# THONGCHAI  SURINWARANGKOON
### Suan Sunandha Rajabhat University, Thailand

# SUTHA PONGTHAWORNPINYO
### Suan Sunandha Rajabhat University, Thailand

# ENHANCING THE COMPETITIVENESS OF E-COMMERCE IN BANGKOK, THAILAND

## Abstract:

The objectives of this research were to study the current use of e-commerce in business and to find the guidelines for enhancing the competitiveness of e-commerce for businesses. This research employed quantitative and qualitative research methodologies. The research samples were 400 customers in e-commerce in Bangkok, Thailand. These samples were collected by simple random sampling method. The research tool for data collection was a questionnaire. Data were analyzed in terms of percentage, mean and standard deviation. The researcher also conducted interviews with 5 executives and computer staffs of e-commerce organizations in Bangkok, Thailand. They were selected by purposive sampling. The research result revealed that enhancing the competitiveness of e-commerce business were as follows: 1) e-commerce organizations must set up clear policies for e-commerce business, 2) appropriate marketing and promotions of e-commerce must be reviewed and improved, 3) good system security must be determined, and 4) modern technology must be applied for e-commerce, continuously.

## Keywords:

Enhancing, competitiveness, e-commerce

**JEL Classification:**  Y80

## Introduction

E-commerce is selling products or service by sending information electronically via computer networks. It combines internet technology with the sale of products and services. E-commerce can provide related information of products and services via internet to people around the world in a short time.

E-commerce can be divided into the following 5 categories; 1) Business to Consumers or B2C which consumers use internet to buy products from businesses that advertise on the internet, 2) Business to Business or B2B, it is the type of business that deals with the internet, 3) Business to Government or B2G, businesses sell products to the governments, 4) Government to Government or G2G, they sell and buy products electronically, and 5) Consumers to Consumers or C2C, a consumer sell products to another consumer, such as eBay or www.ebay.com  which consumers can pay by credit card.

There are 2 types of e-commerce; 1) digital products such as software, music, videos, digital books, etc., which can be sent over  internet, and 2) non-digital products, such as handicrafts, clothing, leather products, jewelry, machinery, etc., which must be shipped by courier, mail, or courier company.

The e-commerce process composed of 5 important steps: 1) search, it is finding the product that customers want, then each information is analyzed for comparison, 2) ordering, when the customer selected the desired items, it will import the items to the basket and all costs will be calculated, customers can modify the order and quantity, 3) payment, when customers make a purchase, the next step is to define a payment method which it depends on the convenience of each customer, 4) delivery, once the customer has determined the payment method, they will enter the delivery method, and 5) after-sales service, after completing each order, shop  requires after sales service to customers. It may be possible to contact the customer through the internet, such as e-mail and web-board.

E-commerce was used to communicate within the organization and between organizations that trade together. The development of technological systems in terms of software and hardware can enable the delivery of messages within organization and between organizations better (Shu, Tian-zhi & Mao-hua, 2007). The use of information technology can reduce the amount of resources in the organization and corporate cost were reduced (Carr and Smellizer, 2002). There are 4 steps of CRM application for e-commerce: 1) identity, customer's data must be collected, 2) differentiation, customers behavior must be analyzed and customer must be categorized into target groups, 3) interaction, customer and e-commerce support must be interaction must be interacted in order to promote long-term customer satisfactions, and 4) customize, individual service should be provided for each customer (Saksit & Thananchai, 2010). The important marketing mix, which affects the decision to buy products and services in the social

network, were distribution channels, service process and prices, respectively (Wandee, 2011).

In the world of globalization, businesses are more competitive. Under the current advances in information technology, if the entrepreneur continues to operate the same business without developing a business model to be able to compete. Especially in the use of information technology to facilitate the speed and accuracy of the operation in the current situation. This will cause the organization to lose a lot of business opportunities (Thanasuwit T., 2012).

## Research Objectives

Objectives of this research were to:

1) find guidelines for enhancing the competiveness of e-commerce in Bangkok appropriately; and

2) indicate guidelines for the application of technology to benefit the businesses.

## Research Methodology

This research employed a quantitative research methodology. There are 2 groups of research samples. The first group was customers of e-commerce in Bangkok. The research samples were selected by random sampling following the sample size of Taro Yamane, using 400 questionnaires. Data were collected on February, 2018 in terms of general backgrounds of research samples, the use of e-commerce, advantages and weakness of e-commerce, and opinions on the use of e-commerce.

Moreover, data were conducted by interviewing the second group of research samples which 10 samples were selected by purposive sampling from marketing executives or computer staff in business organization in Bangkok, Thailand. The interviewing were conducted on February 1-15, 2018 in terms of the use of e-commerce in business, problems of using, the use in the future, and suggestions on the future use of e-commerce for business.

After that, the research data from questionnaires and interviews were analysed by descriptive method. The statistics were percentages, mean, frequency distribution, and Likert's rating scale.

## Research Results

The research result was revealed as in the following aspects.

(1) Nowadays, e-commerce is applied to use in business widely for public relations, business interactions and information linking. It support buyer to contact seller easily and business can reach more customers with low transaction cost per unit. Therefore, business organizations have to set clear policy, provide enough budgets, and manage staffs training for corporate e-commerce application.

(2) Business organizations should use marketing promotion and CRM as supporting tools for their e-commerce. To impress brand loyalty and build a good relationship with current customers and get new customers, these tools will pull the customers back to buy. Satisfied customers are valuable assets that the organization should maintain. This will increase the profit of e-commerce and create value for customers beyond the competition in the long run.

(3) E-payment is very convenient to both traders and customers. However, it must be well-designed for good system security in order to keep system reliability.

(4) Modern Technology: E-commerce create increasing online community such as Facebook, WhatsApp, Twitter, Line, Instagram, etc. This allows users to create and share their knowledge and experience. Moreover, M-commerce has continued to grow as more and more people are using phones worldwide.

The guideline for enhancing the competitiveness of e-commerce business were as follows: 1) e-commerce organizations must set up clear policies for e-commerce business. They must provide enough budget plan for corporate e-commerce infrastructure, 2) appropriate marketing and promotions of e-commerce must be reviewed and improved. CRM should be applied in e-commerce appropriately, 3) good system security must be determined, especially for electronics payment method, and 4) modern technology must be applied for e-commerce, continuously.

## Acknowledgement

## References

Carr, A.S. and Smellizer, L.R. 2002. The Relationship between Information Technology Use and Buyer-Supplier Relationships: An Exploratory Analysis of the Buying Firm's Perspective, *IEEE Transaction on Engineering Management, Vol.3, pp.293-304.*

Saksit, R. and Siwaphop, P. 2010. *E-commerce by Using CRM Technique*, Faculty of Information Science, Mahasarakham University, Thailand.

Shu, G., Tian-zhi, R., and Mao-hua. 2007. Technology and Infrastructure Considerations for E-commerce in Chinese Agriculture, *Argriculture in China, Vol.1, pp.1-10.*

Thanasuwit, T. 2012, Factors affecting the performance of the apparel industry, *UMT Poly Journal, Vol.9, No. 2 , pp.106-116.*

Wandee, R. 2011. Buying behavior on facebook social network: case study Bangkok, Master thesis in Entrepreneurship. Silpakorn University, Thailand.