2005

The online marketing plan for Indra Jewelry Company, Thailand

Vorapoj Liyawarakhun

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THE ONLINE MARKETING PLAN FOR
INDRA JEWELRY COMPANY,
THAILAND

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
Communication Studies

By
Vorapoj Liyawarakhun
March 2005
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March 2005

Approved by:

Dr. C.E. Tapie Rohm Jr., Chair, Information and Decision Sciences

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ABSTRACT

Indra Jewelry Company is a manufacturer and retailer of fine gold, silver, and platinum jewelry in Bangkok, Thailand. IJC is a family-owned small business company located in downtown Bangkok. The company was established in June 1971 by Thawatchai Liyawarakhun. Since then (over 30 years), IJC is well known for producing and providing fine jewelry and high quality products to customers especially Japanese and American in Thailand. According to last 3 years of sales, it has been steady and not appears to be increasing in continuing. Company needs an effective online marketing plan to stimulate consumer awareness and increase the sales. The purpose of this project is to apply marketing tactics in the form of website and online services in order to improve the company image and customer service and relationship. Moreover, website and online service can be a new distribution channel for the company to expand a market. The online marketing plan will be conducted for one year (from January 2005 to December 2005) and target market to existing customers in beginning.
ACKNOWLEDGEMENTS

I would like to thank my committees; Dr. C.E. Tapie Rohm Jr., Dr. Donna Simmons, and Dr. Rod Metts for giving their value time to assist me through this project. I very appreciate their help. Importantly, I would like to thank my father and mother; Thawatchai and Achara Liyawarakhun, who give me everything in my life. Finally, I would like to thank Chanoknart P., who encourages me to finish this project.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>ix</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>x</td>
</tr>
<tr>
<td>CHAPTER ONE: INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>Statement of the Problem</td>
<td>3</td>
</tr>
<tr>
<td>Purpose of the Project</td>
<td>3</td>
</tr>
<tr>
<td>Limitation</td>
<td>4</td>
</tr>
<tr>
<td>Plan of the Project</td>
<td>4</td>
</tr>
<tr>
<td>Summary</td>
<td>5</td>
</tr>
<tr>
<td>CHAPTER TWO: REVIEW OF LITERATURE</td>
<td>6</td>
</tr>
<tr>
<td>Online Marketing</td>
<td>6</td>
</tr>
<tr>
<td>Internet in Marketing Approaches</td>
<td>7</td>
</tr>
<tr>
<td>Interactive Characteristics</td>
<td>9</td>
</tr>
<tr>
<td>Electronic Retailing</td>
<td>10</td>
</tr>
<tr>
<td>Electronic Customer Analysis</td>
<td>11</td>
</tr>
<tr>
<td>Website Marketing Strategies</td>
<td>12</td>
</tr>
<tr>
<td>User-friendly</td>
<td>12</td>
</tr>
<tr>
<td>Building the Image</td>
<td>13</td>
</tr>
<tr>
<td>Trust and Privacy</td>
<td>14</td>
</tr>
<tr>
<td>Simeon’s Model</td>
<td>15</td>
</tr>
<tr>
<td>Attracting</td>
<td>15</td>
</tr>
</tbody>
</table>
CHAPTER FOUR: PROJECT DEVELOPMENT

Objectives .......................................................... 41
Key to Success ......................................................... 42
Targets ................................................................. 42
Strategies ............................................................. 42
Online Shopping Trend ............................................. 43
Industry Analysis .................................................... 43
Website Strategies ................................................ 45
Business Model ...................................................... 46
Development Requirements ...................................... 47
Web Designing ....................................................... 48
Web Programming .................................................. 49
Resource Requirements ......................................... 50
Implementation ...................................................... 51
Expenditure ........................................................ 55
Summary ............................................................ 56
CHAPTER FIVE: EVALUATION

Measurement ........................................ 57

Instant Marketing Research ....................... 58

Sales Growth Predicting ............................ 59

Conclusion ............................................ 60

Recommendation ..................................... 60

Summary ............................................... 61

REFERENCES ......................................... 62
LIST OF TABLES

Table 1. The Previous Sales Growth in 2002 - 2004 ........................................ 1
Table 2. Top Ten Exporting of Thailand 2000 - 2004 ........................................ 29
Table 3. Internet Usage and Population of the World in 2000-2004 ...................... 35
Table 4. Top Ten Countries with Highest Number of Internet Users in 2004 .......... 37
Table 5. Internet Usage and Population in Asia 2000-2004 ............................. 38
Table 6. Indra Jewelry Company’s Online Marketing Plan Timeline ................. 52
Table 7. Expenditure of Plan ................................................................. 56
Table 8. The Sales Growth Predicting in 2005-2006 ....................................... 59
<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>Indra Jewelry Company’s Product Perception</td>
<td>27</td>
</tr>
<tr>
<td>Figure 2</td>
<td>Homepage of Tiffany and Company</td>
<td>46</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Sample of Navigation Guide</td>
<td>47</td>
</tr>
<tr>
<td>Figure 4</td>
<td>Sample of Product Category in Website</td>
<td>49</td>
</tr>
<tr>
<td>Figure 5</td>
<td>Sample of Virtual Shopping Cart</td>
<td>53</td>
</tr>
<tr>
<td>Figure 6</td>
<td>Website Traffic Forecast 2005-2007</td>
<td>58</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

This project presents an online marketing plan for Indra Jewelry Company (IJC), a fine gold, silver, and platinum jewelry manufacturer, retailer, and exporter in Bangkok, Thailand. IJC is a family-owned small business company located in downtown Bangkok, in Pratunam area. Company was established in June 1971. Since then, the IJC is renowned in manufacturing and providing fine jewelry especially to Japanese and American customers in Thailand.

Table 1. The Previous Sales Growth in 2002-2004

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Revenue Growth</th>
<th>Sales (Baht)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2%</td>
<td>5,300,000</td>
</tr>
<tr>
<td>2003</td>
<td>5%</td>
<td>5,600,000</td>
</tr>
<tr>
<td>2004</td>
<td>0% (Jan - Sep)</td>
<td>5,450,000</td>
</tr>
</tbody>
</table>

In 30 years of business, IJC has been growing little by little. The success of the company is from mere hundred baht sales to currently ten thousand baht sales per day. As shown in Table 1: the last 3 years of sales from 2002 to 2004. The sales have been steady but do not appear to be increasing.
In the analysis of the company situation, here are contributing factors that show the sales of IJC as stable and probably decreasing.

- Most IJC's customers are foreigners who reside at some distance from store.
- The company's only store is located in a changing commercial area with inconvenient parking.
- There are more competitors in the market.
- Lack of awareness of the IJC brand.

IJC need a specific plan to encourage exiting customers to return and purchase products. Customers can view and purchase products without commuting. Customers can receive company news, promotions, and new product information conveniently and fast.

Internet marketing is one of most important strategies for marketers and entrepreneurs to administer their organization up-to-date and cost efficiency. Indra Jewelry Company decides to have an online marketing plan to help the company's position and obtain more market share in high battling market. The Web is much more than a way to grab customers' attention through advertising. It represents a new, electronic channel to conduct all sorts of marketing
activities, including advertising, customer service, marketing research, transactions, and even distribution and new-product development (Lamb, Hair, McDaniel, 2004). The company’s website will not only show what goods or services the company sells, but also build a corporate image, customer relations, and convenience to customers.

Statement of the Problem

In order to compete global economic and currently face with the geographic problem, traffic congestion in Bangkok, and also maintain the sales, Indra Jewelry Company need to conduct the commercial website.

Purpose of the Project

The purpose of this project is to apply marketing tactics in the form of website and online services. The goal of this plan is to improve company image and customer service and relationship. Moreover, website and online service can also increase the sales and profits of the company and expand market.
Limitation

The limitations of this project are: the plan to target specific groups such as American, Japanese, and Thai. The age group of 18 - 40 year-olds who have credit or debit card for purchase and internet access. In addition, this online marketing plan focuses on increasing the IJC’s sale, company image, and customer services/relationship. However, production and raw material management need to be developed by other plan.

Plan of the Project

This project presents an online marketing plan using email and website to build new awareness and grab attention in existing customers and potential markets. This website will provide content/commerce service and customer services. To ensure the success of this project, a development will as follows.

1. Introduction to Indra Jewelry Company.
2. Internal analysis.
3. External analysis.
4. Internet usage trend.
5. Website Development.
6. Implementation.
7. Measurement and recommendation.

This online marketing plan has a period of 6 months for web development, set up, and testing. Lastly, a measurement will evaluate the effectiveness of the project in order to develop a future plan.

Summary

Chapter one is an introduction of the online marketing plan for Indra Jewelry Company, a well-established business retail/manufacturing in fine gold, silver, platinum jewelry. The company occupies a market in niche metropolitan Bangkok. The target market is primarily Japanese and internationals who reside in Bangkok. This chapter indicates: the background of company, purpose of the project, statement of the problem, the limitation, and the plan.
CHAPTER TWO

REVIEW OF LITERATURE

Online Marketing

In this digital age, customers rely heavily on the internet in order to facilitate their decision making process. In the past few years, the internet has been considered only the communication tools for marketing practitioners such as web advertising. In fact, the advents of Internet and the World Wide Web have changed the traditional paradigm of marketing and business in many aspects. As many studies proposed that, the Internet’s role in marketing has changed significantly and the internet is an important part of the entire sales' process in marketing.

Given that even modest increases in customer satisfaction and retention typically translate into significant gains in revenues and profits, many businesses are now focusing on the usage of Internet to expand their reach, improve customer service and develop and maintain closer relationships with their customers (Yang, Ahmed, Ghingold, Boon, et al, 2003). Furthermore, Web marketing (or e-commerce/e-marketing) also has the
potential to improve business and marketing performance significantly for many firms.

The outlook for e-commerce looks positive. E-commerce revenue worldwide is forecast to more than double to over $60.9 billion Singapore Dollar (USD $35 billion) with online buyers intending to buy 80 per cent more than they did in 2000 (International Data Corporation, 2001). Moreover, the potential of e-commerce is being tapped beyond the Western countries where it was initially developed. For example, Internet based e-commerce revenues across Asia-Pacific (excluding Japan) are set to increase to $88 million Singapore Dollar in 2003 (Yang, Ahmed, Ghingold, Boon, 2003).

Internet in Marketing Approaches

Lamb, Hair, and McDaniel (2004) defined marketing as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to create exchanges that satisfy individual and organization goals" (p.6). According to this definition, it is more appropriate to consider internet in the light of online marketing rather than online advertising because the Internet is so much more than an advertising medium.
Customers use internet not only for searching product information, comparing the price, but they can also make a purchase online. Additionally, the differences that make internet stand out from other traditional media are internet can be served as a distribution channel for products and services (Goodwin, 1999). Moreover, in the traditional marketing method, consumer research into brand awareness and consumer need identification is highly developed within the TV and print media has created information aggregation. Online marketing includes all of the functions in the purchase decision process (Goodwin, 1999).

Since the advent of the internet technology, the U.S. Department of Commerce (2002) reported that by September 2001 more than half of U.S. households had internet connections and the Website has become a major communication vehicle. The purposes of the internet varied from purely interpersonal communication (e.g. chat room, personal website, electronic mail) to organizational and national communication (e.g. commercial, education, government). However, the most popular purpose is the internet serving marketing tools such as advertising, customer services, and commercials. The commercial Web,
which its purpose is to sell services, product or ideas, has progressively more become a vehicle of marketing communication.

Interactive Characteristics

According to A McAllister and Turow study (2002), the digital interactive media was defined as the computer-driven forms of communication that allow real time interaction among people and organizations. The two major characteristics for identifying interactive medium are the digital and the interactive nature. First, the digital nature means that the users can send, retrieve, transform, and store the material in the digital format. Second, the interactive nature means the senders and the receivers can respond to one another in an ongoing manner.

Since the nature of interactive media, the marketing professionals seem to rely heavily on this media as the promotional tools to reach their target more effectively. Additionally, it is conducted through interactive online computer systems that link consumers with sellers electronically.
Electronic Retailing

Electronic retailing (E-retailing), which involves the selling of goods and services to the consumer market via the Internet, is also called e-tailing, e-retailing and electronic commerce (EC) in the business-to-consumer (B2C) market (Wang, Head, & Archer, 2002).

U.S. online retail sales are expected to reach $65 billion in 2004, and will continue to grow by a compound annual growth rate of 17 percent through 2008 to top $117 billion, according to a report issued from Jupiter Research (2003). Significantly expanding reach (people/location) and range (variety) of information, the World Wide Web can build benefits for both marketers and consumers. For consumers, the web can offer access to a wide range of products and services with low cost, broad information, at-home convenience for product comparisons, enhanced interactivity, and facilitate the formation of virtual communities (Internet users with common interests) (Armstrong and Hagel 1996). In term of retailing marketers, Internet can lower real estate-related expenses (Schlauch & Laposa 2001), improved market research (Burke 1997; Murphy et al. 2001), new retail models, increased sales, and enhanced consumer relationships.
Electronic Customer Analysis

The Wharton Virtual Test Market survey reported the responses from 9,738 panelists provided a basis for identifying factors of online consumer decision making process, online customers characteristic and possibilities to engage in online marketing behavior. This study focuses on the two major categories of variables to predict online buying and spending: "time starvation" and "wired" lifestyle. This study pointed out that most of online buyers share these similar lifestyle patterns. First of all, online buyers worked many hours each week. Lohse, Bellman, and Johnson (2000) give example of buyers in this working lifestyle that a single person working over 50 hours each week or a married couple working over 100 hours per week. They also explained in their study that because time-starved buyers had fewer hours available for shopping, they have more tendencies to make their purchases online to save time. Second, people who engage in online shopping usually use the Internet in everyday life more than other people who are non-online buyers. Lohse, Bellman, & Johnson stated the usage on Internet of E-consumer in their study that E-consumer usually internet both in an approach for their personal life such as to keep in touch with family and
toward business web sites that E-commerce website should be responsive to the needs and preferences of their customers. Many well-designed websites can satisfy more customers and increase website traffic. The web feature as user-friendly as possible can make the users feeling more in control, which is a important structure that successful commercial website should implement.

**Building the Image**

Today, websites may be very important channel in commerce and promotion because clients are on the internet. The website can create first impression to potential customers and even existing customers that the company cares enough to serve new technologies and new services for benefit of clients. For new customers who find the company through the website, the pages provide them image of the company. They may not necessarily know where the location of company is whether it is in main economic business area or not. If the website looks sophisticated and professional, the company looks good (J.H. Ellsworth, & M.V. Ellsworth 1995). For many companies, online store means gaining competitive advantage in distribution channel by moving from a local to a global market.
Trust and Privacy

Consistent with past work, our study found that price does not rule the Net; trust does (see Wang et al, 2000; Reicheld and Schefter, 2000). Recent research has shown that an overwhelming majority, 84 percent, of US consumers are concerned about the invasion of personal privacy and the loss of personal information over the Web (Westin and Maurici, 1998). Several marketing implications are apparent. High perceived purchase risk, a strong influence on the purchasing behavior of consumers (Prasad, 1975), is clearly an important element of online shopping. Marketers have often used branding to help allay consumers' perceived risk. Brands may actually matter more online than offline, giving established brands an edge in building the critical mass so vital to dominance in e-commerce. Additionally, the more consumers trust an online vendor, the more likely they are to share personal information. This is vital for any online company.

Another important aspect of E-marketing is the rapidly changing of technology resulting in the changes of trend, consumers' needs and desires. Moreover, e-marketer should be aware to respond to competitors and a dynamic marketing
environment by leveraging new or improving technologies in website design.

**Simeon’s Model**

In e-retailing, user interface is one of the main factors to attract the user to visit and build website efficiency. Simeon (1999) has developed a comprehensive formulation to evaluate website effectiveness, which is Attracting, Informing, Positioning, and Delivering (AIPD) model.

Simeon acknowledged that each AIPD component was multidimensional and he identifies dimensions of each AIPD factors to determine their relative importance. The AIPD dimensions are briefly discussed below.

**Attracting**

Obviously, the exposure the website to which an organization is able to increase traffic flow to its site, the chances that commercial interactions can take place is similarly increased (Simeon, 1999). To measure a marketing effectiveness, reach to target audiences is a main focus. Therefore, the first task of e-marketing is to attract a steady stream of interested users to visit the firm's online presence.
There are many methods to attract target audiences to a company's Website. The URL or Web address, for well-known companies, is a competitive advantage to attract users to the firm's online presence. When online consumers do not directly navigate to the firm's URL, they can still be directed there through the use of affiliates, non-competing e-commerce firms who act as partners by directing visitors to their site to a separate e-commerce site, normally for a fee or commission should a purchase take place.

E-marketers must control the budget of promotional expenditures consequently and evaluate the cost effectiveness in attracting customers. Regardless of how customer purchasing is accomplished, it is clear that the first order of business in e-commerce is to bring current and potential customers to the Website.

Informing

Since website is also considered as one communication channel for marketer, website has to provide audiences or consumer with the informative content. Usually, commercial Web sites contain information about the company and its products and services. Additionally, the success of businesses also relies on how well their web sites have been presented and organized. Perry and Bodkin (2000)
stated in their study that the effective website should be easily accessed by visitors. Moreover, the content that meets consumers' need can influence on consumer overt behavior such as an actual transaction.

Many consumers appear to prefer graphical interface, simply pointing and clicking, which makes it easier for consumers to navigate a site and find what they want. It was observed, for example, that the more interactive a Web site is compared to its competitors, the more likely that site would be included in Lycos' "top five percent site hits" (Ghose and Dou, 1998).

Positioning

The positioning capability of a Web site relates to the key factors determining the company's e-commerce market positioning strategy (Simeon, 1999). Prior research has concluded that discounted price (Reichheld and Schefter, 2000), convenience and unique merchandise (Phau and Poon, 2000) are some of the market positioning strategies adopted by most e-marketers.

Delivering

The delivery function emphasizes on the way the Web site provides reliability, speed, security and interactivity (Simeon, 1999). To examine the delivery
capacity, attributes such as warranty and after-sales service, customer support (Hoffman and Novak, 2000), mode of payment, downloading time (Abels et al., 1998) are user-based criteria that likely influence consumers' use of, and satisfaction with, a Web site.

Moreover, security and privacy are critical components of effective commercial Websites (Wang et al., 2000; Reicheld and Schefter, 2000). Security and privacy are directly related to trust, which is a vital competitive advantage in the online environment (Spar and Bussgang, 1996; Wang et al., 2000). Recent negative publicity regarding lapses in privacy and the trustable of e-commerce vendors has slowed the development of online markets. Businesses must take proactive steps to build a climate of trust with end customers.

Cost Effectiveness on Electronic Marketing

Lower marketing cost; set up a storefront in cyberspace can cut cost of information distribution. Posting information in internet is less expensive than mailing or printing it, or than paying a marketer to distribute it on other media.
Faster information distribution; update information on website is just minutes that more quickly than print catalogs or brochures. For example, the lottery website offers a winning number right after the results have been broadcasted.

Better customer service; the website can provide information and services 24 hours a day and 7 days a week. The company just programs website to receive orders, check inventory, reply messages to members whenever they choose. Giving customers more control over when and where they make a purchase is one of the best ways to increase business (Levinson, & Rubin 1996).

More sales; with commercial website that is available to people all over the world, the company can show products or services to new market that the company can not reach.

Jewelry Store on Internet

A study by Forrester Research recently found that customers who shop multiple ways -- in stores, on Web sites and with catalogs -- spend about four times more than customers who shop only through one of those channels. Fred Meyer Jewelers, the nation's fourth-largest jewelry retailer in USA, take advantage of this behavior by
offering discount coupons for in-store use only when they buy any items on the company’s website. "Now, we're seeing people come in with printouts from the Web site of items they want to buy. We get quite a few sales online, but the Web site also drives store sales." says Mark Funasaki, Fred Meyer's vice president (Stringer 2004).

Blue Nile, the online purveyor of diamonds and jewelry in business only since 1999, earns income jumped to $11.3 million in 2004, from a loss of $5.3 million 2 years earlier (Doherty 2004). Blue Nile gain benefit from internet technology by connecting over the internet to its key suppliers, who buy their stones directly from South Africa's powerful DeBeers Consolidated Mines Ltd. That eliminates three middlemen or more. The company won a loyal following by selling diamonds at below-market prices.

Summary

In this study, many previous literatures show that internet has become important in global marketing as several researches reported that the number of internet buyers have increased significantly in past decades worldwide. This make internet be an effective marketing tool not only for communication channel to reach target market but
marketers also employ internet as distribution channel such as online marketing and electronic retailing which significantly contribute to the success of global business.

In studying marketing, consumer behavior and process of decision making should be explored. This study focuses on the particular characteristics of internet buyers, behavior on online purchasing, and the motivation in the decision making process which are different from the traditional model in consumer behavior. Furthermore, the effectiveness of website as a user interface can contribute to the success of the overall business.
CHAPTER THREE

PROJECT DEFINE

Indra Jewelry Company

Indra Jewelry Company (IJC) is a manufacturer and retailer of fine gold, silver, and platinum jewelry in Bangkok, Thailand. IJC is a family-owned small business company located in downtown Bangkok, Pratunam area. The company was established in June 1971 by Thawatchai Liyawarakhun. Since then, over 30 years, IJC is well known of producing and providing fine jewelry and high quality products to customers especially Japanese and American in Thailand.

Purpose/Scope

As a result of company's sales statistics, IJC needs an effective marketing plan to improve the company's situation. This online marketing is conducted to stimulate consumer awareness, build new corporate image to existing customers, and improve customer service. In addition, an online marketing is a powerful and convenient channel to promote, advertise, and sell products and services in recent world of technology. The online marketing is global.
It also can reach potential consumers in literally every part of the world (Wehling, 1996). The measurable goal of this plan is to increase sales 10% in 2005 and 25% in 2006.

Internal Analysis

Strengths

Indra Jewelry Company has been providing a fine quality of silver, gold, and platinum jewelry. For over 30 years history, company has been providing high quality goods and excellent customer services to become well-known in groups of Japanese and American customers in Thailand. IJC is located in Indra Shopping Arcade where it recognized as a hub of downtown Bangkok. IJC manufactures jewelry products and sells jewelry and accessory products under the company name of “Indra Jewelry.”

For over 30 years in the jewelry industry, the name “Indra Jewelry” has established strong reputation among customers. Indra Jewelry Company provides customers with only high quality, 100% genuine jewelry, customers resulting in a substantial number of loyal customers - especially Japanese (80% of total IJC’s customers.) Japanese customers prefer high quality and high standard products with reasonable prices. IJC has followed this
standard and quality control in every process since its founding. Additionally, IJC also achieves in American customer, which is about 15% of existing customers, from company's renowned trustable products and good price.

Indra Jewelry Company has its own design department to provide unique and original jewelry. IJC offers a variety of products such as rings, earrings, bracelet, necklaces, and etc. Additionally, IJC has product customizing service for customers who want to create their own jewelry style. The original designs by the IJC customizing service develop customer confidence that they will have extraordinary jewelry design and unique not found in regular stores.

Furthermore, Indra Jewelry Company is considered competitive in price among other competitors since IJC manufactures and sells products through its own store. Therefore, there is no additional charge from distribution channels or intermediaries.

Indra Jewelry Company acquires sales representatives who are able to speak Thai, English, Chinese, and Japanese. They are well versed in foreign customs, preferences, as well as knowledgeable in jewelry design and style of each cultural group.
Indra Jewelry Company provides services:

1. Consulting and designing
2. Repairing and resizing
3. Buying back
4. Cleaning
5. Jewelry Wax Modeling

Weakness

Indra Jewelry Company has only one store since company opened business. In contrast, competitors have expanded into numerous branches and also contracts with other distributors, such as counters or booths in co-operative stores, which increase their distribution channel while expanding their target customers. Compounding the challenges of a competitive market, the surrounding environment of the IJC store has changed. The facilities, physical structure of the store are outdated and needing modernization. The existing condition is not attractive to potential customers. Moreover, the parking lots are inconvenient.

Brand Awareness

Given the fact that existing customers of Indra Jewelry Company consists of 80% Japanese, 15% American, and 1% others, it is clear that brand awareness is limited to
particular groups of customers. Although the percentage of Japanese customers is high among local Thai customers, the company brand awareness still lags behind in local.

Conclusion, in order to advance to compete with other business Indra Jewelry Company must develop proper marketing and advertising for building brand awareness in Thai customers.

Small Business

According to high competition in a global business, jewelry manufacturers, retailer, and wholesalers are challenging each other by using strategies to capture target markets in order to increase market share and sale volume. Furthermore, expanding organization is a way to make company stronger and bigger. Therefore, Indra Jewelry Company needs to recruit well-trained people, skilled employees, and good management.

Communication and Marketing

Indra Jewelry Company is family own business growing from unknown to strong brand awareness, trusted among particular customers. The company has never created professional plans in communication and marketing. In order to gain more market share and compete with competitors, IJC
need to have an effective marketing plan, such as online marketing plan.

Producing Limitation

Indra Jewelry Company is in the jewelry business so it manufactures and retails in its own store. On occasion, the company has received large orders. The maximum production of IJC is 150 - 200 pieces a day. The factory is limited by facilities, equipments, and resources thus it is not able to cope with huge orders as wholesaler.

![Product Perception Diagram]

Figure 1. Indra Jewelry Company’s Product Perception

Conclusion, brand awareness of Indra Jewelry Company is high quality jewelry, trustable name, and reasonable
price (see Figure 1). However, IJC brand is limited to particular group of customer only.

External Analysis

Opportunity

Thailand has long been known as a resource of refined jewelry and gemstone. Annually, revenue from exporting jewelry and gemstone are a large contribution to the overall economy of Thailand. Based on export information from the Department of Export Promotion (DEP), Ministry of Commerce, jewelry and accessories industry generates at least 1.25 billion US dollars a year to the country and has grown steadily since 1996 by an average of 3% per year. In the year 2003, total exports were valued at about US $ 8.18 billion, rising 50.14% from 2000, and Gemstone, Jewelry, and Accessories is on the eighth rank of Thailand exporting in 2004, as shown in Table 2.

With competitive advantages in terms of quality and skilled labor, Thailand's jewelry and accessories are finely cut in magnificent designs and are thus in great demand.

The Board of Investment of Thailand (BOI) has promoted investments in this industry, dividing it into two
categories; gems cutting and accessories manufacturing.

Thus far, more than 160 producers have received promotional privileges from the BOI.

Table 2. Top Ten Exporting of Thailand 2000-2004

<table>
<thead>
<tr>
<th>Categories</th>
<th>Value: Million USD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Computer and Accessories</td>
<td>8,739.5</td>
</tr>
<tr>
<td>Motor Vehicle and Accessories</td>
<td>2,419.4</td>
</tr>
<tr>
<td>Electronic circuit</td>
<td>4,484.0</td>
</tr>
<tr>
<td>Rubber</td>
<td>1,524.7</td>
</tr>
<tr>
<td>Television and Accessories</td>
<td>1,964.9</td>
</tr>
<tr>
<td>Textile and garment</td>
<td>3,132.7</td>
</tr>
<tr>
<td>Plastic</td>
<td>1,865.6</td>
</tr>
<tr>
<td>Gemstone, Jewelry, and Accessories</td>
<td>1,741.8</td>
</tr>
<tr>
<td>Rice</td>
<td>1,641.0</td>
</tr>
<tr>
<td>Steel</td>
<td>1,399.2</td>
</tr>
</tbody>
</table>

Source: Department of Export Promotion (2004)

The Department of Industrial Promotion under the Ministry of Industry has supported the establishment of a model or standard factory to produce jewelry and accessories with a complete set of state-of-the-art
technology. This is aimed at upgrading quality production and reducing production costs.

The Department of Export Promotion attached to the Ministry of Commerce has supported projects for the development of this industry in many aspects such as the personnel development for jewelry and accessories production program, the Gems & Jewelry Fair Promotion on Internet project, and the policy on new market opening to boost export value.

Currency Rate

The industry is expected to continue to perform favorably since Thai products are popular among foreign consumers and the baht weakening will make Thai products cheaper and help to boost competitiveness on the international markets, especially against such emerging low-cost rivals as India and China. This is a good opportunity for Thailand to tap new markets such as Eastern Europe, Taiwan, and Japan.

Threats in the Jewelry Industry

Human Resources

The jewelry and accessories industry is labor intensive and relies dramatically on delicate craftsmanship
and skills of workers which may not be substituted by machines. Thai jewelry industry is lacking skilled labor in many special fields - designing and producing high quality jewelry product.

Raw Materials

Thailand used to possess one of the world's major gemstone resources. The fast growing jewelry and accessories industry resulted in heavy exploitation of the local resource which finally became insufficient to meet the demand. As a result, Thai producers instead have to procure rough stones from abroad, e.g. ruby from China, Myanmar and Tanzania; sapphire from Australia, Sri Lanka, Tanzania and Madagascar; emerald from the US, Brazil and the United Arab Emirates, etc. However, many of these exporting countries have turned to develop and produce their own jewelry and accessories products and relatively reduced the exports of rough stones. To cope with this, some Thai manufacturers have bought gemstone mines in Madagascar and Tanzania where good quality stones are abundantly available. In 2000, Thai imports of uncut stones amounted to around Bt. 1.005 billion, elevated 37.7% from a year earlier. (Resource: http://www.depthai.go.th)
The supply of rough diamonds, gemstones, gold and silver at home and from abroad is still inadequate in terms of both quantity and quality. Moreover, such countries rich in resources as Sri Lanka, Australia, Myanmar and Vietnam have limited their exports of these raw materials in order to reserve them for their own use.

Diamonds are not available domestically and must be entirely imported. Uncut diamonds are chiefly procured from Belgium, Congo, India and Israel while cut diamonds are from Belgium, India, Israel and the US. Likewise, raw materials for both genuine and artificial accessories are to be procured from abroad, e.g. gold from Switzerland, platinum and pearls from Japan, and artificial gemstones from China and Austria.

Technologies

There is barely Thai technological developer for jewelry manufacturing in Thailand. Most high technologies and equipments in jewelry producing, such as gemstone cutting, setting making and gems fixing, mold making, and metal casting, have to be imported from oversea, therefore the production cost is increasing. As a result, Thailand has insufficient know-how and technology to compete with strong foreign competitors.
Marketing

Thailand remains technological inadequate to becoming a jewelry trade center. There is a lack in trade unification and guidance to penetrate new markets and expand distribution channels, e.g. trading via the internet, or E-commerce, which currently becomes one of the most effective ways of selling products.

Brand

Business success is also dependent in branding because branding is an important tool for marketers in customers distinguishing their products from the competitor’s brand (Lain, Hair, McDaniel, 2004). Thai jewelry industry still lacks stronger promotion of Thai brand names. However, many parties have now paid more attention to product designing and development.

Global Economic Situation

Since the Thai jewelry and accessories industry will remain export oriented; it has to rely on the oversea markets. The world economic downturn might affect this industry as jewelry and accessories are considered luxury and expensive products. Jewelry and accessories are among the luxury products and major Thai export items. The world
economic slowdown will likely hurt the overall Thai exports and this sector as well.

**Competition**

Thailand is the world's leading producer and exporter of gemstone accessories thanks to its advantages of skilled labor with delicate workmanship and cheap labor costs compared with such developed countries as Italy, Belgium, France and Hong Kong. These countries sustain high wage rates but employ superior technologies with innovative designs, making their products high-priced. In the low-end market, Thailand has to face severe competition from countries rich in raw materials such as India and Sri Lanka. Having well developed their skills in cutting of small diamonds while bearing lower production costs, India and China are prime rivals in the jewelry market. China is also a major competitor in the accessories market.

**World Internet Trend**

The ubiquity of the Internet has touched most sides of society, from helping businesses become more efficient to the emergence of a massive on-line gaming culture (Ebner, 2004). According to internet world statistic, growth of internet users of the world in 2000-2004 is 118% increasing
from 360,971,012 users (year 2000) to 794,792,396 users (latest data July 2004), as shown in Table 3. The trend of using internet seems to be solid increasing in future.

Table 3. Internet Usage and Population of the World in 2000-2004

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>905,954,600</td>
<td>4,514,400</td>
<td>12,253,300</td>
<td>171.4 %</td>
<td>1.4 %</td>
<td>1.5 %</td>
</tr>
<tr>
<td>Asia</td>
<td>3,654,644,200</td>
<td>114,303,000</td>
<td>252,560,553</td>
<td>121.0 %</td>
<td>6.9 %</td>
<td>31.8 %</td>
</tr>
<tr>
<td>Europe</td>
<td>728,857,380</td>
<td>103,096,093</td>
<td>222,212,768</td>
<td>115.5 %</td>
<td>30.5 %</td>
<td>28.0 %</td>
</tr>
<tr>
<td>Middle East</td>
<td>259,166,000</td>
<td>5,272,300</td>
<td>16,831,400</td>
<td>219.2 %</td>
<td>6.5 %</td>
<td>2.1 %</td>
</tr>
<tr>
<td>North America</td>
<td>326,695,500</td>
<td>108,096,800</td>
<td>223,771,180</td>
<td>107.0 %</td>
<td>68.5 %</td>
<td>28.2 %</td>
</tr>
<tr>
<td>Latin America/Carib-</td>
<td>546,100,900</td>
<td>18,068,919</td>
<td>51,181,736</td>
<td>183.3 %</td>
<td>9.4 %</td>
<td>6.4 %</td>
</tr>
<tr>
<td>bean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oceania</td>
<td>31,892,487</td>
<td>7,619,500</td>
<td>15,981,452</td>
<td>109.7 %</td>
<td>50.1 %</td>
<td>2.0 %</td>
</tr>
<tr>
<td>WORLD TOTAL</td>
<td>6,453,311,067</td>
<td>360,971,012</td>
<td>794,792,396</td>
<td>118.6 %</td>
<td>12.3 %</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

NOTES: (1) Internet Usage and Population Statistics were updated on July 26, 2004. (2) For detailed regional data, click on each World Region. (3) For navigation help, see the Site Surfing Guide. (4) Demographic (population) numbers are based on data contained in the website gazetteer.de. (5) The most recent Internet usage information comes from data published by Nielsen//NetRatings, International Telecommunications Union, and other reliable sources. (6) Data from this site may be cited, giving the due credit and establishing an active link back to InternetWorldStats.com.

Source: Internet World Stats, 2004
In top ten countries with highest number of internet users, United States has highest internet users in the world, 25.6%. Second rank is China, 10.9%. And 8.3% is Japan in third rank, showing in Table 4. According to Indra Jewelry Company’s online marketing plan, company’s market targeted to American and Japanese. This plan could well succeed by reaching to high number of this internet users.
Table 4. Top Ten Countries with Highest Number of Internet Users in 2004

<table>
<thead>
<tr>
<th>#</th>
<th>Country or Region</th>
<th>Internet Users Latest Data</th>
<th>Population (2004 Est.)</th>
<th>Internet Penetration</th>
<th>Source of Latest Data</th>
<th>% of World Usage/ Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>203,271,187</td>
<td>293,271,500</td>
<td>69.3 %</td>
<td>Nielsen//NR June/04</td>
<td>25.6 %</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>87,000,000</td>
<td>1,288,307,100</td>
<td>6.8 %</td>
<td>CNNIC June/04</td>
<td>10.9 %</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>65,933,441</td>
<td>127,853,600</td>
<td>51.6 %</td>
<td>Nielsen//NR June/04</td>
<td>8.3 %</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>45,357,649</td>
<td>82,633,200</td>
<td>54.9 %</td>
<td>Nielsen//NR June/04</td>
<td>5.7 %</td>
</tr>
<tr>
<td>5</td>
<td>United Kingdom</td>
<td>35,831,416</td>
<td>59,595,900</td>
<td>60.1 %</td>
<td>Nielsen//NR June/04</td>
<td>4.5 %</td>
</tr>
<tr>
<td>6</td>
<td>South Korea</td>
<td>29,220,000</td>
<td>49,131,700</td>
<td>59.5 %</td>
<td>KRNIC Dec/03</td>
<td>3.7 %</td>
</tr>
<tr>
<td>7</td>
<td>Italy</td>
<td>28,610,000</td>
<td>57,987,100</td>
<td>49.3 %</td>
<td>C+I+A Dec/03</td>
<td>3.6 %</td>
</tr>
<tr>
<td>8</td>
<td>France</td>
<td>23,216,191</td>
<td>60,011,200</td>
<td>38.7 %</td>
<td>Nielsen//NR June/04</td>
<td>2.9 %</td>
</tr>
<tr>
<td>9</td>
<td>Canada</td>
<td>20,450,000</td>
<td>31,846,900</td>
<td>64.2 %</td>
<td>C+I+A Dec/03</td>
<td>2.6 %</td>
</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>19,760,497</td>
<td>179,383,500</td>
<td>11.0 %</td>
<td>Nielsen//NR June/04</td>
<td>2.5 %</td>
</tr>
<tr>
<td></td>
<td>TOP TEN COUNTRIES</td>
<td>558,650,381</td>
<td>2,230,021,700</td>
<td>25.1 %</td>
<td>IWS - July/04</td>
<td>70.3 %</td>
</tr>
<tr>
<td></td>
<td>Rest of the World</td>
<td>236,142,015</td>
<td>4,160,125,169</td>
<td>5.7 %</td>
<td>IWS - July/04</td>
<td>29.7 %</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td>794,792,396</td>
<td>6,390,146,869</td>
<td>12.4 %</td>
<td>IWS - July/04</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

NOTES: (1) Top Ten Internet Usage Statistics were updated on July 31, 2004. (2) Detailed data for individual countries or regions may be found by clicking on each country name. (3) For navigation help, see the Site Surfing Guide. (4) Demographic (population) figures are based on data contained in gazetteer.de. (5) The most recent internet usage information comes from data published by Nielsen//NetRatings, ITU, and other reliable research sources. (6) Data from this site may be cited, giving due credit and establishing an active link back to InternetWorldStats.com.

Source: Internet World Stats, 2004
Internet trend in Asia is also greater than ever. The growth from year 2000 to 2004 is 124.4%, 114,303,000 internet users in 2000 increase to 256,454,536 users in 2004, as shown in Table 5, especially boosting in China, Japan, India, and South Korea.

Table 5. Internet Usage and Population in Asia 2000-2004

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>25,791,400</td>
<td>-</td>
<td>1,000</td>
<td>n/a</td>
<td>0.0 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>Armenia</td>
<td>2,935,400</td>
<td>30,000</td>
<td>150,000</td>
<td>400.0 %</td>
<td>5.1 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>8,265,700</td>
<td>12,000</td>
<td>300,000</td>
<td>2400.0 %</td>
<td>3.6 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>133,581,700</td>
<td>100,000</td>
<td>243,000</td>
<td>143.0 %</td>
<td>0.2 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Bhutan</td>
<td>1,769,800</td>
<td>500</td>
<td>15,000</td>
<td>2900.0 %</td>
<td>0.8 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>371,100</td>
<td>30,000</td>
<td>35,000</td>
<td>16.7 %</td>
<td>9.4 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>Cambodia</td>
<td>14,131,000</td>
<td>6,000</td>
<td>30,000</td>
<td>400.0 %</td>
<td>0.2 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>China</td>
<td>1,288,307,100</td>
<td>22,500,000</td>
<td>87,000,000</td>
<td>286.7 %</td>
<td>6.8 %</td>
<td>33.9 %</td>
</tr>
<tr>
<td>East Timor</td>
<td>981,800</td>
<td>-</td>
<td>1,000</td>
<td>n/a</td>
<td>0.1 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>Georgia</td>
<td>4,535,200</td>
<td>20,000</td>
<td>150,500</td>
<td>652.5 %</td>
<td>3.3 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>6,727,900</td>
<td>2,283,000</td>
<td>4,878,713</td>
<td>113.7 %</td>
<td>72.5 %</td>
<td>1.9 %</td>
</tr>
<tr>
<td>India</td>
<td>1,088,056,200</td>
<td>5,000,000</td>
<td>18,481,000</td>
<td>269.6 %</td>
<td>1.7 %</td>
<td>7.2 %</td>
</tr>
<tr>
<td>Indonesia</td>
<td>221,777,700</td>
<td>2,000,000</td>
<td>8,000,000</td>
<td>300.0 %</td>
<td>3.6 %</td>
<td>3.1 %</td>
</tr>
<tr>
<td>Japan</td>
<td>127,853,600</td>
<td>47,080,000</td>
<td>66,548,060</td>
<td>41.4 %</td>
<td>52.1 %</td>
<td>25.9 %</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>14,859,700</td>
<td>70,000</td>
<td>250,000</td>
<td>257.1 %</td>
<td>1.7 %</td>
<td>0.1 %</td>
</tr>
</tbody>
</table>
Table 5. (Continue) Internet Usage and Population in Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Internet Users</th>
<th>Population</th>
<th>Internet Users</th>
<th>Population</th>
<th>Usage Rate</th>
<th>Usage Rate</th>
<th>Usage Rate</th>
<th>n/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea, North</td>
<td>25,598,300</td>
<td>25,598,300</td>
<td>19,040,000</td>
<td>30,670,000</td>
<td>61.1%</td>
<td>62.4%</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>Korea, South</td>
<td>49,131,700</td>
<td>49,131,700</td>
<td>0</td>
<td>31,000</td>
<td>194.6%</td>
<td>2.9%</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>5,297,100</td>
<td>51,600</td>
<td>152,000</td>
<td>30,670,000</td>
<td>150.0%</td>
<td>0.3%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Laos</td>
<td>5,692,800</td>
<td>6,000</td>
<td>15,000</td>
<td>26,9%</td>
<td>100.0%</td>
<td>26.9%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Macao*</td>
<td>445,400</td>
<td>60,000</td>
<td>120,000</td>
<td>34.0%</td>
<td>62.4%</td>
<td>34.0%</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>25,581,000</td>
<td>3,700,000</td>
<td>8,692,100</td>
<td>12.0%</td>
<td>134.9%</td>
<td>34.0%</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>Maldives</td>
<td>289,500</td>
<td>6,000</td>
<td>15,000</td>
<td>150.0%</td>
<td>5.2%</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>2,558,700</td>
<td>30,000</td>
<td>50,000</td>
<td>150.0%</td>
<td>66.7%</td>
<td>2.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Myanmar</td>
<td>52,804,800</td>
<td>1,000</td>
<td>28,000</td>
<td>150.0%</td>
<td>2,700.0%</td>
<td>2.9%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Nepal</td>
<td>24,695,900</td>
<td>50,000</td>
<td>80,000</td>
<td>150.0%</td>
<td>60.0%</td>
<td>0.3%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>157,056,000</td>
<td>133,900</td>
<td>1,500,000</td>
<td>150.0%</td>
<td>1,020.0%</td>
<td>1.0%</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>83,407,700</td>
<td>2,000,000</td>
<td>3,500,000</td>
<td>150.0%</td>
<td>75.0%</td>
<td>4.2%</td>
<td>1.4%</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>3,499,500</td>
<td>1,200,000</td>
<td>2,100,000</td>
<td>150.0%</td>
<td>75.0%</td>
<td>60.0%</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>20,482,000</td>
<td>121,500</td>
<td>200,000</td>
<td>150.0%</td>
<td>64.6%</td>
<td>1.0%</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td>Taiwan</td>
<td>22,689,300</td>
<td>6,260,000</td>
<td>11,602,523</td>
<td>150.0%</td>
<td>85.3%</td>
<td>51.1%</td>
<td>4.5%</td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td>6,540,200</td>
<td>2,000</td>
<td>4,100</td>
<td>150.0%</td>
<td>105.0%</td>
<td>0.1%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>65,065,800</td>
<td>2,300,000</td>
<td>6,031,300</td>
<td>150.0%</td>
<td>162.2%</td>
<td>9.3%</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>5,737,300</td>
<td>2,000</td>
<td>8,000</td>
<td>150.0%</td>
<td>300.0%</td>
<td>0.1%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>27,951,100</td>
<td>7,500</td>
<td>492,000</td>
<td>150.0%</td>
<td>6,460.0%</td>
<td>1.8%</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>83,030,400</td>
<td>200,000</td>
<td>5,111,240</td>
<td>150.0%</td>
<td>2455.6%</td>
<td>6.2%</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>TOTAL for ASIA</td>
<td>3,607,499,800</td>
<td>114,303,000</td>
<td>256,454,536</td>
<td>150.0%</td>
<td>124.4%</td>
<td>7.1%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

NOTES: (1) The Asian Internet Statistics were updated on September 1, 2004. (2) Detailed data for individual countries and regions can be found by clicking each country name. (3) The demographic (population) numbers are based on data contained in gazetteer.de. (4) The usage numbers come from various sources, mainly from data published by Nielsen//NetRatings, ITU, and local NICs. (5) Data may be cited, giving due credit and establishing a link to Internet World Stats. (6) For details, definitions and help, see the surfing and site guide. Source: Internet World Stats, 2004
Conclusion, Asia has the highest internet users in the world, with China, Japan, and South Korea ranking in the top 3 and it follows by North America is in second rank for world internet users. From the value statistic, China can also be the new IJC's target market because China has the highest internet users in Asia. If the company can serve what they need, the Chinese market will be the most important customer group for IJC in the future.

Summary

Chapter three presents background of Indra Jewelry Company Ltd., internal analysis of a company, external analysis of jewelry industry, and internet using trend of the world and region.
CHAPTER FOUR

PROJECT DEVELOPMENT

Marketing is about communication. In online marketing, there are many tools used to reach a target audience. In this plan, traditional mail, e-mail and website are gears and tactics to promote a company.

www.Indrajewelry.co.th will be a domain name used for Indra Jewelry Company’s website. This website will be created as a content/commerce site that first focuses on existing American and Japanese customers who are internet users and between the ages 18-40 year-olds. The company’s website is expected to promote a new image, broadcast company’s data, and provide customer services.

Objectives

1. Attract 35,000 users in the first year.

2. Bring in 10,000 page views a month by the end of first year.

3. Sell average of 500,000 baht of merchandise a month by the end of first year.
Key to Success

1. Provide competitive price in gold and silver jewelry and expand the company collection of unique designs.
2. Offer free shipping for every buyer.
3. Act as a web-based customer service/relationship.

Targets

1. Any person who is an internet user and know of or interested in IJC’s products.
3. 18-40 year-olds who has credit/debit card accessibility.

Strategies

Since IJC is a newcomer to e-commerce, the company will start promoting the website by using current customer database. After www.indrajewelry.co.th is completely designed, programmed, tested, and launched in internet, the company will use traditional mail to inform customer know about company’s virtual store. Customers will be offered an electronic discount coupon for their purchase when they
register and when they refer friends’ email via web registration.

Online Shopping Trend

According to internet using statistic 2004, the latest number of world internet users is 794,792,396 persons. In addition, Internet transactions moved up 7.2%, or US$31 million, to US$472 million in 2003 over 2002. Transactions are set to hit US$1.6 billion in 2004 (Park, 2004). It can be predicted that online shopping is progressively increasing and online purchasing has become as routine as regular shopping in stores. Essentially, customers are gaining confidence in online transactions.

IJC will target the current American and Japanese, which are primarily 33.9% internet users of total users in the world. Hence, the access to company website increase the number of potential customer.

Industry Analysis

The jewelry industry in Thailand has been well-known for many decades in the world. In the past, Thailand had a dominant position as one of the world’s major gemstone resources and top quality export gems such as rubies and
sapphires. The Thai people have experience and skills in
gemstone cutting and jewelry manufacturing throughout the
decades.

This industry involves a variety of manufacturers
ranking from small to large companies. Small and mid-range
manufacturers mostly produce products for the local market.
Generally, the local market consists of exclusive customers
from high-economic strata. These customers prefer
customized jewelry or unique designs. Larger manufacturers
mostly supply products to retailers and export to foreign
countries.

Since the expansion of many business sectors have been
growth and success especially in America and Europe. Thai
companies have followed suit, entering the internet era
specifically in communication services such as Orange Corp
Thailand. In the jewelry industry, mid-range to larger
manufacturers/retailers provide website services to their
customers. However, most of these websites still do not
offer full-service. There are some small homegrown
companies with websites but these are not full commercial
websites. IndraJewelry.co.th will be ready to take
advantage of the internet boom to take a lead in providing
a fully competitive website complete with comprehensive customer services.

**Website Strategies**

The content and commerce in www.IndraJewelry.co.th will focus on providing uniquely gold/silver designed jewelry ranging from USD $25 to $250. The target consumers are American, Japanese, and Thai consumers who have internet access. IJC will offer free shipping on every transaction to attract buyers. Moreover, IJC customer services will respond email within 24 hours.

IndraJewelry.co.th will consider user friendly accessibility by implementing easy to use interface and encourage browsing ease with uncomplicated layout so shopping is as easy as a click. The user interface and crisp digital images of products are keys to the website strategy. It is essential to appeal to the internet users to encourage customers to purchase, while maintaining simple and direct format.
Business Model

Company business model is based on reputation, company’s image, unique design, the information customers need to finalize their decision online.

A jewelry website that is a great example for Indrajewelry.co.th to follow is www.Tiffany.com, as shown in Figure 2. Tiffany and Company has built their reputation for many decades; also famous in their own unique design jewelry; and their website appears sophisticated, simple, and clear.

![Tiffany website screenshot](image)

Figure 2. Homepage of Tiffany and Company

In online storefront design, navigation, as shown in Figure 3, is a very important tool for audiences (Sterne, 1995). Companies do not want customers lost in a maze of their website and turn around and give up because they can not find where they are. The Tiffiny.com has very clear and easy to understand navigation guides on every page that are helpful electronic devices for customers.

![Navigation Guide](image)

**Figure 3. Sample of Navigation Guide**

*Source: Tiffany and Company (2004)*

**Development Requirements**

The IndraJewelry.co.th website will be initially developed with a team of engineers; web developers, C++
programmers, and software developers. It will be a site intense on technical infrastructure, allowing the webmaster to store and update regularly. It will also be easy to operate and easy to edit the database.

IndraJewelry.co.th will focus on easy to use user interface, product browsing tool, and secure commerce site. Finally, the website has to look sophisticated and elegant to synonymous with image for IJC.

Web Designing

For IndraJewelry.co.th the user interface of the website is a key to success. The user interface needs to:

1. Have a clean and easy to use navigation scheme.
2. Fast loading, not too graphic-intensive pages.
3. IndraJewelry.co.th will provide all information in detail for each product that audience viewing in order to help buyers to making decision easily.
4. The site needs to have crisp digital photos of products featuring a variety of angled shot to accentuate product qualify and attract viewers.
5. Categorize specific types of jewelry in a database.
   Examples: precious metals or gemstones, style for men or women, and by price range. (See Figure 4.)
Figure 4. Sample of Product Category in Website


Web Programming

1. Web hosting with 99.99% uptime. Company will host the site at a major service provider.

2. Statistic to determine: page views, users, and number of people who accessed the website.

3. Customer registration form for customer database to track following:

   - ISP (Internet Service Provider) and country where user access.
• User information (email, name, address, status, occupation).

4. electronic commerce tools:

• Product database that is easily to browse and search.
• Shopping cart.
• Comparing price tool.
• Secure and encode of data transfer.

5. Application to support newsletters and an email alert system.

Most Internet users worry about information privacy, including issues related to the acquisition and dissemination of consumer data (Rohm and Milne, 1998). IJC will ensure customers that Indrajewelry.co.th is secure to shop by using up-to-date encoding data technology and acquiring high efficiency security program to protect customer database from any hackers.

Resource Requirements

IndraJewelry.co.th will need the following resources to complete website:

1. One software developers with C and C++ experience.
2. One user interface and graphic designer for logo and all graphical elements.

3. One HTML (Hyper-Text Markup Language) web developers with experience with JavaScript, PERL, PHP, and other template language.

4. One of each English and Japanese editor.

5. One ongoing Web developer to keep the website maintained and updated.

6. Two PCs plus networking and related equipment.

Implementation

Indra Jewelry Company begins with the collection of all information about the company and will compile database of all products. It will take approximately two months including processing digital photos of products. The editor will translate all contents from Thai into English and Japanese. (See Figure 6. in Initial web content)
For interface and graphic design, the company’s web designer will start working right after web content and product photo collection is completed. Designing theme, layout, navigation, and editing photos are scheduled to be completed on April 20, 2005 that it is within 2 months after the initial content setup. (See Table 6. in Interface and Graphic Design)

While interface and graphic are being designed, web programming is started simultaneously. The web developer will program web tools for product database, customer
registration, shipping cart, secured purchasing system, and newsletter system.

IJC will use an online virtual shopping cart style (See Figure 5.) for company’s first website. Dowling, Kuegler, and Testerman (1996) define the meaning of virtual shopping cart design style as “Customer browsing catalogues with virtual shopping cart are able to load their cart as they browse. Each time they find an item they want to buy, they simply add it to the cart. When they are finished, they pay for everything at once”.

Figure 5. Sample of Virtual Shopping Cart

After contents, graphic, and programming are ready, IJC will acquire reputable and secure web hosting company to setup website on cyberspace including registering domain the name www.IndraJewelry.co.th.

IndraJewelry.co.th will be tested and modified by a web programmer and web developer in all features of tool in order to ensure customers that website will be accurate, secure, and there will be minimize to no errors in every online transactions. The IndraJewelry.co.th is expected to be launched in July 2005. (See Table 6. in Review and testing)

IJC will promote its first virtual store right after Indrajewelry.co.th goes on internet. Company budgets 50,000 baht for three months of promoting the website. IJC will mail envelopes about www.Indrajewelry.co.th to exiting customers from a customer database that company already has on hand. Customers can get an electronic discount coupon for their next online purchase after they register and refer friends to and also register in website. This method, IJC can build a new customer database by using the emails as new customers. Moreover, IJC will submit its URL to web search sites, such as www.yahoo.com, www.google.com, and www.lycos.com, to inform internet users that
www.Indrajewelry.co.th store has been established when they do a search. Dowling, Kuegler, and Testerman (1996) claim that web search sites are providing a sort of yellow pages service for Internet Web browsing.

At last, IJC will ongoing have maintenance and update new products every three months for its website. The company budgets 30,000 baht for IJC’s web developer to implement this plan, which is projected to complete by 12/31/05.

Expenditure

Indra Jewelry Company will spend 205,000 baht for this plan a period of one whole year as shown in Table 7. A budget is separated into 3 phases. Phase I, Two personal computers and related equipment estimated at 70,000 baht. Phase II, 170,000 baht is estimated for initial website setup - content, images, designing, programming, hosting - ongoing testing until full operation. Phase III, 70,000 baht is prepared for website promotion, maintenance, and website updating.
Table 7. Expenditure of Plan

<table>
<thead>
<tr>
<th>Project</th>
<th>Start Date</th>
<th>End Date</th>
<th>Department</th>
<th>Budget (baht)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC and relate equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td>Initial web content</td>
<td>1/2/05</td>
<td>2/20/05</td>
<td>Marketing</td>
<td>50,000</td>
</tr>
<tr>
<td>Initial web hosting setup</td>
<td>4/20/05</td>
<td>5/1/05</td>
<td>Website</td>
<td>10,000</td>
</tr>
<tr>
<td>Interface Design</td>
<td>2/20/05</td>
<td>3/20/05</td>
<td>Website</td>
<td>20,000</td>
</tr>
<tr>
<td>Graphic design</td>
<td>3/20/05</td>
<td>4/20/05</td>
<td>Website</td>
<td>20,000</td>
</tr>
<tr>
<td>Programming</td>
<td>2/20/05</td>
<td>4/20/05</td>
<td>Website</td>
<td>50,000</td>
</tr>
<tr>
<td>Review and testing</td>
<td>5/1/05</td>
<td>7/1/05</td>
<td>both</td>
<td>20,000</td>
</tr>
<tr>
<td>Website promotion</td>
<td>7/2/05</td>
<td>9/30/05</td>
<td>Marketing</td>
<td>5,000</td>
</tr>
<tr>
<td>Maintenance and update</td>
<td>7/2/05</td>
<td>12/31/05</td>
<td>both</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>275,000</strong></td>
</tr>
</tbody>
</table>

Summary

This chapter presents the development of a plan period covering one year: objective of a plan, strategy, business model, implementation of a plan, time line, and expenditure.
CHAPTER FIVE

EVALUATION

Measurement

Measuring online marketing effectiveness has become a key issue as marketers demand more evidence of the impact of their campaigns (Goodwin, 1999). After Indrajewelry.co.th is set up and launched, the first thing IJC must do is to begin measuring the number of visitors to the website. This number is a very important. Not only dose it indicate the popularity of various aspects of the website, but this number can also point to the sections that are receiving the most attention from the target audience.

For Indrajewelry.co.th the most important traffic measurement is page view and image count. The Indrajewelry.co.th expects to have 10,000 page views per month within the first year the website is online. At the end of first year, total page views are forecasted to be 85,000 hits and image count will be 100,000 hits as presented in Figure 6.
Figure 6. Website Traffic Forecast 2005-2007

Instant Marketing Research

Marketing research gives companies information about the needs and preferences of consumers (Dowling, Kuegler, & Testerman 1996). It is useless to just collect hit information from the company's website. This information can be conducted to marketing research values to guide when establishing new products and services and also to help direct the modification and marketing of existing products and services. For instance, IJC can foretell from hit of image count that which products should be increased or closed in production. Furthermore, IJC can plan in advance
that if the website traffic is higher than predict, the company can prepare and consult with web hosting provider to handle higher traffic in ahead of time.

Sales Growth Predicting

In 2006, IndraJewelry.co.th will have been in cyberspace for one year. It would have had broad, exposure and have attracted both existing and new customers. IJC’s website expects to double page views from first year to 170,000 hits and image count is expected to increase to 180,000 hits. Furthermore, 2007, the page views and image counts are expected to slightly increase up to 190,000 hits and 200,000 hits for third year.

Previously in 2004, the company has had sales revenue of 5,000,000 baht. After launching website successfully, the sales are expected to increase 20% in 2005 and 35% in 2006 as presented in Table 8.

Table 8. The Sales Growth Predicting in 2005-2006

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Revenue Growth</th>
<th>Sales (Baht)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>10%</td>
<td>6,000,000</td>
</tr>
<tr>
<td>2006</td>
<td>25%</td>
<td>6,900,000</td>
</tr>
</tbody>
</table>
Conclusion

Indeed, the object of this online marketing plan is to improve company image from a typical jewelry store to an online and virtual showroom store in order to keep up with shifting in people life style and keeping pace with the high technology era. Ultimately the objective is to offer better services and improve customer relations via internet. The internet is an efficient way for current marketplace.

This project addresses the need for IJC to compete in the marketplace, to respond to its competition in terms of internet technology. The traditional marketing strategies and advertising, discount promotions and print advertisements continue to be used by along of with the online marketing plan.

Recommendation

As a result of increasing growth of internet usage in Asia, especially China and Korea, the IndraJewelry.co.th should have a plan utilizing Chinese and Korean language version websites. The potential developing buying power of those two countries is not to be overlooked. The additional cost of adding languages to the existing website is not as high as creating an initial website, Therefore a language
adding plan should be a worthwhile investment. The language expansion can increase sale volume for the company.

According to the website traffic forecast of IJC and internet usage state, the trend of online shopping would be steadily increasing. However, IJC does not yet have any plan to expand the factory in order to keep up with demand. Thus, Indra Jewelry Company should have an expanding production plan while the company targets new markets.

Summary

The chapter four shows how to evaluate the effectiveness of an online marketing plan. The web traffic measurement in www.Indrajewelry.co.th and the sales growth is used to measure the effectiveness of this plan by estimating the sales movement from 2004 to 2006.
REFERENCES


