

# mCommerce and eCommerce in Thailand – A Value Space Analysis

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## Abstract

Mobile commerce, a subset of eCommerce, conducted through mobile devices using wireless telecommunications network is poised to change the market place globally. According to Jupiter Research, Mobile Commerce (mCommerce) industry is expected to be 22 billion dollars globally. . In Thailand, users seem to believe that general content such as news, weather, and sports should be low-cost or free. However, innovative pricing schemes and services are expected to attract more users. Thus, the understanding of the value space between eCommerce and mCommerce is becoming important so innovative services can be targeted to attract more users towards mCommerce In this paper, the authors have attempted to identify and understand the adoption issues and value space between eCommerce and mCommerce in Thailand by surveying faculty, staff, and students from a private university in Bangkok.

## 1. Introduction

In Thailand, where the growth in the adoption and use of mobile phones is in double digits the expectations in relative growth in mCommerce is very high. In 2001, Thailand had 5.3 million mobile phones (compared to 5.2 million fixed line phones) in use with a penetration of 8% and was expecting 11.1 million by the end of 2004. The expected penetration rate is over 20% by the end of 2005. The current revenues from mobile phone market are expected to be Bt100 billion, according to Helen Sandberg of Total Access Communications. The high level of mobile penetration is expected to spark demand for higher speed service driving the demand for new infrastructure and the mobile Internet economy. [22]

While global mCommerce is expected to achieve revenue of over Bt.1 trillion and Asia to cross Bt.500 billion by 2005, mCommerce in Thailand is expected to be in early stages. [3][11][21] Two companies Advanced Info Services (AIS) and TAC are leading the way by offering variety of mobile, anytime anywhere, services, using the key technologies such as General Packet Radio Service (GPRS), I-Mode, and Unified Messaging. The most new mobile phones released in 2001 are embedded with technology to link to Internet using WAP (wireless application protocol). With less than 1% penetration of WAP phones analysts believe the slow speeds for WAP inhibited the growth in 2001. Among the Thai mobile phone users 19% have indicated their intent to purchase WAP phones for Internet access and mobile services provided prices and services are reasonable. [9][18][21] Matthias Goertz of Boston Consulting Group though believes that Thailand will likely follow the Japanese trend with mobile devices because Asians are generally more accepting of small screen than are Americans or Europeans. [23]

Texas Instruments CEO Tom Engibous said that mobile devices would introduce brand-new applications that are impossible for desktop devices to handle. [23] In spite of these types of statements the value propositions of mCommerce are not very clearly tied to profitability, says Clarke. Clarke says different value propositions of mCommerce related to *ubiquity, personalization, localization, and convenience* are not related to consumer segments in terms of their attractiveness and their relevance to different industries. Clarke also predicts that the growth in mCommerce will depend on the perceived additional value provided by the services in relation to value currently provided by the desktop Internet services. However, in Thailand where mobile phone usage far exceed the number of fixed lines the value analysis may already skewed. [2]

## 2. The Research Study

Authors' interest in this study is to identify the level of adoption among Thai university students, the most comfortable and the early adopters of mCommerce (15-24 year old), and also to identify the currently perceived gap in the value provided by the mobile services. The identification of such a gap is extremely helpful in understanding factors that affect the adoption and the services that sought by the mobile users in making the new technology useful.

The questionnaire shown in Appendix A is translated in to Thai language and is distributed to business students, faculty and staff at a private university in Bangkok, Thailand.

## 3. Results

The results, conclusions and implications will be presented at the conference.

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**APPENDIX A**  
**Mobile Commerce Adoption/Value Space Survey**  
Please Circle the Appropriate Response for Items 1 to 10

1. Age:                      <20                      21-30                      31-40  
    41-50                      51-60                      >60
2. Gender:                      Male                      Female
3. Faculty Member: Part-time                      Full-time                      Not Applicable
4. Staff:                      Part-time                      Full-time                      Not Applicable
5. Student:                      Part Time                      Full Time                      Not Applicable
6. Student Status: Undergraduate                      Graduate                      Not Applicable
7. Working Student:                      Part Time                      Full Time                      Not Applicable
8. Annual Income:                      <\$10,000                      \$10,001-20,000                      \$20,001-30,000  
    \$30,001-40,000                      \$40,001-50,000                      \$50,001-60,000  
    \$60,001-70,000                      \$70,001-80,000                      \$80,001-90,000  
    \$90,001-100,000                      >\$100,000
9. Primary location of Internet Access:                      Home                      Work  
     (Please Circle ONLY one)                      School                      Public Library  
    Friends/Neighbors                      Mobile Device  
    Other \_\_\_\_\_
10. Own a Mobile Device?                      Cell Phone                      Palm                      Pocket PC  
    Other \_\_\_\_\_                      Not Applicable
11. My average Internet usage per week is (from all locations): \_\_\_\_\_ Hours
12. Approximate Dollar amount I spent using Internet last year: \$ \_\_\_\_\_
13. CURRENT USAGE:

Services Used: [Please put a check ( ) where applicable or put NA (Not Applicable)]		
	Internet (Desktop)	Mobile Device
Banking/Financial Services		
Shopping		
Entertainment		
Information and News		
Travel booking		
Ticket reservation		
E-mail/communication		
Other		
None		

14. REASONS FOR USING:

You <u>use</u> these Services <u>because:</u> (Please put a score from <i>1- very important</i> to <i>5- least important</i> to you, or NA-not applicable.)		
	Internet (Desktop)	Mobile Device
Good price		
Good value for the money		
Access speed		
Comfort		
Always available		
Everywhere available		
Curiosity		
Personalization		

Better information		
It was fun		
It helped me in business		
Recognition among peers		

15. **PROBLEMS FACED:**

The problems you faced when you used Internet (Desktop) or Mobile Device Services are: (Please put a score from <i>1-very important problem</i> to <i>5-least important problem</i> to you, or NA-not applicable)		
	Internet (Desktop)	Mobile Device
Complicated to use		
Access speed		
Lack of security		
Poor quality of service		
Service is not personalized enough		
MOBILE DEVICE ONLY		
High price for mobile access		
Inconvenience in using mobile device		
INTERNET ONLY		
Bad (too high) price		
Bad (poor) value for the money		

16. **IMPROVEMENTS NECESSARY:**

You will use Services on Internet or Mobile Device if there is/are: (Please put a score from <i>1-very important change</i> to <i>5-least important change</i> to you, or NA-not applicable)		
	Internet (Desktop)	Mobile Device
Improved access speed		
Improved ease of use		
Improved security		
Improved customer support		
Lower price		
MOBILE DEVICE ONLY		
Improved comfort device		
Innovative personalized applications		

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_