

# **E-Commerce Adoption in Thailand: An Empirical Study of Small and Medium Enterprises (SMEs)**

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## **ABSTRACT**

*Thailand, one of the fast growing countries in Asia, has initiated and implemented a series of national plans and activities to promote e-commerce adoption in both public and private sectors. Despite such efforts, e-commerce adoption rate is still slow. It is therefore important to understand factors affecting a firm's decision on e-commerce adoption in Thailand. This study examines the factors influencing e-commerce adoption decisions in small and medium enterprises (SMEs) in Thailand. We classify firms into three main groups based on the earliness of e-commerce adoption, namely adopters, prospectors, and laggards. Three groups of factors influencing adoption decisions are identified, including organizational, technology, and environmental factors. Data was collected through a national survey in Thailand. The statistical analysis results strongly support the hypotheses. The results are interpreted and the implications of this study are subsequently discussed.*

## **KEYWORDS**

**Electronic Commerce, Small and Medium Enterprises, Technology Adoption, Empirical Study**

## **INTRODUCTION**

Currently, e-commerce, "the sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunication network" (Zwass, 1996), pervasively and dramatically affects the way firms think, operate, and compete in the market. It was predicted that e-commerce would generate the worldwide revenue as high as 6.9 trillion dollar in 2004, and the number of Internet users would grow as high as 765 million users in 2005 (CommerceNet, 2003). About forty percent of the online spending is originated in the United States; however, this proportion is predicted to reduce to about 38 percent by 2006 as increasing online spending of residents in Asia and Western Europe (Virgoroso, 2002). In addition, it is also expected that the online buying in Asia will grow about 89 percent in 2002 (Virgoroso, 2002), and the Asia Pacific will be the second most profitable with a value of 1.6 trillion dollar (CommerceNet, 2003).