



Autopartsfocus

by

Mr. Sopol Sakpattanakul

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

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

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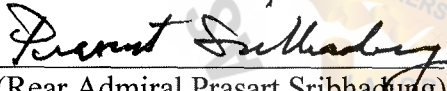
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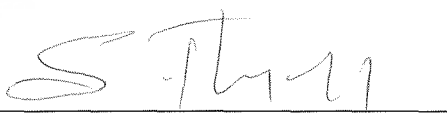
The graduate School of Assumption University has approved this final report of the three-credit course, IC6997 E-Commerce Practicum submitted in partial fulfillment of the requirements of the degree of Master of Science in Internet and E-commerce Technology.

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ABSTRACT

Our company, Autopartsfocus, would like to have our own web site to sell goods on the Internet. The main products are replacement spare parts such as battery, belt, fan, lamp, light bulb, air condenser, tail light, etc. The purposes are to promote and introduce our products to the international market, to generate revenue from selling goods, to enable consumers to visit the site 24 hours a day, to reduce costs i.e. lower costs in printing, postage, order taking, market research, to open new markets and be able to reach new customers, to be able to offer more products to the customer than they could ever fit in an ordinary catalog or in a traditional store. Of course, customers must be able to get the information from Internet & E-commerce. We do the analysis about SWOT analysis, competitor analysis, and cost and benefit analysis and so on to find the best way to manage our online shop. At last, we can design and create our web site.

Creating online shop is not easy but the more difficult part is how to analyze and plan to manage it effectively. Working hard and paying more attention will help my store to succeed. We will put more and more products to our Web in the near future, and I would like to present my cyber shop's name 'autopartsfocus.com'.

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I. INTRODUCTION

1.1 Background of the Project

In the past four to five years, the Internet has become more appealing to consumers. The World Wide Web has allowed more consumers to confidently use the Internet and it has offered individuals and businesses new ways to present and find information. The Internet is rapidly becoming the technology of choice for electronic commerce because it offers businesses an ever-easier way to link with other businesses and individuals at a very low cost. Electronic commerce is becoming part of day-to-day life and businesses are refusing to deal with any paper in the near future. Many companies sell physical goods or services on-line such as car, books, clothes, computers and so on.

Our company, autopartsfocus, would like to have our own web site to sell goods on the Internet. The main products are spare parts such as lamp, tail lamp, light bulb, battery, belt, fan, side mirror, and so on. They are all original equipment manufacturing (OEM) products. We have many product items to cover the market's needs. We will put more and more products on the Web in the future. With our full-services of packing and shipping, customers will be satisfied with our products and on-time delivery. The opportunity for our company seeking to make advantage of the capabilities of electronic commerce is greater than merely adopting our present view of commerce to perform those buying and selling transactions over electronic networks.

1.2 Objectives of the Project

By designing and creating a website for an existing autopartsfocus, the project aims to accomplish the following:

- (1) To open new markets and be able to reach new customers
- (2) To promote and introduce our products to the international market.

- (3) To generate revenue from selling goods.
- (4) To be a new marketing channel or tool of doing business.
- (5) To enable consumers to visit the site 24 hours a day
- (6) To be able to offer more products to the customer than they could ever fit in an ordinary catalog or in a traditional store.
- (7) To increase customer service

1.3 Scope of the Project

- (1) To apply the knowledge learnt in the Master of Science in Internet and E-commerce Technology into this project.
- (2) To conduct a complete advantage, SWOT analysis, and a detailed Competitors analysis both directly and indirectly. Then design strategies to meet competition and show how implementation will be done.
- (3) To provide the marketing plan by setting target market, market positioning and promotional mix.
- (4) To sell physical goods online as one of the sale channels, wholesale and delivery of goods takes place through traditional means. The main products are spare parts such as battery, lamp, side mirror, light bulb, belt, fan, and etc.
- (5) To update web site products frequently.
- (6) To manage the web site effectively allowing users to find information easily.

1.4 Deliverables

- (1) The final report covers the scope as mentioned above.

- (2) The proposed e-commerce web site consists of the product information such as product description, price and so on. All product items will be updated frequently.



II. LITERATURE REVIEW

2.1 What Is Internet?

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

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

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

Internet is a worldwide collection of computer networks, cooperating with each other to exchange data, using a common software standard. Through telephone wires and satellite links, Internet users can share information in 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 others to access, and update it frequently.

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

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

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

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

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

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

- (b) Aim at sponsorship or banner Advertising

The company tries to persuade as many visitors as possible to web by enticing them to come with something special available on the site, such as

valuable information, help, files stuff, etc. then, once the visitor counts are high enough, the company can sell advertising space on the site or sponsorships of banner advertising.

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

2.2 Benefits of the Internet

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

(a) Reducing Communication Costs

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

(b) Enhancing Communication and coordination

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

(c) Accelerating the Distribution of Knowledge

Because modern economies have become information economies, access to knowledge is critical to 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.

(d) Improving customer service and satisfaction

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

(e) Facilitating Marketing and Sales

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

As for the benefits of the Internet to organization, the best aspects of marketing and sales product or service online are that start up and operational costs are minimal and it is possible to access potential buyers at an unprecedented speed. The reason is

that earnings can come only after 24 hours of online business launch. The advertising can be tested in a matter of days, whereas conventional media advertising takes months to conduct a single test.

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

- (a) Sharing research and the business data among colleagues and like-minded individuals.
- (b) Communicating with others and transmitting files via E-mail
- (c) Requesting and providing assistance with problem and question.
- (d) Marketing and publicizing products and services.
- (e) Gathering valuable feedback and suggestion from customer and business partners.

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

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

2.3 What Is Electronic Commerce?

In its broadest sense, electronic commerce refers to the use of electronic means and technologies to conduct commerce, including within-business, business-to-business, and business-to-consumer interactions. The enabling technologies, of course, are also used for noncommercial activities such as entertainment, communication, filing and paying taxes, managing personal finance, research, and education, which may still include the services of online companies. As a result, it is somewhat difficult—and sometimes arbitrary—to separate electronic commerce areas from noncommercial applications of the same technologies and infrastructure.

Although these may be cutting-edge applications, conventional electronic commerce areas include:

- (1) Searching for product information
- (2) Ordering products
- (3) Paying for goods and services
- (4) Customer service
- (5) All are conducted online.

The use of the Internet to support marketing and customer-interface is only part of electronic innovations that are changing the way firms do business. With intranets, corporations distribute internal memos and announcements to their employees, and knowledge exchange and scheduling communications flow worldwide in a timely fashion. With direct connection to suppliers (for instance, an extended intranet), the same technology is used for manufacturing and supply-chain management.

2.3.1 Electronic Commerce as a Communications Network

At the core of traditional electronic commerce is the use of electronic means to expedite commercial transactions and improve efficiencies in business processes and organizations. In this vein, electronic commerce on the Internet means online ordering and payments. The narrowest definition of electronic commerce is a networked electronic data interchange (EDI) with a more flexible messaging system. Traditional EDIs are limited to signals that only computers can read and that correspond to information on electronic forms used in standard business transactions, such as ordering, invoicing, and shipping. An open EDI using the Internet means that EDI messages may be sent and received via email. On the next level of sophistication, EDI can use electronic forms made available on web pages for customers to order. This view considers electronic commerce and the use of the Internet as merely improving business

and communication, especially in business-to-business transactions. Accordingly, issues in doing business on the Internet are mainly organizational and operational, ranging from security, competitive advantages in product development, and R&D (research and development), to efficiencies from automating purchasing functions, EDIs, point of sale information, and other inter organizational transactions.

To many, familiar with EDIs, doing commerce on the Internet is not entirely advantageous compared to traditional EDIs. A clear tradeoff is made between secure, but limited VANs using traditional EDIs and an insecure, but far more flexible network with messaging and remote login possibilities over the Internet.

However, many interactions between sellers and buyers happen before they are ready to exchange orders and bills. A somewhat broader view of electronic commerce includes these interactions between businesses and consumers. Consumer services and product announcements have been routinely released to the Internet by computer companies for many years. And increasingly, firms are gearing up for Internet advertising and marketing. Going even further down the digital road, electronic shops and malls are springing up that offer electronic versions of catalog shopping in which consumers can search and order products using web browsers, bypassing traditional paper and phone-based merchandising.

2.3.2 Commercial Potential of the Internet

Businesses need to place electronic commerce within the context of broader uses of the Internet than the traditional commercial framework. As a market, electronic commerce impacts not only marketing but also production and consumption. Information collected through web stores is used to customize products, to forecast future demand, and to formulate business strategies. Consumers not only order and pay for products online, but also search for product information, reveal their preferences,

negotiate with sellers, exchange information about products and firms, and use products online by filtering, processing, and linking them with other computer programs. Likewise, supply chain relationships among businesses and competitive strategies need to aim at increasing the overall market efficiency, not just transactional efficiency.

The Internet can certainly be used as an alternative marketing channel, selling existing products online, but the future of electronic commerce will be guided by innovative digital products and services that will emerge in the electronic marketplace. But from where are these products and processes coming. The explosive growth of the Internet gives a partial answer. The core of digital commerce comes from selling digital products, but no one is certain how big the digital product market will become. To get an idea, one only needs to list products that can be digitized: all paper-based information products such as newspapers, magazines, books, journals, and databases; computer software, and games; audio products, including music, and speeches; video and multimedia products, such as movies and television programs; other information products, such as weather reports, stock quotes, government information, consumer information, and even personal information; and digital counterparts for existing products, such as room keys, digital currency, digital checks and other financial instruments, airline and concert tickets, and so on.

Many business professionals dismiss the commercial potential of the Internet, pointing out that the most common uses of the Internet and the web are browsing and entertainment. In turn, the most promising use of the Internet technology is found in Intranets and other within-business and business-to-business applications, in which EDIs and corporate networking are already familiar. A survey found that only about one in ten uses the Internet for shopping. However, shopping here is very narrowly defined. Internet users seeking information are, in fact, in search of products, and thus, network

uses commonly categorized as informational and entertainment activities need not be viewed separately from commercial activities. Unlike television entertainment in which commercial advertising and noncommercial entertainment are alternatively presented, commercial uses of the Internet encompass all aspects of user activities. Even e-mail messages can be thought of as digital products, for instance digitized information, which can be sold directly as a product or used as a component of business transactions. All so-called non-commercial activities on the Internet are indeed commercial, an important realization for digital product sellers. In a truly informational age, the immense amount of human knowledge already accumulated and linked via the Internet will be the product being exchanged.

2.3.3 Current Commercial Uses of the Internet

The subject of e-commerce, Internet activity and the viability of growing online business have been under scrutiny by the media and companies alike for a few years now. The recent, “re-alignment” of the value of dot.com shares has created much skepticism as to the future of doing business online. However this should be seen as the end of the beginning and not the beginning of the end. What is clear is that both business and the general public are keen on sourcing and purchasing products and services online.

2.3.4 Competition and Market Organization

Today's Internet users may be different from the general population in many ways, until the majority of the populations participate in the market. However, electronic commerce as a marketplace differs fundamentally from other physical markets in many respects. For example, the size of a firm is not a significant factor in establishing one's presence in the virtual marketplace. Big and small companies can be located side by side with no difference in shop floors or interior decorations. Consumers can search for

product information and compare prices over the whole Internet where geographical distance plays no role. From an economic perspective, electronic commerce has many characteristics of a perfectly competitive market. Although perfect competition has been the basis of most economic studies by which we evaluate economic efficiency, it is far more an exception in real life than the norm. Electronic commerce presents an experimental stage to further realize the economic efficiency of a competitive market.

Both economists and government regulators use perfect competition as a benchmark against which market efficiency is judged. In a perfectly competitive market, a commodity is produced for which the consumer's willingness to pay equals the marginal cost of producing the commodity, and neither sellers nor buyers can influence supply or demand conditions individually or collectively. A society cannot improve its economic welfare by deviating from competitive markets. However, perfect competition is seldom evident in real markets because it requires that several assumptions be met. Among the assumptions are:

- (1) Many potential buyers and sellers must be able to enter and exit the market at no cost (no barriers to entry)
- (2) There are many sellers and buyers who cannot individually influence the market (price takers)
- (3) Products are homogeneous (no product differentiation)
- (4) Buyers and sellers both know the price and quality of the product (perfect information).

Although, wholesale agricultural markets are often cited as one example of a perfectly competitive market, in most other markets one of the above assumptions, and often all four, will not be met. Heavy investment requirements in manufacturing facilities and R&D often limit free entry by competitors. Advertising also influences

consumer behavior by changing demand preferences or establishing reputation, which gives sellers a degree of market power. To exploit taste differences among buyers, firms sell differentiated products by brands or by quality, which as a result limits the competitive effects on prices. Finally, both sellers and buyers have limited information about demand and product quality given that it is costly to learn about product quality, prices, and even the location of shops. Indeed, if sellers and buyers were perfectly informed, there would be no need for advertising, marketing, or sales efforts.

Even at a quick glance, the electronic marketplace better resembles the abstract market of many sellers and buyers in which prices are determined efficiently by supply and demand. The most important differences are lowered barriers to entry (low overhead costs) and the opportunity to search and obtain perfect information about products and demand.

The Internet is supposed to be the great equalizer, where big corporations will have no inherent advantage over small vendors. In physical markets, bigness has certain advantages, helping firms to command a larger presence in physical form, market share, and reputation. The importance of this 'big' presence to consumers is that it presents a signal of the quality of a firm's products. We know that products sold by big firms are not necessarily of higher quality, but it is one viable signal available in the physical market. A similar correlation between bigness and assumed quality does not exist in electronic commerce, lowering the barriers to entry.

Another characteristic of the ephemeral perfectly competitive market, the availability of perfect information, is typically undermined in physical markets by the consumers' inability to search completely or at a cost that reflects the value of searched information. In electronic markets, automated indexing and cataloging technologies that gather and present information at low cost aid a complete search. The search for

information is then as efficient as is allowed by search services. Using conventional economic reasoning, however, a complete indexing of the entire digital universe may not be economical, although desirable. Nevertheless, indexing and cataloging have been the most important Internet-based activities. Along with search services, they provide means to advertise web pages and to direct browsers to specific sites. Because of their importance, search services may be the first to be commercialized with access fees, but it will be essential to maintain search fees as low as possible, perhaps through competition, in order to minimize transactions costs.

Contrary to intuition, not only buyers benefit from perfect information, but so can sellers. Electronic transmissions generally leave a trail of information about consumer demand and tastes, which has a high value in its own right. Refined demand information is useful in reducing wastes due to demand uncertainty. Also, it leads to greater product diversity, enabling consumers to obtain customized products that better match their preferences instead of products that represent the average tastes of consumers. The flip-side effect of this is the ability for sellers to charge the maximum price consumers are willing to pay.

Despite the benefits to both sides, informational efficiency in electronic commerce is not guaranteed. The consumers need to know about products and the sellers desire to gain more knowledge about consumers' preferences. So they have to be balanced to avoid one taking advantage of the other. Clearly, complete product information will be available only if sellers are willing to provide that information just as consumer information is limited by the willingness of consumers to reveal their preferences. Fully customized products may increase the total social welfare but transfer benefits from consumers to firms. It remains important, however, to recognize the unique potential for perfectly informed sellers and buyers that electronic commerce presents.

2.3.5 Business Organization and Virtual Firms

When the World Wide Web first gained in popularity, many firms created web pages and initiated direct contact with consumers. Increasingly, however, web page development is contracted out to professionals, and many Internet-based marketing activities are handled by intermediaries. Even sales in electronic malls may be delegated to intermediary merchants, with the firms having no direct contact with the buyers. Since physical distance is not a barrier to business transactions, the electronic marketplace may resemble the face-to-face business of the old tradition, making such intermediaries unnecessary. On the other hand, market intermediaries have traditionally played other functions designed to enhance efficiency. The new electronic marketplace will necessitate new innovative models of firm organization, production, delivery, and overall market institutions.

Other time-tested, basic business assumptions can no longer be presumed to hold true in this new world. In the electronic age, firms no longer are based in a single location because all functions need not be operated in one locale. Going beyond even decentralization, a firm on the Internet becomes a distributed company, or a virtual firm, where any operation can be anywhere multi-office corporation, is that a virtual firm's day-to-day operation is also conducted on a network. The mundane aspects of managing company administrative tasks, scheduling meetings, supervision of remotely located employees, and so on appear to be the greatest challenge of a virtual company because coordinating such matters most often depends on traditional means of communication.

A promising application of electronic commerce for a virtual firm is to use the web technology for within-business and business-to-business interactions. Business logistics including supplier management, inventory, warehousing, and invoicing can be integrated in a corporation-wide intranet, or intraweb, which is defined as "a secure

corporate network with rich functional features of Local Area Networks interconnected by the Internet or its technologies and applications". Suppliers and customers are given appropriate levels of access to intranets so that employees, suppliers, and customers can be integrated in the firm's production and sales functions in a network rather than a physical locale.

Another still unanswered question is whether inter firm relationships of virtual firms will be different in electronic commerce. Economists have argued that a firm is an organization by which producers can internalize transaction costs, which are costs incurred in transacting business such as writing, monitoring, and enforcing contracts. For example, if the cost of contracting bookkeeping and accounting with an outside CPA (Certified Public Accounting) firm is high, a firm may reduce costs by establishing an accounting department of its own to handle the tasks. In an extreme case, a firm may find it efficient to handle all activities from production, marketing, and payment to delivery. When transaction costs are low, on the other hand, many functions done within a firm may be contracted out in a market. To the extent that electronic commerce reduces transaction costs, firms will contract out or delegate many of their functions to other agents in the market.

2.3.6 E-mail Communication

The primary Internet communication tool is e-mail. While e-mail is the least expensive type of Internet communication tool to implement, it is also the most powerful tool because it is simple to operate, fast, and reliable. For these reasons it is the most widely installed and used Internet technology and therein the surest way to communicate with the broadest possible audience. It is estimated that world wide there are 25 million E-mail users sending 15 billion messages per year, a growth from an

estimated 4 billion messages in 1994. In 1995 the number of pieces of e-mail sent is thought to have exceeded the amount of ground mail.

E-mail combines the near immediacy of the telephone for reaching people with the word processing power of the computer. Although e-mail can include complex data types such as graphics, audio files and video, most often it is used to send plain ASCII text encoded messages. Using e-mail and plain text messages alone, businesses can send and receive product information, customer support, place orders, as well as subscribe to mailing lists that receive up to date information on a variety of topics such as industry news reports, product announcements, policy updates, etc.

E-mail is also an extremely low cost form of communication. Unlike telephone or standard postal mail, there are no volume or long distance surcharges for sending e-mail. This means there are no charges other than the basic subscription to an e-mail account to send one e-mail message is across the city or 10,000 messages to the other side of the world.

2.4 E-Commerce Business Integration

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

Information exchange

- (1) Goods or services trading
- (2) Sales promotion and advertising
- (3) Online digital content delivery

- (4) Electronic funds transfers and transaction processing
- (5) Electronic share trading
- (6) Electronic bills of lading processing
- (7) Collaborative work interaction
- (8) Manufacturing management
- (9) Accounts settlement
- (10) Online sourcing
- (11) Public procurement
- (12) Direct consumer marketing
- (13) Inventory management
- (14) Post-sales service
- (15) Commercial auctions.

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

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

E-Commerce conducted over the Internet differs from typical commercial activity in that it is influenced by the unique characteristics of the medium itself. In contrast to print media, E-Commerce is dynamic, allowing users to interact with the commercial site, send comments, and even define the scope of a document. Unlike person-to-person commerce, E-Commerce allows for a controlled interaction between vendor and potential purchaser, where the vendor may strategically direct the customer through a series of options and processes. E-Commerce also differs from traditional commerce by its boundless relation to time and space. Interaction is not restricted to normal working

hours or geopolitical borders. There is potential to conduct business with other merchants and consumers around the world in different time zones, 7 days a week, 24 hours a day.

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

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

- (1) Extend the range of sales territory
- (2) Streamline communication to suppliers and clients
- (3) Expand reach to new clients
- (4) Improve service to existing clients
- (5) Reduce paperwork and time spent on correspondence
- (6) Track customer satisfaction
- (7) Expedite billing
- (8) Improve collaboration on work projects
- (9) Expand markets beyond geographical, national boundaries
- (10) Leverage legacy data
- (11) Improve inventory control, order processing
- (12) Establish position in emerging E-Commerce marketplace
- (13) Lower costs of overhead
- (14) Realize economies of scale by increasing sales volume to new markets

(15) Monitor competition and industry trends

(16) Improve or expand product lines - locate new suppliers, products that could be included in catalogue.

2.4.1 How Does It Integrate with Traditional Services?

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

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

- (1) Study how E-Commerce can integrate into operations. Determine needs and capabilities. E-Commerce operations may shadow traditional operations to provide redundant services such as product information distribution.
- (2) Develop an E-Commerce strategy into the business and marketing plans. Understanding how an E-Commerce system will strategically fit with the firm's existing operations will help to allocate the management and financial resources necessary for it to be a success. In the long-run, there have to be resources to set-up and sustain a system, making it work best for the type of operation that will be managed.
- (3) Monitor competitors, suppliers, and customers' movements into E-Commerce. Special attention to their capabilities will help determine areas of E-Commerce that need development.

- (4) Establish a consistent operations review process. E-Commerce technology and operations are constantly evolving. Changes in technology frequently introduce opportunities to refine or create new services.

2.4.2 Barriers to Business and Consumer Target Markets

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

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

A third barrier to growth is the concern of legal issues, mostly the uncertainty of litigious boundaries. Since the Internet crosses political boundaries, legal jurisdiction is

in question. Although the Internet improves access to foreign markets, national export/import laws still apply to all E-Commerce transactions.

2.5 Web Site and Home Page

2.5.1 What Is a Web Site?

Every place to visit on the Internet has an “address” or URL. A Web site is the “location” represented by the URL. In order for a business to create a Web site or “location” from which to advertise, they need to write their Web site using HTML or Java. HTML is “a markup language that describes the structure of a Web document’s content plus some behavioral characteristics”. This standardized language is a way of “representing text, and linking that text to other kinds of resources including sound files, graphics files, multimedia files, etc. Once, business has used HTML to create their Web document (or virtual storefront, for small businesses who plan on using the site to advertise), they must deliver it to a Web server. A Web server is, in simplest terms, another computer that is always on a 24-hour connection to the Net.

2.5.2 What Is a Home Page?

The term home page has been in use from before the time of the World Wide Web. A home page is typically the starting page in an individual or organization’s set of pages. A home page could be all the information that an author makes available through the WWW, though it more typically is a starting page that introduces an author or group and lists categories of information that are available from the author. Combined with the material prepared by the author, there are typically references to other resources available throughout the network. Often the term home page is used to refer to the total system of pages that individuals or organizations have available through a network address.

2.5.3 Advantages of a Home Page

There are different reasons for having a personal home page and a company home page, though the reasoning for both is related.

A personal home page can be useful for gathering and arranging network resources that are often used. For example, access to specific newsgroups, telnet addresses, or tiles on the network can be established through a home page. Often people use their home pages to list references that they are interested in.

A company home page can be used to represent a company and its services to customers and potential customers. Taking a much generalized view of a customer, government academic groups can communicate with their constituency in the same manner.

A home page should add to exiting communication with customers through making information more visible, easily accessible, understandable, and less expensive. One question about having a local home page is “how is having one’s own home page preferable to using the information that is already available, what benefit is there to devoting the time to develop a local home page?”

Opportunity for emphasizing local interest, concern and resources and increasing on a local level using local resources including computers are some reasons. There may also be less likelihood of network inference. Providing a certain level of access to materials that are not available through the network as well as easy access to a stating point are also benefits. There is also more control over presentation including accuracy and content and opportunity for learning for future projects or phases of the WWW project.

With the development of the Internet, companies and organizations now have access to immediate and easier means of advertising. This could help them to reach their full potential.

A home page or website can be a relatively inexpensive way to gain exposure to millions of people, keep customers informed of new offerings, make business transaction easier and more importantly, attract potential clients.

The Internet offers benefits to businesses of all sizes. The following are only a few of the ways the Internet can empower business.

- (1) Increase in demand for choice (product depth, global reach, price choices);
- (2) Demand for information (detailed product information, inventory, order status);
- (3) Demand for interactive, online support;
- (4) Avoidance of travel and parking difficulties for consumer e-commerce;
- (5) Elimination of time constraints (that is, opening hours or delays between placing an order and delivery).

For the business customer, similar reasons for and against buying online may apply, but e-commerce also offers the business customer the following benefits:

- (1) Lower purchasing overhead - especially for small value and repeat orders;
- (2) Greater choice (greater product depth and global reach);
- (3) Faster fulfillment cycle time (ordering, shipping, billing);
- (4) Greater ability to supply information (inventory, order status, etc.);
- (5) Lower cost than EDI
- (6) Ease of swapping between suppliers greater than with EDI.

Consumers must actively go to a Web home page. Therefore, marketers need to attract consumers, keep them coming back and motivate them to tell their friends to visit the site. Here are several techniques:

- (1) What's new: Every home page should have a "What's New" icon leading to a page that tells consumers about new information and features. Without this device, consumers probably won't find the latest updates. If we don't regularly add new features, people will stop making return visits.
- (2) Changing information: Multiple impressions are a key to the success of any advertising campaign: The more often a person is exposed to your message, the more likely it is that he or she will buy. Therefore, you must create a reason for people to come back to your site. You can do this by adding new features, information and free samples.
- (3) Other interesting places: At the bottom of a home page, you might consider listing related home pages that would interest your readers. This function will, with reciprocity from other marketers, lead to valuable source of new prospects.
- (4) Ordering information: Placing the order must be easy. Your home page should contain an icon that links to an ordering form or displays a phone number in case they worry about online ordering.
- (5) Register and comments: Capturing names and addresses of readers is of paramount importance to create relationships. Inviting strategies to gather this information include asking the reader to sign a register and add comments about the home page.

2.6 What Should My Site Include to Make It Effective?

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

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

The details of each consideration are:

- (a) Functions, Features, and Presentation

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

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

Common features for a Website include:

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

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

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

(b) Marketing

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

In many cases, Web sites for professional firms include:

- (1) A description of the practice areas in which members of the firm are active
- (2) Biographies of individual service providers
- (3) Information that can be used by prospective clients to contact the firm
- (4) Copies of articles, memos, and briefing papers prepared by members of the firm

- (5) Links to related sites (e.g., sites providing copies of cases, laws, regulations, and administrative interpretations)

(c) Interactivity

Try an interactive approach when designing the site. If possible, find ways for visitors to communicate with the company. Lawyers and accountants might establish a system that allows visitors to pose questions to members of the firm. The questions could be answered in a confidential e-mail response, or arrangements could be made, where appropriate, for sharing the answer with all visitors through postings on the site. Visitors should be advised that only generic questions would be answered. The most frequently asked questions could be collected and placed in a different part of site so that visitor could come in and browse.

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

(d) Distribution of Related Information

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

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

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

(e) Linking Arrangements

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

(f) Look and Feel of the Site

The look and feel of the site should not be ignored. One thing to bear in mind is that many computers and modems may be too old to fully take advantage of the graphics that are often placed on Web sites. So it makes sense to offer visitors the option of all-text version of the site.

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

(g) Attracting and Retaining Advertisers

In order to attract advertisers, our site must fulfill certain criteria. Your site must be targeted to a specific audience; that is, your site attracts members of this audience and they return often. How do you know if your site meets this standard? If you haven't defined your audience, you have a problem. If you don't know who your audience is,

then neither will potential advertisers. Compare your site to other sites in your industry that also offer sponsorship for the following key points:

- (1) Features
- (2) Interactivity
- (3) Ease of navigation
- (4) Graphics
- (5) Content quality
- (6) Frequency of updating
- (7) Promotion on other sites and in other media

2.7 How Does the Internet Relate to the Marketing Mix?

Many practitioners suggest that the marketing mix, the 4Ps, is an essential part of marketing strategy. It 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 processes although others argue that these are subsumed within the 4Ps.

The advent of the Internet provides opportunities to vary the elements of the marketing mix as follows:

- (1) Product - the features of the product can be varied: in particular, customer service and brand values can be enhanced. New information-based products can be provided by the Internet such as specialized market information on subscription. Brand variants can be produced for some markets.
- (2) Price - using the Internet as new retail sales channel enables the price of products 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 route to the market can be used to increase profitability.

- (3) Promotion - the Internet offers a new additional marketing communications channel 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.
- (4) Place - the Internet also offers a new sales channel for distributing products through electronic commerce. This enables some companies that do not export, to enter overseas markets.

It is worth noting that the application of the 4Ps can lead to product rather than customer orientation - the latter being an important element of Internet marketing strategy and web site design. Lautenborn (1990) suggested that the 4Cs, of customer needs and wants (from the product), cost to the customer (price), convenience (relative to place) and communication (promotion) were important considerations when developing the mix. The Internet clearly helps in meeting customer needs using these techniques.

2.8 How Can You Get Referral Business from Your Web Site?

Some professionals try to avoid the pain and disappointment of courting clients directly by relying on relationships with other professionals to obtain referrals. They would rather go out to lunch with another accountant, or speak to a group of accountants at a breakfast meeting, than blow their money and time on meals and seminars with the decision-makers for prospective clients. There are ways the Net might be used to generate referrals.

For example, consider the situation where a company is looking to acquire a business in another state and wants to have its own accounting representatives go in and do some financial due diligence before the deal is signed. If the company's regular accountants don't have a branch office in the state where the target is located, they may be in the market for a referral for a quality local accounting firm who can take on the job as a special project and, perhaps, continue to provide consulting services once the deal is completed.

By asking round, the acquiring party's regular accountants may be able to put together a list of three candidates for the job. Using the phone book, or information obtained from the local chamber of commerce, they may be able to obtain some background on the three accountants and may even learn that they each appear to have some general skills and experience in the areas needed. However, before they make a recommendation to their client, they'd like to get a better idea about the people at each of the firms and the culture within which they practice.

This is where the Net can come in handy and you can enhance your chances of landing the engagement if you're on that original short list. In this case, the partner at the regular accounting firm decides to go online and check out the Web presence of the three candidates. After a brief search, the partner discovers that one of the three firms doesn't have a Web site, which doesn't necessarily mean that the particular firm couldn't do a good job. However, all things being equal, not having a Web site certainly won't help the firm's chances of getting recognized and selected. The partner really doesn't have much more than a name and an address. In most cases, it would be just too risky for the partner to make a referral to a client based on such skimpy information.

The other two candidates are still in the running even though they don't know it yet. How's the decision going to be made? If the partner can get a feel for the style and

skills of the candidates from visits to their Web sites, the choice may become quite easy. For example, if the managers at the acquiring party tend to be on the conservative side in their tastes in people and business, then traditional site loaded with resumes, firm news, and publications will probably be appealing. On the other hand, if those managers are young and aggressive, they might well be interested in working with people who fill their site with showy graphics, opinions, anecdotes, and narrative biographies that include information on the hobbies of the principals.

The important lesson is that a Web site can give potential clients in faraway places a feel for you and your practice, which they can not get from traditional print resources or even from a brief phone call. With the added information that people can get from a Web site, they are going to feel more comfortable about picking an accountant across the country. Also, do not overlook how the design of the site can be used as a magnet to attract the types of clients and referrals that fit the best with the firm's interests and attitudes. It will not be long before accountants without Web sites will miss out on referrals in much the same way that accountants who were not available by phone were passed over for new business.

The jury is still out on whether potential clients will actually begin their search for an accountant on the Web. The answer to that depends on whether the prospect feels that he or she can effectively tailor the search to meet the specific parameters of their requirements for the engagement. In the meantime, businesses and colleagues will probably continue to rely on networking to put together preliminary list of firms. Where the Web site comes in handy is the role that it can play in informing firms about your practice and the people involved in it. What are people looking for? Many visitors really aren't interested in your mission statement, nor will they be that excited about finding materials that can be contained in prepackaged brochure or directory. What really sells

is putting together a presentation that addresses what prospects are looking to find and making sure that the information is of the highest quality.

2.9 Organizing Your Online Presence for Sales Success

The Web home page can be an instrumental tool in building sales. Online marketing is not just going to fit into the marketing mix. It is going to drive the marketing effort. If you think of the selling process from the customer's viewpoint, it is a buying process. Online marketing has the potential to remove the barriers a customer normally encounters while trying to buy something.

The customer sees the buying process in three distinct phases: recognizing a need, search for the solution, and making a purchase. Using traditional buying methods, the search for the solution can be time-consuming and frustrating. There is a lot of back-and-forth with vendors.

Throughout the buying process, the customer is seeking answers to specific questions, in a particular order. The vendors provide their answers through salespeople, technical support, literature, videos, demos, and other promotional pieces. Once the questions are answered satisfactorily, the customer will make a buying decision.

If your Website is well designed, customers can quickly get answers to their questions. While the need is still fresh in their minds, they will be transformed from someone with a problem to someone who has identified, and wants to purchase, a particular solution. This compresses the buying cycle and will have a profound effect on marketing practices.

Your Web site will be a successful marketing tool only if you organize it to conveniently answer all of the customer's questions. That may seem obvious, but considering how poorly standard marketing materials have provided answers in the past, we are not expecting Web sites to be any better. Organizing the presentation of the

information so that it matches the customer's question sequence is particularly important with online marketing, because it is an interactive medium. It puts the customer in the driver's seat. The last thing you want to do is make your customer drive all over Cyberspace waiting for downloads, and getting lost, locked out, and ticked off.



III. THE EXISTING SYSTEM

3.1 Background of Our Shop

Our company, autopartsfocus, has several items of products, which are OEM product. Our products include of car spare parts, such as belt, fan, battery, lamp, light bulb and so on.

Here, you'll find aftermarket parts at reliable availability, low price, and with professional customer service. We offer a comprehensive replacement parts catalog for most makes and models constantly in stock. You'll find hundreds of discount parts here that you won't find elsewhere! We keep our inventory constantly updated to keep up with your wholesale auto parts demands. So, you'll find everything aftermarket auto parts here.

Automotive parts dealers such as our company are able to provide you replacement parts catalog that carries discount auto parts. We always want you to save when you purchase parts from us so when you search our auto parts store catalog, you'll see prices that are lower than most auto part online stores. Our company deals directly with aftermarket parts industry manufacturers and we pass on the replacement parts catalog savings we acquire. You are truly getting wholesale auto parts value when you purchase from us. Wholesale car parts savings is what you'll get no matter how big or small your auto parts online order is.

With our full-services of packing and shipping, customers will be satisfied with our production and delivery on time. The opportunity for our company seeking to make advantage of the capabilities of electronic commerce is greater than merely adopting our present view of commerce to performing those buying and selling transactions over electronic networks.

3.2 Reasons of Opening an Online Store Front

With the development of the Internet, companies and organizations now have access to immediate and easier means of advertising. This could help them to reach their full potential. A home page or website can be a relatively inexpensive way to gain exposure to million of people, keep customers informed of new offerings, make business transactions easier and more importantly, attract potential clients.

The Internet offers benefits to businesses of all sizes. The following are only a few of the ways the Internet can empower business.

(a) Accesses to limited markets

Small local companies can compete for business anywhere in the world by presenting an on-line image of the company. The Internet offers the ability to create sales 24 hours a day, 7 days a week. The Internet never sleeps. People can access and order their products and services any time of the day or night.

(b) Instant updates to the information

Advertising copy or brochure may be printed with errors or lack additional information that should have been included. With Internet advertising, the owner can change it anytime they want. They can make changes to any kind of information they provide to their customers, for example products, pricing or other company information.

(c) More convenient customer service capabilities

Customer services personnel and their telephone lines can be freed up from frequently asked questions or requests for general information by presenting the answers and information on-line.

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

If users have employees on the road that need current information outside regular office hours, the Internet can provide a solution.

- (e) Information customized to customer's needs

Without the concern for printing costs and paper, users can create brochures on-line that appeal to their specific customer markets.

- (f) Improved operating efficiencies and reduced overhead

Create a “store” on-line. No need for overhead related to having a building, displaying inventory and hiring sales personnel to watch the store, and no less related to inventory “walking out door”.

These are only a few of the reasons why companies are taking advantage of the Internet and why so many individuals are finding ways to starting up their own businesses from home.

Benefits of having a Web site for my business:

- (a) On-line Sales

A sharp image can create an on-line order taking service where any viewers can actually order products and/or services instantly, in real time. They can order whenever they please whether the stores are open or not. This is one very strong benefit of having a web site.

- (b) Instant Information

Most people like to find information quickly and easily. This is possible with a Web site. The Internet never closes. This means that the information that is online is readily accessible anytime

- (c) Discount

With a web site, users can spark sales that they may not have otherwise got. One successful way to do that is to offer discounts from ordering on-line. This not only makes a web site more useful, but it also gives consumers a great reason to order with this company instead of the competition.

(d) Company Image

Having a web site and being able to insert a company's web site address (www.autopartsfocus.com) is a great way to depict that a business stays ahead of the competition and tries to give their customers an easy way to find out about it first. A web site address on a business card or advertisements do the job well.

(e) Prestige

Everyone should have to admit some people simply having everything and being on the top. Having a web site can only be a useful benefit.

3.3 How Can Web Site Increase Business from Existing Clients?

If the prospect of courting new business through a Web site continues to seem a little daunting, consider how a Web site can be used to increase business from existing clients. Everybody advocates cross-selling, and when we go to marketing seminars we'll hear that our current clients can be the best source of new work if we'll take the time to educate them about our practice and remind them of how valuable we can be in areas of their business in which we are not currently active.

Potential Business Benefits:

When defining the aims of Internet marketing, a company should conduct a comprehensive review of all the business benefits that could accrue; this can be of value in arguing the case for investment in a web site.

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

IV. MARKETING TECHNIQUES AND ANALYSIS

4.1 Tell People How to Find Your URL and E-mail Address

The following are the other techniques that we use to tell people how to find our web site and e-mail address.

(a) List Your Home Page Address on Complementary Home Pages

Benefit: Increases exposure to your home page.

You can publicize your home page by creating alliances with complementary home pages. Look for home pages that are in related areas and agree to create a mutual referral system. You will add their site as a link to your home page, and they will do the same. This is usually done by placing a category at the bottom of your Web home page that points to a "hot List of Interesting Places to Visit."

(b) Print the Home Page Address on Company Materials

Benefit: Increases exposure.

Use traditional methods of advertising, such as printing the address on your business card and stationery, sending fliers and ads to prospective customers and placing the address in print ads.

(c) Post Messages on Newsgroups

Benefit: Increases exposure.

Mailing lists and newsgroups in your subject area could be interested in your home page. You can join the discussion and, when appropriate, say "By the way, you might be interested in the information I have at my Web home page. You can reach it by typing "<http://www.autopartsfocus.com>"

(d) Print the Home Page Address in Advertisements

Benefit: Increases exposure.

Refer to Web home page in your printed advertisements in newspaper and magazines, as well as in your printed catalogs, press releases, promotions, brochures and other materials.

4.2 Contacting Customers via E-mail - best Practice

(a) Keep e-mail communications relevant and targeted. Junk mail is an optional term. Companies should ensure that the information sent is likely to be of interest to the recipient. One way to achieve this is to customize contact to groups of users.

(b) Keep contact timely. In line with the previous guideline, e-mails should only be sent when there is something newsworthy to communicate to the customer, such as a major new product launch or a new series of seminars. Once a month is probably too frequent unless the communication is newsletter. Once every few months is less likely to cause annoyance.

(c) Keep it personal. Where appropriate the e-mil should be answered by a human to give personal touch, and the name and contact e-mil and phone number of the person should be specified. This will enable rapid follow-up if necessary.

4.3 Competitors Analysis

A competitor analysis is an important requirement in our business plan because it reveals the firm's competitive position in the market space assists us to develop strategies to be competitive and satisfies the needs of funding agencies to determine commercial feasibility based on current and prospective competition, and how the firm intends to face that competition.

Direct competitors are online shops which are already on the Web offering the same products and services. Indirect competitors are those who have no online shop. They sell both of genuine, imitated equipment and fix and overhaul services. These can

be a threat too, especially if their offerings are significantly cheaper, better or more convenient than our web site.

(A) Direct competitors:

Sparepartshop.com

(1) Strength:

- (a) More product in physical store
- (b) More channel distributions

(2) Weakness:

- (a) Less variety of product on web
- (b) Lack detail of product
- (c) Picture is not so good
- (d) No online payment

(B) Indirect competitors:

Work shops such as Mercedes work shop

(1) Strength:

- (a) Have connection with insurance company
- (b) Well-known established
- (c) Sell only genuine part
- (d) Can fix and overhaul the car

(2) Weakness:

- (a) People feel that they have to pay high price
- (b) Serve only specific parts of car
- (c) Feel lack of touch the product

4.4 Cost and Benefit Analysis

Initial Cost information of the Project

Businesses who decide to advertise on the Internet need three areas of cost:

- (a) The cost of getting outfitted with a computer system
- (b) The cost of creating a WWW storefront
- (c) Server costs

In order to join the cyberspace community, businesses need a personal computer with a hard drive (35,000 to 40,000 Baht, a modem to connect with Internet (3,000 to 5,000 Baht from TRUE ADSL) and software to make sense of other computer databases (7,000 to 8,000 Baht).

This initial investment, although advisable, is optional. A business could get around this cost by contracting a company that owns and manages computer equipment. The cost of creating a WWW site “ranges from a two thousand to five thousand Baht to design a simple home page on the Internet.” Finally, businesses must account for the cost of servers. Plugging into the Internet will cost approximately 600-800 Baht a month (some servers also charge start up fees), and the cost to maintain a home page is approximately 2,000 Baht a month.

Cost Benefit Analysis

Cost benefit analysis is used to determine whether the project is economically feasible. Numerous approaches have been developed to measure the value of proposed project to an organization. Our income comes from selling bestseller of spare parts that consist of 9 kinds which are battery, belt, mirror, fan, head lamp, light bulb, air condenser, tail light and bumper cover.

Financial Statement

Cost

Initial Investment Cost Baht

Hardware 70,000

- 2 sets of computer

- Printer

- Scanner (At least 600 x 1200 dpi)

Furniture & Decoration 50,000

Leased line & hosting installation 18,000

Miscellaneous 12,000

Total Investment Cost 150,000

Operating expense (Per Year)

Hosting fees & web pages 140,000

Domain name fee 800

Advertising and Promotion 50,000

Wage

- Officer 12 x 6,000 72,000

- Administrator 12 x 12,000 144,000

Miscellaneous 12x5,000 60,000

Total Operating Expense (Per Year) 466,800

Estimate of Total Income

Estimate of First year income = 1,687,500 Baht or 140,625 Baht per month

Battery	240	pcs	x 1,350	Baht	=	324,000
Belt	2850	pcs	x 80	Baht	=	228,000
Mirror	400	pcs	x 450	Baht	=	180,000
Fan	1950	pcs	x 120	Baht	=	234,000
Head lamp	165	pcs	x 900	Baht	=	148,500
Light bulb	2100	pcs	x 80	Baht	=	168,000
Air condenser	100	pcs	x 2,000	Baht	=	200,000
Tail light	900	pcs	x 200	Baht	=	180,000
Bumper cover	25	pcs	x 1000	Baht	=	25,000
Total of First year income					=	1,687,500

Estimate of Second year income = 2,559,000 Baht or 213,250 Baht per month

Battery	360	pcs	x 1,350	Baht	=	486,000
Belt	4275	pcs	x 80	Baht	=	342,000
Mirror	600	pcs	x 450	Baht	=	270,000
Fan	3000	pcs	x 120	Baht	=	360,000
Head lamp	250	pcs	x 900	Baht	=	225,000
Light bulb	3200	pcs	x 80	Baht	=	256,000
Air condenser	150	pcs	x 2,000	Baht	=	300,000
Tail light	1400	pcs	x 200	Baht	=	280,000

Bumper cover 40 pcs x 1000 Baht = 40,000

Total of Second year income = 2,559,000

Estimate of Third year income = 3,838,460 Baht or 319,872 Baht per month

Battery 540 pcs x 1,350 Baht = 729,000

Belt 6412 pcs x 80 Baht = 512,960

Mirror 900 pcs x 450 Baht = 405,000

Fan 4500 pcs x 120 Baht = 540,000

Head lamp 375 pcs x 900 Baht = 337,500

Light bulb 4800 pcs x 80 Baht = 384,000

Air condenser 225 pcs x 2,000 Baht = 450,000

Tail light 2100 pcs x 200 Baht = 420,000

Bumper cover 60 pcs x 1000 Baht = 60,000

Total of Third year income = 3,838,460

Estimate of Fourth year income = 5,758,240 Baht or 479,853 Baht per month

Battery 810 pcs x 1,350 Baht = 1,093,500

Belt 9618 pcs x 80 Baht = 769,440

Mirror 1350 pcs x 450 Baht = 607,500

Fan 6750 pcs x 120 Baht = 810,000

Head lamp 562 pcs x 900 Baht = 505,800

Light bulb 7200 pcs x 80 Baht = 576,000

Air condenser 338 pcs x 2,000 Baht = 676,000

Tail light	3150 pcs	x 200	Baht	=	630,000
Bumper cover	90	pcs x 1000	Baht	=	90,000
Total of Fourth year income				=	5,758,240

Estimate of Fifth year income = 8,598,360 Baht or 716,530 Baht per month

Battery	1215 pcs	x 1,350	Baht	=	1,640,250
Belt	14277 pcs	x 80	Baht	=	1,142,160
Mirror	2025 pcs	x 450	Baht	=	911,250
Fan	10125 pcs	x 120	Baht	=	1,215,000
Head lamp	843 pcs	x 900	Baht	=	731,700
Light bulb	10800 pcs	x 80	Baht	=	864,000
Air condenser	507 pcs	x 2,000	Baht	=	1,014,000
Tail light	4725 pcs	x 200	Baht	=	945,000
Bumper cover	135 pcs	x 1000	Baht	=	135,000
Total of Fifth year income				=	8,598,360

As IRR = 5.75%

Average profit = 15%

Present values of cash out flow

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

Present value of cash out flow for the 1st year		= 616,800
Present value of cash out flow for the 2nd year	= 466,800/1.0575	= 441,418.44
Present value of cash out flow for the 3rd year	= 466,800/1.0575 ²	= 417,416.96
Present value of cash out flow for the 4th year	= 466,800/1.0575 ³	= 394,720.53

Present value of cash out flow for the 5th year = $466,800/1.0575^4$ = 373,258.19

Therefore, present value of cash out flow = 2,243,614.12

Present value of cash in flow.

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

Present value of cash in flow for the 1st year = 253,125

Present value of cash in flow for the 2nd year = $383,850/1.0575$ = 362,978.72

Present value of cash in flow for the 3rd year = $575,769/1.0575^2$ = 514,858.07

Present value of cash in flow for the 4th year = $863,736/1.0575^3$ = 730,364.89

Present value of cash in flow for the 5th year = $1,289,754/1.0575^4$ = 1,031,300.85

Therefore, present value of cash in flow = 2,892,627.53

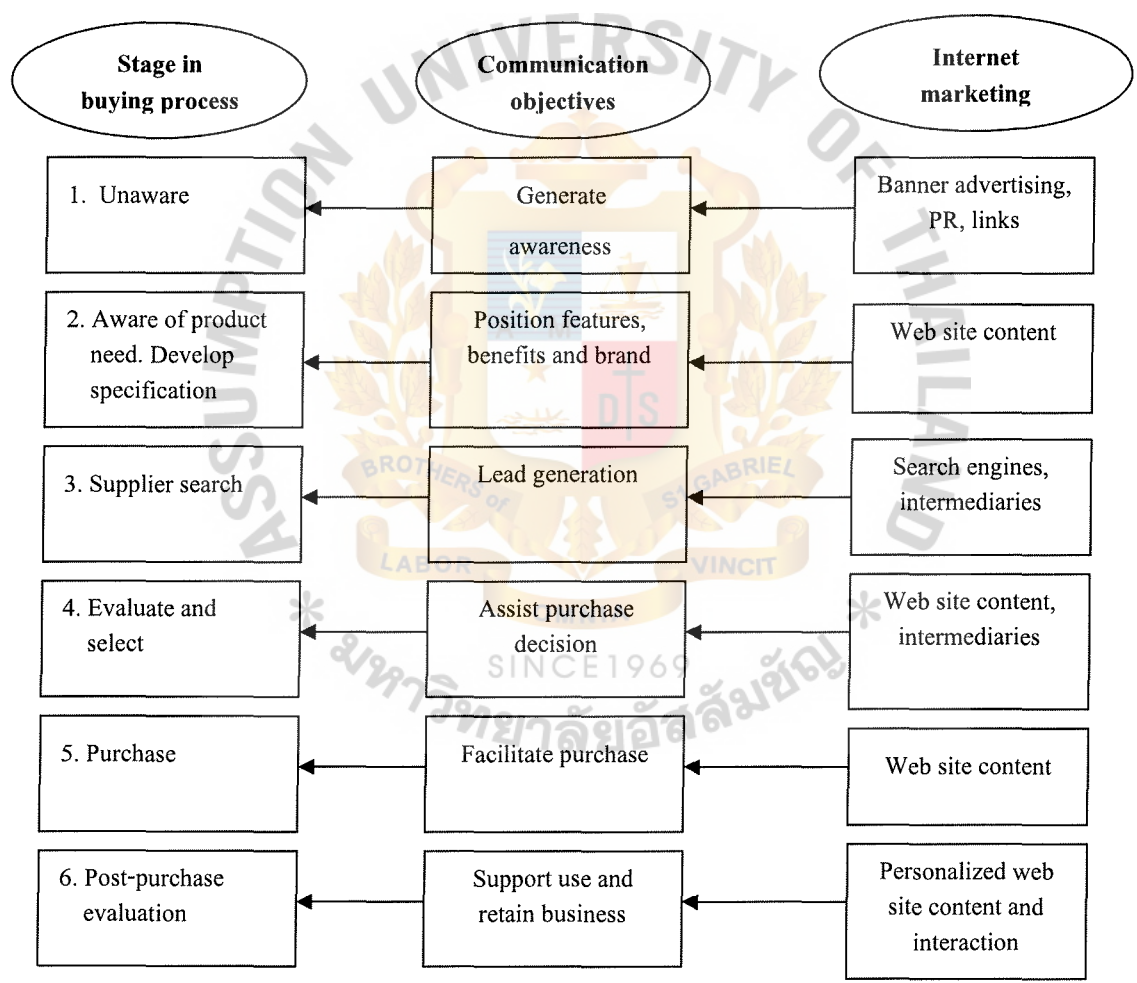
Net Present Value = Present Value of Cash Inflow - Present value of Cash Outflow

Net Present Value = $2,892,627.53 - 2,243,614.12$ = 649,013.41

As seen from the calculation, the net present value is positive for five years estimation. From the analysis, return on investment is enough for 1 year which is because of the high sales of the company.

4.5 Buyer Behavior

The role of the Internet in supporting customers at different stages of the buying process should also be considered. Figure 4.1 indicates how the Internet can be used to support the different stages in the buying process. The boxes on the left show the typical stages that a new prospect passes through, according to, for example, Robinson et al. (1967). A similar analysis was performed by Berthon et al. (1998), who speculated that



the relative communications effectiveness of using a web site in this process gradually increased from 1 to 6.

Figure 4.1. A Summary of How the Internet Can Impact on the Buying Process.

It is worthwhile reviewing each of the stages in the buying process referred to in Figure 4.1 in order to highlight how effective the Internet can be when used at different stages to support the marketing communications objectives.

(1) Generate awareness (of need, product of service)

Generating awareness of need is conventionally achieved principally through mass media advertising. The Internet is not very effective at this since it has a more limited reach than television, radio or print media. Although banner advertising is widely used, it is more limited in the message that it can convey. It can assist in generating brand awareness. Some companies have effectively developed brand awareness by means of PR and media mentions concerning their success on the Internet, with the result that even if a customer does not have a current need for a product, that customer may be aware of the source when the need develops.

(2) Position features, benefits and brand

Once a consumer is aware of need and is considering what features and benefits he or she requires from product, and then he or she may turn to the Web to find out which suppliers are available or to find the range of features available from a particular type of product.

Once customers are actively searching for products information, the Web provides an excellent medium to help them do this. It also provides a good opportunity for companies to describe the benefits of their web sites and obtain qualified leads. The Internet marketer must consider the methods that a customer will choose for searching and then ensure the company or its product is featured prominently.

(3) Assist purchase decision

One of the most powerful features of web sites is their facility to carry a large amount of content at relatively low cost. This can be turned to advantage when customers are looking to identify the best product. By providing relevant information in a form that is easy to find and digest a company can use its web site to help in persuading the customer. Brand issues are important here also, as a new buyer will prefer to buy from a supplier with a good reputation - it will be difficult for a company to portray itself in this way if it has a slow, poorly designed or shoddy web site.

(4) Facilitate purchase

Once a customer has decided to purchase, then a company will not want to lose the custom at this stage! The web site should enable standard credit-card payment mechanisms with the option to place the order by phone or mail.

(5) Support product use and retain business

The Internet also provides good potential for retaining customers since:

- (a) Value-added services such as free customer support can be provided by the web site and these encourage repeat visits and provide value-added features;
- (b) Feedback on products can be provided to customers; the provision of such information will indicate to customers that the company is looking to improve its service;
- (c) E-mail can be used to give regular updates on products and promotions and encourage customers to revisit the site;

- (d) Repeat visits to sites provide opportunities for cross selling and repeat selling through sales promotions owing to the amount of information that can be displayed on the web site.



V. THE PROPOSED SYSTEM

5.1 The Proposed E-commerce Web Site

The Proposed web site will cover the following functions

(a) Sell products

It is considered that telephone is a tool that allows salespeople to communicate with their customer, which in turn helps them sell products. The technology is different, of course, but before people decide to become customer, they want to know about the product, what the products do and what the products can do for them. Owners can do this easily and inexpensively on the WWW. Then this might be to turn people into customers.

(b) Open International Markets

The owners may not be able to make sense of the mail, phone and regulation systems in all their potential international markets, but with a Web page, owners can open up a dialogue with international markets as easily as with the company across the street. Another added benefit is that company has office overseas, they can access the home office information for the price of a local phone call.

(c) Create a 24 Hours Service

Many organizations are not on the same schedule. Business is worldwide but office hours are not. A web page serves the client, customer and partner 24 hours a day, 7 days a week. No overtime either. It can customize information to match needs and collect important information that will put you ahead of the competition, even before they get into the office.

(d) Make Business Information Available

A lot of what passes for business is simply nothing more than making connections with other people. Passing out a business card is part of every good meeting and every businessperson can tell more than one story about how a chance meeting turned into a big deal. Well, what if the opportunity comes to pass out a business card to thousands, may be millions of potential clients and partners. This can be done in 24 hours a day, inexpensively and simply, on the WWW.

(e) Changing Information Available Quickly

Sometimes, information changes before it gets published. The result could be a pile of expensive, worthless paper, electronic publishing changes with the needs. No paper, no ink, no printer's bill. A web page can even be attached to a database, which customizes the page's output to a database, so this can change as many times in a day as needed. No printed piece can match that flexibility.

(f) Make Pictures and Sound Available

A picture is worth a thousand words, but what if the space is not enough for a thousand words? The WWW can add sound, pictures and short movie files to a company's information if that serves their potential customers. No brochure will do that.

(g) Answer Frequently Asked Questions

Most people in an organization say that their time is usually spent answering the same questions over and over again. These are the questions to which customers and potential customers want to know the answer before they deal with. Post them on a WWW page and this will remove another barrier to

doing business with the company and free up some time for that impolite phone operator.

(h) Allow Feedback from Customers

After passing out the brochure, the catalogue, and the booklet, what if there is no sale, no call, and no feedback? Wrong color, wrong price, and wrong market? With a Web page, owners 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 their customers' mind, without the cost and lack of response of businesses reply mail.

5.2 What Kind of Product Should Be Sold?

In the economic crisis like this, it is very difficult to do only domestic business in Thailand, so the product must be carefully chosen to sell abroad and worldwide.

Product chosen concept

- (1) These products should be sold to foreigner or exported.
- (2) Easy to find raw material in Thailand.
- (3) Use machine base and labor for assembly
- (4) Market should be growth according to the car.
- (5) Price is competition.
- (6) Product life cycle is not short

According to the product concepts which are listed above, the product that we choose are battery, lamp, light bulb, belt, etc.

5.3 Why Do We Choose These Products to Sell on Internet?

The reasons why we choose these products are following.

- (1) Every person who has a car must use them.
- (2) People can buy at cheaper price instead of visiting work shop.

- (3) The market expands according to the expansion of cars.
- (4) Many models or styles.
- (5) Use high quality material.
- (6) Use domestic labor and machinery to make them.
- (7) World wide used, and easy to export.
- (8) Price is not expensive.

Company Strength

- (1) Competitive price by using domestic worker and machine with low labor cost.
- (2) ISO 2001
 - (a) Standard Design
 - (b) Production
- (3) Long established firm
 - (a) Reliable on production
 - (b) Well known

5.4 Why autopartsfocus goes to Internet?

- (1) Send E-catalog
- (2) Low cost
- (3) Create Interactive Application, Services and Products
- (4) Reduce Communication and Transaction cost
- (5) Available to Consumers 24 hours a day

The objective of this is to build up a new market channel for selling the factory products on Internet. The product overview and product strategies were analyzed and covered with some marketing plan. With the product & market analysis, a SWOT

analysis was outlined and come out with key strategies as shown, some major critical success factors were highlighted and some solutions were suggested.

5.5 Mission and Goals

When we decide that we are going to put our business online, we must set up our mission and goals first.

Mission:

Using Website to make product information, ordering, and customer support in order to increase in sales and more effective marketing.

Goals:

- (1) To be able to increase the sales volume of at least 1,000,000 Baht within 2 years.
- (2) To make autopartsfocus to be well known within 3 years.
- (3) To be the first spare shop online in Thailand that makes available all of spare parts for cars.
- (4) Serving the discount auto parts need of the aftermarket parts.

5.6 Business Plan *

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

- (1) Create simple web site
 - (a) Determine what products will be sold on the web
 - (b) Set up domain name
 - (c) Find information & create simple web site
- (2) Find customers and sell products
 - (a) Create product catalog
 - (b) All documents attach URL name
 - (c) Contact export department of Thailand

- (d) Advertising by e-mail
- (e) Contact business via mail
- (3) Collect all information and review plan
- (B) Long Term Business Plan (3-5 years)
 - (1) Analyze information and revise first business plan
 - (a) Create more complex and attractive web site
 - (b) More product categories, more online catalogs
 - (c) Online complete payment
 - (2) Add more useful information on the web
 - (3) Advertising
 - (a) In Search engine
 - (b) In Well known related web site
 - (c) Promotion by e-mail
 - (4) Abroad exhibition
 - (a) Join the motor exhibitions
 - (5) Add more marketing activities.

To achieve these missions and goals, we use 4 Ps (Product, Price, Place, and Promotion) as one of the factors to be considered our strengths, weaknesses, and the opportunities, and threats. List all strengths, weaknesses, opportunities, and threats, after that we will set up the strategies by using SWOT Analysis.

5.7 SWOT Analysis

Assessing Opportunities and Threats

Companies should conduct a structured analysis of the external opportunities and threats that are presented by the Internet environment. They should also consider their own strengths and weaknesses in the Internet marketing environment. Summarizing the

results through SWOT analysis will clearly highlight the opportunities and threats. Appropriate planning to counter the threats and take advantage of the opportunities can then be built into the Internet marketing plan. As is often the case with SWOT analysis, the opportunities available to a company are the opposite of the threats presented by other companies. The strengths and weaknesses will vary according to the company involved, but many of the strengths and weaknesses are dependent on the capacity of senior management to acknowledge and act on change.

In order to exploit opportunities to gain competitive advantage it is essential for companies to act quickly. Competitive advantage tends to be short-lived on the Internet since it is easy for competitors to monitor each other.

List all strengths, weakness, opportunities, and threats.

(1) Strengths

- (a) Product are OEM, quite standard in quality
- (b) Product are from the reliable source of factories
- (c) Broad range of product categories and size
- (d) Deal directly with aftermarket parts manufacturers
- (e) Fast order fulfillment
- (f) E-catalog available
- (g) Have replacement part specialists ready to assist

(2) Weakness

- (a) No payment gateway support at the beginning stage
- (b) High delivery cost
- (c) Family business, lack of international skills
- (d) No customer services
- (e) Low company profile in the market

(3) Opportunities

- (a) Economic outlook is recovering
- (b) Be able to expand to the global market
- (c) E-marketplace expansion
- (d) Customer can visit the shop 24 hours a day
- (e) Join with international exhibition

(4) Threats

- (a) New market channel establishment
- (b) Domain name - providing the mean to access a particular web site
- (c) Insecure electronic payment system
- (d) Current Internet users in Thailand still low compared with other developing countries
- (e) Lack of touch and feel to the products selling online
- (f) Chance to fail for dot com business

The above information seems to suggest that these products have more strengths than weaknesses and in fact more benefits from opportunity rather than threats, which is a good sign. However, on closer examination of weaknesses and threats, we realize that the weaknesses can be overcome quite easily. For example, the payment gateway system can be using credit card for international ordering and cash on delivery for domestic ordering, while solution for customer service can be handled by phone call and the online can be easily added to the web site later on. As for threats, they are common to all organizations engaged in e-commerce, so that the selected strength web hosting provider can eliminate these threats as well.

5.8 Product Overview

The product we selected is the battery and spare parts, which are mainly, sold in the country and exported to overseas countries. We have more than 30 product items and models to cover the market need. We have an army of replacement parts specialists ready to serve you. Our easy-to-use online replacement parts catalog allows you to order at the convenience of your home or office. As soon as you order, we will process it and send it to you immediately.

Product Categories

- (1) Battery
- (2) Belt
- (3) Light bulb
- (4) Mirror
- (5) Air condenser
- (6) Bumper
- (7) Fog lamp
- (8) Head lamp*
- (9) Door handle
- (10) Washer tank
- (11) Headlight
- (12) Condenser fan shroud
- (13) Etc.

5.9 Product Strategies and Market & Sales Strategies.

Product Strategies

- (1) Wholesale and retail, we provide the superior quality of various kinds of replacement spare parts.

- (2) Keep inventory constantly updated to keep up customer demand.
- (3) OEM product with durable, high quality, high quality material
- (4) Business and consumer usage
- (5) Price competitiveness

Market & Sales Strategies

- (1) Consistency maintained in our current market channel and maintains growth.
- (2) To focus on Internet sale as a new market channel to B2B.
- (3) Fast delivery and good packaging on various occasion on Internet sales
- (4) Actively participating on major exhibition events.

5.10 Market Targeting, Market Segment, and Market Positioning

Market Targeting

Nowadays, Thai economy is still in crisis, low and middle-income Thai citizens do not have the power to buy things as usual. Many rich people have become poor. The best way is to sell to abroad especially for big countries such as USA and Indonesia which is usually emphasize on wholesaling. Of course, they must be able to get the information from Internet & e-commerce.

Evaluating Market Segment

- (a) Size and growth

Since the Thailand is such a big country, public transportation is not convenient enough. And it is a developing country, so cars or trucks are important in the business today. Definitely, the amount of cars in the country is more than 20 millions.

- (b) Structure

- (1) High competitors for the auto spare parts.

- (2) Power of buyers are low, due to economic crisis
- (3) Low Barriers of entry in the business.
- (4) Thai government supports exporting. Our company's objective also wants to earn the money from abroad.

Market Positioning

(a) Product position

“When people want to buy a luxury, beautiful, high-grade car, they will recognize Mercedes-Benz. If those rich people want to buy spare parts, they will visit work shop. But not all people who have car will visit work shop. So they want to find out where they can get it at cheaper price.”

- (1) Focus in middle to low market
- (2) High quality, standard and reasonable price

(b) Online positioning

Offer wide variety of product categories, discount price, fast order fulfillment.

5.11 Customer Delivered Value: Total Customer Value & Total Customer Cost

(A) Total Customer Value

(1) Product value & Product Differentiation

- (a) Variety of product categories
- (b) OEM product, high quality with guarantee
- (c) Product are well known in this industry
- (d) Product is as replacement part

(2) Service value

- (a) Send products to hand of customers in around Bangkok.
- (b) 2 year warranty for any item if malfunction.

- (c) Outside service in case customers do not know how to fix the spare parts.
- (d) Useful information
 - (1) We provide FAQ (frequently asked questions) for the customers who have problems to find the information and solution.
 - (2) Customer service: handles your questions, comments and problems.
- (3) Personnel value
 - (a) We have mechanic to fix the spare parts at customer's place.
 - (b) Professional services to provide the suggestion online.
- (B) Total Customer Cost
 - (1) Monetary Cost
 - (a) Customer will pay cheaper than other stores and work shop.
 - (2) Time
 - (a) Time saving since customer does not need to find out somewhere else.
 - (3) Energy
 - (a) Quick searching varieties of products via Internet when compared to the physical stores.
 - (4) Psychic cost
 - (a) We provide secure transaction approved by VeriSign.
 - (b) OEM products make customers feel the genuine part.
 - (c) 2 year warranty for items purchased from us.

5.12 Marketing Mix (4 P's)

Product

- (1) Standard
- (2) High quality
- (3) Durable
- (4) Genuine

Price

The percentage of discount from price list depends on the quantity that customers order. Wholesaling price is quoted over 100 pieces.

100 – 200 pcs	offer 5% discount
201 – 400 pcs	offer 8% discount
401 up	offer 10% discount

Place

Web site www.autopartsfocus.com

Car and spare parts exhibition

Physical store at Vorachak

Promotion

Special discount 5% for first 100 registered in the Website

Free shipment throughout Thailand for the first 3 months

Promotion goods for High Volume Customers

Information Support; Brochures, Leaflets, Posters

Put manufacturer's banner on our Web site

Advertising:

Autopartsfocus.com

Banner in other Web sites

Related Magazines in Customers' Countries

Exhibition Directories

5.13 Competitive Advantage

- (1) Competitive price
- (2) Many models and items to choose
- (3) Durable, high quality, standard
- (4) Genuine parts
- (5) 2 year warranty for any item

5.14 Critical Success Factor

- (1) Building brand awareness
Joint promotion with Thailand Export Center Guide of Thailand Export Day, etc. in order to make market recognition
- (2) Web Hosting
Engage with the foremost portal sites which are able to help in campaign and promotion.
- (3) Electronic Payment System
Using Credit card will be as an interim solution or cash on delivery for domestic ordering.
- (4) Delivering cost
Basically using EMS, ETO and UPS as a mainly delivery.

VI. PROJECT IMPLEMENTATION

6.1 Hardware and Software Requirements

The requirements of this system are as follows:

- (1) Hardware Specification
 - (a) Pentium IV 1.2 GHZ Processor
 - (b) 256 MB of RAM
 - (c) 40 GB of Hard Disk
 - (d) 50X CD-ROM Drive
 - (e) 3.5 inch Floppy Drive
 - (f) 17 inch Monitor
 - (g) Keyboard, Mouse
 - (h) Modem
- (2) Software Specification
 - (a) Window XP
 - (b) HTML Editor
 - (c) Cute FTP
 - (d) Internet Explorer 5.0, Netscape Communication
 - (e) Internet access
 - (f) Illustrator
 - (g) PhotoShop
 - (h) Microsoft Flash
 - (i) Dream Weaver

6.2 How to Create a Web Home Page

Creating a Web home page is a relatively direct process. Here are the steps to create a home page.

- (1) Determine the goal of the home page. Will it be used to sell products, create an image or serve as a library for company information?
- (2) Create content and design web pages. Take advantage of interactive tools to make files accessible.
- (3) Save the file as ASCII.
- (4) Import the file into an HTML (Hypertext Markup Language) program.
- (5) Assign codes to the content. These codes will assign font attributes, display pictures, link to other pages and allow forms and e-mail to be sent.
- (6) Load the home page onto a computer server.

6.3 Planning Web Site Development

It is important to be able to answer these key questions readily:

- (1) What does the company sell?
- (2) How can its products be bought - where does it sell its products (channels and countries)?
- (3) How can the company be contacted?
- (4) Are there any special offers available currently?

As well as answering these questions, the company's corporate and brand identity should be apparent to establish credibility, even from a short visit. For customers who are repeat visitors to site, updated information on products, prices or the market should be available, to encourage further repeat visits.

The prototyping approach has the following benefits:

(a) It prevents major design or functional errors being made during the construction of the web site. Such errors could be costly and time consuming to fix once the web site becomes live and could also damage the brand. Such errors will hopefully be identified early on and then corrected.

(b) It involves the marketers responsible for the web site and ideally the potential audience of the web site in proactively shaping the web site. This should result in a site that more closely meets the needs of the users.

(c) The iterative approach is intended to be rapid, and a site can be produced in a period of months or weeks.

6.4 Web Site Designing

Autopartsfocus.com appears to organize the page layout in accordance with the practical rules. We would like to group our web site designing into 3 major points:

- (1) Site Structure / Architectural Blueprint
- (2) Site Content Design
- (3) Visual Design

The detail of each major point is:

- (1) Site Structure / Architectural Blueprint

The design of the structure of site 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. These are some of the examples that users visit web site.

- (a) Users click to get into autopartsfocus.com to acquire some spare part products.

(b) When choosing some product categories, all product pictures will be pop-up displaying all product groups as in product catalogue but it may be a bit too small to see the product details.

(c) Users therefore may need to have a closer look by clicking to zoom-in to illustrate more product details with bigger picture.

(d) When buyers have desired to buy, just click order then it will show the next frame with order ability, buyers have to select and put it into cart and fill in the order form to complete the order process.

The site structure of autopartsfocus.com starts with a home page, serving as a clear entrance to other pages. The home page is linked with other pages: 'About Us, Order Form, Product, Service, Contact Us, FAQ, Links' Each sub-menu page is also further divided into many topics relevant to that particular sub-menu.

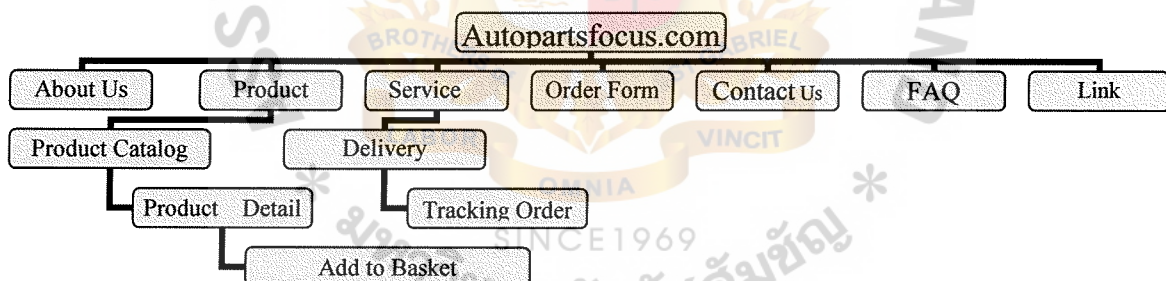


Figure 6.1. Site Structure.

(2) Site Content Design

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 make up the site. The content of autopartsfocus.com includes text and images.

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

- (a) About Us
 - (b) Order Form
 - (c) Product
 - (d) Service
 - (e) Contact Us
 - (f) FAQ
 - (g) Links
- (3) Visual Design

Autopartsfocus.com extensively uses such visual design as colors, and graphics to provide audiences with a sense of place. As soon as audiences access the autopartsfocus.com home page, they are impressed by decorative design, which is filled by colors, and graphics. It is believed that the audiences visiting autopartsfocus.com for the first time usually have positive impression on this site with the uniqueness and beauty of the design. The visual impact of graphics often motivate the audiences to investigate autopartsfocus's content because dense text documents without visual designs are boring and more difficult to read, particularly on the relatively low-resolution screens. We save the image as a GIF or JPEG that will make the file size smaller and load it into the Web browser to test how it would look within a typical environment.

6.5 Techniques to Keep Audience Coming Back to Visit Web Site

Web home pages should look clean, neat, and professionally designed. Consumers must actively go to a Web home page. Therefore, marketers need to attract consumers, keep them coming back and motivate them to tell their friends to visit the site. Here are several techniques:

Design Elements.

- (1) Make customers trust us
 - (a) We use VeriSign in our payment gateway that will make customers not worry about their credit card number.
 - (b) We guarantee the quality of the products.
- (2) Put URL in search engine i.e. yahoo, google
- (3) Banner exchange with well known web sites
- (4) Index: Let's readers know quickly what information is available. Our Indexes can be text only or picture icons or a combination.
- (5) Pictures: Present the real product images. However, they are not too small pictures, or too large which will take long time to appear on the screen.
- (6) Access to easy ordering: Create an icon or link to an order form so the consumer can place the order.
- (7) File size: People can become frustrated if our page sends a large file because it is slow to appear on the screen. So we avoid that.
- (8) Easy access to information
- (9) Test the page with different browsers: Each software browser displays text, color and spacing slightly differently. We must test our page against the leading programs to ensure that the browser doesn't frustrate our artist's

scheme by pushing text off the screen, bumping pieces of artwork into one another, or other unforeseen problems.

- (10) **Ordering information:** Placing the order must be easy. Your home page should contain an icon that links to an ordering form or displays a phone number in case they worry about online ordering.



VII. PAYMENT

7.1 Our Payment Method

Refer to our business plan:

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

We prefer to use the offline payment since Thai's E-commerce laws have not been declared to use. We ask our customers to use letter of credit or other fund transfer between banks by transferring to our account as follow:

The Krung Thai Bank Ltd.

Vorachak branch, Bangkok

Autopartsfocus Co., Ltd.

A/C 051-6-06838-6

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

We plan to use online payment because at this time Thai's E-commerce laws should be declared to use and most customers are familiar to use the online payment. Our payment gateway will use the Security of VeriSign to make the customers trust our payment system.

7.2 Problems with Traditional Payment Methods

Traditional payment methods do not work online for the following reasons:

(1) Lack of convenience

Traditional payment methods generally require that the consumer leave the online platform and use the telephone or send a check in order to make payment.

(2) Lack of security

In order to make a traditional payment over the Internet, a consumer has to provide card/payment account details and other personal information

online. Leaving the Internet and providing the card/payment account details over the telephone and/or by mail also entails security risks.

(3) Lack of coverage

Credit cards only work with signed-up merchants, and do not generally support individual-to-individual or direct business-to-business payment transactions.

(4) Lack of eligibility

Not all-potential buyers have suitable credit ratings to allow them access to credit cards and/or checking accounts.

7.3 Limitations of Traditional Payment

In their present form, traditional payment methods such as checks are not adequate for real-time payment interaction. "Real-time" means that these transactions are triggered and completed when the consumer hits the "pay" button on the Web browser. With real-time payments, a consumer's Web browser delivers payment instructions to a merchant, who forwards those instructions to a network bank. The bank then authenticates the individual and disburses funds to the merchant. The merchant delivers the purchased product upon customer verification.

Off-line payment methods make two fundamental assumptions:

The transacting party buyer and seller will at some time be in each other's physical presence.

There will be a sufficient delay in the payment process for detection of fraud, overdraft, and other problems to be identified and corrected.

These assumptions are not valid for electronic commerce, and thus many of these payment mechanisms are being modified and adapted for the efficient conduct of business over computer networks.

7.4 Security for Online Ordering

Taking the order online is easy. Customers can easily order products in several ways. They can pick up the phone and call your order center, send an e-mail note, complete an online order form, or print out your order form and send it to you via fax or phone.

Just as in any credit card transaction, there are certain risks. Proponents of online shopping say security of credit card numbers is just as reliable or unreliable as in any other transaction. After all, thieves can steal credit card numbers from carbons tossed into the garbage in a restaurant or store. Unscrupulous employees can steal credit card numbers given to them over the phone or sent in via mail order. All businesses have risks. The commercial online services assert that they have secure systems that cannot be violated by hackers trying to steal credit card information. The Internet does not make such claims.

Companies are developing data encryption software that will make all information-including credit cards-more secure. The threat of stolen credit card numbers might be a thing of the past very rapidly as companies create encryption programs. Microsoft and VISA announced that they had developed a secure system, as did Netscape Communications Corp., of San Jose, California, a leading publisher of Internet software, which formed an alliance with First Data, a credit card processor, based in Hackensack, New Jersey.

VIII. CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusions

The Internet has touched nearly everyone in the developed world in some manner. It offers an efficient channel for information 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 other industry players.

After the web site is completed, we recheck with the objectives of the project and found that all of them have been met. The ways that we manage our proposed web site are as follows:

- (1) To apply the knowledge learnt in marketing, web programming, and web design to develop the web site, try to make it attractive and would like audience to visit again and again.
- (2) To conduct a SWOT analysis, customer delivered value (CDV), Marketing mix (4 P's) and show how implementation has be done.
- (3) To provide the marketing plan by setting target market, market positioning and promotional mix.
- (4) To sell physical goods online as one of the sale channels and delivery of goods takes place through traditional means.
- (5) To update web site products frequently.
- (6) To use the web site as a tool to support the traditional storefront.

Create a “store” on-line. No need for overhead related to having a building, displaying inventory and hiring sales personnel to watch the store, and the other benefits of E-Commerce to my business may include capabilities to:

- (7) Extend the range of sales territory

- (8) Expand reach to new clients
- (9) Improve service to existing clients
- (10) Reduce paperwork and time spent on correspondence
- (11) Track customer satisfaction
- (12) Expand markets beyond geographical, national boundaries
- (13) Improve inventory control and order processing
- (14) Establish position in emerging E-Commerce marketplace
- (15) Lower costs of overhead and expedite billing
- (16) Realize economies of scale by increasing sales volume to new markets
- (17) Improve or expand product lines - locate new suppliers, products that could be included in catalogue.

We need to attract consumers, keep them coming back and motivate them to tell their friends to visit our site such as improve our web site more attractively, easy access to information, what's new to tell consumers about new information and features, access to easy ordering, put our URL in well known search engine, banner exchange with well known web sites and so on. Every document that is delivered to the audiences will have our URL name and our e-mail address. We contact them by e-mail that will reduce so much cost. After they place their order, we will make production as their order, asking them to pay money offline, by letter of credit or other bank transfer. Customers may use FedEx, UPS, TNT and so on for delivery.

8.2 Recommendations

Our online business is an evolutionary process and should grow as our business grows. If we ignore our site and its possibilities, we will miss out on a major opportunity to grow our business in the future. So managing for the future is very important in the following area:

- (1) Review and improve our web site at least once a year to make it more attractive and to use the pull technology that will make visitors come to see our web site again and again.
- (2) Set up sale promotions at special occasions as on Christmas day or New Year day by offering special package sets at special prices.
- (3) Serve customers better and better and set up call center.
- (4) Catch up the IT technology that may use to improve our online business.
- (5) Collect customers' information and e-mail address, and send some useful information or send beautiful greeting cards with our products inside for some special occasion such as birth day, Christmas, New Year, etc. The pictures and our shop name will remind them to visit our web site, make more customers' relationships.
- (6) Range top ten best selling items for new customer's buying decision.
- (7) Increasing production lines and product categories with more attractive designs.
- (8) We will use and effectively use e-mail and the Web to keep customers informed of their orders' status.
- (9) We will exchange our banners more with other sites.



APPENDIX A

WEB INTERFACE DESIGN

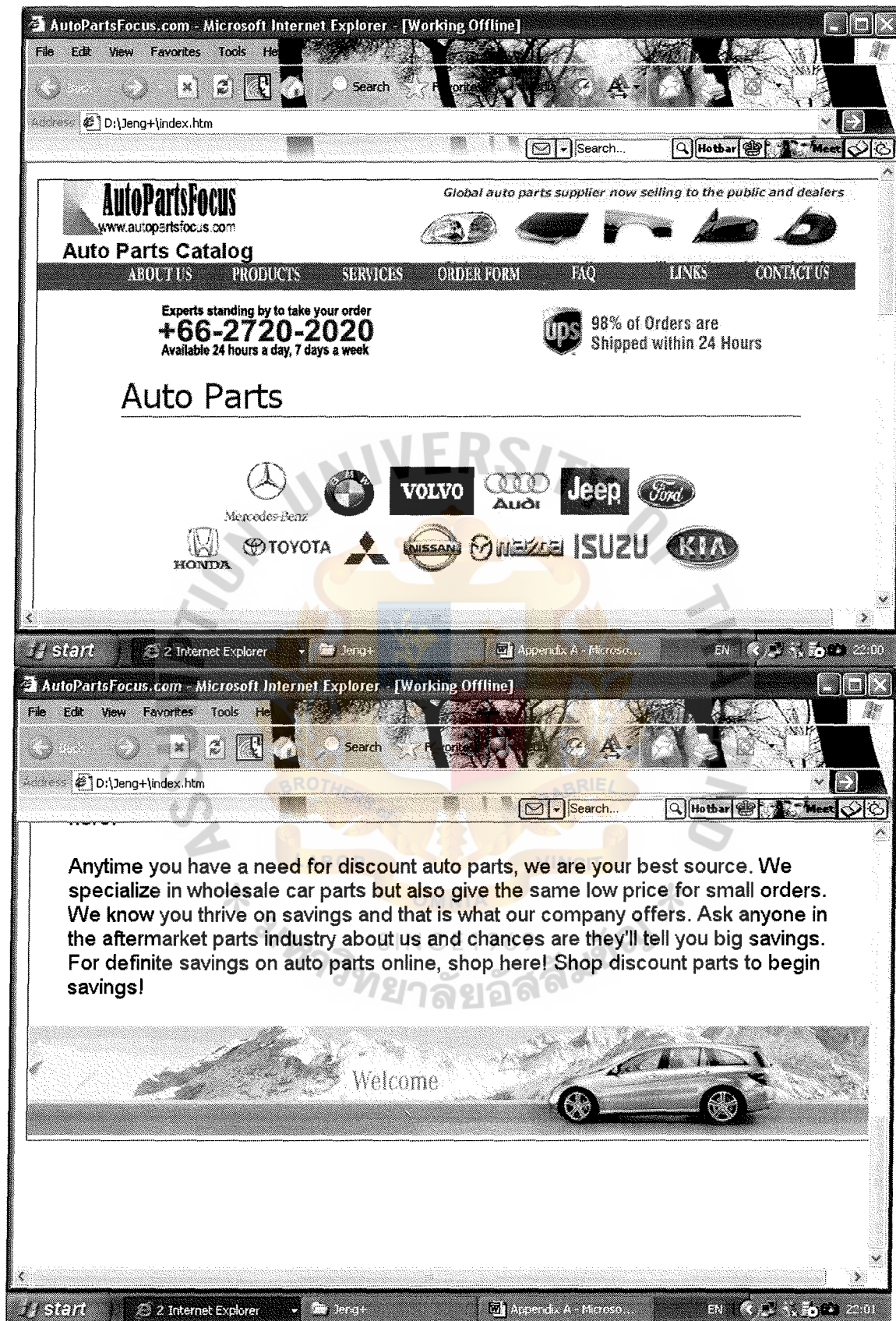


Figure A.1. Home Page.



Figure A.2. About Us.

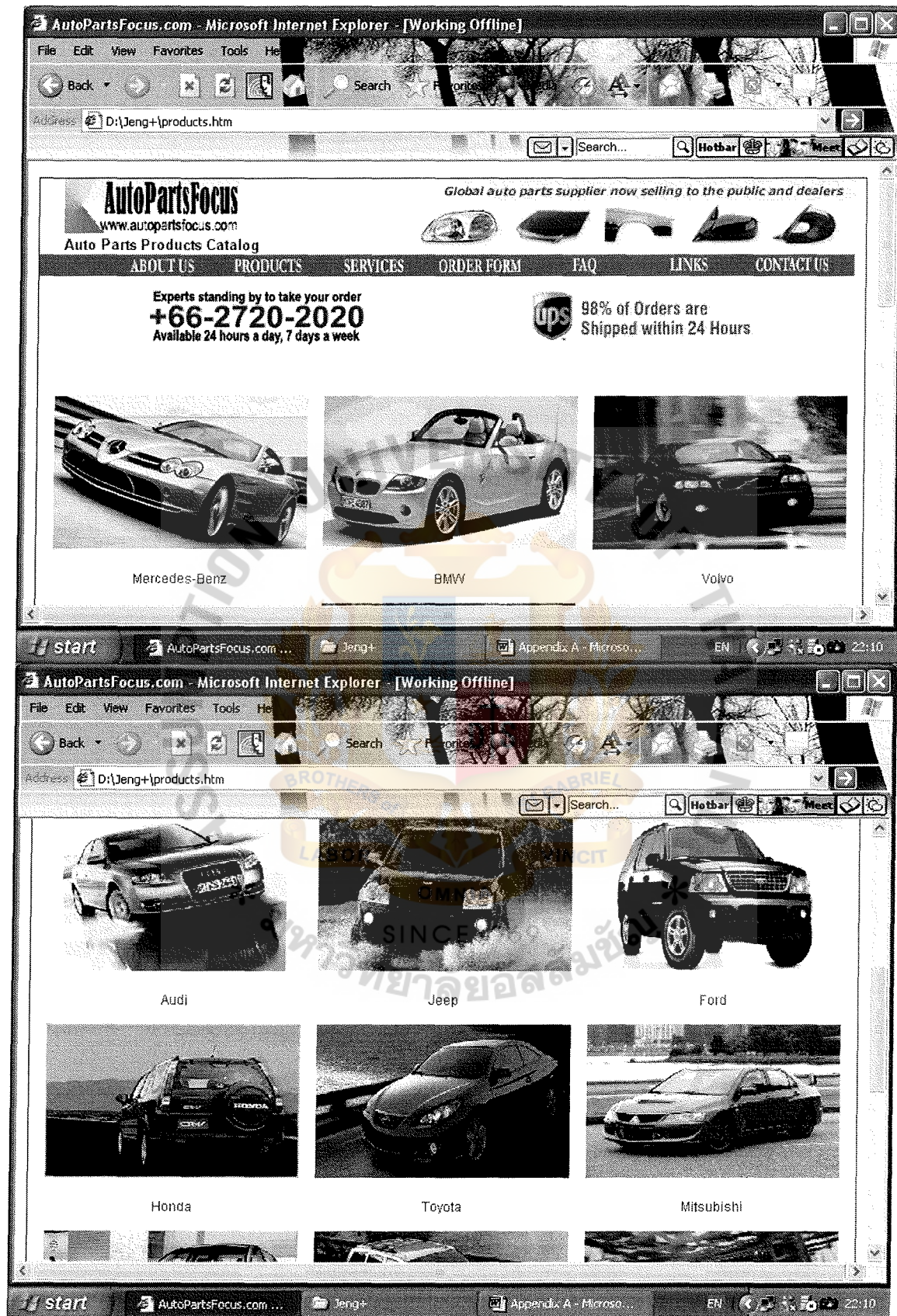


Figure A.3. Product Overview.

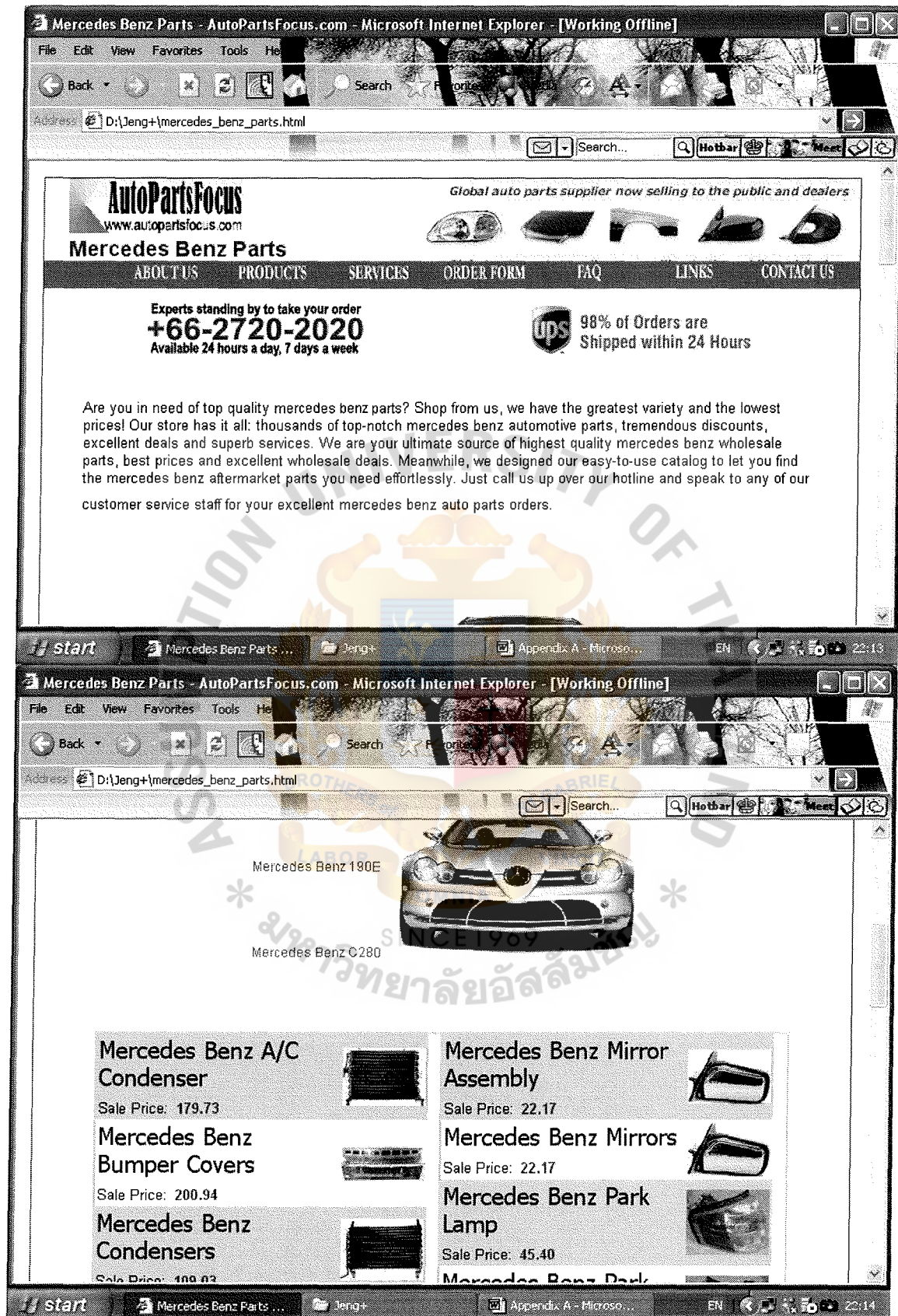


Figure A.4. Mercedes Benz Parts.



Figure A.5. Mercedes Benz Parts (Continued).

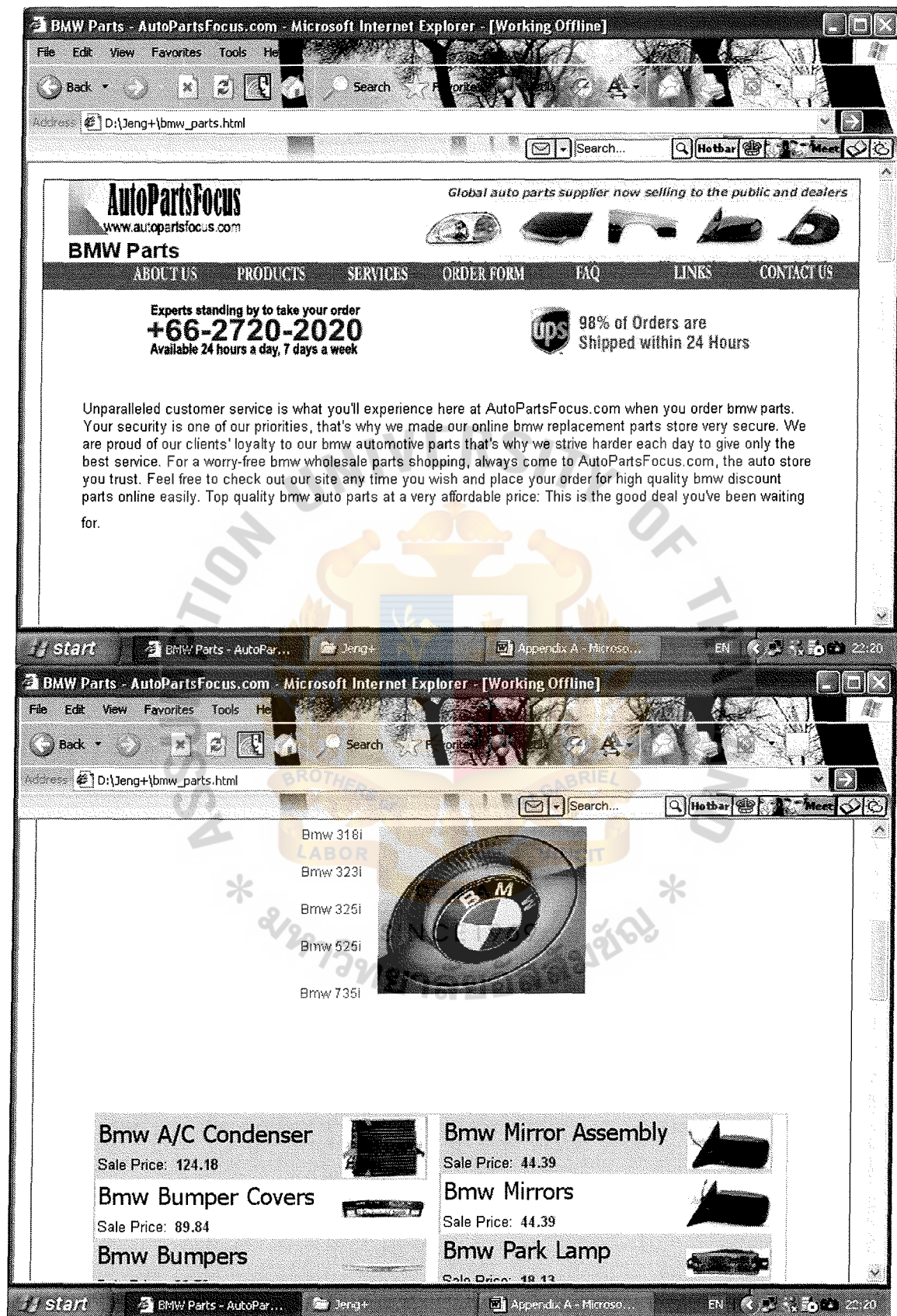


Figure A.6. BMW Parts.



Figure A.7. BMW Parts (Continued).



Figure A.8. Volvo Parts.



Figure A.9. Audi Parts.

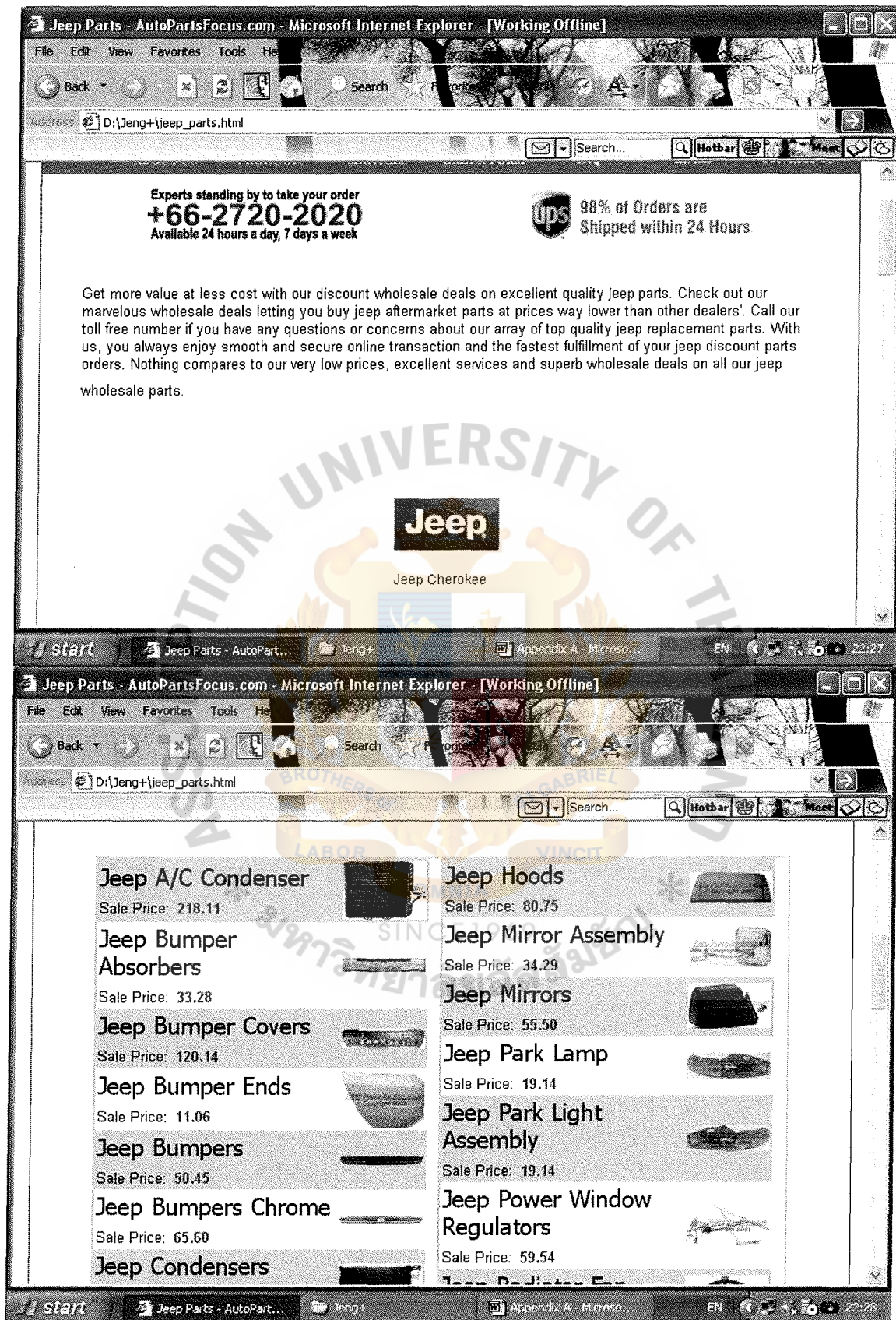


Figure A.10. Jeep Cherokee Parts.



Figure A.11. Jeep Cherokee Parts (Continued).

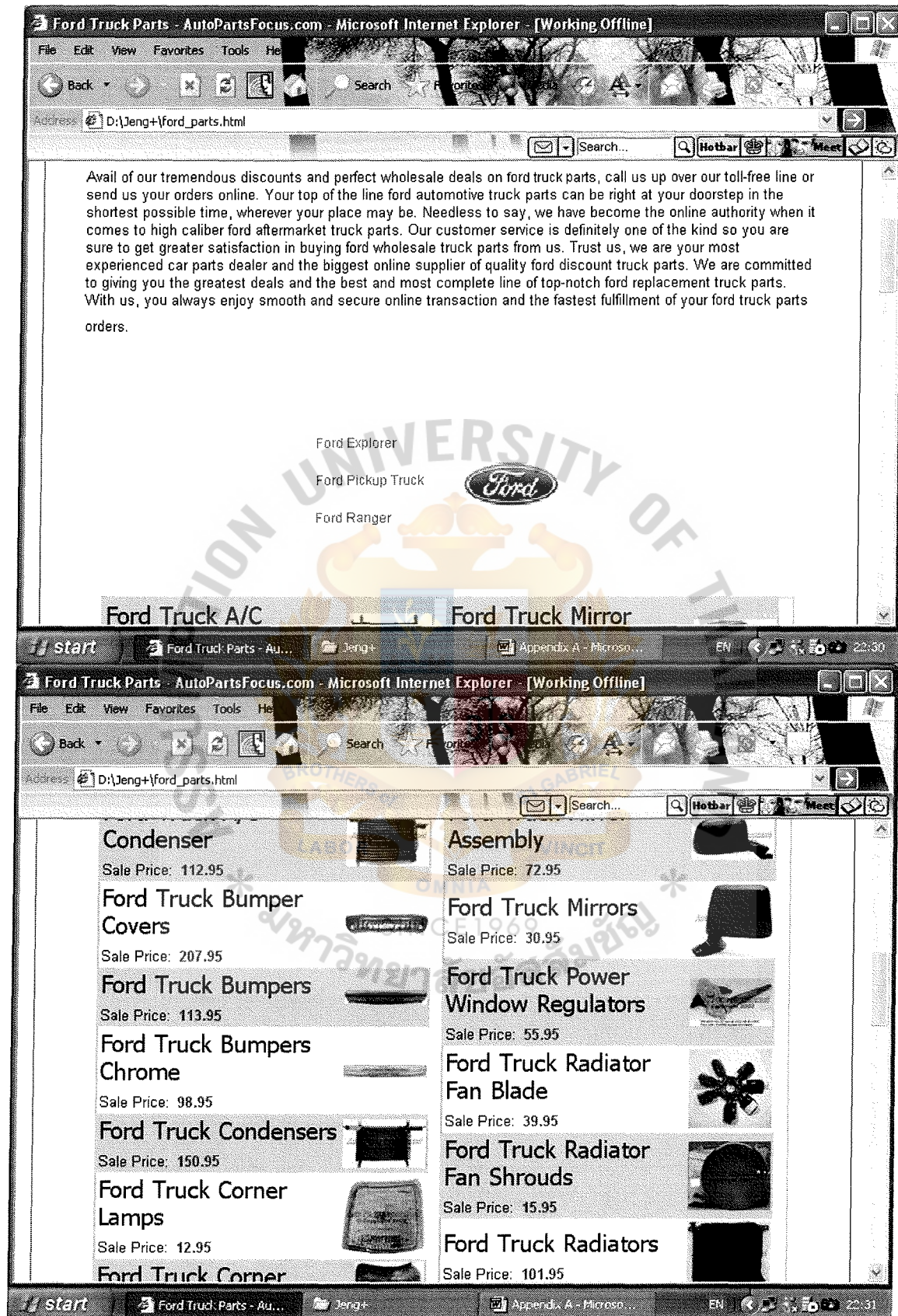


Figure A.12. Ford Parts.

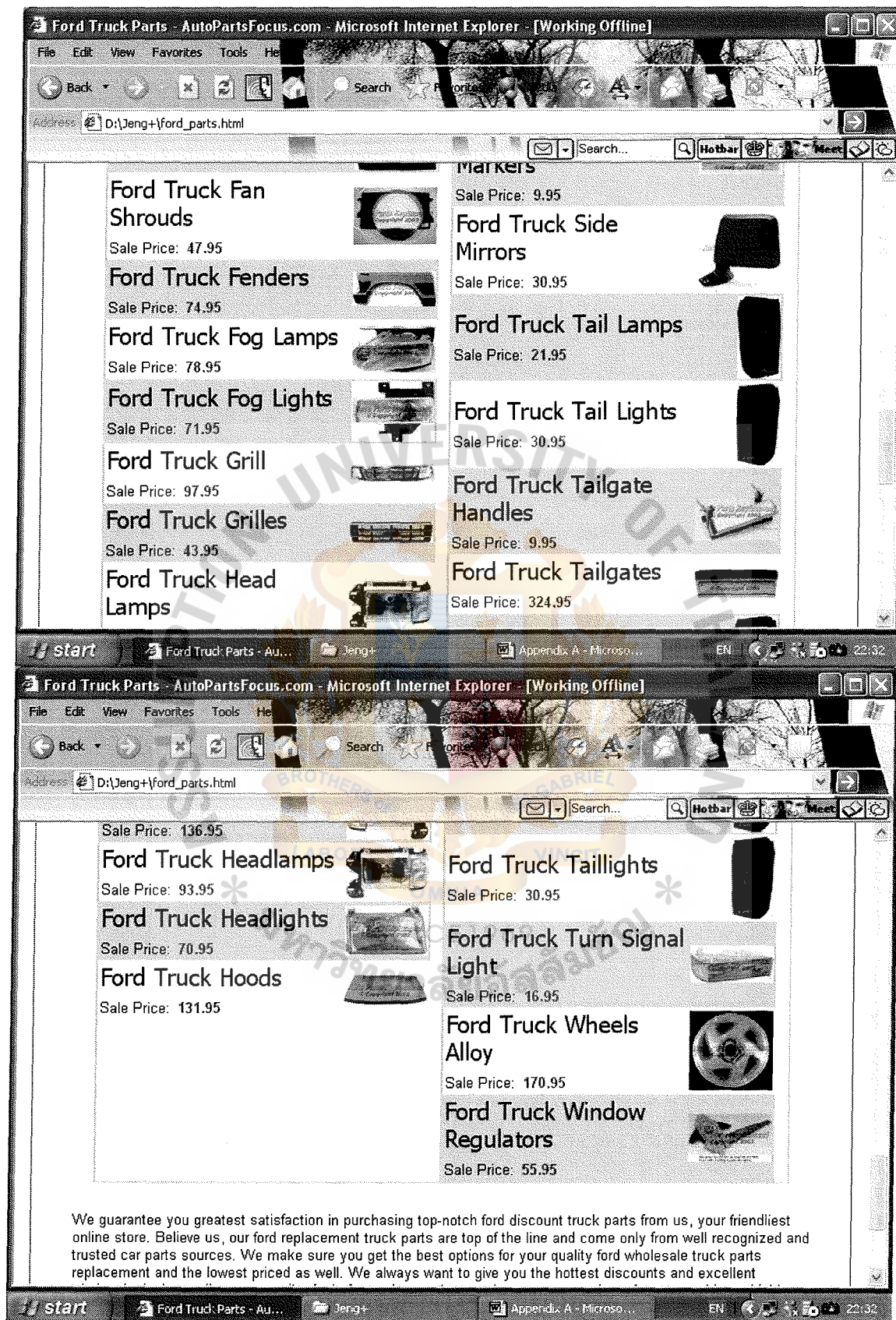


Figure A.13. Ford Parts (Continued).

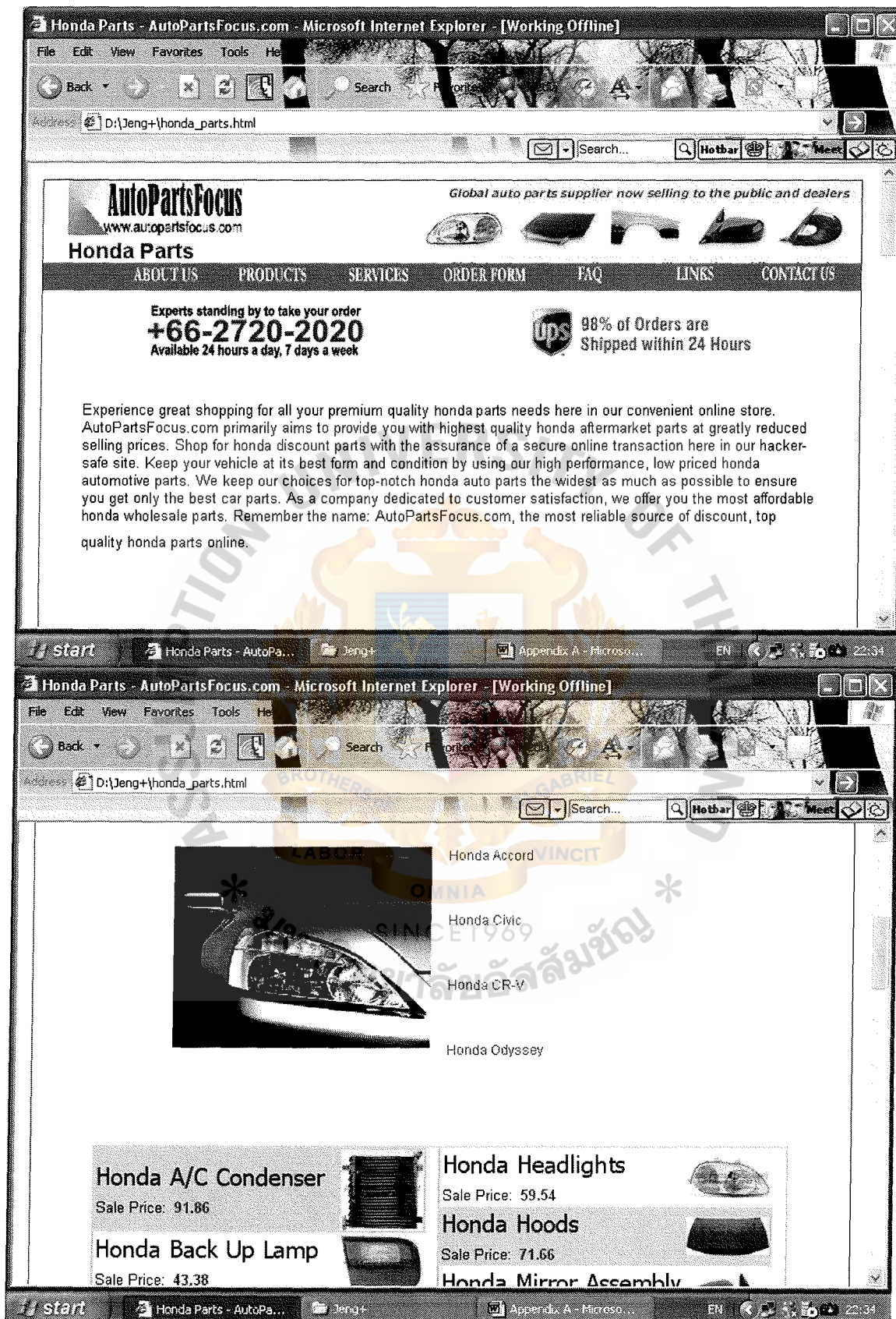


Figure A.14. Honda Parts.

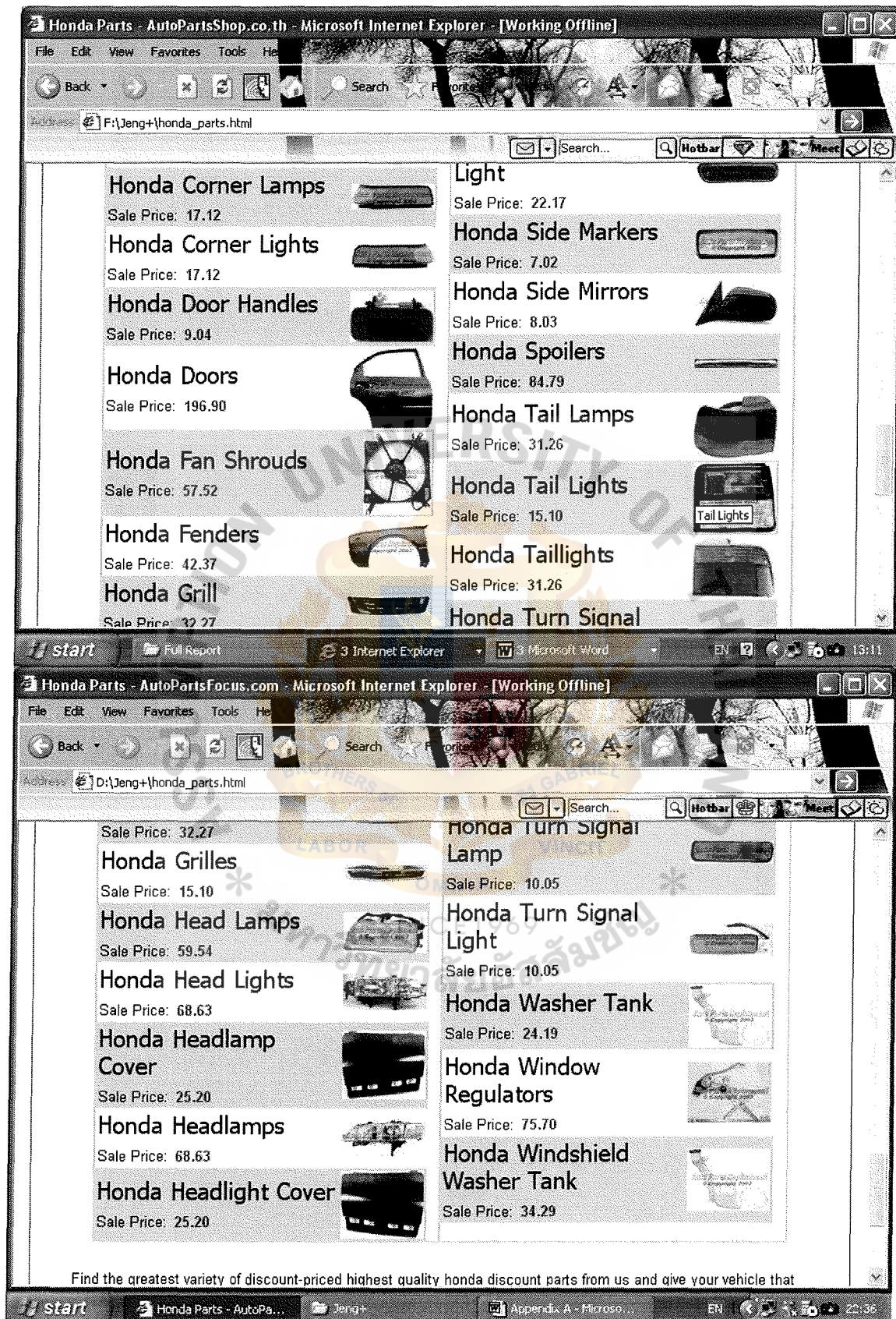


Figure A.15. Honda Parts (Continued).

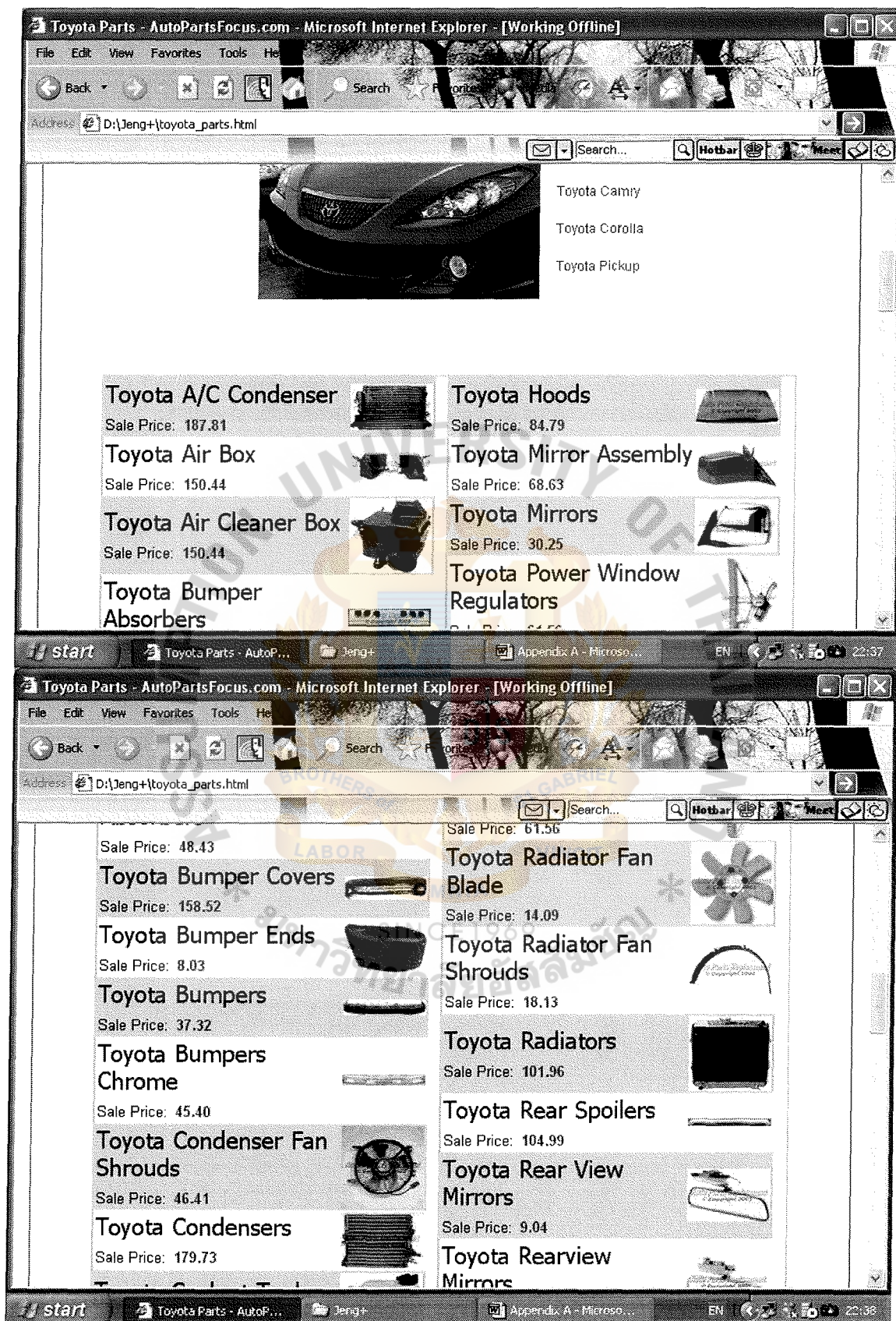


Figure A.16. Toyota Parts.



Figure A.17. Toyota Parts (Continued).



Figure A.18. Mitsubishi Parts.

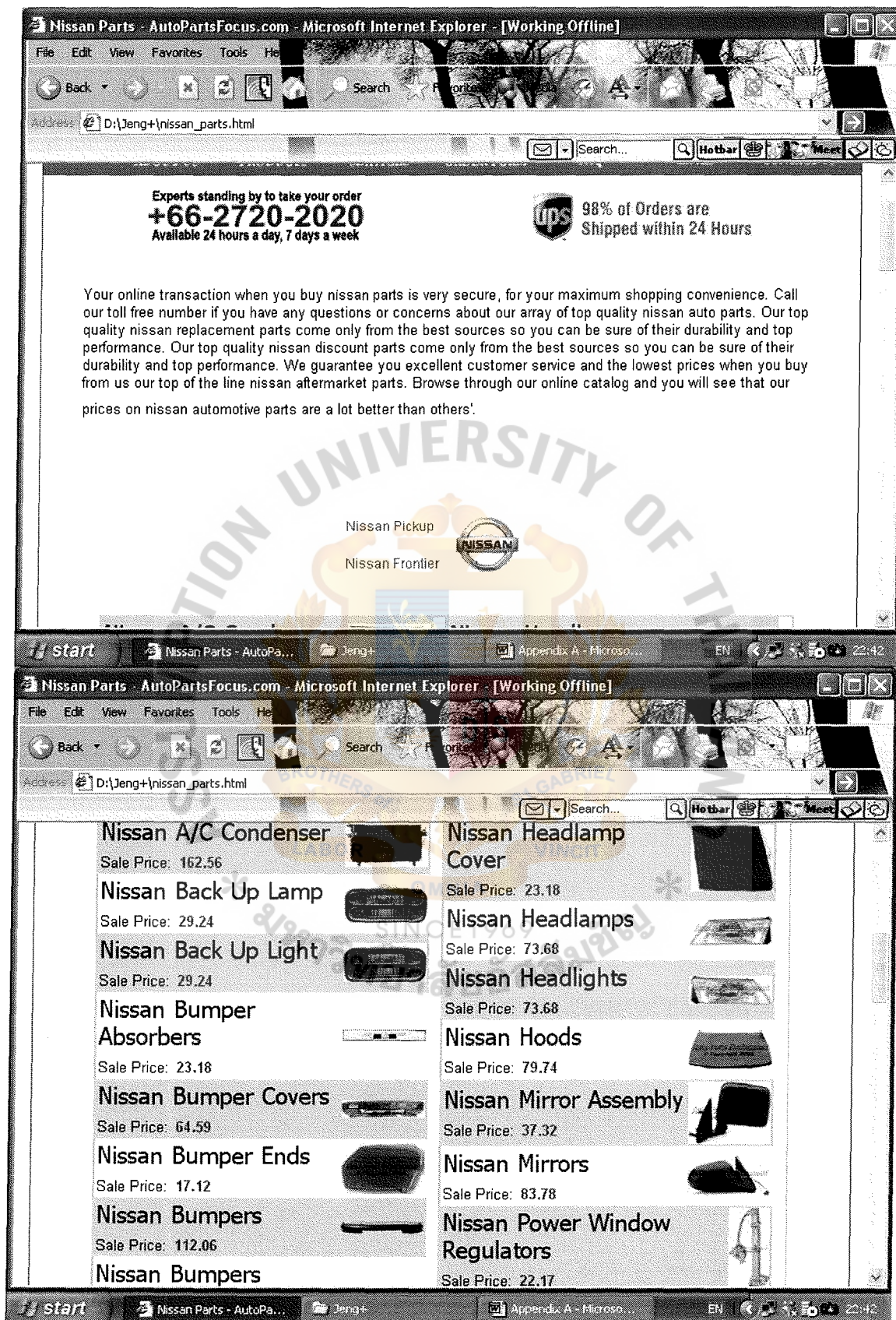


Figure A.19. Nissan Parts.



Figure A.20. Nissan Parts (Continued).



Figure A.21. Isuzu Parts.



Figure A.22. Mazda Parts.

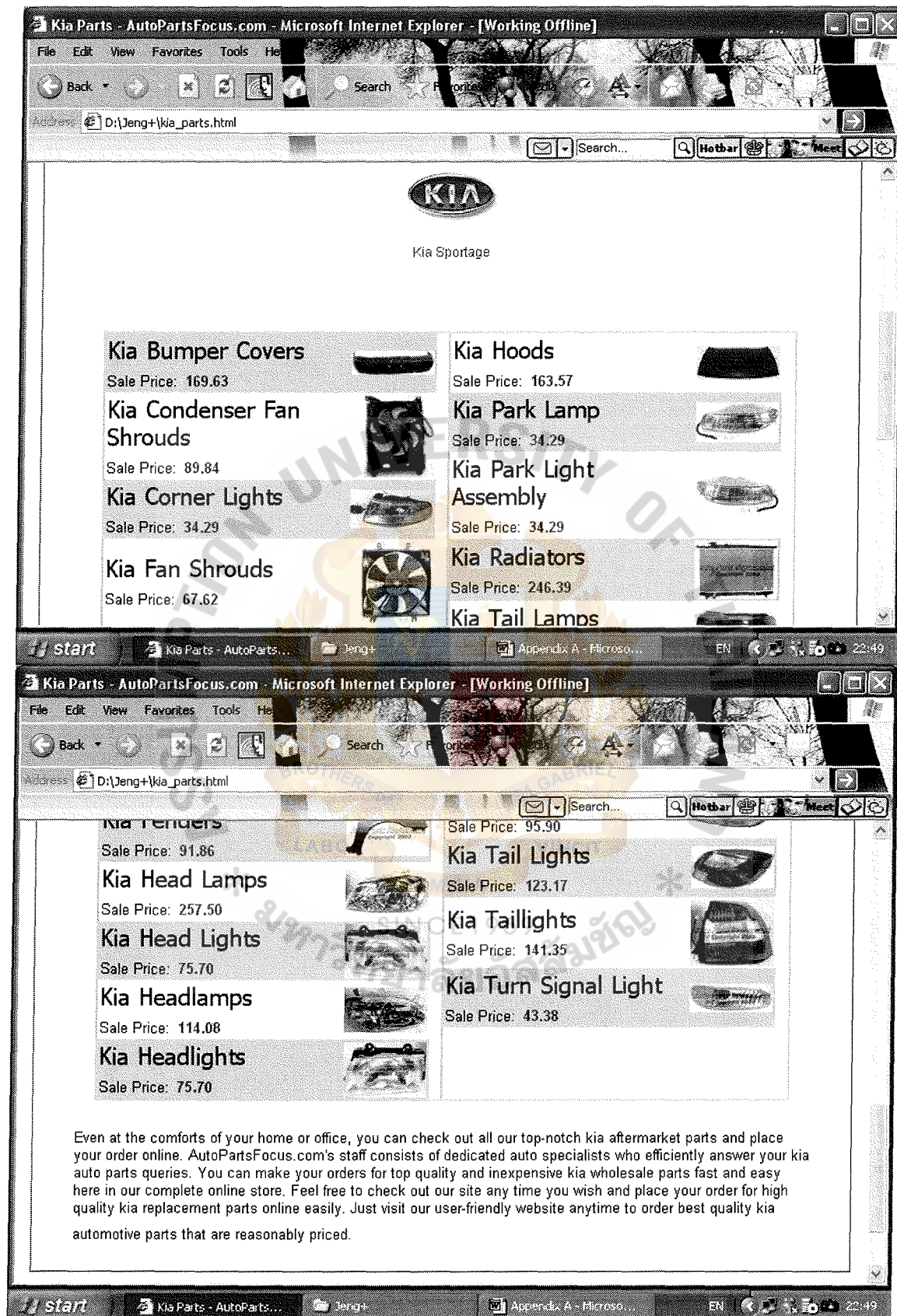


Figure A.23. Kia Parts.

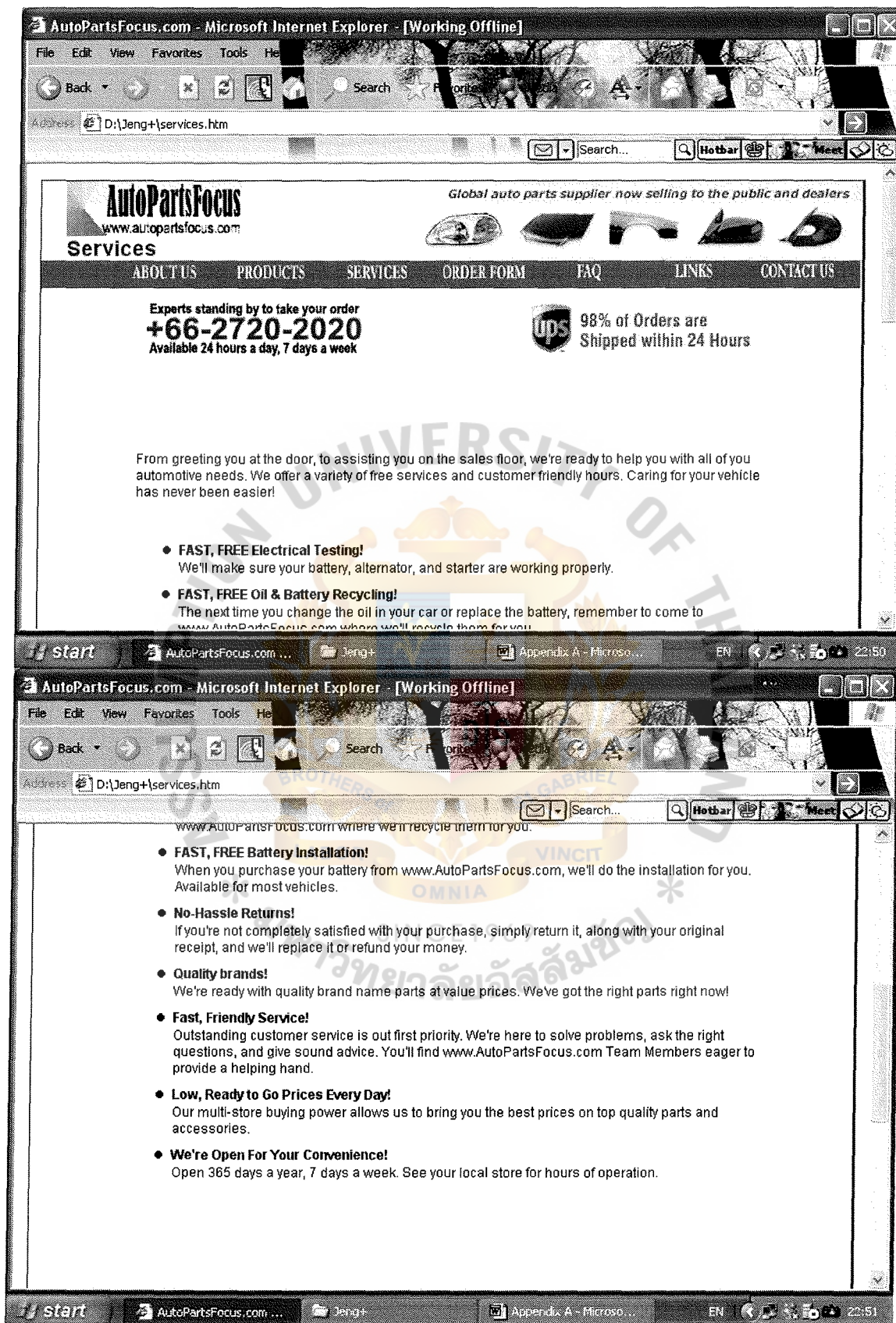


Figure A.24. Services.

AutoPartsFocus.com - Microsoft Internet Explorer - [Working Offline]


File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Home

Address D:\Jeng+\order_form.htm

Search... Hotbar Meet

Experts standing by to take your order
+66-2720-2020
 Available 24 hours a day, 7 days a week

 98% of Orders are Shipped within 24 Hours

Request Order Form

Your Full Name:*

Gender:*

Contact Address:*

Phone Number:*

E-Mail Address:*

Vehicle Brand: Choose Vehicle Make

Auto Parts: Choose Auto Parts

Order Units: QTY

Transport Service: Choose Transport Service

Order Comments:

Submit Request

Figure A.25. Order Form.

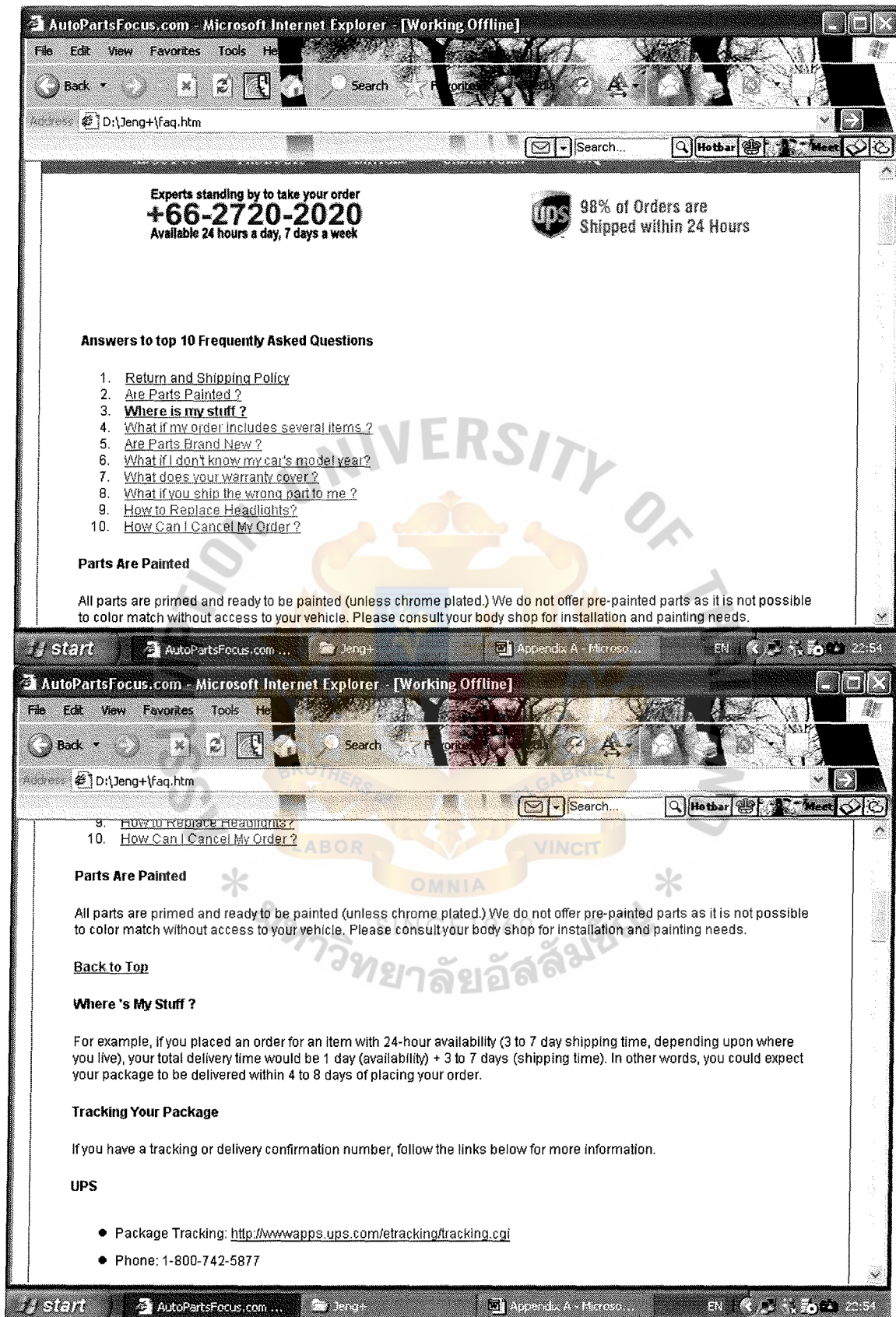


Figure A.26. FAQ.

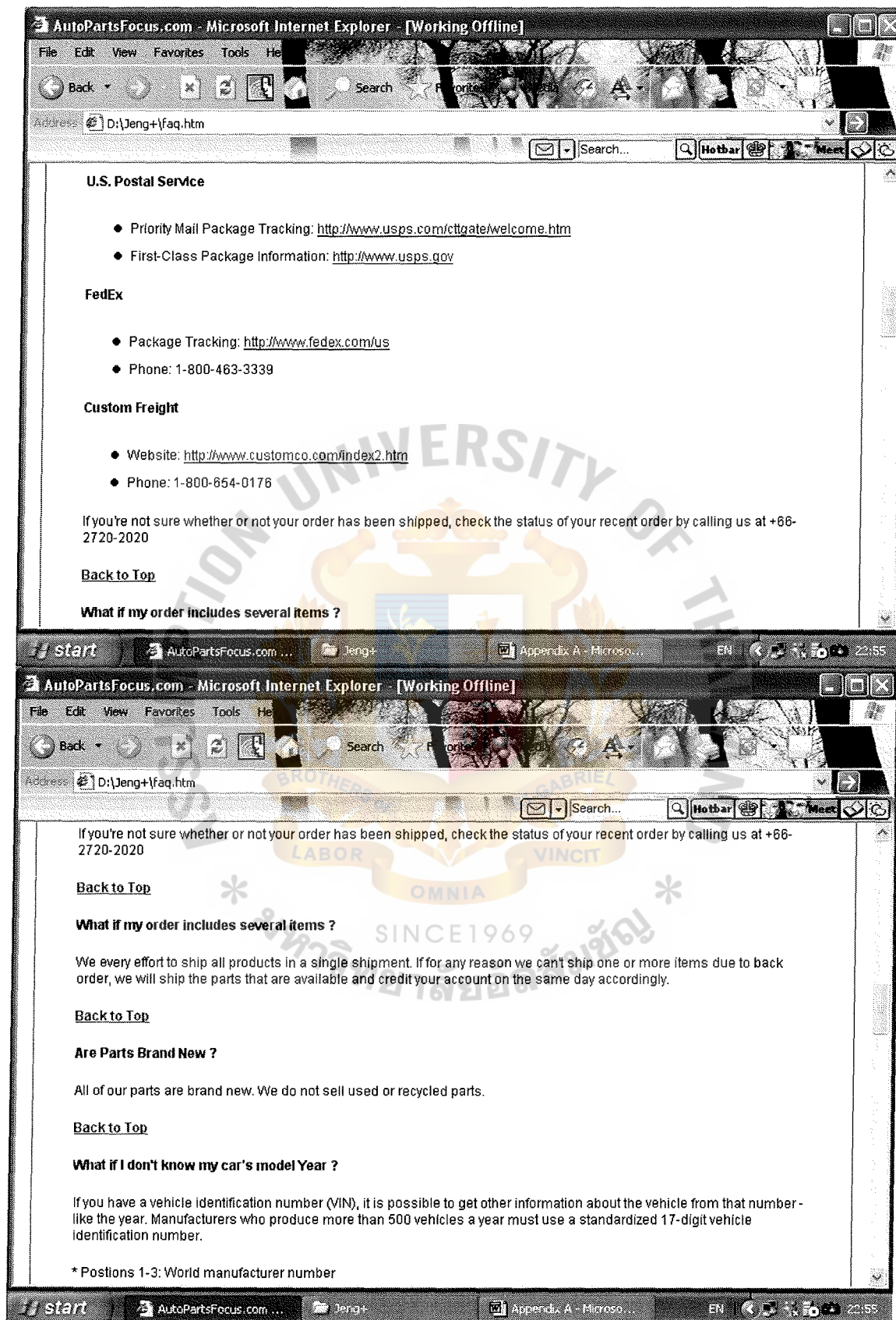


Figure A.27. FAQ (Continued).

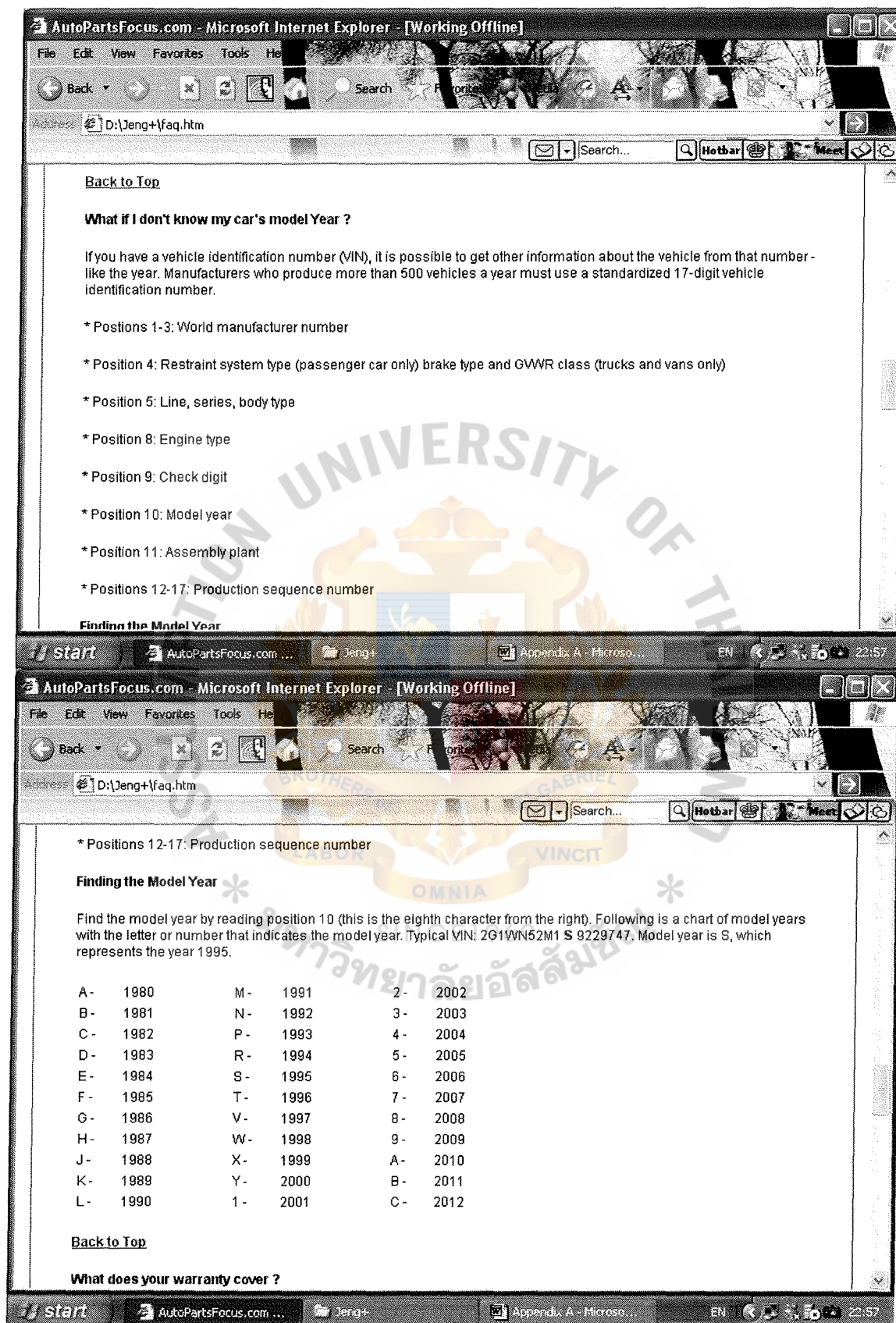


Figure A.28. FAQ (Continued).

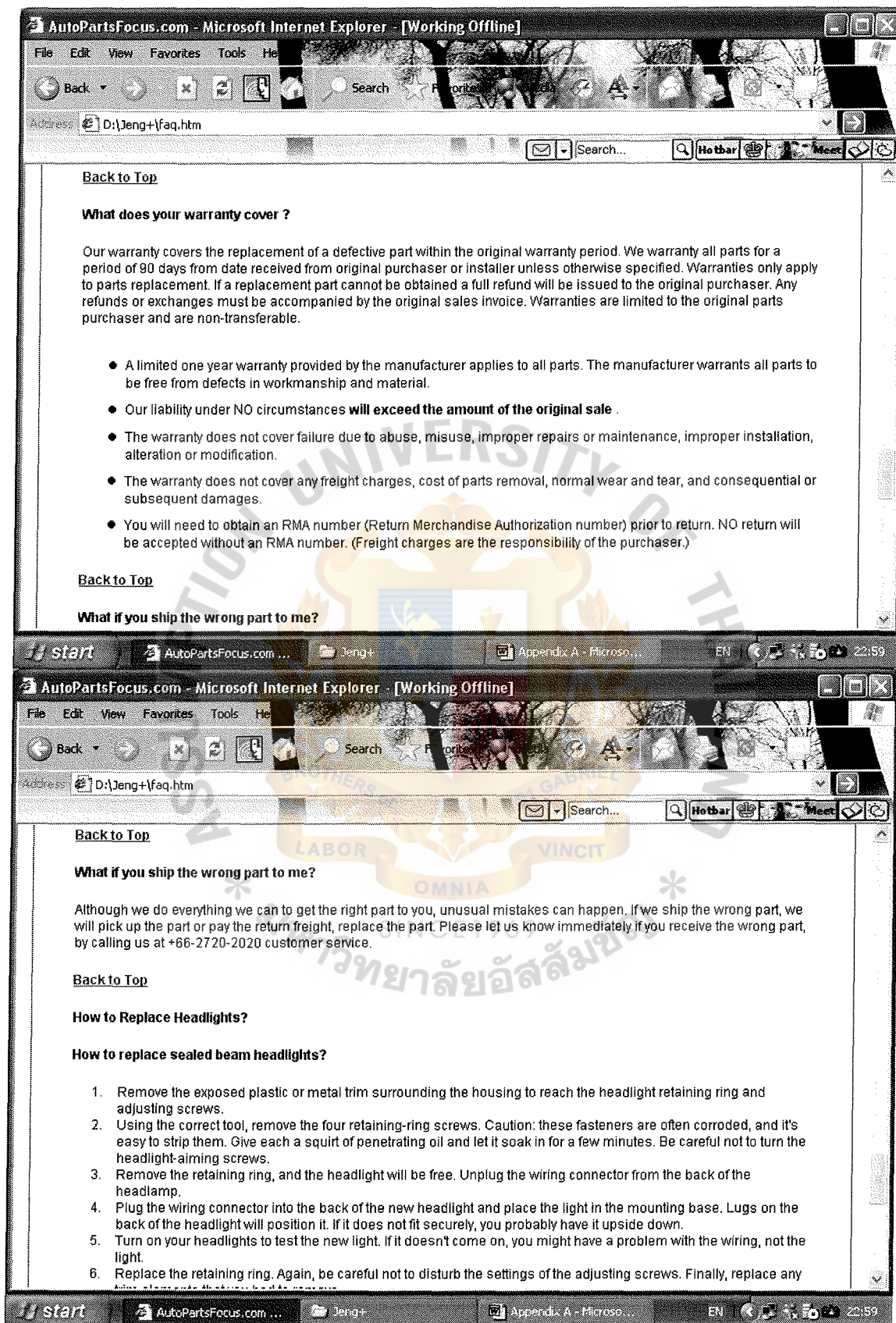


Figure A.29. FAQ (Continued).

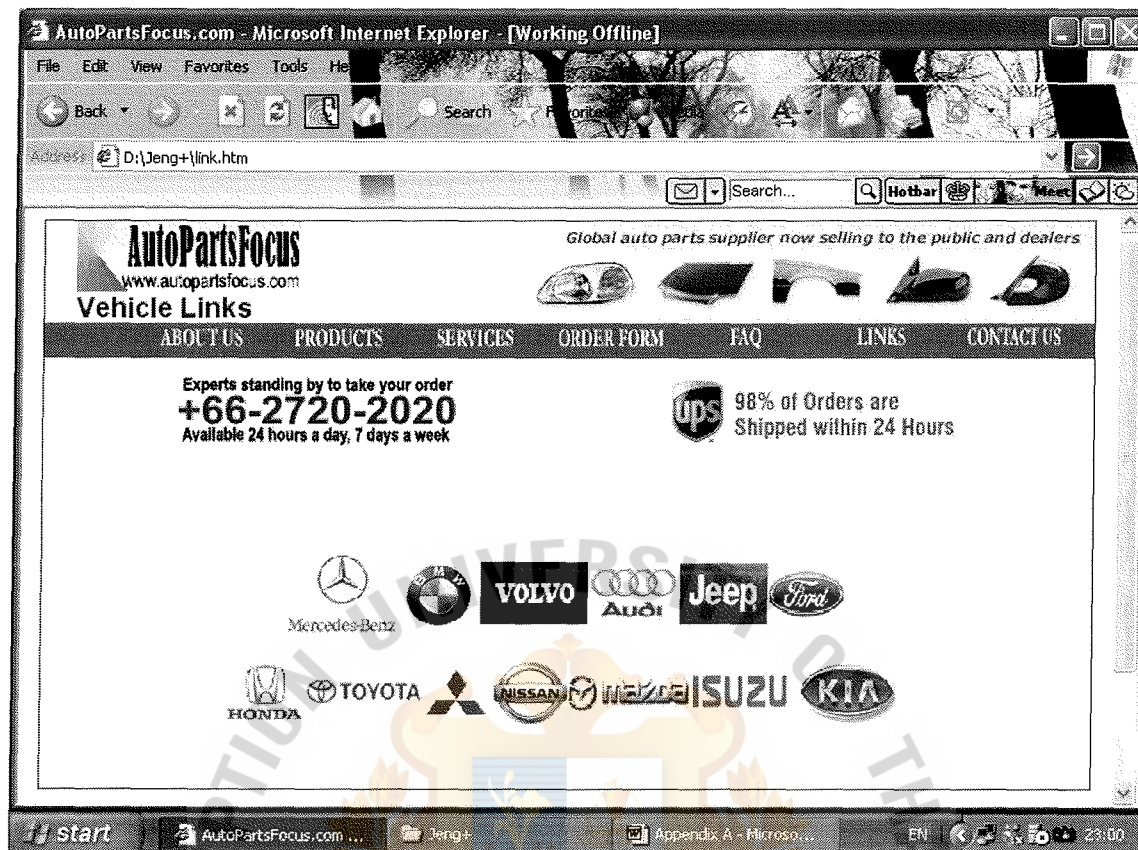


Figure A.30. Links.

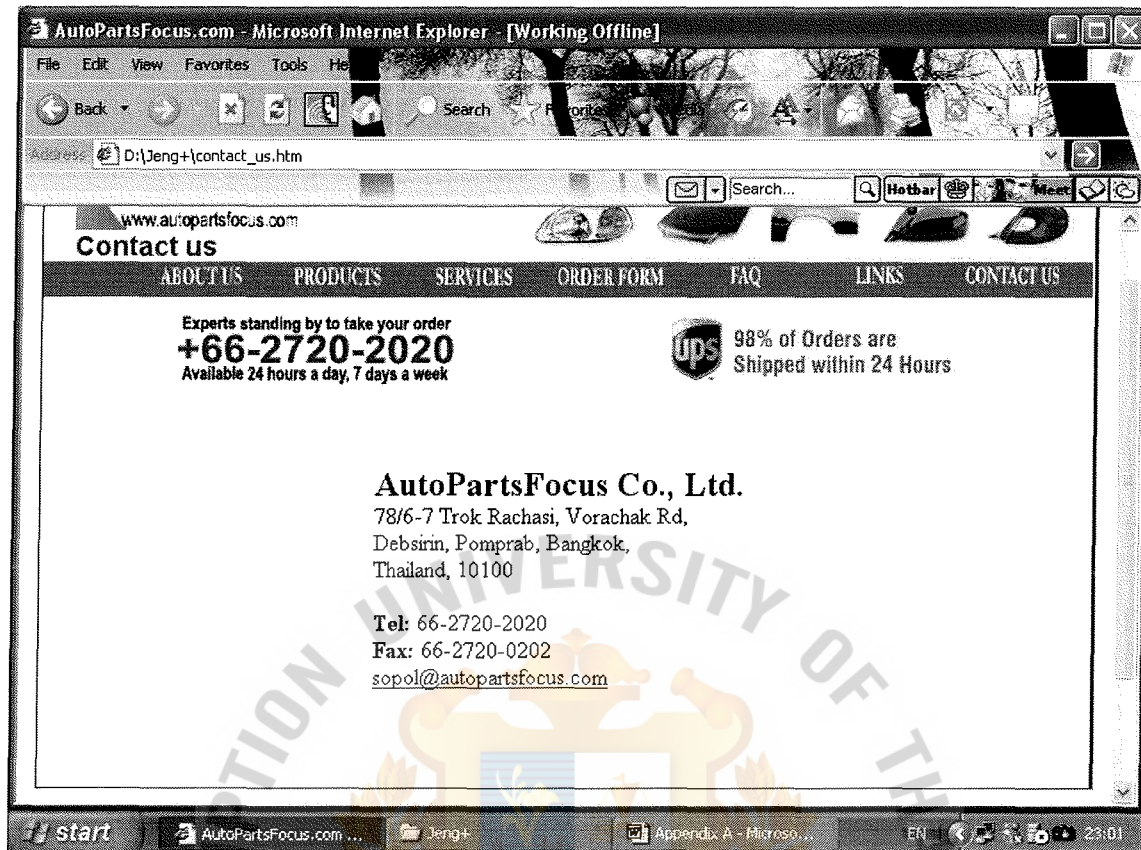


Figure A.31. Contact Us.

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