



Online Spa Supply Shop

by

Ms. Sutanya Charoenruttanawat

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

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

July 2003

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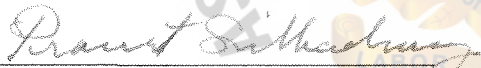
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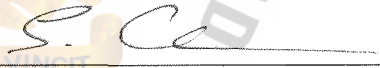
Project Advisor Rear Admiral Prasart Sribhadung


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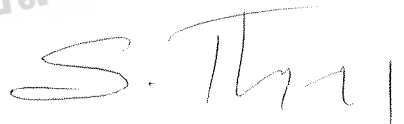
The Graduate School of Assumption University has approved this final report of the six-credit course, IC 6998 E-Commerce Practicum, submitted in partial fulfillment of the requirements for the degree of Master of Science in Internet and E-Commerce Technology..

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ABSTRACT

Green Spa Company is the distributor of spa and Thai herbs products. The company sells spa and Thai herb products to hotel, resort, and beauty and spas in Thailand. This project is concerned with setting up an electronic store to be used as a complement channel of the physical store.

The current distribution of the company is selling its products through physical stores by contacting through the company's salespersons. The purchasing order of the company is based on a manual and partly computerized system.

The main purpose of opening an online store is to increase the distribution channel, facilitate customers, and use the Internet as a new marketing tool. This report includes study of the evolution of Business-to-Business Distribution Model, Business-to-Business E-Commerce, Competitor Analysis, SWOT Analysis, Customer Delivery Value (CDV) Analysis, Target Market, Marketing Strategies (4Ps), Database Design, Web Interface Design and Implementation including web development tool and function which are ASP.Net Application, Microsoft Office XP Professional, and Macromedia Dreamweaver Ultra Dev.4 Web function includes registration, shopping cart, search engine, history record of ordering, and secure payment system by commercial bank. Financial analysis including calculation of estimated revenues and development cost.

ACKNOWLEDGEMENTS

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First of all, the writer would like to thank Rear Admiral Prasart Sribhadung her advisor, for valuable suggestions and advice given in the preparation of this project.

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Finally, the writer would like to thank her friends for their support and patience throughout the project.

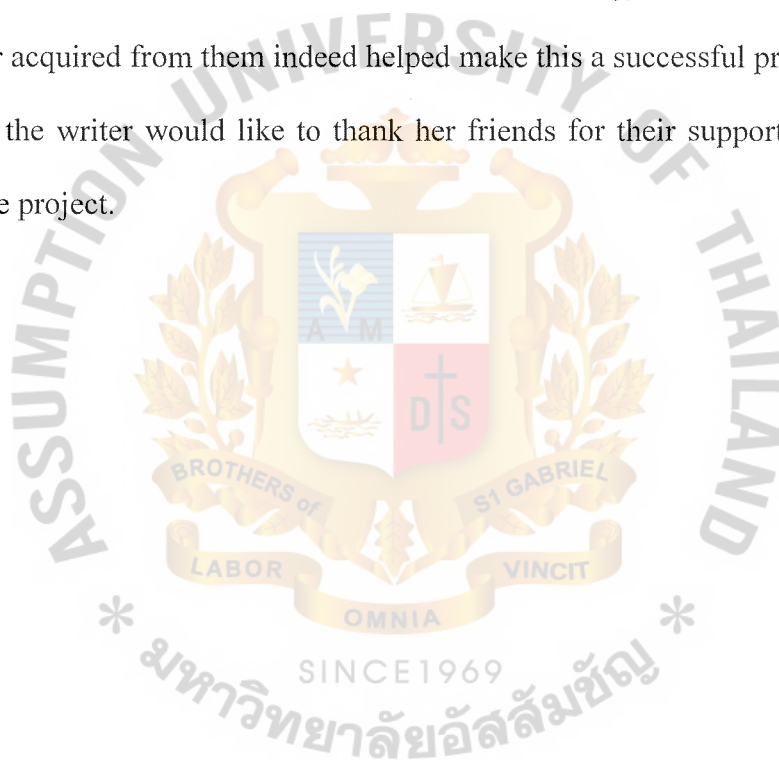


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I. INTRODUCTION

1.1 Internet and Electronic Commerce

Nowadays, the Internet has become a part of people's life. It brings an important change to people, business and government which means we are moving to an Internet based society. The Internet is a large network formed by the interconnected computer networks and individual computers all over the world via the telecommunication systems such as phone lines, satellites, and etc., Almost everything will be changed-at home, at work, at school or even in our leisure activities. One of the most significant changes is in the manner of how we conduct and manage the business.

Internet is already changing the way many companies conduct their business, As that influence grows, and more companies use the Internet, the possibilities for conducting business to business commerce on the Internet will expand greatly, and become more of a routine part of commerce than it is today.

E-commerce describes the manner in which transactions take place over the Internet. It is the process of buying and selling products or services in electronic form. It is also includes marketing, advertising, sales promotion and research. There are five major types of e-commerce in this current market situation, which are Business-to-Business (B2B), Business-to-Consumer (B2C), Consumer-to-Consumer (C2C), Peer-to-Peer (P2P) and Mobile Commerce (M-commerce).

1.2 Background of Project

We all know that now the Internet is the most important and potentially most effective communication and marketing medium the world has ever seen. By using the Internet, businesses can do transactions, distribute products and conduct advertising in electronic form. So the traditional form of business transactions which is a paper-based system will be replaced by the electronic-based system. This technology brings an advantage to business by giving more convenience to customers, reduces cost, saves time and energy and also increases efficiency and effectiveness of business operations. From this situation, we can see the opportunities to generate income for our business.

Our business is a store that sells spa and Thai herb products to many spa shops, hotels and resorts which provide customers the spa service. We are the distributor of spa and Thai herb products from many Thai local and home industries to sell to many hotel and spa shops in Thailand. We classified our product into 4 main categories which are Herb Soaps, Candles, Aromatherapy oil and Skin care products.

As our store is in the form of business-to-business model, we need to create a close relationship with many business organizations in order to facilitate them in doing transaction and providing information. Now our store distributes products through salespersons, so we have a plan to expand the distribution channel, promotion channel and advertising channel by using the Internet. We will establish our own web site to sell products and provide services. Our website will be a kind of E-commerce website which contains some tools that facilitate users when ordering through our website such as order system. We believe that the Internet will be a very useful and powerful tool to support our business to be more successful.

1.3 Objectives

- (1) To use the web as a tool to support the existing store.
- (2) To be able to reach new customers through the use of new distribution channel.
- (3) To facilitate our customer in ordering and providing products and company information.
- (4) To generate more sales and income from selling products.
- (5) To be a new marketing channel or tool of promotion and advertising program.
- (6) To overcome the limitations of time and place in physical stores.
- (7) To reduce all costs in doing business processing and operating.
- (8) To offer more customer service than in physical stores.

1.4 Scope

- (1) Apply the Internet and E-Commerce knowledge has studied into this project.
- (2) This report will cover a complete analysis of marketing plan and strategies by defining target market, segmentation, positioning, and marketing mix.
- (3) Provide an analysis of competitive advantage, SWOT analysis.
- (4) Conducting financial analysis in terms of expected income and all costs.
- (5) Providing website management strategies include web interface design, and database management.

1.5 Deliverables

Deliverables for this project will be as below:

- (1) The final report covers the scope as mentioned in previous topic.
- (2) The E-Commerce website prototype which consists of product information such as product description, price, etc. All product items will be updated frequently.

1.6 Project Plan

Table 1.1. Project Plan.

	Year 2003					
	June	July	Aug	Sep	Oct	Nov
1. Proposal Submission	*					
2. Data collection	*	*				
3. Marketing Plan	*	*	*			
4. Web Site Development						
- Concept / Features		*	*	*		
- Design			*	*		
5. Web Completion				*		
6. Finalize Report				*	*	
7. Project Submission					*	
8. Defense						*

II. LITERATURE REVIEW

2.1 Evolution of Business-to-Business Distribution Model

Distribution Model Business Basics

Modern business-to-business transaction (i.e., commerce, at least in the last 200 hundred years) has often flowed through a simple, but efficient model. This model included the manufacturers of goods, a middle man or broker who distributed the goods, and the ultimate buyer who took delivery of the goods from the distributor. The value proposition of this tried-and-true model is centered on the distributor's ability to find and create markets for the manufacturer and to find and deliver goods to the buyer. The distributor was valuable to the manufacturer in that the distributor theoretically represented access to markets that the manufacturer needed, into which to sell its goods.

In addition, the distributor also provided the sales and marketing resources that the producer / manufacturer either did not have or did not want to employ for a variety of economics reasons. The distributor traditionally added value to the buyer of the goods by having product knowledge, pricing flexibility, and a delivery resource to deliver the goods at a price that was attractive to the buyer and with the expertise to put the goods into service. This model is used to deliver every kind of product imaginable. The distributor's value continues to be its product and positioning knowledge. Knowledge of the manufacturer's goods is the value add factor. The channel found buyer, found manufacturer, helped sell, service and represent both the buyer and seller because of its specialized knowledge of the complete transaction and all of the various components.

Historically, Technology Was Embraced by the Channel

Up until very recently, technology was used primarily to enhance the efficiency and effectiveness of this distributor centric model. The telephone and the personal computer are two examples of technology that have greatly enhanced the traditional channel model. The telephone greatly increased the speed of response the distributor could affect to the business wants and needs of their customers and it enabled the channel to keep abreast of the manufacturer's product information. The telephone also greatly increased the range that a single distributor could create and fulfill the transaction. The personal computer again increased the efficiency of the channel by allowing vast amounts of information to be processed quickly and the history of each transaction retained for future use by sales, marketing, and service agencies of the channel. But neither actually changed the producer-distributor-business consumer model radically, technology just made the model more efficient, and in many cases drove prices down, opened new markets, expanded territories, etc.

Enter the Internet

Technology is now in a position, through the complete and utter shift toward "Electronic Commerce" and all that the term implies, to simultaneously destroy and empower the traditional vendor / channel, distributor model. This E-Channel technological paradox may exist for several business cycles, perhaps forever. It depends how the three parties to the model the manufacturer, the distributor, and the buyer choose to employ the Internet.

The Internet has opened the direct lines of communication between manufacturers and buyers, but it has also provided new opportunities for the distributor, the smart ones, to find other ways to add value back into the E-Commerce transaction.

2.2 The Effect of Internet on Business-to-Business Distribution Model

Technology, specifically as it is applied on this planet to create and perpetuate the Internet, was supposed to permanently eviscerate the traditional commercial intermediaries, by bringing buyer and seller together to complete the commercial transaction, without needing the assistance of the traditional intermediary or distributor. That has obviously not happened. What has happened is what we call the paradox of technology. The ability of technology, to both enhance and make obsolete one or more aspects of business, works and plays. In the case of the traditional commercial distribution channel, this paradox holds true. The Internet has both enhanced and destroyed commercial channel selling.

The Internet and the application of its technology by consumers, both commercial and private, have altered forever how our venerable institutions of channel based economics function in the world of E-Business. In the case of business-to-consumer transactions, the likelihood of the consumer continuing to support the old notion of intermediation and the typical price mark-up by retail channel is moving toward a zero. Consumers are not paying the middle man for zero value adds in their commodity product purchases. In commodity industries, in industries where scarce information controlled the transaction in markets where the distribution channel does not add much perceived value, the Internet is replacing many distributors and retailers. This is called disintermediation.

On the business-to-business (B2B) side, however, this disintermediation is not as widespread as early Internet sages would have us believe. Some industries are more prone than others. While the PC, automobile, travel, and insurance industries are particularly vulnerable, one sees firms like IBM, Nortel Networks, Cisco, and Compaq Computer enhancing their channel partners through the deliberate and thoughtful use of

technology and the Web. IDCs opinion sees the role of the middle man as changing over time. The following discussion highlights some of the negative and positive effects technology is having on the channel model of commerce.

Negative Affect

How the Internet is negatively affecting the traditional channel value proposition are as follows:

(a) Information Availability

The availability of information to the buyer was once the key factor in sustaining the distribution chain value proposition. The channel had the information that allowed it to leverage the knowledge it had of the producer's products, prices, and target markets. In addition, the channel also had direct knowledge of the market, the business customer, internal wants, internal requirements, pricing tolerances, and other preferences. The channel typically knew substantially more than the manufacturer or the business consumer in any given transaction. Both parties were dependent on the channel to make the transaction as profitable, economical, and timely as possible. The distributor could make everyone happy or not.

The channel can and would assist the buyer in comparison shopping for better prices among manufacturers, and pit producers against one another to lower prices or to obtain other concessions from the producers. The distribution channel can recommend products based on its relationship with a particular producer (which could include special deals in which the distributor would make significantly higher margins) rather the most appropriate products for the business customer. The customer may never know that there might have been better products and services from a

different producer because the channel was the only party to competitive or pricing information. Both ends of the transaction, the producer and buyer, were dependent on the distributor for information. The distribution channel often filtered the information in both directions to its advantage and not necessarily to the producers or buyers. The Internet and its vast universe of information, its affinity for allowing E-commerce to thrive, fertilized by the true currency of the Internet knowledge broke the monopoly the distribution chain had on the knowledge necessary to conduct B2B commerce. The value of the information once held only by the distribution chain is eroding. The same proprietary, hard-to-find, scarce, and rare information about producer's products and buyers preferences and identity that once was the leverage point of the value of the distributor is now available to hundreds of millions of Internet E-commerce participants. Producers like Dell Corporation, Charles Schwab, Ford motors, Boeing Corp., and thousands more, provide all the information their customers need to make a purchase decision- all without the channel or middleman.

Depending on the industry, the Web may have no effect on the product lifecycle at all. The Net affects the relationship between the manufacturer, channel, and the "consumer" through the information now available to the ultimate consumer. The Internet provides the information to the end consumer (business or retail) that was once only available through the middleman – because of the middleman relationship with the manufacturer. Proprietary tools (EDI) and scarce information about product availability, pricing, where to buy it, and how to use it, keep the channel value high, The Web has not changed how the manufacturers build their

products, but it has changed how they communicate with their customers. The channel can no longer charge what it wants in markups because users now enjoy the same advantage in information that the distributor does. The Web has empowered consumers with all the same information, tools, and technology once enjoyed only by the distribution chain in their relationship with the manufacturer.

The Web time factor betrays the distributor due to shortened product cycles and the distributor choice on where to place training for sales and engineering to insure ROI. The ROI on training and sales dollars may not be realized before products change. Higher technical industries are facing shorter product life cycles.

(b) Self-service Takes Hold in B2B Transactions.

The Internet has ushered in the age of self-service in B2B transactions. Commercial buyers have become so accustomed to the availability of information about the products they wish to buy, and to the mechanisms allowing them to buy commercial products online, that it is difficult to imagine doing business any other way.

(c) Standardization of Systems.

Those business professionals around long enough to remember when EDI was still a novel concept, when Arc net was the standard networking protocol, and local area networks were really, really local, also remember being totally dependent on proprietary technology, controlled by suppliers and intermediaries to complete most B2B transactions. Large fulfillment houses, distribution chains, and re-marketers grew up in the B2B space because most business did not have the time, capital, or resources to invest

in the many different systems required to make a simple transaction like buying a replacement part for a PBX (telephone switching system for small to medium-sized business). The local telephone company had the knowledge and the EDI systems to contact the manufacturer directly to order and take delivery of the, let alone even identify the part number and order code. Typically, the manufacturer granted dial-up access only to authorized distributor, who had the correct modem, access software, terminal type, and access codes. No ordinary B2B customers could dial in and order the part for themselves.

(d) Ease of the Transaction

Why is the Internet invading every nook and cranny of our commercial consciousness? Simple, it is easy to use. The global deployment, especially in North America, of the infrastructure, the cabling, hubs, routers, bridges, servers, and personal computer to support the Internet, the World Wide Web, combined with new and exceptional transaction processing and user interfacing application software, make the Web a relatively easy, predictable, and today relatively secure place to do business.

Positive Affect

Ways the Internet is enhancing the B2B distribution model are as follows:

(a) Lowering Transaction Costs

Through the use of better, faster, and easier-to-use and maintain technology, the Internet has given the channels new tools to wrest the value Proposition back in their favor, or at least to equal footing, with direct sales models. Channels can employ this technology to make the cost of completing a transaction very low, perhaps even lower than the consumer going to the manufacturer. It requires continued vigilance and investment in new technologies and strategies by the consumer become vulnerable when the transaction costs are equivalent to the original value proposition of the channel for the value-add of marketing and sales expertise.

(b) Quality of Information Available Makes Better Educated Buyers

The channel grabs the attention of the B2B consumer, through either its old position in the economic equation or through a new position as a portal, hub, vertical or horizontal hub, as an aggregator or exchange host, it may maintain its position by providing the consumer with better information on a class or group of products than the manufacturer could in the direct model. The channel has access to multiple manufacturer products and service information. If channels can provide more timely and accurate information and can allow the B2B consumer to act on the choices, channels can maintain and enhance their market presence.

(c) Larger and New Markets

Who would have thought with all the push for direct sales, availability of all products, everywhere, that the supply channel would still have a play in the new economy? They do and here is why. According to the Internet business and technology magazine Business 2.0 (www.business2.com), one of the top ten driving principles of the new economy is markets (concept of managing and delivering to one's markets) Channels who genuinely offer unique services or lower costs will flourish, benefiting from a rush of new opportunities and customers. Those who have relied on physical barriers to lower competition are doomed. Combine the explosion of market-making strategies by channels with the simple principle of unique services at a lower cost, the once supposedly doomed channels now have anew lease on life using strategies such as commerce service providers, application service providers, enterprise service providers, information and internet service providers. Simultaneously, the portal notion, usually associated with consumer markets, is being applied to business markets as well.

(d) Vertical and Horizontal Opportunities

Market researcher Net Market makers defines horizontal market places as those that are hosted by trusted third parties to provide online selling and buying services to a set of identified customers. With that definition in mind, the opportunities for the traditional distribution company to reinvent itself into an E-supplier and E-market maker are many.

So, the savvy channel that has grasped the fundamentals of E-selling (aggregation of valuable, timely and accurate information, provide reliable services, react and change quickly based on market and customer demands

to name a few principles) has a vast opportunity to create a new market, an E-commerce portal through which they can attract and retain sellers and buyers because of their unique value. Vertical and horizontal market makers are redirecting traditional and E-commerce transactions back to their sites. The extent to which the channels are working the B2B markets is evident in this recent sampling from a B2B "Market Maker" Web site chosen at random

(e) Renewed Support for Channel Partners by Manufacturers

As IDC reports in one study conducted including interviews with Compaq Computer Corporation, Cisco System, Nortel Networks, and IBM there is still a tremendous effort being made in many industries by the manufacturers and service providers to maintain and enhance their channel partners. IDC contends that the Internet will be used to strengthen and enhance the channel relation and will not be viewed as a "nemesis" IDC also predicts that the "middleman" role will evolve away from a product focus, toward a more ancillary role. This role will push the channel to deliver service and support around the sale of the goods or service, rather than be responsible for the original product sale as they once were. Keep in mind this was done to maximize on economies of scale that kept the overall unit cost of handling and distributing the product to the consumer via the channel.

Techniques being used and activities undertaken by manufacturers to support their channel partners include:

- (1) Online account status information
- (2) Net-to-phone contextual support

- (3) Pricing and quoting with added features
- (4) Collaboration forums for partners
- (5) Matchmaking partners with aftermarket customers

After all, a strong E-channel partner can still yield huge benefits in terms of customer satisfaction, maintaining relationships, service, support, and buyer education value that the manufacturer has built into its channel over a long period of time. Many producers realize this value in their channel and are finding that the Internet can help them retain their investments in their channel, while still creating their own relationships with their buyers when they do go direct.

2.3 Business-to-Business E-commerce

2.3.1 What Is Business-to- Business E-commerce?

On the Internet also known as e-biz, is the exchange of products, services, or information between businesses rather than between business and consumers. Although early interest centered on the growth of retailing on the Internet (sometimes call e-tailing) forecasts are that B2B revenue will far exceed business-to-consumers (B2C) revenue in the near future. According to studies published in early 2000, the money volume of B2B exceeds that of e-tailing by 10 to 1. Over the next five years, B2B is expected to have a compound annual growth of 41%. The Gartner Group estimates B2B revenue worldwide to be \$7.29 trillion dollars by 2004. In early 2000, the volume of investment in B2B by venture capitalists was reported to be accelerating sharply although profitable B2B sites were not yet easy to find

2.3.2 Type of Business-to-Business Web Sites

Business-to-Business Web sites can be sorted into:

- (a) Company Web sites, since the target audience for many company Web sites is other companies and their employees. Company sites can be thought of as round-the-clock mini-trade exhibits. Sometimes a company Web site serves as the entrance to an exclusive extranet available only to customers or registered site users. Some company Web sites sell directly from the site, effectively e-tailing to other businesses.
- (b) Product supply and procurement exchanges, where a company purchasing agent can shop for supplies from vendors, request proposals, and in some cases, bid to make a purchase at a desired price. Sometimes referred to as e-procurement sites, some serve a range of industries and others focus on a niche market.
- (c) Specialized or vertical industry portals which provide a “sub Web” of information, product listings, discussion groups, and other features. These vertical portal sites have a broader purpose than the procurement sites (although they may also support buying and selling).
- (d) Information sites (sometimes known as infomediary), which provide information about a particular industry for its companies and their employees. These include specialized search sites and trade and industry standards organization sites.

Thailand Statistical Information

Table 2.1. Internet User in Thailand.

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

From the above table we can see the gradual increase of Internet users in Thailand from the year 1991-2003. Number of Internet users in the year 2003 shows a good fundamental of people respond to the communication technology which can easily develop and conduct others new coming technology in the future. It shows that people in Thailand are familiar, interested and ready to use internet technology. This means they are ready to do E-business and E-commerce also.

III. BACKGROUND OF THE COMPANY

3.1 Company Summary

<u>Company Name:</u>	Green Spa Company
<u>Type of Business:</u>	Distributor of spa product.
<u>Type of Products:</u>	Spa and Thai herb product (Aromatherapy oil, Herb Soap, Skin Care and Candle)
<u>Business Start Up Year:</u>	2000
<u>Office Address:</u>	33/74 Ladprao Road, Bangkok 10230
<u>Contact Person:</u>	Ms. Sutanya Charoenruttanawat
<u>Current Market:</u>	Bangkok Thailand
<u>Current Movement:</u>	Conduct E-Commerce to be an additional distribution channel to maximize sales volume and enhance marketing and promotion program.

Green Spa Company, founded in 2000, sells more spa and Thai herb products to hotels, resorts and spa shop in Thailand. Our distribution channels are physical stores and sales persons. In the year 2003, Green Spa Company conducts a full scale of e-commerce service under the name www.greenspa.com which offers customers an online service over the Internet including finding product information, purchasing with shopping cart tool, checking history record and paying money with the high security system. Customers can view electronic catalogs, receiving product information or place an order 24 hours a day. Company believes that our electronic shop will facilitate our customers in purchasing products and receiving company information.

3.2 Company Concept

There are several purposes of Green Spa Company for conducting an electronic shop. The first purpose is that the company wants to respond to customer needs in terms of maximizing product and service value. It means that the company has to increase value added products and services in order to increase customers, deliver value and decrease customer cost.

The company wants to create the online shop of spa products for hotel, resort, spa place or any place that provide spa service through electronic commerce channel and physical channel. The company tries to expand their target group to international markets for Thai product in the future by offering this electronic shop to increase an effective way in operating business transactions.

www.greenspa.com is a new service, which change spa and Thai herb products trading pattern from physical to electronic form. It increases opportunity to both buyers and sellers in selling and purchasing this kind of product. Customers can easily access product and company information, which can lead to an increase in company sales volume. Company wants to use this technology to support and improve marketing strategies, marketing research and customer relationship program. It means that company can offer the right products to the right customers. Company also uses web site to facilitate business transactions and operation with their business partner.

3.3 Company Product

Spa Supply Company is an importer, exporter and distributor of spa product which sells the spa products to hotel, resort and spa for use in their spa service. The company has 4 main product categories which are Aromatherapy oil, Soap, Skin care, and Candle. Each category has many product items. The table below shows the main product category and the product items.

Table 3.1. Product Category and Product Item.

Product Category	Product Item
Aromatherapy Oil	Burner & Essential Oil
	Aromatherapy oil burner (Whale)
	Refreshing Aromatherapy Oil
	Energizing Aromatherapy Oil
Skin Care	Mask & Herbs
	Tomato Facial Scrub
	Greenie Crystal
	Ginseng Treatment Lotion
Soap	Apple & cinnamon
	Peach & whole wheat
	Lemon tea
Spa Candle	Fruit candle Green-orange
	Floating candle Plumeria
	Floating candle Plumeria
	Floating candle Orchid
	Aromatherapy candle mango wood

3.4 Current Situation of Spa Industry

In Thailand, the trading institution of spa products including manufacturers, importers, and distributors has low competition. Most of these are small and medium business enterprises which provide spa products such as aromatherapy oil, Thai herb soap and skin care and hand made candle to sell at hotel's souvenir shop or some spa place.

The manufacturers of spa product in Thailand are mostly the home industry which provides the hand made products and Thai herb product that can apply to be used in spa and beauty activity. They distribute their product through intermediaries which are wholesaler and retailer. Most of them open a physical store to distribute product. Some of them try to distribute through several type of media including the interactive media such as online store and online catalog.

The pattern of product distributing is classified into 2 types, which are business-to-business distributor and business-to-consumer distributor. For business-to-business distribution, the distributors are mostly the exporters who export spa products to international market in a large volume. They target to Asian and European market for Thai herb product. The way that these exporters distribute the product is the use of salesperson to make a contract with their customer and the direct mail catalog. There are a few importer and distributor of spa product from European at this time.

For business-to-consumer distribution, the distributors are mostly the retailer who sells products to individual user in a small volume. Most of them have their own physical store to distribute products. Most of retailers are in the form of franchising of brand name product. For Thai local product, there are a few retailers in the market.

3.5 Competitor Situation Analysis

We consider Pageherb.Co.Ltd., and Jun Co.Ltd. as our direct competitor because they provide similar products in similar quality to the same market as our company. Our competitors are the small importer and distributor of spa product in Thailand market. We will consider in terms of strengths and weakness of each company's web site.

SANPUKSA COMPANY

Company Summary

Company Name: Sanpuksa Company.

Type of Business: Distributor of Spa and Thai Herb Product.

Type of Products: Thai Herb and Spa Product

Business Start Up Year: 1995

Office Address: 99/216, Bangluang, Chatuchat Patumthani 12000

Contact Person: mkt@junnature.co.th

Current Market: Thailand

Company Web Site: www.junnature.co.th

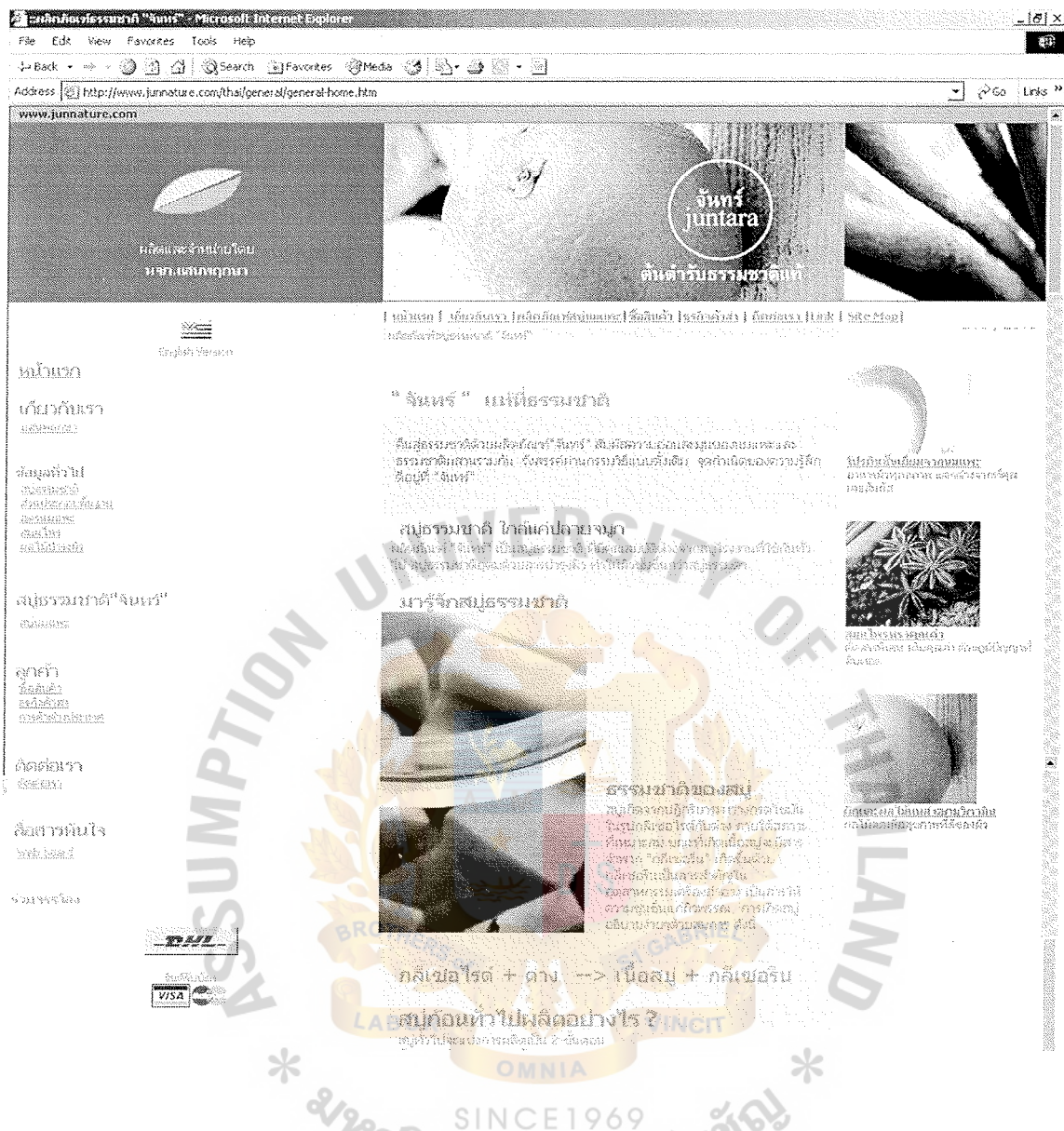


Figure 3.2. Product Detail Page of www.junnature.co.th.

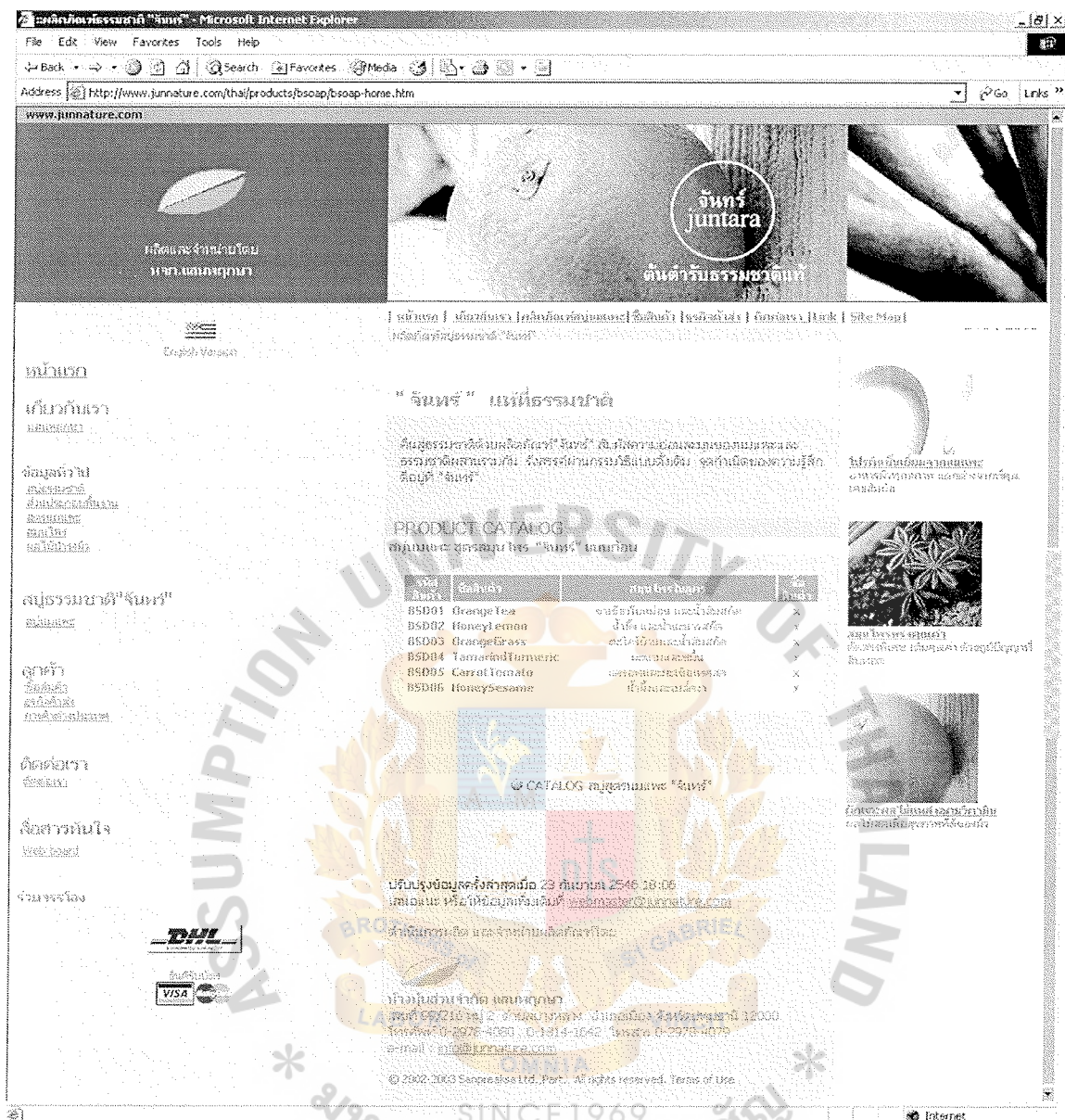


Figure 3.3. Product Catalogue of www.junnature.co.th.

Strength:

- (1) Provide web consistency by using the same template for the whole site.
- (2) Using the nature tone of color matching with their product.
- (3) Provide information and knowledge related with their product.
- (4) Provides a good explanation of product.

Weakness:

- (1) There is no shopping cart tool.
- (2) Lack of some important information about their product.
- (3) Too much and duplicate of link on the main menu which create some confuse to user.
- (4) The screen of each page is too long, user may get loss from the menu.
- (5) There is no English version.

PAGA NATIONHERBS CO., LTD**Company Summary**

Company Name: Paga Nationherbs Co.,Ltd.

Type of Business: Distributor of Thai Herb Product.

Type of Products: Thai Herb and Spa Product

Business Start Up Year: 1997

Office Address: 33/24, Bangna Trad Road Samutprakarn, 10540

Contact Person: services@pagaherbs.com

Current Market: Thailand

Company Web Site: www.pegaherbs.com



Figure 3.4. Home Page of www.pegaherbs.com.

Popadarias - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://eng.pegaherbs.com/eng/herbs.asp.htm

PEG HERBS

Main Menu

- Home
- About Us
- Customer Types
- Customer Benefit

Product

- Login
- Our Products
- Gift Packs
- Purchasing Policy
- Order
- Catalog

Inquiry/ Suggestion

- Member
- Notice
- Wholesale

Contact us

- Contact Us
- Register

Herbal knowledge

- Herbal Knowledge
- Related Links

Our Products

Herb Soap

Tamarind Honey Vitamin E

Tamarind Honey Vitamin E extracted from several types of herbs and compounded at the spot price ratio. The extracted from Tamarind, Honey and Vitamin E. Tamarind Honey Vitamin E is not just moisture skin but for cure. Tamarind Honey, AHA and Vitamin E are for feeding, nourishing and softening properties.

INGREDIENTS - Sodium Soap, Tamarind Extract, Honey, Vitamin E

APPLICATION INSTRUCTION - Apply thoroughly to body skin then wash clean.

	L	M	S
NET WEIGHT	130 Kg.	55 Kg.	32.5 Kg.
WEIGHT	140 Kg.	70 Kg.	35 Kg.

Turmeric Aloe Vera Honey

Turmeric Aloe Vera Honey extracted from several types of herbs and compounded at the spot price ratio. Turmeric Aloe Vera Honey is not just soap but for cure. The extracted from Turmeric, Aloe Vera and Honey are a blend of these. These herbs are selected for gain removal. Turmeric, Aloe Vera Extract and Honey are for feeding, nourishing and softening properties.

INGREDIENTS - Sodium Soap, Turmeric, Honey, Aloe Vera Extract

APPLICATION INSTRUCTION - Apply thoroughly to body skin then wash clean.

	L	M	S
NET WEIGHT	130 Kg.	55 Kg.	32.5 Kg.
WEIGHT	140 Kg.	70 Kg.	35 Kg.

New Products

Natural Aroma

Essence Aroma extracted from various herbs under our provided environment. No chemical added with most natural. Lincolin, Olive, this essential oil "Essence Aroma" is good for you health.

Price : USD 2.85 / bottle

[Buy](#) [Info](#)

more products

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Internet

Figure 3.5. Product Detail Page of www.pegaherbs.com.

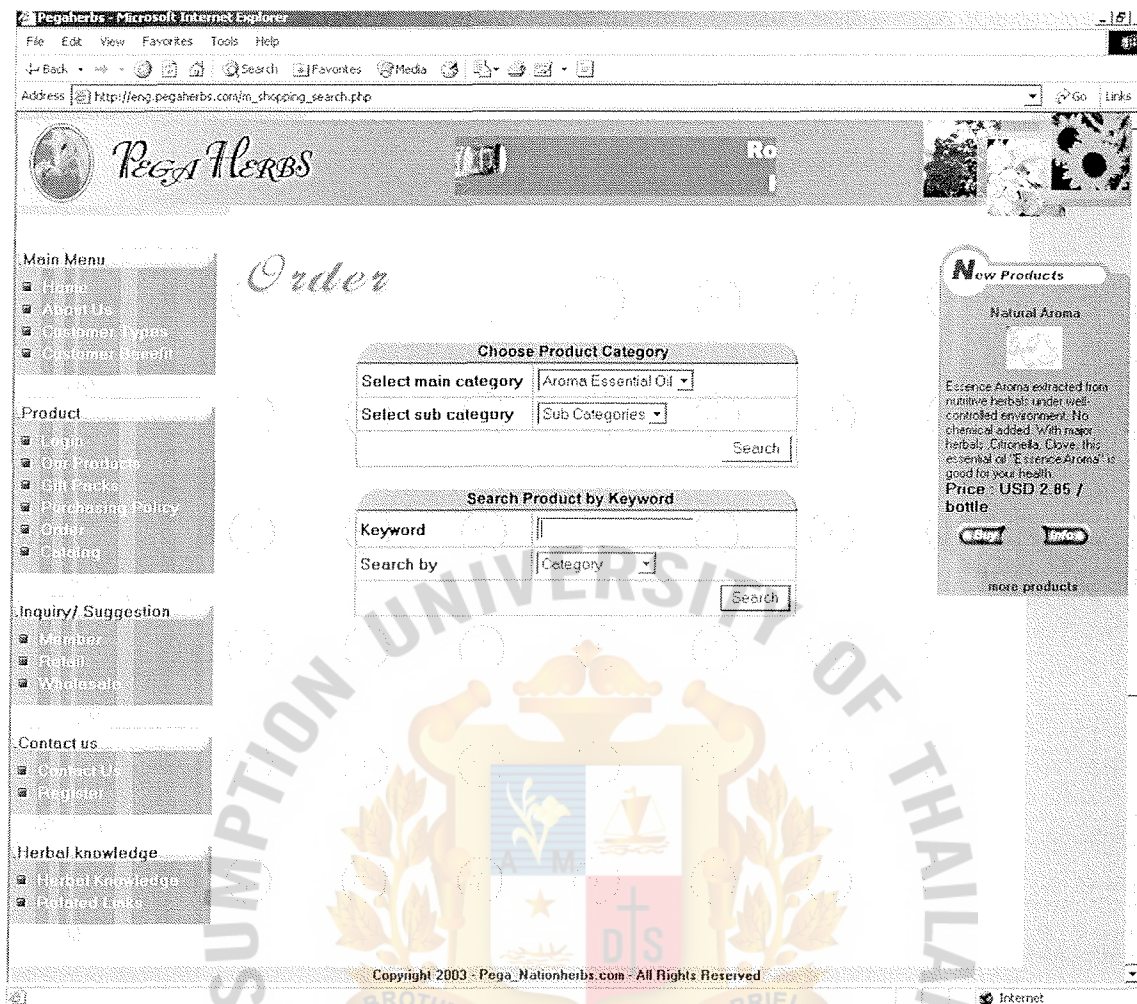


Figure 3.6. Order Page of www.pegaherbs.com.

Strength:

- (1) Provides web consistency.
- (2) User friendly navigation and menu.
- (3) Provide information concerning product.
- (4) Provides a good customer identification and classification

Weakness:

- (1) The logo and design of web page does not express the nature feeling.
- (2) Strong background color which make some difficulty of text appearing.
- (3) Lack of product detail and some important information.
- (4) Does not provide site map.



IV. ONLINE MAKETING STRATEGIES

4.1 Marketing Objectives

- (1) To distributed products over the Internet. (๓)
- (2) To increase amount of sales from both new and existing customers. (๓)
- (3) To build relationships with customer by offering customer's most purchased product through the use of cookies technology. (๓)
- (4) To decrease distribution cost, lead to lower product price. (๓)
- (5) To provide interactive and timely communication to customer.

4.2 SWOT Analysis

Strengths

- (1) High standard and quality of products.
- (2) Variety of product including 5 categories which are Aromatherapy Oil, Soap, Skin Care, Hair Treatment and Candle.
- (3) Strong relationship with the existing customers.
- (4) Reduce the long distance communication cost of customer in up-country area.

Weakness

- (1) High delivery cost for customer that located in up-country.
- (2) Need to have touch and feel before making the buying decision for this kind of product.
- (3) Need to use salesperson for introduce the new product to customer before selling through the online shop.
- (4) Inexperience in developing web application and design.

Opportunities

- (1) Due to the number of company buying over the Internet is gradually increasing so it is an opportunity for this type of business to introduce another distribution channel which is the electronic shop to serve customers for this situation.
- (2) The declining in technology cost comparing to its high performance so the company can gain more advantage from using the high technology with the low cost of investment.
- (3) The company target groups are many hotels and resorts which mostly would like to reduce their operation cost. It is an opportunity to lead them to do business online.
- (4) Low competition on an online store of spa supply product in Thailand market. There is a few online store and most of them do not provide a full scale of e-commerce service.

Threats

- (1) People and company still do not believe and are not familiar with virtual business especially in terms of security of payment and privacy information.
- (2) High competition in E-shop may lead the decreasing on price.
- (3) Most of company's competitors are local industry which produces the hand made spa product for sell to Thai conservative style hotel. This competitor may gain the company's market share for these kinds of products.

4.3 Total Customer Value Analysis

Customers usually choose to buy products and services from a company that is perceived to provide highest value. This value can be evaluated by comparing Total Customer Value and Total Customer Cost. Below is the equation of customer delivery value which is derived by comparing the Total Customer Value and Total Customer Cost.

$$[\text{Customer Delivery Value} = \text{Total Customer Value} - \text{Total Customer Cost}]$$

Total Customer Value

Product Value

Green Spa Company provides variety and high quality of products selected from well-known manufacturers. We offer our customers high quality of spa products that are accepted from many hotel, spa and beauty place around the world. When our customers come to the Green Spa online shop, they can access the same information message as available offline. We have linked the company web site to company's database to ensure that any information requested by customers can be viewed or printed out immediately. Customers are able to view more than 100 items online with full information provided.

Service Value

The Green Spa web site provides services to both existing customers and prospective ones including product and company information, online ordering, tracking order record, and paying online. These tools will create convenience, time and cost saving to both customer and company. Customers can receive the information needs in just a click, they need not to fax or call or wait for a day to get the answer from the company. FAQ (Frequency Asked Questions) are also available 24 hours a day 7 days a week for customer to find out the answer any time they want. Beside that the company's

web site also provides cookies function which will pop up the customer most interested page.

Image Value

For operating the online shop, reliability is an important factor especially security system which are personal privacy and online payment. Company provides the Secure Socket Layer (SSL) and Firewall over the Internet for privacy and security reasons.

The Green Spa web site uses the Secure Socket Layer (SSL) in web application services in order to provide authentication, confidentiality and data integrity for communication between web server and browser. The personal information that customers submit to us is stored in our secure database with the electronic firewall protection. Customers can access to their personal information only by using password.

Personnel Value

At Green Spa web site, online salespersons and customer service can express this personal value by giving and advising about company products and service to customers. Besides that they can give online solutions and suggestions to customers also.

Total Customer Cost

Monetary Cost

The monetary cost is considered low because all the value-added services online are free of charge. It means that customer does not have to pay for any services that provide on the Green Spa web site. Customers can save their communication cost of fax and telephone. They can also cut off the traveling cost to go buy products at physical stores. So customers can reduce monetary costs if they conduct online purchasing.

Time Cost

The time cost is also considered low as well because the customers can do quick business transactions at their convenient time and place. Customer does not have to wait for work time to do transaction because the Green Spa online shop open 24 hours a day 7 day a week. Moreover, the user-friendly navigation on our web site make customers take a little bit time when searching product and protect them from getting loss also.

Energy Cost

The energy cost is considered low because of good services of customer information and history ordering record system. Customers need to fill their information at first register and need not to refill again when they come to make an order next time. They only login by username and password then the information will show up and is ready for print out.

Psychic Cost

The psychic cost that may arise is the unreliability of electronic system especially the payment and privacy system which customers still do not believe in virtual form of business. The solution is to inform customers about this system such as our web site uses a high secure payment system coordinate with the commercial bank. The privacy of customer information will be protected by the company's security system which is the Secure Socket Layer (SSL) and Firewall.

4.4 Market Segmentation

Market Segmentation is necessary for today's competitive business markets environment. It is the foundation on which all other marketing actions can be based and follow the major requirement of this sector. Company wants to set the right marketing strategies which concern to the requirement of this group. The company market can be classified into the following segments:

Demographics:

Green Spa Company sells spa products in medium and large volume to hotels, resorts, and spas located in Thailand. We focus on top level hotel that already have strong relationship with us and the prospective hotels. For purchasing approaches, we focus on top level hotels and resorts for holiday season those are seeking high quality and unique product.

Geographic Segmentation:

Most hotels and resorts in up country area are located close to the nature and they have their concept of nature so they need products that can represent the theme and concept of nature also. We therefore segment the market into hotel that located in the North and South of Thailand which has more hotels and holiday vacation places. We also segment the spa and beauty place in Bangkok area as our target group.

Behavioral Segmentation:

According to the attitude, knowledge, and response toward our product, we then segment the market into the potential customers, first-time customers and existing customers with the buying rate and loyalty status of light, medium, and heavy.

4.5 Target Market

Company target markets are hotels, resort, spa and beauty place that need to buy spa products such as aromatherapy oil, fruit and herb soap, candle and skin care to serve customer in their spa service. All of these need to buy high quality and unique products with a good service.

After analyzing the above market segmentation, we decide to do the selective specialization of targeting the first-time customers, prospective customers, and existing customers in this market. The Green Spa web site will act as advertising and public relations channel to prospective and first-time customers who have potential to buy

from us. For existing customers, we will use our online shop as another channel to repeat orders and motivate them the new promotion campaign. Beside that, the web site is used as a tool to provide more customized and personalized services to existing customers as we are focusing on a long term relationship.

4.6 Positioning

The company is positioning its web site www.greenspa.com as “the best spa and nature product online”. When the customers think of finding online distributor of spa and nature product, we are the first one to be known. The design and function of the web has been specially developed to meet the requirements of the Business to Business form.

4.7 Marketing Strategies

Product Strategy

Green Spa Company offers several kinds of spa products, which are the high standard and quality of Thai hand made product, selected from many home and local industry. Most of Thai herb products that we select to be sold are the best product from that industrial group. These products are accepted by many high level hotel and spa place.

Up to now, we offer customers choice of more than 50 items comprising of 4 main categories, which are Aromatherapy Oil, Herb Soap, Candle and Skin Care. Customers can easily find their required product and select to order by following our product classification. The following is the sample of company's product for each category.

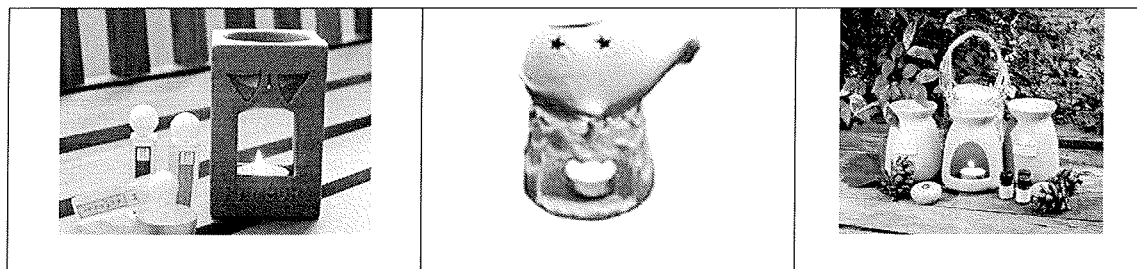


Figure 4.1. Samples of Aromatherapy Product.

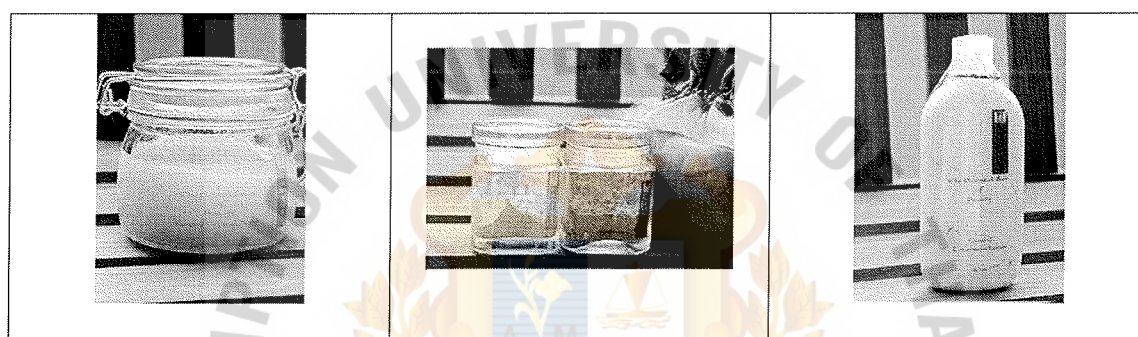


Figure 4.2. Samples of Skin Care Product.



Figure 4.3. Samples of Herb Soap Product.

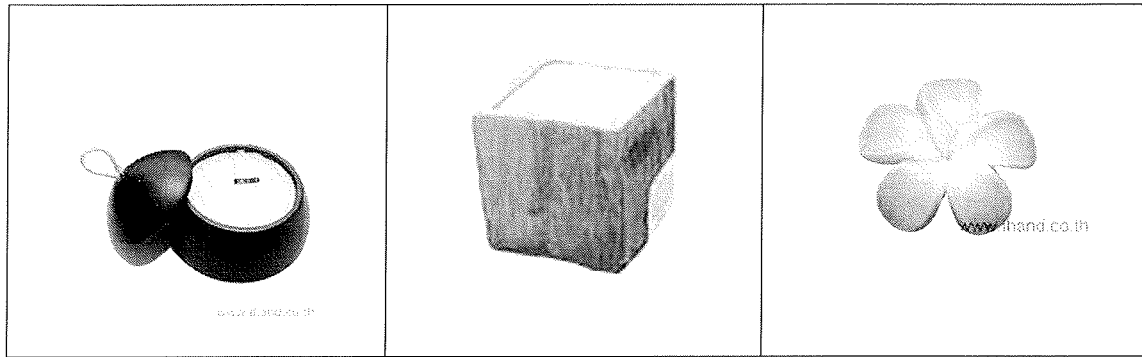


Figure 4.4. Samples of Spa Candle Product.

Service

The company's marketing team tries to increase many value-added services on the online shop in order to serve customers. Company has the online shopping system where customers can make a purchasing order through Internet and also finish a payment through a secure online system. Customers can easily view and download product information through the company web site. The safe and secure delivery service makes a convenience to our customers. Customers can specify the delivery option to be regular or express type. Within the online shop company provides customer the FAQ (Frequency Asked Questions) for solving customer's problem when they can not directly contact our customer service team during the day off or not on work time.

Pricing Strategy

The main objective of setting our product's price is to attract our current customers to choose to order online. We use 2 pricing strategies as follows:

1. Online Discount:

To motivate existing and new customer to make an order online, we offer 3 percent for online ordering of at least Bt.5, 000 for 1 transaction.

2. Advance Payment Discount:

To reduce credit-collection cost and bad debts from customers who open credit account with the company, we offer “2/10 net 30:” terms which means that the payment is due within 30 days and the customers can get 2 percent discount by paying the bill within 10 days.

Distribution Strategies

The purpose of our distribution strategies is to distribute company's products, which are spa and Thai herb product to target market effectively with low distribution cost. Basically the company distribution strategy is to distribute the products through salespersons and physical store. On this situation, the company would like to increase sales volume by using Internet or online distribution channel to be an additional channel of the company physical store. So customers can make an order via the company web site and pay the bill through a secure payment system offered by many well-known commercial banks. With our company delivery service customer can ensure that the product will be met the destination without any damage.

Advertising Strategies

The objective of company's advertising strategy is to create brand awareness of Green Spa Company. It also create good image toward the company and inform the customer about the web's functions and its benefits. The company plans to reach the target market by launching advertising campaign which include banner, Mailing list and search engine list. We use the online media initially due to its low operation cost.

(1) Banner

The reason that company chooses banner advertising is that it has more communication ability to reach the focused audiences of our target which are the Internet users. We use animated banners, which are easy to

capture attention of audiences. We will post banners on many web shopping portals and online shopping places.

(2) Direct Mail

The company will buy a mailing list from online advertising agents to send E-mail to our targets' mailbox to invite them to visit our web. This media is the most customized and selective which suits very well with our company. Because direct mail goes only to the people we wish to contact, so there is almost no waste coverage. The cost is very economical comparing to the other media.

(3) Web Portal

Most of the Internet users will visit web portal to look for the particular web that contains the targeted information. Therefore, it is the requirement for the company to put web site in a searching list in the well known web portal to announce to the world that company's web is available. We will register our web site in the following top ten web portals such as Yahoo, MSN, Sanook, M-Web and Google.

Promotion Strategies

The objectives of promotion strategy is to create product awareness, build and develop relationship with customers, create accelerate short-term sales and convince the buyers to place an order, attract customers from traditional channels to online channel, encourage prospect customers to buy from the company online shop, show the benefit customers can get when ordering online. We plan to launch sales promotion campaigns offering a special price for customers who make an online ordering for the first introduce of our online shop. It can motivate and invite both existing and new customer to shop at our online shop. We also provide the electronic discount coupons for the large

volume ordering. Beside this we offer an electronic catalogue which customer can download to get company information and suggestions on the new and available products.

4.8 Financial Analysis

Cost Analysis

To open an online shop, the developing cost and revenue need to be analyzed. So we have to know the total cost for determining the budget. We classify our development cost to be fixed and variable costs. The fixed cost consists of hardware, software and maintenance cost. Variable cost includes people-ware, office supplies and equipment and miscellaneous cost.

Estimate Revenue

The revenue of company derives from selling product from physical and online store. We estimate the revenue will increase 20% every year from the total current revenue if conducting an online shop. The total amount is shown on the Table 4.2.

Table 4.1. Total Development Cost.

Cost items	Years				
	1	2	3	4	5
<u>Fixed Cost</u>					
Hardware Cost:					
Workstation Cost 3 computer @ 28,000	84,000.00	0.00	0.00	0.00	0.00
Lease Line Cost	60,000.00	7,000.00	7,000.00	7,000.00	7,000.00
Lease Server Space	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
Domain Name	4,500.00	0.00	0.00	0.00	0.00
Advertising	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00

Table 4.1. Total Development Cost. (Continued)

Cost items	Year				
	1	2	3	4	5
Promotion Expense	20,000.00	0.00	0.00	0.00	0.00
Total Hardware Cost	258,500.00	97,000.00	97,000.00	97,000.00	97,000.00
<u>Maintenance Cost :</u>					
Maintenance Cost	0.00	0.00	0.00	8,000.00	8,000.00
Total Maintenance Cost	0.00	0.00	0.00	8,000.00	8,000.00
<u>Software Cost:</u>					
Windows 2000 Professional (Thai Edition) 3 licenses @ 5,700	17,100.00	0.00	0.00	0.00	0.00
Microsoft Office XP Professional (Thai Edition) 3 licenses @ 14,800	44,400.00	0.00	0.00	0.00	0.00
Macromedia Dreamweaver 1 license @ 12,600	12,600.00	0.00	0.00	0.00	0.00
Total Software Cost	74,100.00	0.00	0.00	0.00	0.00
Total Fixed Cost	332,600.00	97,000.00	97,000.00	105,000.00	105,000.00
<u>Variable Cost</u>					
People-Ware Cost: 3 person @ 12,000	432,000.00	475,200.00	522,720.00	574,992.00	632,491.20
Stationary Per Annual	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Paper Per Annual	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Miscellaneous Per Annual	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Total Variable Cost	447,000.00	490,200.00	537,720.00	589,992.00	647,491.20
<u>Total Cost</u>	779,600.00	587,200.00	634,720.00	694,992.00	752,491.20

Table 4.2. Total Revenue Derived from Physical and Online Store.

Year	Total Revenue of Existing Physical Store	Total Revenue with Online Shop (20% increased)	Revenue from Online Shop
1	3,600,000.00	4,320,000.00	720,000.00
2	3,960,000.00	4,752,000.00	792,000.00
3	4,356,000.00	5,227,200.00	871,200.00
4	4,791,600.00	5,749,920.00	958,320.00
5	5,270,760.00	6,324,912.00	1,054,152.00

Table 4.3. Cumulative Cost and Cumulative Revenue.

Year	Total Cumulative Cost	Total Cumulative Revenue
1	779,600.00	720,000.00
2	1,366,800.00	1,512,001.00
3	2,001,520.00	2,383,203.00
4	2,696,512.00	3,341,526.00
5	3,449,003.20	4,395,682.00

Breakeven Analysis

Breakeven Analysis is the regular form of cost and revenue comparison. Comparing the cost of developing an online system and the revenues derived from selling products through an online shop to determine the point that the costs and revenues become equal. Normally, cost of the developing an online system will be high at the first year because of installation of new hardware and software. The cost will drop rapidly after the online system has already free implemented. Figure 4.1. shows the Breakeven Point, the online system will reach that point in around 1.3 years. It means that the online system can generate profits after 1 year and 3 months.

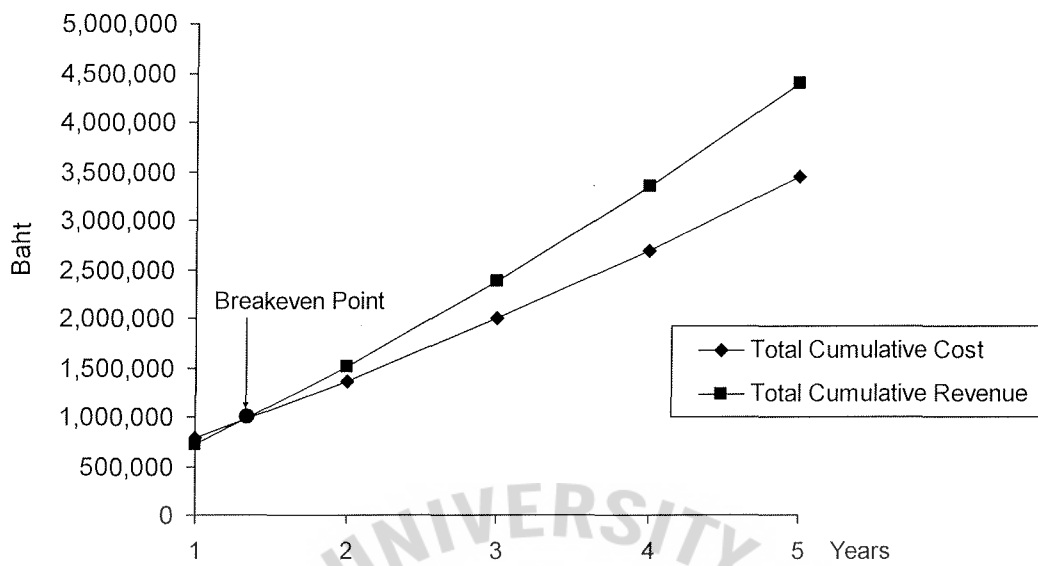


Figure 4.5. Breakeven.



V. WEB DEVELOPMENT AND DESIGN

The electronic store www.greenspa.com as an online distribution channel over the Internet. And the electronic store has support marketing strategy which means the web site can be used as an interactive multimedia tool for conducting advertising or promotion events and several convenience tools with lower operation and communication cost to both customers and company.

5.1 Key to Success

- (1) The electronic shop must be easy-to-use by providing user friendly tools for customers.
- (2) The information on electronic shop must be up-to-date and serves customer need.
- (3) The information on electronic shop must be easy to update and maintain.
- (4) The electronic shop must not take too much time to load or access the information.
- (5) The online system of electronic shop must be secured in order to keep customer's privacy, integrity and confidentiality.

5.2 Web Components and Function

- (1) Login

This function is to identify and authenticate each customer. It is necessary for our electronic shop because it can filter unauthorized users from the outside to come to access our customer's information. Only authorized user who has login name and the right password can come to customer account system. The authorized customer can place an order, view order and edit personal information. This function will support customer privacy, integrity and confidentiality.

(2) Registration

In order to receive registration request from the new customers, our electronic shop provides an online registration form for new customers who want to place an online order via our electronic shop to register to be our member. Customer has to fill require information on the form and submit it. The system will immediately check and approve the new register to be our member. After becoming our member, they can login and place an order on our electronic shop.

(3) Product Information

This part is to show the list of company products in detail, which include product name, price, size, color, description, picture and manufacturer. Customer can view this information to check the price and specification before making the purchasing decision.

(4) Ordering

This function is to take an online order from customer. Our electronic shop provides an online shopping tool and system for customers to place an order via the Internet. The shopping cart function includes add to cart function, edit function, calculate function and checkout function. On the view cart page it has a table that shows the product name and a little bit detail, price/unit, order quantity and total amount for customer to check cart status. This shopping tool helps customers to calculate the total amount of product ordering.

(5) History viewing

This function is to allow customers to view the detail of his/her order via the Internet. Our electronic shop provides a function that keep record of customer's ordering on the online shop and show the detail on the history page which customer can sort by year or specific date. Only authorized customer can view his/her order history record. This function will show only orders through the Internet in order to motivate our existing customers to use our online system.

(6) Download Catalogue

This section is to provide a quick download document for customers who want to see our product information in the form of documents. Our electronic shop provides the document of any product category for customer to download through our web site.

(7) E-mail Contact

This function is to provide our customer a convenience way to have a direct contact to our customer service. Customer can use an e-mail to send any problem, ask questions, and give suggestions to the company. Company can send any news, promotion or information to customers also. This tool allows company to send much information to many customers in each time with the lowest cost and time consuming.

(8) Help Information

This part is to provide information which is how to place an online order, how to be a member, how to pay money, how to get a credit term, FAQ and etc. for customers. This section includes all necessary information for customer to make an agreement with our company.

(9) Payment

This section is to offer user with several ways of payment which are the online and offline payment. Customers can choose the method of payment 3 ways which are credit card online, bank transfer, company account.

(10) Database

This section is to store data and information of company and customers. Our electronic shop has a database system to store products and customer data. The product data such as products name, price, and picture are available in stock, ID, manufacturer etc are kept in our database system for checking the stock and managing inventory. The following are the examples of database.

Table 5.1. Customer Database.

Customer ID	Customer Name	Address	Telephone	Fax	E-Mail
CM001	Kansorn Spa	32 /1 Mung Rd. Chieng Mai	032-234257	032-234513	kansom@yahoo.com
CM002	Siam Spa	124/95 Saichan Rd. Phuket	077-253120	077-258721	siamspa@yahoo.com
CM003	Sukchan Spa	12/1 Lardprow Rd. Bangkok	02-5498702	02-5492421	sukchan@yahoo.com

Table 5.2. Product Database.

Product ID	Name	Category	Description	Manufacture	Price /unit	Stock	Picture
AO001	Burner & Essential Oil	Aroma Oil	Green/White /Yellow 8 ml.	Kanda	450.00	1000	aroma1.jpg
AO002	Burner Whale	Aroma Oil	White Whale Oil 300 ml.	Soraruk	300.00	1500	aroma2.jpg
AO003	Jasmine Burner Oil	Aroma Oil	Jasmine Oil 10 ml.	White Herb	280.00	1000	aroma3jpg
AO004	Lemon Oil	Aroma Oil	Lemon Oil 10 ml.	White Herb	280.00	800	aroma4jpg

Table 5.3. Product Category Database.

Category ID	Category Name	Manufacturer
AO001	Burner & Essential Oil	Kanda
AO002	Burner Whale	Soraruk
AO003	Jasmine Burner Oil	White Herb
AO004	Lemon Oil	White Herb

Table 5.4. Shopping Cart Database.

Order ID	Customer ID	Product ID	Quantity	Price	Total
OD001	CM0053	AO004	50	280.00	14,000
OD002	CM0084	SK002	30	140.00	4,200

Table 5.5. Order History Database.

Date	Customer ID	Order ID	Num_Shop	Product
2/03/03	CM001	OD001	1,000	Jasmine Burner Oil
20/05/03	CM002	OD002	500	Burner Whale
18/06/03	CM003	OD0010	850	Fruit Candle

5.3 Site Content

The Web Site www.greespa.com are contains the following features:

(1) Product Information by category

This part contains the information of product category and subcategory in detail including product name, description product, price/unit, size, and color. The following are the category and subcategory of company product.

- (a) Aromatherapy
 - (b) Herb Soap
 - (c) Skin Care
 - (d) Spa Candle
- (2) Download Catalogue

This part contains file product catalogue, customer can download this file to view information to check the price and specification of product

- (3) Term & Condition

This part contains privacy policy, payment method and delivery method. This part useful for customer.

- (4) About US

This part contains company information and profile including business mission and business overview.

- (5) Site map

This part contains the structure of content or the directory of information in web site.

- (6) Help

The help content contain the solution, suggestion and agreement.

5.4 Site Structure

The site structure of this web site is divided into 6 important parts which are Product, Download Catalogue, Term & Condition, About us, Site Map and Help. (See Figure 5.1)

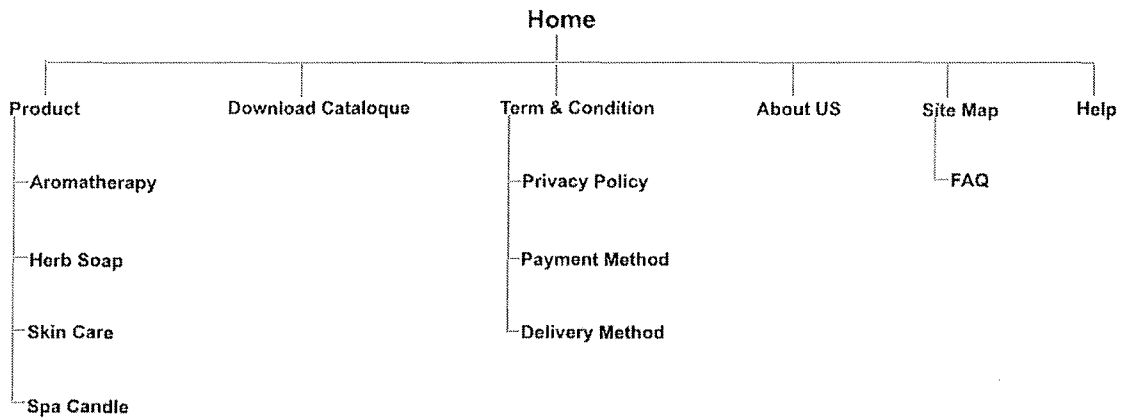


Figure 5.1. Site Map.

5.5 Visual Design

Interface Design

An aim to make this web site a virtual spa shop, the color and tone then will follow our actual physical shop, which are the light green which is attractive, interesting and looks and feels fresh. The white background will make the product easy view. The logo with smooth fonts creates the feeling of reliability and comfort which suits to represent the spa products character. The following is the page layout of www.greenspa.com.

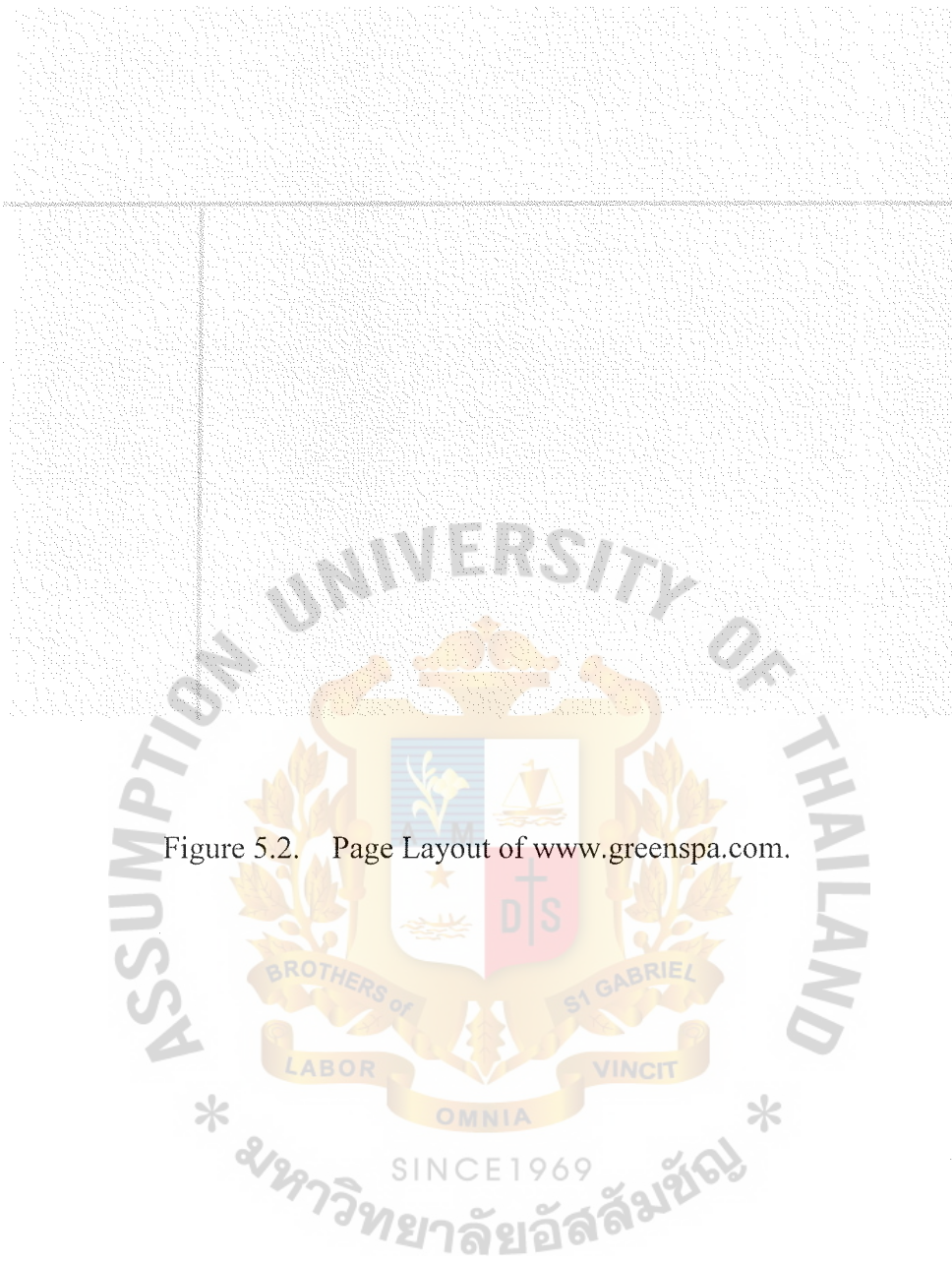


Figure 5.2. Page Layout of www.greenspa.com.

Design Sketches



Figure 5.3. Design Sketch of www.greenspa.com.



Figure 5.4. Web Template of www.greenspa.com.

5.6 Implementation

Domain Name

This project has the domain name the same as the company name, which is “greenspa.com” because it is easy for customers to remember. Besides, the web site name represents itself of company name and products we are selling. We use .com because our main target group is Thailand market. And in the future company plans to expand to sell products world wide

Hardware Preparation

To operate E-commerce, we need to have host server and network system for operate our electronic shop. For the host server our company keeps the database and electronic shop at the data center of Internet Thailand that provides us the high security and reliable database system. The hardware that we have to prepare is 5 computers workstations for our computer administrators to use in developing application. For operating section the computer workstations are used by our customer services to manage inventory and communicate with customer.

Software Preparation

The software that we use for developing and operating are ASP.Net Application, Microsoft Office XP Professional, and Macromedia Dreamweaver Ultra Dev.4.

Payment System Preparation

Our electronic shop prepare for payment system by having cooperation with many commercial bank for the purpose of ensuring customer for the high security in payment process. The commercial banks that we have cooperation with are including Bangkok Bank, Asia Bank and Siam Commercial Bank.

5.7 Back Office

Green Spa Company develops the inventory management system for the company's officer to use in managing and operating inventory. This system provides the function that administrators can operate inventory which are adding, editing, and viewing information such as product information, supplier information, customer information, order transaction and purchasing transaction information.



VI. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

Online spa and Thai herb products (www.greenspa.com) is established to be a complement channel of the existing physical store. The main purpose of opening an online store is to increase a new distribution channel, facilitate customers, and use as a marketing tool. There are many factors that both support and do not support the online channel. The non-readiness of the current customer to use this new technology, some weakness of the business in term of character of the company's product which need to have touch and feel before making the decision, and the high competition with competitors. These factors are the disadvantages of the company on this time. The rapid decline in technology cost when compared with its high performance and the increasing number of company transactions on the Internet are the opportunities for the company to develop an online electronic shop system.

The company is positioning its web site www.greenspa.com as "the best spa and nature product online". Company target markets are hotels, resort, spa and beauty place that need to buy spa and Thai herb products such as aromatherapy oil, fruit and herb soap, candle and skin care to serve customer in their spa service.

The marketing strategies include product strategy, price strategy, distribution strategy and promotion strategy. The high quality and unique of products is our product strategy. Online discount and advance payment discount include in our price strategy. Using delivery service from FedEx Company which customer can ensure that the product will be met the destination without any damage is company distribution strategy. Conducting a sales promotion and advertising campaign which are coupon collection and coupon discount in electronic form and advertising campaign which are

posting advertising banners on the online market place, registering the company's URL in the search engine list of web portals and direct invitation mail are company promotion strategy. The financial analysis includes calculation of development cost and estimated revenue to creating the breakeven-point which shows that the company can gain benefit after approximately 1 year and 3 months operation.

Web development and design includes web component and function, site content, site structure, visual design and database design. The web components and functions are product information, registration, login, ordering, download catalogue, history record, e-mail contact, help information and payment function.

Green Spa online shop provides a full scale e-commerce service where customers can check specification of product, take an order and pay the bill online through a secure payment system of commercial bank.

6.2 Recommendations

The Green Spa company conducts an online shop to be used as the complement distribution channel of physical store and to support the company's future plan which is the expansion of market to Europe and Japan market. The company is going to be an exporter of Thai herb products in the future so we may need to have some additional service to be added to the online shop such as providing a different language on the company web site to that target market.



APPENDIX A
WEB INTERFACE

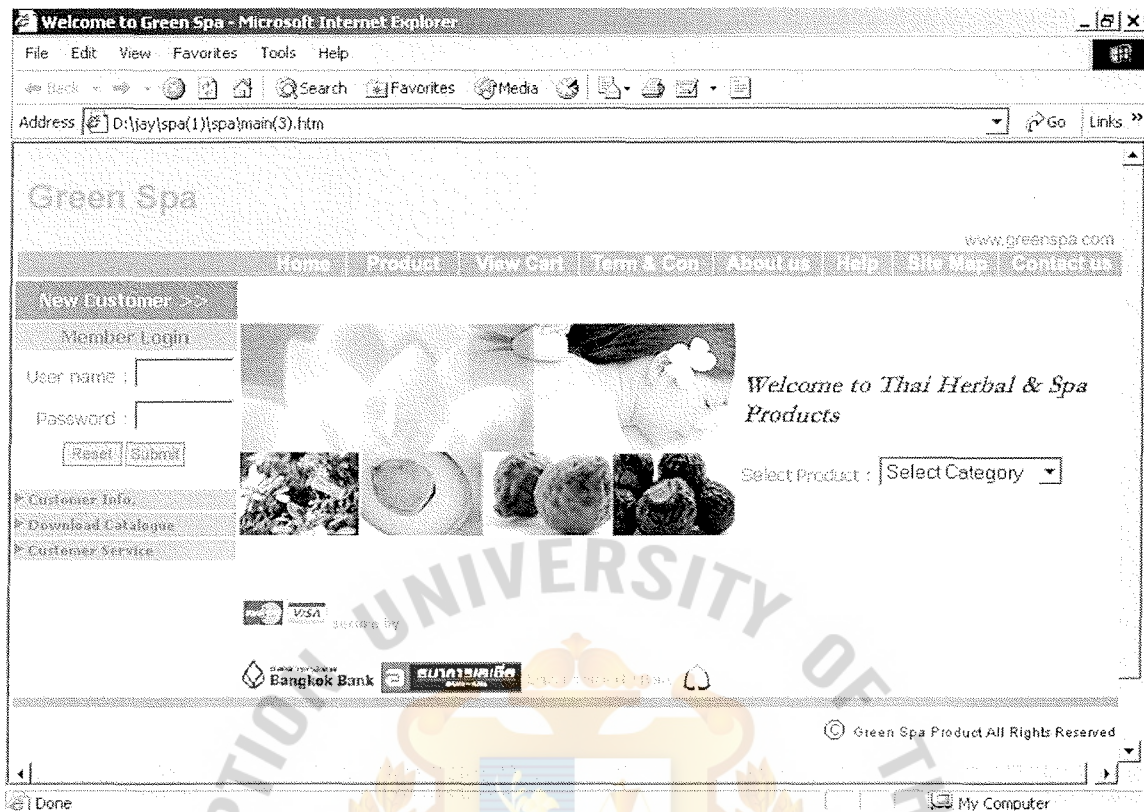


Figure A.1. Home Page of www.greenspa.com.

Welcome to Green Spa - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Reload Home Search Favorites Media Print

Address Go Links

Green Spa www.greenspa.com

Home Product View Cart Term & Con About us Help Site Map Contact us

New Member Register

Address

Type of Business

* Company Name

* Address

* Street

* Area

* Province

* Zip Code

Telephone

Fax

Customer Information

* Name

* Surname

* E-Mail

* Position

Shipping Address

Please fill this form if different from the above address

* Address

* Street

* Area Code

* Province

* Zip Code

Telephone

Fax

Login Information

* User Name

* Password

* Confirm Password

E-Mail Update

☐ Send Information through E-Mail

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Figure A.2. Registration Page of www.greenspa.com.

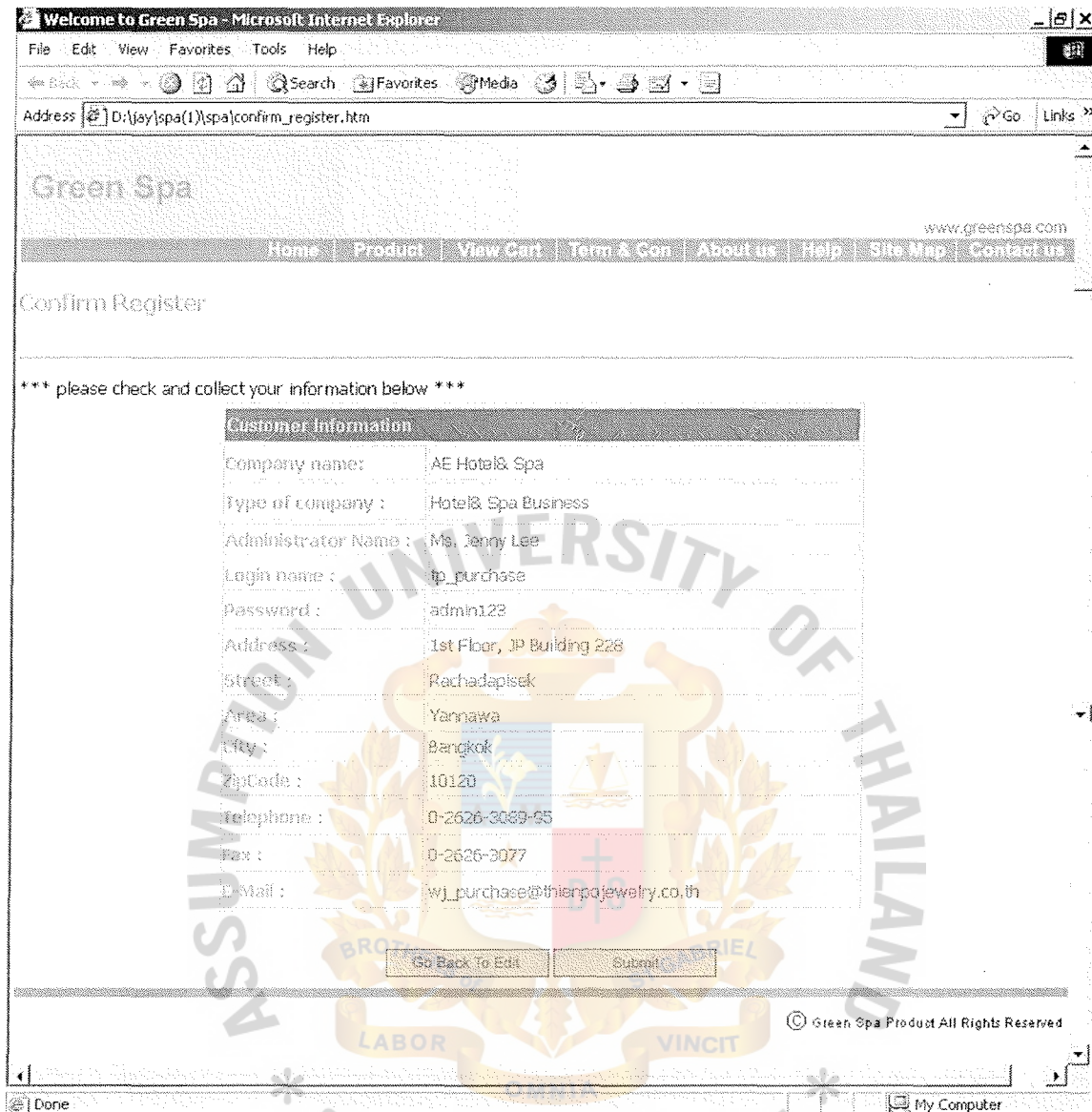


Figure A.3. Confirm Register Page of www.greenspa.com.

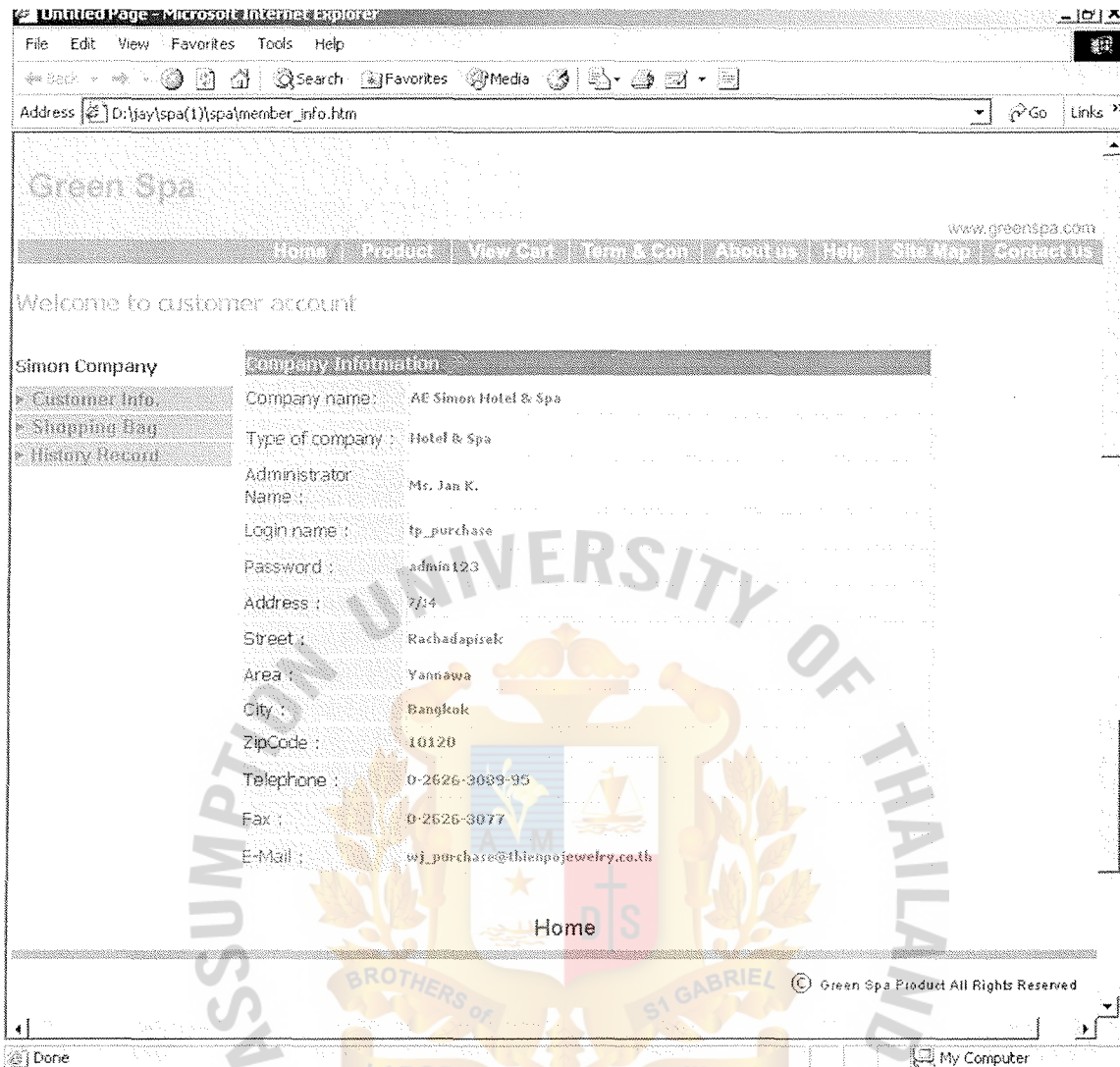


Figure A.4. Member Information Page of www.greenspa.com.

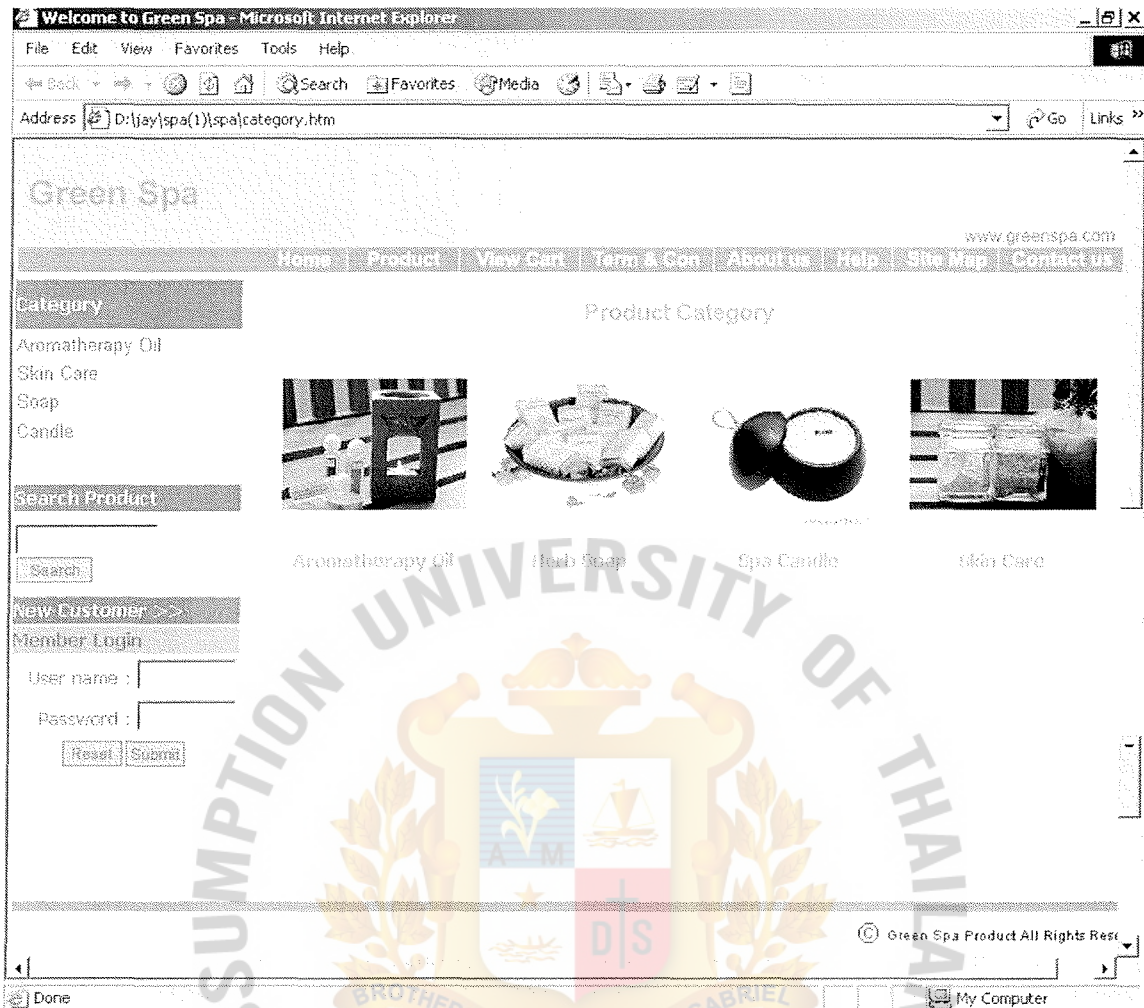


Figure A.5. Main Category Page of www.greenspa.com.

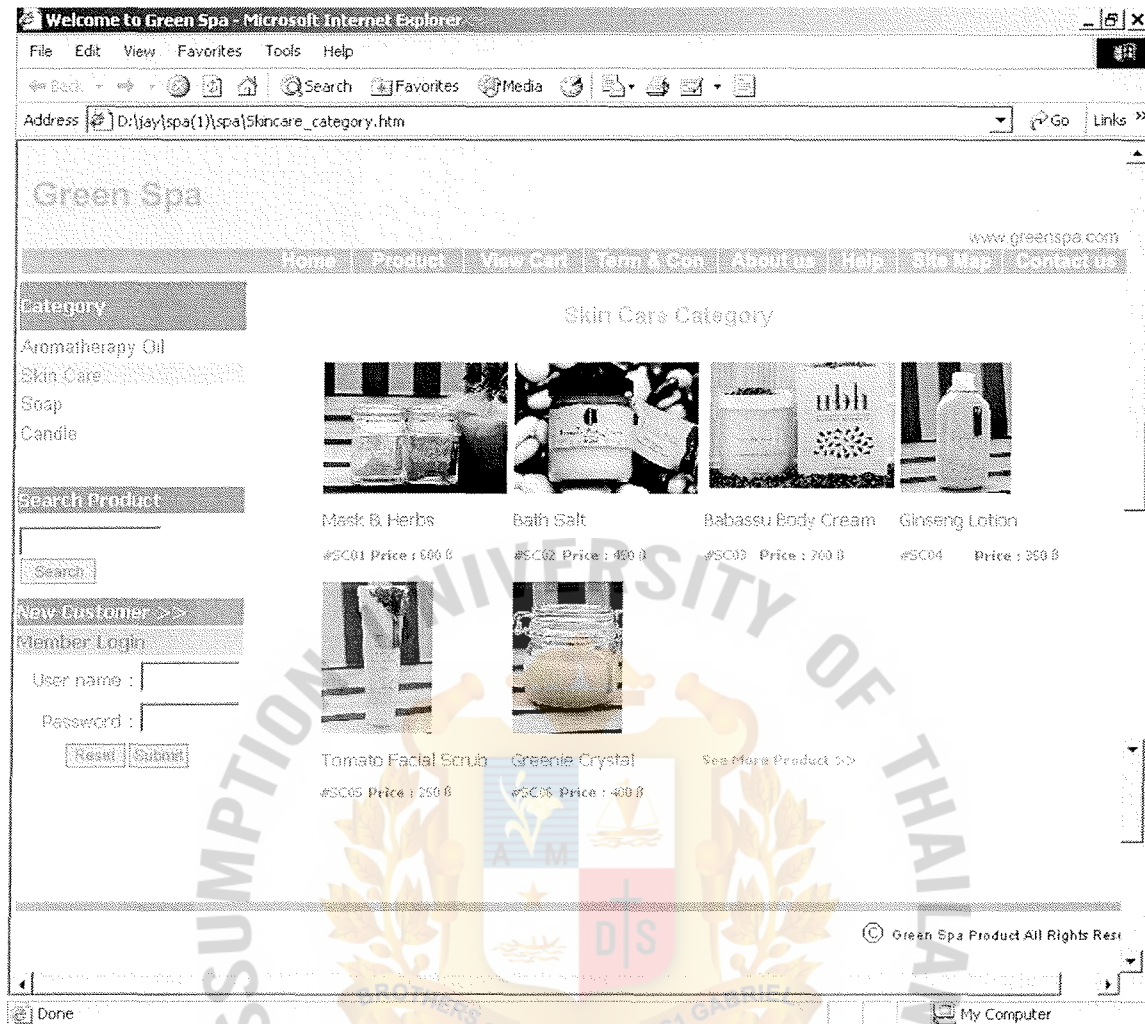


Figure A.6. Product Category Page of www.greenspa.com.

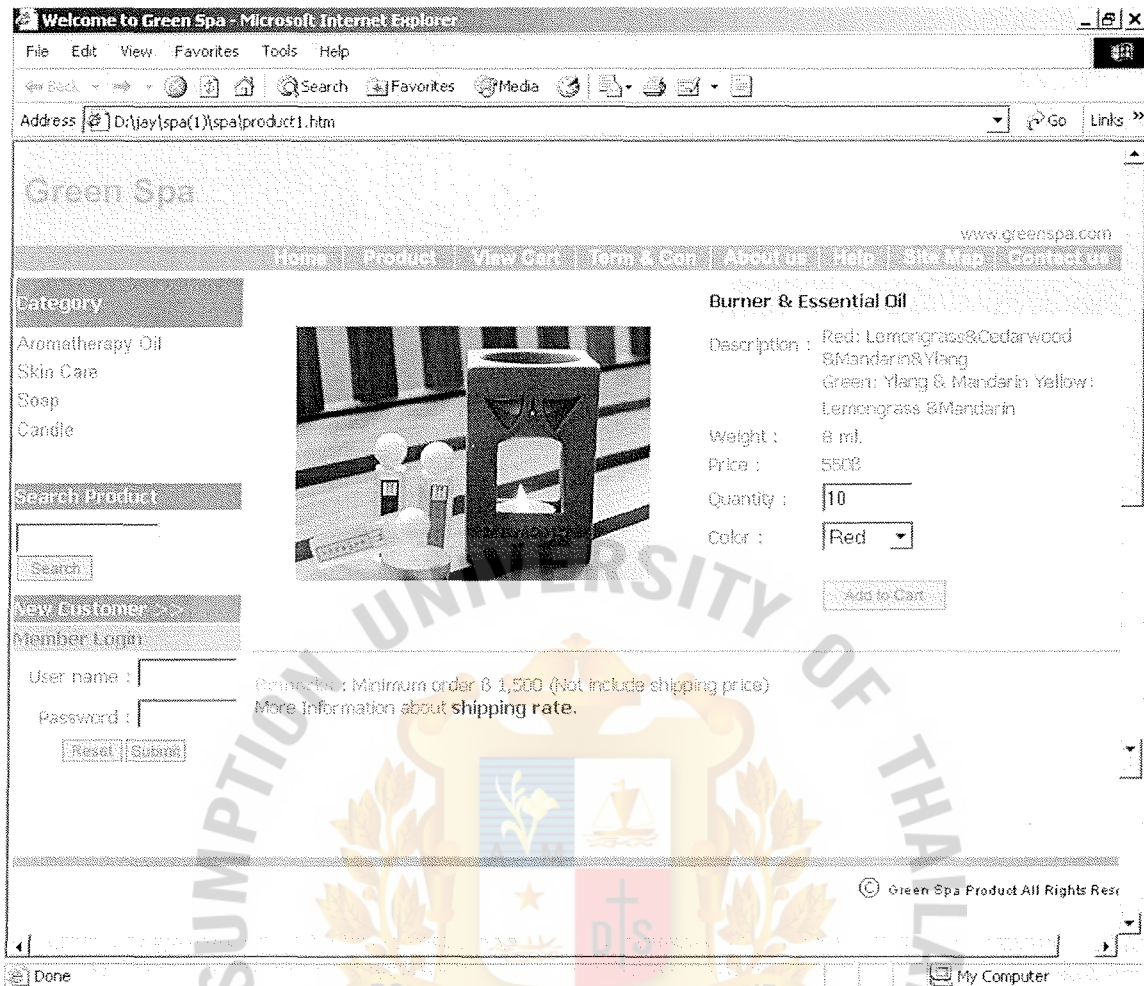


Figure A.7. Product Detail Page of `www.greenspa.com`.

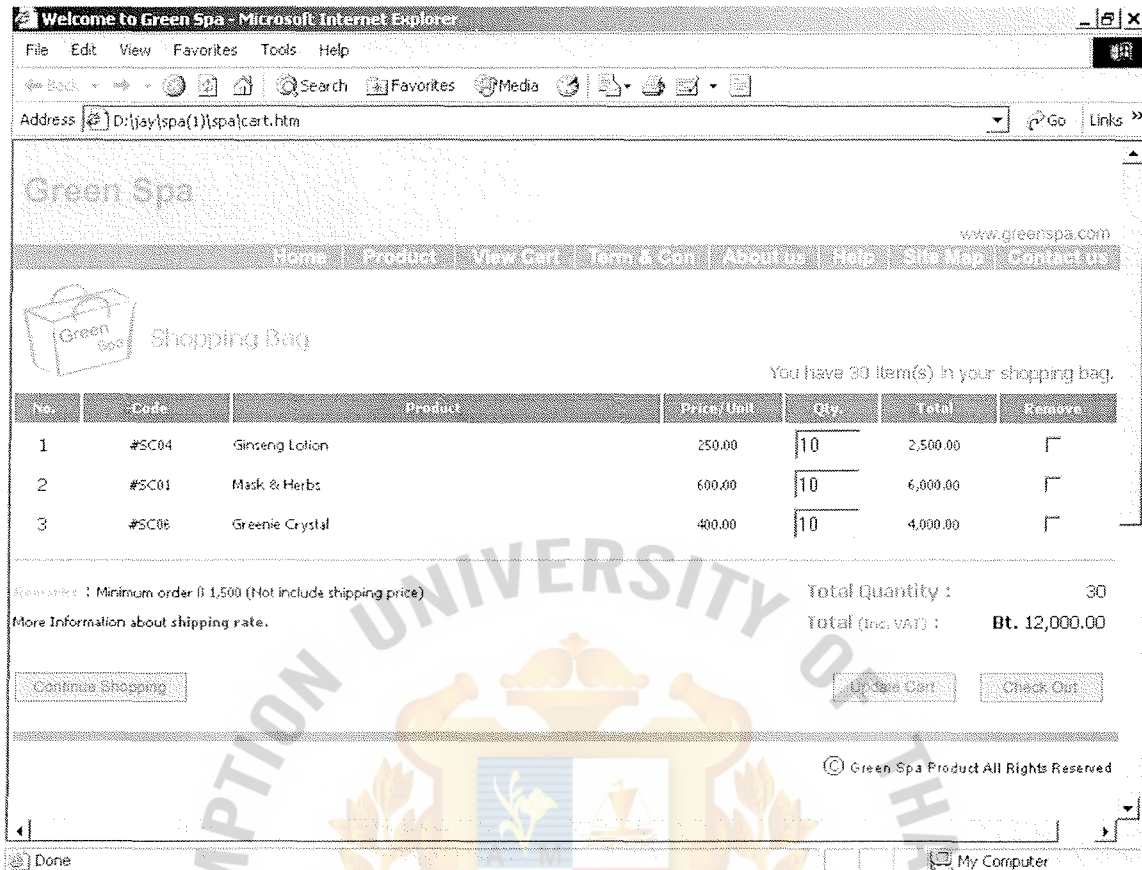


Figure A.8. Shopping Bag Page of www.greenspa.com.

Welcome to Green Spa - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media

Address D:\jay\spa(1)\spa\payment.htm Go Links

Green Spa

www.greenspa.com

Home Product View Cart Term & Con About us Help Site Map Contact us

Confirm Payment

Please specify delivery and payment method

Secure by

Delivery Method :

☐ Regular ☐ Express

Payment Method :

☐ Online credit card ☐ Bank Transfer ☐ Company Account

Please specify bank if select online credit card or bank transfer payment method.

Bank :

Please specify credit card if using online credit card payment method.

Type of card :

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Done My Computer

Figure A.9. Payment Page of www.greenspa.com.

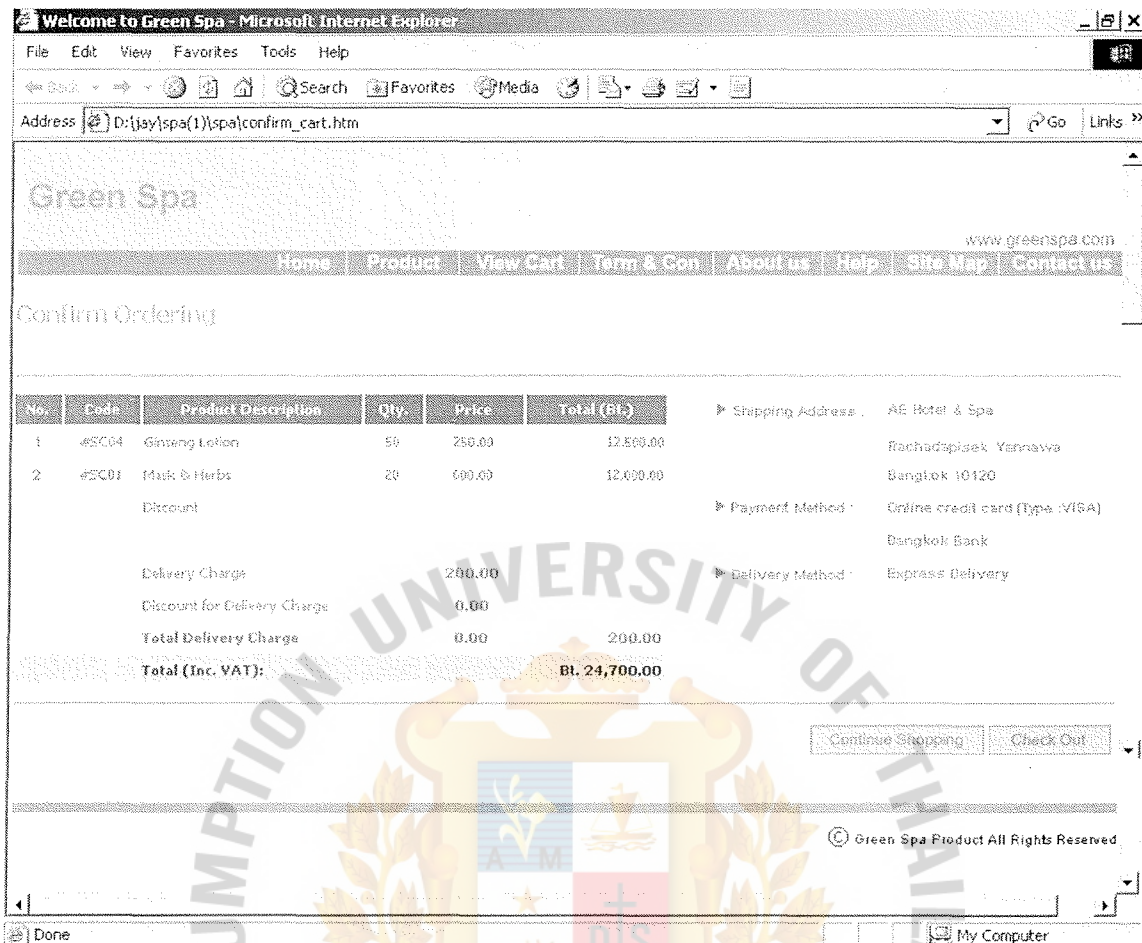


Figure A.10. Confirm Shopping Page of www.greenspa.com.

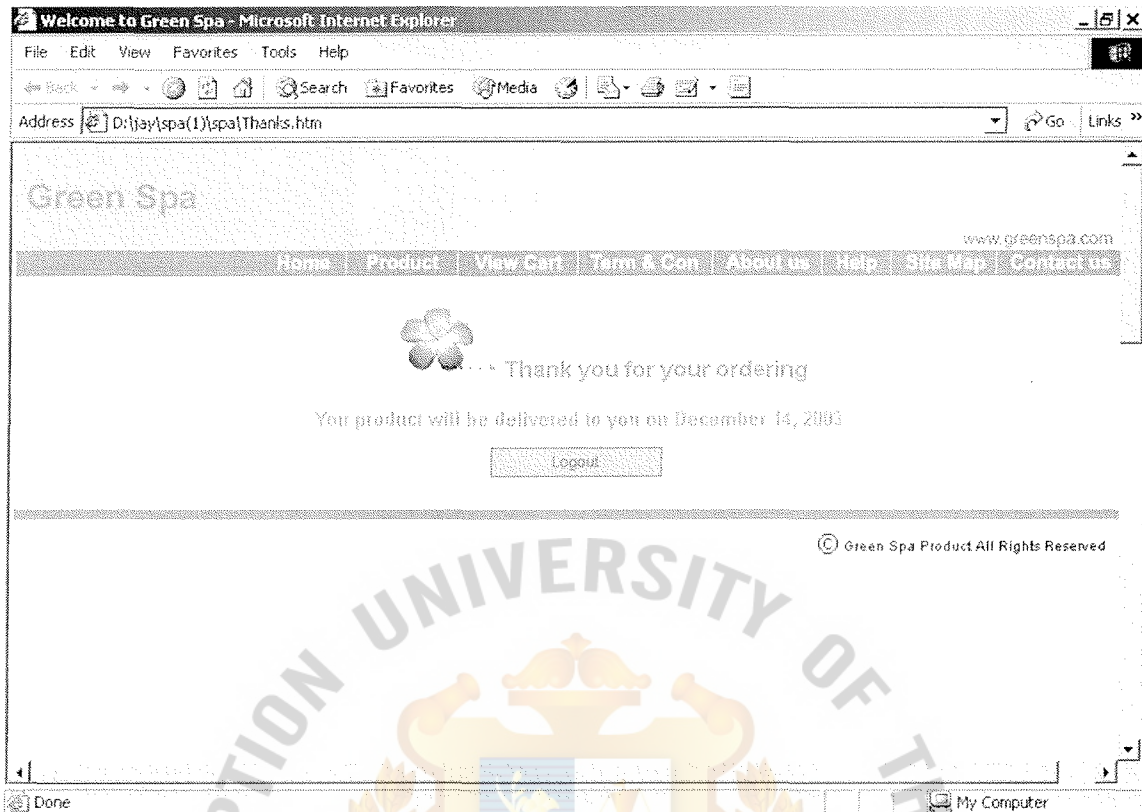


Figure A.11. Thank You Page of www.greenspa.com.

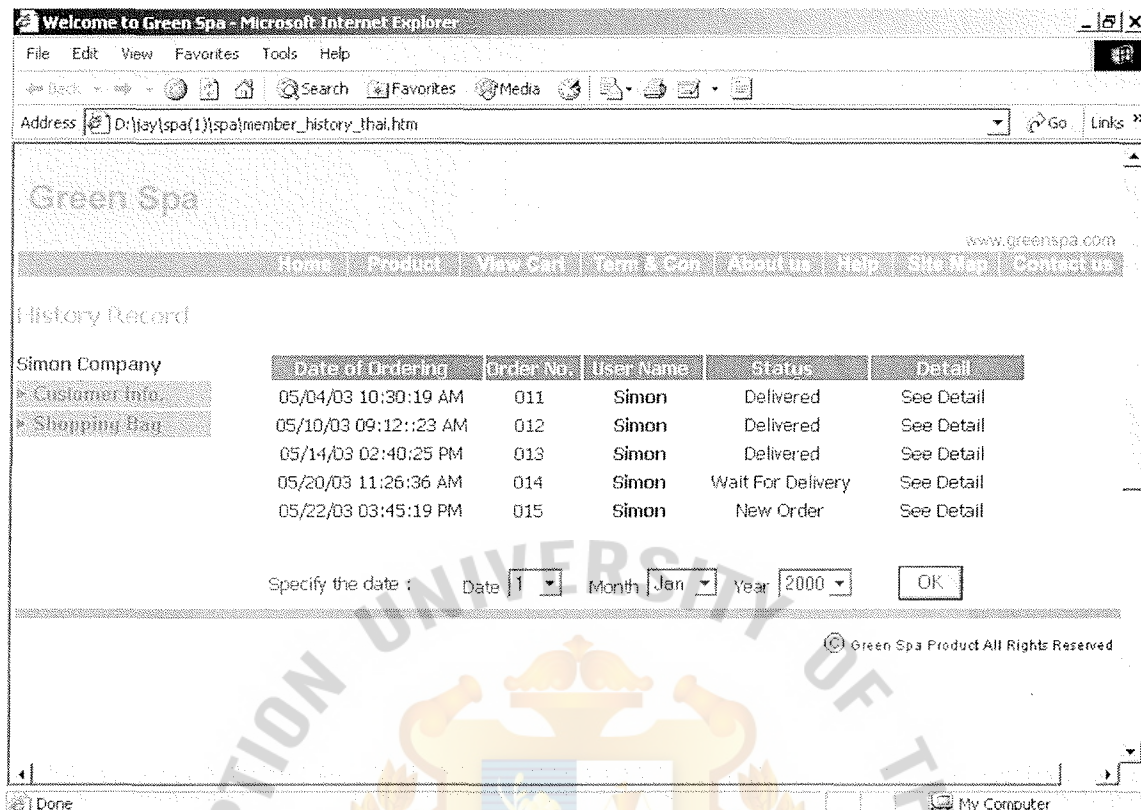


Figure A.12. History Record Page of www.greenspa.com.



APPENDIX B

BACK OFFICE USER INTERFACE

Help Desk Support System for Executive - Microsoft Internet Explorer


File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media

Address D:\back\spsback_main.htm

Green Spa

Main Menu Update Product

 Inventory Management System

Username

Password

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Figure B.1. Login Page of Green Spa Back Office.

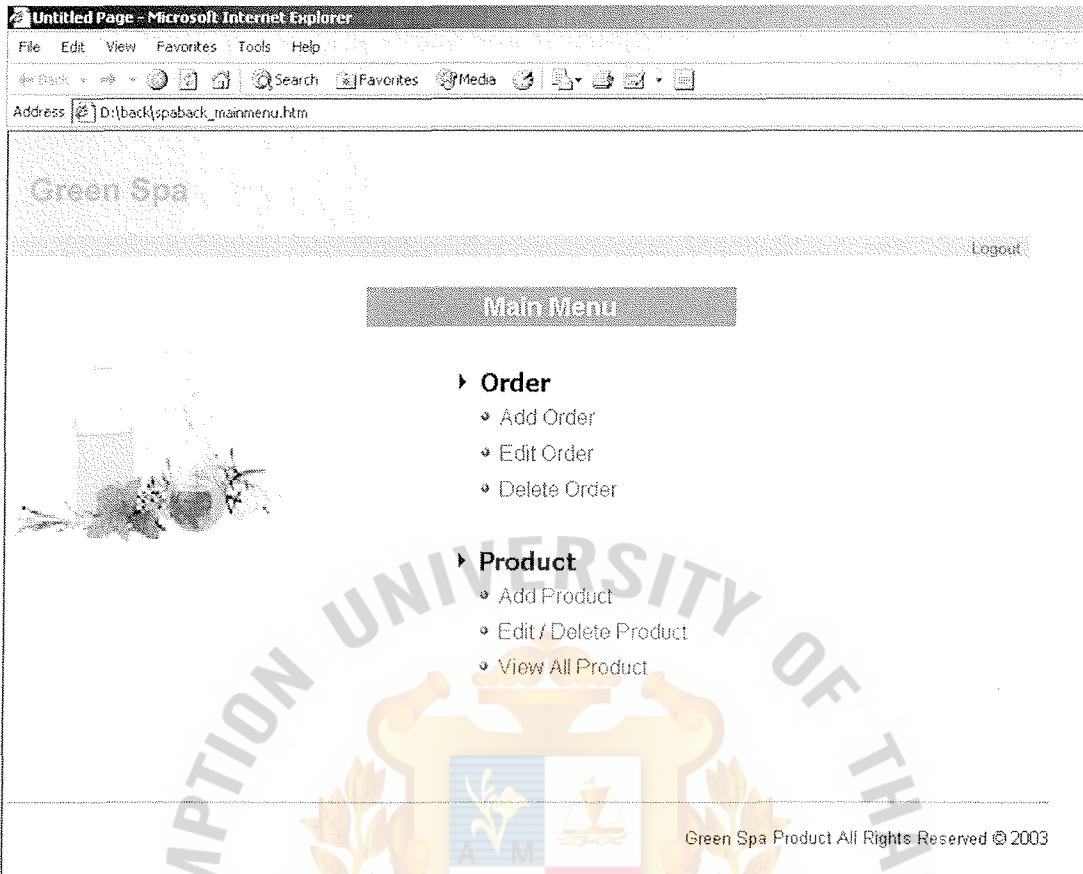


Figure B.2. Main Menu Page of Green Spa Back Office.

Untitled Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media

Address D:\back\spaback_product_add.htm

Green Spa

Main Menu | Add Product | Edit Product | Logout

Add Product Item

Product ID :

Product Name :

Category :

Product Description :

Unit Price : Baht

Stock : Unit(s)

Manufacturer :

Supplier Name :

Product Picture : Browse...

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Figure B.3. Adding Product Page of Green Spa Back Office.

Untitled Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media Print

Address D:\back\spaback_product_edit.htm

Green Spa

Main Menu Add Product Edit Product Logout

Edit Product Item

Product ID :

Product ID: OD0001

Product Name :

Main Category :

Category ID :

Product Description :

Unit Price : Baht

Stock : Unit(s)

Manufacturer :

Supplier Name :

Product Picture :

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Figure B.4. Edit Product Page of Green Spa Back Office.

Untitled Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media Print

Address D:\back\spaback_order_add.htm

Green Spa

Main Menu | Add Order | Edit Order | Delete Order | Logout

Add Order

Order ID : *

Customer ID : *

Product ID : *

Quantity Unit(s) *

Unit Price : Baht *

Total Price : Baht *

Order Date : *

Shipping Date :

Shipping by:

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Figure B.5. Adding Order Page of Green Spa Back Office.

Untitled Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Media

Address [D:\back\spaback_order_edit.htm](#)

Green Spa

Main Menu | [Add Order](#) | [Edit Order](#) | [Delete Order](#) | [Logout](#)

Edit Order

Order ID :

Order ID : 0001

Customer ID :

Product ID : *

Quantity : Unit(s) *

Unit Price : Baht *

Total Price : Baht *

Order Date : *

Shipping Date :

Shipping by:

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Figure B.6. Edit Order Page of Green Spa Back Office.

Untitled Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address [D:\backspaback_order_delete.htm](#)

Green Spa

Main Menu | Add Order | Edit Order | Delete Order | Logout

Delete Order

Order ID :

Order ID : 0001

Customer ID :

Product ID :

Quantity : Unit(s) *

Unit Price : Baht *

Total Price : Baht *

Order Date :

Shipping Date :

Shipping by :

Green Spa Product All Rights Reserved © 2003

Figure B.7. Delete Order Page of Green Spa Back Office.

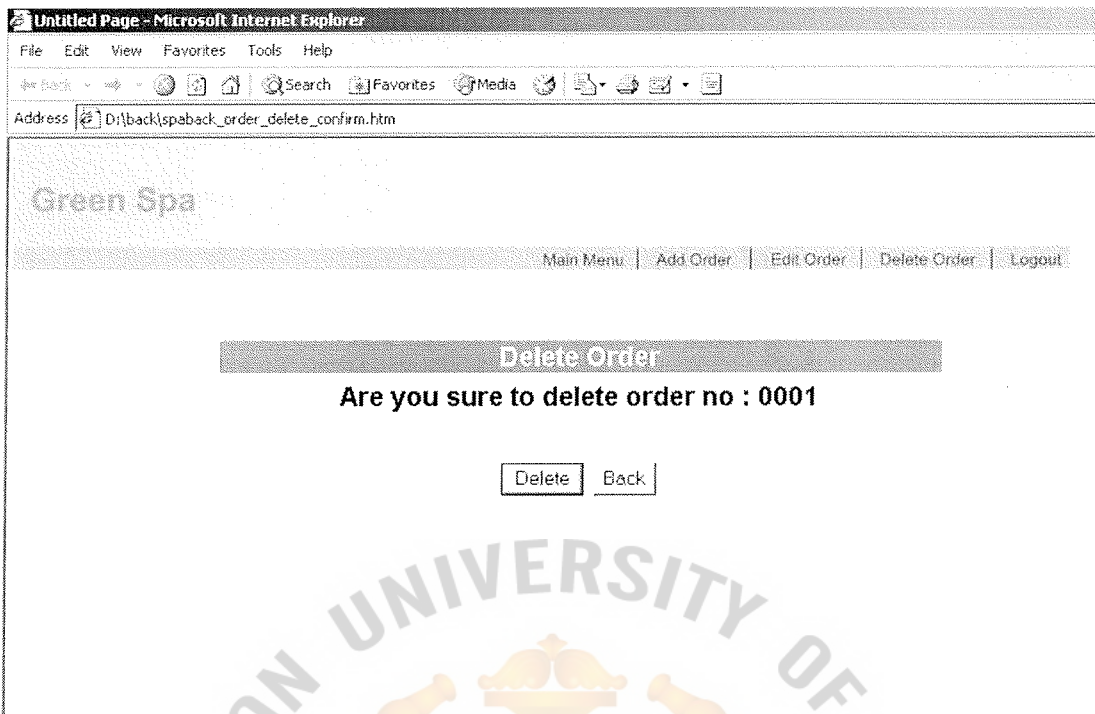


Figure B.8. Confirm Delete Order Page of Green Spa Back Office.

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