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TITLE:

ANALYSIS OF THAILAND'S E-COMMERCE DEVELOPMENT DURING
COVID-19 PANDEMIC

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INTRODUCTION

1. Introduction

The new technology development during the 21st century, it is impossible to deny that it has influences on every industry. With over 170 million active social media users, it is imperative that every working professional has a basic understanding of digital marketing in today's interconnected world. In order to better manage technology within a company, businesses can take advantage of available business technology to better organize and coordinate internal technology management. It is a set of strategies, procedures, and structures for managing a business and its technology so that it may better meet the needs of its customers. Most companies know that they need to constantly push not just their competitors but also themselves if they want to increase consumer satisfaction and expand their market share. It is also applicable within the commerce sector.

Thailand is a country located in the heart of South East Asia, with an upper income economy. Agriculture, manufacturing, tourism, services, and natural resource extraction are the primary contributors to Thailand's varied and diversified economy, which also includes important segments such as natural resource extraction. Some of Thailand's most vital economic pursuits are the production of goods and the development of physical infrastructure. The government authorized the Infrastructure Development Plan (2015-2022) to improve transportation connections (railways, motorways, water transportation, aviation, and mass transit projects) both within Thailand and with its neighbors. A total of 3.3 trillion baht, or around US\$101 billion, will be needed to implement the proposal. Sales will increase as domestic e-commerce usage increases. Due to a high demand for foreign brands and a dearth of domestic options, 50% of e-commerce spending in Thailand is from outside the country. The top export markets are the US, China, and Japan. This ratio might alter as more domestic retailers take advantage of digital sales opportunities.

This thesis prioritizes the roles and responsibilities of the development of the e-Commerce before and also during the Covid-19 pandemic. It will show the analysis of the common trends that Thailand has similar to the world's trends and the future trends of market growth. The thesis summarizes the history, practices, challenges, and achievements of the Thai digital commerce, especially to study the outcome of the market of e-Commerce in Thailand comparing with the overview of the global e-Commerce.

2. Statement of Problem

This dissertation will be analyzing and examining from several questions as follow:

- Introducing current E-commerce structure and evolution.
- Establish the system of e-Commerce in Thailand.
- How is the Thai E-commerce performance during Covid-19?
- Overview of Thai digital commerce trends and projections.
- Which strategy should be used to improve Thai E-commerce?

3. Research Objectives

The core objective of this dissertation is to comprehend the current performance of the system and expansion of e-Commerce in Thailand to see whether its integrity compared to the South East Asian zone, and to pinpoint the primary issue, which will let us figure out how to enhance and strengthen it. Furthermore, to study its market growth and the existing trends. The author will show how digital commerce was used successfully during the COVID-19 pandemic and how it changed. The challenges facing the local market and the government corporations will also be summarized in brief. The study will reveal every conceivable development aim and strategy, either for the nation's e-commerce system and forecasting the future alteration of the market's growth, in a comprehensive manner. Finally, the research will make recommendations for potential pandemic-related influences on e-commerce and consumer behavior, as well as what the e-Commerce industry can do to strengthen its tactics moving forward.

4. Research Scopes

This research contributes to a better knowledge of Thailand's overall performance in electronic commerce, assists in identifying any areas that still need to be improved in order to have a more efficient e-Commerce system and makes recommendations in accordance with global norms. Additionally, the dissertation will provide a comprehensive review of the development objectives, necessary approaches that might be taken, obstacles, and proposals for e-Commerce that will assist in the process of development.

5. Methodology

This dissertation adopts qualitative research methodologies, with all material and data gathered from previously published papers, academic research, case studies, government reports, local articles and books as sources for the literature review and the composition of this research. The term of e-Commerce has their own standards based on each nation. However, it is imperative to keep in mind that each nation is unique; consequently, it is not possible to generalize the best practice based on the fact that it was successful in a specific location. The author will begin with a research based on the local market of Thailand and its growth. After then, the author will also use information from academic research, reports, and presentations of international organizations and foreign investors that have been published on the Internet by websites such as World Bank, Trade.gov, Statista, ETDA, and others.

CHAPTER 1: PERFORMANCE OF E-COMMERCE IN THAILAND

1. Introduction to E-Commerce

The advancement of technology has made e-commerce a viable alternative to traditional retail stores for buying and selling. The term of “E-commerce” refers to electronic commerce, sometimes known as internet or online commerce, the buying and selling of products and services over the internet, along with the transmission of monetary value and data to facilitate the transactions. Electronic commerce refers to the transaction or exchanging goods and services on the Internet via websites or applications as platform to present goods and services, including to communicate between buyers and sellers. This modern system helps facilitating the purchases, users can utilize the service from anywhere of the world and participate in on a daily basis as long as they are eligible of the access to internet. E-commerce really covers every sectors in the market, it is possible to purchase any products counting from groceries to diamonds to services via Internet.

The origins of the digital commerce started since the late 1970s and has become popular during times with the evolution of technology and internet in this era. E-commerce was nothing more than a dream a few decades ago, but nowadays it's become one of the most common ways to do one's shopping. Around the middle of the 1990s, there was a period of time during which significant progress was made in the commercial use of the Internet. People first started making e-commerce websites during that time. In 1991, with the broad acceptance of the Internet, the introduction of the World Wide Web, and the development of the first browser for accessing the World Wide Web in 1993, the majority of e-commerce went online. One of the first websites to engage in electronic commerce was Amazon, which began in 1995 as an online bookshop and has since grown to become the most successful online retailer on a global scale. (Heng Michael (2003). The explosion of new technology and the popularity of internet in the 2010s was how e-commerce has changed over time to become such a common way to shop today.

In recent years, the practice of buying online has grown to become an increasingly significant part of the retailing sector all around the world. An ever-increasing number of individuals are making purchases online, which has brought the total number of internet users to get within close reach of five billion. This is a result of the internet's quick widespread implementation

and availability. When the internet became widely available to the public, the retail sector has seen a substantial transformation that was equivalent to that of many other types of enterprises. Customers from almost every country in the world are now able to benefit from purchasing goods online as a logical result of the ongoing digitalization of modern life. As a result of the massive changes that have taken place throughout the e-commerce industry, huge merchants are still putting a strong emphasis on online sales, and even small businesses with a local focus, are increasingly turning to technological channels to increase their revenues. The fact that people are no longer restricted to shopping in a single store or even 100 physical stores in a shopping mall is one of the primary drivers behind the explosive growth of e-Commerce across the world. Customers have the freedom to shop at any retailer of their choosing now that there are numerous online marketplaces providing access to a diverse selection of brands and possibilities. E-commerce has risen up the satisfaction of the customer concerning their needs and providing variety of choices where the customers can take advantages on with the ability to compare different markets through online channels.

2. Geographic and economic background of Thailand

Thailand is an emerging country located in the heart of South East Asia in the middle of Indochinese peninsula. The country is surrounded by four other Asian countries, to the east and northeast by Cambodia and Laos, to the country's northwest by Burma and to the south by Malaysia and the Gulf of Thailand. The country covers an area of 513,000 square kilometers and its most noticeable topography is the high mountains and the central plains. Like the other nations of mainland Southeast Asia, Thailand's territory is crossed by the Mekong River and is bounded by a huge river the Chao Phraya River. The total population is 70 million in 2022 and the population density is 137 per Km² (Worldometer, 2022). Currently, 50.5 % of the population of Thailand is urban. The country is also well known for its growing infrastructure in Bangkok, its capital city, which is one of the biggest hub in Southeast Asia. According to World Bank, Thailand is an upper-middle income economy where its GDP US \$505.98 billion in 2021 and The primary contributors to Thailand's economy are agriculture, industry, tourism, services, and natural resources, in addition the country also features a diversified service sector. (World Bank, 2021). The construction of new infrastructure and the manufacturing of products are two of Thailand's most important economic sectors.

The region now known as Thailand was formerly known as Siam and was never colonized by Europeans. Up until 1932, independent Siam was ruled by an absolute monarchy. Thailand has

been a constitutional monarchy with a democratically elected parliament ever since. The military has regularly taken over political institutions through coups. The current form of governance of the country is a constitutional monarchy, with the king serving as the head of state and the prime minister ruling over government affairs. Its economic system is considered as a mixed economic system because it combines elements of both centralized economic planning and government regulation with various degrees of individual freedom. (Winichakul, Thongchai, 2011). The 1960s until 1990s was the booming era for Thailand, its economic developed rapidly before the country faced the Asian Financial Crisis in 1997. The crisis was debuted in Thailand which stagnated its economic growth and spread to its neighbor countries, on account of the global financial crisis and the exchange rate where Thai baht currency was devalued comparing to US dollar currency. A year later, Thailand overcame the economic turn down with the aid of IMF that allowed loans to adjust and rebalance the Asian economics. (Hewison Kevin, 1999).

Based on World Bank, the Thai economic annual rate growth was 5%. This prosperity resulted in the creation of millions of employment, which allowed millions of people to lift themselves out of poverty. Thailand continued being ranked among the fastest developing countries as a consequence of its free-market economy with a combination between a technologically advanced industrial economy, powerful service sectors, and substantial agricultural sectors. The nation is a participant in both the Asia-Pacific Economic Cooperation (APEC) and Association of Southeast Asian Nations (ASEAN). The Gross Domestic Product (GDP) of Thailand is the tenth largest in Emerging Markets and the 20th largest in the world and it is the 6th largest GDP in the Asia-Pacific region (WorldEconomics, 2021). Thailand is also ranked the second-largest economy in Southeast Asia because it continually had excellent economic growth as a result of its solid economic foundation and various economic sectors. Within a relatively short amount of time, Thailand has made remarkable strides in both its social and economic development, moving quickly from a nation with a low income to one with an upper middle income. The foundation of the country's service industry, travel and tourism, provides a very limited number of chances for connections and diversification in comparison to other service subsectors. The electronic manufacturing sector in Thailand is responsible for the production of the largest proportion of the goods that are exported, accounting for 15% of all goods shipped out of the country. According to projections, the value of these exports is \$55 billion. In addition to that, this particular industry accounts for 12.2% of all jobs in the manufacturing sector in Thailand. The items that fall into this category that are most commonly exported are computers and circuit boards. The value of computer exports is \$18.3 billion, which accounts for 7.9% of overall

exports, while the value of integrated circuit exports is \$9.8 billion and accounts for 4.2% of total exports. Besides its outstanding electronic manufacturing sector, E-commerce is also one of the blossoming sector. Thailand is the 22nd-largest market for E-Commerce, if compared with the Europe market it stands after Switzerland and ahead of Austria with a revenue of approximately US\$10.5 billion in 2021. It is anticipated that the Thai E-Commerce market will generate revenues totaling \$19.26 billion in the year 2022. The sector of E-Commerce market of the country grew by 28% in 2021, which helped the global market grow by 15%. (EcommerceDB, 2021).

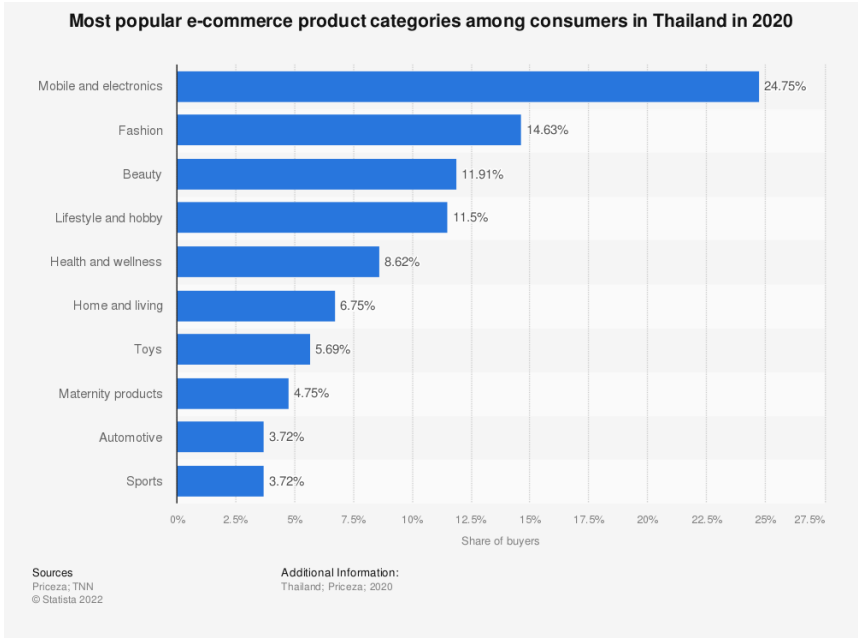
3. E-Commerce in Thailand

In recent years, Thailand has had a level of increase in its e-commerce sector that is comparable to the above of many other countries in Asia. The size of the e-commerce market in Thailand is currently around 11,000 million US dollars, measuring the market based on the Gross Merchandise Value (GMV). As an explanation of this growth, according to the ETDA's Thailand Internet User Profile 2018, the average daily time spent by each Thai has increased to an average of 10 hours and 5 minutes per day as a result of the country's rising changes toward more digital lifestyles. The nation's annual rise in digital usage has climbed by 24% over the past few years that constitutes an increase of 3 hours and 41 minutes a day. The vast majority of Thai people have a positive view of the digital world. Sixty-eight percent of Thai people believe that new technologies present more opportunities than threats, and fifty-two percent would rather complete their work online whenever it is an option. Personal use accounts for 90% of the time spent online, whereas only 10% is spent conducting business. At least two online purchases are made each and every single month by the majority of Thai smartphone owners with a ratio of 71 percent. (ETD, 2018). The vast majority of those who currently own smartphones have the intention of making future purchases online. Support for in-app purchasing is essential for companies who want to attract customers from Thailand's massive internet population.

The rise in the number of domestic businesses participating in e-commerce will be beneficial to the overall expansion of sales. Both a strong demand for foreign items and brands as well as a shortage of domestic options are reflected in the fact that purchases made outside borders account for fifty percent of all e-commerce spending in Thailand. The United States of America, China, and Japan are the three most important overseas markets for exports. This ratio may shift

as more stores in the domestic market begin to recognize the opportunities presented by having a digital sales presence. Lazada and Shopee, two of the most dominant online marketplaces in Thailand right now, are both owned and operated by firms based outside of the country. Lazada Group was established in 2012 by Rocket Internet with the goal of providing Southeast Asian consumers with a superior online shopping experience. In 2012, the e-commerce websites of Lazada were launched for the first time in five different Asean countries, one of which was Thailand. Whereas, Shopee is also the most popular online shopping website in China but also in Taiwan and Southeast Asia. Shopee first opened its doors in Singapore in the year 2015. Since that time, it has expanded to encompass Malaysia, Thailand, Taiwan, Indonesia, Vietnam, and the Philippines. Lazada and Shopee, together, now dominate between 80 and 90 percent of Thailand's online retail sector. By capitalizing on the potential growth of Thai customers' transition to digital-related activities, these two huge online marketplaces have taken the lead in Thailand's e-commerce industry. This has allowed them to dominate the business. In line with this, data provided by Statista indicates that the electronic product category is responsible for approximately half of the market share held by e-Commerce businesses in Thailand. LatePost (2021).

Figure 1: Most popular e-commerce product categories among consumers in Thailand in 2020



Source: Priceza TNN, Statista 2022

According to this figure, electronics and media, clothing, toy manufacturing, hobby retail, and do-it-yourself home improvement are the highest-earning businesses. Other types

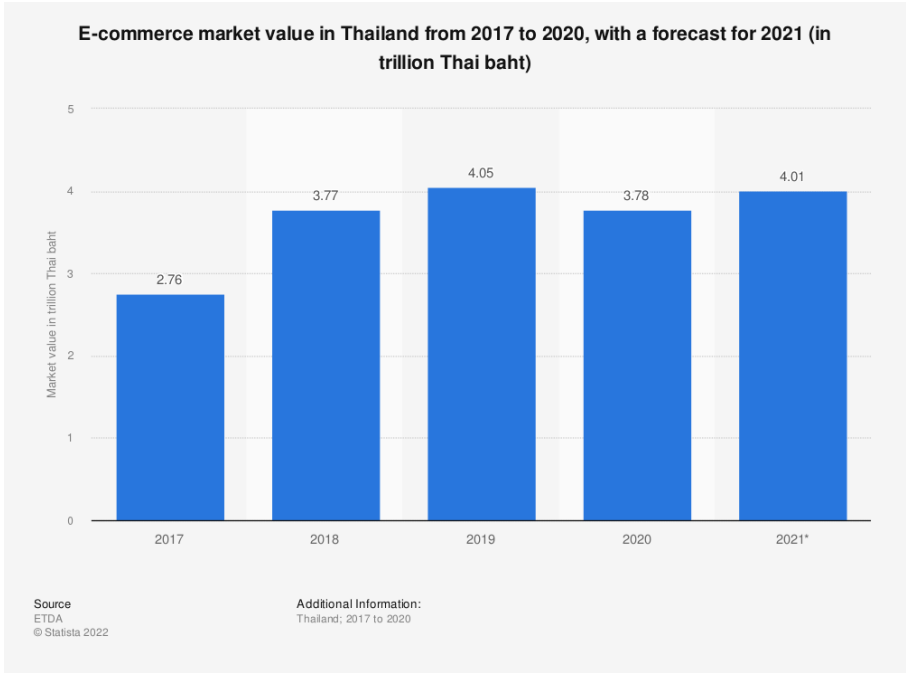
include the following: proper health and well-being 8.62 per cent, housing & living 6.75 per cent, toys 5.69 per cent, mother and infant's products 4.75 per cent, automobiles 3.72 per cent, sporting Activities 3.72 per cent and 3.64 per cent covers the rest. (Statista, 2022). The number of warehouses and local suppliers that provide express services is growing, while foreign courier companies such as UPS, FedEx, and TNT have all established domestic delivery networks in recent years.

4. Market size of e-Commerce in Thailand

E-commerce in Southeast Asia was significantly behind that of China and Japan until very recently. Until recently, China and Japan dominated the digital world. The difficulty in accessing the internet, a poor infrastructure, and the mistrust of customers were all impediments. The majority of residents do not own personal computers. On the other hand, virtually all of them currently have access to mobile devices and the internet. The five countries have mobile phone penetration rates that average around one hundred percent. But in another hand, knowing that the nations of Thailand, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, and Vietnam are the countries that make up Southeast Asia. Five of these markets are included in the top ten, and they are all among the e-commerce markets that are expanding at the fastest rates worldwide. Apps are the most popular way to make online purchases in Thailand, thus businesses must provide this option covering 65.2 percent of all transactions are closed using apps. According to a study sourcing from Statista, it is anticipated that the Thai e-Commerce market will bring in revenue equaling \$19.26 billion in the year 2022. It is estimated that the market volume will reach US\$38.72 billion by the year 2027, and revenue is projected to develop at a CAGR of 14.99% from 2022 to 2027. (Statista, 2022). China is responsible for the greatest market volume, which is expected to be worth \$1,156 billion in the year 2022. There should be 45.8 million users actively participating in the e-Commerce sector by the year 2027. In addition, it is projected that by the year 2022, there will be 56.0% of users, and by the year 2027, there should be 65.0% of users. It is also forecasted that each user brings in a total of \$490.90 USD in revenue on average. Based on ETDA source, the value growth of e-Commerce in Thailand has grown respectively from 2.6 trillion Thai Baht in 2017 to 4.01 trillion Thai baht in 2021. However, during the first phase of Covid-19 in 2020 the market value has been stagnated but was still considered as high at the wage of 3.78 trillion Thai Baht. By breaking internet use down according to age group, it is possible to gain more in-depth comprehension of the e-commerce market in Thailand. The percentage of those aged

15 to 19 who use the internet is 76%, followed by those aged 20 to 29 who use it 52%, and then those aged 30-39 who use it 34%. A smaller percentage of people in older generations utilize the internet, as only 9% of persons over the age of 50 are online compared to 23% of those aged 40 to 49 who are online. (Source ETDA, Statista 2022).

Figure 2: E-Commerce market value in Thailand from 2017 to 2020, with a forecast for 2021 in trillion Thai baht



Source ETDA, Statista 2022

Because of Covid-19, a number of companies were compelled to shut their doors in the years 2020 and 2021, which had the effect of altering client behaviors. According to a survey that was compiled by Google and Bain & Company, it is estimated that there will be an additional 40 million people using the internet in Singapore, Malaysia, Indonesia, the Philippines, Vietnam, and Thailand by the year 2020. According to eMarketer's projections, this region will experience the most increase in global internet sales (\$89.67 billion) in 2022. (eMarketer, 2022). It is anticipated that fears about contracting COVID-19 and the social distancing measures imposed would lead to the increase in the number of online shopping activities.

CHAPTER 2: ANALYSIS OF THAI E-COMMERCE DURING COVID-19 PANDEMIC

1. Thai economic direction during COVID-19 pandemic

Thailand was the second country in the world to report cases of COVID-19. The country reacted swiftly and with a variety of strategies that spanned monetary policy, social protection, and initiatives to improve public health. The reaction from public health officials was prompt and thorough, which contributed to keeping the number of Covid-19 cases in Thailand to a manageable level. The entirety of the nation's social measures were coordinated and carried out by a centralized command and control facility known as the Centre for COVID-19 Situation Administration (CCSA), which reported directly to the prime minister. The steps taken by the government were successful in delaying the progression of the pandemic in Thailand; but, these successes came at the expense of lost jobs, money, businesses, the safety of food supplies for families, and educational opportunities for children. When the COVID-19 crisis strikes, the tourism industry is the first and most severely impacted, because Thailand has always done everything in the past years to support Chinese tourists. When Chinese tourists disappeared, the country was quite affected, and it would spread to other sectors such as hotels, restaurants, the more our country announced the cessation of economic activities. As a result, all business groups were affected. The Gross Domestic Product (GDP) of Thailand fell by 6.1% in the year 2020, making it the country with the highest GDP loss since the Asian Financial Crisis. The decline in tourist travel has been particularly detrimental to the tourism industry, which accounts for approximately 5% of the nation's GDP and 20% of the jobs. (Setinvestnow, 2021). Women and young people are particularly vulnerable groups, since they bear a disproportionate weight of the reported layoffs and suffer from limited employment possibilities in contact-intensive industries. Other particularly vulnerable categories include the elderly and those with disabilities. Migrant and informal workers, as well as laborers with low levels of education, have also suffered tremendously as a result of this crisis. Despite the fact that the financial sector has risen up it has been done rather well during the epidemic, the strain has been growing in the sector of small and medium businesses. In addition, a company with a strong balance sheet does not necessarily have low risk. Businesses or companies with good financial statements appear to have an advantage; this could be because companies with good financial statements face a lower risk, whereas companies with bad financial statements face a higher risk. This will result in various business activities, such as applying for a loan, the bank will

approve credit for low-risk companies. But when a crisis like this occurs in economics, it is called a systematic crisis, which is the risk that affects the entire market system, inevitably affecting every business. (Mucci Nicola, 2016). Therefore, a company with a strong balance sheet does not necessarily have low risk. Risk management and getting the right information to the right people are very important for a business to stay in business. People will be more aware of the risk as a result of this. Even if the city reopens, some consumers still need time before having the courage to return to public transportation or go back to eat at the restaurant. In addition, purchasing power from abroad has also disappeared due to various regulations, such as the inability of Chinese tourists to return to Thailand. After coming back to open the city, shops or SMEs will have to adjust themselves a lot because the shops will still have the same capacity and earn less income with the same business model. Therefore, they must look for new revenue and business models. (SCB, 2022). They must come back and think about what customers want and how they can meet their needs by looking at what people will be most interested in after the end of COVID-19, which is the trust economy. In order to restore the country's economy, assistance from the government and people with purchasing power is required. However, the mechanism for using funds for rehabilitation must be designed to be sustainable and use the money as efficiently as possible. On the other hand, the business sector that will recover first is the manufacturing sector, and the service sector will recover later because things that involve human contact will be difficult to recover. Before COVID-19, human connectivity was so wide that it was easy to connect across countries, but now it cannot be done like before. Although the solution to the COVID-19 pandemic is to close all countries, which may not lead to infection, in reality we cannot close a country forever. Therefore, the solution for the service sector is to gradually loosen one node at a time and will not open all of them immediately, which is a new business model. In the end, the form of tourism must change. Therefore, there must be a guideline for businesses that are the same; for example, if in the hotel there are customers from countries without COVID-19, then there will be no problem. However, in the real world, when tourists come to stay it would be risky in many ways. Thus, it has to figure out what kind of screening the business needs to make sure customers are safe. However, what will help stimulate the Thai economy is the issuance of policies to increase the consumption of goods and services within the country. But entrepreneurs must also work together to develop products and services, and the outbreak of COVID-19 is an event that has made us all see that we have to diversify our risks because doing business that is clustered at any one point or focusing on development in one sector will have a higher risk. Last but not least, this event is an opportunity to adapt, and if we can get past this phase, we will learn

important lessons about doing business in the future. If this crisis does not occur, there must be problems that are waiting for us to solve.

2. Impacts of the pandemic on e-Commerce in Thailand

If merchants wish to continue operating their companies successfully in spite of the fact that the world is responding to COVID-19 by entering into what is essentially a lockdown, they will need to adopt e-commerce and other sales methods. A number of countries' retail industries on the internet were thriving prior to the outbreak, while others are quickly catching up as they enter this fast expanding market. Obviously, the pandemic crisis has impacts that could be both considered as positive and negative.

- Shops with physical stores are gradually closing, creating opportunities for online trading. In exchange for rising unemployment, there is uncertainty about whether sales of commercial and consumer goods will slow down.
- Consumers rely on e-commerce more than ever for essential and non-essential goods, everything from face masks and gloves to children's play sets.
- Online purchases from grocery stores such as Walmart have increased, resulting in an increase in e-Commerce sales of stores.
- Indoor restaurant sales were decreasing comparing to the previous year due to social distancing measures and consumers were becoming more cautious when doing public activities. At the same time, food sales through online food delivery have increased significantly.

It was found that more and more people switched to using e-commerce, resulting in the value of e-commerce growing by leaps and bounds and it is believed that consumer demand for goods and services online will continue after the pandemic. (Mitchev Tzvetan, 2021). Government agencies have accelerated the issuance of policies, standards, and laws, as well as communicating what has been issued, that can support entrepreneurs even more. Whether it is a policy to support financial business Developing standards and laws to support online transactions, such as the standards recommendation on Digital ID Usage Guidelines for Thailand, electronic signature courses, such as the EASY: e-commerce course, follow standard guidelines to promote and educate entrepreneurs about doing business online. (ETDA, 2020). In recent years, global trade trends have gone online and continue to grow every year. Technology and the internet are essential for entrepreneurs to understand and make the most of it. Running an e-commerce business will increase the efficiency of doing business, increase

convenience, and be a provider for SMEs to compete with big companies and enter the global market. Since the outbreak of COVID-19 pandemic in 2019 has been a shift in consumer behavior as they shift to e-commerce more and more. Consumers have been forced to get used to and adapt to buying everyday essentials and other goods online instead because of the COVID-19 pandemic resulting in lockdowns and social distancing. When online shopping has become a daily routine for consumers, it makes them more open to spending via e-commerce, affecting traditional entrepreneurs who must accelerate their adaptation by turning to e-commerce. To support this demand, the value of e-commerce grows by leaps and bounds.

3. National lockdown effects on consumer demand

The number of people shopping online has surged all around the world, including in Thailand. The Covid-19 epidemic and the lockdowns and stay-at-home orders that several countries issued in the years after it in 2020 and 2021 drove customers to switch from traveling to physical stores to online alternatives. This occurred despite the fact that the electronic commerce business has been growing quickly for many years. Before the emergence of the Corona virus in Thailand, the growth of online shopping was already well on progress as mentioned in this dissertation. Concerns about buying in person combined with the huge percentage of people who had access to the internet created a significant development potential for online businesses. This was the case despite the fact that consumer behavior is complex and that the pandemic impacted demand for particular products. As a direct consequence of the implementation of social distance, lockdowns, other preventative measures and the restrictions from the government law, consumers started shifting their purchasing habits to involve more online shopping, use of social media, internet telephony for teleconferencing, and streaming of videos and films at the beginning of the year 2020. In order to further the development of e-commerce in Thailand, steps are currently being taken to bring offline local businesses into the internet channel. The Ministry of Commerce has collaborated with various e-commerce platforms, such as Thailandpostmart, Lazada, JD Central, and Cloudmall, to aid local farmers in the process of selling their produce over the internet during this pandemic. This transformation is being driven by a growth in the use of the internet and mobile phones, as well as improved logistics and e-payment systems, all of which have contributed to an increase in customer confidence and the convenience of online shopping. The Digital Economy Promotion Agency estimates that the e-commerce market will generate sales of \$4,492 million in 2019, and that thanks to yearly

growth of 9.2 percent, it will be worth \$6,384 million by the year 2023. The mobile commerce market is predicted to increase at a compound annual growth rate of 13% to \$25 billion within next year. This is mostly attributable to the growing smartphone adoption rate (which is currently around 40%) and a well-established preference for mobile over desktop purchase. More than 36.6 million Thais have already made purchases of consumer goods online; thirty percent of these shoppers are new to the world of digital services as a direct result of the pandemic, and ninety-five percent of them intend to continue utilizing these services even after COVID-19 is completely eliminated. (International Trade Administration, 2022).

In spite of the fact that eating out and drinking in pubs and restaurants has become more difficult as a result of COVID-19 intensive spread, the meal delivery industry is growing. In point of fact, the value of food orders done through online delivery applications had significantly increased by the year 2020 and has continued until this year of 2022. Foods online ordering has been very famous in almost every house whole in the country especially within the urban area and big cities because we can't deny that the availability of this access is still restricted in the rural areas. Through the use of a meal delivery service, merchants' shops, eateries, or even third-party applications can serve clients with food on demand. Orders are typically processed via mobile apps, internet, or telephone calls in today's modern world during the pandemic crisis. Both fully prepared dinners and groceries purchased from local stores will be brought to the customers' door. The population prefers foods delivery instead of traveling to supermarket or local market due to the frighten of getting infected by the Corona virus. With a study from Statista about the "changes on the use of food delivery apps during COVID-19 pandemic in Thailand", the survey participants who placed larger orders with their meal delivery apps made up 58% of the total. (Statista, 2021). Comparatively, only one percent of individuals who participated in the poll have never made use of an app that provides food delivery as of June 2020. This alteration created a huge advantage towards the food service industry. In addition, this switch of customer behavior is also applicable with the other sectors beside food consumption. However, the transformation caused some consequences towards local market who did not have the approach to the online service.

4. Government support and Thai e-Commerce Association

In order to support the new digital technology and the e-Commerce, the Thai government has built up the Thailand 4.0 concept. The fact that only 53% of Thais have internet connection suggests that a significant section of the country's population does not have the capability to shop online, which is possibly the most critical aspect. The objective of the government's project known as "Thailand 4.0" is to rectify this predicament by establishing broadband infrastructure in Thailand's rural areas. This initiative will cover the entire country. The increased number of people using the internet will inevitably lead to the development of e-commerce. Major multinational e-commerce corporations are taking the initiative to act on their own while also cooperating with the Thai government in order to stimulate investment and innovation in the digital economy of the nation. In addition, the government has the goal of developing the next generation of digital application platforms in order to facilitate and encourage various forms of online activity, such as electronic marketplaces, electronic payment systems, and electronic governments. (ForbesCustom, 2018).

The concept of Thailand 4.0 has four main targets which covers different type of sectors.

- The first objective concerns the economic prosperity, the mode intends to expand R&D to roughly 4%, which will result in an economic growth rate of 6% within 5 years. This will build a value-based economy that is driven by innovation, technology, and creativity. By 2032, the income per capita is expected to have increased to \$15,000 from \$5,500 in 2014.
- The social well-being also takes part of the transformation goal. The aim is to build a society where no one is left behind as it advances. By 2032, it is desired to eliminate socioeconomic difference from 0.465 in 2013. In an effort to change the social welfare system, conventional farmers are being converted into smart farmers, traditional SMEs into startups, and low-value services are being replaced by high-value services.
- The next plan for the Thai's move is developing human values. In 20 years, Thailand should rank among the top 50 HDI countries, and by then, at least 5 Thai colleges should be among the top 100 worldwide.
- The last notion of the Thailand 4.0 is environmental protection, in order to accomplish "sustainable growth and development" without endangering the environment, all of the above must be done. Thailand wants 10 of its cities to rank among the best places to live, which will need significant infrastructure investment.

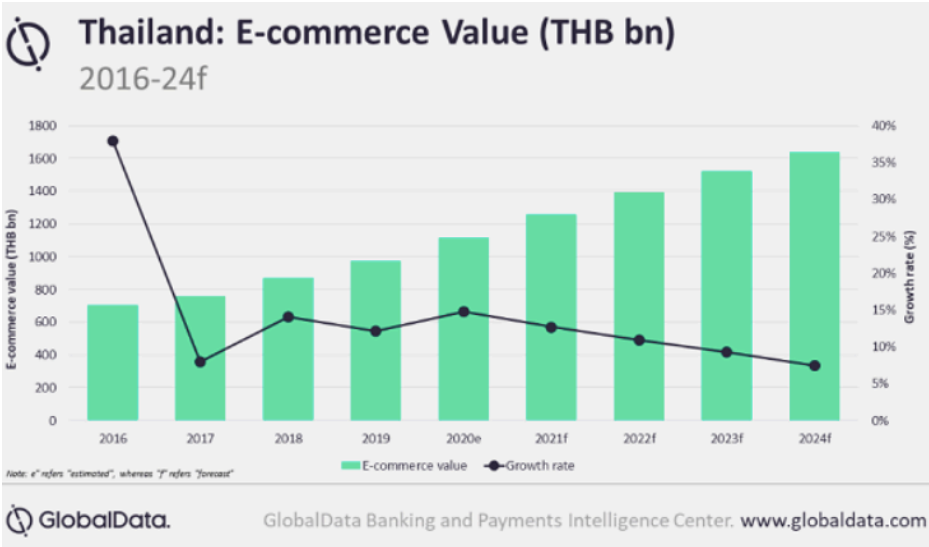
Thai e-Commerce Association: on July 8, 2005 during a meeting of the E-Marketplace group of the Thailand ICT Alliance, the concept of the integration of electronic commerce operators in Thailand was presented for the first time. The goals and the mission of the club was to encourage Thai business owners to participate in online shopping and commerce. It is a tool that can make the process of running a business more efficient and bolster efforts to broaden the base of the Thai economy, in addition to the fair distribution of income. Their missions are to give Thai entrepreneurs the ability to use e-commerce so that they can improve the efficiency of their operations. Promoting fair competition between offline stores and their online counterparts around the world. Lastly, encouraging international internet commerce to grow to a global scale by making it easier to do business outside the country. Afterwards, E-commerce company proprietors organized themselves into a club with the same name and convened there on a regular basis in order to maintain pressure for the merger of e-commerce company proprietors. When the club was first beginning to take shape, it was decided that the club ought to conduct a launch activity and make this information public so that other businesspeople can be encouraged to participate in additional initiatives. The representatives from many government agencies are also taking action within the community. In addition, most successful businesspeople in the e-commerce industry to take part in the activities and to debate the issues that are plaguing e-commerce in Thailand at the sub-group level. These sub-groups should include e-marketplace groups, e-travel groups, and e-payment groups, forming a community to collaborate on the advancement of projects. The club has also received support and aid offers from organizations affiliated with the government. The Board of Directors of the club regularly held joint consultations in order to establish a framework for the club's activities. This was done in order for the club to become the center of activity for Thai businesspeople involved in e-commerce and to push the organization's form until it became an association like it is today. (Thai e-commerce association, 2022).

CHAPTER 3: DOMESTIC E-COMMERCE TRENDS AND MARKET DEVELOPMENTS

1. Analysis of major supply and demand trends

Nowadays, customers know what they want and they know where they can buy it, they would not be running to a nearby store like before. Instead, people would rush to turn on computers, smartphones, and tablets to have access to the internet and buy from e-commerce stores at their fingertips. The e-commerce has increased the demand for products since the COVID-19 pandemic has led to a change in consumer behavior. Consumers are being forced to get used to and adjust to buying everyday necessities and other goods online instead. In response to this situation, it has resulted in a lockdown and social distancing, many companies have changed to work from home to avoid the spread of the disease but consumption is still necessary. In this case, the majority of people have shifted their shopping habits from offline to more digital service. Plus, making purchases through the app is quick and easy. Entrepreneurs are also increasingly providing services through these platforms. This is a growth opportunity for digital service businesses such as e-commerce businesses. Online shopping has become a daily routine for consumers, causing them to accept more spending via e-commerce and affecting traditional entrepreneurs who have to accelerate their adaptation by shifting to e-commerce to support their needs. This is resulting in the value of e-commerce growing rapidly, and believes that consumer demand for goods and services online will continue after the pandemic.

Figure 3: E-commerce value (THB bn) in Thailand



Source: GlobalData, 2020

According to GlobalData report, the pandemic has caused e-commerce to grow rapidly in Thailand due to people are fear of the virus which lead transaction value grows 14.8% in 2022. To promote e-commerce in Thailand, they have shifted offline local stores to online channels and the local stores can sell fruits via online platforms domestically and internationally. (GlobalData, 2020).

More than that, many e-commerce companies in Thailand have adapted to deal with the COVID-19 pandemic to attract customers, such as adjusting packaging styles, good promotion and free shipping for accelerate the adoption of digital marketing and sales through social media. Accelerating the adoption of new and innovative technologies while collaborating with fulfillment partners to increase e-commerce delivery options and support vulnerable customers in order to deal with the new normal that occurred. However, e-commerce business in Thailand is very competitive because there are not only domestic entrepreneurs but also many foreign entrepreneurs, especially from China. Thus, most of the goods on the internet are 80% imported from China, including the free trade policy that helps international transportation to be easier and faster as well. (Sasaki So, 2021). As a result, Thai entrepreneurs have to prepare themselves to deal with foreign entrepreneurs, who will play a greater role in Thai e-commerce.

2. Market leaders of digital business within the country

As a global trend, digital is witnessing the greatest revolution in information and communication in the history of mankind. This will lead to enormous impacts on the individual, the community, and countries around the world. Digital technology has created a digital economy by using digital technology in communication, production, and business transactions, which helps entrepreneurs develop new products. Adding value to products reduces process costs and time-to-market as workers in various industries are increasingly replaced by ever-evolving digital technologies. This is likely to have a big impact on the global labor market. By announcing a policy, the Thai government showed that it cares about technology and how it has changed. Digital for economy and society is a plan to move the country's development in all areas toward digitalization by focusing on developing digital infrastructure, expanding high-speed internet networks throughout the country, and promoting e-commerce, e-documents, and e-learning to lay an important foundation to support the changes that occur, as well as to push Thailand to become a leader in the digital economy in the ASEAN region.

Thailand is the second largest digital economy in Southeast Asia after Indonesia. One of the main factors driving the growth of the Thai digital market comes from the increasing expansion of e-commerce. Over the past year, it has been found that the e-commerce business sector in Thailand has grown a lot. (Bangkokpost, 2022).

The following opportunities must be capitalized on by digital businesses, such as:

- Make it as easy as possible for customers to use the app and website. Most users want to use technology to make them more comfortable. Entrepreneurs should design their websites and apps to be easy to use by displaying products and clear descriptions to make it easy for customers to find and buy the products they want.
- Build a bond between customers and brand owners. For businesses that provide digital services, what matters today may not be attracting new customers but it is about increasing brand engagement with customers and increasing purchase value, for example by offering more product options or developing a platform that supports a variety of digital payments that are more convenient.
- Listen to opinions continuously. It is always a good idea to listen to feedback about the customer's experience or purchase. It helps brands identify areas for improvement in order to find a solution and increase customer satisfaction.

All of these are things that business people in the digital industry should adapt to this era. It must be able to meet the ever-growing expectations of customers if it wants to keep customers and build brand loyalty.

According to the ranking and competitive analysis of the leading online shopping and e-Commerce Websites in Thailand as of October 2022, Shopee.co.th was Thailand's most popular e-Commerce and shopping website, followed by Lazada.co.th in second place and Kaidee.com in third place. The most popular and common websites mentioned in Thai social media reviewing products are also Shoppe.co.th and Lazada.co.th. These online marketplaces are often regarded as the best places to shop and do e-commerce in Thailand. The website shop.line.me holds the fourth spot on the list of the top five e-commerce and shopping websites in Thailand, while central.co.th holds the position of last place.

Lazada is in the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. It is a part of the Alibaba Group, which also operates in these other countries. Shopee now has more customers than Lazada, making it the biggest marketplace in the region. However, Lazada also connects users to over 32,000 of the world's best known domestic and international businesses. It provides goods in the fields of cuisine, fashion, health and beauty,

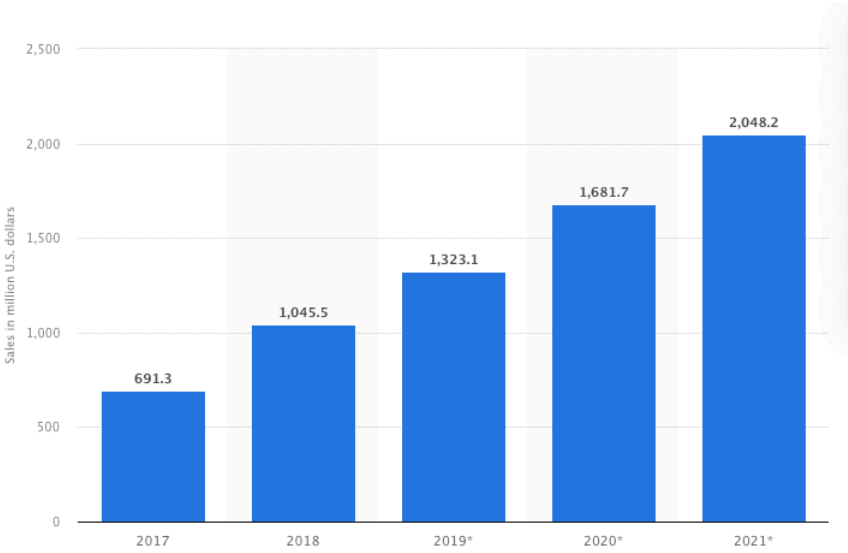
as well as electronic devices. Reports indicate that it possesses the most advanced logistics system in the region as well as the quickest shipping. With annual sales of over \$1.5 billion, LazMall has established itself as the most successful online shopping mall in Southeast Asia. Lazada offers a bespoke fulfillment service and receives in excess of fifty million unique visitors every single month. (Lazada, 2022). On the other hand, Shopee has its headquarters in Singapore, currently has operations not just in Southeast Asia but also in Taiwan, Brazil, and a few other countries. Although it continues to offer C2C services, the marketplace that it initially operated as has transitioned into a model in which businesses sell directly to customers. Shopee had to reduce its employment in Vietnam, Thailand, and Indonesia in June as a result of the excessive inflation in those countries. (HRSEA, 2022). It ceased all operations in Mexico earlier this month. Shopee has formed logistics relationships with local companies in every area in which it operates. Mobile wallet functionality is incorporated into the company's payment system, which is known as ShopeePay. In March, Shopee and 2C2P, a global payments network, linked up to form a partnership. ShopeePay is now accepted as a method of payment across 2C2P's extensive merchant network in all five of Southeast Asia's markets as a direct result of the agreement.

3. Mobile e-Commerce

The e-commerce market is growing steadily and is likely to grow even more. Due to the COVID-19 virus outbreak, online shopping has become one of the most popular online activities, resulting in higher competition in the e-commerce market. To keep up with the competition in the e-commerce market, online stores need to follow up with new e-commerce trends. It does not matter how long you have been in the e-commerce business if you do not follow up with the latest trends. You will easily lose customers, that is the main reason why looking forward is the key to your future success. Mobile e-commerce is an online trading business via smartphones or mobile phone networks, including activities related to financial transactions. Although the term mobile e-commerce, which sounds similar to e-commerce, only refers to activities on smartphones or wireless devices, the same applies to online trading, and easy access to the internet contributes to the advancement of e-commerce. According to Statista, mobile e-commerce is growing steadily, gross sales in 2020 was \$2.91 trillion and all e-commerce sales will also be made via mobile phones. In fact, more and more people are using mobile phones for online purchases, making payments in street-level establishments, and making payments or other types of money transfers. This is a great future for mobile e-

commerce, which will increase with the quality and speed of internet connections via mobile phones and give both smartphone and tablet internet access to more users.

Figure 4: Mobile commerce sales in Thailand from 2017 to 2021



Source: Statista, 2022

According to the figure of mobile commerce sales in Thailand from 2017 to 2021, it appears that in mobile commerce sales in Thailand reached over 1.045,5 billion U.S. dollars in 2018, a year-over-year increase of 51.2% and the number of mobile subscribers in Thailand reached 125,1 million, which is a rise from the previous years. In 2021, it reached 2.048,2 billion U.S. dollars. (Statista, 2022).

Nowadays, mobile e-commerce businesses are growing rapidly everywhere around the world. The majority of people use smartphones in their daily lives, and the growth trend of mobile e-commerce will increase on smartphones or make apps to sell in order to meet the needs of shoppers who do the majority of their shopping on a smartphone. Also, this trend of shopping online has been going on for decades before COVID-19, but the number of users and sales are growing quickly during the pandemic. Going back ten years, in the early days of the e-commerce industry, trading goods and services made on websites at the time, people may not have felt that it was more convenient than going shopping by themselves that can handle the product, including reliability and safety, which are still uncertain. Until the development of the website looks to be an e-marketplace platform that is designed to be easier to use and more reliable with image quality and internet strength or a chat system that is easier and faster, including checking the information of merchants and buyers, there is an identity verification

that increases credibility. In addition, if the internet is still essential to people around the world, online shopping will never go away. It is just unpredictable how future patterns will change.

In recent years, Southeast Asia's internet economy has shown a lot of promise, as shown by the sharp rise in the market value of the sector. E-commerce had the largest share of the market, more than online travel or online media. In 2021, Thailand was second in the region after Indonesia in terms of the size of its internet economy. This growth was not a surprise, since the country has had a high rate of internet use and a booming e-commerce market over the past few years. Even though many industries were involved, the retail and wholesale industries were the ones that helped the sector grow the most. E-commerce is booming and popular among businesses, and the best way to get ahead of the competition is to switch to a mobile online experience. Many brands on the market choose to use new technologies and trends. For this reason, it is necessary to develop an online system to compete effectively. Some of the key reasons that will convince many people to increase their use of smartphones are among the main reasons for owning an e-commerce application, as people want to shop with a single tap on their smartphone screen. An online store allows consumers to stay in touch with your brand. The growth rate is increasing as customer data collection and push notifications increase, customer loyalty increases, and brand awareness increases. Developing mobile app stores boosts revenue growth across devices. COVID-19 has shifted customer preferences around lockdown restrictions, and e-commerce apps are simple and easy to use, which gives people a great shopping experience.

4. Digital marketing and social media

The e-commerce ecosystem not only in Thailand but everywhere else in the world requires digital participation, so stakeholders should prioritize making investments in digital marketing and advertising online because these tools will significantly increase the likelihood of success given how the e-commerce ecosystem is structured. Investing in these fields will be beneficial not just to the e-commerce networks themselves, but also to the brands and retailers who employ the technology in question. The parties involved can make use of a wide variety of digital marketing tactics, such as targeted advertising, interaction on social media, digital content, and so on. These capabilities will result in positive outcomes, some of which include an increase in platform traffic, a more diverse target market, actionable data regarding consumer behavior and purchasing habits, and so on. Customers in Thailand who shop online cite interaction as a primary motivation for their preference to make direct transactions through

social networking sites like Facebook and Line. This accounts for more than half of all online shoppers in Thailand, even while cost and convenience are important factors, the driving force behind shopping through social media is the stream of human connectivity that is shown in the reviews, comments, and feedback that emerge as a result of using social media. 53% of those who use social media say that what influences their shopping decisions the most are reviews left by other customers. Social media has proven to be an extremely effective channel for e-commerce. It was found that Instagram users buy more products through social media because it is easier and more convenient to do so. This has made social commerce an interesting way to buy and sell things. Especially during the pandemic, 43 percent of social media users between the ages of 16 and 64 said they spent more time on social media, with 16 percent of those responding. Plan to continue using social media in daily life after the pandemic. (TWF, 2020). Therefore, e-commerce stores can create opportunities by taking advantage of posting sales or advertising products and services on social media in order to get more sales. Even though there is more competition in Thailand's e-commerce market, it is still doing well, and many online shopping platforms are able to keep and grow their customer bases. Shopee seems to be the most popular platform in Thailand for Thai online shoppers because of its extensive selection of products, promotions, simple platform structure, and prompt delivery. In comparison, Facebook took the lead as the most popular channel for online social merchants in Thailand. Since Facebook is the most popular social media site in Thailand, Thai merchants see the opportunity to promote and sell products through Facebook pages. This has led to the rise of social commerce in the country. Thai e-commerce seems to have a bright future because more and more people want to shop online and also e-commerce suppliers are quick to respond.

Finally, to provide Thailand with an environment conducive to electronic transactions and to enhance the country's competitiveness. To move forward, all sectors must work together, which is especially true in the e-commerce sector, where the spread of COVID-19 is speeding up the digital transformation. Whether it is the introduction of new innovations and digital technology to apply in business operations. Putting out standards and laws together to help keep an eye on Internet use and build public trust in it, including public relations to educate and create understanding among the public about the security and safety of purchasing products through online channels to generate more online transactions, including e-commerce. In order to get more customers, companies and entrepreneurs should develop e-commerce trading channels for products and services that customers can easily access and that quickly meet the needs of customers in all groups. The products offered in e-commerce that meet customers' desired needs

should be attractive, easily explained by accompanying text. The message should be complete, easy to understand, and there should be a guarantee of good transportation to build confidence in the company. Lastly, Thailand should support the creation of a Thai e-commerce platform where policymakers, fund managers, start-ups, the government, and the private sector must work together to shed light on building a Thai e-commerce platform and help the country take full advantage of the digital economy, including supporting the Thailand 4.0 policy for all people to have equal access to the internet. People can trade goods flexibly without trade barriers. Currently, the e-commerce market is only competing with the big players. Even though many Thai platforms are currently unable to compete with global giants, the government should recognize and support them in their efforts to compete in the global market. But Thai people still need a Thai platform that allows them to sell products and services both locally and globally.

5. Supports, logistics and delivery

Transportation is the movement of things such as material goods, pets, and so on from one place to another by using a route or method of movement that is suitable for such goods, like distance, size, and total volume of the goods. There are currently several transportation systems to choose from, ranging from short-distance transportation, such as within the same province or nearby regions to long-distance transportation or across the country and within the country. However, people can use the transportation system by train, car, or motor vehicle in the case of international transportation, it is often transported by ship and plane instead. on the other hand, transportation is another industry that is facing a major shift from technology, which is changing people's behaviors to a new normal. Future logistics will therefore not only change the way people and goods move but may also impact every business in the transportation supply chain. When people see the continuous growth of online businesses and the change in shopping behavior of consumers, they increasingly prefer online shopping because it is more convenient and they do not need to go to the shop. According to this, many people begin to pay attention and open online shops to earn more income. Nowadays, most people tend to focus on finding popular products and finding customers, but what most people who want to open an online store often forget about or do not plan for is the transportation system, even though the transportation system is an important part that helps to move customers' products to their hands safely. Thus, there are also a lot of logistics companies that can help get products to customers, but if the

stores do not think about which company or type of transportation is the best and most cost-effective for them, it may increase the cost of their products or reduce profits.

In addition, the top five logistics companies in Thailand are.:

- CMA CGM Group offers a variety of services, including transport, customs clearance, on-site handling, and storage options.
- Deutsche Post AG is a company that offers a wide range of logistical solutions to its customers. These solutions include integrated logistics, green logistics, and a great number of others.
- Kerry Logistics Network Ltd. is a provider of comprehensive logistics services, which the company offers to their clients. These services include warehousing and distribution, value-added services, and logistical facilities.
- The MON Logistics Group Co. Ltd. is a company that offers logistics services that are designed to assist a variety of business operations, including distribution, storage, and transportation.
- SCG Logistics Management Co. Ltd., offers regional logistics services to bolster the expanding worldwide logistics sector.

Advantages and disadvantages of each type of transportation system:

- **By rail transport:** It has been a well-known type of transport since the past and today many people still choose to use this type of transport because the cost of transporting goods per unit is lower than that of domestic transport in other formats. However, the advantage of transporting goods by railway is that company can deliver large amounts of goods at a time. Items that are defined in this form of delivery include rice, sugar, fruit, etc., without having to worry about accidents during transportation. Thus, this method of transportation uses less energy, and the cost of delivery is very low. Although there are many benefits, the disadvantage is that rail transportation or the use of trains has limitations in terms of sending and receiving goods because the sender and receiver will only go to the train station or cannot deliver the goods to the customer's home.
- **By car or truck transport:** Transportation by car or truck is the most popular because it is a low-cost method of transport that makes goods transportation simple and quick. It can also provide services at the customer's home, but the disadvantage is the use of oil for driving deliveries, where the price of oil is in line with the oil price mechanism.

If it is during the time when oil is expensive, it may affect the cost of transportation. More than that, transportation by car or truck is for short to moderate distances only.

- **By water transport:** It is known as the use of ships and the means of transportation is most often popular in businesses that need to transport goods in large quantities and it can last for a long time by being able to transport goods from short distances to long distances across the continent. However, the limitation of this type of transport is that it takes quite a long time and transport by boat has the risk of accidents if the boat is too heavy or the boat is not strong enough to cause the boat to sink.
- **By air transport:** The use of air transportation is very popular for cross-border shipments with limited transport time. For example: food raw materials, fashion products that need to be delivered in time to keep up with the trend of people around the world. The advantages of transporting by air will help prevent product damage during transportation as much as possible and have the speed of transporting a variety of goods. However, the disadvantage of air transportation is that the cost of transportation is quite high and transportation depends on the climate of that time as well.
- **Delivery service:** Transportation is provided by express delivery companies for sending documents, sending parcels, sending items to customers, or moving things in general. Demand for express delivery services has grown exponentially over the years. The delivery app market is fiercely competitive, especially during the COVID-19 pandemic, which has made delivery services indispensable. There are many service providers in the market, and they have different strengths such as Deliveroo, Grab Express, Kerry Express, Lalamove, LINE Man, Skootar, and many others. This form of transportation is becoming popular with both merchants and customers, as it is a service that picks up products from sellers and delivers them to the customer's home in a short time. The advantage of using delivery is that it meets the behavior of people in society who do not want to wait for products for a long time and helps our products be safely delivered to customers. Temperature control boxes are available for food products. The limitation of this form of delivery is that the service area is still concentrated in major cities only.

CHAPTER 4: THAI E-COMMERCE PROJECTIONS

1. Challenges and difficulties of the digital commerce growth

In the past, people were at the mercy of advertisers who used print media, billboards, television, and radio to reach them. These advertisements made markets and helped shape and strengthen consumers' ideas about themselves. During the 1950s, most ads were one-way conversations with captive audiences. Television advertisements have grown and managed to grow into a marketing method that allows experts to set trends. With the explosion of digital media, people are starting to engage with each other and the companies with which they do business in new ways. Traditional print and broadcast media are becoming less important, and this has changed the way consumers behave. It is extremely tough for marketers attempting to compete in this new digital media to elevate their content above the noise of the competition. Customers spend a lot more time on websites and mobile devices than they used to, but there is also a lot more content available in just one day. Most people can't consume as much digital content in a day as they can in a year. As a result, your audience has a short attention span because they have so many options and distractions. More than that, the exponential growth in digital channels has given rise to the importance of digital marketing, but digital marketing is not just about channels. It is also a mechanism by which people create and share content and experiences that engage with each other and the companies they do business with. Digital channels open doors for consumers to no longer engage in one-sided marketing conversations, consumers are empowered by writers, publishers, and critics. The digital landscape is cooperative and a space where consumers exchange ideas. Marketers no longer drive conversations. Everyday consumers are now style-makers and trendsetters.

The most challenging and hard thing about the growth of digital commerce is that people need to change their lifestyles to improve their quality of life without relying on technology, especially online marketing, which has improved quickly. To meet the behavior of modern consumers, who demand creative products and services to meet health and safety needs. It is a term that defines activities that enable the process of exchange, from non-business to social activities and turn the business towards generating profit or return on investment. Marketing in the modern world is about more than just the products and services that customers want from a brand and are willing to pay for, even if they have to travel to purchase them from high-quality promotions

There must be 4 P's, which are as follows:

- **Product:** Products and services that meet the needs of consumers. It is about products or services that provide a good experience for consumers. Since the production of various products or services today can be done easily and there are factories that are contracted to produce products according to the concept of business owners, doing business does not require a large amount of capital to build a factory or produce products, resulting in more competitive products in the market.
- **Price:** The price is suitable for the quality of the product. It is about the price in buying, selling, because the change of consumer behavior has not always determined that the operators will be able to sell products and services but making consumers feel the value of the body. And the mind to buy, feel the quality is suitable for the price to pay in exchange for convenience is essential for doing business in this day and age.
- **Place:** A distribution channel or store where customers can access products and services. It is a distribution channel that customers access to products and services in the past may focus on the store, but nowadays, the internet plays a more role that is a new daily lifestyle in buying products and services, allowing businesses to access people. Whether it is creating a website to sell through online marketplaces such as Lazada or Shopee, or ordering food from GrabFood, Foodpanda, or Line Man platforms that have the most restaurants in Thailand.
- **Promotion:** Communication to convince customers to buy products and services are not a specific activity. It is a matter of marketing communication in the current context, which must focus on target customers having experiences in the organization, expressing their feelings of liking and wanting to come in and testing or use the service and become word-of-mouth advertising, inviting friends to use together, which will be effective in the modern world, such as a restaurant business where customers can use the service and share discounts or travel and accommodation businesses can create a sense of togetherness from room decoration, conveying the impression of tourist attractions that should not be missed, inspiring consumers to want to go or being part of helping them make decisions from the number of comment, like, and share.

As previously stated, there will be a shift in marketing from the 4 P's to digital marketing, which must focus on this concept as a response to the needs of more than just a business, but a form that allows consumers to be convenient, comfortable, impressed, and participate in a good

organization in order for that organization to survive in the changing era according to a new way of life.

On the other hand, the most challenging of digital growth are

- Business owners are to say that digital advertising costs are rising faster because they have to be paid in dollars. Even if you spend more on advertising, it doesn't mean you'll get better results by the amount.
- Social media algorithmic challenges directly affect the reach of your audience, which increases your advertising budget. For example, influencers and celebrities can make up to 1 million US dollars in just one post on Instagram. But there is nothing that is measurable in terms of the compensation you invest in influencers and customers are now questioning the products that are tied-in through influencers as it has occurred in the business world.
- E-commerce competition is on the rise. In the future, Thai people will have access to the Internet more than ever and this will result in the e-commerce market in Thailand continuing to grow. This is due to the factors of access to wireless networks, smartphone usage rates, shoppers' confidence in online shopping, as well as easier and more convenient payment systems. In addition, the Thai government is also encouraging entrepreneurs to start using more e-commerce from the regulated e-commerce strategy in 2017-2021 (According to Figure 4).

For an overview of these three challenges, it has been found that there is marketing involved by organizing promotions, advertising campaigns, building a customer base, stimulating spending in many campaigns, and comparing to the past Thai e-commerce has grown in the top of ASEAN, particularly through social Commerce and mobile commerce. (ASEAN, 2022). Thailand's e-commerce trend will become so intense that local shops may really disappear because of the massive influx of Chinese and ASEAN products. From now on, the growth of e-commerce will not only change the way people shop locally, but it will also speed up the development of new ways to pay online. Logistics services in Thailand and other countries, as well as a new sales assistant like affiliate marketing.

2. Effects of the new wave of e-Commerce and expansion of modern grocery on traditional retail

Nowadays, e-commerce has become an increasingly popular online marketing and trading channel due to many factors. Whether it is due to a change in communication technology that makes communicating via the internet more convenient and frequent, Thai people are more able to purchase smartphones than ever before because the price is no longer prohibitively expensive these days. For this reason, the behavior of Thai people has changed because they do more online shopping, which makes them more trusting and familiar with online purchases. As a result, the e-commerce channel continues to expand continuously. With today's technological advancements, buying and selling patterns, as well as consumer behavior, have shifted from a fast-paced lifestyle. There are more ways to get products to people, which makes it easier to buy things. Also, prices of goods and services tend to go down because there is so much competition in the business world. As a result, online channels are able to meet the needs of consumers as well, as can be seen from the continuous growth of product sales in the world's e-commerce market. However, even though shopping through a traditional physical store creates an experience of knowing the quality of the product, touching the product, trying out the product, as well as receiving a product recommendation service, which online channels cannot be replaced but at a time when consumers want convenience and speed in purchasing products through online channels, it would be more appropriate or it can be said that at present the bargaining power has been increasingly shifted to the consumer side. With regard to the purchase of goods and services at a given price level, convenience and customer satisfaction are important, which makes the business world very competitive for customers and makes people less interested in brands. Compared to sales growth in offline markets, online sellers' earnings grew at a rate that was almost three times higher. This shows that selling goods and services online is a very effective sales funnel. In addition, technology has not only changed the way sellers and buyers interact but has also made business transactions more broad and complex. Customers choose to buy products from retail stores that receive products from distributors who are distributors of products from manufacturers in the original trade model. But as technology improves and new business opportunities come up, trade patterns shift from linear supply chains to supply chains that work like a network.

Nowadays, customers do not have to buy only from retail stores or manufacturers; they can sell products directly to consumers through e-marketplaces by delivering products through delivery service providers and receiving payment through e-payment providers.

3. Forecasts of Thai market trends and market growth

The e-commerce business has continued to play an increasing role in today's economy, with companies like Amazon and Alibaba becoming the world's largest companies with exponential growth in sales value. Organizing promotional events like 11.11 and 12.12, where information and communication technologies help e-commerce grow, has led to a steady rise in the number of people using the internet all over the world. (Ratchatanon Orrada, 2019). Furthermore, the most popular online Thai applications, such as Lazada and Shopee are also taking part in this event, which leads to an increase in the number of users. Changes like these will always affect businesses that are already on the market. Some businesses will have to close, while others will have to change to stay in business. The way to change may depend on the type of business or what works best for it. To begin with the international experiences that have resulted from e-commerce's significant role in the market and economy. These days, the power to negotiate has shifted even more toward the consumer, who can buy goods and services based on price, convenience, and satisfaction. As a result, there is more competition for customers in the trade sector, which makes people less interested in brands. Earnings for online sellers grew at a very fast rate, which shows that selling goods and services online is a very effective way to do business. The more technology is used in business today, the more competition there is on the market, and the higher the expectations of consumers when they buy goods. Diversity in distribution channels, more products to choose from, reading reviews from buyers of products, and using previous services to consider the value for money, including issues in terms of falling prices.

Figure 5: Estimates e-Commerce in Thailand

in billion USD (US\$)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beauty, Health, Personal & Household Care	0.37	0.67	1.18	2.10	3.98	4.10	4.94	5.60	6.39	7.08	7.77
Beverages	0.30	0.49	0.80	1.49	3.87	4.07	5.01	5.80	6.74	7.42	8.13
Electronics	2.21	2.79	3.45	4.52	6.34	5.77	7.39	8.30	9.35	10.06	10.81
Fashion	0.34	0.44	0.57	0.81	1.50	1.66	2.14	2.59	3.14	3.48	3.86
Food	0.14	0.24	0.38	0.63	1.26	1.46	1.97	2.48	3.14	3.49	3.91
Furniture	0.14	0.18	0.23	0.31	0.47	0.45	0.62	0.74	0.88	0.97	1.07
Media	0.06	0.07	0.09	0.13	0.15	0.14	0.15	0.16	0.16	0.16	0.17
Toys, Hobby & DIY	0.28	0.42	0.59	0.93	1.52	1.61	1.97	2.22	2.50	2.75	3.01
Total	3.85	5.30	7.29	10.91	19.09	19.26	24.20	27.89	32.30	35.42	38.72

Source: Statista, November 2022.

The term "data" is used to refer to firms that deal directly with consumers. The statistics are derived from the sale of physical goods to a single consumer as a result of interaction with a digital channel. This definition encompasses purchases made using mobile devices as well as purchases made using desktop computers (including purchases made using notebooks and laptops) (e.g., smartphones and tablets). The e-commerce market does not include digitally distributed services (for more information, see eServices), media downloads or streaming, things provided digitally in B2B marketplaces, or the digital purchase or resale of used, damaged, or repaired goods (reCommerce and C2C). Every monetary figure is stated in terms of the annual gross revenue and does not take into account any costs associated with shipping.

However, there are further interesting aspects of market expansion, including as:

- As online retail expands is causing other businesses to benefit and grow as well, including warehousing, packaging, transportation and related digital businesses such as online advertising.
- Even if there is a business that benefits from e-commerce but many businesses are still facing challenges such as physical retail businesses, real estate businesses involved in the sale or rental of commercial space, and large restaurants that are being taken away from food delivery.
- Nevertheless, in the next phase, the physical retail business will continue to exist but products that will be sold outside of the grocery chain may only be left to those that require interaction with salespeople or specialists. For example, cosmetics, perfumes, watches, jewelry, high value electronic goods and products that have installation services. While general electronic products and fashion products will move more and more to e-commerce.
- Large retailers like department stores can use online channels to enhance omnichannel strategies to create customer experience, but must close other weaknesses such as reducing the cost of renting space and number of employees to compete with online retailers.

In order to adapt to the environment, SMEs build their presence on the internet, for example, by adding a profile on online maps like Google Maps or creating brand accounts on various social media platforms and keeping them updated with engaging content. Well-known businesses, such as shopping malls or stores whose brands are already on the market, may add online channels to complement their physical sales channels. and let the storefront be a channel

for customers to try the product or make an appointment to pick up the product. Furthermore, the business should diversify its risks by using different channels and various online platforms to reach more customers and it can continue to do business even if some platforms are closed due to intense competition.

4. Future strategy to improve Thai e-commerce

E-commerce is an important business for the Thai economy nowadays. According to 2021 statistics, the e-commerce business in Thailand is worth 4.01 trillion baht and is expected to grow to 5.21 trillion baht in 2022, emphasizing that online commerce in Thailand is the main money-making channel for entrepreneurs and it is an agency in driving the country's trade business. Especially, it is among community entrepreneurs to strengthen the foundation economy. (Statista, 2021). In addition, this reflects that the Thai e-commerce market is still in the early stages of growth because there are still many opportunities, and most importantly, the Thai e-commerce market still has three factors that support high growth as follows:

- Growing Internet Access
- Intensive mobile and social use
- The prevalence of online payment services (Thailand has the highest usage of mobile banking in the world)

Figure 6: Weekly online purchases, as of January 2022 (Percentage of Internet users aged 16 to 64 who buy something online each week)



Source: GWI, 2021

According to this figure, it shows that Thai people have the highest weekly online shopping habits in the world at 68.3% of internet users in Thailand aged 16-64, followed by neighboring Malaysia, South Korea, Mexico, and China. Buying food is the first ranking in Thailand. (GWI, 2021). However, e-commerce allows us to see the direction of using money online that has changed both in Thailand and around the world. Online food ordering has become the New Normal, together with finding an online doctor that covers almost half of the world today. In the future, if the store wants to sell more products, they will need to expand the channel because customers are not in place. For example, strategic multi-channel sales to unify information. One customer's data must be consistent regardless of the channel through which they purchase. Take the item as close as possible to the customer. Each channel has its own set of benefits, such as marketplaces like Lazada and Shopee, which are used to raise awareness and find new customers. As for creating social media, engagement will be very important, for example, making reviews, writing blogs, and using social media will make people see and believe more, and doing live sales will make customers' experiences more realistic.

Thus, creating a website makes old customers come back to buy again. Alternatively, establish a good relationship via LINE application and offer promotions and special benefits. Each channel must be used appropriately because each channel has a different purpose. Furthermore, selling across borders will help increase product sales. There is no need to sell only in Thailand anymore. But the stores must know the preferences of each country because each country has different preferences, such as a swimsuit shop for A cup women are one of the best sellers in Japan and China because the design is good for small-breasted women and makes them look better when they wear. Technological advancements are changing consumer behavior all the time, which is why e-commerce businesses must keep up with the latest trends if they want to be successful and delight their customers. To be successful in the future, a business must be fast, flexible, and customizable because customers want something special. One of the most important things for digital marketing is that creating a messaging platform to interact with customers in real time or in a timely manner is as satisfying to customers as having an employee attend to and answer questions at the store, as customers in the digital era are agile and dynamic all the time.

Therefore, brands should find ways to create chatbots or look for administrators who are willing to serve customers in real time to answer customer questions in time and not lose sales opportunities. Lastly, the stores need to collect data to see if they've gotten better and make demand forecasts for items coming in and going out. They also need to realize that the more

they sell, the better they'll get, so they can encourage more sales by using data to reduce the risk of sunk costs, cut costs, and make better lead times. Additionally, in the digital age where information is easily accessible to everyone. The more brands have to consider the safety and privacy of users. As for the 2023 marketing trend, many open platforms such as Facebook and Google, as well as smartphone operating systems, will require permission first, then the users can choose what kind of data the different platforms collect and whether to allow it or not. To sum up, the Thai government should support online shopping in three ways: by improving the quality of domestic logistics, by encouraging online payments, and by helping online tax collection that is organized and clear.

Chapter 5. CONCLUSION AND RECOMMENDATION

Conclusion

In the world of business and digital marketing in the past few years, there have been new tools that make doing business easier, and there are various ways to do business in every industry. There are marketers and entrepreneurs in every type of business, and they have to change to keep up with how consumers change so that their brands can understand and reach customers and create marketing plans to meet their needs. Thailand has had a level of increase in its e-commerce sector that is comparable to the above of many other countries in Asia. People's fear of the pandemic has caused e-commerce in Thailand to grow quickly, according to the GlobalData report. This will lead to a 14.8% increase in the value of transactions in 2022. More than that, the vast majority of Thai people have a positive view of the digital world. The growth of sales will be helped by the fact that more domestic businesses are getting involved in e-commerce. The fact that 50% of all e-commerce spending in Thailand goes to purchases made outside the country shows that there is a high demand for foreign items and brands and that there aren't enough options in Thailand. According to a study sourced from Statista, it is anticipated that the Thai e-commerce market will generate revenue equaling \$19.26 billion in the year 2022. By 2027, the market is expected to be worth US\$38.72 billion, and the revenue is expected to grow at a CAGR of 14.99% from 2022 to 2027. China is responsible for the greatest market volume, which is expected to be worth \$1,156 billion in 2022. There should be 45.8 million users actively participating in the e-commerce sector by the year 2027.

The COVID-19 pandemic and the lockdowns to stay at home or work from home led people to order things through online platforms that several countries issued in the years after it in 2020 and 2021 driving customers to switch from traveling to physical stores to online alternatives. Based on this, it has led to 5 important trends that show how the e-commerce market has grown significantly:

- As consumers' lives become increasingly digitally connected, the e-commerce market expands as well.
- The expansion of ride-hailing platforms, particularly those for food and consumer goods delivery.
- More adoption of digital technology in e-commerce business

- Platform promotion strategy for goods and services e-Marketplace including promotional campaigns, discounts, free shipping, as well as utilizing customer information on the platform
- Expansion of new services of integrated logistics businesses, including warehousing and delivery services (fulfillment).

In spite of the fact that eating out and drinking in pubs and restaurants has become more difficult as a result of COVID-19's intensive spread, the meal delivery industry is growing. Even though consumer behavior is complicated and the pandemic changed the demand for some products, this was still the case. This change is happening because more people are using the internet and mobile phones, and because logistics and e-payment systems are getting better. All of these things have made customers more confident in shopping online and made it easier for them to do. The Digital Economy Promotion Agency this change is happening because more people are using the internet and mobile phones because logistics and e-payment systems are getting better. All of these things have made customers more confident about shopping online and made it easier for them to do so. Online shopping has become a daily habit for many people, which means they are willing to spend more money through e-commerce. This has an effect on traditional business owners, who must quickly change to e-commerce to meet their customers' needs. All in all, e-commerce in Thailand will be increasing in the future. According to GWI data from 2021, 68.3% of internet users in Thailand between the ages of 16 and 64 shop online at least once a week. This is followed by Malaysia, South Korea, Mexico, and China. However, delivery service transport in Thailand is increasing so fast during the COVID-19 pandemic. This type of service is provided by express delivery companies for sending documents, sending parcels, sending items to customers, or moving things in general. According to this, demand for express delivery services has grown exponentially over the years because they are more convenient for people. Lastly, online shopping has become one of the most popular things to do online these days. Every company or store has changed to sell online, and it has made the e-commerce market more competitive. In order to survive in the future, most local stores will have to shift from physical buying to online platforms and spread through digital marketing. Otherwise, they would be corrupted.

Recommendation

Successfully doing business in the digital age is about learning new things that happen around you, including consumption trends, marketing tools to penetrate a wider audience. The right combination of sales and digital marketing strategies for brands includes learning what went wrong to sharpen the business plan. If a brand only offers quality products but lacks the means to reach its customers online, it can cause e-commerce businesses to miss out on the potential of reaching their goals effectively and easily push competitors ahead of them.

There are new trends and interesting new technologies that keep emerging these days. To survive, business owners must keep up with it such as:

- Respond and prepare for unexpected events to get back to normal conditions faster such as companies need to focus on the resilience of their supply chains and how they respond to changes in order for businesses to recover and continue to operate. It is also a chance to prevent serious damage to the supply chain in the future, which is something that marketers need to think about if they want businesses to quickly adjust and get back to normal operating conditions, such as globalization, low-cost supply, and minimum inventory.
- Thailand would develop more option on mobile commerce specially payment options because online shopping it is the most popular one in Thailand people buy via smartphones, and using 5G will make people more easily, faster and able to access to buy products on their mobile screens more by merchants with physical stores through Shopify.
- Take the item as close as possible to the customers. Companies need to create content to convince customers through social commerce because mobile Shopping and social Commerce will be able to grow triple times by marketing through Facebook, Messenger and creating creative content through TikTok and Instagram. Take the item as close as possible to the customer.
- Changes in content and language to reach culture language localization because cross-border purchases of goods and services are faced with the problem of translation distortion from the original content that brands want to communicate. Such as foreign consumers would not buy products that do not have English translation on the label because they do not understand about the product usage. Therefore, the key to global e-commerce is making content that fits with language, culture, and other things that are very important when talking to consumers in different countries.

- Look for an agency to improve marketing. Currently, there are many agencies that provide marketing services, advertising, consulting and helping to improve strategies. If any brand needs specific advice, they can look for the right agency to help develop their business further in the future. It also increases the opportunity in their own industrial market as well. Whether it is a large or small business group, they can request a consultation to sharpen their marketing plans better or to provide necessary skills training for marketers to make new tools professional and up-to-date to technology.
- In the future, if the store wants to sell more products, they will need to expand the channel especially local businesses need to shift from traditional selling to online platforms because customers are not in place. For example, strategic multi-channel sales to unify information.
- Online spending will move to online presence instead of real life. These days, many people will see spending money on NFTs or certain items that can only be displayed online, and many luxury and fashion brands are trying to penetrate this market furthermore.

However, e-commerce has started to gain more popularity in Thailand ever since the large foreign e-marketplaces such as Lazada and Shopee entered the Thai market, which is the starting point for adjusting consumer behavior to get used to the new trade and build confidence in online purchases through having a product return policy that includes sending goods first and collecting money later (pay later), which is known as the cash on delivery service. This is resulting in the increasing popularity of online shopping for Thai people. In addition, the entry of e-commerce not only benefits entrepreneurs but also helps consumers have a better life as the cost of buying products is lower due to lower travel and search costs. It also has access to a wider range of products. This is because consumers' ability to access more goods even if they cannot buy them is a big reason why e-commerce has led to a rise in consumption as a whole. Therefore, it can be inferred that e-commerce in Thailand tends to boost overall consumption and also play a role in spreading economic growth across the country evenly.

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I, the undersigned *Miss. Anita INTHAVONG* aware of my criminal responsibility, I declare that the facts and figures contained in my dissertation correspond to reality and that it describes the results of my own independent work.

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