

11th International Strategic Management Conference 2015

Adoption E-Commerce for Export Market of Small and Medium Enterprises in Thailand

Pittawat Ueasangkomsate^a *

^a*Kasetsart Business School, Kasetsart University, Bangkok, 10900, Thailand*

Abstract

This research aims to analyze small and medium enterprises (SMEs) who are exporters in Thailand to e-commerce adoption for export market. The study presents four hypotheses in order to understand the point of view of SMEs to e-commerce adoption into global marketplace. The author collected the data by questionnaires sent to prospect SMEs. The usable questionnaires with complete information reached at 21.5% of total questionnaires. For statistics analysis, the study applies t-test, One-way ANOVA, Chi-square test and simple regression model to examine the hypotheses. The results showed SME's realization between exporter and non-exporter and also different size of SME exporters toward the benefit of e-commerce to export market being as the same at the high level. The study also presented the relationship between SME exporter and e-commerce adoption which is dependent significantly. In addition, this research concluded that e-commerce adoption of Thai SME exporters does not impact positively to export intensity significantly. The findings of the study suggested Thai SMEs both exporter and non-exporter now realize the great benefits of e-commerce to global market at high level and nowadays employ e-commerce as one of a strategic management to their global commercial. However, e-commerce adoption of SMEs has not increased the export intensity nevertheless. It probably implies SME exporters have not strongly took advantage of e-commerce to export market substantially. With data analysis, e-commerce of Thai SMEs mostly still lacks full functionality of e-commerce to serve various demands from customers over global marketplace promptly. This is a challenge for Thai SME exporters to improve their competence with e-commerce adoption in order to gain the competitive advantage.

© 2015 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of the International Strategic Management Conference

Keywords: SMEs; Export; E-commerce; Thailand

1. Introduction

Currently the e-commerce has been growing rapidly. Development of internet and expansion of infrastructure and technology are key drivers to exponentially increase of e-commerce value inevitably. E-commerce is about using

* Corresponding author. Tel.: + 662-942-8777 ; fax: +662-942-8840

Email address: pittawat.uea@gmail.com

computer system and internet to propose the businesses including selling, buying, exchanging products, servicing and information (McKay and Marshall, 2004). By 1999, approximately 300 million users accessed the internet and nearly 75 million users made purchases online from e-commerce, worth approximately US\$110 billion. In 2012, global e-commerce sales were estimated to reach over the US\$ 13.7 trillion (WTO, 2013). E-commerce provides many contributions to both sellers and buyers; e.g. Napier et al. (2001) indicated that by implementing and using e-commerce sellers can access narrow markets segments that are fast distributed while buyers can gain the benefit by accessing global markets with a variety of available products and services from sellers around the world.

Small Medium Enterprises (SMEs) play a vital role in economic development of many countries around the world. The benefits of e-commerce are not only for large firms but also SMEs can gain benefit from e-commerce (OECD, 2000). Especially SMEs are attempting to harness the benefits from e-commerce which is a strategic management for their rapid growth (Ramakrishnan et al., 2012; Elizabeth et al., 2011). SMEs can use e-commerce for creating value-added, new services and new business models, expanding their businesses and competing in global market (Mesut et al., 2014). For instance, SMEs in Indonesia have been aware of the presence of B2B market place as well as joining in B2B marketplace website (Kurni, 2007; Veronica S. M., 2012). In Taiwan, operations and marketing aspects of e-commerce have strong impacts on performance of SMEs in B2B and B2C contexts (Ramakrishnan et al., 2012).

SMEs have also applied e-commerce into the business in order to improve operational aspects such as order processing, order fulfillment and delivery both domestic and international market. For instance, e-commerce helped Italian SMEs to develop new markets and to enhance communication with customers. However, although SMEs account for more than half of total employment and added value in many countries, SMEs do not contribute to export trade because they faced the critical barriers include the lack of capital, capacity, and the general process for export market (James H.T., Richard W. W. and Ian T., 2001).

For e-commerce adoption of SMEs in Thailand, the report by UNCTAD showed that most of enterprises especially SMEs in Thailand did not employ e-commerce for their business trade from internet (UNCTAD, 2013). Consequently, SMEs in Thailand have started realizing the importance of applying e-commerce based on a review of the literatures; though, the aspect of export business from Thai SMEs by e-commerce has been studied a little (Lertwongsatien and Wongpinunwatana, 2003; Laosethakul and Bouton, 2007; Graham, 2011).

Therefore, the objective of this research is to study the Thai SMEs' realization on benefit of e-commerce to export market, dependence between SME exporters and e-commerce adoption, and also to find the relationship between e-commerce adoption and export intensity. While the result of this research could help SME-exporter to develop their capacity and functionality more on e-commerce for export market. Besides related institutions both public and private sectors which are responsible for enhancing SMEs' performance for exporting could prepare a plan to support Thai SMEs and to develop SMEs' e-commerce as strategic management in order to enter into export industry consequently.

2. Related Literature and hypotheses

2.1. E-commerce and Type of Commercial Transactions

OECD (2001) defined the meaning of e-commerce that is the purchase or sale of goods between the business, households, individuals, governments and other organization over computer networks limited with the internet in narrow definition. E-commerce consists of the exchange of data to facilitate the financing and payments (Rosen, 2000). Growing of internet and development of infrastructure and technology are key drivers to exponentially growth of e-commerce inevitably.

E-commerce was initially founded since 1995 which was the sale of banner advertisements. Currently e-commerce is classified with 3 types including Business-to-Consumer (B2C), Business-to-Business (B2B) and Consumer-to-Consumer (C2C) (Veronica S.M., 2012). However, WTO reported that there are numerous types of commercial transactions include electronic communications in the area of B2B, B2C, and business to government (B2G) (WTO, 2013) as follows:

- B2B is e-commerce between businesses such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. The report showed the revenue of B2B e-commerce comprise 90% of all e-commerce, amounted to US\$12.4 trillion by the end of 2012.
- B2C is defined as business selling to the general public. Global B2C transaction accounted for US\$1.2 trillion at the end of 2012.

Download English Version:

<https://daneshyari.com/en/article/1108385>

Download Persian Version:

<https://daneshyari.com/article/1108385>

[Daneshyari.com](https://daneshyari.com)