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A Preliminary Study of The E-Commerce in Thailand: From Marketing Perspectives

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Abstract

This study based on reading a large amount of literature on e-commerce in Thailand and drawing conclusions through qualitative research. In this study, based on the Marketing Mix 7Ps research method, and then combined with Thailand's current government policies; the Sino-Thai high-speed railway; China's e-commerce experience and other factors, the current situation of e-commerce in Thailand is analyzed comprehensively and the findings of the study are made an overall using the SWOT approach analysis.

In addition, at the end, the Marketing Mix 7Ps approach is re-applied to give conclusions from each aspect and give corresponding recommendations.

This study will enable Thai e-commerce companies accurately map the current state of e-commerce in Thailand, as well as the development situation. It also gives the Thai government some suggestions on how to promote the development of e-commerce in Thailand.

Keyword: E-Commerce in Thailand, Marketing Mix 7Ps, SWOT, Chinese E-Retailers,

I. Introduction

The new Covid-19 in 2020 has seriously affected Thailand's characteristic market economy model, the night market economy and the street vendor economy. Under the background of this Covid-19, Thailand's e-commerce has developed greatly. This article mainly analyzes the opportunities and challenges of Thailand's

e-commerce by studying the background, official policies, and target groups of Thailand's e-commerce in Thailand.

In article, we will use the marketing mix 7p and SWOT to analyze and finally draw conclusions.

II. Background

Global E-commerce environment

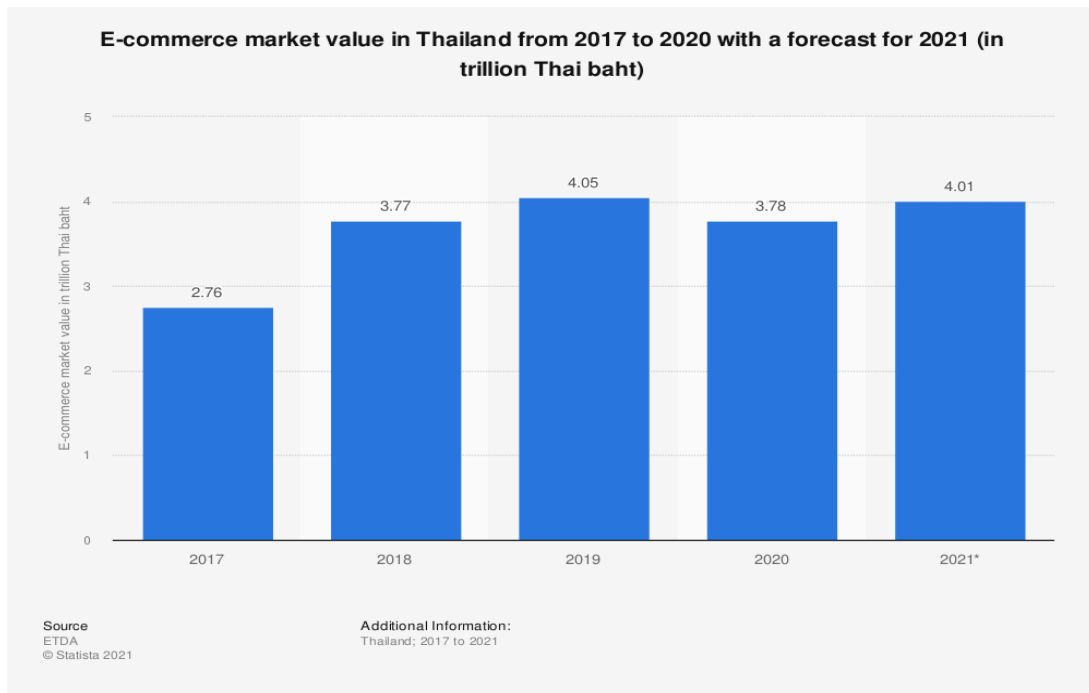
With the popularity of the Internet and the ongoing development of smart-phone technology, global people are more accessible to e-commerce sites and engage in multi-line activities, making modern e-commerce more than just the rise of one or two countries, but with the rapid development of all countries worldwide. Many businesses around the world used to buy goods from China to sell or process and re-export, but as e-commerce has grown, trading patterns have shifted. Many Chinese producers or enterprises sell their goods and services through e-commerce platforms both at home and abroad. The new cross-border e-commerce transaction model has entered into standardization and internationalization through a systematic approach to these both of platform building and marketing mode, online payment and logistics.

E-commerce in Thailand

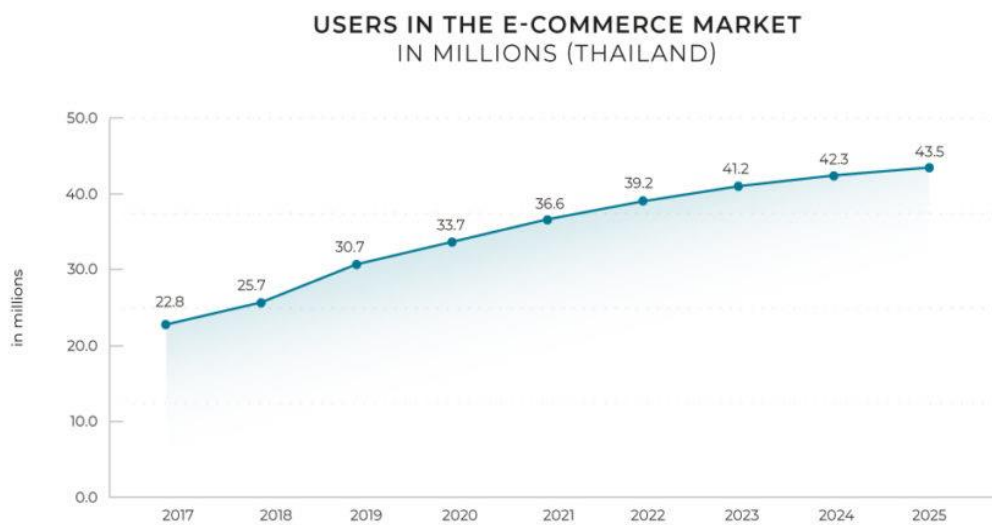
E-commerce defined as the transactions between buyer and seller via the internet ([Fruhling & Digm, 2000](#); [Mueller, 2000](#); [OECD, 2019](#)). Thailand is one of the world's fastest growing e-commerce markets, owing to its highly urbanized population and hectic lifestyle. E-commerce has emerged as a key driver of Thailand's economic growth over the last five years.

According to Figure 1, E-commerce market value in Thailand was 2.76 trillion Thai baht percent in 2017, and e-share commerce's of the domestic market had increased. Many businesses have shifted their business strategies to multi-channel, providing consumers with both offline and online channels. In 2020, the e-commerce market value amounted to around 3.78 trillion Thai baht, indicating a decrease from the previous year. Although, such value was forecast to increase in 2021, amounting to around four trillion Thai baht.

According to Figure 2, There are currently 36.6 million online shoppers in Thailand, who spend US\$243.17 online annually expected to reach 43 million users and ARPU of US\$283.33 by 2025. ([Adam Monks, 2021](#))



(Figure 1. E-commerce market value in Thailand 2017-2021)
Source: Electronic Transactions Development Agency (ETDA, 2021)



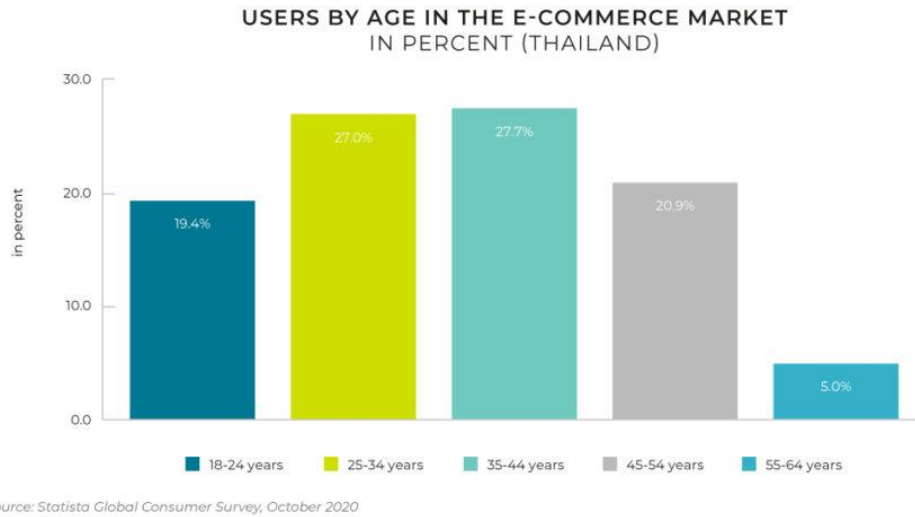
Source: Statista (Forecast adjusted for expected impact of COVID-19), November 2020

(Figure 2. Users in the E-Commerce Market in Millions (Thailand))

Internet users in Thailand

Dividing internet usage into age groups provides a more accurate picture of Thailand's ecommerce market. The internet used by 76 percent of 15–19-year-olds, 52 percent of 20–29-year olds, and 34 percent of 30–39-year olds. The older

generations log on less frequently, with 40–49-year olds having 23 percent internet penetration and those over 50 having 9 percent. According to Figure 3, Internet penetration stands at 79.3% expected to reach 83.3% by 2025. On average, Thai online users spend ten hours a day on the internet.

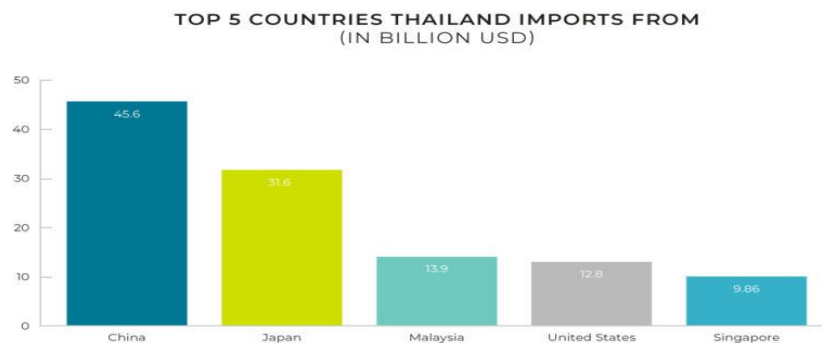


(Figure 3. Users by age in the E-Commerce Market in percent (Thailand))

The relationship between E-commerce in Thailand and China

According to Figure 4, Thailand imports from China are (\$45.6 billion), Malaysia (\$13.9 billion), United States (\$12.8 billion), and Singapore (\$9.86 billion). China has become the largest source of product sales for Thai e-commerce.

(Figure 4. Top 5 countries Thailand imports from)

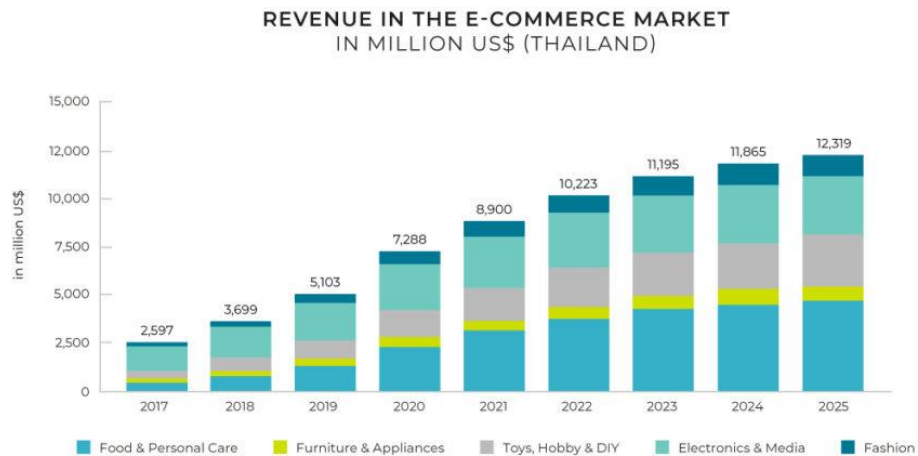


The main products sold in Thailand by e-commerce

According to Figure 4, Thai e-commerce sales totals US\$8.9 billion across all product categories and predicted to increase to US\$12.3 billion by 2025. Electronics & Media is now the biggest product category in Thailand, accounting for

a market share of US\$2.6 billion, followed by Toys, Hobbies, and DIY, which produces US\$1.7 billion in sales.

By 2025, Electronics & Media will continue the most purchased online category, with an estimated value of US\$3 billion, while Toys, Hobbies, and DIY will be the second most purchased online category, with an estimated value of US\$1.51 billion.



Source: Statista (Forecast adjusted for expected impact of COVID-19), November 2020

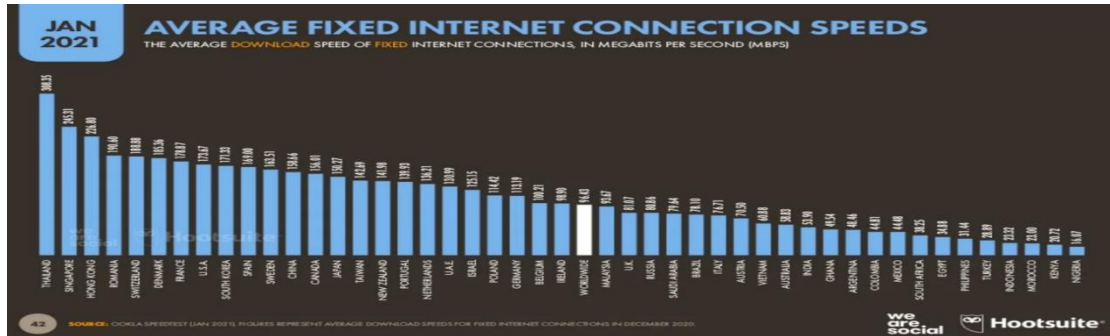
(Figure 5. Revenue in the E-Commerce Market Thailand in Million US\$)

Logistics in Thailand

In the development of E-commerce, logistics is the most important sector. In the World Bank's Logistics Performance Index (LPI) 2018 Thailand ranked 32 of 160 nations (1=best, 160=worst). Other ASEAN nations ranked Singapore, 7; Vietnam, 39; Malaysia, 41; Indonesia, 46; Philippines, 60; Brunei, 80; Laos, 82, Cambodia, 98 and Myanmar, 137. (LPI Global Rankings, 2018). In the ASEAN region, Thailand's logistics quality is second only to Singapore. Over 50% of the country's population is in urban areas.

Thailand Internet and social media

According to Figure 6, the average internet speed of Thais is the highest in the world. (Hootsuite, 2021) There were 54.50 million internet users in Thailand in January 2022. Thailand's internet penetration rate stood at 77.8 percent of the total population at the start of 2022. (Kepios, 2022)



(Figure 6. Average fixed internet connection speeds)

Research Objectives

- A. Analysis and research on The E-Commerce in Thailand: Opportunities and Challenges using Marketing Mix 7ps.
- B. Combined with the Marketing Mix 7ps analysis, the conclusion made using the SWOT approach.
- C. Finally, the above analysis and conclusion will give advice to Thai e-commerce companies, or those who are planning to operate Thai e-commerce.

Research Benefits

Understand the basic situation of the e-commerce industry in Thailand. After an overall understanding of Thai e-commerce, we analyze the current form of Thai e-commerce and its future development and discuss the advantages and disadvantages of Thai e-commerce in a targeted manner, and finally give relevant suggestions to help Thai e-commerce develop better and help practitioners grasp the correct direction of Thai e-commerce development.

III. Literature Reviews and Conceptual Framework

Marketing Mix 7Ps

The marketing mix also called 4Ps and 7Ps. 4Ps refer to price, place, product, and promotion. 7Ps refer to price, place, product, promotion, process, people, and physical evidence. Marketing mix 7Ps model has gained significant traction over the past years and the marketing is becoming increasingly important as an independent field of study. This model by (Booms and Bitner 1981) extends the marketing mix by three new “P”s that directly relate to the service industry. These are people, physical evidence, and process.

E-Commerce

E-commerce (electronic commerce) is the activity of electronically buying or selling of products on online services or over the Internet. E-commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection

systems. The term coined and first employed by Dr. Robert Jacobson, Principal Consultant to the California State Assembly's Utilities & Commerce Committee, in the title and text of California's Electronic Commerce Act, carried by the late Committee Chairwoman Gwen Moore (D-L.A.) and enacted in 1984.

E-commerce typically uses the web for at least a part of a transaction's life cycle although it may also use other technologies such as e-mail. Typical e-commerce transactions include the purchase of products (such as books from Amazon) or services (such as music downloads in the form of digital distribution such as iTunes Store). (Wienclawc and Ruth A 2013) There are three areas of e-commerce: online retailing, electronic markets, and online auctions.

S. W. O. T

SWOT analysis (or SWOT matrix) is a strategic planning and strategic management approach used to assist a person or organization in identifying strengths, weaknesses, opportunities, and threats in commercial rivalry or project preparation. It known as scenario evaluation or situational analysis. (Weihrich, 1982)

This approach is intended for use in the early phases of decision-making processes and may be used as a tool for assessing the strategic position of various types of companies (for-profit enterprises, local and national governments, NGOs, etc.). (Silva, Carlos Nunes, 2005) Its purpose is to discover the internal and external elements that are favorable and unfavorable to accomplishing the venture or project's objectives. Users of a SWOT analysis frequently ask and answer questions in order to create relevant information for each area and determine their competitive advantage.

The name is an abbreviation for the four components that the approach investigates:

Strengths: features of a company or initiative that provide it an edge over competitors.

Weaknesses: traits that put the company or project at a disadvantage in comparison to others.

Opportunities are features in the environment that a company or initiative may use to its advantage.

Threats: environmental components that may pose problems for the business or project.

Major e-commerce platforms in Thailand

Lazada

Founded in 2012, Lazada Group is Southeast Asia's leading E-Commerce platform. With a presence in six countries – Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam – we connect this vast and diverse region through our technology, logistics, and payments capabilities. Today, we have the largest selection of brands and sellers, and by 2030, we aim to serve 300 million

customers. In 2016, Lazada became the regional flagship of the Alibaba Group, and backed by Alibaba's best-in-class technology infrastructure.

Shopee

Shopee Pte. Ltd. (Shopee) is a Singaporean multinational technology firm that primarily focuses on e-commerce. Shopee, which owned by Sea Ltd. founded in Singapore in 2015 and has since expanded its reach internationally. Shopee began as a consumer-to-consumer (C2C) marketplace but has now evolved into a combination of C2C and business-to-consumer (B2C). To provide logistical support for its consumers, it collaborates with over 70 courier service providers across its regions.

Other E-Commerce Platforms

JIB

With around 1.5 million visits a month, JIB is another leading. E-Commerce marketplace in Thailand. The website focuses on selling JIB is another significant E-Commerce platform in Thailand, with over 1.5 million visits every month. The website sells a variety of IT items, including desktop PCs, laptop computers, and more.

JD Central

JD Central is a joint venture between Jingdong and Central Group that operates a Thai-language marketplace. JD Central has over USD 500 million in investment and is unquestionably one of the most powerful participants in the e-commerce business.

Kaidee

Kaidee is a local e-commerce marketplace where you can purchase everything from IT goods to residences, vehicles, used cars, mobile phones, fashion, and clothing. Unfortunately, the website is only available in Thai, and does not allow cross-border sales.

Home Pro

Home Pro is a local marketplace specializing in the sale of home goods. On the website, you can discover everything from toilets to refrigerators, shower handles, and doorknobs. LG, Samsung, Electrolux, Hitachi, and Xiaomi are some of the brands available on the website. The firm created in 1995 as a joint venture of Land and Houses Group, an American company, with an initial registered capital of THB 150 Million. While the firm now has an internet presence, it began offline solely.

Online payment in Thailand

Having several payment methods to assist clients creates a seamless experience. Credit card, e-wallet, bank transfer, cash, and other common payment methods are widely accepted in Thailand.

Because Thais are still cautious about the legitimacy of internet purchases, Cash-on-Delivery (COD) payment still generally accepted among Thai customers. People like to inspect the merchandise before paying, and some do not have access to

internet payment options. As a result, it is critical for companies to provide a variety of payment options in order to appeal to a wide range of customers.



(Figure 7. E-Commerce Purchases by Payment in Thailand)

Prompt Pay

The major client groups of Thai e-commerce are young and middle aged individuals, although with 79.3 percent internet availability in Thailand, there are a big number of users and potential users of e-commerce in Thailand.

Quickly and easily, transfer funds to cover your purchase or receive money and instant tax refunds with no need to wait for a cheque. (Bangkok Bank, 2022)

E-commerce platforms shipping

Nowadays, E-commerce is quite popular in Thailand since it allows consumers effortlessly access numerous wanted items. Because businesses do not have to pay for storefront leasing, most online retailers offer cheaper product costs than brick-and-mortar stores. Even though buyers must wait 1 to 3 days for delivery, reduced cost is one of the primary reasons that most consumers prefer to buy things online. The dependability of the brand and a competent logistics system are other crucial aspects that influence consumers to buy online rather than in-store. In Thailand, well-known E-commerce sites include Lazada, Shopee, AliExpress, JD Central, and others. Customers may usually choose from the various shipping choices after placing an order, which given by couriers that are partners with said site. Several e-commerce sites also have their own logistical network.

For selling and delivering within the United States:

The business just needs to choose and pack items based on the customer's orders, while the shipping courier will manage the delivery procedure.

For international selling and shipping:

The brand must pack, label, and ship the orders itself in accordance with the regulations of each nation. As a result, most firms choose to outsource fulfillment warehouse services that support international logistical activities. (Boxme, 2020)

Covid-19 in Thailand

COVID-19 is an abbreviation for "coronavirus disease 2019," which is now a worldwide health emergency. The International Committee on Virus Taxonomy (ICTV) named the new virus "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)" (WHO, 2021).

According to the Wuhan Municipal Health Commission, this ailment discovered in December 31, 2019, Wuhan, and Hubei Province, China. (WHO, 2020). Beginning in January 2020, the pandemic had a significant impact on a number of nations and areas. The current number of illnesses exceeds 157 million, with 3.27 million fatalities globally. (World Health Organization, 2021)

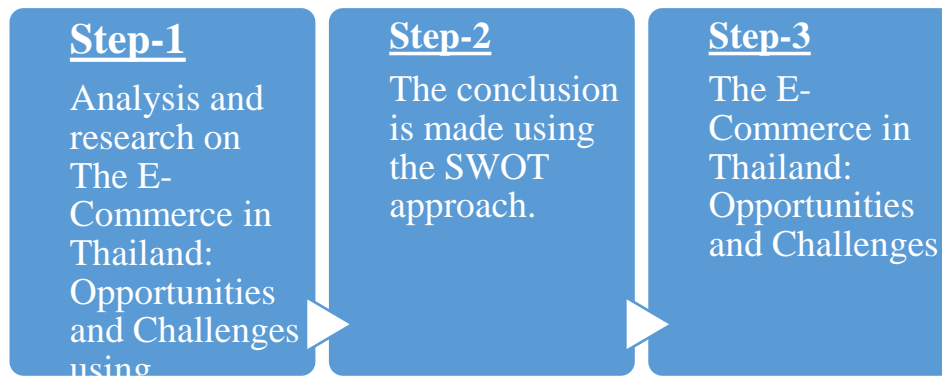
China-Thailand High Speed Rail

Thai transportation officials and Chinese construction firms signed a construction agreement for the first phase of the Thailand-China High Speed Train, marking a significant step forward for the long-awaited rail project that may connect the two Asian countries. The first phase's overall budget is around 179 billion baht (\$5.85 billion), with civil engineering contracts accounting for 27.527 billion baht. According to the article, the civil engineering work on the first phase would handle by a partnership comprised of Chinese enterprises. According to the Xinhua News Agency, the planned second phase would connect Nakhon Ratchasima with Nong Khai on the border with Laos, where it will connect with the China-Laos railway to establish a vital railway artery linking Thailand, Laos, and China. The 873-kilometer China-Thailand high-speed railway is a landmark project that will assist boost the Belt and Road Initiative by improving infrastructure and economic growth in Thailand.

The project will eventually connect Kunming city, Southwest China's Yunnan Province with Bangkok. (Global Times, 2021)

Thailand and China inked a crucial deal for the first phase of the high-speed railway project in October 2020. Contract 2.3 encompasses the railway system as well as the electrical, signaling, and communication systems, as well as the acquisition of train carriages and crew training.

ConceptualFramework



IV. Methodology

The research method used in this study was qualitative. Qualitative research is defined as “the study of the nature of phenomena” including “their quality, different manifestations, the context in which they appear or the perspectives from which they can be perceived”, but excluding “their range, frequency and place in an objectively determined chain of cause and effect” (Philipsen, H & Vernooij-Dassen, M.2007). This formal definition can be complemented with a more pragmatic rule of thumb: qualitative research generally includes data in form of words rather than numbers (Punch, K. F. 2013).

V. Marketing Mix 7Ps to Analysis of Thai E-Commerce Product

Thailand's e-commerce product power, I assess the primary advantage is convenient transportation with China logistics quick, most of the items from China, and shipping from China to Bangkok only takes up to 20 days, if delivered from Thailand's local warehouse, the fastest 2 days to arrive. This is the Thai e-commerce industry's most powerful product.

Similarly, the disadvantage in terms of items is the enormous amount of substandard and counterfeit products entering the market, particularly those created in China.

Regarding locally produced products in Thailand, Thailand is a large producer of agricultural products and small and medium-sized industrial goods, which has led to an abundance of local sources for Thai e-commerce, and these products, are invariably excellent.

Price

The advantage of Thai e-commerce is also focused on price, because many cheap goods produced in China circulate in the e-commerce market, so the price of Thai e-commerce products is generally lower, by comparing Lazada and Taobao

(Chinese e-commerce platform) even the same goods, and not much more expensive than the country of origin (China).

This is mostly due to better logistics and the significant number of Chinese merchants on the Thai e-commerce platform.

Promotion

Thai e-commerce companies refer too many of the methods used by Chinese e-commerce companies in terms of marketing promotions, such as Double Eleven and Double Twelve and other holiday promotions, the main purpose of which is to offer massive discounts, subsidize consumption and promote consumption.

Place

Thailand has three main e-commerce platforms, Lazada, Shopee, and JD Central, while others focus on individual product categories, such as Home Pro, which focuses on home furnishings, and JIB, which focuses on electronics.

People

The main customer groups of Thai e-commerce are young and middle-aged people but considering that Thailand's internet coverage is close to 79.3%, there are a large number of users and potential users of e-commerce in Thailand.

Process

Under this factor, it is mainly the part of payment and logistics for e-commerce shopping. The payment part, benefiting from Thailand's well-developed mobile payment method (Prompt Pay), allows any Internet user with a Thai bankcard to conveniently shop online without restricted by cash-on-delivery. In the express delivery part, Thailand mainly uses Kerry /J&T and several other courier companies, benefiting from the popularity of e-commerce and population density in Thailand, the speed of Thailand's express delivery is considerable, and the cost is low.

Physical Evidence

Regarding this factor, the research concerned about the speed of the internet in Thailand, mobile internet penetration and the level of technology on e-commerce websites. Regarding the internet, as described in the background in Chapter 1, internet speeds per capita, second only to Singapore in Southeast Asia, are also faster and cheaper than most countries in the world. Mobile network penetration is also quite high, with 5G coverage in most Thai cities. As for e-commerce website technology, it benefits from the fact that the parent companies of the websites are mostly from China and Singapore, and the technology level is among the top in the world.

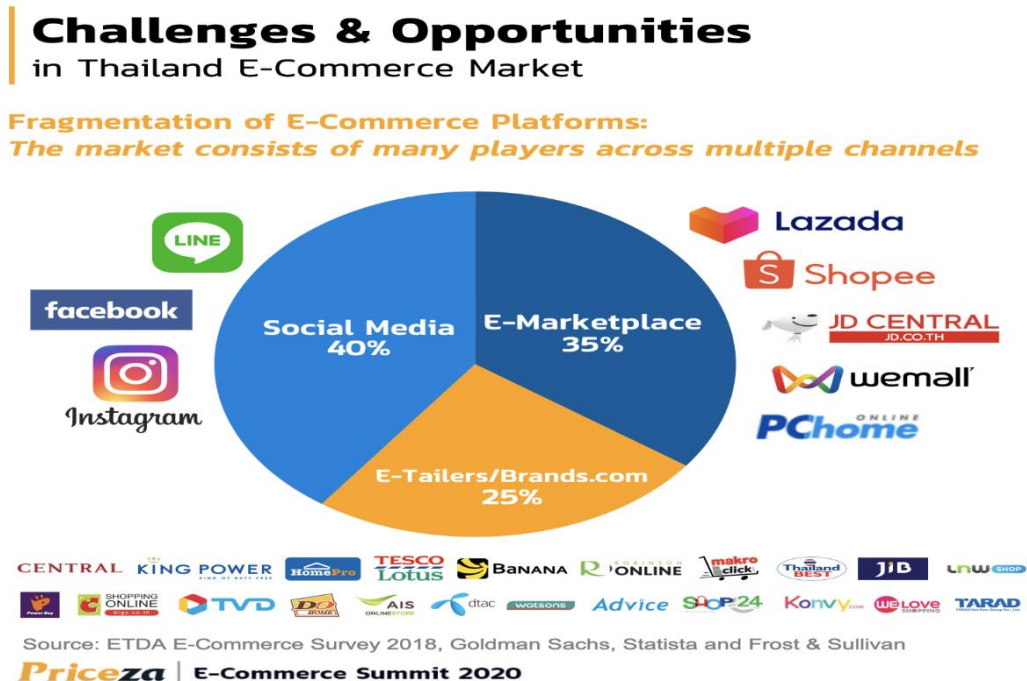
The impact of social networks on e-commerce in Thailand

Besides E-commerce platforms, statistics show that Thai consumers are likely to buy products on social media platforms such as Facebook, Instagram,

Twitter as well as brand websites and online retailers. Noted that Thai consumers prefer buying products through chatting.

These channels do not have integrated logistics support compared to E-commerce platforms. Businesses must manage the logistics process by themselves or outsource to another third-party logistics provider (3PL) if they deem it necessary. For greater analytic clarity, the general category of social commerce can be divided into the five sub-groups of: (i) peer-to-peer sales platforms, or community-based marketplaces; (ii) sales made via chat apps, also called 'conversational commerce' or 'chat commerce'; (iii) sales made through forums and social media groups; (iv) live streams broadcast by sellers or other types of temporary content; (v) electronic payments made through social media posts. In the Thai context, social commerce is most often encountered in the second, third and fourth of these forms.

For better understanding consumer behavior regarding social commerce services, Krungsri Research carried out an online survey of the opinions of 522 individuals March 29 – May 1, 2021. The results show that Facebook was the most popular social commerce channel. Most purchases fell into one of the three categories of clothing, food and drinks, and cosmetics, perfume, and beauty and skin products. Most purchases had a value of THB 100-1,000 and generally, this paid for through a mobile banking app, especially if that app connected to the consumer's primary account for making payments and transfer. (Pimnara Hirankasi, Chutipha Klungjaturavet, 2021)



(Figure 8. Social Media with E-commerce in Thailand)

The impact of Online Payment on e-commerce in Thailand

Cards are Thailand's dominant e-commerce payment method, used in 30 percent of all transactions. (J.P. Morgan, 2019) This is despite the fact that card penetration, at 0.77 debit cards and 0.29 credit cards per capita, (J.P. Morgan,2019) is not particularly high in the country.

The government is making efforts to drive up card use when spending online. Alongside commercial banks, it has installed 550,000 electronic data-capture terminals across the country to enable online shoppers to settle invoices via card payments. (CIO.com, 2019) The government incentivizes sellers via tax rebates to adopt the services. (CIO.com, 2019)

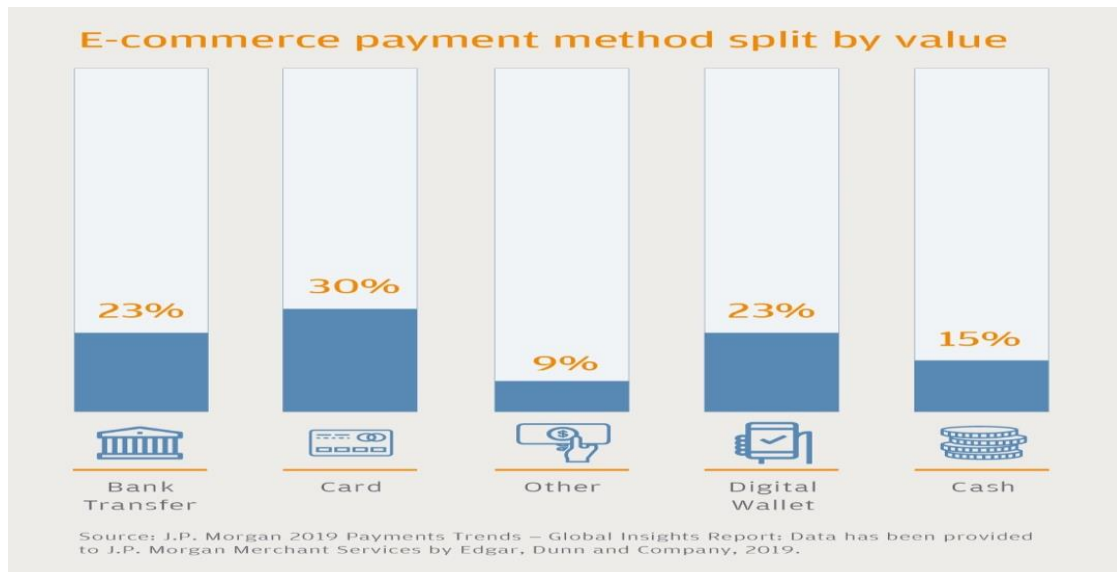
The state has also launched Prompt Pay, which allows registered users to transfer funds between consumers and businesses using their mobile phone number or citizen ID. The scheme already has 14 million users. (Dezshira.com, 2018)

International payment gateways including WorldPay and PayPal® have entered. Thailand's e-commerce payments market and domestic players are capitalizing on their ability to support card payments in local currency (Thai Baht) and therefore offer higher margins to merchants. Local providers include Bangkok Bank and Thai e-pay. (Chargebee.com, 2019)

Digital Wallet Adoption

These measures, alongside growing smartphone penetration, should also boost digital wallet adoption. Digital wallets currently used to pay for 23 percent of e-commerce transactions, tying with bank transfers. (J.P. Morgan, 2019) The use of digital wallets forecasted to rise at a compound annual growth rate of 18 percent to 2021, to take a 28 percent share of the payments market. (J.P. Morgan, 2019) Popular brands in Thailand include PayPal, TrueMoney and AirPay. (J.P. Morgan, 2019)

The ongoing availability of cash on delivery payment methods has supported the use of cash in the Thai e-commerce market. This payment method still accounts for 15 percent of sales, (J.P. Morgan, 2019) although this figure will decline to take a 12 percent share by 2021. (ACIWorldwide.com, 2018)



(Figure 9.E-Commerce Payment Method Split By Value)

Fraud in E-Commerce of Thailand

Providing Thai e-shoppers with assurances about a merchant's security credentials is a vital step in gaining customers. Fraud is a persistent problem in Thailand, with 32% of Thai computer workers polled in a recent survey saying that they have directly encountered financial fraud related to e-commerce in the previous year. (ACIWorldwide.com, 2018) In the future, the rise of cards and digital wallets, as well as the payment authentication systems that go with them, could assist to reduce fraud.

Thailand's e-commerce boom will fueled by rural broadband penetration

Looking ahead, growth in business-to-consumer e-commerce predicted to slow to a compound annual growth rate of 12.5 percent by 2021. ([J. P. Morgan](http://J.P.Morgan.com), 2019). The rate of e-commerce expansion will influenced by a number of things. The fact that internet penetration is just 53% implies that a sizable portion of the Thai population does not have the opportunity to purchase online. ([J. P. Morgan](http://J.P.Morgan.com), 2019). The government's 'Thailand 4.0' initiative seeks to reverse this reality by establishing broadband infrastructure in communities around the country. (CIO.com, 2019)

The impact international sellers on e-commerce in Thailand

From J.P Morgan 2019 report, increased domestic e-commerce businesses will also boost sales. Cross-border expenditure accounts for half of Thailand

E-commerce spend, indicating a significant hunger for foreign items and brands but also a dearth of local choices. China, Japan, and the United States are the top three foreign sales destinations. This balance may alter as domestic retailers realize the benefits of having a digital sales presence. Now, the top three traffic generating e-commerce sites in the country are Multinational players: Lazada (first), Shopee (second), and 11street (third).

Thailand Government Policy for E-Commerce

Thailand 4.0 for E-Commerce

The Thai government's Thailand 4.0 program includes providing funds for the goal of building a broadband network for all communities around the country. Through e-commerce, this countrywide broadband network will assist overcome the digital gap and foster contemporary economic development. The government also envisions developing the next generation of digital application platforms to support and encourage online activities like as e-commerce, e-payments, and e-government. Eventually, the idea is for villagers to launch e-commerce enterprises selling local goods and services. (ITA, 2021)

PromptPay service

The government's PromptPay service, which is part of the national e-payment network, is the primary driver of e-commerce activity.

E-Commerce Intellectual Property Rights

Apart from other particular rules and regulations that e-commerce firms must follow, intellectual property protection is an essential factor that business owners should consider. In Thailand, trademark registration based on the first-to-file, first-in-right principle. Before introducing items or services into the Thai market, new entrants should consider securing trademark protection.

Please be aware that the Thai Patent Act does not give patents to any computer program or business technique. However, under some situations, computer programs and technology used to safeguard programs or corporate information from illegal access or replication, so it automatically protected under Thailand's copyright protection system. Furthermore, the Trade Secret Act may safeguard a company's trade secrets, such as methods, tactics, instruments, or databases (2002). Companies must manage their respective businesses in accordance with the Computer Crime Act in addition to preserving intellectual property rights (Amended 2016). The legislation forbids the transmission of falsified or fraudulent computer data or material that is likely to cause harm to individuals or the public, as well as the transmission of data or email that disturbs the receiver without providing an opportunity to opt-out. Following a government notification, service providers such as social media platforms and access providers may force to delete or otherwise limit access to such content, or they may face responsibility for such

content. A court may order service providers to restrict or remove a website that includes unlawful or objectionable content at the request of a competent authority. (Orabund Panusapthna, 2007)

The impact Covid-19 on e-commerce in Thailand

Actually, prior to the pandemic, we began to see a trend of buying and selling on social media platforms; COVID-19 just worked as a fast-forward button for this sort of trade. Everything that looked to be in the distant future is now something we do daily.

The worldwide COVID-19 epidemic is unquestionably detrimental to the population's physical, psychological, and economic well-being. Given its quick spread and danger in the absence of a definitive treatment, the pandemic has significantly reshaped consumer behaviors, as previously demonstrated. According to a McKinsey & Company debate, consumers are re-prioritizing their expenditure on consumption categories that belong to basic products rather than commodities that genuinely satisfy emotional demands (Arora et al., 2020)

The number of Thai households shopping online has shot up 58 per cent during the Covid-19 pandemic, which has accelerated the region's shift to e-commerce. The dramatic rise in households buying online signals a turning point for e-commerce in Asia.

According to global marketing research firm NielsenIQ, e-commerce in Thailand has historically dominated by the non-food category. However, from January to December 2020, it reports that the food category grew by 74 per cent versus 60 per cent growth shown by non-food. (Paphamon Arayasukawat, 2021)

VI. Results and Discussions In the form of SWOT Analysis

S. (Strengths) in E-Commerce for Thailand

Excellent Productivity

With a wide range of inexpensive products made in China, as well as a wide range of local Thai household products, we have one of the world's most extensive product lines.

A wide range of promotions

Thailand, as a region where East meets West in terms of promotions that enhance consumer spending. Both Western and Thai holidays such as Black Friday/Valentine's Day/Christmas and Songkran are utilized for promotions, as well as several promotional models that have been very successful in China, namely the Double Eleven and Double Twelve shopping festivals.

Convenient and fast logistics system

An analysis of the literature and data shows that Thailand's logistics speed is second only to Singapore in Southeast Asia and among the highest in the world. In particular, the convenience of sea and land transport with China gives Thailand a unique logistical advantage.

Higher internet user rate and internet speed

Through analysis of literature and data, we know that Thailand has 80% internet coverage, meaning that 56 million of Thailand's 70 million people are internet users, which represents a huge user base for e-commerce in Thailand. Internet speed is also a key point, as it directly leads to consumer behaviors, and Thailand has a fast per capita internet speed and 90% mobile network coverage, which leads to an even greater advantage for Thai e-commerce with a large user base.

Strong financial background

Without exception, a study and analysis of the documents reveal that all Thai e-commerce companies and websites have Chinese and Singaporean backgrounds. Such as Lazada, which was acquired by Chinese e-commerce giant Alibaba. Shoppe, which controlled by a Singaporean consortium. JD central, which is also, controlled by Chinese e-commerce Company Jindong and the bigger of Thai shopping mall Group Central Ptanna.

Flexible and reliable payment options

Thailand has one of the world's most convenient e-commerce payment methods, as well as government-backed Prompt Pay and cash on delivery for those without a bankcard. The flexible payment policy has greatly facilitated the growth of e-commerce in Thailand.

Two superb and many strong e-commerce platforms situation

Currently Thailand's e-commerce platforms dominated by Lazada and Shoppe, but other e-commerce platforms have their own unique strengths in their own categories, such as electronics and household goods. This aspect allows for greater flexibility in the Thai e-commerce industry, rather than monopolized by Amazon alone, as is the case in the US.

Government support

E-commerce is an important piece of the Thai government's Thailand 4.0 plan, and the Thai government's approach to the e-commerce industry is open and liberal, unlike other countries with a plethora of regulatory measures. It is also extremely easy for sellers to register a seller's account on e-commerce platforms, without the need to obtain a business license etc.

W (Weaknesses) in E-Commerce for Thailand

Wide regional variations

Thai e-commerce mainly covers Bangkok/Chiang Mai/Kon Kaen and other major metropolitan cities, with most townships, both in terms of courier services and network coverage, being more deficient. This has led to a large number of

products produced in rural areas still having to rely on the traditional economy to sell, limiting the development of e-commerce in Thailand.

Counterfeit and shoddy products are flooding the market

On the one hand, this is due to the low prices made in China, but on the other hand, the e-commerce market is flooded with counterfeit goods made in China. The large number of counterfeit goods entering in Thailand is extremely unfriendly to consumers and there are no targeted measures against the sale of counterfeit goods in e-commerce under the current Thai government laws and regulations.

High percentage of foreign sellers

In China, for example, e-commerce sellers Chinese nationals, but Thailand, under the influence of China's extremely strong export policy on cross-border e-commerce, and strong product power, more than half of the sellers are Chinese. There is no protection policy for Thai sellers on the e-commerce platform, resulting in a large amount of e-commerce profits going to Chinese sellers. The inability of influence of Thai socio-economic development more deeply and the fact that Chinese sellers are more comfortable selling products from their own country and forgo choosing local Thai products is a great disadvantage.

Population still limited

With a population of over 70 million, Thailand is already one of the most populous countries in South East Asia, but compared to neighboring Indonesia, China and India, the consumer base is still effective and even with 100% internet coverage, Thailand does not have as many internet consumers as one of the provinces in these countries. This is a major constraint to Thailand's development.

O (Opportunities)

Successful experience in Singapore and China

Compared to Singapore and China, Thailand is a late starter in the development of the e-commerce industry, but this has led to the development of a latecomer advantage that can draw heavily on successful e-commerce models and marketing techniques.

Covid-19

Many traditional industries affected by Covid-19, except for the e-commerce sector, which flourished, especially in areas where the epidemic was severe, and which replaced traditional business models almost instantly. With Covid-19 set to co-exist with the Thai people, and the people of the world, for the near future, it is certainly a great opportunity for the Thai e-commerce industry.

Location advantages

Located in the South Central Peninsula, linking the Indian and Pacific Oceans, with a vast coastline and easy access, Thailand expected to become a transit point for the e-commerce industry to take advantage of its location.

Indigenous Industrialization in Thailand

Thailand is actively moving away from its economic dependence on agriculture and tourism this year, as evidenced by the establishment of EEC zones in the Chonburi and Rayong regions and the strong support for industrial enterprises. The Thai government and capital are actively building small and medium-sized industrialization, using cheap human and land resources to bring Thai manufacturing on par with Chinese manufacturing.

Strong social media presence

Through literature reading and data analysis, Thais are particularly keen on social software and social media. The 90% of Thai internet users registered on social media such as Facebook and particularly keen to share photos on social media.

Forms of band wagoning ((Sale of goods by anchors) under self-publishing

This form of e-commerce has been popular in China for three years and has proven to be a mature and effective form of e-commerce in China and one that allows most ordinary people to participate.

T (Threats)

The threat from China

China is the largest manufacturing country in the world and has the largest e-commerce business sector. Currently Lazada and Shopee already have a lot of Chinese capital and sellers entering.

Limited market size

After two years of great growth for the e-commerce industry during the Covid-19 period, Thailand has now reached a bottleneck, with a wide range of Thais between the ages of 18 and 50 using it. Theoretically, it is difficult for the Thai e-commerce industry to grow beyond the current situation.

Lack of local products

Although it is not difficult to make and sell Chinese products cheaply in Thailand, I think it is very dangerous for Thai e-commerce to be completely flooded with foreign products. First Thailand is not a country without any industrial production capacity; it has a large number of quality goods such as daily necessities and agricultural products, including some high quality electronic products. Secondly, more products that are domestic sold in order to help the local Thai economy/industry.

VII. Conclusions and Recommendations

In this chapter, I would like to discuss the findings and give recommendations to the Thai e-commerce industry using the Marketing Mix 7Ps approach.

Product

In terms of the product power of Thai e-commerce, combined with the above and previous studies, we can see that the main products sold in Thai e-commerce still sourced from China and several other major industrial countries, with obvious advantages but also significant shortcomings, the biggest of which is the high number of counterfeit and shoddy products.

Against this backdrop, I believe that Thai e-commerce sites have tightened their control over sellers and set up appropriate departments dedicated to them. Sellers with insufficient integrity warned and removed in a timely manner. In addition, a special collateral fund is set up, which is instantly confiscated and used to compensate consumers if a seller found to be selling fake goods.

Price

The price aspect of Thai e-commerce I think is the biggest development advantage of Thai e-commerce now, but I think there is still a need to expand the advantage in this regard. It should be at the government level an active expand of the influence of Thailand's local e-commerce. To vigorously develop rural e-commerce, to sell small commodities with Thailand's advantages in agricultural products, and even to take advantage of location and price to compete with goods made in China in places like India and the Middle East.

Promotion

Thai e-commerce has actively adopted the successful experiences of countries such as China and has a good effort in promoting consumption. The next step is to take into account the realities of Thailand, such as young people's love of social media and self-publishing like Tiktok, and actively develop self-publishing channels, which will allow more people to participate in e-commerce industry and allow many small and medium-sized sellers to find a flexible and reliable sales channel.

Place

In the previous study, we found that Thailand uniquely positioned to connect the Pacific Ocean to the Indian Ocean, and with the upcoming Sino-Thai high-speed rail project due to open in 2025, Chinese goods will reach Thailand more quickly and cheaply. Similarly, Thai e-commerce can take advantage of these advantages to sell locally produced Thai products to India/China etc.

People

The main constraint to e-commerce development in Thailand at the moment is the limited population and per capita spending power, so I would suggest that Thailand's e-commerce industry should also be exported out of the country, for example to nearby countries such as Myanmar/Cambodia, or even further afield to India/Bangladesh. With the current trend of internationalization, the Thai e-commerce industry could also be actively encouraged to go to China to capitalize on the product power of certain categories of Thai goods and the cultural influence of Thailand to target the huge Chinese e-commerce market.

Process

Thailand has no less than any developed country in terms of online payment methods, but at present the payment methods are still not uniform enough in this regard. I would suggest that the Thai government could introduce mandatory policies such as the official electronic version of the currency that the Chinese government is piloting. Forcing a uniform payment standard for the e-commerce industry would be more helpful in enhancing the gold standard of the Thai e-commerce industry also effectively avoid most financial crimes.

Physical Evidence

Thailand's internet speed is already among the highest in the world and we can take advantage of this by encouraging Thai e-commerce businesses to sell virtual e-commerce products such as high-capacity video games and high-definition movies and TV shows. Be flexible and use the current strengths of Thai e-commerce expand the user base to actively reach out to rural and remote areas of Thailand.

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