

**SELECTING PAYMENT OPTIONS FOR
E-COMMERCE BUSINESS IN THAILAND**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2014**

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper
entitled
**SELECTING PAYMENT OPTIONS FOR
E-COMMERCE BUSINESS IN THAILAND**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
on
December 21, 2014



.....
Mr. Nares Rongrojkararnan
Candidate

.....
Asst. Prof. Winai Wongsurawat,
Ph.D.
Advisor

.....
Asst. Prof. Peter De Maeyer,
Ph.D.
Chairperson

.....
Assoc. Prof. Annop Tanlamai,
Ph.D.
Dean
College of Management
Mahidol University

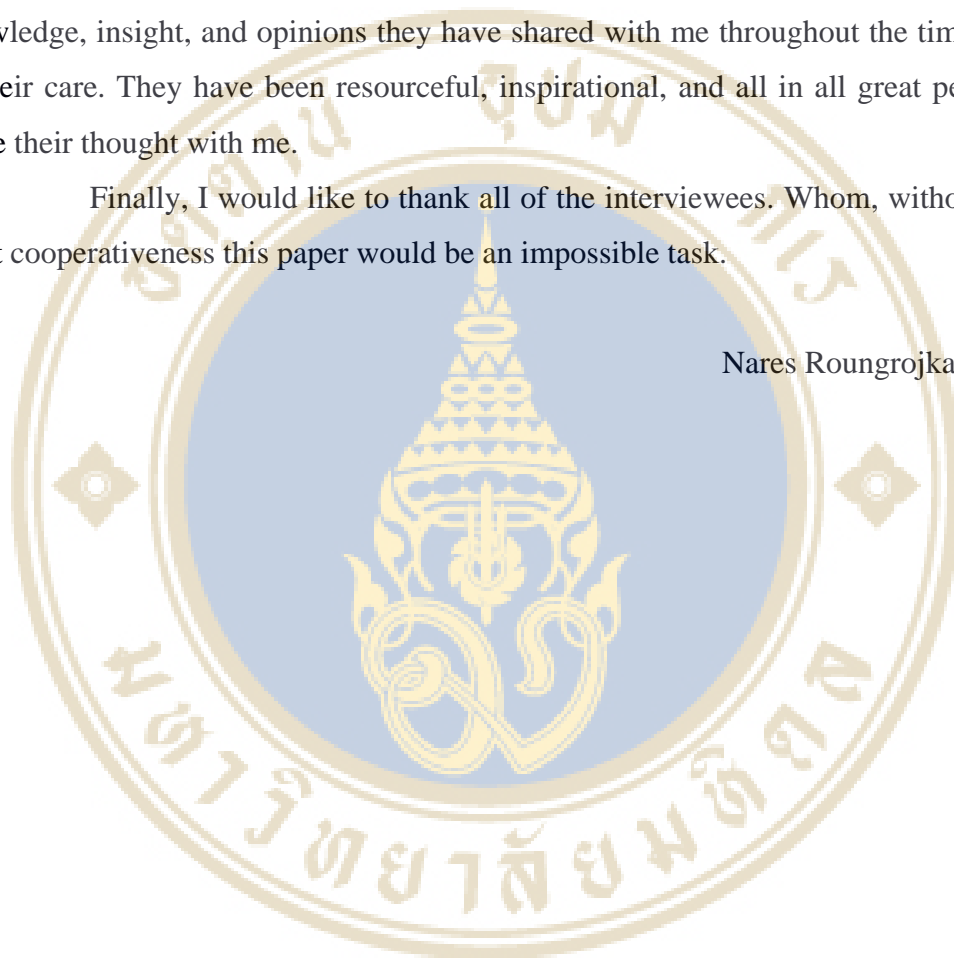
.....
Assoc. Prof. Nathasit Gerdtri,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

I would like to thank the instructors in the College of Management, Mahidol University whom I had opportunities to be studied with. I appreciate the knowledge, insight, and opinions they have shared with me throughout the time I was in their care. They have been resourceful, inspirational, and all in all great people to share their thought with me.

Finally, I would like to thank all of the interviewees. Whom, without their great cooperativeness this paper would be an impossible task.

Nares Rongrojkararnan



SELECTING PAYMENT OPTIONS FOR E-COMMERCE BUSINESS IN THAILAND

NARES ROUNGROJKARNRANAN 5649116

M.M. (MARKETING MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASST. PROF. WINAI
WONGSURAWAT, Ph.D., ASST.PROF. PETER DE MAEYER, Ph.D., ASSOC.
PROF. NATHASIT GERDSRI, Ph.D.

ABSTRACT

Online shopping or e-Commerce has seen rapid growth globally; including in Thailand. However the rate of growth in Thailand is slow, and lagging behind the world. The author speculates one of the major reason for this is partly due to the payment system. The major payment system currently dominated the market is through bank transfer. Which the author find to be low in productivity and offer inconvenience to the customers.

With the stated issue; the objective of this paper is to explore the suitable payment methods for Thai online market. Also the possibilities of implementing them into real use. The explored through understanding the factor behind the sellers and buyers preference when making payment decisions. The research methodology was through conducting in-depth interviews on both the sellers and buyers side to gain more understanding on their views regarding the subject.

The buyers and sellers both agree on the preference of payment through bank transfer and e-Wallet services. The sellers prefer the bank transfer more than the e-Wallet; while the buyers prefer the e-Wallet more than the bank transfer. The author also suggested the use of collect of delivery as addition for market expansion purpose.

KEY WORDS: e-Commerce / Online Payment / Selecting / Thai / Preference

46 Pages

CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
LIST OF TABLE	vi
LIST OF FIGURES	viii
CHAPTER I INTRODUCTION	1
1.1 Objective	4
1.2 Benefits	4
CHAPTER II LITERATURE REVIEW	6
2.1 Current Industry Situation	6
2.2 Available Payment Methods	7
2.3 Marketing Strategy	13
2.4 Consumer Behaviors	13
2.5 Diffusion of Innovations	14
CHAPTER III METHODOLOGY	15
3.1 Research Planning	15
3.2 Factors in Payment Method Selection	15
3.2.1 Seller Side Factors	16
3.2.2 Buyer Side Factors	16
3.3 Hypothesis	17
3.4 Interview Selection & Methods	18
3.5 Interview Results	19
CHAPTER IV RESULT ANALYSIS	32
4.1 Factor Ranking Analysis	32
4.2 Payment Options Analysis	34
CHAPTER V CONCLUSIONS	37
5.1 Conclusions	37

CONTENTS (cont.)

	Page
5.2 Recommendations	38
5.3 Limitations	39
5.4 Future Research	40
REFERENCES	41
APPENDICES	43
Appendix A: Seller Interview Questions	44
Appendix B: Buyer Interview Questions	45
BIOGRAPHY	46



LIST OF TABLES

Table	Page
1.1 Value of e-Commerce in Thailand 2008 – 2011	1
3.1 Profile of Seller Side Interviewees	19
3.2 Seller Choices of Payment Options	19
3.3 Seller Payment Options Choosing Criteria	20
3.4 Seller Opinions on Payment System	21
3.5 Seller Future Plans Regarding Payment Options	21
3.6 Factor Ranking From Seller Side Interview	22
3.7 Seller Opinions on Credit Cards	22
3.8 Seller Opinions on e-Wallet	22
3.9 Seller Opinions on Collect on Delivery	23
3.10 Seller Opinions on Bank Transfer	23
3.11 Seller Opinions on Counter Service	24
3.12 Profile of Buyer Side Interviewees	24
3.13 Finding from Buyer Side Interviews	24
3.14 Buyers Choice of Payment Methods	25
3.15 Buyers Payment Preferences	26
3.16 Factor Ranking From Buyer Side Interviews	27
3.17 Buyers Reasoning for Their Ranking	27
3.18 Buyers Opinions on Credit Card	29
3.19 Buyers Opinions on e-Wallet	29
3.20 Buyers Opinions on Bank Transfer	30
3.21 Buyers Opinions on Collect on Delivery	30
3.22 Buyers Opinions on Counter Service	31
4.1 Seller Factor Ranking	32
4.2 Buyers Factor Ranking	33
4.3 Seller Payment Preferences	34

LIST OF TABLES (cont.)

Table		Page
4.4	Buyer Payment Preferences	35
5.1	Recommendations	39



LIST OF FIGURES

Figures		Page
1.1	Value of e-Commerce in Thailand 2008 – 2011	2
1.2	Obstacles For Thai e-Commerce Entrepreneurs (2011)	3
2.1	Innovation Adopters According to Diffusion of Innovations Theory	14



CHAPTER I

INTRODUCTION

Online shopping or e-Commerce have been on the rapid growth in Thailand in the recent years. Based on research from National Statistical Office; the e-Commerce sale value has from 427,460 Million Baht in 2008 to 608,587 Million Baht in 2011 (Table 1 and Figure 1). The growth is supported by the increased access to internet via the introduction of smart devices and 3G technology. With more people now own these devices, and can be connected to the internet near constantly. Online shopping had become much more accessible, and convenience. Most online shoppers perceived that they can find better deals online than purchasing at traditional stores. Some preferred the convenience of shopping at home rather than going outside to make purchase. These are some of the reasons those boost the growth of online market in Thailand.

Table 1.1 Value of e-Commerce in Thailand 2008 – 2011: National Statistical Office

Year	Value of e-Commerce 1/(Million baht)			
	2008	2009	2010	2011
Total value of sales	427,460	527,538	629,611	608,587

Figure 1.1 Value of e-Commerce in Thailand 2008 – 2011: National Statistical Office

However when comparing Thailand online market growth with the rest of the world; Thailand is still lagging behind. One of the major reason the author have found to be an obstacle to slow the growth rate is the payment options offered by the shops. Online payment is one of the most important part of e-commerce business and cannot be ignored. A research on “Factors that Influence the Success of Internet Commerce” shown that: “The survey data suggest the relative strength of product choice and online payment”. The author hypothesis regarding slow industry growth in Thailand was supported by a research by National Statistical Office in 2011 stating that “Obstacles, which entrepreneurs found in e-Commerce business, were the canceling of products by the clients or not paying/unable to contact the clients, about 29.0%” (Figure 2). This issue could be possible by inferior paying system the business offers to their customers. Allowing the possibilities to not secure the payment from customers and miss-payment.



Figure 1.2 Obstacles For Thai e-Commerce Entrepreneurs (2011) : National Statistical Office

Another problem the author have found is. Some e-commerce shop offer only one or two choice of payment options, while some offer high variety of options. There are no optimized numbers of payment options, and no single option that is widely accepted as the main method. With such loose standardization in the industry this could cause confusion and inconvenient to customers; which in turn act as a barrier of entry for new customers to online shopping. The author believe we should have established standard payment method in the industry; much like credit card payment is the most widely accepted in international online market.

One of the reasons the author have chosen this topic is that the author have been interested in the concept of online business. The author believe it will continue to grow on global scale and become a major part of how we conduct business in the near future.

The author also found it interestingly disturbing that many online shops would offer large variety of payment choices for their customers. This may sound like an advantage they offer at the first glance. However from user experience design stand point; it is going drive off new customers. By presenting too many choices to the

shopper, the level of complexity and confusion increased. Online user behaviors are usually quick to lose interest in complex and confusing processes. It is likely they would abandon the purchase and look for competitors' site, or go back to physical shops they have already been familiar with.

1.1 Objectives

What the author would like to find from exploration of this topic are: the most suitable payment method for Thai market, and the possibilities to develop it into the industry standard. The most suitable method the author mentioned should be both desirable by the shoppers and the shops, but more weight to the shoppers. The author has chosen to put more weight to the shopper preference. Since without the customers' acceptance; it would not gain wide spread acceptance. The seller preference is also important; it would be an incentive to increase the adopt rate. As the author has mentioned that some of the current method seems to be holding sellers down with its labor and time intensive process.

After finding the suitable options, then the author would like to study the possibilities to apply them to real use. Some method may be more suitable in the research, but might have problems needed to be solved before becoming widely accepted. Selecting the appropriate option is crucial, as stated in the book *ONLINE RETAIL: Payment methods*. (2004) "accepting payment is one of the most instrumental parts of the business, e-Commerce have to ensure their payment systems can handle peaks in traffic without crashing." One that is prone to failures will cause more problems to the business than benefits.

1.2 Benefits

With the results of this study; the author firmly believes it would bring benefits to the industry. This applies to both the shoppers and the shops themselves. The majority of shoppers would find the options those are more relevant to them. The shops could reduce the cost of having to maintain several payment options, and for those with strictly few options, they would be more attractive to the mass. As it

become the industry standard form of payment; it would reduce the new customer barrier of entry to the online shopping scene, and help increase the growth of the overall market in Thailand.



CHAPTER II

LITERATURE REVIEW

2.1 Current Industry Situation

There have been very few innovative payment methods in the past few years in Thailand online market. The most noticeable one is 'collect on delivery' and 'e-Wallet'. Lazada was the first major player in this market to offer 'collect on delivery' option in 2012. The 'collect on delivery' or CoD is nothing new, it had existed in catalog sells for a long time, but only recently been adopted by e-Commerce business. The 'e-wallet' however is more revolutionary, and becoming ever more convenience to use. However it have not gained much popularity around the globe, including Thailand, and even in larger market such as the US.

One of the problem Thai entrepreneurs have are the lack in technology investment, even in technology base business such as e-Commerce. The most recent survey (2011) from National Statistical Office shows that “About half of the businesses 50.3% used offline system, those where both online and offline were used for payment were about 33.5%. Online payment which the businesses used was e-banking / ATM 77.4%, while the type of offline payment was money transferred via bank account 79.7%”. It is baffling that half of the businesses who operate online are still preferring offline payments.

2.2 Available Payment Methods

The list to be used as options to evaluate is collect from current offering payment options available in the market. It was composed by studying major e-Commerce players, Lazada.co.th who have the widest option offering and the newest addition Cdiscount.co.th. Smaller independent shops, and shops on weloveshopping.com platform which is the most use e-Commerce platform for small shops.

The payment options are:

1. Credit Cards
2. E-Wallet
3. Collect on Delivery
4. Bank Transfer
5. Counter Service

1. Credit Cards

It is the oldest and perhaps the most widely known and used form of payment for e-Commerce globally. From the book ONLINE RETAIL: Payment methods. (2004) “online sites can't ignore the fact that credit cards are the most popular form of online payment”.

When customers make payment via their credit card, the transaction goes through credit card company such as Visa and Master Card, then the bank whom the shop assigned to accept the payment for them. The money do not goes into the seller account right away, but the next day at the earlier depending on bank policy. The bank and credit card company then take a percentage fee from each transaction. All in all there are two other parties involve in the process when e-Commerce company choose to accept credit card payment.

Accepting credit card come with its benefit of convenience, scalability and speed. It take less step for shoppers to finish their payment, just filling in their card information. It is fully automated, so the sellers know instantly if the card was process successfully and the order was confirmed. However it had not gained dominance use in Thai market due to constrains on both the buyer and seller sides.

Based on number of credit card data published on the Bank of Thailand website. As of 2014, the number of credit cards in Thailand is 20 million cards out of 67 million population. This does not include the fact that most cardholders own more than one card, so this make the number of cardholders in Thailand to be less than 30% of the population. The low coverage of cardholders is most possibly the main reason credit card payment do not gain the popularity despite its convenience.

Another reason is the security issue of credit card. Credit card information can be steal and replicate by thieves; while it is not an everyday occurrence, it could scare off the ones who have yet to own one. This also create issue toward the shops who offer credit card payment only without an alternative. Some credit card owners might have trust issue toward credit card security in online, and prefer not to use credit card for online shopping in fear of fraud.

For the entrepreneur side, accepting credit card take extra steps to integrate the system onto their e-Commerce websites. The existing website infrastructure need to be able to handle the payment system, both the hardware and the software. Then they need to request to their bank to be allowed to accept credit card payments. This can take times to get through the bank process, and applicant can be rejected if some requirement do not meet bank's specification; such as Bangkok Bank requires the applicant to have in 1,000,000 Baht capital. Therefore start-up businesses would find these requirements and steps to not be worth their time compare to the amount of sale they have. As for debit cards, it have even lower use in Thailand, and the process of accepting them are shared with the credit cards.

Credit and debit cards are the current global champion of online payment, but a study by Deloitte showed that the trend is changing: “online payments other than debit or credit cards are expected to be 30 percent of purchase volume by 2014”.

2. E-Wallet

This method was first popularized by PayPal, a service that was started in United State 1998. Back then PayPal and other similar services were strictly online fund transfer, but today it has evolved to other mediums. E-Wallet companies, spearheaded by PayPal, are trying to replace traditional cash, and even replacing physical bank. The providers of e-wallet services take a percentage fee from each

transaction similar to credit card, and also on withdrawal from the account. In Asia-Pacific this method was found through market survey to be the second most used in online purchase, and the trend is growing. As Asia-Pacific Online Payment Methods survey stated that: "Digital wallets had a substantial share on total B2C e-Commerce payments in the Asia-Pacific region, though still behind credit and debit card".

In Thai market, the competition pose by these services do not make into headline news, as the trend is just catching on. There are three local players in Thailand: AIS's mPay, True's Wallet, Dtac's Paysbuy, and then there is PayPal whom is the real global player. In an interview from The Nation, Punnamas Vichitkulwongsa True Wallet managing director mentioned that "The trend is for more people to use less cash, while using more e-money, and not only credit and debit cards, but also e-wallets, which are increasingly used for online spending and transferring money electronically,".

There are two ways these services can accept online payments: transferring directly from buyer's account to seller's account, or pay with credit card. To transfer fund from one account to another, first the buyer need to deposit money into their account. These services also offer credit card gateway for the seller; this eliminate the need to apply for bank credit card acceptance. The service will instead act as the middle party between bank and credit card companies.

The benefits of using these services are the convenience, security, and the growth trend of these services. Payment through e-wallet service only take a few process to complete the transaction, once you have an account set up. Everything is automated, and the sellers get notify instantly. So essentially it is closely similar to credit and debit card. The security of e-wallet are supposedly to be higher than those of credit card. For credit card, the shop website need to invest in more security infrastructure, whereas for e-wallet, the service provider provide all the security.

The growth trend is hard to ignore, with increasing use of e-wallet for more than online payment; these services grow to be more familiar to the Thai consumers. Another huge support to the growth trend is mobile usage, including shopping on mobile applications instead of the web browsers. E-wallet make mobile shopping become easier with their integration with mobile applications, unlike other form of payment, therefore it could be the highest potential payment form for mobile.

As shown in the case of True Wallet “TrueMoney has 6 million users registered for its e-wallet service, some 100,000 of whom are active via the mobile (60,000 users) and Web-based (40,000 users) channels.” (Wallet is a part of TrueMoney, True Corporation e-Currency platform)

The downside of these services are the selections of service providers. With three providers locally and one on the global scale, but they do not allow cross transfer between each providers, unlike real bank do. This could be confusing and an obstacle to service for customer who own different service provider account. There is a way around this issue, each of the major provider provide a virtual debit card to pay cross platform. Nevertheless, in author’s opinion, confusion will be a problem of bad experience if the service provider do not match what the customer is using.

3. Collect on Delivery

This form of payment is the newest addition to Thai e-Commerce scene, with Lazada.co.th starting to offer this service in 2013. This payment method is simply traditional cash payment; the delivery man would collect the cash on-site as he deliver the goods to customer. In reality, there are more process and factors the company have to manage on their own unlike the credit card method.

The good things about CoD option is that customer do not need to take any step to apply for any extra financial services. They are also assured to get the goods first before making payment; eliminating the fear they would get if they pay first and not getting the product delivered.

If the e-Commerce company decide to manage the delivering by themselves, then the cash collection would easily be part of their service. However this approach comes with the high cost of maintaining delivery fleet, and is not possible for most of the e-Commerce companies. For most companies, the choice is in delivery partner. Delivery company such as Kerry Express offers the CoD service for e-Commerce companies in Thailand. The fee of this service depend on negotiation, but as there is only a few who offer this service couple with the fee is being undisclosed. It is expected to be of higher cost per transaction than credit card. There are more companies whose have the capability in offering CoD service in the future are global

delivery companies such as: DHL, TNT, FedEx, and UPS. They offer this service in other countries, however not in Thailand as of yet.

The most complicate process of this method is to have the customer be at the delivering address to make cash payment. What if the customer can not be at the location as they have promised, then the company would fail to delivery and collect payment. In contrast with other form of pre-payment, the seller would get the payment first and could drop off the goods at customer location (unless it have to be deliver in person).

4. Bank Transfer

Bank transfer is a simple traditional method that require no middleman between customer bank account and seller account. It is the most used method by most of the e-Commerce websites according to National Statistical Office.

To finish the payment process, customers have to go through these steps. The seller would give the customers its bank account name and number to make transfer to along with the amount. Once it is done, the customers send prove of the transaction to the seller. Once the seller see that the exact amount is arrived in their bank account, the seller notify the customer that the process is complete.

In this method, customer do not have to make extra effort to apply to another service, similar to cash. Bank accounts are usually free for the majority of population in Thailand. The thing that can cause problem in this process is the bank transfer fee across different bank, or province. Some customers may not aware of these fee, or thought the fee should be cover by the seller, which is usually not the case. This can result in repeated transfer, or the seller take the fee as a loss.

The problem with this method lie mostly on the seller side. For entrepreneur, this method have no investment cost at all, and this might be the main reason it is widely used. However it actually take time and man-power to run the process. With small amount of sale per day, it might not seem like much time was spend on this. However as sale increased the amount of time it take would add up. An example for a small e-Commerce shop whose mostly run by one man: the time use to

run this method process seem like an opportunity loss that could be used for other business activities. In case the business hire employees to take care of this process, it have to mind the fixed cost of employees and human management problems those come with hiring employees. Companies whose sell lower priced products would have large amount of transactions per day, and need more employees than those who sell higher priced products at much less frequent.

With the labor cost in Thailand is lower compared to developed countries. It is understandable why labor intensive method were preferred over automated method. The cost per transaction would be much less when the labor cost was low. However as the cost of labor is increasing in Thailand, this method might become less desirable for the sellers.

5. Counter Services

This payment allow customers to pay at the different locations they find convenience, the same method to utility bill payments. Some of the larger shops have this option through partnership with the counter service type companies such as: 7-11, and Thailand Post. For smaller shops; this service can be offered through e-wallet providers.

This method offer convenience to customers who prefer to pay by cash, but do not have the time for CoD. Payment points such as 7-11 are also easy to access for most of the urban population.

The downside of this method is: the order process do not start at the end of the shopping. The order need to wait for customer to go out and pay outside of their house, assuming they are ordering from their house. There can be less wait time if the customer order from outside via their mobile device, and is close to the service point. However there are no way to ensure this scenario. By starting the order process late; the customer wait time is also postpone, despite willingly on customer term.

The real problem is on the seller side, if customer wait to make the payment. The order may be booked as ordered, and are taken out of the existing inventory in the database. This cause problem to stock management if there are large quantity of unpaid order pending, but none are actually being shipped out. Now, what

if there are also large quantity of orders being cancel? Stock management problem are prone to occur for this method.

2.3 Marketing Strategy

In reality; every e-Commerce shop are not the same. The main different are their marketing strategy, by intention or not. The important of marketing strategy was stressed in the Marketing Management book as: “different marketing strategies are typically more appropriate and successful for different market conditions”. With the different in strategies among the sellers targeting different segments; the choice of payment should be tailored to suit the strategy.

Marketing strategy can be break down into components using Marketing Mix theory, or more commonly known as 4Ps.

The 4Ps included

Product

Price

Promotion

Place (Included distribution choice)

By study of each component, we can determine the marketing strategy of a company. An example of a company that offer electronic products at discounted price; the company would be targeting the cost conscious customers. In this case; cost should be put at the top of factor when making decision.

2.4 Consumer Behaviors

Consumer behaviors as defined by American Marketing Association: “the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives”. This mean individually, all customers are different. However as marketer can not serve the needs of all individuals differently; customers are grouped into segments with similarities in their behaviors. The role of marketing strategy and consumer behaviors were mentioned in the book Consumer Behavior & Marketing Strategy: “marketing strategies involve developing

and presenting marketing stimuli directed at selected target markets to influence what they think, how they feel, and what they do”.

Different type of market strategy tend to attract different type of behavior group. Therefore understanding different type of behavior could lead to the determination of payment options to offer.

2.5 Diffusion of Innovations

Diffusion of innovations is a theory which explains the success and failure of product innovations. It is first published in 1962 by Everett Rogers. The theory categorizes consumers into five groups by their rate of innovative product adoption (see figure 2.1)

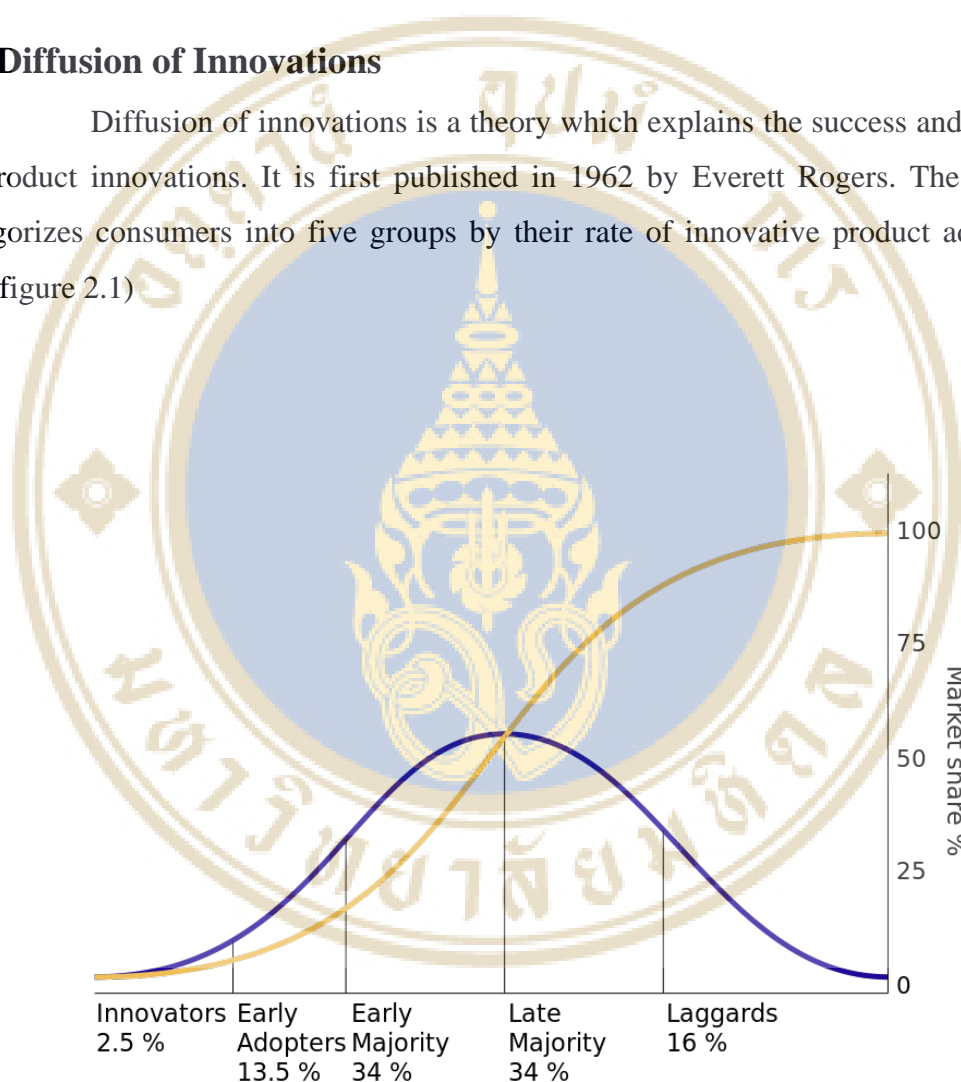


Figure 2.1 Innovation Adopters According to Diffusion of Innovations Theory

Some of the payment systems are innovative financial product, and understanding the diffusion of innovation theory can assist in determining their success.

CHAPTER III

METHODOLOGY

3.1 Research Planning

For the purpose of this study; qualitative research were chosen. In-depth interviews on the business side and the customer side were conducted to gather their opinions on this topic. The interview questions were structured to gather opinions using open-ended questions. The reason this method was chosen were to gain deeper understanding on each payment option in the real environment. Each factor were also explored on each interviewee to gain their view on each factor, and their important weight of each. Another purpose was to gain better understanding of Thai online shoppers' behaviors toward payment.

Due to the selected payment options studied were based mainly from global sources; however the context of this study is for the Thai market. The interviewees answers would be used to determine the result analysis reflect the purpose of this study.

3.2 Factors in Payment Method Selection

For the analyzing process of each payment options, the following factors should be closely consider. There are two group of factors: the seller's and buyer's factors.

The seller's factors are what the sellers view on each option benefits and costs. While the buyer's factors are how the buyers view each option. The following list were put together by studying of various news, reports, articles, and books regarding online shopping behaviors.

3.2.1 Seller Side Factors

1. Productivity the impact of company productivity when the payment option is employed. Payment option such as bank transfer require manual talks to be performed; whereas automatic process option such as credit card do not.

2. Initial Cost of implementing the payment option. This included hardware, software, employee, technical knowledge, and time. To offer a new payment option there are different level of requirements to be met. Bank transfer for example: have employee fixed cost to be invested in. While processing credit card on business own server would require the highest investment in all aspects.

3. Variable Cost of each transaction. Most of the payment options require fee to be paid to the service providers for each transaction. The different level of fee usually depend on the total amount of payment per year, the higher amount the lower fee percentage. Bank transfer do not have variable cost.

4. Market Accessibility population sizes who can access the type of payment. This included Thailand and market outside of Thailand. While this study focus on companies within Thailand; their potential customers should not be limited within the country. E-Commerce advantage is to be able to reach customers around the globe. If the seller provide an option to delivery internationally, then the payment option should be usable on international level as well.

3.2.2 Buyer Side Factors

1. Trust is the level of trust customers perceived the payment option to be. This derives from the security performance of the payment option. The trust issue can be interpreted as: customer trust their personal information will be secured during and after the transaction. The issue is the number one factor that prevent internet users from entering into online e-Commerce.

As mentioned in Global Online Payment Methods report: “Security remains a major issue on the global online payments market. Surveys show that more than a third of Internet users globally who do not shop online cite distrust to online payments as their reason for not making purchases”. Therefore, the number one factor for customer to even consider online shopping is trust.

2. Convenience how convenience the option is toward customer. From survey on Asia-Pacific Online Payment Method reported that: “Security and Convenience of the Payment Method were among the top decision factors in B2C e-Commerce for online shoppers in the region”. Therefore convenience play a large role in how online customers choose their payments. In this case we need to keep in consideration of being more convenience than brick and mortar shops as well. If inconvenience is higher than going to brick and mortar shops for the customers. Then e-Commerce might become irrelevant to them if the main reason for shopping online is the convenience.

3. Cost whether or not this option included extra fee. Some payment option included extra fee as part of the service, and these fee are on the customers. One of the reason customer shop online is for better price than the brick and mortar counterpart. Therefore, if the transaction fee pushes the price to be closer to the brick and mortar stores, the attractiveness for using the payment option is lessen.

4. Mobile Friendly the level of support for mobile purchasing. Mobile purchasing is the fastest growing trend among shoppers as survey data shown in Global Online Payment Methods report: “About a quarter of the global consumers used their mobile phones for financial or banking transaction last year, and the number of payments with mobile handsets is forecast to grow rapidly in the next few years to reach several billions by 2018”. With low support of mobile device, it is lower the access for mobile users.

3.3 Hypothesis

The author have the following hypothesis for this topic. The business would value productivity the most, followed by variable cost. These factors would allow business to be the most profitable by reducing the cost of each transaction. Thus they would prefer method such as credit card. Credit card in author studied, offer the highest productivity along with e-wallet but with lower fee.

The customer side would value trust the most, followed by convenience. Since this decision involve money; trust should be the most important. The convenience should be a close second important factor since it is one of the reasons

customer shop online. Thus they would prefer method such as e-wallet. E-Wallet in author studied, offer the highest trustworthiness and convenience for customers.

3.4 Interview Selection & Methods

The author had selected business interviewees from different industry to gain deeper understanding. In case there are difference in customer behaviors in each industry that can determine their choice of payments. All the interviewees business focus on B2C businesses to reflect the purpose of this thematic paper. The interviewees in this group are age between 20 to 30 years old. This is due to the newness nature of this topic might be of non-interest for older business owners, and the results would be irrelevant. The business position of interviewees are business owners; except one interviewee whose position is Marketing Manager due to his direct responsible in this topic. The gender of interviewee play no important role in this interview, but is shown for the purpose of correctly describing their opinions. All of the business in the interview are eligible to use all the payment options.

For the customer group, the author selected interviewees in age group range 20 to 30 with the same reasoning of the above business side interviews. These interviewees are frequent online shoppers who make online payment 2 to 3 times on average each month.

The in-depth interviews were arranged and conducted based on convenience of the interviewee time. The interviews were conducted in the span of time from 25th October 2014 to 14th November 2014. The interviews were conducted by face to face interviews with video recording on author's mobile phone. The time of the business group interviews range from 15 to 20 minutes. The time of the customer group interviews range from 10 to 15 minutes.

The business interviews were separated into three parts: general session, current process session, and opinion session. The general session was for getting to know the interviewee and their business, and develop understanding of the interview topic with the interviewees. The current process session was for gaining knowledge of their reasoning behind payment method they have chosen to use with their business.

The opinion session was for gaining their opinions on each factor and payment method.

The customer interviews were separated into three parts: background session, behavior session, and opinion session. The background session was for getting to know the interviewees and used as screening. The behavior session was for gaining knowledge of their current payment behavior, and the reasons behind it. The opinion session was for gaining opinions they have on each type of payments.

3.5 Interview Results

For privacy purpose; all the interviewees did not give consent to shown their real name or affiliates.

Table 3.1 Profile of Seller Side Interviewees

	Position	Age	Gender	Product Range
A	Marketing Manager	25	Male	Electronic Parts
B	Entrepreneur	29	Female	Fashions
C	Entrepreneur	30	Male	Gifts

Table 3.2 Seller Choices of Payment Options

	Current payment options.
A	1. PayPal and PaySbuy 2. Counter Services 3. Bank Transfer <i>“PayPal and PaySbuy are very easy options to use”</i> <i>“Counter service of course is a must have for us” “It is everywhere”</i> <i>“Bank Transfer do not required complicate system”</i>
B	1. Bank Transfer <i>“We are a small business”</i>

Table 3.2 Seller Choices of Payment Options (cont.)

C	<p>1. Bank Transfer</p> <p>2. PayPal</p> <p><i>“Thai customer behaviors prefer to interact with real human”</i></p> <p><i>“PayPal is mainly for international customers only”</i></p> <p><i>“Bank Transfer is enough for me now, and I only offer one bank account!”</i></p> <p><i>“Customers who pay via PayPal in Thailand is very minimal”</i></p>
----------	---

The Table 3.2 shown the interviewee answers in chronological order. It shown which method was more salient in the interviewee mind, and could be imply which was more preferred to them. It should be noted that A company have a business branch that offer payment platform in the categories of counter service.

Table 3.3 Seller Payment Options Choosing Criteria

	How did you choose these?
A	<p><i>“To cover all income segments in the market”</i></p> <p><i>“Most of my customers are in lower end segments. They do not have credit cards, so they need other ways to pay”</i></p>
B	<p><i>“I don't know how to use other method”</i></p> <p><i>“This is the easiest way to receive payment for me”</i></p>
C	<p><i>“All of my customers can make bank transfer”</i></p> <p><i>“Why do I have to offer others when bank transfer is enough for my customers”</i></p> <p><i>“This method is more in line with Thai customer behavior”</i></p> <p><i>“Some of my customers actually prefer bank transfer at the ATM due to the physical slip they get when making transfer”</i></p>

Interviewee **B** had mentioned her lack of technology knowledge on more advance options. The others did not have problems with technology knowledge.

Interviewee **C** had mentioned that Thai customers prefer human interaction, at least via email, more than auto response system. He had mentioned his past experiment with automatic reply when customers had placed their order. Most of

the customers would make phone call or write another email for confirmation. This caused complication to the process, thus the system was removed altogether. It should be noted; this happened in the past which was close to 10 years ago.

Table 3.4 Seller Opinions on Payment System

	Your view on payment systems.
A	<i>“It is important”</i> <i>“The customers may have access to internet, but not online payment”</i>
B	<i>“Most business use bank transfer”</i> <i>“Most people do not know how to use PayPal”</i> <i>“Every customer can use bank transfer”</i>
C	<i>“It should be convenience to my business”</i>

Table 3.5 Seller Future Plans Regarding Payment Options

	Do you have plan to add more options?
A	<i>“Yes, credit card”</i> <i>“But not a very near future”</i>
B	<i>“I plan to add PayPal too”</i> <i>“With PayPal I can expand to foreign customers too”</i>
C	<i>“I am planning to add Apple Pay service”</i>

Interviewee **A** had a belief that he should add credit card option to his offering when the business has grown larger. He assumes the credit card method is more preferred for premium customers; however his business is not offering products for this group of customers yet.

It should be noted that Interviewee **C** is an Apple Inc. fan, and believes Apple Pay service will become a new form preferred of payment.

Table 3.6 Factor Ranking From Seller Side Interview**Important Ranking Score 1 = Most Important, 4 = Least Important**

Factor	A	B	C	Average
Productivity	4	1	2	2.3
Initial Cost	1	4	4	3
Variable Cost	3	3	3	3
Market Accessibility	2	2	1	1.6

The Table 3.6 shown the interviewees rating on each factor. **A** put emphasis on initial cost due to his company culture on controlling the investment cost. **C** commented on market accessibility is the most important, and the options those do not cover all customers should not be put into consideration. The lower average score the more important the factor is to sellers.

Table 3.7 Seller Opinions on Credit Cards

Opinions on Credit Cards	
A	<i>"I think it is an inconvenience for customer"</i> <i>"This is Thailand, most people do not own credit cards"</i>
B	<i>"Most people do not have credit cards"</i> <i>"My products price are quite low, so it is not necessary"</i>
C	<i>"Thai customers are not used to this kind of payment yet"</i>

Table 3.8 Seller Opinions on e-Wallet

Opinions on e-Wallet	
A	<i>"I think it is okay"</i> <i>"Easy to register"</i>
B	<i>"I have never use"</i>

Table 3.8 Seller Opinions on e-Wallet (cont.)

C	<p><i>“I think this option still have small user base”</i></p> <p><i>“It create more complication to educate customers. It is not my job to educate customers for them (e-wallet service). It is their job to educate the customers”</i></p> <p><i>“I have business talked with mPay to offer me discount as intensive for customers. This is how it should be.”</i></p>
----------	--

Table 3.9 Seller Opinions on Collect on Delivery

	Opinions on Collect on Delivery
A	<p><i>“I have not known about this option before”</i></p> <p><i>“But I think it have high potential”</i></p>
B	No comments
C	No comments

Collect on Delivery option were not in consideration of the interviewees before the interview. Only interviewee A found it to be a great method. The others did not give comment toward this option.

Table 3.10 Seller Opinions on Bank Transfer

	Opinions on Bank Transfer
A	<i>“Anyone can use”</i>
B	<p><i>“I think this is the best option right now”</i></p> <p><i>“It is convenience for me: no complicate set up required”</i></p> <p><i>“It is easy for customers too; banks like K-Bank now offer K-Mobile for easier bank transfer”</i></p>
C	<p><i>“Most accessible for customers”</i></p> <p><i>“I have a system to make this method accurate and fast”</i></p> <p><i>“On a busy day my shop can have over 200 orders, and all of them are finished within the day with bank transfer.”</i></p>

Interviewee **B** and **C** mainly used bank transfer for their business. **B** had mentioned bank service that made this method more convenience for her customers, specifically K-Mobile banking from Kasikorn Bank. **C** had mentioned about his system to simplify bank transfer process to improve his business productivity.

Table 3.11 Seller Opinions on Counter Service

Opinions on Counter Service	
A	<i>"We own this type of platform, so it does not cost us anything"</i>
B	No Comments
C	No Comments

Counter Service option were not in consideration of the interviewee **B** and **C** before the interview. They did not give comment toward this option nor found interest in the option.

Table 3.12 Profile of Buyer Side Interviewees

No	Occupation	Age	Gender	Favorite Purchases
D	Company Employee	26	Male	Fashion / Supplement
E	Company Employee	25	Male	Electronic / Fashion
F	Freelance	29	Female	Fashion / Cosmetic
G	Company Employee	25	Male	Electronic / Fashion
H	Company Employee	29	Female	Electronic

Table 3.13 Finding from Buyer Side Interviews

What are your favorite e-Commerce site?	
D	<i>"For supplements I don't have preferred site. I just do google search for the product I am looking for."</i> <i>"For fashion I usually look at Siambrandname and intagram sellers"</i>
E	<i>"For electronic I do not have favorite"</i> <i>"For fashion I usually buy from Zalora"</i>

Table 3.13 Finding from Buyer Side Interviews (cont.)

F	<i>"I buy my cloths from Zalora"</i> <i>"Cosmetic from Luxola"</i>
G	<i>"I don't have any favorite"</i>
H	<i>"I don't have favorite site, just what I found on google"</i>

The Table 3.13 shown the name and type of e-Commerce websites whom are the most salient for interviewees. The answers shown little brand loyalty except for some interviewee such as interviewee F whose work is highly related to online shopping. She informed the author that she make online purchases almost every day.

Table 3.14 Buyers Choice of Payment Methods

How do you make payments?	
D	1. PayPal 2. Bank Transfer 3. Collect on Delivery* <i>"Because usually the small shops only offer the bank transfer"</i> <i>*Interviewee did not mention CoD when asked this question</i>
E	1. Bank Transfer 2. PayPal 3. Collect on Delivery* <i>"PayPal is for when I buy from international seller only"</i> <i>*Interviewee did not mention CoD when asked this question</i>
F	1. Credit Card 2. PayPal 3. Bank Transfer 4. Collect on Delivery* 5. Counter Service** <i>"Some website only offer bank transfer, so I have to use it"</i> <i>*Interviewee did not mention CoD when asked this question</i> <i>**Interviewee did not mention CS when asked this question</i>

Table 3.14 Buyers Choice of Payment Methods (cont.)

G	1. Credit Card 2. PayPal 3. Bank Transfer
H	1. Bank Transfer 2. Credit Card <i>“Bank Transfer is usually the only option available”</i>

The Table 3.14 shown the interviewee answers in chronological order. It shown which method was more salient in the interviewee mind, and could be imply which was more preferred to them. Interviewees D, E, and F had used the Collect on Delivery method, but did not mentioned until they were asked to rate the method. Interviewee F had used the Counter Service method, but did not mentioned until she was asked to rate the method. The reasoning of not mentioning is that they did remember the method as an available method.

Table 3.15 Buyers Payment Preferences

	From experience, which method do you prefer more?
D	<i>“I prefer PayPal more”</i> <i>“I don't have to re-enter all information with PayPal”</i> <i>“Bank transfer I need to do many steps”</i>
E	<i>“I prefer Bank Transfer more”</i>
F	<i>“I prefer PayPal the most”</i> <i>“I trust PayPal more than the others to keep my credit card information”</i>
G	<i>“I like PayPal the most. I don't have to fill in anything”</i> <i>“Sometimes seller's bank account is not the same as mine”</i>
H	<i>“I prefer bank transfer more”</i>

The Table 3.15 shown the interviewees opinions on their preference methods. The majority whom preferred PayPal mentioned the ability to remember information on PayPal across various websites, and the fastest check out speed. Only interviewees E and H prefer bank transfer due to familiarity.

Table 3.16 Factor Ranking From Buyer Side Interviews**Important Ranking Score 1 = Most Important, 4 = Least Important**

Factor	D	E	F	G	H	Average
Trust	2	2	3	1	1	1.8
Convenience	1	1	2	2	2	1.6
Cost	3	3	1	3	3	2.6
Mobile Friendly	4	4	4	4	4	4

The table 3.16 shown the interviewees rating on each factor. All interviewees mentioned trust to be important, but it is a result of the seller trustworthiness more than the way they pay. If the seller look trustworthy for them; it is more likely they are paying with the method they preferred.

The lower average score the more important the factor is to buyers.

Table 3.17 Buyers Reasoning for Their Ranking

	Why are they important to you?
D	<p><i>"I always pay by PayPal first because it is the most convenience"</i></p> <p><i>"Trust is inherit from the website. If it look trustworthy, then all payments is the same"</i></p> <p><i>"Even an item from a shop cost more than another shop. I would still buy it if it has better reputation."</i></p>
E	<p><i>"Convenience is my most concern factor."</i></p> <p><i>"If it is not familiar for me I do not want to use"</i></p> <p><i>"Trust for payment option is not that important, if I trust the seller"</i></p> <p><i>"I never face the extra cost issue"</i></p> <p><i>"I don't shop from mobile phone, it is too small and not enough details"</i></p>
F	<p><i>"If it cost me more to pay; I wouldn't use"</i></p> <p><i>"If it is not convenience I might not use"</i></p> <p><i>"I have many times abandon my purchase due to the payment is inconvenience (bank transfer). I didn't have time to do that"</i></p> <p><i>"If I trust the seller, then it is okay"</i></p>

Table 3.17 Buyers Reasoning for Their Ranking (cont.)

F	<i>“I have done online shopping on my mobile phone before, but not strictly have to be mobile. It just depend on where I am”</i>
G	<i>“Trust is the most important issue. It's money, and I don't want to risk losing money”</i> <i>“Convenience is important. I don't want to go through steps to make payment”</i> <i>“If the product I am buying is expensive. Then fee is not an issue”</i> <i>“I don't buy stuff from mobile devices”</i>
H	<i>“Trust is the most important to me”</i> <i>“I even prefer K-bank account over Bangkok Bank account. I believe K-bank system is safer.”</i> <i>“Only a few times that I pay by credit card because it is more convenience”</i> <i>“Usually I pay with bank transfer because it is more secure”</i> <i>“I would still pay more if it is safer”</i> <i>“Mobile shopping is not secure. If I lose my phone then all my payment information is gone.”</i>

The table 3.17 shown that while some interviewees may share preference on the same factors; they could interpreted it differently. An example is interviewee E's top preference method is bank transfer, and for him it is the most convenience. While Interviewee D and F did not think the method is convenience. Another example is interviewee G saw PayPal as the most trustworthy method, the others did not think this way. Interviewee H mentioned that, for her, bank transfer is the most trustworthy method and she do not trust PayPal enough to use it.

Table 3.18 Buyers Opinions on Credit Card

	Opinions on Credit Card
D	<i>“It take less steps than bank transfer” “Its future money, so it is better”</i>
E	<i>“I think it is good for me since I might not have enough money in the bank at that time. So I can pay on credit instead”</i>
F	<i>“Sometimes I feel unsecured leaving my credit card information to some seller”</i>
G	<i>“I have nothing against credit card” “I just prefer PayPal more” “In Thailand they don't recognize debit card. PayPal do recognize.”</i>
H	<i>“It is more convenience” “But it is not secure”</i>

Table 3.19 Buyers Opinions on e-Wallet

	Opinions on e-Wallet
D	<i>“Similar to credit card, but more convenience” “All the information are kept with my PayPal account, so I don't have to fill the same information again like credit card”</i>
E	<i>“It is just another way to pay for me” “I refill my PayPal account with bank transfer anyway”</i>
F	<i>“It is good as long as they don't charge me”</i>
G	<i>“It is the most convenience to me” “But it is not usually available on Thais e-Commerce”</i>
H	<i>“I don't see the advantage of using e-wallet” “I already have my credit card. Why should I use it?”</i>

From Table 3.19: it should be noted that some of the interviewee fill their e-wallet account with their credit card while the others transfer the money into their account. Only interviewee **H** do not own an e-wallet account.

Table 3.20 Buyers Opinions on Bank Transfer

	Opinions on Bank Transfer
D	<i>"I think it is the most secure with the slips"</i> <i>"Take many steps"</i>
E	<i>"It is convenience since I already have bank account with internet banking"</i> <i>"It is easy to track. I look at my statement often anyway."</i>
F	<i>"You can not do anything if they (the sellers) cheated on you"</i>
G	<i>"It take more steps to do"</i> <i>"It is just more inconvenience"</i>
H	<i>"Even if it is less convenience, I still prefer it more"</i>

Table 3.21 Buyers Opinions on Collect on Delivery

	Opinions on Collect on Delivery
D	<i>"I have just recently tried this option"</i> <i>"I can make sure the item delivered to me is the same with the one I ordered"</i>
E	<i>"I have used it before with Zalora"</i> <i>"At first I was skeptical about their products, so I have to see the product first"</i>
F	<i>"I have used it once"</i> <i>"I can see the product first, and if I do not like. I can reject it"</i> <i>"I only used it once. Because I might not have enough cash on me when they deliver."</i>
G	<i>"I don't like to pay by cash"</i> <i>"I don't have time to wait to meet with the delivery man"</i>
H	<i>"I never use it, and never heard of it"</i> <i>"Now I think it will be my most prefer method. It has no risk"</i>

From Table 3.21: it should be noted that all the interviewees whom had used the collect on delivery service did not considered it at all when asked what type of payments they have used. The author belief this may be due to it being used as an alternative method when the interviewees did not trust the sellers.

Table 3.22 Buyers Opinions on Counter Service

	Opinions on Counter Service
D	<i>“I have never used since none of these are available near my house”</i>
E	<i>“I have never used this option”</i> <i>“Never came across as a choice”</i>
F	<i>“I only have used to pay for plane tickets before. Because I didn't have credit card at that time”</i> <i>“The fee was okay since it is a large purchase”</i> <i>“Now I can just pay by credit card, and avoid the extra fee”</i>
G	<i>“It seems like the last thing on the list if you don't have credit card or internet banking”</i> <i>“But I have better options”</i>
H	<i>“It is the least convenience”</i> <i>“But it is the most secured in my opinion. I know who is taking my payment. The counter service also have camera.”</i>

From Table 3.22: it should be noted that only interviewee F had used the method. The author found it interesting that interviewee H mentioned her trust in this method is the highest. This might be due to her higher valuation of in person services over automated services.

CHAPTER IV

RESULT ANALYSIS

4.1 Factor Ranking Analysis

Table 4.1 Sellers Factor Ranking

Ranking by Important	Factor
#1	Market Accessibility
#2	Productivity
#3	Initial Cost
#4	Variable Cost

Table 4.1 show the rank from the most important to the least important for sellers. The sellers' interview data shown the most important factor is Market Accessibility, Productivity, Initial Cost, and Variable Cost respectively.

One interviewee ranked market accessibility as the most important factor, and the other two ranked it as the second most important. Two out of three interviewees mentioned their first priority in choosing their payment option is market accessibility. Interviewee C mentioned that: if he uses less accessibility options, it requires more effort on his part.

One interviewee ranked productivity as the most important factor. One interviewee ranked it as the second most important factor. One interviewee ranked it as the least important factor. It should be noted that due to interviewee A company policy on cost consciousness; he had ranked productivity the lowest. Interviewee A is also the only one who offer more than two options for his customers.

Table 4.2 Buyers Factor Ranking

Ranking by Important	Factor
#1	Convenience
#2	Trust
#3	Cost
#4	Mobile Friendly

Table 4.2 show the rank from the most important to the least important for buyers. The buyers' interview data shown the most important factor is Convenience, Trust, Cost, and Mobile Friendly respectively.

The score for convenience and trust are very close to one another with convenience pulling a slightly higher ahead. Most interviewees express their concern with the inconvenience of some payment option. Interviewee **F** mentioned her experience with inconvenience in paying process which made her terminated the purchase altogether. Three interviewees mentioned they choose the most convenience way to pay over the less convenience.

Trust for all interviewees are mostly inheritance of the seller's reputation. If they are perceived as trustworthy toward the buyers, then buyers' behavior would pick the most convenience payment option for them. Interviewee **H** mentioned her experience when she wanted to buy from sites she did not trust. She chose the less convenience payment option that she deemed as more secure instead of the one that is more convenience.

4.2 Payment Options Analysis

Table 4.3 Seller Payment Preferences

Option	Seller Preference	Reasons
Bank Transfer	3	Market Accessibility Productivity
e-Wallet	3	Market Accessibility
Counter Service	1	Market Accessibility* Initial Cost*
Collect on Delivery	1	Market Accessibility*
Credit Card	1	Market Accessibility*

*Only interviewee **A** would like to cover all of the payment options.

All of the interviewees agree on bank transfer have the largest accessibility in the market. Interviewee **C** mentioned that this option is also more suitable to Thai shopping behavior. Interviewee **B** and **C** mentioned this option to offer them the productivity. Interviewee **C** mentioned how he increased the productivity by charging extra amount in small digit to work as reference ID for his staff to accurately identify the payment, which in turn save the time. (Example: the first person who placed the order pay THB 100.00 the second person THB 100.01 and so on)

Interviewee **B** and **C** mentioned their intention for e-Wallet is to reach international customers, and not the Thai customers.

Table 4.4 Buyer Payment Preferences

Option	Most Prefer	Usage	Reasons
e-Wallet	3	4	Convenience 1st Trust 2nd
Bank Transfer	2	5	Trust 1st Convenience 2nd
Collect on Delivery	0	3	Trust
Credit Card	0	3	Convenience
Counter Service	0	1	Trust

The table 4.4: each interviewee have their most prefer method, and the method they have used which might not reflect their preference.

Three interviewees prefer e-Wallet, namely PayPal, over other method. All three interviewees mentioned convenience as their main reason of using PayPal. Interviewee **D** and **G** mentioned fast check out by PayPal to be its most attractive feature. Interviewee **F** mentioned it is unsecured to leave credit card information to sellers, but it is okay for PayPal since it has good reputation. However only four out of five interviewees own an e-Wallet account.

All five interviewees have used bank transfer to shop online. Two interviewees listed it as the most prefer method, and both mentioned trust as the reason. Interviewee **E** mentioned the bank transfer can be tracked via his internet banking account. Interviewee **H** mentioned her preference of bank transfer over credit card due to her distrust in credit card online payment. It should be noted that interviewee **H** own credit card but do not own an e-Wallet account.

Three interviewees have previously used Collect on Delivery method. All three interviewees mentioned their use of this method were due to mistrust in seller to provide the correct product. Interviewee **H**, whom had not used this method, mentioned her agreement in this method could eliminate seller trust issue. Interviewee **F** and **G** mentioned their inconvenience concern regarding the amount of cash they

would have to carry to pay the delivery man. Interviewee **G** also mentioned his concern regarding time management if he has to make appointment with the delivery man.



CHAPTER V

CONCLUSIONS

5.1 Conclusions

From the analysis of the collected data. It is shown that the sellers prefer bank transfer the most, followed by e-wallet. The buyers prefer e-wallet the most, followed by bank transfer. The bank transfer result in the most used method which matched the research data from NSO in 2011. This may be due to the seller preference and insistence in using the bank transfer method. The author would like to point out that collect on delivery is the third preferred option among the buyers, and it is a new option among the sellers.

The result found for the seller side were difference from the authors hypothesis. The sellers prefer the current market accessibility and not variable cost. In fact, they do not have problem with variable cost issue. This can be view in two perspectives: they would be okay with the cost if it bring them sales, or they have not experience this cost due to their main method being bank transfer.

The sellers do not find their most prefer method, bank transfer, to be low productivity at all. In author opinion; one of the explanation for this could be the current wage in Thailand is still low enough that hiring staffs to handle this process is not a problem. Therefore hiring a new staff when capacity is full out may be an easier approach for the current situation.

The sellers also do not find credit card to be of their preference, and rather choose to go with e-wallet instead. However the main purpose of using e-wallet was mostly for international purchase, and not for purchase within Thailand. This is due to their perception of Thais to prefer and have more access to bank transfer.

One thing the author find to be effecting the sellers current offering is their marketing strategy. The interview **A** products are generic electronic parts, and competing on price. Thus he chose to improve the services by offering as many options as he could to serve all the segments. The interviewee **B** and **C** products are

more unique and do not compete on the price. Thus they did not have to offer the options those are not preferred by them.

The result for the buyer side; however are matching the author hypothesis. The interviewees found e-wallet to serve both of their criteria: convenience and trust. Another reason the author would like to add is the promotional afford behind the e-wallet companies. The convenience of using e-wallet, and setting up an account has been improving over the years.

Some buyers also found bank transfer to be offering higher in trust factor over e-wallet. This may be due to them may be the late adopter of innovation and chose to stay with what they are more familiar with.

5.2 Recommendations

Author recommends for the core payment systems every e-commerce business to have are bank transfer and e-wallet. The bank transfer are the basis for Thais market, and an international accepted e-wallet provider for international market. As for the business that is looking to expand their growth into new market. The author recommends business to invest into Collect on Delivery system as a services to serve new customers to build trust. The author do not recommend the inclusion of credit card and counter service for companies whose core business is strictly online. These payment methods do not add enough value on their own, unless they can be easily integrate to implement other businesses of the company. Such as interviewee A whose another business is counter service; therefore it did not cost him to implement, and help promote his counter service business. To implement them as a strictly online business would reduce the productivity of the business, and increase confusion toward the customers.

Table 5.1 Recommendations

Levels	Recommendation	Note
Core Recommendation	Bank Transfer	Accessing Thai market
	E-Wallet	Accessing international market
Additional	Collect on Delivery	Expand customer base in Thailand
Normally Not Recommended	Credit Card	Inferior to E-Wallet; unless company already accepting credit card in their physical store.
	Counter Services	Inferior to Collect on Delivery; unless company already accepting counter service payments for their other services.

The table 5.1 shown simplification of author's recommendation. The author would also recommend the businesses to not look at e-Wallet as option for international market only. This is due to the growing trend of e-Wallet globally as the result of the service provider effort, and NFC payment technology. The author also would like to point out the scalability benefit of e-Wallet system is greater than bank transfer.

5.3 Limitations

The paper have the following limitations which affect the quality of the finding, and should be minded.

1. Time Constraint

The time limitation of the market research play a large role in the research data of this paper.

2. Interview Sample Size

The sample size used for the interviews in this paper is small, and may not represent the majority of the Thai population. Their demographic also are concentrate in Bangkok and central area of Thailand.

5.4 Future Research

The future research should be focus on implementing and improving collect on delivery process. The goal of the future research is to focus on online market growth; especially outside of urban area. The suburban and rural area of Thailand are still mostly untouched by online commerce. However with the increment of internet usage in Thailand via the expansion of mobile internet. The author see the potential of using CoD as introduction tool to the said market.



REFERENCES

- Asina Pornwasin. (March 6, 2014). E-wallet key service as True Money eyes 15% growth. THE NATION. Retrieved from <http://www.nationmultimedia.com/business/E-wallet-key-service-as-True-Money-eyes-15-growth-30228473.html>
- Asina Pornwasin. (March 18, 2014). Cashing in on a cashless society. THE NATION. Retrieved from <http://www.nationmultimedia.com/technology/Cashing-in-on-a-cashless-society-30229412.html>
- Centaur Communications Limited. ONLINE RETAIL: Payment methods. (2004). New Media Age
- Credit Card Data in Thailand (2014). Bank of Thailand <http://www.bot.or.th>
- Definition of Consumer Behaviors. American Marketing Association <https://www.ama.org>
- Gholamreza Torkzadeh & Gurpreet Dhillon. Measuring Factors that Influence the Success of Internet Commerce. (2002). INFORMS: Institute for Operations Research
- John W. Mullins & Orville C. Walker, Jr. (2013). 'Marketing Management: A Strategic Decision-Making Approach, Eighth Edition'. McGraw-Hill Companies.
- National Statistical Office. The 2011 E-Commerce Survey. (2011) Retrieve from web.nso.go.th/en/survey/data_survey/560221_ecommerce.pdf
- PR Newswire. (10/30/2014). Global Online Payment Methods: First Half 2014. PR Newswire US. Retrieved from <https://www.reportbuyer.com/product/1202976/global-online-payment-methods-first-half-2014.html>
- Requirements for Accepting Credit Card Payment. Bangkok Bank <http://www.bangkokbank.com>

- Research and Markets. (05/28/2014). Asia-Pacific Online Payment Methods: First Half 2014. Business Wire. Retrieved from <http://www.researchandmarkets.com/research/x369vh/asiapacific>
- Rogers, Everett. (2003). 'Diffusion of Innovations, 5th Edition'. Simon and Schuster.
- Schneider, Gary. (2013). 'E-Business'. Cengage Learning
- The 2011 E-Commerce Survey. National Statistical Office <http://web.nso.go.th>
- Thomas F. Quinn & Jean-Emmanuel Biondi & Anu Penmetcha. From bricks to clicks
Generating global growth through eCommerce expansion. (2014).
Deloitte.
- J. Paul Peter & Jerry C. Olson (2005). 'Consumer Behavior And Marketing Strategy'.
McGraw-Hill Irwin





Appendix A: Seller Interview Questions

1. General Questions Session	
1.1	Please describe your business / products.
1.2	Who are your main customers?
1.3	How do you make delivery?
2. Current Process Questions Session	
2.1	What are your current payment options?
2.2	Why did you selected these options?
2.3	Do you think payment options are important part of customer buying decision?
2.4	What are the different between the options you have chosen?
3. Opinion Questions Session	
3.1	Do you think your current payment offers are enough?
3.2	(If 3.1 is no) Why do you think it is not enough? Do you plan to include more? (If 3.1 is yes) Why do you think it is enough?
3.3	(If 3.1 is no) What options do you have in mind? (If 3.1 is yes) <i>Skip to 3.4</i>
3.4	Please rank the following factor using your business stand point. Productivity___ Initial Cost___ Variable Cost___ Market Accessibility___
3.5	Please rate the following payment options. Credit Card E-Wallet Collect on Delivery Bank Transfer Counter Service

Appendix B: Buyer Interview Questions

1. Background Questions Session	
1.1	How often do you do online shopping? (times per month)
1.2	What type of products do you shop online?
1.3	Do you buy from Thai websites only?
2. Behavior Questions Session	
2.1	What are your favorite e-Commerce websites in Thailand?
2.2	How do you make payments on those websites?
2.3	(if 2.2 answers only one method) <i>Skip to 2.4</i> (if 2.2 answers more than one method) Which one do you prefer the most? Why?
3. Opinion Questions Session	
3.4	Please rank the following factor you use when choosing online payment Trust___ Convenience___ Cost___ Mobile Friendly___
3.5	Please give your opinions on the following payment options. Credit Card E-Wallet Collect on Delivery Bank Transfer Counter Service