

**THE STUDY OF FACTORS INFLUENCING CHINESE
E-COMMERCE ADOPTION BY SMES IN THAILAND**



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**THE STUDY OF FACTORS INFLUENCING CHINESE
E-COMMERCE ADOPTION BY SMES IN THAILAND**

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THE STUDY OF FACTORS INFLUENCING CHINESE E-COMMERCE ADOPTION BY SMES IN THAILAND

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ABSTRACT

The purpose of this study is to find out what the factors influencing Chinese E-commerce adoption by SMEs in Thailand, targeting on the SMEs come from five industries in Thailand. Also explore the perspective and attitude of Chinese E-commerce by Thai SMEs, and find some good entry strategies to SMEs who want involve Chinese market by E-commerce. The research methodology was conducted by in-depth interview with 12 samples. The result of this study have illustrated that several common factors from previous research still make sense for Thai case, at the same time some new factors are found during the research. Recommendations to SMEs owners or managers have been provided to the conclusion part.

KEY WORDS: Chinese E-commerce/ Thai SMEs/ Entry Chinese Market/ E-Commerce Strategies

60 pages

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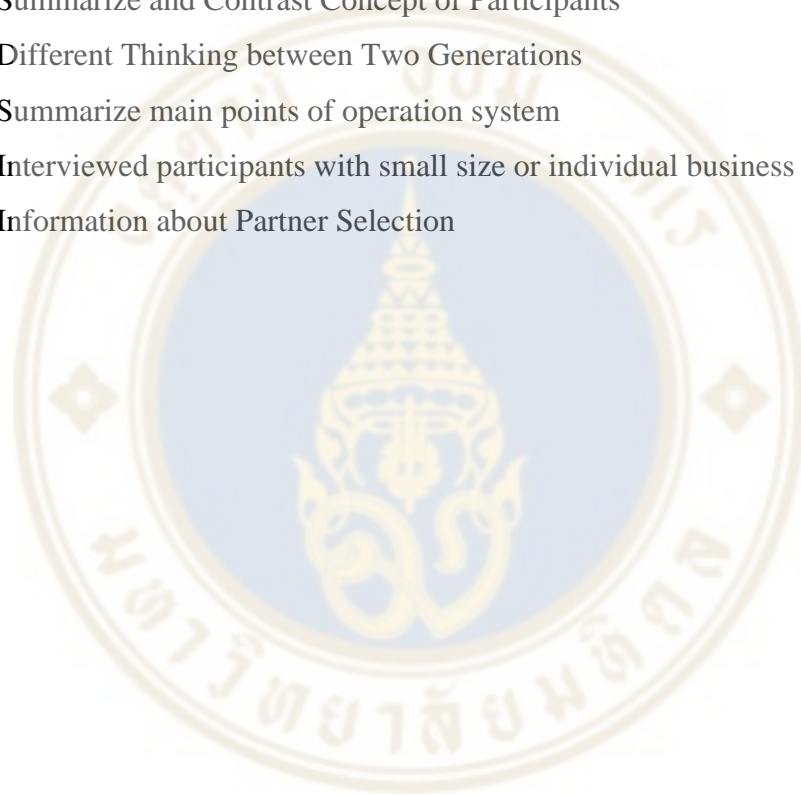
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CHAPTER I

INTRODUCTION

1.1 Background of the Problem

With the popularity of the Internet and the development of smart-phone technologies and markets, it is easier for people all around the world to use various e-commerce tools, websites and participate in online activities, which makes modern e-commerce becoming a global topic and developing rapidly all over the world. Advancements in Internet technology have led to innovations in business models, products, and markets, including the use of electronic commerce (e-commerce) to carry out sales transactions among individuals, businesses, and organizations (Elseoud, 2014). At the same time, small and medium enterprises (SMEs) constitute a majority of businesses in the world, how SMEs improving their profits and sales value via e-commerce over the world has become an important topic also in the current global business market and Thailand is in the same case. Dhanani and Scholtès, 2002; Wiboonchutikula, 2002; Ha, 2006 agree that SMEs are now generally recognized as being the most significant enterprises in accelerating Thai economic growth and development. Katsioloudes, 2015 shows that e-commerce uses the latest tools for automating and streamlining the flow of transactions between companies and individuals and bring lots of economic benefits to companies. Hence, using e-commerce by SMEs to get more economic benefits and competitive advantages has been considered in many countries.

Over the past few years, the global e-commerce has been growing rapidly, especially in China. Through corporate efforts and government support, China's cross border e-commerce has occupied a leading position in the world, especially in Asia. When it comes to China's cross-border e-commerce, many people will think of China's e-commerce giant company Alibaba Group, because of its successful listing in the United States on September 19, 2014, which further enhances their global reputation and international competitiveness. The cross-border e-commerce platform under the Alibaba Group can be divided into B2B mode (Alibaba platform), B2C mode (1688.com), and B2C model

(Tmall International). The former two platforms are for exporting products from China, while the latter one is imported goods from foreign countries and sell in the Chinese market. Except for Tmall, the similar B2C e-commerce has JD.com, Jumei.com and Suning.com. Both of these platforms have a large number of user bases in China and are a good choice for global e-commerce companies. In addition, Tmall is still the most popular e-commerce platforms in China. According to the data in the Quarterly Monitoring Report on China's B2C Online Retail Market in 2018 Q1 released by Analysys, in the first quarter of 2018, Tmall's total sales increased by 41.2% over the same period of last year, accounting for 59.6% of the market share, ranking first. The total turnover of JD.com increased by 25.0% year on year and its market share was 25.3%, ranking second. Suning maintained a stable development trend. Its market share increased to 5.0% in the first quarter of 2018, ranking third.

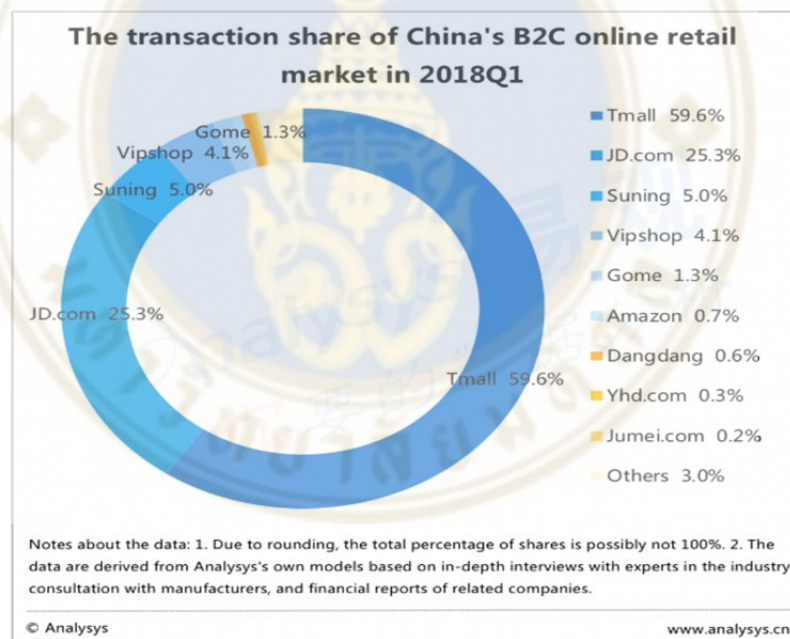


Figure 1.1 The transaction share of China's B2C online retail market in 2018Q1

Source: www.analysys.cn

However, for China e-commerce nowadays, the domestic market is already approaching saturation. Seeking the development outwards has become the main choice for China e-commerce. Thailand as one of the important market in Southeast Asia has become China e-commerce target market. With a population of more than 67 million,

the number of existing Internet users in Thailand is about 38 million, which has become the market that e-commerce giants in various countries are rushing to enter. For example, we can see that like 11street from Korea, Shopee from Singapore Sea group, Lazada and AliExpress from China, at the same time, we still have many plays in Thai local market like Chilindo and Wemall. Facebook, Instagram and Line are also used to sell products or provide services in the Thai market. Although there has strong competitor in Thai e-commerce market, the cooperation between Thailand and China still become one of the main and important topics for Thai economy development. Xinhua News Agency, Bangkok, May 11 (Chen Jiabao) Thailand's Minister of Commerce Sontilla said recently that e-commerce is an innovative form of modern business model and hopes that more Thai companies will open the Chinese market through the China e-commerce platform.

On 19 April 2018, at a ceremony witnessed by the Deputy Prime Minister of Thailand, Dr. Somkid Jatusripitak, China's Ambassador Extraordinary and Plenipotentiary to Thailand, Lyu Jian, and the Executive Chairman of Alibaba Group, Jack Ma, the Government of Thailand and Alibaba entered into a strategic partnership to drive the development of Thailand's digital economy and the Eastern Economic Corridor under the Thailand 4.0 policy. Under this partnership, agencies of the Thai government and business units of Alibaba will work closely together in a number of areas, including e-commerce, digital logistics, tourism and training. Also, Alibaba will help establish a Smart Digital Hub in the Eastern Economic Corridor to support cross-border trade with China and other markets. "The Smart Digital Hub will be an important platform to link Thai SME (small and medium enterprises) and OTOP (One Tambon One Product) products and agricultural products to, not only China but also global markets. The strategic cooperation with Alibaba will bring benefits to Thai SMEs and farmers as well as tourism industry, while pushing forward digital economic development in Thailand," said Deputy Prime Minister Dr. Somkid Jatusripitak. Alibaba Group is also set up the training collaboration which will teach SMEs across Thailand, including SMEs in rural areas and individual entrepreneurs will have the opportunity to gain e-commerce knowledge and skills to start e-business and leverage the internet to develop their business online.

1.2 Importance and Contribution of This Study

Today, more than ever, the performance of enterprises, especially SMEs, depends on using e-commerce, especially cross-board e-commerce. Therefore, this study is an important topic within the international e-commerce development background. As the cooperation between China and Thai e-commerce has become a trend, the awareness and ability of enterprises on e-commerce and use of e-commerce may affect the development of an enterprise. Most of the enterprises between these two countries want to find the most efficient way to enter the other's market. However, most of them are failed because they do not have enough information and do not understand customers' conception of e-commerce in the other's market. This study is therefore important because it will integrate information on e-commerce between China and Thailand, and explore the influencing factors about e-commerce adoption by Thai SMEs, especially in using China e-commerce side through deep interview with Thai SMEs entrepreneurs. The results of the study may create more interest among Thai SME business owners in using e-commerce, especially China e-commerce to improve the competitiveness of their organizations.

1.3 Purpose of Study

The author aim to explore the factors affecting e-commerce adoption by SMEs in Thailand under the background that China e-commerce enters Thailand which means this study will focus more on the perception and influence factors of using China e-commerce by Thai SMEs. Through this study, the author expects to have the following conclusions: (1) Find the factors affecting e-commerce adoption by SMEs in Thailand. (2) Explore the perspective of China E-commerce by SMEs in Thailand, for example whether Thai companies are interested to sell via e-commerce in China. (3) Find the reason why Thai SMEs are involved or not involved with e-commerce/ China e-commerce and further explore interest in e-commerce area. (4) Explore the benefits, drawbacks, fears and expectations of China e-commerce by SMEs in Thailand. (5) Find a good entry strategy according to the research result and giving suggestion on using e-commerce by SMEs in Thailand.

CHAPTER II

LITERATURE REVIEW

The purpose of this paper is that understand the factors affecting E-commerce adoption and use by small and medium enterprises (SMEs) in Thailand under the background that China e-commerce enter Thailand. After the research, the author wants to find that whether Thai companies are interested to sell products via e-commerce in China, does there have any benefits, drawbacks, fears or expectations for Thai SMEs or do they plan to enter China e-commerce in the near future. As a result, the author has to understand what are e-commerce and SMEs before do the further analysis. And also the author summarizes the current relevance and related theories that analyze the current situation of e-commerce adoption by SMEs which may provide some research minds and useful information for me. All the literature review will be shown in the following essay.

2.1 Definition of E-commerce

The word “e-commerce” first appeared in the New York Times on April 24, 1997, which is defined as the conduct of commerce in goods and services, with the assistance of telecommunications and telecommunications-based tools (Roger, 2000). E-commerce has become one of the most important parts not only in the business world but also in people’s daily life. Companies can improve profits via e-commerce by cutting cost, price control, sales increasing or market-share increasing, at the same time, companies can open the global market easily via e-commerce to improve competitive advantage in the global market. Zwass, 1996 agree that e-commerce can be defined as “sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications and networks. It is obvious to see that with the continuous growth of internet technology, e-commerce can link different companies, organizations and individuals all over the world. This idea can be support by Elseoud,

2014 he illustrates the factor that advancements in Internet technology have led to innovations in business models, goods, and markets, including the use of electronic commerce (e-commerce) to carry out sales transactions among individuals, businesses, and organizations. E-commerce can be defined as the businessmen or enterprises even individual person who using high tech or internet sale or exchange products, services or information to customers without seeing each other. The whole activities may include online shopping, online-payment, online business activities, online transaction, online advertising, online finance activities and also online services. In another word, e-commerce is an activity which can buy or sell products or services on online. Thanks for the fast growth of the Internet that has led to increasing adoption of e-commerce business models among firms globally.

Jahongir, Aripov & Ho Kyun Shin, 2014 expound that e-commerce has played an important role in small and medium enterprises (SMEs) because it can improve the efficient competition for SMEs in the global market. Katsioloudes, 2015 also shows that e-commerce system use the latest tools for automating and streamlining the flow of transactions between companies and individuals and bring lots of economic benefits to companies. Hence, no matter SMEs in which industries, e-commerce can help them increase sales, control costs, complete supply chain management, customer relationship management and provide different opportunities to them, furthermore fast and accurate market position and segmentation and timely information exchange can be a good channel to grow market share and manage companies. As Scupola, 2001 described that e-commerce has provided the tremendous amount of benefits to SMEs, as e-commerce continues to evolve it has provided the number of research opportunities for Information System (IS) community.

2.2 Definition of Small and Medium Enterprises (SMEs)

Small and medium enterprises (SMEs) constitute a majority of businesses in the world, with the number of SMEs globally estimated between 420 million and 510 million in 2015 (International Trade Centre, 2015). The definition and concept of SMEs vary from country to country. There are so many factors that could definition SMEs for example the size of the company, the size of net fixed assets, number of staff, annual

sales, registered capital and economic activity. Jahongir, Aripov&Ho Kyun Shin, 2014 agree that conceptual background of SMEs consisted of a very heterogeneous group. The business owners may embody different levels of skills, capital, sophistication, and growth orientation. To simply the definition of an SME, this study refers to the study of Meephokhee and Ruengsrichaiya (2005). SME is defined as enterprises with fewer than 200 persons.

Definitely, except for large enterprises, the small one also plays an important role in the whole country's economy. Compared to cumbersome large enterprises, SMEs is more flexible and efficient to manipulate and managed. It will provide more free spaces to enterprisers and employees develop themselves. Abdel, 2012 points out, the SME sector plays a significant role in its contribution to the national economy in terms of the wealth created and the number of people employed. People can find a job because the SME, which will create economic value to society. It is so clear that SMEs can help the national economic growth better especially in developing country. The author will show the academic surveys and theories in the following essay to support this idea.

2.3 The Current Situation and Problem Faced for SMEs in Thailand

SMEs are the key sector in today's global economy and also a fundamental part of the economic fabric in developing countries, and they play a crucial role in furthering growth, innovation and prosperity (Harvie, 2007). Chen & Rozelle, 1999 agree on this, they show that SMEs are crucial to a developing country because they increase the growth of the economy and industry in the country. Meanwhile, this is no less the case for Thailand. According to the research of Office of Small and Medium Enterprises Promotion in Thailand, the total number of enterprises in Thailand at the end of 2014 was 2,744,198, of which 2,736,744 were SMEs, or 99.73% of the total number of enterprises. They expanded 0.76%. Also the GDP value of small and medium enterprises (SMEs) in 2014 was 5,212,004 million baht or 39.6% of the country's GDP of which 27.8% belonged to small enterprises and 11.8% to medium enterprises respectively. The above research, information and data can support the importance of SMEs for Thailand economy and development. SMEs constitute Thai manufacturing small enterprises are recognized as making a significant contribution to business numbers, national employment, exports and output of Thailand. Small enterprises play a pivotal role in accelerating Thai

economic development (Dhanani and Scholtès, 2002; Wiboonchutikula, 2002; Ha, 2006; Sahakijpicharn, 2007; Office of Small and Medium Enterprises Promotion, 2009).

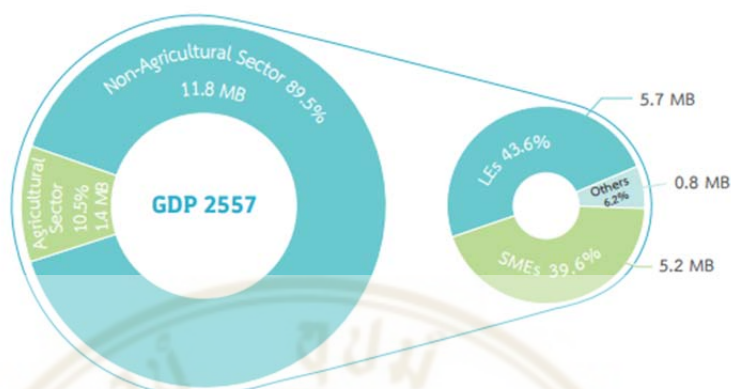


Figure 2.1 Structure of Gross Domestic Product (GDP) in 2014

Source: The Office of the National Economic and Social Development Board (NESDB)

Compiled by The Office of Small and Medium Enterprises Promotion (OSMEP)

It can be proved that improving Thai SMEs have a positive and important influence on Thai economic development. Under the globalization, it is necessary to develop SMEs and also find the factors that may affect e-commerce adoption and use by SMEs in Thailand. The combination of SMEs and e-commerce can be one kind of powerful weapon that can speed up Thai economic development and provide competitive advantages in the global market. This opinion can be proved by Dan, 2014 who shows that the potential benefits of adopting e-commerce by SMEs include improvement in operational efficiency, increased revenue, and the possibility of leveraging e-commerce as a tool to achieve competitive advantage.

Although the development of SMEs has a positive influence on the Thai economy and society, it is hard to overcome all problems that have challenged SMEs' development in this country. These barriers comprise financial constraints, lack of technical and innovation skills, lack of integration in domestic and international markets, lack of export knowledge among others (Sarapaivanich, 2003; Punyasavatsut, 2007; Office of SMEP, 2008, 2009). All the above problems may limit the development of SMEs. Except for financial, technical, innovation, the perception of international markets and lack of experience, another factor that may limit SMEs' development is the government supporting.

Government agencies are not well integrated to support Thai small enterprises in accordance with the SME promotion plan (Punyasavatsut, 2007; Sahakijpicharn, 2007; SMEP, 2008). Without the support and guidance of the government and related departments, SMEs do not have sufficient capabilities to work with large companies, international platforms or multinational companies. They will encounter problems in many aspects such as economy, capital, socialization, international logistics, policy facilitation, bank lending, language, consumer behavior, market research, etc. Similarly, there are many difficulties in cross-border trade and cross-cultural communication. For example, they do not know how to open the international market. They have good products but do not know how to effectively promote them in the way that local customers accept or how to do market analysis, product positioning and find target group. At the same time, lack of information and strong competition may also be the threat and disadvantage of SME development.

2.4 Current Situation of E-commerce in China

Qiu Kai Lin (2015) expound that China's e-commerce has developed and grew dramatically in recent years. In 1998, B2B e-commerce companies such as Alibaba and China Manufacturing Network were established; in 2003, B2C e-commerce platforms such as Taobao and JD.com rose, and e-commerce in China started to develop rapidly for 20 years. Every year, the continuous breakthrough and refreshment of the data can prove the amazing development of China's e-commerce. According to the data from CCTV.com during the twelve months from October 2016 to September 2017, China's online retail sales reached nearly 6.6 trillion Yuan, an increase of 38% from the previous cycle, which is the highest level of retail sales in China during the last period. Among them, the online retail value of goods account for nearly 5.08 trillion Yuan, and the online retail service reached nearly 1.49 trillion Yuan. The proportion of total retail sales of goods reached 13.6%, an increase of nearly 3 percentage point year-on-year. Definitely, E-commerce has become an important part of China's economic system.

However, for China e-commerce nowadays, the domestic market is already approaching saturation. Seeking the development outwards has becomes the main choice for China e-commerce. Wanida, 2016 agrees that with the globalization of e-commerce, cross-border e-commerce become an important trend in China's development of new

foreign trade, changing the traditional pattern of world trade. Compared with traditional trade, cross-border e-commerce has lots of advantages for example, shortened many processes from wholesale to retailers and effectively reducing various business process costs. Cross-border e-commerce will bring new chances and opportunities to China's real economy and foreign trade economy. Meanwhile, it will also become a new growth point for China's economy in the development of strategic emerging industries. Hence, nowadays, China's e-commerce wants to enter new markets in other countries. It is because the geographical benefits and politically friendly Southeast Asia become the first choice for China.

Analyze the e-commerce market in Southeast Asia, Thailand is an important market because of the size and development trends of e-commerce market, outstanding performance and potential market size, it has become one of the target markets and new growth points of China's e-commerce. Wanida, 2016 illustrates the fact that Thailand's e-commerce market seems like a young and immature baby, still in the initial development stage, and with rich experience and knowledge, entering the Thai market to gain market share is a sensible choice and opportunity for China's cross-border e-commerce. Moreover, the author believes the cross-border e-commerce can be two-way cooperation which means both sides of these two countries' companies can sell their products into the other market via e-commerce and create a win-win situation. For the good relations between China and Thailand can be a strong support for cross-board e-commerce development and the two sides have always had trade exchanges before, which will create convenience requirement for both sides, as a result, the possibility of an agreement on customs tax revenue and customs clearance is relatively high. Also, because of the geographical proximity, the development of the Belt and Road strategy has given Thailand an advantage in logistics that may be an important factor for e-commerce adoption. Currently, in addition to Tmall selling Thai durians, Alibaba Group has also cooperated with Kasikoen bank Thailand and customers can use Alipay account in Thailand, all of which have created basic conditions for the development of e-commerce between the two countries.

2.5 Current Situation of E-Commerce in Thailand

Thailand e-commerce industry has been continuously and steadily developing in recent years. Although Chalernsak Lertwongsatien, 2003 shows the opposite opinion that is despite optimism towards e-commerce, the adoption rate is still slow. The recent data illustrates the positive growth for Thai e-commerce. According to the data from Statista, the e-commerce market value in Thailand will reach 3.42 billion U.S dollars in 2020, and at that time Thailand will become the second largest e-commerce market in Southeast Asia.

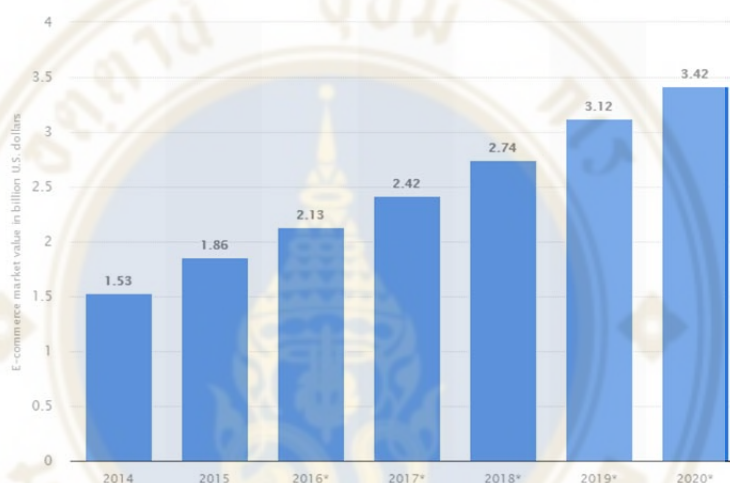


Figure 2.2 E-commerce market value in Thailand from 2014 to 2020 (in billion U.S. dollars)

Source: Statista

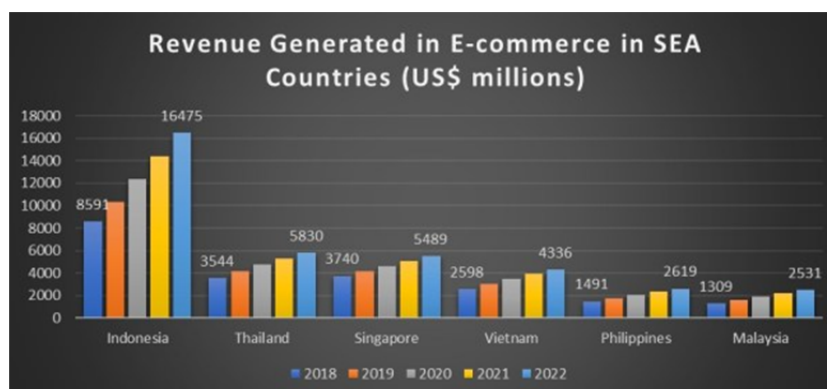


Figure 2.3 Revenue Growth in E-commerce Industry

Source: Statista (2017)

Although, Thailand still has enough e-commerce market, others e-commerce companies or platforms that come from developed countries like Korea (11street), Singapore (Shopee) or even China (Lazada, AliExpress, JD.com) are aiming to seize the Thai market. Except for foreign e-commerce platform, we still have many plays in Thai local market like Chilindo and Wemall. At the same time, some social commerce like Facebook, Instagram and Line also be used to sell products or provide services in the Thai market. While Nwosu, 2017 expound that e-commerce in developing countries takes an advantage of a well-developed infrastructure and regulatory environment, developing countries have to discover new ways to overcome many challenges found in the environment. As the result, Thai companies begin to cooperate with international nature e-commerce platforms or companies, especially cooperate with China. Xinhua News Agency, Bangkok, May 11 (Chen Jiabao) Thailand's Minister of Commerce Sontilla said recently that e-commerce is an innovative form of the modern business model and hopes that more Thai companies will open the Chinese market through the China e-commerce platform.

In the fact, it is a little bit hard to analyze e-commerce situation in Thailand deeply and comprehensively because there are less useful academic theories writing in English that can be found. However, this problem will be solved by interview Thai SMEs enterprises in the near future. This study is under the background that China's e-commerce entry in Thailand. Hence, it will analyze the factors that influence adoption and use of e-commerce by SMEs in Thailand and also the adoption of China e-commerce like Tmall mall and JD.com by Thai SMEs.

2.6 Factors Affecting E-commerce Adoption by SMEs

After finding current relevant and related literature and theories in e-commerce adoption area, some factors that may affect adopt and use of e-commerce by SMEs are found to support my conception and further analysis. The main research recourses in this area come from three researchers named Anthony Obioma Nwosu (Nwosu), Jahongir, Aripov&Ho Kyun Shin and AnasA.Al-BakriandMariosI.Katsioloudes (Katsioloudes). They analyze the factors Influencing e-Commerce Adoption in Uzbekistan SMEs and E-Commerce Adoption by SMEs in Nigeria and the factors influence e-commerce adoption by Jordanian SMEs, respectively. According to their analysis result, the author can find

some factors that may improve the performance of adoption of e-commerce by SMEs in Thailand under the background that China e-commerce enters Thailand or hypothesize the problems that Thai SMEs may face and how to solve those problems.

According to the relevant and related literature in e-commerce area, the first factor will be service delivery strategies which including logistics management, and IT infrastructures. Nwosu, 2017 expound that service delivery strategies emerged as a key theme that defined the service implementation logic in relation to infrastructures and customer service. Also in logistics aspect, Chen, Pan, and Ouyang (2014) giving some reason that implementing logistics for e-commerce calls for a reconfiguration of existing routines that exist in traditional retail businesses because of the need to deliver goods to individuals located in diverse areas. Samadi, Gharleghi, & Syrymbetova, 2015, illustrate that an effective logistics infrastructure for prompt delivery of goods can contribute to success in e-commerce. For the topic of effective logistics, outsourcing may be an effective and feasible method to control logistics and reduce cost. Giri & Sarker, 2017 agree that outsourcing delivery to third-party logistics firms reduces logistics cost, reduces delivery delay risk, and enables a firm to focus on its core business activities. In this case, whether Thai SMEs can have a good performance in logistics area with the help of China e-commerce and international logistics system, I will analyze more in the following chapters.

Another factor that has influence adoption and use of e-commerce is IT. SMEs have limited resources and may lack the financial capability to retain IT personnel. (Ates et al., 2013). However, having a functional website or effective IT system plays an important role in e-commerce world. Lim (2015) found that perceived ease of use of e-shopping sites positively influenced both e-shoppers' attitudes toward e-shopping and perceived usefulness, and it ultimately influenced purchase intention. Whether the website can be functional at all times, being user-friendly and can the website application being responsive to both computer devices and mobile phones due to the increasing population of mobile phone users. Many factors in IT part can influence customer's satisfaction and shopping experience when they use e-commerce. However, if Thai SMEs use China e-commerce to sell products in the Chinese market, it will not be the main problem to set a functional website. There are other important aspects that should Thai SMEs pay much attention to like honest cooperation.

Except for service delivery strategies, Nwosu, 2017 also shows that dynamic marketing strategies and learning and adaptation are others two factors that may influence e-commerce adoption. Successful e-commerce adoption requires firms to build focal capabilities in response to the dynamic nature of the market and competition (Cui & Pan, 2015). Learning capability includes the ability to apply new knowledge to improve existing operational capabilities (Pavlou & El Sawy, 2011). Being able to sense opportunities and threats requires learning about the environment and technologies (Teece, 2007). And also, the capacities of sensing and shaping opportunities and threats, seizing opportunities, and reconfiguring the firm's assets to achieve competitive advantage have to be considered when e-commerce adoption by SMEs. Moreover, Jahongir, Aripov & Ho Kyun Shin, 2014 expound that there are several comprehensive influential factors for Uzbek SMEs on the e-Commerce adoption decision: (a) Technology context-relative advantage, perceived usefulness, and compatibility; (b) Organizational context-top managers' support, human resources, and organizational readiness; (c) Environmental context- competitive pressure, government support, social, and cultural. Katsiolouides, 2015 agree that there are both internal and external factors that may influence adoption and selection of e-commerce by SMEs. For internal factors are SMEs strategy and the perceptions and experience of managers in adopting e-commerce systems. The external factors are the readiness of local and global trading partners to adopt e-commerce systems, and the external pressure by local and global trading partners who adopt e-commerce systems, including the infrastructure, network availability and online transactions.

Basic on the relevant and related theories that we have, it can be hypothesized the factors that may influence e-commerce adoption and use by SMEs in Thailand---under the background that China e-commerce enters Thailand may be (a) Service delivery strategies include logistics, IT and payment system. (b) Marketing strategies (c) Learning and adaptation include managers' experience and knowledge, human resources, organizational readiness and operational capabilities. (d) Environment or situation factors include competitive pressure, external pressure by local and global trading partners, government support, social, and cultural.

In the following analysis, the author will combine all the hypothesized factors and Thai SMEs current and real situation, using interview and document analysis methods to survey and explore the main factors or the potential one that may influence e-commerce

adoption by SMEs in Thailand. Moreover, this research is under the background that China's e-commerce entry into Thailand. Some problems have been already mentioned in the previous theories may need not be considered by Thai SMEs in this case for example logistics, IT, the government support. At the same time, other problems may appear when to use China's e-commerce selling Thai products to the Chinese market for example difference customer behaviors marketing strategy, risk control, exchange rate, transfer and operation cost. For this part, the author will give more information and analysis in the following chapter.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

Research methods represent different lines of action to study an empirical reality (Denzin, 2009). It is the process of collecting data and information for purposeful research. This section contains a description and justification of the research method and design for the study.

This paper will focus on the qualitative research as a means to draw our findings. In choosing the research method, three options were available: qualitative, quantitative, or mixed methods. The aim of this research is to find the factors affecting e-commerce adoption by SMEs in Thailand, especially using China e-commerce by Thai SMEs. Although the e-commerce market in Thailand has continued to grow in recent years, the theory and academic research in the field of e-commerce have not been sufficient, especially in the use of China e-commerce by SMEs in Thailand. In less academic contexts, areas of application include qualitative market research, business, service demonstrations by non-profits (Denzin, Norman 2005) . Therefore, this is an exploratory study. The qualitative method is an effective strategy when the nature of a study is exploratory (Muhannad & Ahmed, 2014). On the basis of comprehensively collating existing literature and theories, the author would combine interviews with Thai SMEs and explore the common and basic influencing factors through learning and exploration in the real cases. It also leaves room for possible unexpected factors. Using the qualitative method creates an opportunity for discovery and the emergence of new information (Hesse-Biber, 2010).

For the reason why the author does not use the quantitative method, Patton, 2002 illustrates that qualitative methods are, for the most part, intended to achieve the depth of understanding while quantitative methods are intended to achieve the breadth of understanding. Qualitative methods place primary emphasis on saturation (i.e., obtaining a comprehensive understanding by continuing to sample until no new substantive information is acquired) (Miles & Huberman, 1994). Quantitative methods place primary

emphasis on generalizability (i.e., ensuring that the knowledge gained is representative of the population from which the sample was drawn). Therefore, quantitative research method is inappropriate for this study. In such designs, qualitative methods are used to explore and obtain the depth of understanding as to the reason for success or failure to implement evidence-based practice or to identify strategies for facilitating implementation while quantitative methods are used to test and confirm hypotheses based on an existing conceptual model and obtain breadth of understanding of predictors of successful implementation (Teddlie & Tashakkori, 2003). For this reason, the qualitative research will enable us to understand of factors that influence the use of e-commerce by SMEs in Thailand, such as factors that influence the choice of use, difficulty factors, opportunities factors, outcomes influence factors, external factors, and internal factors. This study results will be very helpful in the further analysis in Thailand e-commerce industry.

There are many different kinds of detail research methods in qualitative research. Basic on the aim and objective of this study, the author decided to use multiple approaches, including interviews and multiple case studies to understand the factors affecting adoption of e-commerce/ China e-commerce by SMEs in Thailand. A popular method of qualitative research is the case study (Stake 1995 and Yin 1989), which examines in depth 'purposive samples' to better understand a phenomenon (e.g., support to families; Racino, 1999). The case study method exemplifies the qualitative researchers' preference for depth, detail, and context, often working with smaller and more focused samples, compared with the large samples of primary interest to statistical researchers seeking general laws (Given, 2008). Hence, in this study, the researcher will plan to search for SMEs in five different industries in Bangkok, Thailand for interviews and case studies. The specific research design will be described in the following section.

3.2 Research Design

A research design is a logical plan that shows how the data to be collected connects with the research question and the conclusions of the study (Yin, 2014). This section will describe the research design of this study including how to select the interviewee, the scope and requirements of the interviewee, the manner, time and place of the interview

and case analysis, the design interview questions, the difficulties and challenges the researcher may face and also how to solve the problems.

There are five different industries of SMEs in Thailand that will be selected as research cases, among them two or three SMEs in each industry will be selected by the author as representatives. The adequate sample size for any qualitative study is one that is sufficient to answer the research question (Marshall, 1996). A qualitative researcher should choose a sample size that is likely to yield data saturation (Fusch & Ness, 2015). The selected companies are required to meet the following eligibility criteria (a) the participants must be owners or managers of SME businesses, and (b) most of the owners or managers of SME businesses must have experience using e-commerce, especially Chinese e-commerce, and (c) the SME must be in Bangkok. The reason for the above criteria is because that the owners or managers of such SMEs will have awareness, experience and knowledge in using of e-commerce so they can tell the researcher why or why not choice to use e-commerce. They know the difficulties, risk and opportunities or benefits they may face when using e-commerce. Hence they can provide targeted help and professional knowledge of the author's research. Moreover, through the comparison between the use of e-commerce SMEs and unused one in the same industry, it is also possible to explore the factors affecting e-commerce adoption by SMEs in Thailand. After all interviews and studies are completed, the author will compare the influencing factors of e-commerce adoption in the five different industries and find common factors for analysis. The five industries selected are Food industry, Latex pillow industry, Rice industry, Fashion industry and Hostel industry. All selected SMEs need to meet the criteria mentioned above. The author will make an appointment to determine the time and location of the interview. The number of SMEs interviewed may increase or decrease according to the actual situation.

Selection of the cases for this study was through a purposeful sampling strategy. Qualitative researchers adopt a flexible sampling strategy (Marshall, 1996). Purposeful sampling is a non-random strategy in which a researcher includes in the sample-specific cases that could yield useful data for the study (Lucas, 2014; Robinson, 2014; Rowley, 2014). Purposeful sampling has advantages and disadvantages. In summary, one of the main advantages of this type of sampling is that researchers can exclude random samples that are not in the study group, and can focus more on specific samples that meet the

study criteria of the researcher. This is more purposeful, and the information obtained is more professional. It is also representative and easier to make generalizations about research sample, which is effective and time-saving. On the other hand, purposeful sampling also is called as the judgmental sampling which means there are some shortcomings in the purposeful sampling. Due to the lack of random sampling, there are occasional selection biases and errors in purposeful sampling. Even if researchers try to eliminate the selection bias, it is difficult for some readers to believe that the selected sample is representative. Nevertheless, the author still believes that the purposeful sampling is appropriate for this study topic. Moreover, for the above problem, Yin, 2014 agree that in a multiple case study design, using a sampling logic to determine the sufficient number of cases may be misleading, as cases are not equivalent to respondents in a survey; rather, a researcher should adopt replication logic and think of the number of case replications for the study. Hence, the author will find the adequate sample and focus on the number of case replications for the study, carry out case studies of more companies if necessary until data redundancy occurred, with no new information emerging. Data saturation occurs when there is no new information emerging from the collected data (Houghton, Casey, Shaw, & Murphy, 2013).

Data collection for this study was through face-to-face semi-structured interviews and document analysis. Interviews are credible sources for obtaining case study information (Tellis, 1997). Interviews may be structured, unstructured, or semi-structured and enable participants to answer questions directly in their words, and conducting an unstructured interview involves asking the participant an initial broad question and basing further questions on the participant's responses (Doody & Noonan, 2013). The author will use face-to-face semi-structured interviews with open-ended questions (Appendix) to obtain the primary data and information. At the same time, if necessary, the author will also analyze relevant documents, reports, activities, and materials of the interviewed company. Document analysis may entail an evaluation of documents used for advertisements and review of manuals, books, brochures, company reports, event programs, charts, diaries, and other records that may be available in the public domain (Bowen, 2009).

CHAPTER IV

FINDINGS ANALYSIS

The primary research issue guiding the study was to explore the factors that influence the use of Chinese e-commerce by SMEs in Thailand. Throughout the research, the author interviewed twelve SMEs in Bangkok which come from five different industries in Thailand, including Hostels, Fashion, Latex industry, Food industry and Rice industry. The participants are the owners or managers of these SMEs. The author used face-to-face interviews and open-ended questions with participants to collect key information through semi-structured interviews. According to some companies' requirements, most of the interviews were not recorded. Even though, the authors would sort out information on each part after the interview as a source of analysis. The problems faced by the companies being interviewed and the factors affecting use of Chinese e-commerce by SMEs in Thailand will be pointed out by comparison and analyzed from the interview until no new substantive information is acquired.

As the author summarized in the literature review, some of the factors that may influence adoption of e-commerce by SMEs have been proposed in the previous research, which can be shown as following:

1. Service delivery strategies include logistics, IT and payment system.
2. Marketing strategies
3. Learning and adaptation include managers' experience/knowledge, human resources, organizational readiness and operational capabilities.
4. Environment or situation factors include competitive pressure, external pressure by local and global trading partners, the government support, social, and cultural.

After the analysis in this study, the author found and summarized some common influencing factors for using Chinese e-commerce by SMEs in Thailand. In the next analysis, the author will list these factors one by one and compare with current factors to show my conclusions and newly discovered factors. According to the interview research, some of the common factors that were mentioned before have been confirmed to affect

the use of e-commerce by SMEs in Thailand. There are five factors that I want to mention: market research and marketing strategy, manager experience and knowledge, competitive pressure and operation system and the government support.

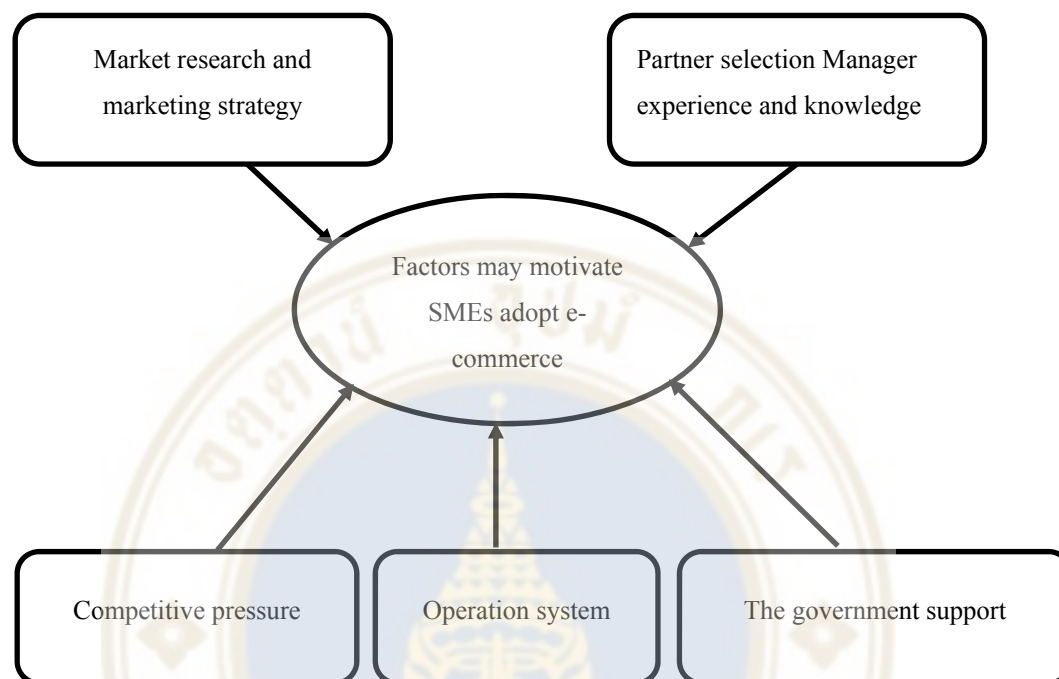


Figure 4.1 Common factors influence Chinese E-commerce adoption by SMEs in Thailand

4.1 Market Research and Market Strategy

During the research, the author notice that there are two factors frequently mentioned by participants are that SMEs do not have effective market research methods and clear e-commerce market entry strategies. The right market strategy is based on a complete market survey. Whether SMEs can adopt different strategies in online marketing so that they can perceive and seize opportunities, learn and adjust their strategies to meet demand in changing market, is the key factor to determining whether SMEs can succeed in using e-commerce.

4.1.1 Market Research

Most of the wrong or failed market strategies are because poor market research and lack of information. Small retail firms lack resources for advanced market research (Tajeddini et. al, 2013). According to the study, there are four participants can prove market research is one of the important factors that can influence e-commerce adoption. The details will be shown as follow.

Participant 10 is engaged in import and export trade, mainly exporting Thai fragrant rice to China. He believes that China is a big market which is undoubtedly attractive to SMEs in Thailand. However, Chinese market is too big to be viewed as a whole target market. He has been emphasizing the important of marketing research and suggesting follow the region or even different provinces in China as target market. Participant 10 corroborated that for SMEs in Thailand, it is necessary to understand the market conditions, customer behavior and spending power of the target regions. In this way, it is possible to make correct strategies to open the Chinese market with lower risk.

Participant 3 is the manager of a latex pillow company that mainly exports latex pillows, mattresses and underwear to Chinese market. Participant 3 said that in recent years, Thai latex products are very popular in the Chinese market. Therefore, many Thai businessmen want to sell latex products to this market. In order to enter Chinese market, he made a market survey and found that many Thai businessmen who blindly entered the Chinese market without a good market strategy are failed. It is because they lack comprehensive market research information and the right marketing strategy. When companies have poor market research, they only sell products blindly to Chinese market. They don't understand customer behaviors and the difference between local markets. For example, which group of customers should targets, what kind of pillows they like, the price range and their favorite packaging. This will have a bad influence on the development of the correct marketing strategy.

Participant 7 illustrates that she does not have a plan to involve Chinese e-commerce now but there are some good opportunities. She explained that her suite shop does not have enough inventory or ready-made products, and the poor communication with Chinese market have limit her further plan. She though if her business wants to launch in China e-commerce they should have very strong plan.

Participant 8 also shows that lack of information especially in Chinese market will be one of the biggest problems that her business may face, which makes her concern about whether can survive in the local market. She explained that she concern about the different customer's behavior from both side (Thai and Chinese). Currently, her target is in Thailand only and they are all concerned about the quality. So she feels that maybe the price or the quality cannot be able to compete in China e-commerce.

Table 4.1 Compare between participants who already involve Chinese market and who do not

Participants who involve e-commerce in Chinese already believe that:	Participants illustrate will involve Chinese market via e-commerce in the future
SMEs need to do marketing research before entry Chinese market via e-commerce.	Most of them are lacking of Chinese market information including language, culture, custom, and customer behaviors.
It is because the huge scale of Chinese market that SMEs must have very clear STP, 4P or enough marketing analysis when involve Chinese e-commerce.	Don't know how to do market research especially for Chinese market.
SMEs need to understand different customer behaviors, culture and consumption level in the target market.	Lack of money and motivation to do market research in order to entry Chinese market.
Timely information flow between these two markets is important too.	

To summarize, based on the above analysis, we can believe that the useful and opportune information that based on effective market research might be one of the important factors for using Chinese e-commerce by SMEs in Thailand.

4.1.2 Market Strategy

Lack of e-commerce market strategy is one of the factors that contribute to the low level of e-commerce adoption by SMEs (Mutua et al., 2013). Business strategies,

cost awareness and knowledge will influence e-commerce adoption (Sahawneh, 2005; Titi, 2005).

Participant 4 believes that it is impossible to entry Chinese market successful without a good market strategy, even though you have excellent products, perfect logistics and service systems or the beautiful and easy-to-operate websites. He explained that a good marketing strategy should include a clear understanding of target market and customers, company position and segmentation. Also the sells promotion and discount activities may influence business performance, especially in e-commerce market. On the contrary, if you don't have a complete strategy, you cannot sell products well even if you have a good one. Not everyone can success in e-commerce world, SMEs' leader must have a professional strategy and plan.

In terms of market research, Participant 3 illustrates that it is definitely important for e-commerce adoption because it will decide where the business should go and what they should sale. He believes that it is important to keep information timely and accurately when developing marketing strategies. Many factors like production, inventory, transportation, logistics, sales, and promotion, rely on information. Especially for the target group, the more consumer information can be collected, the more advantages and benefits the company will have, which will influence the marketing strategy planning. Participant 3 has his own customer database that collect customers' basic information like phone number, gender, age, birthday and location. He regularly will send message to get feedback from customers, and often interacts with customers, such as birthdays, anniversaries or discount days, which not only helped him find a correct target customer but also maintains a good relationship with them.

During the research, all the 12 participants agree that a strong and powerful marketing strategy can have positive influence on using e-commerce. And most of participants illustrates that if there has an available and good market strategy can be used by their company, they are willing to try to enter the Chinese e-commerce market.

On the other hand, both participants 5 and 11 in the hostel industry maintained a neutral attitude about marketing strategy. They acknowledged that a good e-commerce marketing strategy can help the company develop better, but it is not considered necessary for the hostel industry. The author believes that it may because the operation model and characteristics of target customers. When Hostel involves foreign markets, they usually

choose to cooperate with travel or hotel sales service websites or applications in the local market such as Booking.com, Airbnb.com, Traveloka.com and Ctrip.com, which will help sale hostel in the local market. This will ensure that the hotel has enough local exposure and can solve the seasonal profitability of the hotel industry, which is effective and efficient way for hostel industry. Therefore, from this state, cooperation would be more important compare with marketing strategy.

Table 4.2 Summarize and Contrast Concept of Participants

Most of participants illustrates that market strategies are important for SMEs development	Market strategy seems has less influence in Hostel Industry
It is impossible to entry Chinese market successful without good market strategies.	Cooperation with travel or hotel sales service websites or applications in the local market can help hostels solve many problems.
Most of participants illustrates that if there has an available and good market strategy can be used by their company, they are willing to try to enter the Chinese e-commerce market.	It is unnecessary for some really small SMEs that have complicated market strategies. The limitations of the hostel industry make the requirements for market strategies not very high.
The good marketing strategy should include a clear understanding of target market and customers, company position and segmentation, production, inventory, transportation, logistics, sales, promotion, information and even employee management.	
Making a good marketing strategy is sometimes challenging for many middle or small size SMEs.	

To summarize, according to the interview and the answer from managers or owner of SMEs in Thailand, we can find that

- Most SMEs' owners believe that a good market strategy can improve business's performance in e-commerce market.
- Marketing strategy make less sense in some SMEs with real small scale or in some special industry like hostel industry.

4.2 Manager's Experience and Knowledge

Faloye (2014) and Jahanshahi (2013) reported that lack of knowledge and understanding of e-commerce is one of the barriers to e-commerce adoption among SMEs. The author believes that whether an SME manager has the vision and knowledge of using e-commerce can be one of the important factors that determine whether the company will uses e-commerce. Among the 12 companies surveyed, 8 managers have a good concepts and awareness of using e-commerce. They basically have their own online stores or e-commerce platforms to sell their products online in Thailand.

Participant 3 stated that his company mainly has two e-commerce methods in Thai market: websites and social media like Facebook and Inststergram, which brought a lot of benefits to his business. He said that whether a company's managers have the perceptual of using e-commerce, the ability to operation and manage it will decided whether this business can seize opportunities timely and has a better development. In other words, as a leader in a business, if you do not have the awareness of using e-commerce profitability, it may drive the entire enterprise away from profits and benefit of it. Small enterprises are yet to optimize e-commerce because of obstacles such as lack of knowledge, limited awareness and low levels of Internet penetration in business (Titi, 2005).

Participant 2 also admitted that because of the gap in e-commerce development between Thailand and China, the different use of search engines and social platforms, which will bring lots of difficulties to user. However, the manager's past experience and knowledge can help them understand the way and process of using e-commerce easier and faster. More importantly, experienced people are more willing to try new things. They clearly know the advantages and disadvantages of using e-commerce, and

also see opportunities and benefits in this process, which cannot be compared with normal employees.

Participant 9 has 5 years study abroad experience in China which makes him very familiar with the Chinese market and e-commerce. During his interview, he repeatedly said that many Thai SMEs managers do not have awareness to learn how to use e-commerce, especially the older generation. They do not trust e-commerce and could not understand why it can make money. Even after knowing that there already have lots of companies have increased their sales and profits by joining e-commerce, they are still reluctant to give up the old business model and follow the trend to join the e-commerce market. Definitely, the decisions of these leaders have caused the entire company to miss all the benefits of using e-commerce. Faloye (2014) and Jahanshahi et al. (2013) reported that lack of knowledge and understanding of e-commerce is one of the barriers to e-commerce adoption among SMEs.

Participant 1 runs a durian orchard. He admitted that the use of various online platforms to sell durian has become the company's main sales channel especially in Chinese market. He covers the whole Chinese market by using hundreds of Chinese sales agent. As long as people use WeChat, the sales agents can share product information to whose mobile phone through WeChat promotion, which will undoubtedly bring great benefits to him. Participant 1 said that this method was learned when doing business with the Chinese. In the past, he did not realize that e-commerce can sell products so quickly and efficiently. Learning capability includes the ability to apply new knowledge to improve existing operational capabilities (Pavlou & El Sawy, 2011). If he did not learn this idea from Chinese businessmen at the beginning, he could not use the e-commerce to obtain benefits. At the same time, Alibaba's success in selling durian on the Tmall platform, it also confirmed the power of e-commerce.

Table 4.3 Different Thinking between Two Generations

New generation SMEs owners and managers believe that:	Old generation SMEs owners and managers shows that:
Small enterprises are yet to optimize e-commerce because of obstacles such as lack of knowledge, limited awareness and low levels of Internet penetration in business.	They do not have awareness to learn how to use e-commerce.
There is a gap in e-commerce development between Thailand and China, the different use of search engines and social platforms, which will bring lots of difficulties to user.	They not trust e-commerce and believe it can bring them into trouble and dangerous.
New generation and experienced people are more willing to try new things	They are unwilling to change the existing safe business model to try new things.
It is the key to e-commerce success to maintain learning ability and to accept and learn new knowledge.	

To summarize

1. Most participants believe that the good and advance perceptual or experience of using e-commerce of SMEs' owners/ managers can influence e-commerce adoption of the whole company.
2. Most SMEs in Thailand have less information and misunderstanding with Chinese e-commerce.
3. Learning will be one of the good methods to improve using perceptual of SMEs owner or manager.

4.3 Competitive Pressure

When talk about the local or international competitive pressure of using e-commerce, most SMEs owners and managers illustrate that the main pressure comes from international pressure rather than local one. Even though, they believe that competitive pressures will not become the main factor influence the decision of using e-commerce in Thailand. There are other aspects that must be considered like the actual situation, the market strategy and the leader's perception of the company. When face the external competitive pressures, such as the pressure from Chinese or other foreign markets, SMEs may involve the e-commerce passively. This situation is more obvious in import and export industry rather than fashion industry in this research.

Participant 1 corroborated, as a SME's manager in the food industry, he is not worried about the competitive pressure from Thailand, because the e-commerce development rate and usage rate in Thailand is relatively low. People still prefer to go to physical stores, offline stores or supermarkets to buy products, since they can enjoy a good shopping experience and service. However, the external competitive pressure from China or other markets may force or push SMEs in Thailand to involve e-commerce without enough prepare, especially for the older generation of SMEs. This is uncontrolled. Al-Dmour and AlSurkhi(2012) shows that pressure from trading partner (client/ supplier); pressure from competition or other external aspects will influence e-commerce adoption.

Participants 3 and 12 are engaged in the import and export of latex products between Thailand and China. They admitted that the Chinese market brings more competitive pressure than the Thai market. Therefore, they have to adjust their market strategies according to the different situation of external competition to control inventory and adjust marketing strategy to earn more profits. Adapting, configuring, and reconfiguring a firm's tangible and intangible assets to achieve competitive advantage is one of the core aspects of dynamic capabilities (Teece, 2007).

However, for the fashion industry, it is because that they have own independent brand design, which make their products too unique to survive under e-commerce competitive pressure. Participant 7 stated that she would not place herself in a passive position for e-commerce use when face competitive pressure. Because her brand is a tailor-made and quite premium but the products in China and Thai e-commerce most are mass products with different quality. Therefore, even if she plans to involve Chinese e-commerce in

the future, she will put more attention on the construction of the website rather than on the mass popular e-commerce platform.

Participant 8 explained that she doesn't see any necessary for now to use Chinese e-commerce. Because all platforms created in Thai and used for selecting Thai's market are supporting our business. But if any reasons that can make her business earn more profit she would love to try. On the other hand, as a SME with middle size and aimed to entry Chinese market like Participant 9, it is a necessary choice to use e-commerce. However, this is more due to the company's strategic rather than competitive pressure.

It is worth to mention that in the context of present celebrity culture, an Internet celebrity, online celebrity or Internet personality is someone who has become famous by means of the Internet. The advent of social media has helped people increase their outreach to a global audience. There are many online celebrities from China love shopping in some famous shops with special products and good location and high traffic, and then they will share the video in internet, which will bring many potential consumers to the store. The stores for participants 6, 7 and 8 are just in this case.

In conclusion

1. For Thai SMEs, external competition has more influence than internal competition.
2. Although competitive pressure is important for business development, it cannot be used as an important factor affecting the use of e-commerce by Thai SMEs.
3. Competitive pressure has less impact on SMEs with special products or marketing positioning like Fashion industry.
4. The Internet celebrity culture in China can help SMEs in special industry (Fashion industry) or which have unique/high quality products to propaganda brand and products online initiatives.

4.4 Operating System

In the literature review part, IT, logistics, payment system and human resources are mentioned by the author as the potential factors that may affect the use of e-commerce by SMEs in Thailand. According to this research, the author believes that these factors can be summarized as one main factor-operating system. There are a series of operational

procedures that SMEs will encounter when using e-commerce, which will bring different challenges and problems to users. The perceptual of these challenges and difficulties and the ability to solve them will affect the decision on the use of e-commerce.

4.4.1 IT

As the first step in operating the e-commerce operation process, it is necessary to have websites or e-commerce platforms, which are important tools for communication between the company and customers. The quality and operability of websites or platforms will directly affect online traffic and sale revenue. Among the survey, the author found that

1. For relatively middle-scale SMEs, website production or other IT parts did not have much difficulty.
2. Conversely, some small or personal one will have problems in the IT department.
3. The differences between Search engine and language that are not friendly enough to foreign users are recognized as the main problems encountered by adopt Chinese e-commerce.

Participant 3 has his own website on Google that is available in both Thai and English, primarily for the Thai market. There is also a Chinese-based website on China's Baidu search engine to serve Chinese customers. In addition, the company also operates its own online store on Taobao, and also uses WeChat, Weibo and other applications to sell latex products. He said that IT is not an important factor affecting using e-commerce decisions, because there are many ways to help solve this problem, such as outsourcing. IT outsourcing by SMEs helps to reduce IT costs and ensure quick access to new technologies (Grama & Pavaloia, 2014). Support from external IT companies and e-commerce solution providers may also be beneficial to SMEs, as some SMEs may outsource IT services due to resource constraints to maintain in-house IT personnel. (Nwosu 2017) Participant 3 explained that all of his websites were outsourced to web design companies. He didn't understand IT, but he believed that it was very correct to outsource the IT part, saving time and improving the efficiency of website operations.

Participant 12 in the same industry as Participant 3 stated that his company has the same e-commerce model as Participant 3. There are many IT companies in Thailand

that help companies design and produce websites. These IT companies have professional skills and knowledge and know how to build an effective and useful website, as a SME's leader, only needs to provide request about the website and product information to the IT companies. For the Chinese website, Participant 12 explained that the process and preparation of overseas business registration is more difficult and important than the production of websites, so he is willing to spend money to hire a Chinese IT team to help him with websites production and translation. So he can focus more on preparing the registration materials and developing the marketing strategy. SMEs have limited resources (Ates et al, 2013) and may lack the financial capability to retain IT personnel. Considering that a firm's limited experience with IT may deter it from adopting a new technology such as e-commerce (Ramdani et al., 2013), outsourcing of IT services may be a viable option for SMEs.

Conversely, SMEs with small size or individual business cannot put too much money and energy into the construction of the websites produce and manage, because the lack of money and scale. As the result, most of them just have simple online shop on Facebook and IG. Participant 6 confirmed that although there is a local online shop but no one manages the operation, it is useless to have the online shop there.

4.4.2 Logistics and Payment Systems

Almost the problem appears in logistics and payment systems are easy to solved compare with other problems. In order to solve these problems most SMEs have adopted a method of finding partners in the special area. This is also the author's discovery of new possible factors that may influence e-commerce adoption the author will give more explanation in the following part.

4.4.3 Human Resources

Problems in human resources are appeared during e-commerce operating systems. The objective is to find employees who can effectively manage websites or application, which is also regarded as an important issue by SMEs. Human resources is one of the Organizational factors that may influence e-commerce adoption (Al-Qirim, 2004; Huang, 2004).

After having a complete e-commerce system, the company needs a professional employee to maintain the websites, update product information, interact with customers, process orders, reply customer information, provide after-sales service and so on. The employees not only need to understand and proficient in the operation of e-commerce systems, but also have language skills and cross-cultural communication skills, especially using Chinese e-commerce. Syed Shah Alam(2011) and his colleagues discovered that existing Internet connection in the business and knowledge and skills of owner/ manager/ employees about online businesses reflects a firm's technological capabilities; therefore, SMEs without such capacity will have a difficult time adopting e-Commerce into their firms. However, the problem is that it is difficult for current SMEs to find high qualified employees as they expectations.

Participant 3 explained that most of the Millennial who are proficient in using e-commerce or those who can speak many languages like Thai, Chinese and English are prefer to work in large companies rather than SMEs. In terms of salary and career development, SMEs unable to compete with big companies, at the same time, they cannot provide employees with better opportunities. Limited resources restrict SMEs' ability to compete (Dholakia & Roy, 1995). Therefore, for most SMEs, it is very difficult to find high-quality and high-capacity employees. Participant 5 admitted that the turnover rate of employees in Thailand is quite high, which is related to the employment environment in Thailand. For slightly capable employees, they will resign when they find a high-ranking position in another company which will challenge the employee train by SMEs.

When talk about HR, the author asks participants whether to consider recruiting Chinese employees to manage e-commerce for China. Most of the participants said that this is a solution, but there are new problems may appear in cross-cultural communication. Participant 7 said that she would not consider recruiting Chinese employees because she had no way to communicate well with Chinese employees and could not adapt to the way of working and thinking by them, which will cause a lot of trouble for her. Hence, she hopes to find Thai employees who can speak Chinese the communication and management with manager and employees will be easier. Participant 8 admitted that in her experiences, many Chinese staffs have a lot of lag in behavior and understanding compared with Thai staff, also there will be many problems appear because of the different culture.

On the other hand, participants 4 and 10 and 1 indicated that they can accept Chinese employees. Because Chinese employees are highly efficient, willing to work hard and even work overtime, they can help the company solve big problems, such as language, cross-cultural communication, different e-commerce platform operations, multinational sales, and reception of customers. Participants 4 and 10 admitted that as a company that imports and exports products, they need such talent to help maintain daily operation. At the same time, Participant 1 stated that if the company trains its Thai employees to learn Chinese and e-commerce management, this will be a long-term and requires a lot of investment. Furthermore, it will cause losses for the company when employees leave the company after getting more knowledge. On the contrary, there are many Chinese who are willing to work in Thai SMEs. It is worth mentioning that these three participants are all from the large scale SMEs compare with others.

To summary, the author believes that

1. The issue of HR can be well solved easier in large or middle scale SMEs compare with small or individual one.
2. The key to the problem is whether a company has sufficient funds and scale to support related operations.
3. Cross-culture communication will be one of the problems that may challenge Thai SMEs' HR managers when they use foreigner employees.

Table 4.4 Summarize main points of operation system

IT	Human Resources	Logistics and Payment Systems
The issue of IT and HR can be well solved easier in large or middle scale SMEs compare with small or individual one.		Finding partners or agency in the logistics or payment area is the main method to solve this kind of problem.
	The key to solve these problems is whether a company has sufficient funds and scale to support related operations.	

Table 4.4 Summarize main points of operation system (cont.)

IT	Human Resources	Logistics and Payment Systems
The differences between Search engine and language are not friendly enough to foreign users.	Cross-culture communication will be one of the problems that may challenge Thai SMEs' HR managers when they use foreigner employees.	

4.5 The Government Supports

Nwosu 2017 shows that Support from external agents may motivate SME business owners/managers to adopt e-commerce. In particular, government intervention in the areas of infrastructure and development of legal and regulatory systems to support e-commerce may motivate SME business owners/managers to adopt e-commerce. Awiagah et al. (2015) also found that government support is one of the factors that influence e-commerce adoption among SMEs. The support of the government in any aspects like capital, finance, infrastructure construction, and laws protection, will push SMEs to adopt e-commerce, which is also the same case in Thailand. In the survey, all participants said that the development of SMEs would be better if they received the strong government support. Even though, the government support is currently a little bit poor in Thailand.

Participant 1 said that he was engaged in the durian export industry. Thanks to his learning ability and experience, he began to use e-commerce in the early development of the durian industry, which allowed him to win other competitors. In particular, it is because entered the Chinese market relatively early now the company has occupied an important position in the durian export market between this two countries. It can be said that business model for participant's company is a model of many durian farmers. Comparing with other farmers, before Alibaba purchases of durians from Thai farmers, they did not know where the extra fruit could be bought. He feels that the Thai farmer's lagging reaction and action are linked to the poor government support. If the government can

train the farmers in the early stage, they would have the awareness of using multi-channel to earn money. As the result, farmers can prepare themselves earlier before foreign e-commerce enters Thailand.

Participant 10 showed that as a company in the rice industry, government policies have had a significant impact on rice manufacturing companies, as seen in the 2013 the Thai government rice program. In this issue, the author does not make much comment. Participant 10 explained that as a rice exporter, the all infrastructure construction that needed in production to export processes is very important. For example, production equipments update and logistics can affect the quality of rice. Furthermore, both equipment and logistics cannot be controlled by companies but the government. Especially for SMEs in the rice industry, the government support can help them control cost better, manage capital flows, inventory, and find buyers in overseas markets. Participant 3 said that the government's current support for large or medium-sized companies is sufficient, but there is a lack of policy support, financial support, legal support, education and training, and infrastructure construction for SMEs. These have hindered the development of SMEs in Thailand.

In the interview, the author mentioned several institutions that are partially supported by the government, with the objective of helping development of Thai SMEs better, like the Thai Small and Medium Enterprise Development Institute (ISMED), Office of Small and Medium Enterprises Promotion (SMEP) and Thaitrate.com. As expected, participants from the rice manufacturing industry who had a relatively large scale had heard of SMEP. Participant 3 knew Thaitrate.com. Other participants said that they had not heard of these institutions and did not know their objective also. Actually, in order to support the development of SMEs in Thailand, Alibaba reached an agreement with the Thai Chamber of Commerce University with the help of the Thai government to become the Alibaba E-commerce Training Center. All companies that want to use Alibaba's e-commerce can go to study in this university. Unfortunately, only 3 of the 12 participants I surveyed knew about it.

On the other hand, participant 8 said that the government does not need to support all SMEs and only needs to support a number of important SMEs that have a significant impact on economic development. This can reduce the burden on the government and can spend money on where it is needed. Participant 7 explained that they would

try to enter the Chinese market if get the government support. These supports can from economic, policy, legal protection and learning and training or any areas, which is very important for the development of her business.

To summary, through interview and research, the authors still agree that

1. The government support may motivate SME business owners/managers to adopt e-commerce, especially for the adoption of Chinese e-commerce.

2. Nowadays, the support for SMEs provided by the Thai government is not enough, especially for small and individual SMEs.

3. The Thai government lacks education and training on the use of e-commerce by SMEs, which makes they lose many opportunities.

4.6 New Finding Factors

In addition to several factors mentioned above, during the interview, the authors also found other factors may motivate SME business owners or managers to adopt e-commerce, especially Chinese e-commerce. There are lack of information, self-satisfaction, poor productivity and partner selection. These factors affect the may influence decision of the managers to use Chinese e-commerce, and the author will analyze in detail in the following essay.

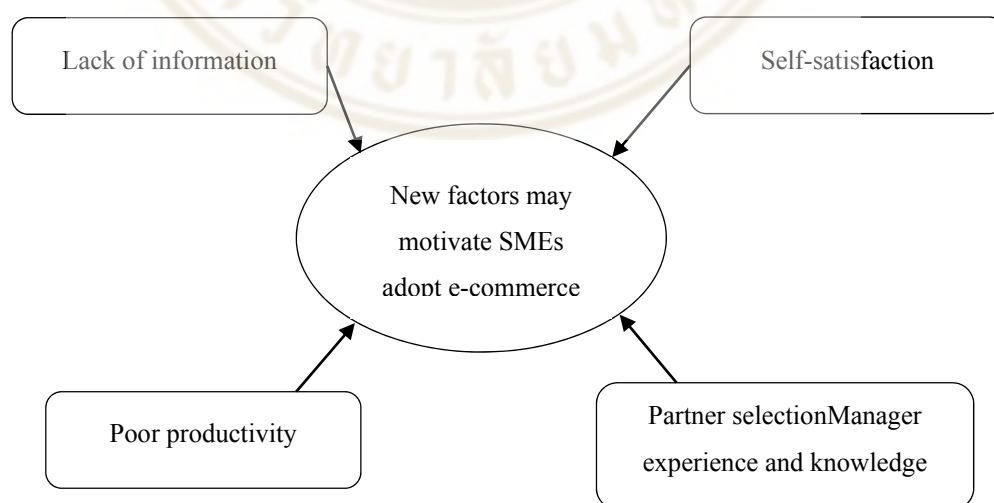


Figure 4.2 New factors influence Chinese E-commerce adoption by SMEs in Thailand

4.6.1 Information

During the research, the author found that the timeliness, comprehensiveness and objectivity of a company's information control will affect the use of Chinese e-commerce by SMEs in Thailand. Information here is not only the market information, product information and customer information involved in market research, but information collection of the entire Chinese market. This collection is extensive and in-depth, including Chinese cultural and customs, ways of thinking, and lifestyle habits, social and fashion trends, etc. Being able to sense opportunities and threats requires learning about the environment (Teece, 2007). According to the participants' responses, the author believes that they have the following characteristics:

- Studying in China can be one of the effective ways to collect exhaustive information.

Participant 9 has 5 years of experience in studying in China. During this period, he met lots of Chinese friends. Therefore, he is very familiar with Chinese, including their way of thinking, lifestyle, habits, fashion and social trends, which will greatly help him to run his own business after returning to Thailand. Participant 9 explained that because he understands of Chinese, he knows better what kind of products and sales methods are accepted by them. At the same time, he also sees the gap between Thailand and China. Definitely, there are lots of things that need Thai businessmen to learn. Participant 9 hopes that when the business decides to enter the Chinese market, it may first try to understand the culture and customs of this country, not just focus on products transaction, which will greatly help the company's future development, and it is also a main lesson that business managers have to learn.

- SMEs owners or managers can collect information through learning with Chinese business partners.

Participant 1 also stated that there were many business methods that he did not know before he contacted with Chinese businessmen. After several years of study, he has a better understanding of this country and knows the differences between Chinese and Thai. Hence, he can balance the pressure brought by different thinking way, and solve problems caused by cross-cultural management in companies. Participant 1 said that many Thai businessmen still have misunderstandings about the Chinese markets, which is inevitable. However, through the continuous collection and learning of information,

as a business manager, you should have the ability to find the hidden business opportunities in society. Not only Thai companies, but many Chinese SMEs have seized the changes in market according to different information and adjusted their strategies to win the recognition and love of more consumers. Participant 1 emphasized that the Chinese market is changing very fast.

- There are two-way demands between China and Thailand SMEs.

Participant 10 corroborated there are many companies in China that want to work with SMEs in Thailand. They bring in capital, equipment, technology and talent to Thailand, but don't know where to find partners. It's like a Thai company has a good product, but it doesn't know who to sell it to. At this time, the importance of information is reflected in how to obtain timely and effective information, so that companies in China and Thailand can exchange their needs and wants timely to improve their business performance.

- Lack of information may cause misunderstanding of Chinese culture.

During the interview with participants 6, 7 and 8, the authors were clearly aware of their misunderstanding of Chinese culture, which may have been caused by receiving one-sided or wrong information. This directly led to misunderstandings and even resentment against the behaviors and thinking ways of Chinese, which is undoubtedly not conducive to the company's development. The author believes that the understanding of a country cannot stay on the few cases, which is one-sided and inaccurate. The erroneous or incomplete information can influence managers' perspective and decisions, causing them to lose important opportunities in the market. Therefore, the author believes that the completeness and timeliness of information can be considered as one of the factors affecting the decision of SMEs to use Chinese e-commerce.

To summarize:

- Except information in marketing areas, SMEs should focus more on the culture and social characteristics in China. For example: customs, ways of thinking, and lifestyle habits, social and fashion trends, etc.
- SMEs have to pay more attention to two-way communication to notice needs and wants from each side timely, in order to catch the opportunities.
- SMEs should avoid prejudice and misunderstanding of each other and collect accuracy information

- SMEs can study culture in the other country by studying overseas, learning during business cooperation.

4.6.2 Self-Satisfaction

Self-satisfaction means the company is satisfied with the inherent development model. Compared with the factors affecting the use of e-commerce, the author thinks this also can be one of the reasons that restrict the development of SMEs in Thailand. It is easy to satisfy the existing profit model and is unwilling to try new development channels to receive more benefits. This phenomenon is more common in the elder generation entrepreneurs.

Participant 9 said that e-commerce is rarely used in the third and fourth generation SMEs as he knows, whether Chinese or Thai. Mostly the managers of these companies are the elder and can't use electronic technology. Some of them even reject electronic technology and think it's not safe. Participant 9 explained that for many businessmen, change means taking risks, and maintaining an inherent profit model is the safest and most efficient way to operate business.

Participant 12 corroborated that operating e-commerce requires long-term investment and management. As a manager, it is not only necessary to increase sales profits, but also to collect customer information through the internet, manage customer relationships, and encourage them to purchase repeatedly. This process takes a lot of time and effort, which is not in line with Thai cultural characteristics and challenges for capital and management for Thai SMEs. Participant 12 said that some SMEs may have given up because they did not have enough funds or time to support them. Here, the author believes that Participant 6 is a very good proof. Participant 1 agrees with Participant 9, and he explains that many of his competitors have lost their competitive advantages because they are used to the inherent profit model. This can explain why participant 1 can constantly change and break through the business model to adapt market needs, and ultimately succeed, while other farmers who are unwilling to change can only be limited to durian production.

4.6.3 Poor Productivity

Nwosu 2017 shows that SMEs usually has poor productivity because of limited resources. According to the research, the author found that poor productivity is an important factor for limiting the use of Chinese e-commerce by SMEs in Thailand. For the SMEs with real small size or individual business, it is difficult for them to produce huge number of products with limit resource. However, Chinese market is too big to may need huge number of products, which may challenge small SMEs production capacity.

Table 4.5 Interviewed participants with small size or individual business

Participant Number	Industry	Size
Participant 5	Hostel	Small Size with 7 employees
Participant 10	Hostel	Small Size with 5 employees
Participant 6	Fashion/ Independent design brand	Individual business with 5 employees
Participant 8	Fashion/Bags/Independent design brand	Individual business with 3 employees

For this point, participants 6, 7 and 8 confirmed that they did not have enough ready-made products in their clothes shop. If there are a large number of orders, they can't complex all the products on time. Participant 7 (Middle Size Fashion shop with 13 employees) explained that one of the reason why her business doesn't consider involve Chinese market is because the limit productivity to meet a huge number of needs. If she expands the scale of production, there will be problems with cost control. Participant 10 said that some Thai SMEs have capacity problems, even though the products are good, they cannot satisfy China's large orders. This also requires the government to strengthen support for SMEs in Thailand. Participant 1 confirmed that he had experience that JD.com wanted to purchase 8 tons of durian within one day. At that time, he did not have enough stock and could not find so many durians that also met the quality requirements, which led him to miss the order. Finally, a large-scale durian production company completed the order with large-scale production and inventory.

Poor production capacity always challenges in some huge demand industries such as food industry and fashion industry. On the contrary, for some industries with

small demand, it is basically possible to produce in time, such as the latex industry. For the hostel industry, unless you consider expanding the size of the hostel, the amount of reception is constant. Therefore, the author believes that when SMEs consider whether to enter the Chinese market through e-commerce, they should consider whether there is enough production capacity to meet market demand.

4.6.4 Partner Selection

The following table shows that among participants, we have 9 SMEs are already using Thai and Chinese e-commerce to make a profit. And almost all these SMEs are looking for different kinds of partners to cooperation. For participants 1 and 2 from food industry, participants 10 from rice industry, and participants 3 and 12 from Latex Pillow industry, they are mainly looking for logistics and local market sales partners. Participants in the hostel industry No. 5 and No. 11 chose to communicate with the Chinese travel sales website or applications through the intermediary in Thailand, while the fashion industry's No. 9 participant chose to register for online shop to enter China because of his sufficient experience and ability.

Table 4.6 Information about Partner Selection

Participates	1	2	3	12	9	5	11	10	4
Industry	Food	Food	Pillow	Pillow	Fashion	Hostel	Hostel	Rice	Rice
Adopt Thai e-commerce	√	√	√	√	√	√	√	√	√
Adopt Chinese e-commerce	√	√	√	√	√	√	√	√	-
Partner	√	√	√	√	-	√	√	√	√
Type of Partner	Logistics /Sale Agent	Logistics /Sale Agent	Logistics /Sale Agent	Logistics /Sale Agent	-	Travel Website	Travel Website	Logistics /Sale Agent	IT

Participant 3 said that at present, cooperating with partners is the normal choice for most SMEs. Even though in the Thai market, SMEs also need intermediary companies or partners, such as logistics and IT to help them solve the exceeding ability problems. For the Chinese market, there are more uncertain and incomprehensible factors. The

safest and most effective way is to find companies that are familiar with the Chinese market and use these companies to better and more accurately enter the Chinese market. Participant 4 also believes that it is important to find partners who can help SMEs with their shortcomings or better use their strengths, which is more importance than market research and IT. Definitely, being able to work with a good intermediary or partner can improve SMEs' marketing performance and even increase profits.

Obviously, the safest and most common method for Thai SMEs is to find partners that meet their special needs, which is a very effective and fast marketing strategy. Therefore, the author believes whether can find a high quality partners that can meet SMEs' wants and needs may affect the use of e-commerce especially use Chinese e-commerce.



CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusions

Under the guidance of qualitative analysis and purposeful sampling strategy, through the research among 12 managers/owners of SMEs in Thailand from five different industries, the author explored factors affecting the adoption of e-commerce by SMEs in Thailand. According to the previous academic analyze the influence factors of e-commerce adoption in Uzbekistan SMEs, Nigeria SMEs and Jordanian SMEs. The author notices the common factors that are mentioned in the previous thesis may influence adoption of e-commerce by SMEs can be the potential factors that may influence e-commerce adoption by SMEs in Thailand.

During the research, the author found that some of these factors are proved available for SMEs in Thailand such as Market survey, Market strategy, Managers' experience and knowledge and the government support. As the author's assumes, these factors can influence e-commerce adoption by SMEs in Thailand. On the other hand, other factors such as competitive pressure, service delivery strategies include logistics, IT and payment system are proved not the necessary factors that can influence e-commerce adoption by SMEs in Thailand. Furthermore, because this essay pays much attention to Chinese e-commerce adoption by Thai SMEs, during the research, the author also finds some new factors that may motivate SME business owners or managers to adopt Chinese e-commerce. There is lack of information, self-satisfaction, poor productivity and partner selection. Another finding in the survey is that the size of SMEs will affect their use of e-commerce, especially Chinese e-commerce. When an SME has sufficient funds, team prepare, production capacity, inventory, technical support and employee benefits, the influence of adoption factors in e-commerce will be weakened, which is more conducive to the company's use of e-commerce to enter the local or other countries' markets. As in the survey, participants from relatively larger SMEs are always better able to solve the same problem when use e-commerce.

The author believes that all the factors are mentioned in this essay not only can influence managers decision process of adoption e-commerce, but also can be considered as self-assessment factors for business who wants to entry market through e-commerce.

5.2 Recommendations for Action

The authors suggest that SMEs business owners who may wish to implement e-commerce should be adequately prepared before action. Consideration of the findings of this study, there are some recommendations that the author wants to suggest as some entry strategies to Thailand SMEs.

The first recommendation is that SME business owners who may wish to implement e-commerce may consider the use of outsourcing as a cost-effective strategy. The findings showed that the SME business managers outsourced technology and product delivery functions to service vendors as a cost-effective strategy to implement e-commerce. With the limited resources available to SMEs, the use of outsourcing may prove to be a viable low-cost entry strategy. Also, SME business owners who may wish to implement e-commerce in China or other countries may consider cooperating with partners to reduce risk when entry a new market.

The second suggestion is that SME business owners who may wish to implement e-commerce may consider how to collect effective and useful information that may including sufficient market research and different customer behavior or social culture in the local market. The findings indicated that market research and information collection are very important to SMEs. Business owners can consider hiring the marketing research agent company to help collect data or create a marketing group in business to analyze costumers and markets by itself. Furthermore, SME business owners should make market strategies according to sufficient marketing research and the special situation in their company to entry market purposefully.

The third recommendation is SME business owners or managers should keep learning and training themselves to improve personal perception and knowledge so that they are able to lead the company better. From the author's suggestion, SME business owners or managers can learn through: (a) feedback from customers, (b) learning from established players in the industry, (c) formal training, and (d) experience. At the same

time, SME business owners may consider training employees to learn how to use or manage e-commerce professional such as websites, platform, social media or application. Also the company can assemble a team of young, smart people who understood the demands of the e-commerce business and the need to work according to the dictates of the business. Furthermore, if the company has the ability to manage foreigner employees, the owner can consider hiring some employees from the local country, which will adopt e-commerce much easier.

5.3 Limitation in the Scope of Study

Firstly, in this research, the author uses purposeful sampling method to select participants. They come from Food, Latex Pillows, Fashion, Hostel and Rice industries in SMEs in Thailand. Due to the lack of random sampling, there are occasional selection biases and errors in purposeful sampling. Even if researchers try to eliminate the selection bias, it is difficult for some readers to believe that the selected sample is representative.

Secondly, since the data collected is based on the individual observations of the researchers and the subjects are reacted to a specific group in a specific situation, the conclusions obtained are difficult to generalize to a wider range of occasions, and the objectivity of the conclusions will also be restricted.

Thirdly, there are some ambiguities in the distinction between the Chinese e-commerce, and Thai e-commerce and cross-border e-commerce, which may cause confusion and bias on research result. However, in this case, the author thinks it not see a problem as this paper is qualitative research. The author would be more careful if it was at a thesis level.

5.4 Recommendations for Further Research

In this paper, the author uses qualitative analysis and purposeful sampling strategy as the research methodology. Qualitative analysis and purposeful sampling have advantages and disadvantages. Due to the lack of random sampling, there are occasional selection biases and errors in these two methods. As the result, for further research, the author recommends expanding research samples to include more participants to eliminate

the selection bias. The different of factors affecting e-commerce adoption between relatively big size SMEs and small or individual one can also be researched deeply in the further research. Furthermore, the author recommends the use of a quantitative approach to investigate any relationships that may exist among the variables identified in the themes from this study.

Another issue for consideration is that this study was limited to participants and cases from Bangkok, which might not be representative of all of Thailand. Further research may consider the inclusion of participants and cases from other geographical areas of Thailand.



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Appendix A: Interview Questions

Factors	Questions
<p>Perception of using e-commerce</p>	<p>Do you think your company needs to use e-commerce to make the company better developed?</p> <p>In recognizing the successful opportunity, do you want to involve with e-commerce in China in the future?</p> <p>Can you give me some benefits that you can gain from using e-commerce?</p> <p>Can you tell me some reason why you don't choose to use e-commerce in China now?</p>
<p>Operation system (logistic, IT and payment system)</p>	<p>Do you think the poor logistics may be one of the factors that influence using of e-commerce?</p> <p>Do you think computer technology or other IT skills will limit use of e-commerce?</p>
<p>Marketing research and marketing strategies</p>	<p>Do you have a good marketing strategy to support you success in Thai/China e-commerce market?</p> <p>In your view, do you think it is important and necessary to make a do a marketing research before you involve e-commerce market?</p>
<p>Managers' experience and knowledge</p>	<p>Do you agree that it will have the bad influence for company's development if managers or owners lack of experience and knowledge of using e-commerce.</p>

Factors	Questions
Human Resources	Do you have any HR problems in your company? What is the biggest HR problem when you use e-commerce/Chinese e-commerce
Competitive pressure	Are you feeling any competitive pressure from local and global trading partners that may push your business involve e-commerce passively.
The Government Support	In your view, whether the Thai government gives enough supports for the development of SMEs? Does the Thai government provides any help to SMEs for using e-commerce?
Explore New Factors	In addition to the factors mentioned above, do you think there are other factors that will affect or limit the use of Chinese e-commerce by Thais?

Notes: Because this is an exploratory paper using qualitative research methods, the interview questions table is only the basic questions list. During the interview, the author will add or change questions basic on characteristics of participants and the real situation in order to explore unexpected factors.

Appendix B: Information of Participants

Participant	Industry	Background	Size	Adopt Thai e-commerce	Adopt Chinese e-commerce
1	Food/ Durian Sales	One of the famous durian company in Thailand sell durian to China	Big Size with 112 employees	Yes	Yes
2	Food/ Honey Sales	100% honey with many taste and unique packaging. Main focus on Thai market, also have some For foreigner customer.	Middle size with 45 employees	Yes	Yes

Participant	Industry	Background	Size	Adopt Thai e-commerce	Adopt Chinese e-commerce
3	Latex Pillow	A Thai Pillow company with middle size manufactory.	Middle Size with 63 employees	Yes	Yes
12	Latex Pillow	Latex Pillow Sale company without self manufactory.	Middle Size with 27 employees	Yes	Yes

Participant	Industry	Background	Size	Adopt Thai e-commerce	Adopt Chinese e-commerce
5	Hostel	This hostel located in Sukhumvit area Bangkok has 11 rooms.	Small Size with 7 employees	Yes	Yes
10	Hostel	This hostel located in Siam area Bangkok has 11 rooms.	Small Size with 5 employees	Yes	Yes

Participant	Industry	Background	Size	Adopt Thai e-commerce	Adopt Chinese e-commerce
10	Rice Industry	It mainly exports all kinds of rice from Thailand, and its target markets are China and India. This company has own factory and is the largest size of SMEs among this research.	Big Size with 175 employees	Yes	Yes
4	Rice Industry	Having own factories, and sale their own brands in the local market in Thailand and overseas. The company also works with distributors to supply rice to them.	Big Size with 97 employees	Yes	Yes

Participant	Industry	Background	Size	Adopt Thai e-commerce	Adopt Chinese e-commerce
6	Fashion/ Independent design brand	Located in Siam Discovery, designed by a Japanese designer and owner manage by herself. The main customers are Thais, as well as some Chinese tourists and Singaporean tourists. Because the location is very good, it brings a lot of traffic to the store.	Individual business with 5 employees	Yes	No
7	Fashion/Suit/ Independent design brand	Professional tailors made suits, shirt, and pants in Thailand. They are trusted by both local and international	Middle Size with 13 employees	Yes	No

Participant	Industry	Background	Size	Adopt Thai e-commerce	Adopt Chinese e-commerce
		customer since 1978 until now. We serve through online and offline. Do individual and group orders (company uniforms, and international group orders)			
8	Fashion/Bags/Independent design brand	This business is about the women fashion bags. Basically the products created from the natural Leather which has been designed by owner. The products inspired by Horse leather because it is the Designer are passionate. The business was started around 1 year by selling online channel only.	Individual business with 3 employees	Yes	No
9	Fashion/Thai Traditional style Bags	Thailand famous traditional style fabric bag. Very popular with Chinese tourists, the main market is China, followed by the Korean market and Japan.	Big Size with 192 employees	Yes	Yes