

# CHAPTER 1

## INTRODUCTION



### 1.1 BACKGROUND OF THE RESEARCH

Since 1995, the year that first Internet Service Provider (ISP) is established (NECTEC, 2000: 6), the use of Internet increased every year. Internet allows better communication of information. The introduction of websites enables the people to publish their message only once and allows everyone in the world to read that message. Websites can be considered as a new medium for communication. As the use of websites as a communication medium became popular, the adaptation of using it for doing business was introduced. The benefit of using the website as new medium of doing business is becoming more popular these days. The benefit of websites allows the customer to run the business transactions any place where a computer and a communication device are provided. Once you publish your website, your customer anywhere in the world can access your website and do business transactions. The customer could run his business transactions 24 hours a day. This will allow the customer to run the business transactions easier. As a result, it would enable the business owner to gain more potential to expand the market. It is also a cost reduction for the business owner, since it is costs less to publish the catalogs on-line. The catalogs will be published only once and can be accessed by many people. The integrity of information may be the problem of some organizations as well as the unity of the image of the company. Many shops could present the product of the company in different ways as well as with different prices. This would confuse the customer. The introduction of websites allows the centralization of information. This could enable the business owner to control the image, and the price of the product and reduce the confusion of the customer since every customer receives the same information through the website. Moreover, It is cheaper than to establish a real shop. For this reason, it allows small business to become more competitive. On the net, the small businesses

can appear to be large and to be able to compete with large business. This could be done by using marketing strategies to build the image of the website. This is why a lot of websites are built every year. However, the cost to establish a website is cheap. Many come into this business, but only a few are successful. So, the way that we could create a popular website has to be considered.

## **1.2 STATEMENT OF THE PROBLEM**

Since a lot of benefit could be acquired from the website, many people try to enter this business. As a result, a lot of competition occurs. Only a few have been successful in this business. In order to establish a successful website, apart from designing a good content, marketing theories would help.

To enter the website, you have to enter its URL in Internet browser. Normally, the URL is also the name of the web site as Sanook, Hunsu, Thaisecondhand, Pantip, etc. This would enable us to consider this name as a brand name of the product called web site.

According to Doyle (1998: 158)

*"Brands are at the heart of marketing and business strategy. Marketing is about decommoditising products"*

We can infer from this statement that brands are used to differentiate our products from the competitors. If the customer believes that our brand is superior to the others, he will choose to use our brand. By this, you would find that the Brand Name Management Theory would help us compete with rivals in this business.

Brands are evidently important for the website, especially for commercial website. Everyone can establish a website, since it is easy and cheap. If the customer wants to buy a product, how will the customer know that he will get a good product? The customer may not have the information of the owner of the business. From the customer's point of view, he would buy the product from the person he believes to provide him with a good quality product. From previous paragraphs, you would find that brands are used to differentiate the product. Brands are used to make the customer

believe that our product is superior to the others. This is why building brands is so essential for the commercial website.

However, the problem is that websites are quite a new product and a new technology. They also have their own characteristics. Some of the Brand Name Management Theory may be useful, but some may be useless. The old theory is normally based on off-line media like magazines, newspapers, and billboards. The benefit that websites have over these media is that it supports interaction. The customer can immediately respond to what he has seen on the website. Good response as well as bad response can be spread out quickly through Internet. The customer may give a good comment or a bad comment on the website that will affect the reputation of the company. This does not happen with offline media. So, designing the website to deal with interactive media has to be considered. The adaptation of using the theory to the website should be done properly to achieve successful results.

### **1.3 OBJECTIVE OF THE RESEARCH**

The objective of this research is to develop a guideline for brand names of Thai commercial websites.

### **1.4 SCOPE OF THE RESEARCH**

In this research, we will focus only on Thai commercial websites.

### **1.5 EXPECTED RESULTS**

The expected result of this research is a guideline in applying the brand name management theory to the commercial websites in Thailand.

## **1.6 RESEARCH PROCEDURE**

1. Study related literature and books.
2. Study the characteristics of commercial websites in Thailand.
3. Study the Brand Name Management Theory
4. Apply the Brand Name Management Theory with commercial websites
5. Establish a guideline to formulate a strategy to build a successful commercial website.
6. Summarize and write the thesis and submit the thesis form
7. Final Examination.