

E-Commerce and Its Development in Thailand: An
Empirical Evidence from the Survey on Thailand's
E-Commerce

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**Electronic Transactions Development Agency
(Public Organizaion) (ETDA), Thailand**

Agenda

- I. Introduction to Electronic Transactions Development Agency (Public Organization) or ETDA
- II. An overview of Thailand 's **E-Commerce** and its trend
- III. An empirical evidence from the survey on Thailand's **E-Commerce**

**I. Introduction to Electronic Transactions
Development Agency
(Public Organization)
or ETDA**

OPPORTUNITIES AND TRENDS IN THAI e-COMMERCE ENVIRONMENT

DIGITAL LIFESTYLE THAI POPULATION



Internet Users
38.02 MILLION



Source : TRUEHITS / Jan 2016

Mobile Subscribers
85.55 MILLION



Source : NBTC / Q2/2016

Line Users
54.00 MILLION



Source : Line Corp, Q/4 2016
(Note: Thai Population 65 Million 2016)

Facebook Users
41.00 MILLION



Source : We are Social, Jan 2016

e-PAYMENT 2015

24,577
BILLION USD

Source : Bank of Thailand / 2015
(Note: 1 USD = 35 Thai Baht)



e-COMMERCE 2015

64.15
BILLION USD

Source : ETDA / 2015
(Note: 1 USD = 35 Thai Baht)



INCREASING e-TRANSACTION VOLUME AND VALUE

E-Commerce
Promotion

e-Trade
Facilitation

Soft Infrastructure
Development

ETDA AIMS TO DEVELOP A SOFT INFRASTRUCTURE

by adding confidence and facilitating online or e-Transactions that are fundamental to the digital economy

Setting standards, monitoring cybersecurity and establishing laws for handling e-Transactions.

STANDARDS | SECURITY & PRIVACY | LAWS

Will Thailand E-Commerce growing up?

What is problem statement?



- 1 High Cost** of e-Payment and logistics
- 2 Telecommunications Infrastructure (Internet) :** expensive, non-stable and non-inclusive
- 3 E-Commerce Disruptive technologies**
- 4 Lack of capital** for Startup
- 5 Lack of “Intellect“** (Manpower)
- 6 Have A Problem** But do not know who can help
- 7 Foreign invasion** intensify (eWTP: e-World Trade Platform)

Thailand E-Commerce plan 2017 – 2021

Vision: INCREASING VOLUME & VALUE

“Increasing proactive capability for nation competition. And Improving the Quality of People's Life. Under reliable & secure environment, create market expansion opportunities, revenue and investment ”

Vision

E-Commerce System Development	E-Commerce Standard Development	E-Commerce Friendly Ecosystem	E-Commerce Public-Private Collaboration
Develop all E-Commerce systems from Business process to Supply chain	Establish E-Commerce standards for linking back-end data, building trust and good experience.	Be easy, convenient and accessible in both buyer and seller.	Build collaborate between public and private sectors for promote E-Commerce.

Strategy

Strategy 1 Improving E-Commerce capabilities of entrepreneurs & enterprises	Strategy 2 Trade facilitation and development	Strategy 3 Ecosystem Development for support E-Commerce	Strategy 4 Create opportunity and Experience for anyone can buy & sell through E-Commerce	Strategy 5 Building trust & confidence for consumers (Online consumer protection)
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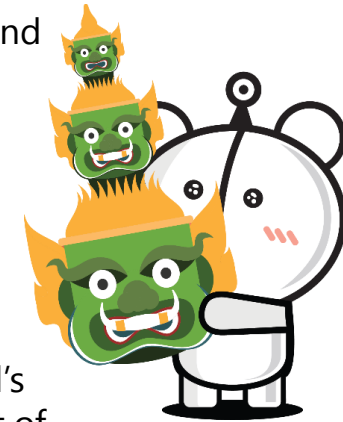
Thailand E-Commerce Week 2017 + CLMV

ETDA drive E-Commerce development, Entrepreneur training, Create a strong online trading environment for support "Thailand 4.0" project through Thailand E-Commerce Week 2017 that comes and sharing experiences by E-Commerce specialist from public and private sectors

Venue: Queen Sirikit National Convention Center (QSNCC), Bangkok, Thailand
Mid November 2017

Target: Visitors from Thailand and International.

Expectation: To further strengthen international cooperation in WTO members for information exchange. It's an important step to drive Thailand's e - Commerce for economic expansion and effective growth at the forefront of the ASEAN region.



II. An overview of Thailand's **E-Commerce** and its trend



E-Commerce Definition



OECD Definition (the latest version)

An e-commerce transaction is the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders. The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online. An e-commerce transaction can be between enterprises, households, individuals, governments, and other public or private organizations.



Remarks

- – Include: orders made in Web pages, extranet or EDI. The type is defined by the method of making the order.
- – Exclude: orders made by telephone calls, facsimile, or manually typed e-mail.

Source: Measuring E-Commerce stat, OECD, Eurostat (Statistics Finland 2015)

Key challenges and public acceptance

- ✓ International collaboration for Value of E-Commerce survey 2015 - 2016 and 2017
- ✓ Focus Group with Government agency, Executive E-Commerce enterprise, SMEs association and related stakeholders.
- ✓ Press Conference and Publicizing news
- ✓ Full Report of survey result (Yearly basis)






**UNCTAD and ETDA
: Measuring E-Commerce day
Focus point “Methodology” in Oct 2015
BKK, Thailand**





 **Ms. Diana Korka**
UNCTAD




 **Dr. Kim Seung Keon**
Korea Association for ICT Promotion

Korea Association for ICT promotion
한국정보통신진흥협회 KAIT



 **Mr. Aarno Airaksinen**
Statistics Finland
Eurostat Methodology



eurostat
Your key to European statistics



 **Mr. Winston Oyadomari**
Regional Center for Studies
on the Development of the
Information Society of Brazil

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Public Private Partnership: PPP, ETDA 2559

Focus Group: E-Commerce Stakeholders in Thailand

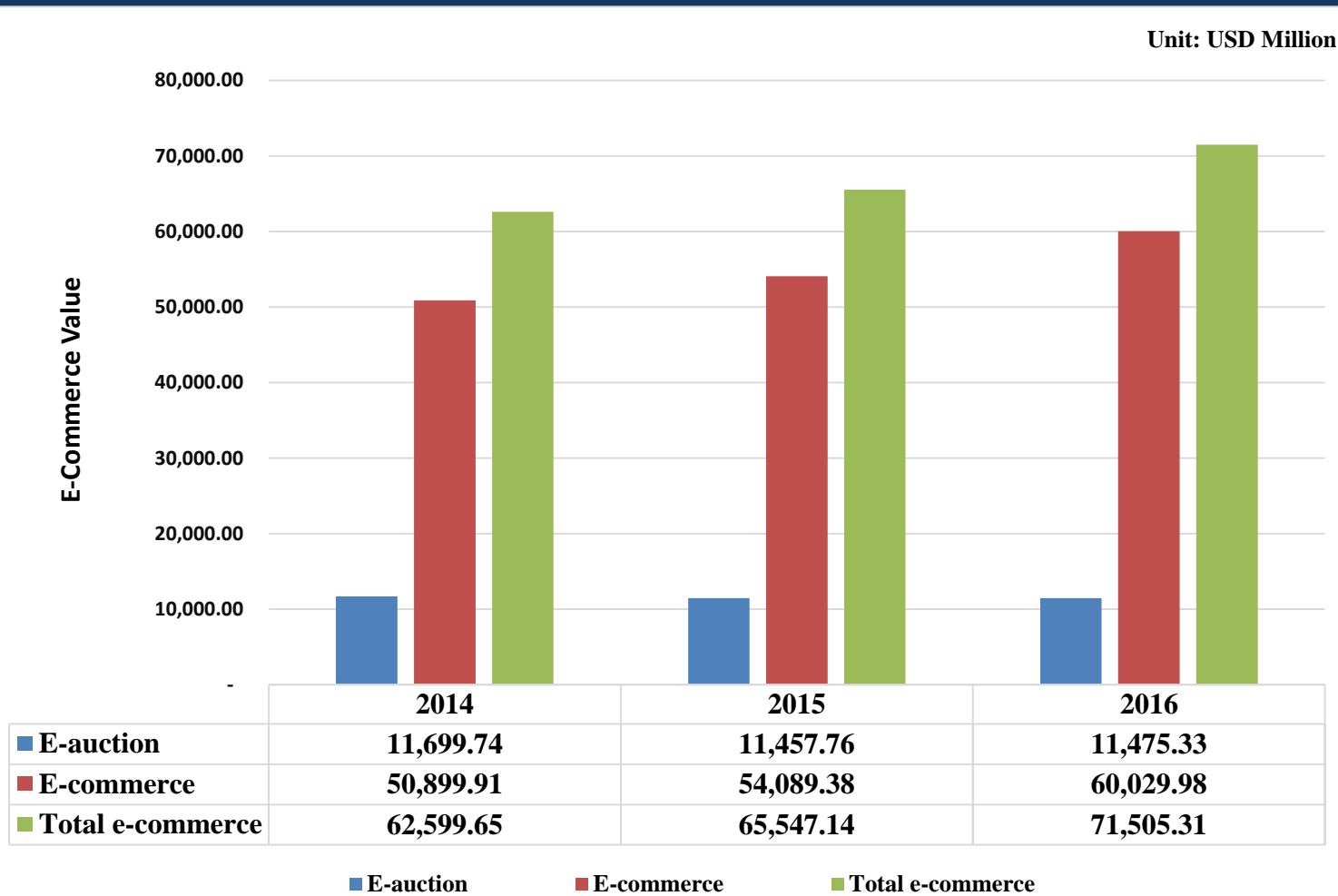




Press Conference and Publicizing news

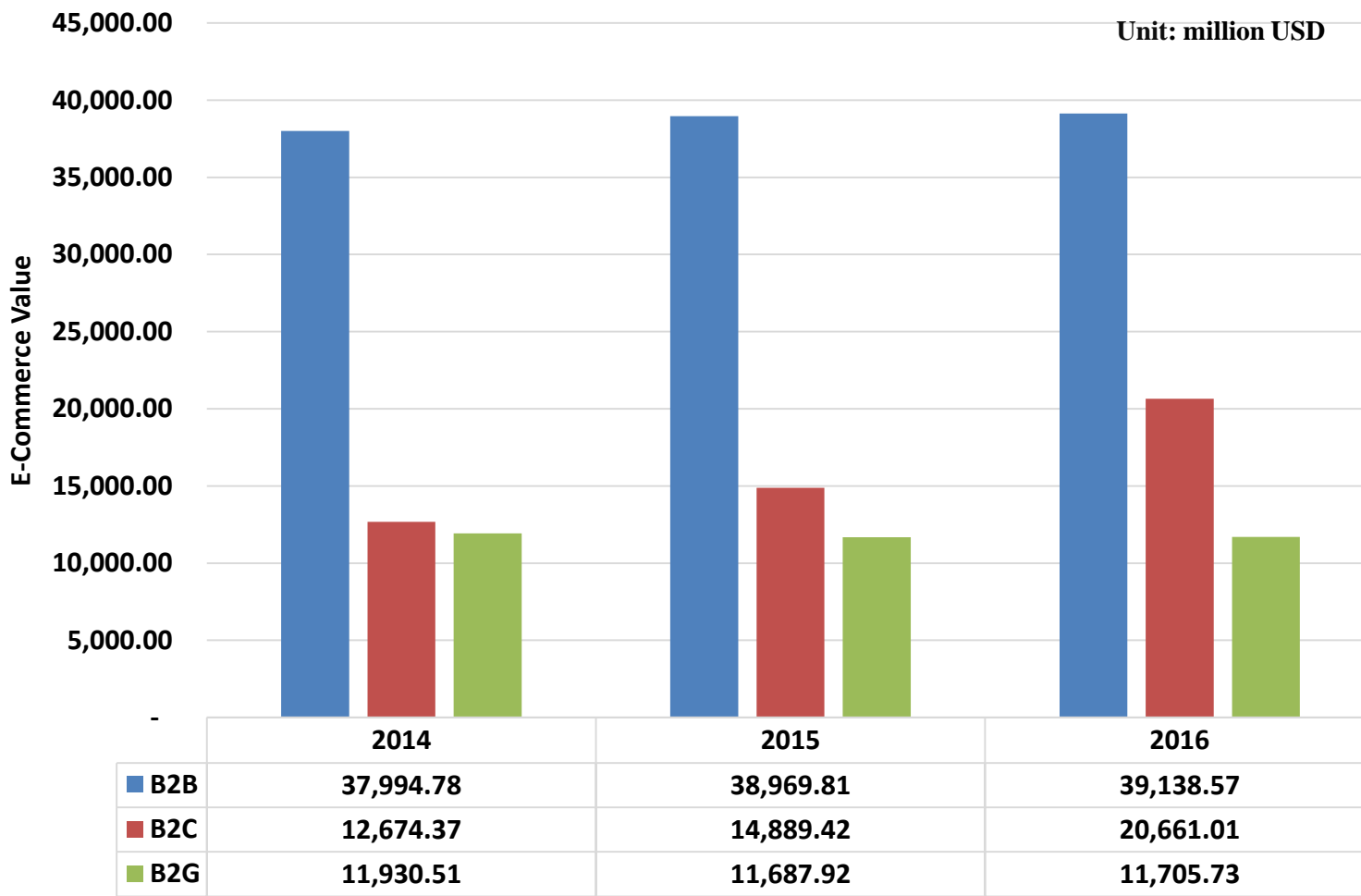
This year, would be held during E-Commerce week in November 2017

Figure 1: Thailand's E-Commerce value (2014 – 2016)



- increased from 62.6 USD billion in 2014 to 71.5 USD billion in 2016
- 43.47 % of total sales value of goods and services
- 16.59 % of GDP in 2015

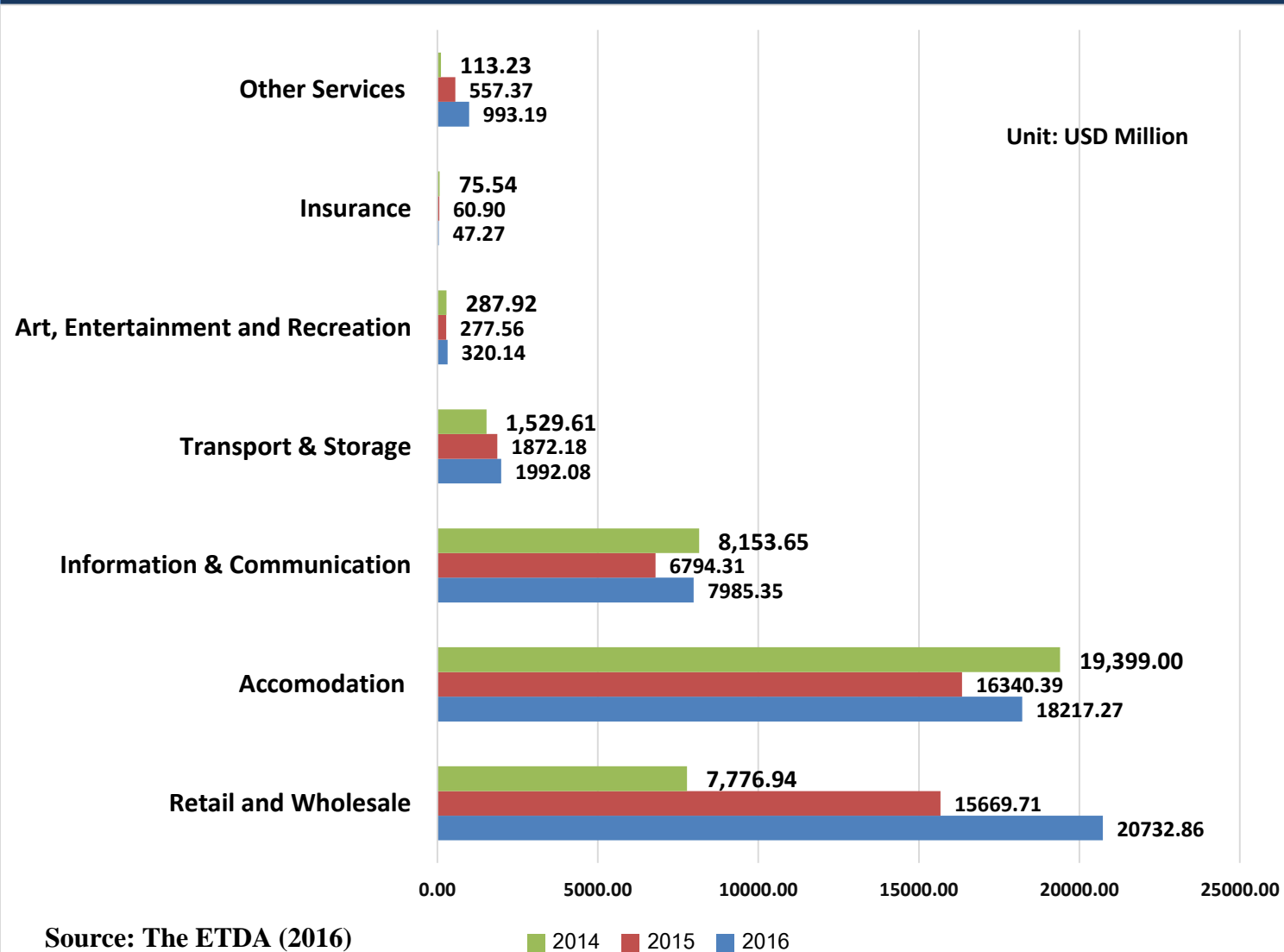
Figure 2: Thailand's E-Commerce value classified by types of E-Commerce use (2014 – 2016)



➤ B2B has the highest E-Commerce value, followed by B2C, and B2G E-Commerce.

➤ Upstream supply chain which is involved with sub-components or raw materials of suppliers has been statistically significant.

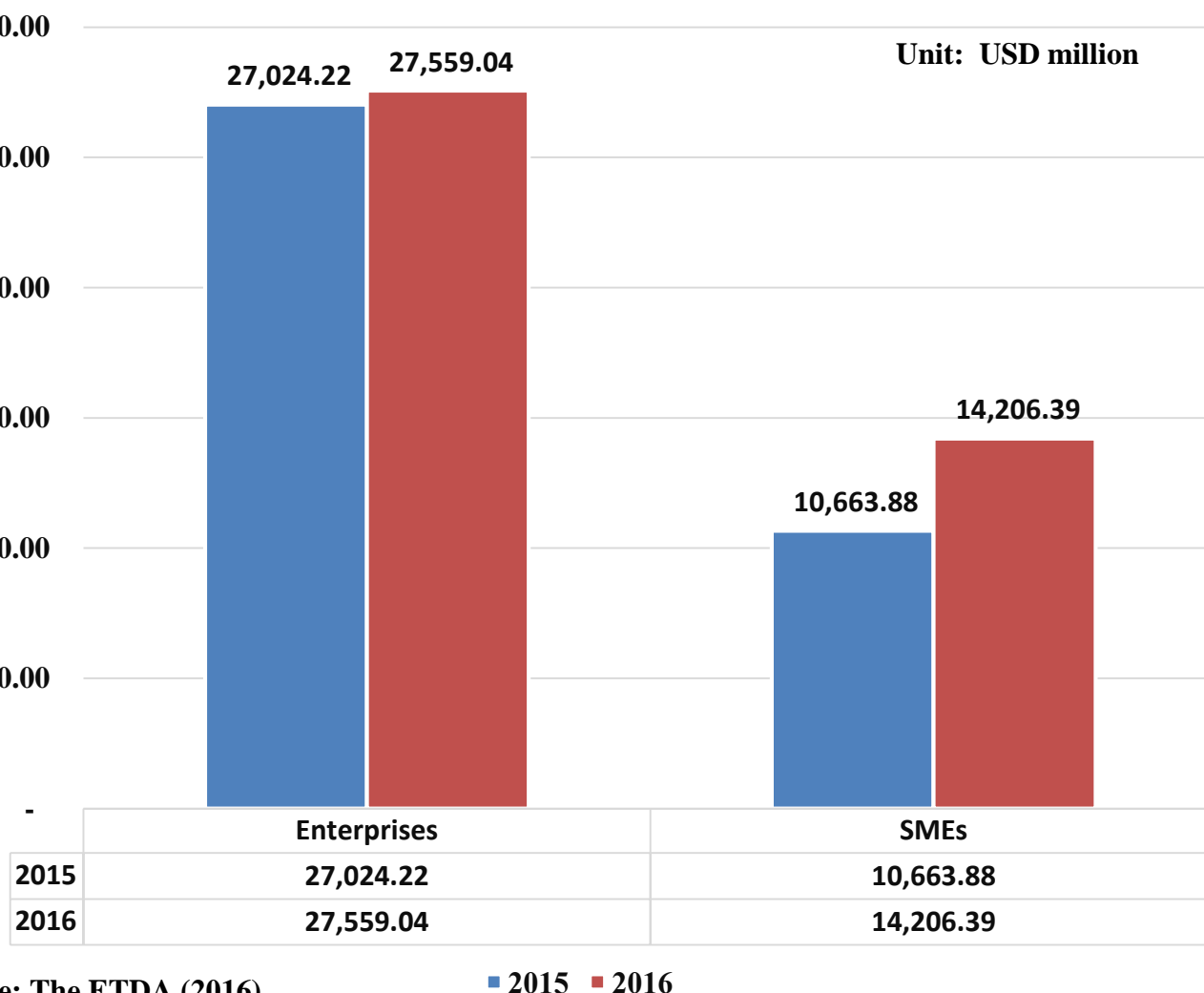
Figure 3: E-Commerce value classified by industrial sectors (2014 – 2016)



➤ Accommodation was the most industry in 2014 and 2015, accounting for 30.21 and 30.35 percent of total E-Commerce value in 2014 and 2015, respectively

➤ In 2016, retail and wholesale plays the most important role in promoting the country's E-Commerce, accounting for 34.54 percent of total E-Commerce.

Figure 5: E-Commerce value of enterprises and SMEs

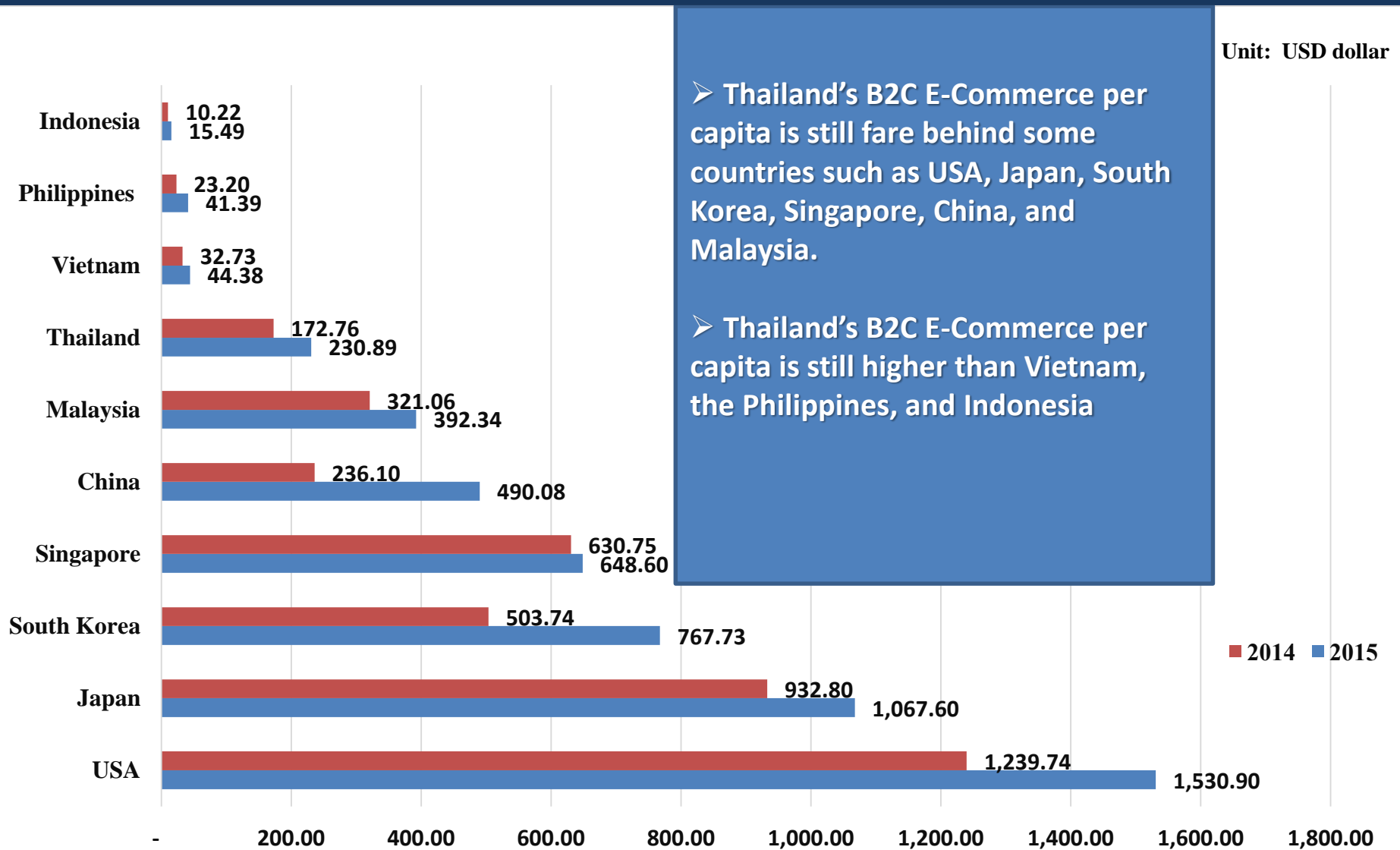


➤ Large enterprises still dominate the E-Commerce market, accounting for 71.70 and 65.99 percent of total E-Commerce in 2015 and 2016.

➤ This implies that there is generally lack of awareness of the full range of SME potential in adopting ICT.

Source: The ETDA (2016)

Figure 6: B2C E-Commerce value per capita for selected countries



➤ Thailand's B2C E-Commerce per capita is still fare behind some countries such as USA, Japan, South Korea, Singapore, China, and Malaysia.

➤ Thailand's B2C E-Commerce per capita is still higher than Vietnam, the Philippines, and Indonesia

III. Empirical Evidence from the survey on Thailand's **E-Commerce** 2016

Objectives:

- ✓ Investigate the factors influencing the performance of E-Commerce enterprises.
 - Firm size (small, medium, and large)
 - Click-and-click companies VS click and mortar companies
 - Sources of sales (domestic sales)
 - Different geographies (Bangkok , central, north, north east, and south)
 - Delivery methods (Thailand Post, courier, delivery point, electronic transferred, own transportation)
 - Payment methods (credit/debit card, paypal, e-banking, mobile payment, FEDI, ATM, Teller/CDM, up-front, counter service, post office, other payments)
 - E-Commerce channels (e-market place, website, and social media)
 - Type of Industries (i. retail & wholesale, ii. manufacturing, iii. ICT, iv. art, entertainment, and v. recreation, and vi. other services)

Empirical results:

✓ Firm size

- For B2B medium sized enterprises perform better than small sized enterprises.
- For B2C small sized enterprises perform better than medium sized enterprises.

✓ Sources of income

- E-Commerce entrepreneurs, especially B2C still greatly rely on the domestic market.

✓ Click-and-click / click-and-mortar companies:

- For B2C click-and-click firms perform better than click-and-mortar firms.
- For B2B click-and-mortar firms perform better than click-and-click firms.

✓ Different geographies:

- Bangkok metropolitan is the most important region for sources of E-Commerce value.
- For B2C entrepreneurs can sell in Bangkok metropolitan and central regions more than selling in other regions.
- For B2B and B2G entrepreneurs can sell in north, north eastern, and southern regions more than selling in Bangkok metropolitan and central regions.

✓ E-Commerce channels:

- Website is able to enhance firm performance while E-Marketplace and social media do not matter.
- Website and social media can increase B2C 's entrepreneurs.
- E-Marketplace is found to increase B2B and B2G 's entrepreneurs.

✓ **Payment channels:**

- Almost all of **E-Commerce** channels are not able to promote firms 'performance moreover financial electronic data interchange (FEDI) and bank teller are founded to reduce firms 'performance.

✓ **Delivery methods:**

- Only firms which have **own transportation** have the highest performance.

Policy implication and recommendations from this empirical study

✓ Promote larger firm size

- For B2B medium sized enterprises perform better than small sized enterprises.
- For B2C small sized enterprises perform better than medium sized enterprises.
- Subsidize through credit financing or equity financing from venture capital/Market for Alternative Investment (MAI)/ Stock Exchange of Thailand (SET)
- Policies promoting should rely on B2B entrepreneurs.
- In other words, policies should promote upstream supply chain (processes committed to receiving raw materials).

✓ **Promote more international participation**

- Greatly rely on the domestic market, by focusing on B2C
- Relevant government agencies such as Ministry of Digital Economy and Society, ETDA, National Electronics Computer Technology Center, Department of Business Development, International Trade Promotion should support the establishment of E-Commerce businesses in Thailand and build up the confidence for foreign investors.

✓ **Promote the reliability of sellers' E-Commerce sites**

- Click-and-mortar firms perform better than click-and-click firms.
- Promote online operations of click-and-click firms which focusing on B2C.
- Security and privacy of E-Commerce sites, online sales, and protect customer rights should be promoted.

✓ **Promote the country's IT infrastructure**

- Policies promoting adequate internet service coverage, fast internet service, and internet security and privacy for online customers should be considered.
- To enhance internet security and privacy, Thailand's relevant laws such as e-transaction law, consumer protection law, privacy and data protection law, and cybercrime law should be integrated and enforced seriously.

✓ **Develop the country's logistic and supply chain**

- Firms which have their **own transportation** have the highest performance.
- Policies enhancing the quality of good delivery and reducing the costs of transportation should be implemented for targeted E-Commerce entrepreneurs.

Thank you 😊

If you have further questions about

E-Commerce Survey and Policy

please send some email to Jiraporn@etda.or.th

or

The Empirical evidence from the survey

please send some email to yot.a@rsu.ac.th