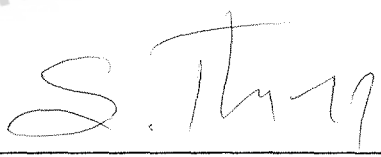
The Graduate School of Assumption University has approved this final report of the three-credit course, IC 6997 E-Commerce Practicum, submitted in partial fulfillment of the requirement for the degree of Master of Science in Internet and E-Commerce Technology.

Approval Committee:


(Rear Admiral Prasart Sribhadung)
Dean and Advisor


(Prof. Dr. Srisakdi Charmonman)
Chairman


(Dr. Ketchayong Skowratananont)
Member


(Assoc. Prof. Somchai Thayarnyong)
CHE Representative

November 2003

ABSTRACT

This report contains a proposal for development of a web application purpose of providing souvenir and handicraft product information for customers to plan and make decision to purchase the products instead of using a traditional way.

The report analyzes current situation, competitor analysis, and SWOT analysis for focusing on target group correctly in order to create marketing strategy. It also includes financial analysis that covers cost and benefit. This brings to conclude break-even analysis, and graph presentation to indicate business growth.

Besides, the report also includes creating and designing a web prototype. It contains site map and layout to show the web structure. Moreover, this web has designed logical database and dataflow diagram for understanding the overall system.



ACKNOWLEDGEMENTS

I am indebted to the following people, without them this project can not be possible.

Special thanks to my parents who encourage me in every way and their willingness to help and support me in facing the problems with me all the time.

I am extremely grateful to Rear Admiral Prasart Sribhadung who advised me in major areas concerning the project and gave me needed directions to accomplish this project.

Last but not least, I would like to say thank you to my dear friends, who encourage me in many ways, always sharing their knowledge, experience and giving me many useful recommendations and advices.



TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
LIST OF FIGURES	
LIST OF TABLES	
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	3
II. LITERATURE REVIEW	4
2.1 What Is Internet?	4
2.2 What Is Electronic Commerce?	7
2.3 What Is Electronic Business?	11
2.4 The Impact of Internet and E-Commerce	12
2.5 Marketing Mix for E-Commerce and Internet	14
2.6 What Is a Virtual Store?	20
2.7 Analyzing Critical Success Factors (CSF) for Virtual Stores	21

<u>Chapter</u>	<u>Page</u>
III. THE EXISTING SYSTEM	29
3.1 Shop Background	29
3.2 Reason of Opening an Online Store Front	29
3.3 Why Web Application Is Useful?	32
IV. STRATEGIC AND MARKETING PLAN	34
4.1 Current Situation Analysis	34
4.2 SWOT Analysis	35
4.3 Marketing Mix	38
4.4 Market Segmentation	40
4.5 Target Market	41
4.6 Competitive Analysis	42
4.7 Business Plan	43
4.8 Consumer Behavior	45
4.9 The Strategy to Success	46
V. THE PROPOSED SYSTEM	49
5.1 The Proposed www.Januaryshop.com	49
5.2 What Kind of Product Should Be Sold?	52
5.3 Why Souvenir Online?	53
5.4 Vision, Mission and Goals	54
5.5 Product Overview	55

<u>Chapter</u>	<u>Page</u>
VI. FINANCIAL STATEMENT	56
6.1 Project Cost and Benefit Analysis	56
6.2 Project Cost	59
6.3 Shop Revenue From the Project Goal	60
6.4 Break Even Analysis	61
VII. WEB PROTOTYPE DESIGN AND DEVELOPMENT	63
7.1 Web Prototype Objective	63
7.2 Website Hardware and Software Requirements	63
7.3 Web Development Process	64
7.4 Website Content and Functional Requirement	65
7.5 Website Visual Design	66
7.6 Site Structure or Architectural Blueprint	67
7.7 Layout Grids	69
7.8 Page Mock-up	70
7.9 Database Design	71
7.10 Website Management	73
7.11 Website Security Control	73
7.12 Website Testing	74
VIII. CONCLUSIONS AND RECOMMENDATIONS	75
8.1 Conclusions	75
8.2 Recommendations	77
APPENDIX A WEB SITE INTERFACE	78
BIBLIOGRAPHY	84

LIST OF FIGURES

<u>Figure</u>	<u>Page</u>
6.4 Break Even Analysis Chart	62
7.1 Web Development Process	64
7.6 Site Structure	68
7.7 Layout Grids	69
7.8 Page Mock-up	70
7.9 Database Design	72
A.1 Home	79
A.2 Product: Saa paper	79
A.3 Product: Hand-poured candles	80
A.4 Product: Sugarpalm wood product	80
A.5 Product: January Candle set1	81
A.6 Product: January Candle set2	81
A.7 How to Order	82
A.8 Contact	82
A.9 Register	83
A.10 Login	83

LIST OF TABLES

<u>Table</u>	<u>Page</u>
4.6.1 Direct Competitors	42
4.6.2 Indirect Competitors	42
6.1 Project Cost	59
6.3 Forecasted Revenue	60
6.4 Break Even Analysis	61
7.9 Database Table and Description	71



I. INTRODUCTION

1.1 Background of the Project

Because of the widespread acceptance of the benefit of Internet, the Commercial and International Economic Policies of the Government of H.E. Prime Minister Thaksin Shinawatra try to continuously motivate economic growth through a lot of methodologies. The government expeditiously pushes forward measures and legislation essential for the conduct of e-commerce in order to create opportunities for entrepreneur in accessing the global market. One of the parts that they focus on is traveling industry as a major source of country's income.

Internet is reducing the size of the world by connecting people together and creating a no-boundary system. An outstanding increase in Internet users and changes in people's lifestyles encourage e-commerce activities. Many companies conduct their businesses by doing their web together with their traditional way of doing business.

January Shop is a traveling industrial business which provides souvenirs and handicraft products. The majority of customers are foreign travelers who are interested in buying some souvenirs or gifts from Thailand. Therefore, January Shop would like to catch this opportunity by offering an online shop because this can create a lot of benefit for every party by reducing shopping time, 24 hours availability, reducing cost, etc.

1.2 Objectives of the Project

The objectives are to create and develop a web site for the existing business:

- (1) To provide a new business channel to reach new customers.
- (2) To provide online information of products and the shop.
- (3) To enable customers to visit the online shop 24 hours a day.
- (4) To increase customer services.
- (5) To create a professional look.
- (6) To reduce cost i.e. lower costs in printing, postage, market research and marketing activities.

1.3 Scope of the Project

- (1) To use and apply the concept learnt from Master of Science in Internet and E-Commerce Technology in doing business.
- (2) To conduct a complete analysis including SWOT Analysis, Competitive Analysis and Project Cost and Benefit Analysis.
- (3) To provide full marketing plan including Target Market, Market Segmentation and Marketing Mix.
- (4) To manage the web site effectively allowing visitors to access and find information about the product and shop easily.
- (5) To create security to increase reliability and brand awareness
- (6) To use the web site as a tool to support the traditional storefront.
- (7) To routinely update products in e-catalog.
- (8) No online Payment

1.4 Project Deliverables

- (1) Project Report
- (2) The prototype web site.



II. LITERATURE REVIEW

2.1 What Is Internet?

The Internet began as a U.S. Department of Defense Network to link scientists and university professors around the world. Even today, individuals cannot connect directly to the Net, although anyone with a computer, a modem, and the willingness to pay a small monthly usage fee can access it through an Internet Service Provider. An Internet Service Provider (ISP) is a commercial organization with a permanent connection to the Internet that sells temporary connections to subscribers. Individuals also can access the Internet through such popular online services as Prodigy and America Online and through networks established by such giants as Microsoft and AT&T.

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

- (a) Connect easily through ordinary personal computers and local phone numbers.
- (b) Exchange electronic mail (E-mail) with friends and colleagues with accounts on the Internet.
- (c) Post information for other to access, and update if frequently.
- (d) Access multimedia information that includes sound, photographic images and even video.
- (e) Access diverse perspective from around the world.

The Benefits of Internet

We know that Internet can give a lot of benefits to both individuals and organizations. For organizations, Internet can reduce the communication costs as well transaction cost while increasing communication efficiency, availability and the most efficient way to distribute information, increasing service level and maintaining good customer experiences. For individuals, the Internet can shorten the time and effort of getting desired information and services. The Internet technology today is one of the key revenue generators that can encourage most of the organizations to meet with their target customers and do transactions directly online.

(a) Reducing Communication Costs

Before the Internet era, companies need their own wide-area networks or subscribe to a value added network service in order to communicate among distant organizations. In the Internet era, Internet is certainly a more cost effective way for many companies rather than building one's own network.

(b) Reducing Transaction Cost

The Internet can reduce transaction cost since this is a faceless selling system, no need to deploy too many sales forces, paper less invoicing and catalog, etc. The overall transaction will be lower when compared to the normal selling process.

(c) Increasing communication efficiency

With the Internet speed, communication across the world can be done in a few seconds. Information detail is more complete and long lasting. People can communicate in various forms such as e-mail, web page, and posting at a very fast speed.

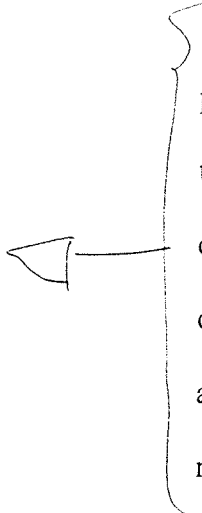
(d) Efficient way of information distribution.

In new economies, information is very vital for businesses, and access to knowledge is critical for success of many companies. Organizations are using E-mail and the availability of databases all over the world to gain easy access to information resources in such key areas as business, science, law, and government.

(e) Increasing level of service and maintaining customer experiences

Internet is one of the effective tools to provide good service to customers, and customers can access 24 hours to get self service package or to post their questions as well as complaints. Some companies provide FAQ which are self-explanatory to enable the customer to interactively get the answer, do ordering, with easier technical support and immediate availability.

(f) Revenue Generation Tools



Internet is used as sales and marketing tools to generate revenue and profit. The advent of the web has made marketing and sale possible because the web is a passive instrument; it requires potential customers to seek offering by companies rather than having those companies actively reach out to potential customers, as is traditional in most marketing and advertising. Retailers update their web pages offering virtually as often as needed. Suppliers can also update technical use by consumers just as easily.

Even with limitations, the Net helps sellers to generate revenue.

Although the internet is much benefit to the organization, the key success factor is to start with the lowest possible operational costs and ensure the possibility to access potential buyers with speed and efficiency. Money can be made as fast as you start the e-commerce web site but how to draw more traffic and maintain your customer base is also important to the success. Advertising is one of the important tools to draw the customer to visit your site and you can start online advertising in just a minute while the traditional advertising media takes a month to start up with. Marketing mix can be applied to Internet business and it is very vital to success. Advertising online simply works better than traditional media, but it is new, so it requires some imagination to envision role and character to be online. There are two basic attitudes which can draw a crowd towards the internet marketing: "The Silent Marketer" and "The Mouth Piece". The Silent Marketer can get the customer visit directly from web sites, newsgroups and e-mail without direct interaction with the customer. The company gets the customers coming to it. The mouth piece gets sales from active participation in newsgroup, mailing lists, etc. (i.e. starting advice in forums, thereby building a relationship with each potential customer).

2.2 What Is Electronic Commerce?

One possible definition of electronic commerce would be: “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact”. However, while accurate, such a definition hardly captures the spirit of electronic commerce, which in practice is far better viewed as one of those rare cases where changing needs and new technologies come together to revolutionize the way in which business is conducted.

Modern business is characterized by ever-increasing supply capabilities, ever-increasing global competition, and ever-increasing customer expectations. In response, businesses throughout the world are changing both their organizations and their operations. They are flattening old hierarchical structures and eradicating the barriers between company divisions. They are lowering the barriers between the company and its customers and suppliers. Business processes are being redesigned so that they cross these old boundaries and seeing many examples of processes that span the entire company and even processes that are jointly owned and operated by the company and its customers or suppliers.

Electronic commerce is a means of enabling and supporting such changes on a global scale. It enables companies to be more efficient and flexible in their internal operations, to work more closely with their suppliers, and to be more responsive to the needs and expectations of their customers. It allows companies to select the best suppliers regardless of their geographical location and to sell to a global market.

One special case of electronic commerce is electronic trading, in which a supplier provides goods or services to a customer in return for payment. A special case of electronic trading is electronic retailing, where the customer is an ordinary consumer rather than another company. However, while these special cases are of considerable

economic importance, they are just particular examples of the more general case of any form of business operation or transaction conducted via electronic media. Other equally valid examples include internal transactions within a single company or provision of information to an external organization without charge.

Electronic commerce is technology for change. Companies that choose to regard it only as an “add on” to their existing ways of doing business will gain only limited benefit. Major benefits will accrue to those companies that are willing to change their organizations and business processes to fully exploit the opportunities offered by electronic commerce.

Categories of Electronic Commerce

The electronic commerce can be sub-divided into four distinct categories:

- (a) business-business
- (b) business-consumer
- (c) business-administration
- (d) consumer-administration

Business-to-Business:

One of the major technologies which support business-to-business interactions is electronic data interchange (EDI). EDI involves the exchange of standardized, structured information between organizations, permitting direct communication between computer systems and reducing or eliminating the need for human involvement and the reeking of information.

Like many other technologies, EDI has been accepted significantly more slowly than initially anticipated. It is reported that in North-America about 50,000 enterprises have installed EDI systems, and a similar number in Europe. EDI has been perceived as being too complicated as companies did not know how to integrate EDI into their

applications. Only insufficient standard messages were available and the number of potential partners was relatively low. However, this situation is rapidly changing and the number of companies using EDI has recently risen significantly, also stimulated by public sector initiatives like Clinton's Commerce for Acquisition (ECAT), and the former European Commission's TEDIS program.

The introduction of electronic commerce also involves the introduction of new ways of doing business. Resistance to change can also be expected from small and large organizations alike. For example, in the banking sector the fear for the emergence of new and possibly competing business models could be a determining factor. Some sectors may undergo significant structural changes. These aspects of the emergence of electronic commerce (and their relationship with the Single Market) deserve further study.

Business-to-Consumer:

The business-consumer category largely equates to electronic retailing. This category can expand greatly with the advent of the World Wide Web. There are now shopping malls all over the Internet offering all manner of consumer goods, from cakes and wine to computers and motor cars. The WWW users are a key target for business applications as they are upscale, professional, and well educated.

Business-to-Administration:

The business-administration category covers all transactions between companies and government organizations. For example, in the USA the details of forthcoming government procurements are publicized over the Internet and companies can respond electronically. Currently this category is in its infancy, but it could expand quite rapidly as governments use their own operations to promote awareness and growth of electronic commerce. In addition to public procurement, administration may also offer the option

of electronic interchange for such transactions as VAT returns and the payment of corporate taxes.

Consumer-Administration:

The consumer-administration category has not emerged. However, in the wake of a growth of both the business-consumer and business-administration categories, governments may extend electronic interaction to such areas as welfare payments and self-assessed tax returns.

2.6 What is E-Business?

E-Business is founded upon the development of the internet, the World Wide Web and the standards and protocols that enable the technologies to operate.

E-Business is about the use of electronic networks and associated technologies to enable, improve, enhance, transform or invent a business process or business system to create superior value for current and potential customers. It also involves moving away from conventional business thinking in order to effectively compete in a new and dynamic environment: cyberspace. The emphasis shifts towards empowering your customers and getting them more deeply involved in your business. As well, your internal processes will become more automated with significantly less paperwork. Therefore, focusing as explore the emerging world of E-Business will be on:

Technical aspects – the hardware, software, and networks that are needed to connect a community of interest and allow them to share information. This also covers the design and presentation of that information. An important part of E-Business technology is the specialized software used for payments, security, and service support.

Business model – how businesses inter work, and how this influences the way in which they are established and the way in which technology is deployed. In this respect,

how various players co-operate to provide an end product or service to the consumer, and the various ways in which a virtual market is established.

The use of e-business for your company may include such things as e-mail, web sites, interactive e-business systems, web-based customer inquiries, data exchange or on-line sales (e-commerce).

2.4 The Impact of Internet and E-Commerce

Internet is becoming a part of daily life for many people today. Its real benefit, feature and technology is the one that needed to know more in order to maximize the advantage of using internet for business. Moreover, Internet enables us to do the business anywhere, anytime as well as to work at home.

Fortunately, accessing and using the Internet is very simple and user friendly. That can apply offline marketing as an Internet marketing to draw the crowd to visit the site and buy the products and services. The target audience is the worldwide customers who normally use the Internet. The key strategy is on how to turn those audiences to buy the products and services offered.

World Wide Web is fast becoming one of the best ways for individuals and organizations to effectively, efficiently and economically communicate interactively with each other at a fast speed manner. Any e-commerce company who promotes their business in cyberspace should implement Internet marketing in order to increase visitors and traffic in their web and turn those visitors to customers at the end.

Internet is a worldwide collection of computer network, cooperating with each other to exchange data, using a common software standard. Through telephone wires and satellite links, Internet users can share information in a variety of forms. The size, scope and design of the Internet allow users to connect easily through ordinary personal computers and local phone numbers, exchange electronic mail (E-mail) with friends and

colleagues with accounts on the Internet, post information for others to access, access multimedia information that includes sound, photographic images and even video and access diverse perspective from around the world.

Since 1980, the primarily academic institution, scientists and the research agency of the US government used the computer network for their communication. The appeal of the Internet to these bodies was obvious as it allowed disparate institutions to connect to each other's computing systems and databases, as well as sharing data via E-mail.

Nowadays, e-commerce plays a very significant role in a rapidly increasing number of interoperation across a wide spectrum of industries. Internet enables us to conduct secure commerce transactions across the world and it gives us an ability to get closer to the existing customers and new customers. There are huge advantages to have an online transaction or "electronic commerce". Internet can help us save the company investment and also help us eliminate printing and paper costs for catalog. E-commerce enables business to have direct relationship with their customers eliminating middlemen and achieve real-money transactions in efficient ways.

There are three main different objectives in utilizing the e-commerce:

- (a) Provide the information of products and service to support offline transaction. Sometimes providing information such as e-catalog to customer which are available 24 hours, free and flexible to explore with full details but the transaction happens offline after the customer makes a decision.
- (b) To promote online transaction by directly offering a web page or free information to link people to another web where products or services are available. This is the most popular way of making money on the cyberspace because it is easy to set up and get the initial profits overnight.

- (c) Making money from getting the sponsorship or banner Advertising.

One of the objectives is to persuade as many visitors as possible to visit the web site by encouraging them to come with something special available on the site, such as valuable information, help, etc. Then, once the traffic is high enough, the company can sell advertising as well as get sponsorship support in the form of banner advertising.

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

2.5 Marketing Mix for Electronic Commerce and Internet

- (1) Marketing mix for electronic commerce?

E-Commerce business is like the traditional business, it requires a lot of marketing activities to generate demand and turn it to revenue. Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. Marketing mix decisions must be made for influencing the trade channels as well as the final consumers. The company is preparing an offering mix of products, services, and prices utilizing a promotion mix of sales promotion, advertising, sales force, public relations, direct mail, telemarketing, and internet to reach the trade channels and the target customers.

(a) Product Strategies

There are five adaptations of product strategies and promotion strategies to apply for a foreign market. As E-Commerce is aiming to the target customers on a worldwide basis, proper strategies to attract foreign customers is needed.

- (1) Straight extension means introducing the product in the foreign market without any change.
- (2) Product adaptation involves altering the product to meet local conditions or preferences. There are several levels of adaptation: regional version, country version, and city version. Finally, a company can produce different retailer versions of its product.
- (3) Product invention consists of creating something new. It is a costly strategy, but the payoffs can be great. Particularly if you can parlay a product innovation overseas into a new hit at home. It can take two forms- Backward invention and Forward *invention.
- (4) Backward invention is reintroducing earlier product forms that are well adapted to a foreign country's need. This method is very easy inventing the exiting products to the particular country's need and want.
- (5) Forward invention is creating a new product to meet a need in another country.

Not just only products that can be sold internationally, but a growing part of international trade is taking place in services. The world market for services is growing at double the rate of world

merchandise trade. Large firms in accounting, advertising, banking, communications, construction, insurance, law, management consulting, and retailing are pursuing global expansion.

(b) Promotional Strategies

For electronic commerce, companies can run the same advertising and promotion campaigns used in the off line market or change them for each local market, a process called communication adaptation. It adapts both the product and the communication, and the company engages in dual adaptation. The company can change its message at four different levels. The company can use one message everywhere varying only the language, name, and colors. The second possibility is to use the same globally but adapt the copy to each local market. The third approach consists of developing a global pool of ads, from which each country selects the most appropriate one.

The use of media also requires international adaptation because media availability varies from country to country. Marketers must also adapt sales-promotion techniques to different markets.

(c) Pricing Strategies

Pricing strategies for international trade is quite a complex task. Multinationals face several pricing problems when selling abroad. They must deal with price escalation, transfer prices, dumping charges, and gray markets. When companies sell their goods abroad, they face a price escalation problem. Because the cost escalation varies from country to country, the question is how to set the prices in different countries. Companies have three choices in setting up the pricing;

setting a uniform price everywhere, setting a market-based price in each country and setting a cost-based price in each country:

- (1) If the company charges too high a price to its subsidiary, it may end up paying higher tariff duties, although it may pay lower income taxes in the foreign country.
- (2) If the company charges too low a price to its subsidiary, it can be charged with dumping. (Dumping occurs when a company charges either less than it charges in its home market, in order to enter or win a market.)

Various governments are watching for abuses and often forces companies to charge the arm's-length price—that is, the price charged by other competitors for the same or a similar production. Many multinationals are plagued by the gray-market problem. A gray market occurs when the same product sells at different prices geographically. Dealers in the low price country find ways to sell their product in higher-price countries, thus earning more.

(d) Distribution Strategies

Distribution strategies play an important role in electronic commerce. A lot of manufacturers think that their job is done when the product leaves the factory. They should pay attention to how the products move within the foreign country. They should take a whole-channel view of the problem of distributing products to final users. In the first link, seller's international marketing headquarters, the export department or international division makes decisions on channels and other marketing-mix elements. The second link, channels between

nations, gets the products to the borders of the foreign nation. The decisions made in this link include the types of intermediaries (agents, trading companies) that will be used, the type of transportation (air, sea), and the financing and risk arrangements. The third link, channels within foreign nations, gets the products from their entry point to final buyers and users.

Another difference lies in the size and character of retail units abroad. Large-scale chains dominate the U.S. scene, but much foreign retailing is in the hands of small independent retailers. In India, millions of retailers operate tiny shops or stalls in open markets. Their markups are high, but the real price is brought down through haggling. Incomes are low, and people must shop daily for small amounts and are limited to whatever quantity can be carried home on foot or on a bicycle. Most homes lack storage and refrigeration space to keep food fresh. Packaging costs are kept low in order to keep prices low. Breaking bulk remains an important function of intermediaries and helps perpetuate the long channels of distribution, which is a major obstacle in expansion of large-scale retailing in developing countries.

(2) The relation between Internet and the Marketing mix

Marketing mix is used as a device to define the marketing tools that should be used to achieve marketing objectives. It has also been extended to include two further elements: people and process (Booms and Bitner 1981) although others argue that these are subsumed within the 4Ps. Current models of the marketing mix are applied frequently since they provide a simple framework for varying different elements of the product offering to

influence the demand for a product. For example, to increase sales of a product the price can be decreased or the amount or type of promotion changed, or some combination of these elements can be varied. The internet provides new opportunities for the marketer to vary the marketing mix, so it is worthwhile to consider what these are.

The element of marketing mix for e-commerce varies depending on the type of e-commerce business, objectives and location.

- (a) Product Strategies – the type and the features of the product can be varied depending on the particular customer. Customer service and brand value can be enhanced. New product can be introduced easily in the form of information-based products which can be provided by the Internet such as specialized market information on subscription. Brand variants can be produced for some markets.
- (b) Pricing Strategies – using the Internet as new retail sales channel enables the price of product to be reduced since the number of items and the cost of distribution through a traditional network of shops can be decreased. Alternatively, if a price point can be maintained, the lower-cost routed to the market can be used to increase profitability.
- (c) Promotional Strategies – the Internet offers a new way of making promotion. Additional marketing communication channels by which to inform customers of the benefits of a product and assist them in the buying decision. The Internet can be used to supplement the range of promotional activities such as advertising, sales promotions, PR and direct marketing. The Internet offers many advantages and some disadvantages as an alternative promotional medium.

- (d) Distribution Strategies – the Internet also offers a new sales channel for distributing products through commerce.

It is worth noting that application of the 4Ps can lead to product rather than customer orientation. It is also an important element of Internet marketing strategy and web site design. Rather than that, the 4Cs is also a key element that the marketer needs to understand and execute.

2.6 What Is a Virtual Store?

A virtual store, simply stated, is “a storefront in Cyberspace, a place where customers can shop from their home computers and where merchants can offer merchandise and service for a fraction of the overhead required in a physical storefront”. It allows companies to offer direct sales to their customers through an electronic channel. Most of the time, they conduct their business using the Internet. They are highly integrated because they are the center of the linkages between supplier and customer value chains. Highly integrated virtual stores not only serve as retail outlets, but also add value to the product and services they provide. They often provide detailed information about the good, a large selection of similar goods from different manufacturers for comparison, purchase suggestions to consumers, etc.; therefore, more and more consumers and manufacturers are embracing this new method of trading. With the rapid advancement of Web technology, especially the wide deployment of system with secure and reliable ordering capability, virtual stores that are directly involved in the selling of products and services are among the fastest growing companies. Besides competing with traditional retail stores, competition among virtual stores are also increasing. Many successful virtual stores are facing fierce competition from an increasing number of copycats. Therefore, careful planning needs to be carried out in

order for the virtual stores to analyze their critical success factors (CSFs) and develop long-term strategies.

2.7 Analyzing Critical Success Factors (CSF) for Virtual Stores

Critical success factors refer to the areas that must be done well for the organization to prosper. From the consumers' and suppliers' incentives to participate which are discussed above and from previous research, the researcher suggests the following possible CSFs: product offerings, information richness, usability of storefront, perceived service quality, and perceived trust. These 5 potential CSFs are the ones constantly appearing in literature on online shopping at virtual stores.

Product Offerings:

Consumers' product perceptions are found to be the primary determinant of shopping in a particular retailer. In order to differentiate themselves from traditional retailers, virtual stores must fully utilize their technology to make unique product offerings that no physical counterparts can match. They can focus on offering a vast selection, discount price, and products suitable for marketing on the Web. Product variety is often an influential factor in retail store patronage. By offering a vast selection of goods, virtual stores are able to differentiate themselves from traditional retailers. The primary "inventory" of a virtual store is its comprehensive product information. The reduced computer storage cost and the expanding storage capability have provided virtual stores almost limitless store space. The Web has witnessed the rapid emergence of superstores. For instance, Amazon.com offers 2.2 million book titles; The Internet Shopping network sells 27,000 different computer hardware and software items; and CD Now offers 112,000 different musical CD titles. Moreover, one study showed that a large percentage of people turn to the Internet to look for products that they cannot find from anywhere else. As a result, consumers may expect virtual stores to offer a wider

product variety than traditional retailers; hence greater product variety is a factor that influences consumer use of a virtual store. Price has always been one of the salient performative attributes that determine consumer store choice. Consumers are price sensitive. A survey found that 80% of the consumers were not willing to pay more than \$1 premium for products and services in exchange for the convenience of shopping on the Web. Many consumers expected lower prices due to the lower setup costs, lower cost per customer contact, and lower maintenance cost of virtual stores. They provided three pricing strategies for virtual stores based on this observation. The three pricing strategies are (1) offer discounts, except for unique or hard-to-find products or services; (2) offer value-added services to justify prices; and (3) focus on products that have a cost advantage over electronic channels due to lower distribution and delivery costs. Virtual stores often claim to provide greater convenience and product selection to consumers; nevertheless, price will still remain a major factor in consumer store choice.

The right kinds of products offered by a virtual store can create cost advantages and attract customers. Papows (1998) proposed a "Seven C" analysis to evaluate the likelihood of various types of products being successfully sold over the Internet. The seven "Cs" include community, customer cost savings, consumer choice, need for customization, product consistency, potential convergence, and rate of change. Virtual stores can perform the seven C analysis to determine the suitability of their products and services to be sold on the Web and make adjustments to their product offerings accordingly. For example, digital information has a number of compelling properties to be marketed on the Web. They are nonreplicable, infinitely customizable, and have zero distribution cost. Information products, such as custom textbooks, individual news services and financial instruments have greater opportunities to succeed in Web commerce.

Information Richness:

The importance of information relevant to the product being sold was realized much earlier than the emergence of virtual stores. "Informational or knowledge component is becoming an increasingly large part of the 'product' or offering itself". It is suspected that information richness plays a crucial role in shaping up consumers' decision to purchase from a virtual store. The most influential factors of information richness in the context of virtual stores appear to be the richness of product information and the extent of product comparison.

According to the Information Richness Theory (IRT) information richness is defined as "the ability of information to change understanding within a time interval". Information that enables its user to clarify ambiguity and enhance understanding of issues in a timely manner is considered rich. IRT has been used as a predictive theory to understand users' communication media choices. The theory posits that users would choose media higher in richness for those tasks with higher ambiguity. IRT leads the author to suspect the linkage between information richness and consumers' choice of retail media.

Consumers make inferences about the product or services based on the information provided by retailers. The quality and usefulness of the information is determined by the degree to which consumers can use the information to predict their satisfaction with the product prior to the actual purchase. As a result, the richness of information dictates consumers' purchase decision to some extent. Virtual stores can employ multilevel hypertext product information including text, graphic, and animation, audio or even video; therefore, they are superior to traditional retail stores in some ways. First, it can store a large quantity of product information. Second, the information on the Web can be easily updated; hence it is often current. Third, direct and uninterrupted

interactions between customers and virtual stores are possible. A virtual store is a “super sales associate”, who stores all available information about the products in her “memory” and provides whatever information consumer demands interactively. All of these are accomplished with the help of modern Web-based database technology, which incurs little variable cost to virtual stores, and supplies a large quantity of up-to-date information to consumers on demand.

To compensate for the disadvantage of online shopping that the products cannot be touched, smelled, or tried on before purchasing, virtual stores should supply the customers with as much information about the products as possible. Insufficient information will send customers to traditional retailers or competing virtual stores that provide better product information. This is extremely important when customers are trying to compare similar products. Product comparison is an important feature for virtual stores. The ability to perform price comparison, comparative product evaluation and in-depth analysis provides consumers with a more efficient market. The primary reasons of failures of the early attempts of electronic shopping were limited product information and low product comparability.

Usability of Storefront:

The digital storefront design of virtual stores is the equivalent of physical planning for retail stores and the user interface design for any software development. Effective user interface design has great implications to the perceived ease of use and productivity of users. A virtual store’s storefront is its Web site. A poorly designed digital storefront has an adverse influence on the consumer’s online shopping experience. Will consumers be able to effortlessly traverse in the virtual store? Will consumers easily find what they want in the virtual store? These are the two questions

that virtual store developers must ask themselves. The storefront design considerations for virtual stores translate into usability of the Website.

One stream of research, usability study, is being widely used in evaluating the design of Web sites. It looks at Web site architecture, navigation, design and layout to predict how easy the Web site would be for users to navigate and find what they need. If the Web site scores high in its usability, the chances of the Web site being accepted and used productively are good. The usability test is performed to ensure that the Web site is user-oriented.

Search ability is an important measure of the usability of a Web site. The virtual store needs to determine how “smart” their searching engines need to be to allow customers to easily find exactly what they need. Keyword search has been very popular among Web sites; however, it requires users to type in the exact vocabulary to find the item, as it is difficult to use when the query is vague. A number of technically strong virtual stores have implemented search engines that can interpret natural language, which greatly eases their customer’s search efforts. Consumers, presumably, want to minimize their effort in their shopping; therefore, the degree to which the search facilities provided by a virtual store reduce a consumer’s effort to find what he or she wants would be an important aspect of digital storefront design.

Perceived Service Quality:

Service quality is a recurring research topic for the marketing discipline. The concept is defined as the discrepancy between what customers expect and what customers get, service quality began to receive attention in the IS field. It is acknowledged as one of the measures for IS success. With virtual stores being both marketing channels and end-user information systems, service quality should be viewed as one of the crucial components of their success.

Zeithaml et al. identified four determinants of expected service quality: word-of-mouth communications, personal needs, past experiences, and communications by the service provider. In the virtual store situation, other consumers' recommendations or criticism of a virtual store helps form a consumer's expectation of the virtual store's service quality. The personal needs of consumers differ from one another. Some consumers may need extensive assistance in purchasing an expensive item and would like to have personalized services, whereas some consumers may just want to make a routine purchase of a standardized product.

Great customer service has always been associated with increased customer satisfaction and retention. Besides the services provided by traditional retailers, some virtual stores offer new and creative services enabled by technology. The Internet facilitates two-way communication between the customers and stores. Most importantly, it allows information up-flow: virtual stores are able to collect customer data. This processed information derived from these data gives a virtual store the basis for offering better services that will meet the particular customer's needs in the future. With the help of technology, virtual stores can establish virtually one-to-one business and personal relationships with their customers, which is costly and difficult to achieve in other retail formats. Changes in customer demand can be quickly identified and reacted upon.

The Web is a useful communication medium even after the sale. Virtual stores are able to distribute after sale services and keep in touch with their consumers. The ability of the Web to distribute information at a low cost allows virtual stores to provide their customers with online help, FAQ, diagnostic tools, suggestion boxes, and user communities. These are useful tools to enhance the overall value of the products after sale, hence increasing the lifetime value of each customer relationship. Trained

customer service representatives need to be readily available to handle customer questions and complaints through email, telephone, or other media.

Perceived Trust:

Consumers are advised to be cautious and check the credibility of the online merchants they are dealing with. A number of studies claimed that the reason why many people have not yet shopped on the Web is due to the lack of trust in online businesses. Trust can be defined as feeling secure or insecure about relying on an entity. In the context of online shopping, the factors influencing consumers' perceived trust appear to be personal information privacy and security concerns.

According to recent Business Week/Harris survey, privacy is the number one consumer issue facing the Internet, consumers' lack of trust arose from their lack of power to control the action of the Web vendor and secondary use of customer information. The personal information privacy concerns span two dimensions: environment control and secondary use of information control. Environment control refers to consumers' ability to control the action of virtual stores, and secondary use of information control refers to consumer's ability to exert control over virtual stores' use of the information for other purposes (i.e. sell to other marketers). When these two controls are perceived to be low, consumers are leery about giving personal information over the Web. Therefore, they believe that trust "is best achieved by allowing the balance of power to shift toward more cooperative interaction between an online business and its customer". By disclosing how they are going to use the collected information and letting consumers decide how their information will be used, virtual stores are more likely to establish a mutual trust with consumers. In order to calm the security concerns of the customers to encourage them to engage in shopping on the Internet, virtual stores should 1) implement security technologies such as encryption,

secure protocol, and public/private key protocol; 2) develop a proactive strategy to respond to these concerns. In other words, virtual stores must demonstrate that they are doing everything in their power to protect the customer information from misuse. A common practice on the Internet to promote such trust is devoting a section on the Web page to explain the security precautions taken by the store and in which ways the customer information will be used. By doing this, a mutual trust can be achieved between virtual stores and consumers, and the trust is expected to lead to acceptance and use of virtual stores.

While one study showed that 42% of respondents leave Web sites when asked to give personal information due to privacy concerns, other studies found that consumers may be willing to provide information about them in return for a cost. Consumers are giving out their personal information (e.g. name and address) and financial information (e.g. credit card number) for things, such as the convenience of shopping at home, a cost saving on the merchandise, or a hard-to-find item. The researcher presumes that, besides these tangible benefits of online shopping, a certain level of trust between virtual stores and consumers must be present for consumers to participate in online shopping.

III. EXISTING SYSTEM

3.1 General Background

Januaryshop.com is an online souvenir shop which offers a wide range of Thai souvenir and handicraft products. It has more than ten product lines which cover various different types of high quality products to satisfy customers' needs and wants. The main products include Saa paper product, hand poured candles, and Sugarpalm wood product. The shop has an intention of providing the best quality product for the customers.

Due to the advantage of the capability of electronic commerce (e-commerce), it has created an opportunity for Januaryshop.com to be able to perform better than merely adopting the current way of traditional commerce through buying and selling transactions over electronic networks. By using e-commerce as a store front or distribution channel, the shop can facilitate customers in their shopping time and efforts.

3.2 Reasons for Opening Online Store Front

In these days, Internet has been widely used as a tool to help the company to reach its potential customers. Many firms have increasingly accessed to immediate easier means of advertising and providing information, that is, an online marketing in electronic network. Furthermore, a website or e-commerce can be a relatively inexpensive way to gain exposure to millions of people regardless of where they are, keep them informed of new offerings, and make business transactions easier and more effectively.

Internet offers great benefit to the business. The following are some of the ways in which e-commerce can be used for business to prosper:

(a) To expand the market globally

Although the majority of customers are foreigners who live outside Thailand, it would be too costly for the business to make international advertisement to promote the products. Meanwhile, Internet allows us to promote the products internationally without making a big investment in marketing expenditure. The products are available to be viewed by customers 24 hours a day, and 7 days a week. Customers can place their order anytime and anywhere they desire.

(b) An easy way to update and distribute the information

The uses of traditional advertising such as brochure and leaflet tend to yield enormous cost to the company. Sometimes, it maybe printed with errors or may lack additional information because of limited space. Besides, it requires to be updated on a regular basis. With Internet advertising or public communication, which can update, expand or add any information at anytime that want with no/little costs, and can make changes to any kind of information or add any item, for example new products, pricing, promotion, or other information.

- (c) The easiest way to increase service level and customer satisfaction

Frequently Asked Question (FAQ) and/or self explanatory service question would be provided. For further information, customers can place their inquiries through e-mail which will be replied within 24 hours as an alternative to making telephone calls. This can reduce costs for both the company and the customers by utilizing online service instead of the normal telephone call.

- (d) Improve operating efficiency and reduce overhead

Creating a “store” on-line can help the company to eliminate the cost of having a building, displaying inventory and hiring sales personnel, leaflet and brochure printing and less inventory of “walking outdoor”.

- (e) Exhibit the company image

Having own website and being able to present a company’s website address (www.januaryshop.com) is a great way to depict that a company is staying ahead of the competitors as well as giving the customers an easy way to find out about us online. The company profile gives customers a clearer picture and better view about us.

These are only a few reasons why the company is taking advantage of the Internet. And, that is why so many individuals are finding ways to start their own business from home. For the information and the reasons mentioned above, we decide to open an online store.

The benefits of setting up an Internet Site:

- (1) Corporate image improved
- (2) Improved customer service
- (3) Increased visibility
- (4) Market expansion
- (5) Online transactions
- (6) Lower communication cost

3.3 Why Web Application Is Useful?

Nowadays, many people rely much on Internet for searching every kind of information including product availability and updating, price comparison, etc.

If the prospect of courting a new business through a Web site continues to seem to be a little daunting, consider how a Web site can be used to increase business from existing clients. Everybody advocates cross-selling, and when the shop goes to marketing seminars it hears that the existing customer can be the best source for a storefront, if the shop takes the time to educate them about the practice and remind them of how valuable the shop can be in areas of their business in which the shop is not currently active. Actually, the current customers already have a good view about the good quality product. So, the shop might be skeptical about how a computer monitor can improve the relationship. First, an e-mail system and a Web site, just like a fax machine in the early '80s, are great ways to show the clients that the shop is dedicated

to keeping up with the technology needed to better serve their needs by communicating quickly, efficiently, and conveniently. Second, a Web site is an extremely flexible way for clients and colleagues to find us. Think of it as a display ad that can change on the fly, or as combination business card, resume, and marketing brochure, which is rapidly becoming standard practice in the accounting industry and elsewhere. The shop does think that professionals are quickly finding that a Web site is a great supplement to many of their existing marketing efforts. First of all, it is another way of getting the name out in front of clients and prospects. Second, it is a wonderful way to introduce prospects to the firm without lugging round a box of marketing brochures and copies of articles. When the shop put the Web address, or Uniform Resource Locator (URL), on the business cards on pass the cards on to the potential clients, they can immediately access the site and browse the information that want them to see. Finally, a web site is a cost-effective way to communicate new announcements about changes or additions to the firm, a new location, or new areas of practice. In considering how to draw a much higher number of customers to visit the shop, the company must carefully look at the following aspects to improve the traffic and good image of the website. Corporate image must be improved time to time to gain customers' confidence in the company. Improving service level can add more value proposition of the company. The company must also look for the opportunity to expand market coverage, market segmentation an also improving the online transaction and reducing the unnecessary cost.

IV. STRATEGIC AND MARKETING PLAN

4.3 Current Situation Analysis

January Shop provides souvenirs and handicraft products to walk-in customers, and the majority of customers are foreign travelers who are interested in buying some souvenirs or gifts from Thailand. Normally, the target market is the foreign travelers who stay in the Imperial Queen Park's Hotel. January Shop sells only "Made in Thailand Souvenir" products, most of which are handmade by skilled workers.

The problem is most of the customers are hotel guests, which means the shop can do business with a small market. Although, the prospects are bigger than that, the shop plan to extend the business to a new target market in order to create more benefit and brand loyalty. The prospects are the foreigners who live in Bangkok, especially around Sukhumvit Road, and they are happy to search the shopping information from internet before going to the virtual store.

The Internet and e-commerce is a new channel for business. The shop design to catch this opportunity to offer an online shop, by provided more services and information about the shop and products to both existing customers and prospects.

4.2 SWOT Analysis

This important planning process is key self-assessment to measure strength, weakness, opportunities and threats. The overall evaluation of January Shop's SWOT analysis is as follows:

Internal environment analysis

(1) Strengths

- (a) Good Product Know-how
- (b) Good design and creative
- (c) Heritage products of Thailand
- (d) Less Competitors
- (e) Pricing Flexibility
- (f) Located on Sukhumvit Road where many foreigners live.
- (g) Offer variety of product types to satisfy customers
- (h) Sales person can talk many languages.

(2) Weakness

- (a) Handmade products are difficult to have the same standard.
- (b) Family business, lack of international skills
- (c) No customer service or customer care business unit
- (d) Low company profile in the market.
- (e) Seasonality impact the revenue.
- (f) Limited budget

External environment analysis

(3) Opportunities

- (a) Increasing demand for gift and souvenir products.
- (b) Economic upturn
- (c) Government promote SME and E-commerce
- (d) Internet and E-commerce as a new business channel
- (e) E-marketplace expansion
- (f) Building brand awareness
- (g) Room to increase market share

(4) Threats

- (a) New market channel establishment
- (b) Easy duplication by competitors
- (c) Current internet users in Thailand still low compared to other developing countries.
- (d) Chance to fail for dot com business
- (e) The market doesn't want the product.

(a) Strengths and Opportunities Strategies

This is the method to create strategies to use the strengths to take advantage from opportunities.

- (1) Improve product design, and product line including packaging
- (2) Improve marketing strategies to capture the opportunity for exporting the products to global market.
- (3) Get closer relationship with government export and SME promotion.
- (4) Maintain good relationship with customers.

(b) Weaknesses and Opportunities Strategies

This method is to analyze weaknesses of the business to find out strategies to use the advantage of opportunity to overcome the weakness.

- (1) Setup promotion according to season or event for a particular country or region to prevent seasonality impact.
- (2) To create the standard of the product.

(c) Strengths and Threats Strategies

- (1) Protect intellectual properties by applying copy right as well as the patent of the product design.
- (2) Establishing brand awareness, brand image and web URLs.

(d) Weaknesses and Threats Strategies

- (1) Lower unnecessary cost to make product price to be more competitive during the currency fluctuation situation.
- (2) Create several products to attract the customers.
- (3) Create several styles and designs.

4.3 Marketing Mix

According to the 4P's of marketing, marketing strategies can be separated into 4 parts, which are product, price, place and promotion?

(a) Product

The product strategies of www.Januaryshop.com are to focus on a variety of products as well as unique design. Other than the product design, good looks and feel must get along with durability and quality of products.

Product Design:

- (1) Made in Thailand souvenir and handicraft products.
- (2) Modernize the design concept but still using the core traditional look and feel of Thai souvenir and handicraft products in order to be modern home and environment as well as exhibit Thai culture and style.
- (3) Variety of products look and feel to match the demand of people in different countries for example, Japanese customers may like black and white color more than customers from Asian countries.
- (4) Provide a variety in different shapes and unique styles such as Thai traditional style and modern style for a catalog.

(b) Price

Because of the product variety that the shop has, pricing ranges from a hundred baht to a thousand depending on design, size, and material. This variety of price can ensure that the shop can serve most of the customers' need and segmentation. The shop use competitive price strategy to set up price at market price and offer percentage discount to members.

(c) Place

The Internet is simultaneously a complete new form of commerce, a revolution of medium for communication between customers and the firm, and a distribution channel for the firm's products and information. January Shop is a website that uses this channel as an option that will help to achieve target goals. The shop will use internet address identifier and clarify the meaning for people to remember.

(d) Promotion

Promotion involves a number of tools which can use to increase demand for the products. Below are promotion strategies that are used for advertising and promoting the shop.

- (1) Always refresh the promotion program every month.
- (2) Promote the URLs consistency by printing URL in every type of document and product.
- (3) Register in search engines such as Google.com, Yahoo.com, Sanook.com, Siamguru.com, etc.
- (4) Banner exchange in the group concerned with autos.
- (5) Use direct e-mail and e-catalog to promote the Web Site.
- (6) Offer special discount such as price reduction coupon regularly.

- (7) Set seasonal or occasional discount period through out the year in order to activate buying behavior.

In summary, the shop use both direct-action and indirect-action advertising techniques which are:

- (1) Direct-action advertising is an advertising technique trying to push a customer to buy a product immediately.
- (2) Indirect-action advertising is a long-term advertising, which tries to build a brand image and market familiarity to the customers.

4.3 Market Segmentation

Market can be segmented into three groups as follows:

- (a) The first group are tourists, who have the following qualifications:
 - (1) Geographic: Foreigners who live in the hotel.
 - (2) Demographic: Tourists who have middle to high income, older than 18 years.
 - (3) Psychographic: People who like to travel and collect souvenirs as a memory of their trip or a gift for their friend or family, and may be they are those who admire Thai product and culture.
- (b) The second group are foreigners and Thai citizens who have the following qualifications:
 - (1) Geographic: People who live in Thailand, especially who live near the hotel.
 - (2) Demographic: People who have middle to high income, older than 18 years.

- (3) Psychographic: People who love to collect souvenirs or who need a gift for their friend or family, and those who are interested in Thai souvenir and handicraft products.
- (c) The third group are foreigners who have the following qualifications:
 - (1) Geographic: People who live abroad, especially those who live in USA, Europe and Japan. They may search for souvenirs in Thailand through search engine or hotel link.
 - (2) Demographic: People who have middle to high income, older than 18 years.
 - (3) Psychographic: People who love to collect souvenirs or need a gift for their friend or family, and those who are interested in Thai souvenir and handicraft products.

4.5 Target Market

Currently, the shop decide to set the target market for January Shop on only B2C (Business to Customer), and foreigners who travel from abroad and live in Thailand would be added to the target market as well, the main target being international customers from USA, Europe and Japan. The target customers will also include people who are interested in buying souvenir and handicraft products; this could be categorized into experienced and inexperienced buyers. Most of them must have purchasing power; so those who are older than 18 years (women or men) will be the target group.

In the future, the shop plans to gain new target markets in order to reach the break-even point (or get more profit). Thus, B2B (Business to Business) and foreign market become the target market.

4.6 Competitive Analysis

Thailand souvenir and handicraft products competitors can be classified into:

- (a) Direct competitors: www.thailandgift.com, www.siamcraft.com

Table 4.1. Direct Competitors.

Strength	Weakness
-Variety of Product	-Limitation of fund
-Price competitiveness	-Lack of PR and promotion
-Being in this business longer	-Lack of technology development
-Strong relationship with customer	-Poor image quality of e-catalog
-Good customer database	
-Good Payment Gateway	
-Nice web design	

- (b) Indirect competitors: Large size business such as Iyara, Jatujak, Department Store, other country souvenirs, etc.

Table 4.2. Indirect Competitors.

Strength	Weakness
-A lot of fund to invest	-Difficult to compare price
-Economy of scale with many branches	-Limited product offering
-Widely recognized because of PR and promotion	-Need more man power
-Modern equipment and new technology	-Time consumption for buyer
-Location and space of store	-Need high investment
	-Need to carry high inventory

4.7 Business Plan

The business plan is set up in two terms according to the range of time.

(a) Short Term Business Plan (1-2 years)

(1) Generate simple web site

Since the company is moving forward to the online e-commerce business, the very first priority is to get the website up and running as well as quickly capture all opportunities to get revenue. Website design and concept need to be clarified concurrently with the setup of back-end process, logistic and supply chain. The following task forces need to be in place as the first step of the short term plan.

- (a) Determine what products will be sold on Web.
 - (b) Set up domain name.
 - (c) Prepare the details, pictures and price of the products.
 - (d) Create website with predefined concept and design criteria.
 - (e) Create web function, navigator, web link and contents.
 - (f) Upload the website and start the transaction.
- (2) Marketing plan to generate traffic and demand

After getting the website up and running, the marketing plan needs to be in place in order to make sure that can draw enough traffic to the website. Traffic only can not guarantee the success; the key success is to turn those traffics to revenue. The following taskforces need to be defined and preset prior to the launch.

- (a) All documents attach URL name.
- (b) Advertise on free e-mail and Banner exchange with auto Web Site.

- (c) Contact business via e-mail.
- (d) Remind customers by sending greeting card for New Year and birthday.
- (e) Create product online catalog.
- (f) Create new transactions by sending new catalog periodically.
- (g) Promote plans such as encouraging Xmas gift, bundle, lucky draw, etc.
- (h) Create tools to collect database for future marketing program.
- (3) Evaluation and improvement of the plan

This evaluation and improvement plan is very important to the success of the business. The shop must plan to have business review and evaluation every quarter to ensure the issues will be addressed and solved.

(b) Long Term Business Plan (3-5 years)

- (1) Revise business plan and refresh the website

*The website needs to be refreshed every year in order to create new excitement, theme and concept like renovate the off line traditional shop. The following plans need to be prepared.

- (a) Create more complex and attractive online marketing Web Site.
- (b) Offer more interactive Web Site.
- (c) Increase the product line as well as refresh the product items.
- (d) Generate online payment system.
- (e) Develop and revise online catalog.
- (f) Create customization of the products and gift creation tools.

- (g) Personal management of individual customer to create long term relationship.
- (2) Add more usefulness.
- (3) Advertising
 - (a) In search engine
 - (b) In well-known related Web Site
 - (c) Promotion by e-mail and e-catalog
 - (d) Buzz marketing
- (4) Apply integrated marketing communications.
- (5) Bring customer database to other useful purpose.
- (6) Use Customer Relation Management (CRM) to contact clients

4.8 Consumer Behavior

The decision making process of consumer is now changed. The customers make purchase decisions which are not able to help real businesses earn real profits. It can also explain why some early websites, though deemed successes, were actually doomed from the beginning.

From the analysis and survey of the Internet users, they are most likely to use the Internet for gaining information and price survey then buy from normal retailers rather than buying the product online. 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. However, the shop realizes that it may be getting profit in providing souvenirs, of Thai culture and lifestyle, then use the competitive price as well as user friendliness to encourage the customer to buy.

The customers buy souvenir products because of the following values.

- (a) Good product design
- (b) Impressive
- (c) Hand made product
- (d) Preserve Nature
- (e) Buy as a gift for their family or friend
- (f) Buy as a souvenir for their own home
- (g) Match their need
- (h) Usefulness
- (i) Strange
- (j) Difficult to find from anywhere else

In summary, for the souvenir market, marketing campaign just encourages the buyer decision process for purchase, but the real thing that can convince customers to buy is the value proposition of the souvenir product itself. It needs to convince people from inside. Psychological influence is important because the souvenir product gives value to feeling and emotional kind of thing, not the real value of the products. The marketer needs to understand what customers need and want clearly.

4.9 The Strategy to Success

- (a) The security feature of the website, web server, and database server need to be prepared in order to protect the customers' personal and financial informing. Reassuring the customers that the site is secure and private by informing them with updated security information to create trust among the customers. The shop believes that trustworthiness will be one of the important things to create more sales volume for the shop and competitive advantage over other competitors.

- (b) Give quicker response by updating on new product type and special offer only online. It is very important to update the products or tactics in the shop to catch up with the rapidly changing environment. For example, new trend moves in the market. The shop needs to update product categories and designs instantly in order to serve or match the new customer's demand.
- (c) Customer relationship management, customer information and database management will be the key to success for e-commerce business in the long term. The shop needs to know specifications of specific products in order to serve the interested customers better. The shop can offer personalization depending on what particular customer needs and wants.
- (d) Information needs to be on customer's hand in a timely manner. The shop will develop customer relationship through e-mail or other individual communication by using Integrated Marketing Communications (IMC) but need to avoid junk mail attitude.
- (e) Other than the products, website design and its content must be fully loaded with good information. The function of website should perform as planned, and navigation design must prevent visitor from being lost. The color, look and feel as well as speed of browsing must be appropriate and balanced.
- (f) Web link can contribute to success because it can bring traffic to the website; the more traffic, the more revenue can be generated.
- (g) Offering customer reasons to revisit the site and buy, such as new offers not found in stores or points in a loyalty program. Moreover, on the Web Site, give customers the option to select products online at any time (24 hours a day 7 days a week).

- (h) Avoid dead-end pages. Link all pages to the January Shop home page so the visitors will not get lost. And because people might enter the Web Site from an outside link that routes them to one of the sub-pages, which will make it clear immediately where they are on the site and how to access January Shop home page quickly.
- (i) The shop will not put visitor's registration on the first page. It will show the content first to persuade users that registration is worth while. It will make forms as flexible as possible by limiting the number of required fields. Moreover, It also make any error easy to find and correct, including a Help link in case customers run into problems.



V. THE PROPOSED SYSTEM

5.1 The Proposed www.januaryshop.com

The proposed online marketing website will cover the following functions:

(a) Selling Products

To conduct an e-commerce website for selling the products, the project would require full scale marketing tactics. Customers can visit the website to get details of the products (specification, features, price, picture, etc) and they can either e-mail or call us for more information if they want to before the buying and selling take place.

(b) Open International Markets

Internet provides us an opportunity to present and promote the products to both domestic and overseas customers. This is an inexpensive marketing channel; with Internet, the shop can send the catalogue online via e-mail to customer and/or customer can directly go to the website to find out about the products and compare the price easily.

(c) Create a 24 hours Service

The website is accessible 24 hours a day, 7 days a week, regardless of geographical boundaries. Therefore, international customers who have different time basis can visit the website even though it is not office hours in Thailand. In addition, it can customize information to match needs and collect important information that will put us ahead of competition, even before they get into the office.

(d) Make Business Information Available

www.Januaryshop.com will provide information to be available all the time. Communication is the key for business to interact with customers. The internet allows us to have information to be available 24 hours a day, inexpensively and simply. Customers from every where can access to get information about the product and services anytime at the Internet speed.

(e) Establish a Presence

Approximately 70 million people worldwide have access to the World Wide Web (www). This represents a big market for the business where each of the 70 million people can be potential customers for us. Therefore, the shop should not ignore this opportunity but rather be the first to get access to them.

(f) Make Changing Information Available Quickly

Because information requires to be updated on a regular basis, the shop then need to make changes to information all the time. With online marketing, it can simply change, adjust and modify the information whenever it want and as frequent as it require with little/no costs. This has created us a great benefit when comparing to traditional paper printing advertising.

(g) Multimedia is a Key

Multimedia is another key feature of Internet that helps in enhancing the look of the product. Although a picture alone would be adequate, the products can look even more attractive and powerful in the eyes of the

customers with the creation of graphic, effect and sound attached. Also, animation or short movie clip can be used to present the product and/or the company.

(h) Test Market New Services and Products

Generally, the company often faces high costs of advertising new products. Somehow, these costs can be minimized through introducing new products on the website. By simply putting the advertisement on own website and those websites in which the potential customers are likely to visit, the business can reduce its advertising cost substantially. Online advertising can reach a wide range of people. Besides, the company tends to receive direct and fast response from customers on how they think about the product.

(i) Answer Frequently Asked Questions

Frequently Asked Questions (FAQ) can be posted to clarify any suspect areas in which potential customers may have. This could be a brief detail, extra information, further explanation, and/or answers generating from those questions generally asked. In addition to facilitate customers in making a buying decision, FAQ also removes barriers in doing business with the company and prevents possible impolite phone operator.

(j) Allow Feedbacks from Customers

Rather than providing the FAQ, the shop can allow customers to give us direct feedback about the products, services as well as the web design and content. With a web page, the shop can ask for feedback and get it instantaneously with no extra cost. An instant e-mail response can be built

into Web pages and can get the answer while it is fresh in the customer's mind, without the cost and lack of response of businesses reply mails.

5.2 What Kind of Product Should be Sold?

After the evaluation of which products are best suited for online selling, the shop chooses a souvenir and handicraft product, which is the product that can fulfill customers' emotional need. Unlike other goods which need to have good advertisement, good promotion or good benefit, the customers buy the souvenir and handicraft just because they like it. During a high competition crisis like this, doing just local business like this is difficult to survive; so the product must be carefully chosen to sell abroad and worldwide. Handicraft product is the most suitable for everybody worldwide.

The following are the criteria that it use to select the product for www.januaryshop.com.

- (a) Product that is appropriate for everybody. Since the products have to be sold worldwide to foreigners as well as to local customers, the product must be appropriate for every sex, age, race, creed or culture.
- (b) Long life cycle products. For ease of inventory control, the products chosen should not become easily obsolete by fashion, technology, etc. If the products are too fashionable, it may be overstocked and contribute to loss.
- (c) No resources constraint of raw material. It need to have a backup plan of supply sourcing just in case there is a big lot of order.
- (d) Easy to get qualified labors. Since the products are handmade products, labour is very important, especially highly skilled labour. It also has to think about the production line if order in the big lot.

- (e) Reasonable price point. The costing of the handicraft should not be so high.
The pricing of these products depends on value of the product itself.
- (f) The products must have international demand and the pricing should be inexpensive with good gross profit margin.
- (g) Different from the other competitors. The products need to have special characteristics such as 100% hand made, various styles and models.

There are several support reasons that Thai Souvenir and Handicraft can be sold online.

- (a) Thai Souvenir and Handicraft products are well known because of the unique design, quality, material as well as the culture.
- (b) The products can be sold to all target segments, including all ages, sex, and geographic location.

5.3 Why Souvenir Online?

Thai souvenir and handicraft products are well known to international customers since they are very unique, handmade, beautiful and self explain the culture and lifestyle of Thai people. Most foreigners who visit Thailand usually buy souvenir and handicraft products for their friends and family as well as for themselves. The shop realizes that some customers love the products very much but don't know where to buy them, so they have to travel here in order to buy. Januaryshop.com can solve the issue by offering the Internet web site in which the products are available 24 hours and where the customers can log in.

As earlier discussed on the benefit of the Internet, Janauryshop.com also supports the point that Internet is the best way to exhibit the products internationally. Internet is

the best way that it can send all detailed information of the products to customers by using the e-catalog rather than printed material. The Internet helps us save the cost in handling sales, marketing and support and at the same time the internet allows us to open the shop 24 hours a day, 7 days a week.

The objective of having this website is to build up a new market as well as a channel for selling the handicraft products under the brand name januaryshop.com. The target is clearly targeted for local as well as international customers. The product overview and product strategies are analyzed and covered with some marketing plan. With the product and market analysis, a SWOT analysis was outlined which came out with key strategies as shown. Some major critical success factors were highlighted and some resolutions were suggested.

5.4 Vision, Mission and Goals

Vision:

Januaryshop.com will be one of the leading e-commerce businesses in Thailand that can export world class quality Thai souvenir and handicraft products internationally as well as exhibit the information about culture, festival, society and lifestyle of Thai people.

Mission:

“To be well-known Online Thai Souvenir and Handicraft Shop in the World.” By using the Web Site to make online marketing, the shop can introduce product detail, information, price, picture, ordering and customer support in order to increase sales and more effective marketing in brand awareness to build brand royalty in the future.

Goals:

- (a) To make www.Januaryshop.com become known worldwide.
- (b) To be able to increase sales volume and attract new customers.
- (c) To provide information to people around the world about souvenir and handicraft products of Thailand.
- (d) To create the mind set that the souvenir and handicraft products of Thailand are very good in quality and unique in design.

5.5 Product Overview

The products that we sell on www.Januaryshop.com are modernized souvenir and handicraft products. The products include Saa paper product, Hand poured candles, and Sugarpalm wood product. They are all hand made by skilled workers. It has several items and designs to cover the market's need, and it also selects only the best quality product for the customers. They can be good souvenirs, gifts and classic products for several usages. The major target market is foreigners who travel from abroad and live in Thailand as residents. With full customer services, the customers will be satisfied with the products.

VI. FINANCIAL STATEMENT

6.1 Project Cost and Benefit Analysis

The cost of the business that decides to have an online shop on the internet is specified into three categories; the first cost occurs during pre-project stage, second cost occurs when the project is in the process of working and implementing, and the final cost or pre-project cost occurs when the project needs evaluation.

The pre-project cost includes the cost of creating Web Application Project feasibility study, which covers the cost of all relevant marketing research, and other areas of its work process, i.e. material preparation, time consulting, and cost of tools and equipments.

The major part of expenditure of the Web Application Project occurs during project implementation, including the cost of Web Site design and development and the cost of building an infrastructure. The basic infrastructure is IT related equipment and the Internet cost which are very important to start up the e-commerce business. The cost includes hardware, software and human-ware to support Web Site design, cost of running the system, and cost relating to materials and other tools.

The final cost of the Web Application Project is the cost of evaluation of the project and supporting materials, cost of maintaining the system and expenditure for project error corrections.

The benefits obtained when the Web Application Project is implemented are classified into three categories, i.e. enhancements, efficiency and effectiveness, details of which are shown below.

Enhancements:

- (1) Brand building - The Web Site will be used to promote January Shop brand, and the brand image of the shop characteristics as well as educate potential customers and visitors of what January Shop goods and services are all about.
- (2) Category building – January Shop is a developing souvenir shop, which gains a new opportunity to get a new target market and develop relationship with existing customers; therefore, the Web Site will educate the visitors about the entire category or capability of goods and services.
- (3) Quality – January Shop provides necessary information about the products and services, and other information which is very valuable for the potential customers.

Efficiency:

- (1) Cost Reduction – The implementation of the Web Site is hard to justify whether it will provide cost reduction or not; however, the developing of January Shop is believed to cut cost associated with sale channel, and database of visitors' preferences.

Effectiveness:

- (1) Information Collection – The activity of potential visitors and visitors of the web site will be recorded and analyzed to find out what sections of the Web Site is the most famous, what kind of products have been viewed, and what is the special requirement that is often required. From the information collected the shop should be able to know what contents and sections on the web should be developed and improved.

All the benefits above may be a tradeoff with Web Site design cost, as well as its implementation and maintaining costs.



6.2 Project Cost

The cost of project developing and implementing in the first year is 184,088 baht, and 24,188 baht in the second year.

Table 6.1. Project Cost.

Cost Description	Quantity	Unit Type	Unit Price	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
1. Research & Development Cost								
- Preliminary Investigation	1	time	20,000	20,000				
2. Investment Cost								
2.1 Hardware Costs	1	unit	40,000	40,000				
2.2 Software Costs								
- Operating System for 1 user	1	package	35,000	35,000				
- Graphic Software	1	unit	26,000	26,000				
- Anti-Virus Package	1	unit	900	900				
2.3 Web Application Outsourcing	1	project	30,000	30,000				
3. Operating Cost								
3.1 Web Maintenance	1	project	8,000	8,000	8,000	8,000	8,000	8,000
3.2 Domain name and Hosting	1	year	5,000	5,000	5,000	5,000	5,000	5,000
3.3 Internet Package	12	package	599	7,188	7,188	7,188	7,188	7,188
3.3 Repairs & Maintenance	1	year	2,000	2,000	2,000	2,000	2,000	2,000
3.4 Advertising	1	year	10,000	10,000	10,000	10,000	10,000	10,000
Yearly Net Cost				184,088	24,188	24,188	24,188	24,188
Overall Net Cost				184,088	208,276	232,464	256,652	280,840

6.3 Shop Revenue from the Project Goal

The shop is a click-and-mortar business which intends to use online store to support the offline store revenue. Therefore, revenue will be generated from the offline store. The shop's goal is to increase offline store sales every year by 10%, 12%, 15%, 20% and 25% annually.

Table 6.2. Forecasted Revenue.

Benefit	Current	1 st	2 nd	3 rd	4 th	5 th
Description	Year	Year	Year	Year	Year	Year
1. Increasing Sales						
- Percentage	1,000,000	10%	12%	15%	20%	25%
Yearly Net Benefit		100,000	120,000	150,000	200,000	250,000
Overall Net Benefit		100,000	220,000	370,000	570,000	820,000

The benefit that the shop intends to gain is not only the money but also the competitive advantage. The shop wants to gain new potential customers and maintain good relationship with existing customers at the same time.

6.4 Break Even Analysis

Table 6.3. Break Even Analysis.

Analysis	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Net Benefit	100,000	120,000	150,000	200,000	250,000
Discount rate (10%)	0.9091	0.8264	0.7513	0.683	0.6209
Present value of Net Benefit	90,910	99,168	112,695	136,600	155,225
NPV of All Benefits	90,910	190,078	302,773	439,373	594,598
Net Cost	184,088	24,188	24,188	24,188	24,188
Discount rate (10%)	0.9091	0.8264	0.7513	0.683	0.6209
Present value of costs	167,354	19,989	18,172	16,520	15,018
NPV of All Costs	167,354	187,343	205,516	222,036	237,055
Yearly NPV Cash Flow	-76,444	79,179	94,523	120,080	140,207
Overall NPV Cash Flow	-76,444	2,735	97,257	217,337	357,543
Yearly Return On Investment	0.54	4.96	6.20	8.27	10.34
Breakeven Point	1.97				

Above is the table showing cost, revenue and breakeven analysis of the January Shop Project. From the table, the project will breakeven within 1 year and 10 months.

The breakeven point can be a lot faster than expected, since the January Shop Project sale objective is set conservatively; therefore, it does not include project goal expected from sale of the offline store.

VII. WEB PROTOTYPE DESIGN AND DEVELOPMENT

7.1 Web Prototype Objective

A Web Site that supports the offline store is provided.

- (1) To create new business channels for new and existing target markets.
- (2) To provide information about souvenir products and shop for visitors.
- (3) To give other interesting information that is related with souvenirs.

The Web Site should be simple, consistency, identity, compatible and performs functional stability.

7.2 Website Hardware and Software Requirements

The requirements of this system are as follows;

- (1) Hardware Specification
 - (a) Pentium IV 2.2 Processor
 - (b) 256 MB of RAM
 - (c) 20 GB of Hard Disk
 - (d) 40X Combo Drive
 - (e) 3.5 inch Floppy Drive
 - (f) 14 inch Monitor
 - (g) 102 Keyboard, Mouse
 - (h) Modem 56 K
 - (i) Color Printer
 - (j) Digital Camera

(2) Software Specification

- (a) Window XP Professional
- (b) HTML Editor
- (c) Cute FTP
- (d) Internet Explorer 6.0
- (e) Internet Access
- (f) Illustrator
- (g) Photoshop 7.0
- (h) Flash MX
- (i) Dream Weaver MX or Golive 6.0

7.3 Web Development Process

Figure 7.1. Web Development Process.

<u>Phase1: Research</u> <ol style="list-style-type: none">1. Self assess – Set target2. Identified Target Market3. Identified Competitors
<u>Phase2: Site Content</u> <ol style="list-style-type: none">4. Build Design Concept and Theme5. Scenario Test
<u>Phase3: Site Structure</u> <ol style="list-style-type: none">6. Database Management System7. Site Structure Listing8. Develop Navigation System

9. Interface Design
10. Develop Web-based Prototype And Final Architecture Blueprint
<u>Phase5</u> : Production and Operation
11. Production
12. Launch Web Site
13. Maintenance & Growth

7.4 Website Content and Functional Requirement

The critical success factors in building a good web site, site content and functional requirement also play a major factor that can create either negative or positive impression of the site. Same as other web pages, the content of January Shop consists of text, images and animation.

To help the users find required information easily, the main content is grouped and labeled into categories as follows:

(a) Home

The shop designs this home page to welcome the customers who visit the Web Site again and again. The design and style of this page is to present the new arrivals of January Shop online store.

(b) Product

January Shop's Products Online, the online shop presents and promotes several categories such as a saa paper, hand-poured candles and sugar palm wood products. The products are made by hand and have the best quality.

(c) How to order

- (c) How to order

Provides the information about standard sales term and order.

- (d) Contact

Provides the statement clearly defining who the shop is and what the objectives are in having this website.

- (e) Register

Provides the registration form for visitors who want updated information about new arrival products, news and any promotion.

- (f) Login

Provides the channel for access to the web site where special information is waiting for members.

7.5 Website Visual Design

The aim of website visual design is to create home pages that provide visible souvenir product information, offering more up-to-date information about new available products. The shop believes that first time visitors visiting the web site should have positive impression of the beautiful design and modern site.

Through the visual design, it tries to create it to be simple, and easy to use with a friendly interface for the end user. It creates the website in a standard form for the whole site, so that the customer feels comfortable and convenient while navigating the web page.

7.6 Site Structure or Architectural Blueprint

Site structure and architectural blueprint is an important process which it needs to design and understand clearly for each of the function before production. The design of the site structure is something that should be decided upon early in the development of the site, since it may be costly to redefine the structure at a later stage. The storyboarding method can be used to develop the site structure.

Site diagram or site map that shows the structure of the site and other sheets that show the layout of individual pages is important to demonstrate the flow of the site structure. An hierarchical or tree-like form is a very common type of web structure since it is natural to have a top-level home page with different options.

The site structure of www.januaryshop.com is put into order to create an interesting and understandable resource for users. It provides a clear sense of organization how one section of the site relates to other areas.

The site structure starts with a home page, serving as a clear entrance to other pages. The home page is linked with other pages: Product, How to Order, Contact, Register and Login.

Although design and technology is a critical success factor in building a good Web site, site content is also another major factor that can create either negative or positive impression of the site because content is what makes up the site. The content of Januaryshop.com includes text, images, and animation.

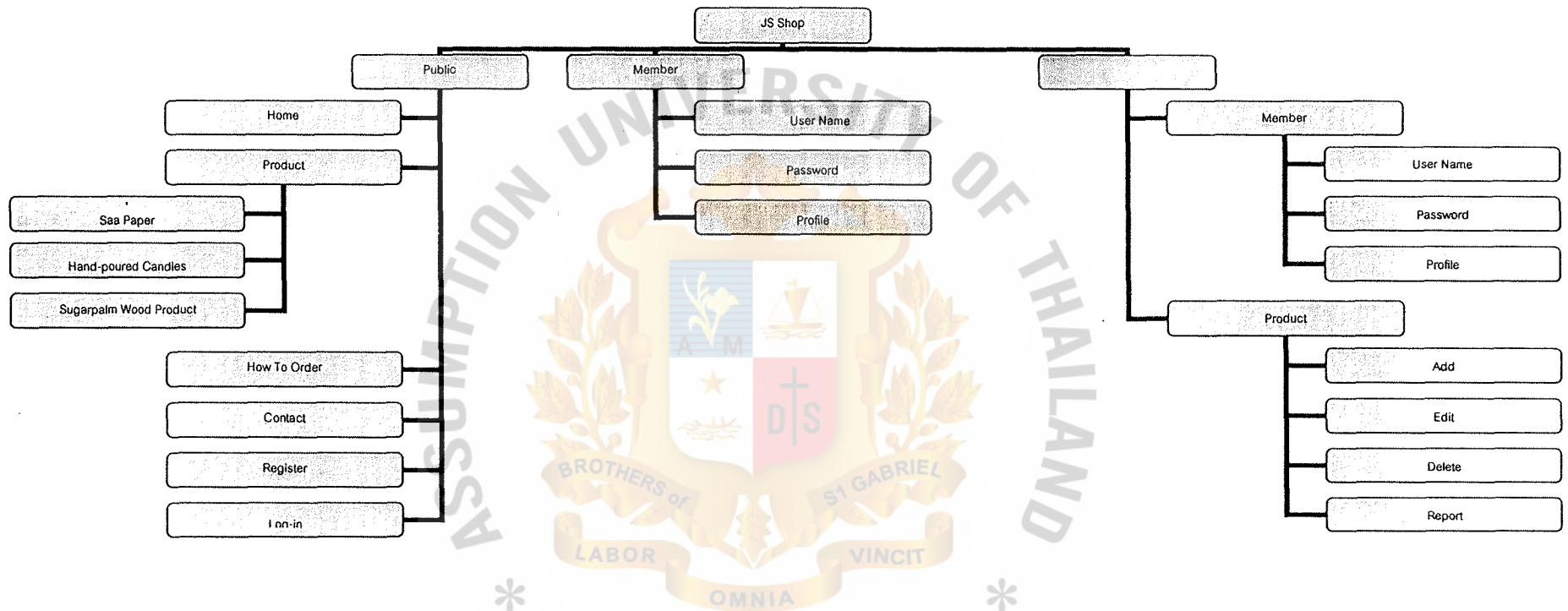


Figure 7.2. Site Structure

7.7 Layout Grids

The site layout is another support to attract the customer. The layout is designed to make it easy for customers to find the information.

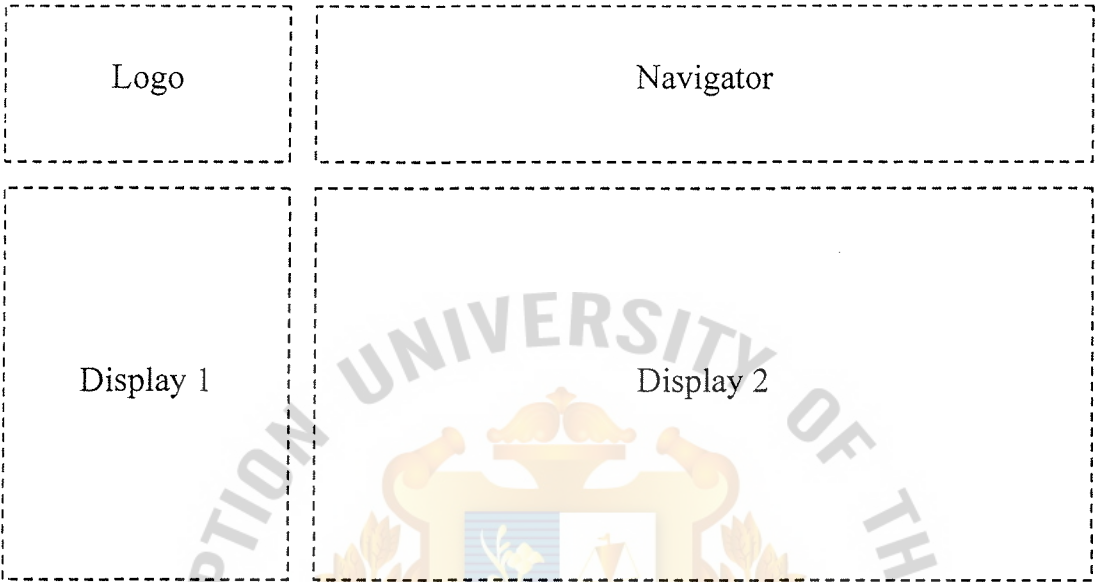
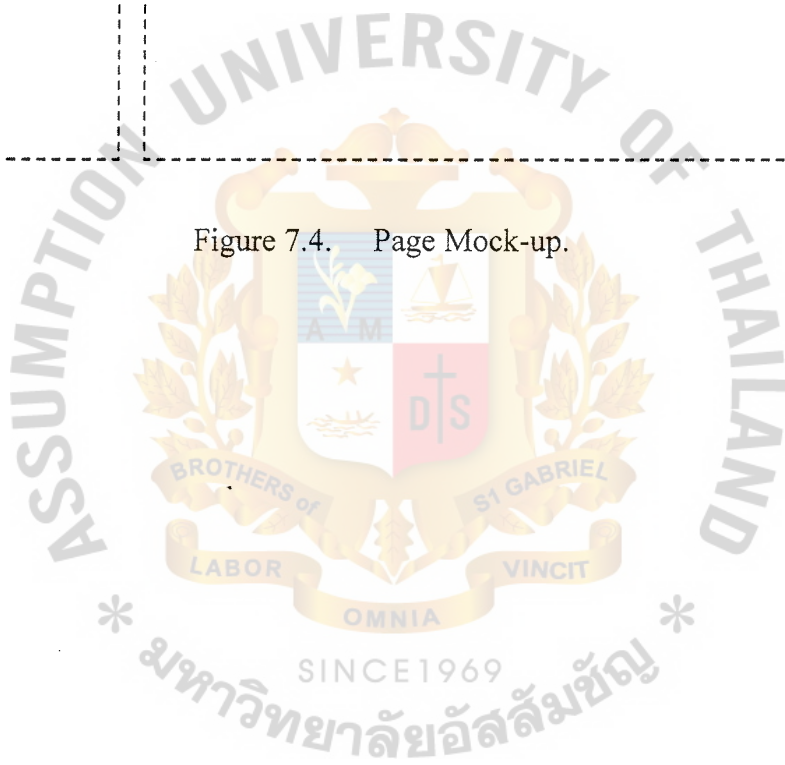


Figure7.3. Layout Grids.

7.8 Page Mock-up



Figure 7.4. Page Mock-up.



7.9 Database Design

The function which is needed for the shop is the database system. The database system that the shop uses in prototype design is Access application. In the design step it apply the normalization method for designing this database. The database is classified into 5 tables, which contain product and customer information as follows:

Table 7.1. Database Table and Description.

Table Name	Description
PRODUCT	Database Table contains product details
Product Type	Database Table contains product Lines and Items
Member	Database Table contains member's information
Supplier	Database Table contains supplier's information
Contact Supplier	Database Table contains how to contact supplier.
Tracking	Database Table contains log in data..

Each table has relationship between them for data flow or for information as shown in flow design in Figure7.5.

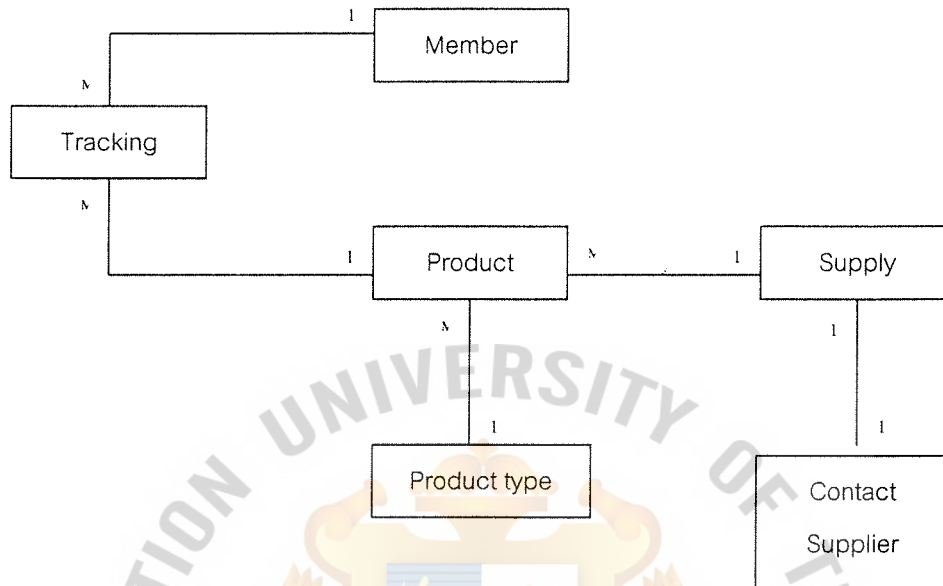


Figure7.5. Database Design.

7.10 Website Management

For January Shop the Website management area that needs most consideration is the management of people-ware. For the project to succeed, it depends on the standard of staff services, how fast the staff respond to customer's enquiry, how good the salesperson talk to the customers, etc.

Besides, January Shop has a period for rechecking and evaluating the website. This can reduce the amount of errors and increase website operation effectively.

7.11 Website Security Control

The most important factor that every website should be concerned about is the security system. Therefore, January Shop invests money to rent a space of a secure server provider in Thailand to host their Web Site data including digital authentication, encryption and trustworthy hardware and software.

Beside the control of hardware, software and network, the control of database security is one of the most important areas in security control. All customers' database will be kept in the back-end computer server that the receptionist will allow to access but not to modify. The new database will be stored in other devices rather than server hard-disk, and then printed out on paper.

The website is designed to support error handling. This can be done by checking source code and testing system. The shop designs the system to reduce the amount of user input by keying and clicking instead.

7.12 Website Testing

The three areas of test plan include test of cost and benefit, test of computerized system and test of management.

- (1) Cost and Benefit test will be performed by looking at the number of successful electronic transactions that happen on the Web Site, how many hits, click through, page impression and unique visit per day or per month. The cost and benefit test plan can be done from observations of accommodation reservation from the Web Site, and installing of Web Site statistics record software, and then using those records to compare with the project objective.
- (2) Test of computerized system is classified into two areas; first area deals with Web Site performance, to see whether all links in the Web Site are clickable to accurate locations, then taking a look whether contents, texts, images, and multimedia are appropriate and correct to the page and location they belong. The second area of system check is checking of system run, to make out of the system.
- (3) Test of Management is the test of human whether the personnel understand and are able to use the system.

Some test areas mentioned are possible to test while the Web Site is having a soft launch. At the same time, the test of Web Site management and test of cost and benefit will have to be tested after the Web Site begins.

VIII. CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusion

Nowadays, the business offers an efficient channel for information service and another way to reach the customer, but it must be handled with care. The Internet will not work alone, but when it is used in combination with good business fundamentals and an existing offline infrastructure, it is an incredibly powerful tool to interact with both consumers and sellers.

The Web Application for Souvenir Shop Project expands the capacity of January Shop in order to provide additional information channels to reach the potential market faster, better and more cost effectively.

The four main areas of the project performed are; developing the prototype for providing information and maintaining good relationship with customers. Januaryshop.com website was developed to gain new target market and improve existing marketing effectiveness. This way, the Web Site would accommodate the customers to the services; therefore, benefiting us in increasing the sales volume and building brand royalty.

The second area is the marketing analysis study. The Internet users tend to use this technology as a tool to compare the variety of goods and services and to find out the best. The shop hopes that the marketing mix can make the website recognizable whenever people want to purchase souvenir products.

The third area is concerned with the financial analysis. Our Web Site does not need much initial investment and expects the breakeven period to be one year and ten months, and continuous income growth gradually.

The fourth area is in making the website, that adopted some ideas from other similar business websites by picking up all the good aspects from each of them. The shop designed and coded the web by using Macromedia Dreamweaver and did the graphic using Adobe Photoshop and Macromedia Flash MX for the best possible images. It put all product details in Access database and made the interface written in ASP so that customers can pull the needed data.

Finally, the Web Site will help to gain new customers, increase revenues and at the same time it can be used as a channel to serve the existing customers in providing information and keeping in touch with them in an integrated multi-channel marketing concept.



8.2 Recommendations

The web site is an evolutionary process and as it grows, which should consider the greatest opportunities for doing business online as managing and developing for the future are very important factors:

- (1) Always review and improve the web site more frequently to increase customer's attraction and use the pull technology that makes visitors visit the web site again and again.
- (2) Try to collect as much as possible website's visitors and customers information and e-mail addresses to efficiently utilize the online business and adjust the website structure, data and service offering.
- (3) Add new sales promotion during low season or give special offers.
- (4) Increase or update production lines and product categories with attractive designs.
- (5) Develop easy and rapid search engine system in finding products.
- (6) Send information and details of the products to the customers.
- (7) Exchange more banners with other sites.
- (8) Improve security and privacy to create trustworthiness.
- (9) Generate order processing on the web.
- (10) Catch up with IT technology that may be used to improve the online business.
- (11) Educate highly skilled webmasters to maintain or improve the website.



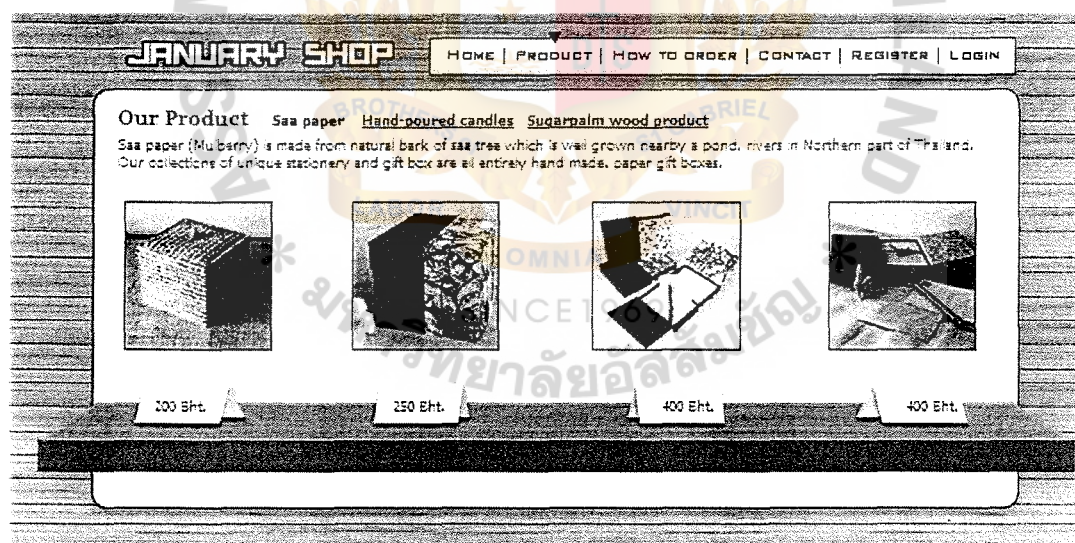
APPENDIX A

WEB SITE INTERFACE



© 2003 January Shop. All rights reserved.

Figure A.1. Home.



© 2003 January Shop. All rights reserved.

Figure A.2. Product: Saa Paper.

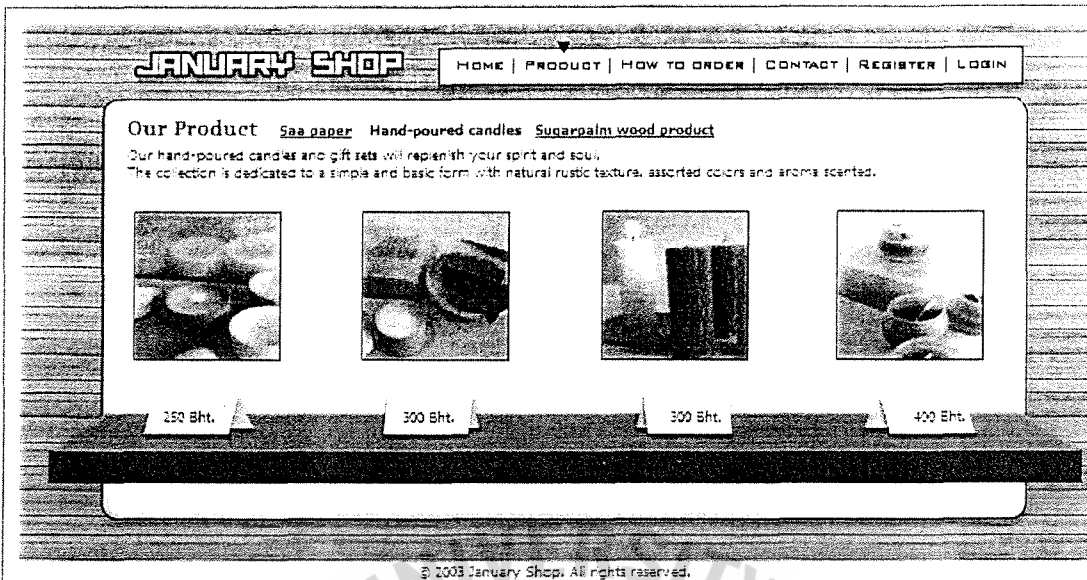


Figure A.3. Product: Hand-poured Candles.

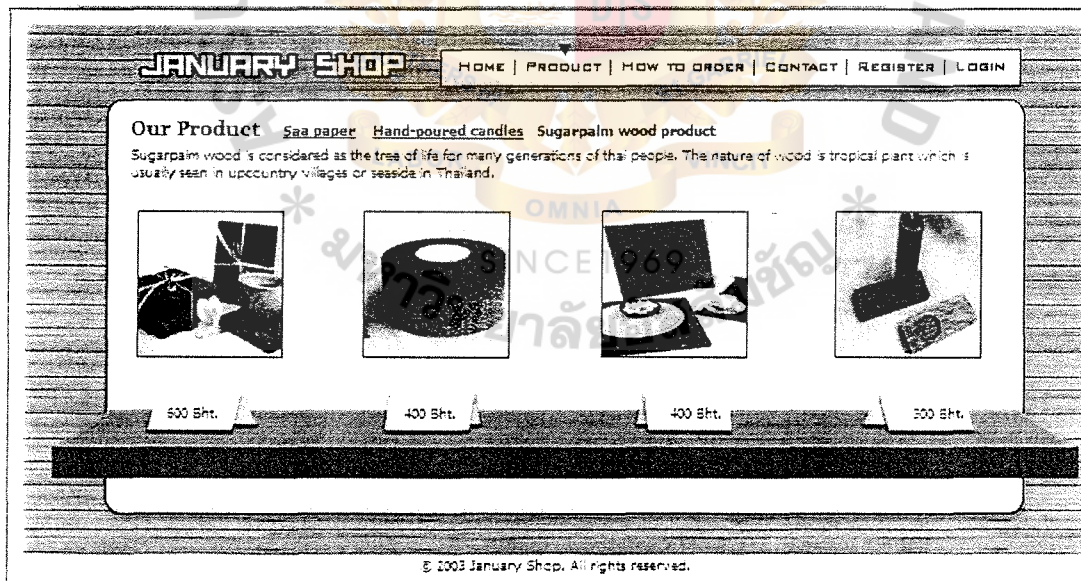


Figure A.4. Product: Sugarpalm Wood Product.

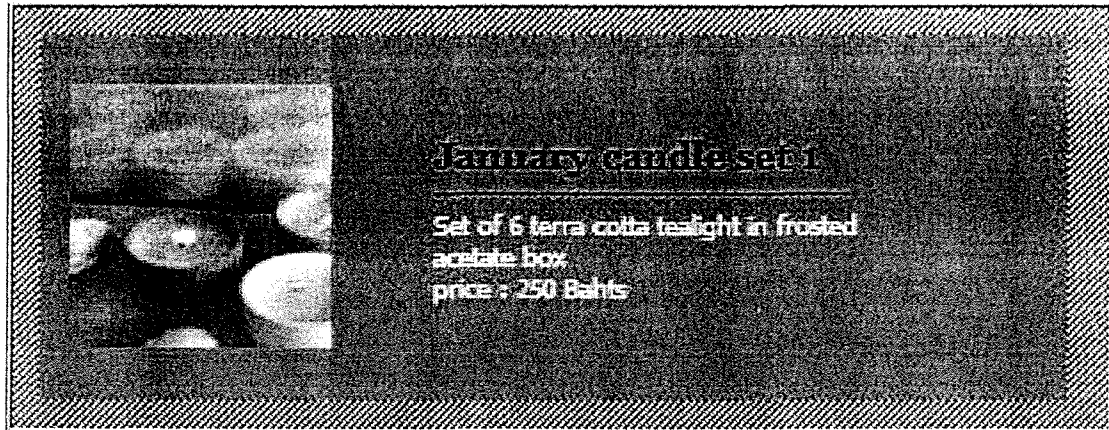


Figure A.5. Product: January Candle set1.

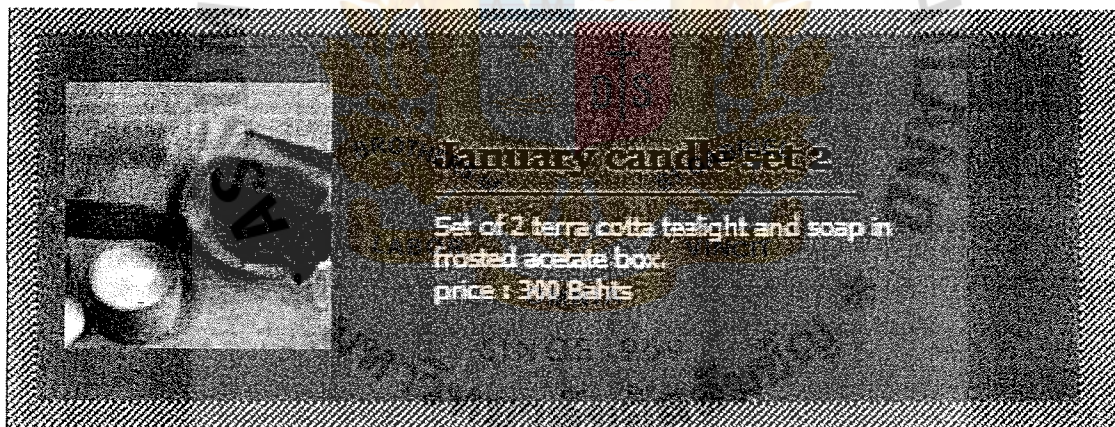


Figure A.6. Product: January Candle set2.

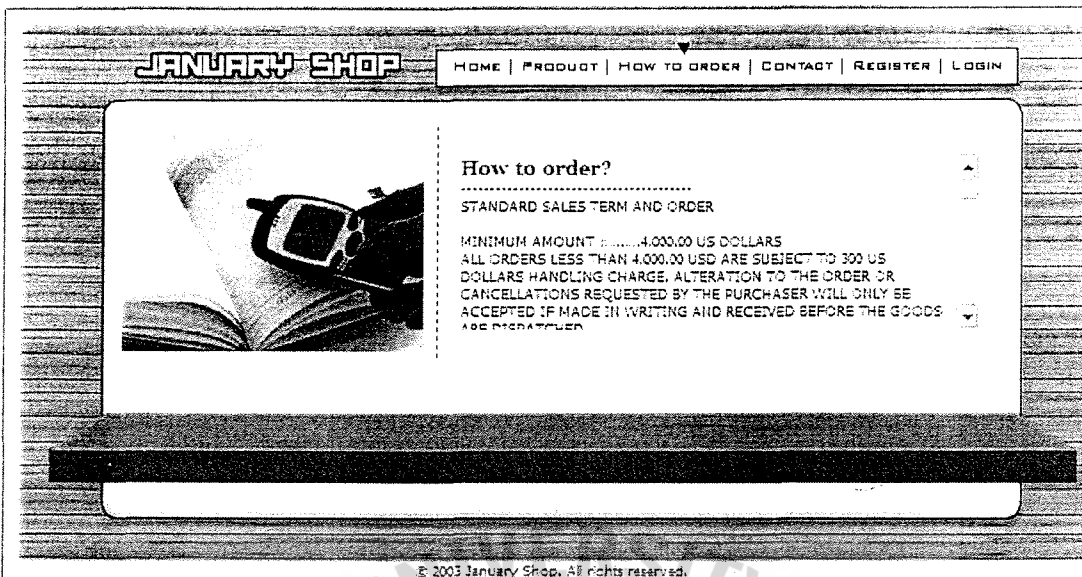


Figure A.7. How to Order.

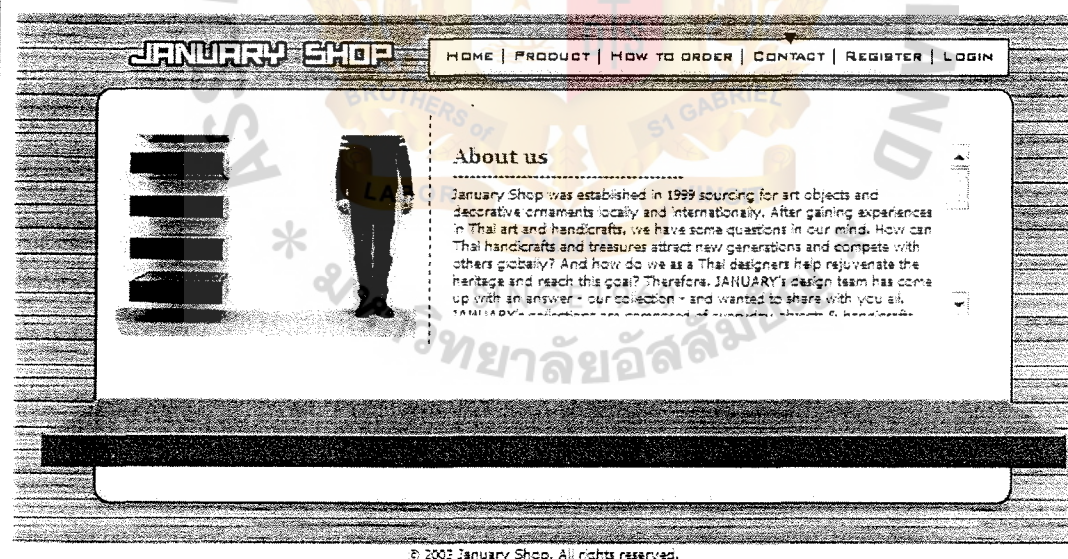
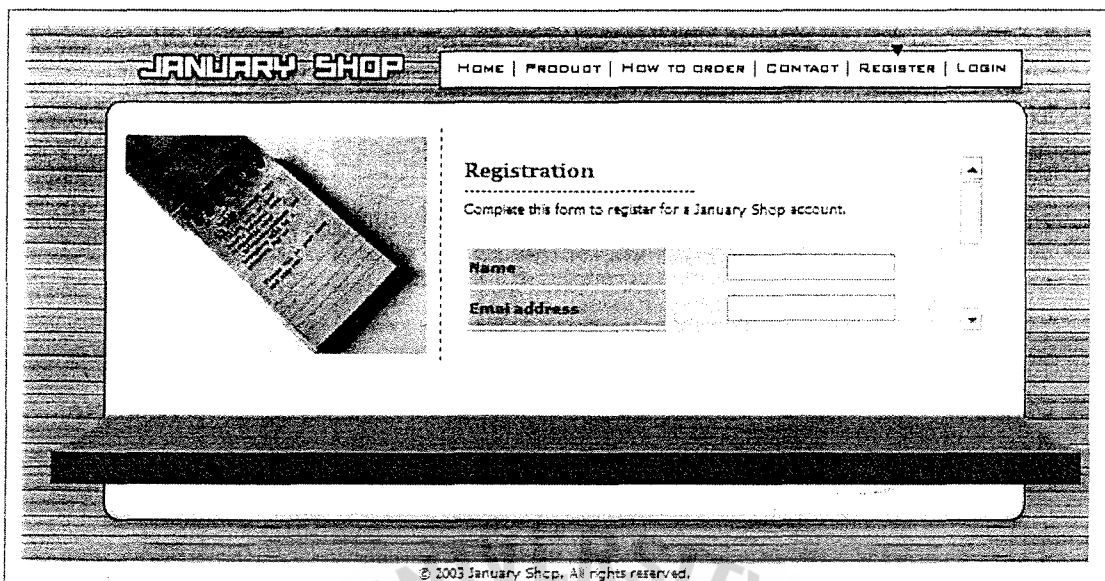


Figure A.8. Contact.



JANUARY SHOP HOME | PRODUCT | HOW TO ORDER | CONTACT | REGISTER | LOGIN

Registration

Complete this form to register for a January Shop account.

Name

Email address

© 2003 January Shop. All rights reserved.

Figure A.9. Register.



JANUARY SHOP HOME | PRODUCT | HOW TO ORDER | CONTACT | REGISTER | LOGIN

Login page

Welcome back to January Shop. Please sign in for the member zone.

Account

Password

© 2003 January Shop. All rights reserved.

Figure A.10. Login.

BIBLIOGRAPHY

1. Arnold, S. J., J. Handelman, and D.J. Tigert. "Organizational Legitimacy and Retail Store Patronage," Journal of Business Research, 1996.
2. Baker, J., M. Levy, and D. Grewal. "An Experiment Approach to Making Retail Store Environment Decisions," Journal of Retailing, 1992.
3. Blakney, V. L. and W. Sekely. "Retail Attributes: Influence on Shopping Mode Choice Behavior," Journal of Managerial Issues, 1995.
4. Cole, P. E., W. Cole, W. Dowell, A.M. Pascual, and D.S. Jackson. "Virtual Shopping: Is It Better Than the Real Thing?," Time, 1998.
5. Deitel, H. M., P. J. Deitel, and K. Steinbunks. E-Business E-Commerce for Manager: New Jersey Prentice Hall Inc., 2000.
6. Ellsworth, Marketing on the Internet. Wiley Computer Publishing, 1997.
7. Gutterman, Alan S. and Robert Brown. The Professional's Guide to Doing Business on the Internet. San Diego: Harcourt Brace & Company, 2000.
8. Hiebing, Roamn G. JR., and Scott W. Cooper. The Successful Marketing Plan: A Disciplined and Comprehensive Approach.
9. Hoffman, D. L., T. P. Novak, and M. Peralta. "Building Consumer Trust Online," Communications of the ACM, 1999.
10. Holtz, Herman. The Consultant's Guide to Getting Business on the Internet. NY: John Wiley & Sons, 1998.
11. McLaren, Constance H. E-Commerce: Business on the Internet. NY: South Western Education Publishing, 2000.
12. Scansaroli, J. A., and V. Eng, "Interactive Retailing: Marketing Products," Chain Store Age, 1997.
13. Seldon, A. "Privacy and Security on the Internet," Trusts & Estates.
14. Turban, Efraim, Jae Lee, David K., and Michael H. C. Electronic Commerce: A Managerial Perspective, International Edition. New Jersey Prentice Hall International, Inc., 1998.

