

Influential Success Factors for SMEs of Thailand in the Digital Economy

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Abstract

The Digitalization of SMEs can be expected to gain further momentum because the world economy is becoming increasingly integrated with steady declines in government-imposed barriers and continuous advances in technology. Meanwhile, more and more SMEs from developing countries are starting to increase their overseas business activities with the help of modern digital technologies. The ubiquity of Computers and mobile digital devices at work, home, school and other places is creating a sense that the global economy is rapidly changing in fundamental ways. For instance, the way that goods and services are produced, distributed and sold and also in the skills requirement of the modern work force.

Digitalization has also changed the transportation and logistics sector, the real time tracking of goods and services has helped to improve the efficiency of transporting goods, services and people from one point to another in no small way. Digital economy offers great opportunities and benefits for all SMEs. As is widely known digital economy encompasses, e-commerce, IT, ICT etc.

The purpose of this research is to identify and analyze the factors affecting the success of SMEs in the Digital economy in developing countries. Thailand was chosen as a case study because Thailand is still considered as a developing economy but only SMEs in the fashion retail and whole sale industry was sampled due to time and financial constraints. However the research was able to identify the major problems affecting SMEs in Thailand from the research findings and adequate recommendation was offered.

The researcher made use of secondary data collection and quantitative method. In the secondary data, previous studies about success factors for SMEs success were analyzed in the literature review and for the primary data collection. We made use of questionnaire to obtain information from 100 SMEs owners and managers. The empirical findings and analysis has brought to light some interesting conclusions. The research has identified the strong and weak points of SMEs in Thailand.

The research proved that the independent variables which are Ability to access to credit facilities, lack of Information technology literacy, Ability to afford technology and Ability to access to international network has a direction relationship with the dependent variable which is success of SMEs. The literature review and case studies are used to propose a framework for Digitalization of SMEs in a developing country. The framework identifies major factors affecting success of SMEs in the digital economy.

Key Words: Small and Medium Scale Enterprises; Digital economy; Developing Countries