

**THE POTENTIAL SUCCESS FACTORS FOR SMES SOCIAL
COMMERCE IN THAILAND**



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THE POTENTIAL SUCCESS FACTORS FOR SMES SOCIAL COMMERCE IN THAILAND

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ABSTRACT

The purpose of this study is to find what are the potential success factors for SMEs Social Commerce in Thailand from the owners' point of view, how to gain competitive advantages and stay in such a competitive market, and to prepare the factors that affect the success of being SMEs Social Commerce in Thailand.

This research paper is focused on the factors influencing the success of SMEs Social Commerce including the use of digital marketing and consumers' attitude towards social commerce. The interviews were conducted to collect the information from the managers who have been working in the Social Commerce industry for at least two years. There are twelve questions in total which address potential factors that support the companies to become successful. From our study on identifying the potential success factors for these businesses, the researcher found that there are three main aspects to such success: branding, marketing, and customer relations. The researcher hopes that this scope of study could guide existing Social Commerce business owners and new entrepreneurs to start their own Social Commerce businesses and become successful.

KEY WORDS: Social Commerce/ Digital Marketing/ Small and Medium-Sized Enterprises/
Marketing

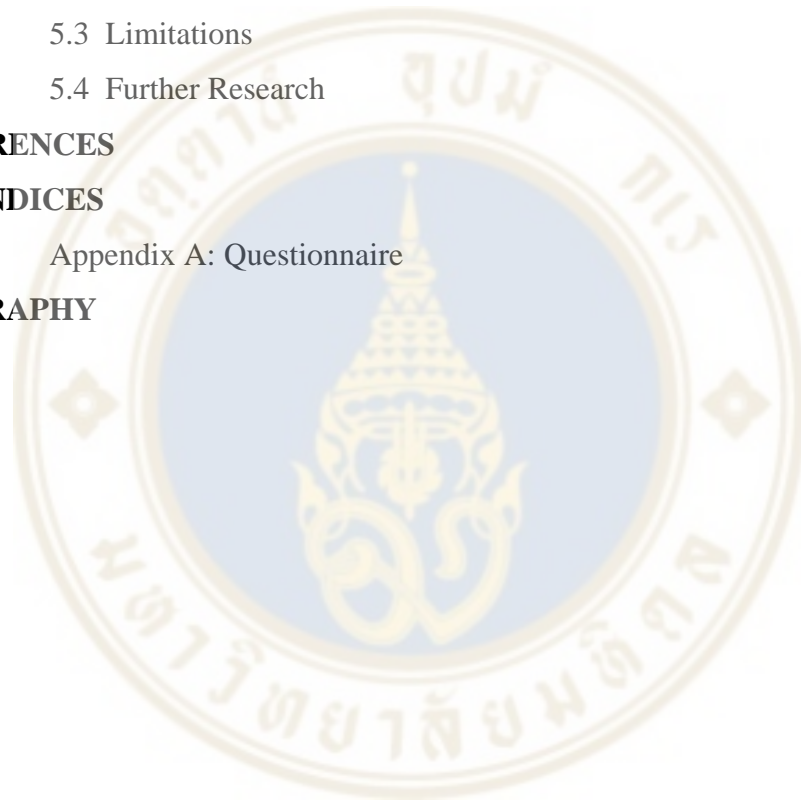
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CHAPTER I

INTRODUCTION

1.1 Background

In the current situation, the environment has been changing very quickly. There are some significant factors responsible for both survival and failure of business; these factors are economic, social, political, and legal factors, and most importantly the government policy. Main factors have significant impacts on business operation as to any sizes of industry or Small and Medium-Sized Enterprises (SMEs). The turnover of business in the view of the successful entrepreneur is considered with various perspectives, such as financial success, other market shares, and increasing profits of business. These require the administrators to keep following their trade to run their businesses with sustainability as well as to survive in the context in which society has been changing.

In the meantime, business information technology plays an important role in making the world become boundless. Global markets have indefinitely expanded with transfer of inputs and international investment worldwide; there also have been the establishments of trade organizations, trade union in many regions in order to promote economic and trading stability and justice as to every nation as well as to facilitate the process of transition to make use of technology for sustainable and rapid development while getting economic systems connected worldwide. In this context, every nation highly values free trade, which leads to intense competition in trade now more than ever.

Since the future trend will make information and data systems become an integral part and important factor helping those entrepreneurs to look forward to making their business operation to become successful or survival in the current market with high fluctuation as well as to become more competitive to gain more advantages in business. It can be found that there are lots of factors contributing to the process of business operation. However, running businesses without the use of databases can be disadvantageous in terms of getting updated news and information and a so inert distribution channels, thus making it less competent and less responsive. These factors

considered both internal and external factors of the organization would contribute to the industry, making it the main point for reflecting and impacting the success of the entrepreneurs.

Social Commerce is new technology focusing on trading through internet. Regardless of being subdivided into regions, Social Commerce can easily and thoroughly gain access to customers worldwide 24 hours a day regardless of having front shops. It can also meet the growing demands of consumers in using internet. Although the behaviors of modern customers have been changing, Social Commerce technology can solve many problems regarding marketing, managing, and receiving information. Moreover, Social Commerce can be used for marketing, which includes advertisement, public relation, responsiveness to the demands of clients, and two-way communication, aside from increasing the new channels for sales. As for collecting data, Social Commerce can manage data systematically because of making data systematic to develop the efficiency in production and services. Nevertheless, when utilizing Social Commerce technology, it is necessary to keep product codes to investigate and check all revenue and expenditures while the products are being ordered. This can help to collect the data more systemically as well as to expand the large size of business by using management with clear procedures, which can develop efficiency and quality of organization to make it more competent in the current economic condition.

Therefore, this research is aimed to study for the success factors for the SMEs Social Commerce with the expectation that new entrepreneurs, who are interested in entering this market, are able to use this information to adapt and apply to their businesses for a competitive advantage.

1.2 Problem Statement

To find what are the potential success factors for SMEs Social Commerce in Thailand, and how to gain competitive advantages and stay in such a competitive market.

1.3 Objectives of the Study

The purposes of this research paper are as follows:

1. To study the factors influencing the success of SMEs Social Commerce from the owners' point of view
2. To discover the factors that influence consumers to make purchases through social media
3. To prepare the factors that affect the success of being SMEs Social Commerce in Thailand

1.4 Scope of the Study

This research paper is focused on the factors influencing the success of SMEs Social Commerce including the use of digital marketing and consumers' attitude towards social commerce.

1.5 Potential Outputs

This research will benefit start-ups interested in the Social Commerce business. The outcome of this research should be used to prepare the entrepreneurs on what to expect from starting up an online business by giving examples of existing companies.

CHAPTER II

LITERATURE REVIEW

In this paper, a review of relevant literature has been made to learn more about theories and prior research relevant to the topic as a guideline to improve the study. The literature review consists of three main parts as following:

1. Social Commerce
2. Digital Marketing
3. Motivation and Influence

2.1 Social Commerce

Most modern entrepreneurs find it necessary to make use of social media to enhance the experience of the consumers and customers that shop online via social technology. The modern shopping trend is extremely different from past shopping methods which required consumers to go outside to make purchases. In contrast, by using social commerce, they can search for the items, products and services they are interested in online using their smartphones or notebooks connected to internet. This way, they can shop online, which is much more convenient for both the purchasers and venders.

Nevertheless, it is necessary to first get inside the definition of social commerce. Ping, Z. (2011) defined the meaning of social commerce as the commerce activity that allows the online purchaser to make use of social media for shopping online. By using social commerce, the modern purchaser can take part in a social collaborative context, while the entrepreneurs leverage and thoroughly examine their online business strategies, management, technology, and consumer behavior.

It is obvious that in this globalization era in which modern consumers can make use of all types of social media for searching for their interested items as well as knowing all advantages and disadvantages and also all information of those items via

online without having to go shopping outside. By having all channels of social media related to social commerce, Ting, P (2011) stated that social commerce is referred to as the new business model for electronic commerce that allows online purchasers to take advantage of all types of social networking, especially Facebook, YouTube, Twitter, and LinkedIn, to buy all products and services online; this way greatly simplifies the acquisition of products and services. Furthermore, many researchers have found that social commerce gives numerous advantages to those online shoppers. Paul, et al. (2011) explored lots of advantages the purchasers would receive from social commerce, particularly, in terms of fun, utility, and trust. Those online consumers can gain trust from using social commerce by increased participation in social activities online through sharing experience and reviewing the items and services they purchased through social networks. In the meantime, those consumers can acquire utility from using social commerce as well by being able to shop smarter via co-browsing, group-buying, to name but a few, while they also receive fun by adding the discovery of products and services together with referral and selection of their own freewill.

Aside from the advantages those consumers can get from social commerce, this new subset of electronic commerce dimension composes of six important dimensions (Paul, et al, 2011). These include social shopping, rating & reviews, recommendation referral, forums & communities, social media optimization, and social application. Regarding the benefit of social shopping, the purchasers will be able to utilize their collective buying power for purchasing as well as acquiring a better deal; concerning the benefits of ratings and reviews, those consumers would have a great chance to view the opinions of the authority, the prosumers, and professionals reflecting their voices on the e-commerce product pages aside from getting expert ratings & reviews, sponsor reviews, and customer testimonials (Marsden, P, 2009).

As for the advantages of the entrepreneurs and businesses which utilize social commerce, Letiner & Gerechening (2009) stated that modern entrepreneurs can get easy access to their consumers with greater efficiency than traditional outlet shopping by having user-generated content incorporated into the storefront. This way would enable all consumers to have a thorough exchange of information of the products and services they are interested in while also getting advice from reliable individuals to provide accuracy during the decision-making process. The following consequence in

this circumstance is their trust and reliability on those online businesses. Furthermore, Skender, M (2010) reiterated that the suppliers would benefit from social commerce as well through increasing consumer loyalty, escalating revenues, personalizing shopping experiences, reaching the new audiences and prospective consumers, free tracking of users, and enhancing web influence. Markus, S (2010) completely agreed with the benefits of social commerce yielding to the suppliers. By taking advantage of social commerce, those suppliers can significantly persuade the consumers to make a decision to buy their products because of the fact that they are capable of facilitating positive emotions of the customers through positive ratings of the items. Markus, S (2010) also explained further that the suppliers can take advantage of electronic word of mouth as viral effect, significantly convincing their target consumers who were exposed to viral effects to make a decision to buy their items at last. Furthermore, this researcher confidently said that those suppliers would increase brand loyalty from their regular customers through social commerce through many channels of social media, such as Facebook and Twitter.

2.2 Digital Marketing

2.2.1 Online

2.2.1.1 Search engine optimization (SEO)

Search engine optimization involves increasing awareness within a search engine. For a website to increase awareness, it needs relevant content for the search engine to determine its level of relevance. This is accomplished with the usage of search engine parsable metadata tags in the HTML of the page. Search engine optimization works when those audiences press keywords related to the issues they are interested in on Google, and then the lists of items and issues will become apparent on the first to the last pages on web; this way can make the webmasters and the web owners better aware that how much their websites are frequently visited by those potential buyers and the audiences. Anna, T (2007) cited over the great benefits of search engine optimizer in many ways. This SEO, despite taking months to have the advertising pages of business appear at the first age of SEO, will help any potential customers and the audiences to frequently visit and revisit their advertising web pages while being able to use reference

as well as referral through social bookmarking. (Jain, A, 2013). She also said that SEO will provide numerous advantages to the web owners, which include increasing popularity and visibility, and also target-traffic, facilitating return of investment, and enhancing online marketing and promotion.

2.2.1.2 Search engine marketing (SEM)

Like Search Engine Optimization, Search Engine Marketing also involves raising the visibility of a website on a search engine; however, it includes other methods, in addition to SEO, for sites to increase their rankings. Both SEM and SEO are responsible for increasing advertising visibility as well as website traffic. However, SEM would help any advertisement place on the sponsored sections, not being widespread through the first page.

Companies can purchase advertising from the owner of a search engine to increase their awareness. This will give sites that can afford advertising fees a greater chance of a user finding their website, than if the company were to solely rely on SEO. In contrast to search engine optimization that allows the web owners to use eclectic ways to push their advertisement on the top page, Search engine marketing is to depend on purchasing to be dominantly appears on the position of advertisement that is relevant to the key words. Matt, H (2015) elucidated the benefits of search engine marketing in term of raising the great interest and attention of the potential audiences at the right time as well as helping increase brand awareness, aside from being easily measurable.

2.2.1.3 Pay-per-click advertising (PPC)

Pay-per-click advertising is another advertising tool used to increase the viewability of a website on a search engine. A company will create an ad and submit a bid on the keywords used to generate that ad. When that ad is clicked, the company pays the search engine the amount that was bid per end user click. The higher the amount that the company bids on the PPC ad, the higher the position of the website link in the search engine results. WSI Corporate (2010) confirmed that pay per click campaign is very consequential for the modern online businesses these days because it is most efficient in saving cost of online advertising, making it the post popular trend of online advertising with a ratio over 40% of all types of online advertisement with the values over 40 billion dollars annually.

2.2.1.4 Content marketing

Content marketing is an approach for a company that has clearly defined their target audience. The company will take specific set of content for a specific type of consumer, and they will rely on the support of that consumer to allow them to continue providing more of that content. Evidence of this can be seen with the numerous amounts of crowd funding through sites such as Kickstarter, Indiegogo, and Patreon. Content marketing is different from traditional marketing both online and offline in that it does not at all interrupt online entertainment of those audiences while being indulgent in their social media entertainment. Sarah, S (2017) affirmed that content marketing makes the great contribution to businesses as this assists the entrepreneurs in building good relationship with their online potential customers without using any tactics of hard sales but increasing the potential consumers' trust by highlighting the dominate topics relevant to the consumers 'interest or desire to solve the problems of their products.

2.2.1.4 Social Media Marketing (SMM)

Social media has become extremely popular over the last decade. With proper usage, a company can gain global exposure. If it remains fluent in modern trends and posts engaging content on their social media outlets of choice, consumers will subscribe to their social media accounts and even view, purchase, and spread the word of the promoted content to show support for making the effort to relate to the them and for showing interest in their lives. Social media marketing is considered another popular online socialization in providing online users with two-way- interaction and communication by being able to access all channels of social media with ease. Aside from giving benefits to the users, SMM also makes full contribution to any online businesses. Celine, A (2012) reiterated that social media marketing yields numerous benefits to any online businesses with regard to increasing brand reputation and brand awareness, enhancing targeted traffic and search engine optimization, facilitating the effectiveness of viral marketing, and facilitating and recruiting public relation; moreover, any modern businesses can make use of social media marketing in order to evaluate how much their marketing strategies are effective while being able to measure its results.

2.2.1.5 Affiliate marketing

Affiliate marketing is a performance based approach that provides rewards for each consumer gained through affiliate advertising. If an affiliate makes enough revenue from their marketing efforts, they may offer rewards such as free items for employees or for the consumer to receive via a giveaway. Simply put, affiliating marketing is another new channel for helping to sell products and services of others via online channels of their own social networks, no matter what Facebook, Instagram, personal blogs, and others with an exchange for commission. Lukus, N (2008) found that affiliate marketing is the perfect combination between effective and reasonable cost of advertisement and decent incomes due to online advertisement while unavoidably having to face some problems in this affiliate marketing, especially the problem with conversion rates due to inability of content provider to have the merchants pay full commissions to them in return.

2.2.1.6 Email marketing

Any email sent to the consumer from a company can be considered email marketing. Tools such as Mailchimp make it easier for companies to send out emails containing new content to expose to the consumer, and they even provide the functionality of personalizing the emails with data provided from the user's account such as adding the user's name or content matching their interests. This can create a level of reliability to the consumer to resist the feel of spam, and can greatly increase the possibility of the user viewing the email content. Fariborzi, E (2012), however, identified that this Email marketing has both advantages and disadvantages for businesses. On the upside, any customized messages can be directly and instantly sent to the target customers, providing that this message must be relevant to their profile before sending more relevant Email successively. She also stated that the benefits of this Email marketing are reflected as easy measurability. On the down side of this Email marketing, it is difficult to have the subscribers engage with the business in the long run. Moreover, lots of software virus can be easily spread using this Email marketing, making the Email receivers suspicious over any trusted sources and markets Fariborzi, E (2012).

2.2.2 Offline

2.2.2.1 Branding

Creating a unique company name, logo, and mission statement that clearly define the product greatly increases chances in a competitive market. Whereas online marketing is often consistent and can change in nature more often, an established brand is more consistent in leaving a lasting impression on the consumer. If the product maintains a certain level of quality, and your message is simple, consumers will become more obliged to indulge themselves. Good branding should leave a lasting impression in the mind of the consumer. A good impression will continue to bring them back for more content. Blair, E (2007) reviewed the advantages of branding products and services with different creative views. It was found that the branding for any product or service is responsible for creating image and personality, contributing to market segmentation, facilitating purchasing decision, and enhancing customer franchise. He also elucidated that branding can be categorized as brand recognition helping the target consumers become familiar with the brand, brand preference increasing customer satisfaction on products and services, brand insistence for increasing competitive insulation, and brand advocacy that is responsible for word of mouth by successive customers.

2.2.2.2 Positioning

Market positioning aims to give a positive perception of the brand to the consumer. This may involve either displaying an existing issue, showing a practical solution that the product supplies, or addressing issues with competing companies and displaying how one product makes the other product obsolete. When it comes to what positioning makes contribution to the global business, Zineldin, 2002, as cited in Asli, K (2010) insisted that branding is suitable and beneficial for modern businesses in the new economy because it helps make the businesses distinguished from their competitors so that the certain market segmentation will be preferable and efficient. It was additionally stated that product positioning as well as differentiating the quality of products and services are responsible for building robust competitive competition of any businesses that use this positioning strategies

2.2.2.3 Tradeshow

Trade Shows provide opportunities to not only show off new products to the consumer, but to gain active customer engagement. Companies will

want to leave a positive lasting impression of their brand to the consumer. When trade shows are held, they may involve activities to gain intrigue, concerts to attract the attention of new consumers, and opportunities to address company flaws and their answers to concerns regarding those flaws. These make the event seem like more than just a chance to sell items, but to become a part of the lifestyle of the consumer. Many people travel to such events to celebrate the products with other people, purchase new items, and gain a feeling of significance to the business decisions of the companies. Winsor, R (nd) identified the benefits of setting up tradeshow to the businesses by reiterating that the tradeshow is considered one of the best cost-effective advertisement for any products and services of the business, bringing the potential buyers as the attendees to accumulate together at the same exhibiting place with the purpose of building good business relationship between the vendors and the prospective purchasers.

2.2.2.4 Partners (retails)

Building more partners means increasing joint ventures or business co-investors which is responsible for creating strong business together. Since social commerce is most likely to be prosperous in the near future, more and more online visitors would have the highest chance for visiting their interested websites presenting their favorable services and products or even interesting information of products. In this condition, it is easy for them to invite all of people with the same taste to try that website. In this case, retails or partners in social commerce are existent. Cassie, B (2017) said that more ninety percent of modern consumers are most apt to purchase the products from the company that use social commerce as the main strategy, and there are up to 20% of retailers in the United Kingdom who sell their products and services through social media channels.

2.3 Motivation/Influence

2.3.1 AIDA Framework

In today society, modern people live their hectic lives, making all of their time become all money. In common with modern businesses that main rely on social commerce for helping promote their products and services, they prefer to make their

items advertised via online channel with utmost efficiency worthy for the money they spend on online advertising. In this context, the strategy of AIDA can be efficiently applied for online social networking advertisement. Sarah, G (2015) cited the importance of AIDA strategy contributing to social commerce. It was stated that, over the past, the world marketing has been associated with AIDA strategy because it is responsible for influencing target consumers' emotion; AIDA composes of attention, interest, desire, and action, which can be efficient for online marketing with multiple dimensions.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Methodology & Research Approach

This study was conducted to find the potential success factors of SMEs Social Commerce. The main purpose of this study is to help existing Social Commerce businesses become successful in their endeavors and to help entrepreneurs, who are interested in starting their own Social Commerce business, plan their future. The qualitative method is for getting ideas and exploring new information. As the purpose of this research is to understand the success factors from managers' point of view, semi interview is being used. Interviewees will have a chance to express, give information, and share their experiences in working in Social Commerce. Researcher will provide a list of open-ended questions to the managers while conducting interviews and during voice recordings. These will help researcher understand more about variable and ideas.

3.2 Data Collection

In this study, the collected data is from a group of managers who are currently working in Social Commerce business. Interviews and voice recordings are used to collect the data. The researcher used a list of open-end questions to allow interviewees to answer them based on their opinion and experiences. The total number of participants in this research were five managers.

3.3 Interview Questions

The questions used in the interview were developed from literature reviews and previous research such as digital marketing and other factors that influence customers to make a purchases thorough social commerce. There are four aspects of question listed below:

3.3.1 About You & Your Business

- Can you please introduce yourself? Eg. Name, company, position in the company
- Did you start your business online? How long have you been online?
- Do you have offline store?
- What do you think customers like the most about your business/ brand/ products?
- Since you started your business, were there any mistakes that you wish you didn't make? And what would you do instead if you could go back in time?

3.3.2 Social Commerce

- What is an approximate number of total customers/products sold per month? (that are from Social)
- Do you think more payment options will have an impact on your customers purchasing decision? Eg. Many banks available/ credit card/etc
- Are there any advice/recommendations you would provide to new start-ups?

3.3.3 Customer Relation

- Can you give some examples of what you have done to gain new customers and to keep them?
- How do you raise your customer awareness/attention to buy your products?
- What was the worst issue you ever experienced with your customer and how did you cope with it?

3.3.4 Social Media & Marketing

- How important is the social media marketing for your business?
- Which social media channel do you use? Eg. Facebook, Instagram, Line@, etc
- In your business, how many people are there working in the social commerce team?
- Do you have a lot of promotion/sales/giveaway?
- How often do you participate in events/tradeshows?
- Do you use any online/offline advertising?

CHAPTER IV

DATA ANALYSIS AND RESEARCH FINDINGS

This chapter thoroughly presents the results from the qualitative data via interviews. The interviews were conducted to collect the information from the managers who have been working in the Social Commerce industry for at least two years. There are twelve questions in total which address potential factors that support the companies to become successful. During the interview, the interviewer attempted to follow the questions listed in the previous chapter in the methodology section; however, the flow of conversation was more spontaneous as some questions were answered at the beginning and some extra questions were asked to help the interviewer capture more insightful information from each interviewee.

According to the study on the potential success factors and variables that lead to competitive advantage of the Social Commerce companies by conducting semi-interview with five managers, most of them advised that branding, customer relations, and marketing are the most important variables that make companies successful.

4.1 Data Analysis

From the collected data, the researcher analyzed and organized the information into three discussion points that are the potential success factors for social commerce entrepreneur as following:

4.1.1 Branding

Most managers mentioned that branding is one of the most important aspects of their business. Having a clearly defined product that is properly represented with a logo, unique company name and mission statement, greatly helps the brand to differentiate itself from competitors and to be easily remembered and recognized by. It also helps the company to have a clear target market which leads to their pricing strategies. Moreover,

personal branding of the founder or owner of the brand also gives the opportunity to leverage a more credible and trustworthy image. In terms of trust, it is still a very sensitive subject for the social commerce business in Thailand. Since customers do not get to see the actual product before they make the payment, they are likely to be afraid that the quality of the product could be different from what was advertised. Therefore, having many followers on their social commerce sites helps their business to have more credibility which means the company must invest in brand awareness in the beginning stage. There are many options available to the company such as marketing tools, networking, or using their own personal connections. Lastly, offering official payment channels also helps increase credibility. For example, payment via credit card must be done on the official website of the company or through a trustable third party such as Paypal or Shopee application.

4.1.2 Customer Relations

4.1.2.1 Creating Community

Creating and sustaining a healthy community is a great benefit for social commerce businesses. To be successful in an era where everyone can easily set up a Facebook page or an Instagram account to sell something, having a strong and unique selling point is crucial. Creating a community allows customers to directly engage with the business. Some good examples of customer engagement are posting videos that are beneficial for the customer and creating events and activities that foster customer involvement like a workout party or other kinds of workshops. This leads to sustainability in business and creates customer loyalty. It allows the brand to have a connection with the customers and they do not feel like the brand is focusing on more than just their commercial profits. When customers feel that they can gain something from the brand, they will remain and promote it.

4.1.2.2 Customer Feedback and Review

With the increase in review culture and the growth of social media, customers often seek out professional reviews and other customer feedback of a product before purchasing. The managers said that they manage to take care of all chats from their customers by themselves. This is not only to get the direct feedback and insight review from the customers, but also allows them to immediately address

and resolve issues. By managing customer relations, the managers can create personal branding, make sure that all customers get treated with care, and give insightful information for each customer personally. With this, managers have an opportunity to recognize small customer details such as their faces and names, and such personalized service will lead them to become loyal customers to the brand. Some connections can even develop into friendships.

4.1.2.3 Responsiveness and Speed of delivery

As social commerce is a very competitive industry, the managers suggested that the shorter the time they take to respond to their customers increases the chance of that customer making a purchase. Social commerce is very impulsive. Therefore, a company should be proactive as it shows the customers that they are welcome, and the company is willing to service and assist their shopping to provide the smoothest possible experience.

In terms of delivery, most social commerce businesses use services from Thailand Post that offers only registered and EMS services which would take at least one to two days for a delivery within Bangkok and surrounding cities. However, nowadays, there are many more options for quicker delivery such as Kerry Express, SCG express, Line Man, and Grab Bike which are considered messenger services. With these services, customers can even get their products on the same day that the order was placed. The speed of delivery in the options available for customers has a positive impact on the purchase decision.

4.1.2.4 Return Policy

Most of the social commerce shops in Thailand do not offer a return policy. However, one of the interviewed managers shared his experience for his company's return policy as they provide fresh fruit. He wants to ensure that the quality and freshness of his products are high. If the products that his customers receive are not in good condition, the company allows their customers to request their money back within 24 hours of delivery. He believes this is one of the reasons his customers choose to purchase his brand instead of his competitors.

4.1.3 Marketing

Since this research was focused on social commerce business, the main result from the interview section was mostly digital marketing related. However, not all the elements of digital marketing were mentioned by the managers. The tools that the managers found useful to their business were search engine optimization (SEO), social media marketing, and content marketing. Some of the offline marketing tools also applied to social commerce business such as branding, promotion, joining event and tradeshow.

4.1.3.1 Search engine optimization (SEO)

Some of the managers, whose companies have their own official website, said that their companies implement SEO in their marketing plan as it helps their business get more people who search for their products on search engines such as Google. However, SEO seems to not be very useful for businesses that only use social media sites such as Facebook, Instagram, and Line@. It is because the applications provide their own advertising function.

4.1.3.2 Social Media Marketing

Among the available social media sites, our managers mainly use Facebook, Instagram, Line, and Line@ to communicate with their customers and conduct sales. They said that in the past some applications were better than others as some allowed customers to chat with them directly in real-time or allowed them to post longer videos. Nowadays, all of them have the same general functionality.

The manager mentioned that paid advertising on Facebook and Instagram is very helpful in gaining new potential customers, and it also allows them to control their own budget. However, this method is quite complicated in terms of making the cost of advertising official company spending. One of the managers suggested using a third-party service (ReadyPlanet) to issue company tax invoices.

Furthermore, keeping up with trends and upcoming events is extremely essential. There are so many special holidays and events throughout the year. The customers normally anticipate that shops will keep up with these events by offering discounts or coming up with new promotions opposed to shopping at a company that does not have new updates or offers. Therefore, one of the interviewees, who sells fresh fruit, came up with many ideas to conform with upcoming holidays. For example, a

strawberry bouquet during Valentine's Day and mixed-fruit basket during New Year's Day holiday. Another example is from a sportswear shop manager. She introduced her customers to black and white or dark tone sportswear during the passing mourning period is very well adapted strategy toward the situation as well. The given examples have drawn attention and efficiently increased sales to the interviewed shop.

The literature review for digital marketing differentiates social media marketing and content marketing. However, after interviewing these five managers, the researcher found that most managers use content marketing as a part of social media marketing. The contents that they created are related to their products, but it is mostly informative and knowledge sharing. Some examples of content marketing are creating videos teaching customers to select fresh fruits, how to correctly keep each type of them under Thailand's weather conditions, sharing exercise tips and interesting workout routines, and how to be creative while cooking with their products.

4.1.3.3 Promotion & Events

Almost all managers agreed that having promotions from time to time can really boost their sales. The most popular promotion is free shipping, since the customers perceive that they do not have to pay extra. Another selling promotion is price bundling, when the company combines several of their products and offers at a lower price.

Even though this is the social commerce business, some managers still give attention to offline marketing such as joining events related to their products. This helps raise brand awareness and capture new target market that do not actively use social media.

CHAPTER V

SUMMARY AND DISCUSSION

5.1 Conclusions

The research was done by conducting interviews with managers of successful Social Commerce businesses in Thailand. From our study on identifying the potential success factors for these businesses, the researcher found that there are three main aspects to such success: branding, marketing, and customer relations. The researcher hopes that this scope of study could guide existing Social Commerce business owners and new entrepreneurs to start their own Social Commerce businesses and become successful.

5.2 Recommendations

From the research result, it shows that to become successful in Social Commerce business, a company needs to consider their branding first without letting that define their business. Along the way, the company needs to adapt to changes which could potentially lead to changing the target market. Creating personal branding is very beneficial as it increases customer trust. The new start-ups should invest in social media advertising in order to increase their number of followers which will help increase their credibility.

Customer relations management is another way to sustainable business. Creating community and customer engagement are some examples in fostering customer loyalty. In terms of communication, if it is possible, the manager stays in contact with the customers to get insightful feedback and information from the customers. If the manager wants to delegate the work to someone else, that person should be well-trained and proactive to provide good customer service. Trying to offer return policy shows sincerity and ensures quality of the product which leads to gaining trust.

A company should set up a clear budget for social media marketing. Trying to follow the trend in the market and some special events can help draw attention and increase sales. Using content marketing that provides useful and unique information to

the customer helps increase brand awareness and number of followers. Expanding the target market by joining events and tradeshows can be used to capture customers that do not actively use social media.

5.3 Limitations

As this research was conducted by using qualitative research methodology to get in-depth information, there are some questions that managers did not feel comfortable with and refused to answer. Since the researcher would like to gain information from the successful Social Commerce business, there are some parts like company business model or business strategies that are either confidential or not yet officially implemented.

The researcher had conducted interviews with only 5 managers who are working in Social Commerce business, which is considered a very small number compared to the total number of managers. Furthermore, these managers are from different market industries. They do not represent all existing Social Commerce businesses in the market, and the results may not cover all factors that might occur.

5.4 Further Research

Further research on this subject should include more interviews with a larger number of managers to cover more aspects that could be potential success factors. Also, interviews or questionnaires of the customers who actively purchase products from Social Commerce businesses should be conducted to understand their behavior and to find out which factors from this study mostly influenced their purchasing decisions.

This will assist existing companies in identifying and addressing existing issues and will give them the opportunity to improve their businesses and services. Moreover, it is useful for new start-up companies to create their business models and plans to meet future customer needs.

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Appendix A: Questionnaire

1. About Silhouette

Introduce yourself	My Name is Momoe Masuo, managing director and designer of Silhouette Brand Co., Ltd.
Did u start from online ? How long	Yes. started online through Instagram application 3 years and 6 months ago.
Offline store	Yes. Our own physical store, department and at multi brand store
Were there any mistakes you wish u didnt make? And what would you do instead	there are quite few mistakes i wish i could go back in time to fix. One of the mistakes is about the unclear positioning of my brand. First mistake is that i decided to set my pricing affordable, but did not calculate the cost well enough. So after the 1st year our price raised up which made old customers questioned. I graduated Marketing so my financial part is very messed up before my partner joined. If i had more knowledge and better team back then, i will make the brand positioning clear, so that my target customer is also clear.

2. Social Commerce

- Customer/product sold per month through online (mainly instagram) = 100 people / 300 products ... for offline = 233 people / 700 products

- Yes definitely
- Advice to the new start Ups =

Do what you really love. Once you start, you cannot quit. Along the way, you will have to face a lot of problems but you learn as you run the business about all different ways to overcome the issues. Do not be afraid of failing since you have not even start or thinking too much about the possible negative outcomes because that won't take you anywhere and you will end up not doing anything. I started my business without doing much research at all. Maybe because even though i research or read about how to be successful, i believe that success cannot be taught. It simply starts from a good mindset, clear target and luckily a great partner or team.

With these 3 things i bet you have a good start.

3. Customer Relation

<p>Examples to gain new customers and keep them</p>	<p>Throughout the year we have tried several ways to gain new customers and more importantly is to keep them or make them repurchase become royalty customers. For example ,opening new branch new area location is the most effective way to get new group of customers. Customers at Central Chidlom is different from customers at Terminal 21 and from Central Ladprao as well. Another example of how to keep our customers is that I have to train my staffs to treat each customer the way they prefer in order to keep good relationships with them. Service and friendly Staff is the heart of Silhouette. New customers can also come from running advertisements through social media. Every time we post photos with the right hashtags and advertisement, there will be new customers contacting us. Another very effective example of how we keep our customers is that we send our customers new year presents and by looking at our record, if a vip customer do not purchase for a while, we will send a letter telling we miss her and send news promotion.</p>
<p>How do you raise customers awareness and attention to buy your product?</p>	<p>By giving products to famous actresses, celebrities and bloggers. Normally you might have to pay for them to post on their social media channel and tag our brand, but Luckily most of them are my friends and i give them supports through time so i do not have to pay. Our target customers watch the famous soap operas, movies, and advertisements, so therefore I have contacts through certain media channels to wear my clothes in the movie or drama series as well. Sales come very fast because customers want to wear like the actresses they like, which mostly are from Channel 3, One channel, gmmtV, channel 7.</p>
<p>Worst issue ever experience</p>	<p>I have faced a lot of customers issues during the past 2-3 years of doing business from both online and offline. One of the most frequent problems was about sizes of customers that does not fit perfectly into our size chart. In order to solve the problem, our brand decided to have customization and tailor to your size option without additional charge. There will be additional charge only for special design drawn from our designer specifically for you or special fabric upon requested.</p>

4. Social Media and marketing

How important is the social media marketing for your business?	Very important. We're born from social media and it helps increase awareness.
	Instagram, Facebook, line@ , wechat
How many ppl working in social commerce team?	4 people
Do you have a lot of promotion/ sales/ giveaway	Silhouette haven't have an official Sales event before, because we do not want our customers to wait for the sales and we do not have enough stock for sale as well. However we do have Promotions throughout the year depending on the time and month. For example , during October this year, customers will have high demand of black and white items so we discount the colorful bright options for customers. The most exciting activity is the new year giveaway products and Lucky draw!!! Customers and new customers get to participate. For VIP customers we send presents to their houses.
Events : tradeshows	Quite often. During the first 2 years about 2-3 events per month. After expanding more branches, i have less time but still about once per 3 months. Depending on the event organizers. Once a year for tradeshows abroad. Hongkong, Singapore.
Online and offline advertising	Yes for online we use Instagram advertisement sponsor page and Facebook ads.