DETERMINANTS OF SMEs' E-COMMERCE ADOPTION IN THAILAND

By

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DETERMINANTS OF SMES' E-COMMERCE ADOPTION
IN THAILAND
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ABSTRACT

Title of Dissertation : Determinants of SMEs' E-commerce Adoption in Thailand
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This research aims to study the determinant factors for SMEs in Thailand in adoption of E-commerce. The objectives of the study are to examine the influential factors for SMEs' E-commerce adoption, and their satisfaction with the government and private agencies' activities supporting them in the adoption. It also aims to investigate the SMEs' strategies and activities in response to customer needs in the E-commerce arena.

The conceptual framework was developed based on the study of the potential factors and conditions that impact E-commerce adoption, mainly from previous studies and major international trade issues. Theories of technology transfer and innovation in globalization are also major focuses. Seven determinant factors that affect E-commerce adoption were included in the model.

The methodology employed in this research is mainly quantitative, by gathering data with set questionnaires and from interviews with the unit of the study, that is, the owners or top executive management of the SMEs. The samples are those SMEs who registered their businesses with the Department of Export Promotion (DEP). Chi-square analysis and logistic regression were employed for data analysis.

The major findings from chi-square analysis reveal that the determinant factors of E-commerce adoption include the human development factors, which are the level of educational background, major subjects, and English proficiency. They are all significant to E-commerce adoption. English seems to be a very important competency for E-commerce since it is the international language of business and, hence, the language of international
E-commerce. Moreover, SMEs, which are larger, have higher sales volumes and have more employees will have a greater tendency to adopt E-commerce. The companies which employ strategic management, and have high IT investment, and better customer satisfaction management will have a higher percentage of E-commerce adoption. It is very interesting that customer satisfaction is confirmed by both chi-square and logistic regression analysis as a determinant factor for E-commerce adoption.

IT investment seems to be the strongest determinant factor, since it is also confirmed by logistic regression analysis. The variables include IT training hours, the number of employees per one PC, and the number of employees that can access Internet. Access to Internet is a compulsory condition for all E-commerce.

The findings also include SMEs' satisfaction of the support role from Government, private and international organizations that impact the E-commerce adoption. The risk management of SMEs shows significant statistical value, like all the determinant factors, from chi-square analysis but not confirmed by logistic regression analysis.

E-commerce is a new kind of international trade that occurs in the modern trade arena, using Internet as the channel of communication. This phenomenon appears to change very rapidly and is complex in the context of trade. It involves all large and small enterprises worldwide. Globalization, technology transfer and innovation are the three core essences of this newest trade. In order to assist small and medium enterprises to survive in this highly competitive and no-boundary trade, it is necessary for the government and international or even private organizations to support them. However the extent of intervention is a challenge and must be handled with care by all, especially government agencies.

Since E-commerce is very fast moving and requires high innovation for competitiveness, it is a never-ending study and the data change all the time. There are many more issues that need to be settled in the Internet world and a lot more opportunity for the SMEs.
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