Penetration of eCommerce and Perception of Consumers in Thailand

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Abstract

The study focused on business-to-consumer eCommerce in Thailand regarding its penetration and the perceptions of consumers in the country. Stratified sampling was used to collect data from the different regions of Thailand because of its diversified nature in culture and economic activities. By the offline questionnaire survey, conducted in January to March 2018, data were collected from regular online shoppers and regular offline buyers and the same were analyzed by descriptive and inferential statistical methods. Books & Magazines, Cosmetics, Mobile, and Laptop are the four consumer items used in the study to investigate the penetration and it was estimated that the average penetration of online shopping is twenty five percent in volume on these commodities. The convenience of online shopping is the most influencing factor for positive attitude towards online shopping. Lack of trust and confidence in electronic transactions due to the paucity of adequate protective laws; and the consumers’ perceptions towards product performance risk and financial risk are major deterrents of eCommerce in Thailand. It has been observed that the penetration of online shopping is not a threat, for the time being, to the traditional retailers of these commodities since they have more than double the market share of online buyers.

Keywords: eCommerce; B2C; penetration; perception; Thailand.

1. Introduction

‘eCommerce is one of the most visible examples of the way in which Information and Communication Technologies (ICT) can contribute to economic growth. It helps countries to improve trade efficiencies and facilitates the integration of developing countries into the global economy. It allows business and entrepreneurs to become more competitive. And it provides jobs, thereby creating wealth’[1]. ‘Thailand has everything before it and nothing before it. The future of its economic prosperity, in terms of contemporary issues, could be argued on how well it will tackle issues of Technology Innovations, Transfer, and Commercialization’[2]. The internet users in Thailand has swiftly soared to 57 million (82.4% penetration) at the end of 2017 from 2.3 million in 2000 (Internet World Stats). Did this tremendous achievement has been reflected in the eCommerce of Thailand? Did the technological progress has made any attitudinal change in the traditional mind set of Thai consumers? If not, what are the reasons for the set back?
These are all thought-provoking questions where great attention is invited from the concerned.

In the words of Thailand’s Minister of Digital Economy and Society ‘Thailand 4.0 is the growth model that will inspire new ways of thinking, work processes, and lifestyle. The promotion of comprehensive eCommerce businesses will be an important driver in this development plan’ [3]. A study conducted in the European market says that the introduction of online sales channel has not led to lower prices in general, but there is considerable positive effect on total sales because a significant fraction of consumers considers the online channel to be more convenient [4]. In another study among consumers in Saudi Arabia revealed that convenience and lower prices are the positive factors influencing online shopping, on the other hand, trust and security concerns hinders it [5]. In a Chinese study among consumers revealed that the marketing mix (price, product, promotion, and place), and reputation of the vendor were found to be the significantly influencing consumer’s attitude to adopt online shopping [6]. Another study in China reveals that consumers of different ages and genders with different purchasing power have different concerns during the online transaction process [7]. A Lithuanian study, it was found that the main factors influencing consumers to shop online are convenience, simplicity, and better price [8].

In many developing and transition economies, online shoppers continue to represent a small proportion of the population, whereas in most developed countries more than half of the population are buying goods or services online[9]. Thailand stands in the 39th rank with a score of 5.1 (1-7 maximum) in 2016 in the ‘B2C transactions internet use of businesses’ in the ‘Network Readiness Index’ of Global Information Technology Report 2016[10]. In the latest report (2016) of Electronic Transactions Development Agency of Thailand, the number of eCommerce operators has increased from 502,676 in 2014 to 527,324 in 2015 (4.9% growth) and the value of B2C eCommerce was USD 12,674 mn, USD 14,889 mn, and USD 20,661 mn in the year 2014, 2015, and 2016 respectively (www.etda.or.th). eCommerce in Thailand covers varied categories of goods and services such as apparel and accessories for men and women, health and beauty products, books and magazines, computers and peripherals, vehicles, collectibles, software, consumer electronics, household appliances, audio / video entertainment goods, gift articles, real estate and services, business opportunities, employment, travel tickets, matrimony, pets, and many more.

2. RESEARCH OBJECTIVES

The business-to-consumer (B2C) market, which includes online retail, is a developing segment of e-Commerce at the global level and its share is lower than that of business-to-business (B2B) category of e-Commerce. The study was designed to measure the extent of penetration of e-commerce (B2C) in Thailand and the attitude of Thai consumers towards online shopping. It has got the following specific objectives:

i) To determine the perception of consumers towards online shopping based on Convenience of shopping, Product performance risk, Financial risk, Hedonic motive, and the Protective environment in Thailand;

ii) To determine the penetration of online shopping in the four regions (North, Northeast, Central, and South) of Thailand, based on four commodities- books & magazines, cosmetics, mobile, and laptop;

iii) To determine the attitudinal difference among consumers towards online shopping in Thailand.

iv) To identify the accelerants or deterrents responsible for eCommerce in Thailand.
3. RESEARCH METHODOLOGY

The study is based on primary sample survey among consumers (both online and offline shoppers) in Thailand by dividing the entire geographical area into 4 regions, viz., North, Northeast, Central, and South. Density of population and economic development were the criteria to select provinces from each region, and accordingly, Chiang Mai from the North; Nakhon Ratchasima, and Khon Kaen from the Northeast; Bangkok, and Nonthaburi from the Central; Nakhon Si Thammarat, and Surat Thani from the South were the 7 provinces in the sample out of the total 76 provinces in Thailand. Cultural and behavioral differences among the people in Thailand are evident based on geographical location and hence this classification would give a representative sample for the nationwide study.

A. Data Collection

The data were collected from seven provinces of the 4 geographical regions during the current year 2018, January to March. Questionnaire instrument was used for the survey which was validated and structured through several previous studies and found to be recently used for a similar study by K.T.Aung in Myanmar [11]. Since the size of population is unknown a comfortable sample size of 400 had been targeted to collect from each region. The questionnaire was translated into Thai language and the same was pre-tested at a pilot survey of 100 sample units. The reliability of the items for each variable was satisfactory with a score of 0.7 or more. A screening question was used to group the consumers either as regular online shopper or regular offline buyer, and hence, two separate set of questionnaires were used to collect data. The respondents were selected by convenience sampling method and trained data collectors were appointed in each region for the offline survey. The collected raw data had been subjected to the process of data cleaning and ultimately 1535 sample units (787 regular online shoppers and 748 regular offline buyers) were included in the final data set.

B. Research Hypotheses

The Technology Acceptance Model proved that Perceived Usefulness and Perceived ease of use are the two key determinants of Technology adoption and the attitude towards a particular technology and its perceived usefulness could predict the individual’s behavioral intention to use the technology [12]. The perception of a person towards a particular commodity/act would be reflected in the attitude of having/doing it, or not having/doing it. Therefore, perception is a mental belief and attitude is the outcome grounded on that belief. It is easy to measure the attitude of a person to do or not to do a particular act in quantitative terms. Here, the attitude of consumers to do online shopping depends on many attributes related to it, mainly, the convenience of online shopping, risk in the performance of products which are bought online, financial risk involved in online payment, satisfaction and enjoyment of doing shopping online, legal protection for online transactions, and the credibility of the online sites. Hence, it is hypothesized that-

H01: Attitude of consumers towards online shopping is not significantly influenced by Convenience, Product Performance Risk, Financial Risk, Hedonic Motive, and the existing environment for online shopping.

The penetration of online shopping in Thailand is a critical factor as region-wise to understand the overall growth of eCommerce in the country. There is cultural and economic variations among the different regions of Thailand. So to get a representative sample of the population, the geographical difference has been taken into account. It is important that the most popular commodities which are globally traded in online shopping (B2C) are books & magazines, cosmetics, mobile, and laptop. The online shopping of
these commodities are specifically investigated in this study with the following hypothesis.

H02: There is no significant difference among the four regions of Thailand with respect to the frequency of online shopping in books & magazines, cosmetics, mobile, and laptop.

The third research objective is about the difference in attitude towards online shopping between regular online shoppers and regular offline buyers. Penetration of eCommerce depends on the change in attitude of buyers to shift from traditional buying habit to the online mode. The change in attitude depends on the perceptions about the risk involved in buying online, and the protective laws and measures existing in the country to secure the online transactions. Also, the awareness about these laws among consumers is important for the growth of eCommerce in the country. Therefore, the difference in attitude between these two groups of consumers is considered as a challenging issue, and the proposed hypothesis is-

H03: There is no significant difference in the attitude towards online shopping between regular online shoppers and regular offline shoppers.

C. Data Analysis and Findings

The survey was conducted with the specific objective of investigating the shopping attitude of consumers of Thailand in general towards four selected commodities: Books and magazines; Cosmetics; Mobile; and Laptops by classifying consumers in two groups: 1) Regular Online Shoppers, and 2) Regular Offline Buyers.

1) Regular Online Shoppers (n=787): Among the regular online buyers the frequency of buying is maximum for cosmetics (51%) and the least for laptop (10%). Books and Magazines (16%), Mobile (18%), and other commodities (49%). Other commodities are mainly, apparels, shoes, and bags. The demographic profile of the sample set is distributed as- gender-wise: female (60%), male (33%), and transgenders (7%); age-wise: 18-27 years group (80%), 28-42 (17%), and 43-52 (3%); income-wise: a monthly income of less than THB 10,000 (59%), 10,000-30,000 (38%), and above 30,000 (3%); status-wise: students (70%), employees or business executives or professionals (28%), and unemployed (2%). Forty one percent of the regular online shoppers use internet more than 6 hours a day. Hence, the penetration of online shopping is high in cosmetic items and low in the case of electronic items like laptop and mobile, and also low in Books and magazines in Thailand. The online shoppers mainly use Facebook sites (36%), followed by Lazada (22%), and Shopee (13%). This data indicates that Thai online consumers trust more in domestic eCommerce websites created by the online seller rather than the foreign websites developed by eCommerce website developers[13]. Or in modern terminology ‘social commerce’ is more popular in Thailand because of the increasing penetration of smart phone and the prevalence of 3G and 4G networks in the country.

The Attitude (DV) of regular online shoppers was tested through multivariate linear regression (MLR) analysis to find out the influencing factors of online shopping in Thailand. The following five independent variables were identified: Convenience; Product Performance Risk; Financial Risk; Hedonic Motive; and the Existing Environmental factors. Each of this variable is measured by 3 or more items and used a 5-point scale (1-strongly disagree to 5-strongly agree).
TABLE 1 - RELIABILITY AND COLINEARITY

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alpha</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>0.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenience</td>
<td>0.68</td>
<td>0.81</td>
<td>1.24</td>
</tr>
<tr>
<td>Product Performance Risk</td>
<td>0.73</td>
<td>0.65</td>
<td>1.54</td>
</tr>
<tr>
<td>Financial Risk</td>
<td>0.62</td>
<td>0.62</td>
<td>1.62</td>
</tr>
<tr>
<td>Hedonic Motive</td>
<td>0.78</td>
<td>0.69</td>
<td>1.44</td>
</tr>
<tr>
<td>Existing Environment</td>
<td>0.74</td>
<td>0.83</td>
<td>1.20</td>
</tr>
</tbody>
</table>

Source: Developed by Researchers

Table 1 gives the coefficient of alpha of the items for each variable and the reliability scores are at a satisfactory level of 0.62 to 0.81. The Colinearity of the Independent variables are tested to fulfill the assumptions of MLR and it is evident from the Table that there is no multicolinearity (since all VIF scores are less than 5) and no correlation among the Independent Variables (since all Tolerance scores are less than 0.9).

Normal Q-Q Plot (Figure 1) has been used to test the assumption that the Dependent Variable – Attitude – is normally distributed. The points seem to fall about the straight line and hence the data set does not violate the normality assumption.
The 5-point interval scale data could be interpreted in a value range of: Strongly disagree (1-1.79); Disagree (1.80-2.59); Neutral (2.60-3.39); Agree (3.40-4.19); and strongly agree (4.20-5). Hence, the four items of the Dependent Variable- Attitude- has got a mean value of 3.69 (Agree); and the items of Independent Variables have the mean values- Convenience 3.86 (Agree), Product Performance Risk 2.32 (Disagree), Financial Risk 2.47 (Disagree), Hedonic Motive 3.62 (Agree), and Existing environment 3.39 (Agree). The standard deviation of the distributions ranges between 0.53 – 0.67.

The Correlation Matrix (Table 2) shows that there is high positive correlation (0.61) between Attitude and Convenience and it is significant at 1 percent level. Low inverse correlation between Attitude and Product Performance Risk (-0.15) and Financial Risk (-0.16) and both are significant at 1 percent level. The correlation between Attitude and Hedonic motive is positive (0.5) and significant at 1 percent level, but there is low positive correlation between Attitude and Existing environment (0.17) and significant at 1 percent level.

The Multivariate Linear Regression results (Table 3) reveals that the model has got an explanatory power of 44.4 percent (Adj. R-square 0.444) and the F-value is significant at less than 1 percent level, and hence, the model is suited for the data. However, the regression coefficients (beta-values) are significant only for two independent variables- Convenience, and Hedonic Motive- and it has highest value for Convenience (β=0.491) and the p-value is less than 0.001, and, therefore the Attitude is greatly influenced by Convenience of online shopping. The Hedonic Motive is also an influencing factor since it has got p-value less than 0.001 for its regression coefficient (β=0.277). Both these coefficients are positive, and hence, they have a direct relation with the Dependent variable- Attitude.

The regression coefficient of Product Performance Risk is negative, as expected, but it is not significant. The Financial Risk is totally insignificant in this model, also the existing environmental factors does not show any significance. Hence, the Null Hypothesis (H01) is not accepted, or, in other words, the Attitude for online shopping is significantly influenced by Convenience, and Hedonic Motive of consumers.

The frequency of online shopping is measured by two items– Regularity in Online shopping, and Intention for online shopping- for each of the commodities under study. The measurement was in a 4-point scale (Never=1, Sometimes=2, Often=3, and Always=4).
The region-wise mean (Figure 4) ranges from 1.38 to 1.45 in the four regions and the overall mean is 1.44 with a minimum and maximum values of 1 and 3.38 respectively. The mean value is in the range of 1-1.75, which means the majority opines ‘Never’, or very low frequency in online shopping of the four commodities. The mean is further analyzed region-wise with the help of one way-ANOVA. Since the p-value of homogeneity of variance is less than 0.001, the Welch statistics is used to interpret the results. Welch statistic (3, 430) =3.053, p-value=0.028. It indicates that there is significant difference among the four regions in the penetration of online shopping of these commodities at less than 5 percent level of significance. The central region has the maximum penetration with a mean value of 1.48, followed by Northeast (1.46), South (1.45), and North (1.38) in the region-wise comparison.

2) Regular Offline Buyers (n=748): Eighty five percent of the offline buyers in the sample responded as internet users and of these 44% have tried online shopping once or more than once. The offline buying frequency is highest for Cosmetics (67%), followed by Books & Magazines (61%), Mobile (56%), and Laptop (33%). The profile of the sample set is distributed as- gender-wise: highest proportion for female (56%), male (39%), and transgender (5%); age-wise: highest proportion for 18-27 age group (52%), 28-42 age group (18%), 43-52 age group (17%), and above 52 years (13%); income-wise: highest proportion for monthly income less than THB 10,000 (54%), 10,000-30,000 (36%), and above 30,000 (10%); status-wise: highest proportion for employees or business executives or professionals (50%), students (41%), and unemplyed (9%).

The opinion survey was conducted in a 5-point scale (1-strongly disagree to 5-strongly agree) to get the attitude towards offline shopping (proxied as negative statements of attitude towards online shopping) and the variables related to offline buying are Convenience of retail shops, Product performance risk while shopping at retail shops, Financial risk in offline shopping, and the existing legal protection of online shopping. The mean and standard deviation of the variables are plotted in figure 3. The mean could be interpreted as explained in the case of the previous data set. The mean value of three items of the variable Attitude is 3.02 (neutral), Convenience- 3.81 (agree), Product performance risk- 3.87 (agree), Financial risk- 3.54 (agree), and Legal protection for online transactions- 3.62 (agree). The standard deviation of the distributions are in the range of 0.65 to 0.88.
Attitude towards offline shopping is positively correlated to convenience (0.388) and it is significant at 1 percent level. Product performance risk is positively correlated (0.264) to Attitude. Legal protection existing in the country is not sufficient for online transactions as it is positively correlated (0.226) to Attitude. The less financial risk of offline transaction is positively correlated (0.119) to Attitude towards retail shopping. All these correlation coefficients are significant at 1 percent level (Table 4).

3) Online and Offline Buyers Combined (n=1535):

One way Analysis of Variance was used to determine whether the levels of attitude on online shopping differed among regular online shoppers and regular offline shoppers. Levene statistic (1,1533) = 0.224 with p-value 0.636, indicates that the two sample sets have homogeneity of variance. The ANOVA shows significant differences between the groups (F (1,1533) = 473.65, p-value < .001). Regular Online shoppers showed greater level of attitude towards online shopping (Mean=3.69, S.D=0.54) than regular offline buyers (Mean=3.02, S.D=0.65). Hence, the null hypothesis (H03) is not accepted. This further supports the findings of a previous study in Thailand that experience in online purchase has significant influence in purchasing intention through online [14].

4. DISCUSSION

The study focused on penetration and perception of eCommerce in Thailand where there is wide cultural and economic variation among different provinces and regions. Here a detailed investigation with pre-determined objectives was initiated in the beginning of 2018 and the survey had been completed in 3 months. The macro level statistics revealed that B2C eCommerce value has increased in Thailand to 23.87% in 2015 from 2014 and the per capita increase in value was 33.65% in this period (USD 230.89 per capita in 2015) [15].

1) Perception of Consumers: The regular online shoppers perception about online shopping is a matter of concern for the growth of B2C eCommerce in the country. Attitude towards online shopping is the underlying factor to determine perception and hence the four items used to measure Attitude is to be discussed in relation to the 5 independent variables, viz., Convenience, Product performance risk, Financial risk, Hedonic motive, and Existing environment to protect online transactions. The overall mean score of the 4 items (like the idea, feel as positive idea, believe as wise idea, and feel a good idea for shopping the listed commodities) of the dependent variable- Attitude is 3.69 and the individual score of the items ranges from 3.64 to 3.73, which indicates that the general opinion is ‘agree’ level for attitude towards online shopping. Convenience of online shopping has got the highest mean score (3.86) among the 5 independent variables. Convenience is measured by 3 items; i.e., can buy at any time (mean=3.85), save a lot time (mean=3.95), and easy to choose and compare (mean= 3.79) and all these are at ‘agree’ level of opinion and most highly accepted item is ‘time-savings in online shopping’. The cost of time varies from person to person and the power of internet and eCommerce save time and money of consumers. Hedonic motive comes in the second place with a mean score of 3.62 which is measured by 4 items (novelty, new experience, curiosity, and exploring a new world) and their individual mean score ranges from 3.58 to
3.66, and hence, all are at ‘agree’ level of opinion. Experimenting new things to satisfy the sense of curiosity is a good quality of young generation in Thailand for the success of the objectives set in Thailand 4.0 program. Existing environment for online shopping is the variable measured by awareness about existing legal protection for online transaction, consumer’s belief on such laws, and third party certification of online shopping sites and their mean score was 3.45, 3.35, and 3.36 respectively. The mean score of the variable is 3.39 which falls in the ‘neutral’ level of opinion and only the first item in the ‘agree’ level. This is a serious matter of concern for the growth and development of eCommerce in the country. This finding supports the view of a previous study that Thai consumers lack trust and confidence in the laws and online merchants [16]. The legal system and the judiciary must be credible and transparent in giving confidence to the people for their eCommerce transaction. This is found to be lacking in the country. The financial risk in doing online transactions in the country is measured by 3 items- get the real worth of money for the products bought, no concern on giving credit card or net banking details, and no possibility of non-delivery of products- has a mean score of 2.47 which indicates ‘disagree’ level of opinion. Therefore the consumers in Thailand feel that there is high financial risk while doing online transactions. This could be resolved only by enacting suitable protective laws and through awareness programs among the consumers. The Product performance risk for the products bought online (measured by 3 items) has got a mean score of 2.32, indicating ‘disagree’ level of opinion, also, shows higher risk in doing online transactions. This is another deterrent against eCommerce in the country. Trust in online purchase positively affects buying intention and negatively affects perceived risk[17]. These findings support the findings of a previous study conducted in Malaysia where it was found that product risk, financial, and non-delivery risks are hazardous and negatively affect the attitude of online shoppers[18].

Convenience of online shopping and Hedonic motive of consumers are the two influencing factors for a positive attitude towards online shopping among consumers in Thailand as per the results of MLR analysis. The existing legal environment to protect consumers from financial risk and product performance risk are to be taken care by the government and the business community to bring confidence in the young generation (vast majority in the sample) of consumers for the speedy growth of eCommerce in the country. Hence, the online shoppers’ perceptions, while shopping books and magazines, cosmetics, mobile, and laptop, are hardly conducive to a relaxed atmosphere for the swiftly development and growth of eCommerce (B2C) in par with the technological progress achieved and penetration of internet in the country.

2) Penetration of Online shopping: The penetration of online shopping (B2C) depends on technological progress and perceptions of consumers. The four regions of the country are varied in cultural behavior and economic progress- for example the central region which includes the capital city, Bangkok, has got an industrial and business culture, while the Northern, Northeastern, and Southern regions are dominated by an agrarian culture. Of course, this variation causes variation in purchasing power and buying habits of the people in general. The frequency of online shopping on selected commodities (books & magazines, cosmetics, mobile, and laptop) is the variable used to investigate the penetration of eCommerce in Thailand. The frequency is measured by regularity and intention of online shopping by the regular online shoppers. The frequency of buying cosmetics is the maximum in the case of online buying (51%) as well as offline buying (67%). The reason may be that the majority in the sample size are youngsters and middle-aged group and also women. The online shopping of Books & magazines, Mobile, and Laptop are 16%, 18% and 10% respectively by online shoppers and the corresponding ratio of offline shopping are 61%, 56%, and 33% respectively by the offline buyers. The penetration of e-commerce (B2C) is based on the data collected from regular online consumers and their buying habit on the commodities under study. The penetration of online shoppers is estimated to be 25 percent with a confidence
interval at 95% level would be 23 to 27 percent. Further, the region wise analysis proves that regional differences are significant and Central region (including Bangkok) is showing a higher tendency of penetration than the North, Northeast, and South as per the ANOVA test. It is due to the cultural differences and lack of confidence in online transactions among the people in rural areas. Therefore, more awareness programs are needed in Thailand, especially in North, Northeast, and Southern regions for the growth of eCommerce (B2C). Furthermore, the correlation analysis of Offline buyers data reveals that retail shops are more convenient, have less product performance risk, get the discount offers, and prices are sometimes cheaper for these products than online buying. These are supporting factors for the growth of retail shops and sometimes have adverse effect in online shopping.

3) Difference in Attitude and factors responsible (accelerants or deterrants) for eCommerce (B2C) in Thailand: The Analysis of Variance merging the two groups of data (online shoppers and offline buyers) reveals that there is significant difference between these two groups as far as the attitude towards online shopping is concerned. A positive level of attitude (mean= 3.69) is expressed towards online shopping by the regular online shoppers, whereas it is neutral (mean= 3.02) by regular offline buyers. The regular offline buyers are consumers doing online buying occasionally, but they are not comfortable with it due one or more reasons. The study has identified the following accelerants (statistically significant on One-way ANOVA test) responsible for the growth of eCommerce (B2C) in Thailand.

- The gender-wise variation in the attitude towards online shopping is not present in Thailand, and the three genders in the study are showing almost equally positive attitude towards B2C eCommerce.
- The age-wise variation in attitude prevails in the country. The lower middle-aged group (28-42) shows a significantly higher positive attitude than that of the youngsters (18-27) or the upper middle aged group (43-52).
- The income-wise classification indicates that there is significant variation among the groups. The middle income group (20,000-30,000) and upper middle income group (above 30,000) have significantly higher attitude towards online shopping than that of low income group (< 20,000).
- The status-wise variation in attitude is also significant in Thailand. The employees have a high positive attitude towards B2C than that of business executives or professionals or students.
- Convenience and Hedonic motive of online shopping are the two significant factors responsible for creating a positive attitude towards eCommerce (B2C) in Thailand.

- The following deterrents (statistically significant on One-way ANOVA test) which act against the growth of eCommerce (B2C) in Thailand are identified in the study.
- The product performance risk of commodities bought online is perceived to be very high by the regular online shoppers of Thailand.
- The financial risks involved by sharing credit card details or online banking details are perceived to be very high by the regular online shoppers in Thailand.
- The inadequacy of laws or unawareness of laws that protect eCommerce transactions have been highly demotivating the regular online shoppers as well as regular offline buyers in the country.
The negative attitude towards online shopping has been significantly high in the younger age group (18-22) of regular offline buyers.

The negative attitude towards online shopping has been significantly high among the low income group (< 20,000) than that of high income groups of regular offline buyers.

The negative attitude towards online shopping has been significantly high among the students of regular offline buyers.

5. CONCLUSION

The key objective of this study was to investigate the penetration of business-to-consumer (B2C) eCommerce in Thailand and it is estimated that the average penetration of online shopping in Thailand is approximately 25% in volume on the four selected commodities (books & magazines, cosmetics, mobile, and laptop) together and it is maximum in the case of cosmetics (51%). The central region shows a higher penetration than that of North or Northeast or Southern regions. Convenience is the most important influencing factor for online shopping and the consumers of Thailand, in general, lack confidence and trust in the existing laws that protect electronic transactions, and the online vendors due to the risks involved in the delivered products’ performance and quality. These perceptions could be changed by effective laws and its implementation, and by the operation of trustworthy online shopping sites. Nevertheless, the penetration of online shops is no longer a threat to the traditional retailers in Thailand, since there is a good segment of consumers who patronage physical shopping due to its own convenience, pricing, and promotional features. The purchasing power and status of the consumers are proved to be influencing externalities for the growth of eCommerce (B2C) in Thailand, as it is evident in developed countries. It’s important to mention here that the modern markets are driven by the ‘feedback effect’ of Information Revolution which would ultimately benefit the consumer [19].

References


