

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Bachelor Thesis

Prospects and Challenges of E-commerce In Cambodia

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Information Technologies

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Thesis title

Prospects and challenges of e-commerce in Cambodia

Objectives of thesis

The thesis is thematically focused on issue of prospects and challenges of e-commerce in Cambodia. The main goal is to analyze advantages and disadvantages of prospects and challenges of e-commerce in Cambodia. The partial goals of the thesis are :

- To discover the success and failure of online business in Cambodia;
- To find out the prospects and challenges of online businesses;
- To identify the measures that should be done to ensure success of online businesses.

Methodology

Methodology is based on the topic and situation, descriptive method of analysis is used to analyze the data and providing recommendations. For the research on Prospects and Challenges of E-commerce in Cambodia, both primary and secondary data are used. Gather all possible datas on the given issue and handle according to the outline of the thesis.

The proposed extent of the thesis

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Recommended information sources


Crystal Redhead-Gould, Seven Reasons Online Businesses

Fail, <http://fivestarexecutives.com/seven-reasons-online-businesses-fail/>

Kuratko, D.F & Hodgetts, R.M., (2001) Entrepreneurship – A Contemporary Approach, 5th ed. Harcourt College Publishers.

Southeast Asian Economic Outlook 2013 With Perspectives on China and India, OECD October 2012

Warf B, 2013. Global Geographies of the internet- Springer.



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Declaration

I declare that this thesis “Prospects and challenges Of E-commerce In Cambodia” and the work presented in it are my own and has been generated by me as the result of my own original research and I have used only the scientific literature and other information resources that are mentioned in the references at the end of the thesis.

In Prague on 16th March 2015

Pich Viseth

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Vyhlídky a výzvy elektronického obchodu v Kambodži

Prospects and challenges Of E-commerce In Cambodia

Souhrn

Kambodža už měla přístup k Internetu před více než deseti let. Ale současná situace ukazuje, že došlo k dramatické změně v oblasti informačních a komunikačních technologií, zejména v e-commerce podnikání. Elektronické podnikání a on-line podnikání hrají důležitou roli v národním ekonomickém růstu v oblasti technologií zejména v rozvojových krajích, jako je Kambodža. Je to jeden z hlavních povedou k modernizaci a industrializaci. Online obchod přinesl mnoho přínosů nejen pro zákazníky, ale pro on-line obchodů, pokud jde o nakupování na celém světě používat Internet pro Kambodžanů. Nicméně, existují překážky v Kambodži, které jsou v první řadě odolávající jeho vývoji. Tím je pomalá rychlost Internetu, důvěra zákazníků v on-line nakupování, a nedostatek infrastruktury pro dodání výrobků. Tato práce se zabývá převažujícím stavem a provádí statistickou analýzu k vyhodnocení výše uvedené faktory pomocí průzkumu a dotazníku s Likert měřítkem pro respondenty. Jeden z cílů studie je zjistit úspěchy a neúspěchy on-line nakupování a pokusit se najít možné řešení ke zlepšení on-line podnikání v Kambodži 21. století.

Klíčová slova: on-line podnikání, Kambodža, úspěch, e-business, Internet, perspektivy, výzvy,

Summary

Cambodian already had access to the Internet over a decade. But the current situation shows that there has been a dramatic change in information and communication technology especially in E-commerce business. E-commerce and online business plays a vital role in national economy growth in technology particularly developing countries which Cambodia is also part of. It is one of the major key contributors to modernization and industrialization. Online business has brought many benefits not to only to customers but to online shops in terms of shopping globally using the Internet for the Cambodians. However, there are some barriers in Cambodia that is primarily resisting its development. This includes slow Internet speed, customers trust on online shopping, and lack of infrastructure of delivery products. The thesis examines the prevailing state and performs statistical analysis to evaluate the above factors using sample questionnaire with Likert-scale given to respondents. One of the principle goals of the study is to discover the success and failure of online shopping and try to find possible solution to improve online business in this 21st century in Cambodia.

Keywords: online business, Cambodia, Success, E-business, Internet, Prospects, Challenges

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1. Introduction

Cambodia is a developing country which undergone a lot of changes from past years to our 21st centuries. This include *coup de tat* , political strife, civil war, and genocide, which has effect social and economic infrastructures. Cambodia is in the southern portion of Indochina Peninsula in Southeast Asia and its capital town is Phnom Penh. It is bordered by Thailand, Laos, Vietnam in the North. The country has an area of 181.035 km² (90th in the world). Total population is 15.205.539 (CIA FACTBOOK,2013).

Nowadays, more and more people have been able to access the Internet. Based on the Miniwatts Marketing Group (2014), Internet users in the world estimated for June 30 2013 was reached to 2,405,518,376 users, around 5% to 15 % use Internet for online business. The growth of Internet users in Cambodia continues to increase from 742,220 (Dec. 30. 2013) to 828,317 (July.1.2014) Internet users, have 5.38% Penetration per IWS in July 2014.

Now in Cambodia the main use of Internet among the Cambodian people is for e-mail and social networking. Some Cambodian still treat its benefits with deep skepticism. They do not believe that online retailing transactions can be successfully conducted. While businesses in Cambodia reported to have online access with opportunity for e-commercial activities, peoples in the country tend to access business websites only to source for information, they continues to make purchase the traditional way. The Internet has revolutionized the mode of business transactions by providing consumers with the ability to bank, invest, purchase, distribute, communicate, explore, and research from virtually anywhere, anytime where there is Internet accessible.

Like traditional businesses, online businesses in Cambodia, face with many challenges such as: choosing profitable business, understanding markets, knowing customers' needs, anticipating the competition and change in technology, etc. For example, in case of one very big online retailed outlet, ebay.com, Clickbank.com and Amazon.com, there are about 50,000 product publishers (or called online entrepreneurs in worldwide), but only one to five percent of them are successful while the rest are failure or just meet the break-even point. We have other problem of e-commerce development in Cambodia that make people

hard to online payment. According Ngoun Geng tech (director general of the Cambodia chamber of commerce) said that significant progress in e-commerce remains unrealistic even though there has been development of key resources to boost online buying and selling. E-commerce development still remain a big challenge for Cambodia of lacks IT policies, and e-commerce law, other cyber laws and transaction laws (Chanthan, 2009). E-commerce is very important task for online entrepreneurs to market and sell their products in Cambodia and it can widely broadcast across the world, much more so than television. Most countries like China, USA, and Europe have been able to overcome problem with online business which due to good policies made by Government.

Hence, the study is to analyze the prospect and challenge in online business in Cambodia that use knowledge of online business from other country to develop strategy for success for business use by the Internet. This study will help Cambodia be able to improve and easy for people easy to access Internet for shopping online.

2. Aims, Goals and Research Question

2.1 Aims of the bachelor thesis

The thesis is thematically focused on issue of prospects and challenges of e-commerce in Cambodia. The main goal is to analyze advantages and disadvantages of prospects and challenges of e-commerce in Cambodia. The partial goals of the thesis are:

- To discover the success and failure of online business in Cambodia;
- To find out the prospects and challenges of online businesses and also to explore and identify the effected by slow speed Internet, lack of trust in online shopping and lacking infrastructure of delivery product.
- To identify the measures that should be done to ensure success of online businesses.

2.2 Research Question

Are there challenges or problems in E-commerce affected by the slow speed of the Internet, customers trust in online shopping and lack of infrastructure for product delivery in Cambodia?

After the conceptualization process, we can divide the main research question into three statements:

S1: an effect of slow speed Internet to the use of online shopping

S2: an effect of customers trust in online shopping in Cambodia

S3: an effect of lack of infrastructure for product delivery in Cambodia

3. Methodology

Methodology is based on the topic and situation, descriptive method of analysis is used to analyze the data and use Chi-square test to find hypothesis by using P-value and significant and not significant, also providing recommendations and interview expert have background of this topic to know about this challenge and prospect of e-commerce. For the research on Prospects and Challenges of E-commerce in Cambodia, both primary and secondary data are used. Gather all possible data on the given issue and handle according to the outline of the thesis. In the practical part, a questionnaire survey will be conducted. Conclusions and practical recommendations would be formulated using theoretical knowledge and own practical research.

3.1 Questionnaires

In order to gather all the possible information for research, a questionnaire was used for this study. The questionnaire consists of a total of questions which are divided into two sections. One uses questions using 5-point Likert scale and yes, no question, also question ask to explaining the problem and the second section includes 4 questions and also question ask about if yes and if no 5 questions.

Section one questions includes questions in term of the dependent and independent variables. The respondents were asked to answer these questions and provide their rating using a 5-point Likert scale measure ranging from 1 to 5 with the following level: 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree, 5 - strongly agree. Section two of the questionnaire provides the information of the respondents such as age, gender, study level, average monthly income, access the Internet mostly, use Internet mostly at home, Speed of Internet connection at home, type of Internet connection, Internet connection at home.

The questionnaire will then be translated into Cambodian language (Khmer) then given to all the possible selected participants' respondents for able to get all information needed for study of this thesis.

3.2 Participants

This study used a simple way and simple approach to recruit the participants. Cambodian people like students and society workers who had some experiences and knowledge about purchasing goods from the Internet. In Cambodia the Facebook user had been increasing rapidly since 2012 by using Facebook social networking sites, call Facebook commerce (F-commerce). So this people will try to ask them what is their opinion for the e-commerce inside Cambodia. Phnom Penh city were selected city which we can get most of information from them because there are so much user that using Internet in the city. All participants already at least had their high school diploma. Most of them had their bachelor degree, accounted for 89%. Respondents live in Phnom Penh city were chosen randomly to answer the questionnaire. We can be direct approach survey on paper or done over the Internet through email and survey tools. All the data was collected with the total of 31 acceptable questionnaires which were returned via email and survey tools.

3.3 Samples and Data Collection Procedures

Before sending out the questionnaires to customers, all the questionnaires were translated from English to Cambodian (Khmer) for the purpose of collecting the information for doing the research for research question to answer the problem inside Cambodia. The translation will then be reviewed to check if the questionnaire is clearly understandable and suitable for the Cambodia context. After that, the questionnaires had been delivered to the customers through email and also used survey tools like SurveyMonkey.com or Google form or given directly to the customers. Collectors would politely ask the permission to take some of the customers' time to answer the questionnaires. If they said no, the survey would be terminated immediately in a respectful way and did not continue any further. If the answer is yes then the questionnaire would proceed through planned questions with the help of the collectors to provide help and information whenever the respondents needed when answering the questionnaire. These two methods above were used in order to collect database on a random sample. The targeted age for the respondents was young person up to age 25 years old and adults who had a bit know of online shopping and responsible for any of their action. They were chosen randomly to answer all the questionnaires thus this study results will give the general overview to all the Cambodian.

3.4 Data analysis:

For data analysis part, demographic questions were taken into statement and the descriptive analysis as take action to provide information of all the respondents. After that the descriptive statistics of the three categories which are slow speed of Internet connection, customers trust in the view of online shopping, and lack infrastructure of delivery of product were done by careful calculated and presented with summary information. After that we are used statistical method multiple linear regression to check whether demographic variables (age, gender, education, income) had any effect to the prediction of the trust variables. Lastly the hypothesis testing was completed to determine that the hypothesis is supported with each other or not. Finally, the final stage would be implications from the data analysis along with the recommendation would be considered and provided.

The Chi-square test will be used observation (n) to represent the relationship between dependent variable (challenges or problem of E-commerce) with for independent factors (slow speed Internet of using online shopping, customers trust in the view of online shopping, lack infrastructure of delivery of product).

The Chi Square test is denoted by X^2 and the formula is given as:

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Here,

O = Observed frequency

E = Expected frequency

\sum = Summation

X^2 = Chi Square value

$Y = a \cdot X_1 + b \cdot X_2 + c \cdot X_3 + \text{const.}$

Y: dependent variable challenges or problem of E-commerce

X_1 : independent variable slow speed Internet of using online shopping

X_2 : independent variable customers trust in the view of online shopping

X_3 : independent variable lack infrastructure of delivery of product

a, b, c and const. are the correlation coefficients, which indicate the statistical relationship between independent and dependent variables.

3.5 Verification:

Comparison of p-value with significant level of 5% with statement H_0 : the parameter is equal 0. If p-value < 0.05 H_0 rejected, H_1 is accepted with the statement: “there is a statistically significant relationship between selected independent variable and generated dependent variable. If p-value > 0.05 H_0 is fail to rejected the estimated parameter is not statistically significant.

4. Literature review

4.1 Definition of E-commerce

Electronic commerce (E-commerce) is often thought simply to refer to buying and selling using the Internet. People think of consumer retail purchases from companies such as E-bay. But e-commerce involves so much more than electronically mediated profit transactions between organizations and customers. Many peoples refer to e-commerce as all electronically mediated transactions between an organization and any third party it deals with. In this definition, non-financial transactions such as customer requests for further information would also be considered to be part of e-commerce. (Kalakota and Whinstone, 1997) mention to a range of different perspectives for e-commerce is a communications perspective and a business process perspective. A communication perspective is the delivery of information, products, services or payment by electronic means. A business process perspective is the application of technology towards the automation of business transactions and workflows.

4.2 Growth of E-commerce

Today, the market place is flooded with several ecommerce options for shoppers to choose from. A variety of innovative products and services are being offered spoiling customers for choice. Online shopping is no more a privilege enjoyed by your friends and family living in the US or UK. Today, it is a reality in Cambodia. In the long development of country, the growth of ecommerce industry in Cambodia hasn't been phenomenal as more shoppers have not started discovering the benefits of using this platform. There is not enough scope for online businesses in the future if they not understand the Cambodian shopper's psyche and cater to their needs.

4.3 Overview of online business challenge in Cambodia

Online business has been a greatest challenge since time memorial for developing countries like Cambodia which is part of the Asia continent .This due the effect of the network reliability because of slow Internet with high price and have no knowledge of using Internet as the core of gain profit from it, also the security, privacy that not secure enough for online shopping. About 80 percent of Cambodians who engaged in technology world had no formal education due the lack of information, ignorance, and literacy Issues. This has development concerned of difficulty for Cambodia people to do shopping online

because of the lack of Cambodia Government support. Due to this fact, Government should be organized of policy law of online business and knowledge for people to create simple business inside and outside country for advantage in a near future.

4.4 Reason of difficulty of E-commerce

Internet is a gathering place where created new opportunity for consumers. Virtual communities, blog, and online social networking sites offer a platform to affect consumers purchase decisions (OTX research, 2008). According to (Nkado ,2009) the problem of online business in developing economic which series of constraints that hinder the progressing performance of online business in most developing countries such like Cambodia. (Nkado, 2009) continues that the problems to the e-commerce including following of e-marketing want people to use newer and latest technology more than traditional media. Cyber-crime is the concern for slow progress the reason that many consumers are afraid and hesitant to buy goods over the Internet because they don't trust their personal privacy will remain in private. Encryption is the main method for implementing privacy policy (Nkado, 2009) also note that low-speed Internet connection are another barrier of online business, and if companies create large or over-complicated websites connect via dial-up or mobile devices with experience delays in content delivery.

4.5 Security and Trust of E-commerce

Security will face the problem for online business nowadays. (Alan and William, 2002) explained that one of the most important issues in E-lending is security. This is said that E-lending is the source of protecting the privacy for people. (Mukherje and Nath,2007) noted that Trust and commitment are the main central tenets in building up success long-term relationships in the online context. This is make that trust is the key for doing the business between businesses. According to (Shalhoub, 2006) stated that the lack of trust in online payment is the one of the main reasons for the low e-commerce adoption, especially in developing economies countries.

4.6 Traditional business and effect of virus in E-commerce

Traditional business have a higher chance to meet customers face to face and allow them to contact with sales staff members or customer service associates. As it can see that online

business often features only a list most of the sites is infected with virus called spyware, Trojan that will cause for people not to trust it fast and hesitant to pay the goods that they want to buy and asked the seller about the goods real or fake. This make them to feel that the seller can be fraud to get the money.

4.7 No knowledge of doing E-commerce

Advertising is initial problem that people do not know how to advertising in order to sell the product or service. It need to have some information about goods that people interesting in order to buy it. Those information of goods need to be accurate, attractive, true, and origin. Failing of the online business can be competition too, when create business online there is infinity space for competitors to spring up. Problem is that those peoples can also copy business model easily, building websites that look the same and offering good-catch promotions that draw the customers away.

4.8 Make new website and risk of E-commerce

For the reason that everyone can start an own website, online e-marketing competition happens quickly and can be intense until less successful business drop away. Startup costs of doing online business are lower than those for a traditional business, however other costs can spend into your business website profits. For example if you want the customers to pay for goods using credit card you will need to buy security software and keeping update to store the information they submit private and safe. If you decide to use on-line pay service, the service will take a fee from each transaction they process for you. Other online business costs include website hosting, employing a web designer, shopping and delivering your goods and purchase advertising space online. (Srinivasan, 2004) stated that success of an e-business rests on many factors. He defined trust is something that an e-business must strive to achieve over a period of time. The author suggested some contributing factors for gaining customer trust are: appeal of the Web site, product or service offerings, branding, quality of service and trusted seals. Trust can be viewed from many angles such as transaction, information content, product, technology and institution. (So, W. C. and Sculli, 2002) stated that in relation to trust and Internet technologies, consumers are concern about the privacy and security. (Davidson, 2001) proposed that having business on social online offer potentially opportunities for increasing efficiency

and cutting costs but it also offers unlimited risks. This risk will attract hackers and criminals which because of much greater access to information data private. In addition, Inadequate infrastructural development (Energy power) is a constraint that effect e-marketing, because it will give disadvantage which lost so much profit from it, due to country are very poor, such that some of them depend on aids from abroad.

4.8.1 Important of E-commerce in Cambodia

Online business has been a great important for developing countries which Cambodia is also part because it promote easy purchase of goods from the Internet call world wide web (WWW). Online business means better and quicker customer service. Online customer service makes customers happier. The web merchant gives customers direct to their personal account online. This help save time and money. For companies that do business with other companies, adding customer service online is a competitive advantage. The overnight system package delivery service, where you can tracking your goods use tracking number allow customers to check the goods whereabouts. E-commerce can help consumers to compare between shops to shop. This mean that you can find good price, good deals on everything from apples to printer etc. Email is the one role that make people to collaborate to exchange information and work on solution. It has transformed the way organizations interact with suppliers, vendors, business partners, and customers. More interaction mean better results. Plus Web promotions are gaining popularity because of its vital elements. With the help of Internet marketing, peoples can trade or get any type of service online and can reduce the hard efforts of buying from stores or market outside. Using Internet, many users all around the world do research on products and purchase them on web. The business entities which do not make use of web promotions are likely to miss out the value of this aspect. Online business opening and available 24/7 every day and never close. This type of business can be very advantage from the point of view of consumers as they can connect and access anytime they want through the day as well as night his too with no need to visiting the shop personally. Policy law of online marketing need to be issue for better business in Cambodia. This is create a bigger chance for Cambodian people to doing online shop in the country. Nevertheless, Government need to consider to offer the course that able for student to learn about new technology and business online, because of the world is changing with newer technology every day.

4.9 More CHALLENGES of ICT in Cambodia

Currently, the Information Communication and Technology (ICT) in Cambodia have improved more according to capacity of human resources and economic growth. However, it has several challenges such as paucity of electric power supply, limited Internet access, high service charges, and low knowledge for using new technology.

Less supply of Electric Power: With population increase, there is more demand for electricity compared to the previous time. Some rural areas do not have electric supply and the charges for using electricity are high that does not match with Cambodian standard of living.

Internet Access: The Internet access is limited and users are not having satisfactory service. In some area cannot Internet cannot be accessed.

High Price of Services: The prices of Internet services are higher in respect of some companies. But if the users choose cheaper price the Internet is difficult to access.

Low knowledge: The Cambodian people still have low knowledge for using new technology if compared to Singapore, South Korea and Japan.

4.9.1 Strategy for ICT Development

The main strategy for ICT development should focus on ICT Framework, ICT Service, and ICT Infrastructure, ICT Development and commitment to global issues.

ICT Framework:

- Develop a national ICT legal and regulatory framework to ensure national economic and social stimuli.
- Develop measures to achieve the e-ASEAN Framework Agreement, as well as to ensure efforts to keep pace with the ASEAN level of ICT technology through the promotion of a national ICT innovation.

ICT Service:

- Improve government services through the application of ICT
- Support the use of ICT in the private sector and the growth of e-commerce

- Encourage the growth of a national ICT industry and its links among the ASEAN region.

ICT Infrastructure

- Develop a reliable national ICT infrastructure

ICT Development

- Enhance the level of ICT literacy among the population
- Develop regionally competitive ICT experts and ICT savvy human resources
- Support WID (Women in Development) in the ICT Sector

Commitment to Global Issues

- Encourage an awareness of ICT as a tool for fighting global warming

4.9.2 Overview of Cambodia GDP and Mobile market in Cambodia

The mobile market had started to go through some form of rationalization by 2011. By that stage there were nine licensed operators. The number of operators dropped to eight in that year when the merger of two of the operators was approved by the authorities. Then, after a great deal of activity on this front in 2012, two major changes took place: the closure of financially struggling Mfone finally occurred in early 2013; and in March 2013 Hello Axiata merged with Smart/Latelz to form a refreshed Smart Mobile. Importantly, the new, combined Smart emerged as the second largest of mobile operators, with over five million customers, not far behind the market leader Viettel's Metfone. By early 2014 there were six mobile operators, but three of these only had small subscriber numbers. In fact, the three major operators were claiming around 95% of the total subscriber base.

The limited fixed-line telephony growth that had come about in Cambodia earlier on had mainly been through investment under foreign assistance plans, focusing on the capital Phnom Penh. Subsequently, geographical coverage did not increase significantly for a decade or more. The number of fixed-line services remained relatively static for some years at around 50,000. By 2010, however, the numbers were starting to head upwards. The arrival of Viettel in the market place in 2009 proved to be the trigger for a surge in growth. By end-2012 there were a reported 720,000 fixed-line subscribers, representing a

healthy teledensity of 5% and growing. But 2013 saw a sharp drop in fixed-line subscriber numbers. It can see in the picture below:

Figure 1 Cambodia - key telecom parameters – 2011 - 2014

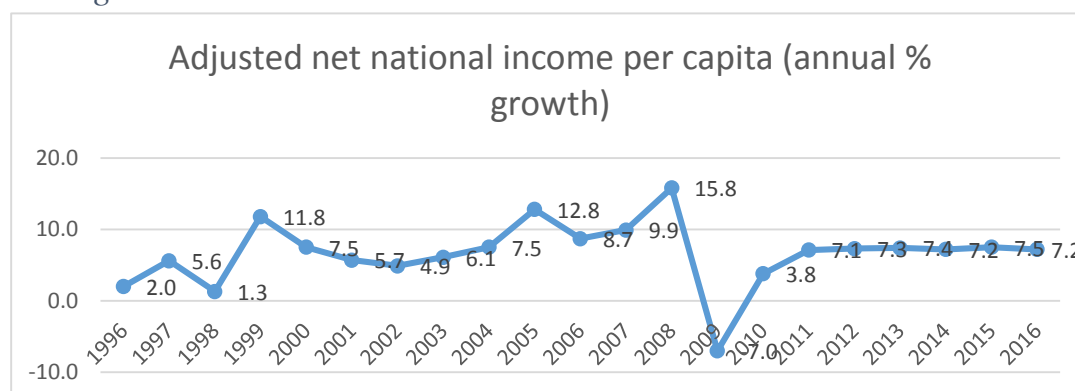
Category	2012	2013	2014 (e)
Fixed-line services:			
Total No. of subscribers	584,000	420,900	450,000
Internet services:			
Total No. of fixed broadband subscribers	30,000	32,600	40,000
Mobile services:			
Total No. of subscribers	19.1 million	20.3 million	21.3 million

(Source: BuddeComm)

Cambodia GDP Growth

The graph below (see figure 2) indicates the Growth GDP in Cambodia from year 1996 to forecast to year 2016. It was show that average from 2000-2006 has growth rate from 7.5% increased up to 12.8% in year 2005 and decrease to 8.7% in year 2006, this is show that the minimum wage in Cambodia is have fair wage for people that worked in labour industry but face some hard situation at 2006 with unfair payment. On the other hand on year 2007 to 2009 the rate was go up to from 9.9% and raised up well with 15.8% in year 2008, but in year 2009 rapidly down to -7.0% due to problem with poor economic plan, and corruption inside the country. Last but least on year 2010 was recovery a bit back to 3.8% for due reason of the change law due of the two election party cooperative with each other. Finally, Cambodia GDP growth abit well from year 2011 rate : 7.1% to 7.5 % in year 2015, also on forecast year 2016 the rate will be growth to 7.2% rate.

Figure 2 Cambodia GDP Growth



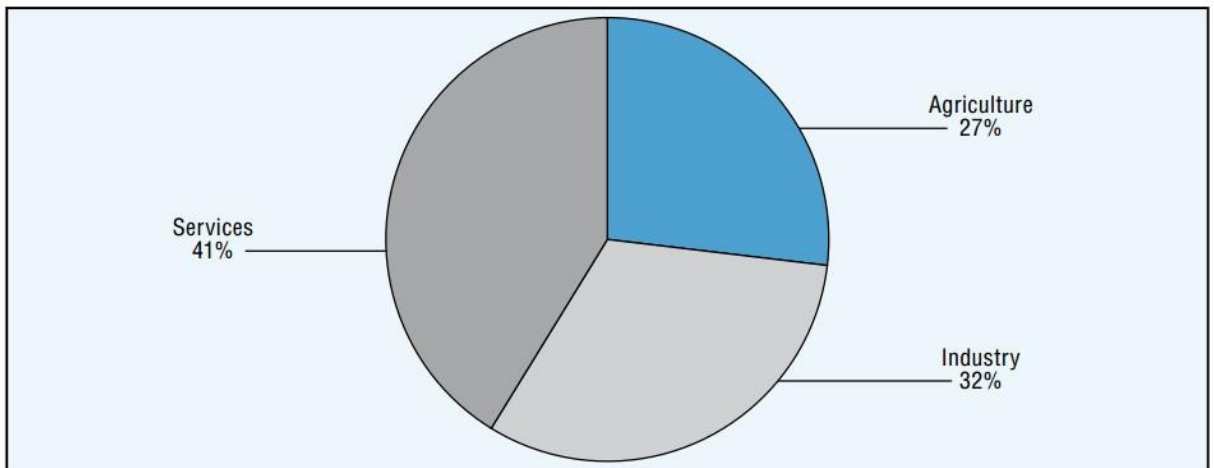
Source: <http://databank.worldbank.org> 2009 - 2013

Cambodia GDP by Sector

The Cambodian economy performed well in 2012 and the outlook continues to be positive in 2013. The economy grew 7.3% against a backdrop of low inflation (2.2%). The services sector is the biggest contributor to GDP, accounting for 41% of total GDP, followed

by industry at 32%, and agriculture with 27%. However, agriculture continues to make a rising contribution to the growth of the Cambodian economy. The sector grew 4.3% in 2012 and accounted for 4.75 million workers out of a labour force of 8 million in 2011 (see figure 3).

Figure 3 Cambodia's GDP, by sector, 2012

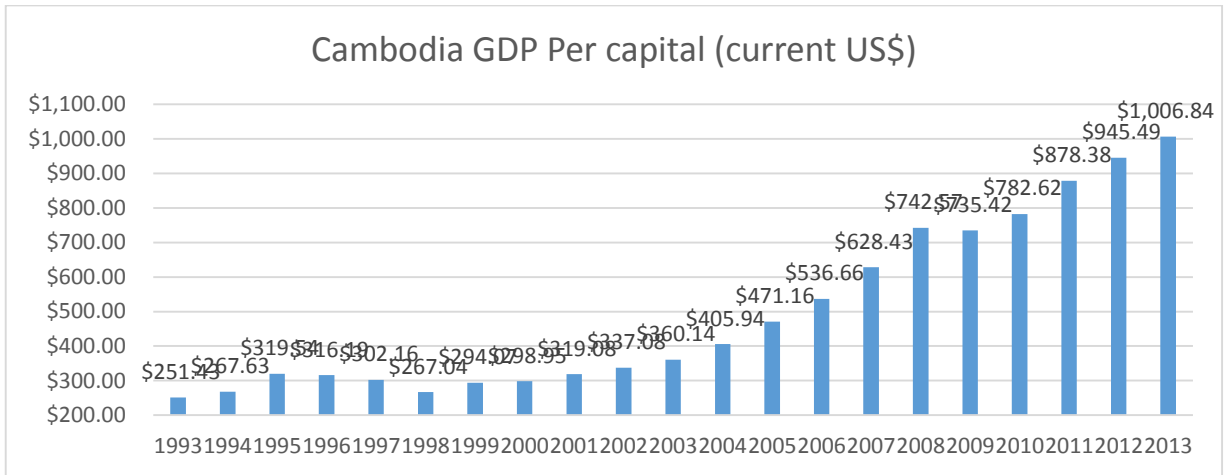


Source: www.oecd.org

Cambodia GDP per Capital in US Dollars

Cambodia GDP per capital was improved well from year 1993 with 251.43 US dollars and follow by year 1994 with 267.63 US dollars. The great increase of GDP in Cambodia was in year 2004 with 405.94 US dollars continue increase more than 8 year from 2005 to 2012. On year 2013 GDP per capital increase with 1006.84 US dollars. (See Figure 4)

Figure 4 Cambodia GDP per Capital in US dollars

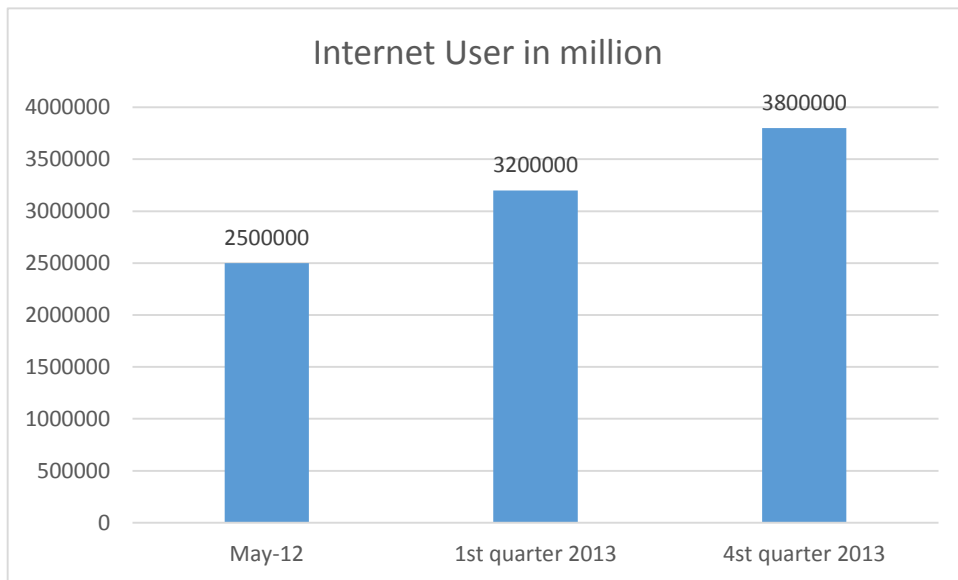


Source : <http://data.worldbank.org/>

Internet Usage in Cambodia

Ministry of Posts and Telecommunications of Cambodia said that Internet usage in Cambodia in May 2012 was had 2.5 million Internet user in those year and follow by 1st quarter in 2013 had reached to 3.2 million user in Cambodia. At 4th quarter in 2013 user is rapidly grow to 3.8 million user in Cambodia. (See figure 4)

Figure 5 Internet User in Million



Source: Ministry of Posts and Telecommunications of Cambodia (readjustment)

Top local sites in Cambodia

news.sabay.com.kh created by CEO Mr Chy Sila in 2010 provides combination of breaking news and unlimited entertainment with focuses on youth. The primary objective of the webpage www.sabay.com.kh is to provide main contents such as entertainment, life, society, technology and sports. Sabay web is aimed to be a melting pot of ideas, opinions, gossip, experiences, where the youth gather to gain and share information and knowledge.

Khmerload.com is a popular Internet website created by CEO In Vichea that publishes content which entertains and informs viewers. Khmerload.com doesn't publish content that is politically motivated. Articles focus on social issues in Cambodia such as crimes, traffic accidents, and conflict. Some odd topics and events were also published based on videos and pictures from around the world. It gain popularity through share on Facebook.

Shop168.me is Cambodia's online shopping place that is similar to Rakuten. But not yet popular in Cambodia. It was begin operation in 2013, shop168.me does does not sell any goods itself but provides an online platform to facilitate trade between buyers and sellers. You can get your goods delivered within one or two days in Phnom Penh area.

Khmer24.com is a online shopping store in Cambodia that use pay method consumer to consumer and is similar to craigslist.com. it had more than 50000 registered members and got 74863 Facebook likes on 24.04.2014.

5. Own Input

5.1 Goal

The goal in this thesis is focused on the issue to find and analyzing the advantages and disadvantage of prospects and challenge of e-commerce in Cambodia. This is also to find out how people that living in Cambodia what they are think about the e-shopping and e-commerce inside the country that is it benefit for them in near future. So for able to go deep in this goal we had some piece of partial goals of the thesis such as to discover the success and failure of online shopping in Cambodia and to determine and to learn about the prospects and challenges of e-commerce and also to explore and identify the effected by slow speed Internet, due to lack of trust in the view of online shopping and due to lack infrastructure of delivery product inside Cambodia. Lastly, to identify the measures that should be done to ensure success of online shopping in a country.

5.2 Research Design

5.2.1 General Survey

Research Question had been created to find out how many respondent think about the e-commerce inside society of the country and how they react to the new way of shopping by using Internet. In the questions it asked “ Is there challenges or problem of E-commerce effected by the slow speed Internet, Customers trust in the view of online shopping and lacking infrastructure of delivery product to customers in Cambodia?. This question ask to answer the research question to analyzing the result of the effect of this cause to understand well and to able to find the solution for make new plan for business by use Internet as the source in near future. This questionnaires survey, we used survey tools “SurveyMonkey.com” for finding and analyzed result for our research question, and we were translated into Cambodia Language Call Khmer for respondent to get what is the meaning of the question. This study survey used simple way for respondent fill it by sending email and web link share with social networking such as Facebook, Google plus, etc., also use website that embed your survey on some website if they allow in their site. Questionnaires had been sent it to the Phnom Penh city that was selected city for get the respondent to response to the survey because 80% of Internet user are living in capital city Phnom Penh and 20% outside the capital city. This 20 % percentage is mean that people not able to access Internet in their home or other place.

5.2.2 Expert Interview

In this study we could know it well by collected and analyzed the data from the research question, this help us to understand clearly for success to bring e-commerce into the society of Cambodia. Alternative method we were used is to interview the expert or specialist person that have background and experience in the field which involve to this thesis topic. The interview was done by use simple qualitative approach face to face interview. Research question in this thesis are used to interview which located at aims, Goals and research question chapter. We asked the expert to know how they feel and response to our question, and how much they knew and experience about this research question. So that why we try to ask some expert to give us answer for our question to highlight the point on this thesis. To able to get our answer we went to ask some expert in Cambodia. Most of them are living in capital city Phnom Penh city. This interview will help us understand why e-commerce is not develop well in Cambodia society.

5.3 Present result of research question

5.3.1 Summary of descriptive statistics of questionnaires

The complete set of acceptable questionnaires was 31, accounted for 90% delivered questionnaires who agreed to reply or answer to the data collector. As mentioned the respondents were expected to answer all 31 questions divided into two specific sections. Section one includes 12 questions used to collect personal data of the customers such as age, gender, study level, average monthly income, access the Internet mostly, use Internet mostly at home, Speed of Internet connection at home, type of Internet connection, Internet connection at home. Whereas section two consists of 19 questions which were planned to be used to find out the respondent's perception of online shopping. Most respondents experienced shopping on-line more than one so this will add more consistency to the research.

Survey 1 result: How often do you use the Internet?

In table 2 : 16 out of the total of 31 respondents got 53.33 % that people used Internet more than one hour per day, and 30 % of 9 respondents response that they used Internet for several hours per week, following by 16.67% of 5 respondents used Internet less than an hour per day. The Minimum of 1 show that there were 5 responses in the top answer less than an hour per day and Maximum of 3 show that there were 9 responses in the bottom

answer “Several hours per week. In a mean of 2.13 shows that the answers are about between More than one hour per day and several hours per week.

Table 1 how often do you use the Internet?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Less than an hour per day	16.7%	5	Minimum	1
b. More than one hour per day	53.3%	16	Maximum	3
c. Several hours per week	30.0%	9	Median	2
d. Only few times per month	0.0%	0	Mean	2.13
e. Not at all	0.0%	0		
<i>answered question</i>		30		
<i>skipped question</i>		1		

Source: Own calculation

Survey 2 result: Do you have the Internet connection at home?

In table 2, 80.65% of 25 responses said yes it mean that they had Internet connection at home, and can show us that they had pay Internet that allow to use at home. Secondly 19.35% of 6 responses said No it show that they don’t have Internet at their home, so we can say that they play Internet outside home.

Table 2 Do you have the Internet connection at home?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Yes	80.6%	25	Minimum	1
b. No	19.4%	6	Maximum	2
<i>answered question</i>		31	Median	1
<i>skipped question</i>		0	Mean	1.19

Source: Own calculation

Survey 3 result: If question number 2 is year ‘which type of the Internet connection do you use at home?’

In table 3 it show result that 53.85% of 14 respondents show that people paid and used cable modem type of Internet connection use at home because this is the high speed Internet, on the other hand 19.23% of 5 respondent show that people used DSL Internet connection at home. With 11.54% of 3 respondents mean people used Dial-up Internet connection at home, finally 15.38% of 4 respondents show that people used other Internet connection such as mobile Internet 3G or 4G connection, Etc. In the mean of 2.12 show between people use dial-up type and DSL connection type.

Table 3 if no.2 is year: which type of the Internet connection do you use at home?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Cable modem	53.8%	14	Minimum	1
b. Dial-up	11.5%	3	Maximum	5
DSL	19.2%	5	Median	1
Micro wave	0.0%	0	Mean	2.12
Other	15.4%	4		
answered question		26		
skipped question		5		

Survey 4 result: if no.2 is yes: what is the speed of Internet connection at home?

In table 4, 55.56% of 15 respondents have Internet speed connection at home not more than 1 Mbps at their home, follow by 33.33% of 9 respondents have Internet speed more than 1 Mbps or higher speed connection at home. Moreover, 7.41% of 2 respondents have Internet speed not more than 512 Kbps at home, so with 3.70% of 1 respondent have speed Internet connection not more than 256 kbps at home. In a mean of 3.19 show that people have Internet speed connection between not more than 1 Mbps and more than 1 Mbps or higher.

Table 4 if no.2 is year: what is the speed of Internet connection at home?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Not more than 256 kbps	3.7%	1	Minimum	1
b. Not more than 512 kbps	7.4%	2	Maximum	4
c. Not more than 1 Mbps	55.6%	15	Median	3
d. More than 1 Mbps or higher	33.3%	9	Mean	3.19
answered question		27		
skipped question		4		

Source: Own calculation

Survey 5 result: if no.2 is yes: How much you pay for you're the Internet connection?

In table 5 show if question number 2 is yes, so people will pay for their Internet connection at home. So it seem that the higher percentage is 40.74% of 11 respondents which show that people are pay their Internet connection at home from 21\$ to 30\$/ per month, continually by 25.93% of 7 respondents meaning that people are pay from 11\$ to 20\$ per month for Internet at home. For 14.81% same as 1\$ to 10\$ per month and 31\$ to 40\$ per month people can pay for Internet at home, however 3.70% of 1 respondent have pay 41\$ to above or higher \$ per month.

Table 5 if no.2 is yes: How much you pay for your the Internet connection?

Answer Options	Response Percent	Response Count	Basic statistics	
a. 1\$ to 10\$/per month	14.8%	4	Minimum	1
b. 11\$ to 20\$ /per month	25.9%	7	Maximum	5
c. 21\$ to 30\$/per month	40.7%	11	Median	3
d. 31\$ to 40\$/per month	14.8%	4	Mean	2.67
e. 41\$ to above \$/per month	3.7%	1		
answered question		27		
skipped question		4		

Source: Own calculation

Survey 6 result: if no.2 is yes: Do you use the Internet mostly at home?

In table 6 the result of people mostly using Internet at home the answer is yes because by 24 of response to the answer is got 88.89% nearly 90% that use Internet so much at home due to the reason they did not want to go outside like going to Internet café or etc. With 11.11% of 3 response show that people not mostly use Internet at home. In mean of 1.11 show that most people use Internet the mostly home.

Table 6 if no.2 is yes: Do you use the Internet mostly at home?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Yes	88.9%	24	Minimum	1
b. No	11.1%	3	Maximum	2
answered question		27	Median	1
skipped question		4	Mean	1.11

Source: Own calculation

Survey 7 result: If no.2 is no: Where do you access the Internet mostly?

In table 7 result show that the higher percentage is people access the Internet mostly at Internet café with 30.77% with 8 responses, and 26.92% show that some people access the Internet mostly at work place follow 19.23% by same percentage people use Internet mostly at school and at other places. Lower percentage with 3.85% people use Internet at library.

Table 7 if no.2 is no: Where do you access the Internet mostly?

Answer Options	Response Percent	Response Count	Basic statistics	
a. At work	26.9%	7	Minimum	1
b. At school	19.2%	5	Maximum	5
c. At library	3.8%	1	Median	3.5

Source: Own calculation

d. At Internet Cafe	30.8%	8	Mean	2.96
e. At other places	19.2%	5		
<i>answered question</i>		26		
<i>skipped question</i>		5		

Survey 8 result: if you have already shopped online, have you ever used electronic payment method such as PayPal, credit card, visa card, Master card, Visa debit, or digital wallet?

In result of question 8 82.76% most of respondents said yes because they have experience with shopping online and also understand how to use the payment method as PayPal, credit card and etc. However 17.24% low responses of 5 people said No because they don't have information about this method and not have much knowledge about the payment method. (See table 8).

Table 8 if you have already shopped online, have you ever used electronic payment method such as PayPal, credit card, visa card, Master card, Visa debit, or digital wallet?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Yes please continue answer questions	82.8%	24	Minimum	1
b. No please can stop answer questions	17.2%	5	Maximum	2
<i>answered question</i>		29	Median	1
<i>skipped question</i>		2	Mean	1.17

Survey 9 result: Gender

In table 9 show that 10 of total 28 with 35.71% is female that reply and accept to fill the survey. The higher respondent is 18 respondents with 64.29% are all male which accepted to fill the survey. Mean of 1.36 show meaning that Male have interesting in filled the questionnaire. 3 people had skipped this question.

Table 9 Gender

Answer Options	Response Percent	Response Count	Basic statistics	
a. Male	64.3%	18	Minimum	1
b. Female	35.7%	10	Maximum	2
<i>answered question</i>		28	Median	1
<i>skipped question</i>		3	Mean	1.36

Source: Own calculation

Survey 10 result: Age group

In table 10 most respondents were in the age group of 25-34 with 17 peoples, equivalent to 60.71% and there were peoples in age group of 15-24, accounted for 28.57%, in age group of 35-44 with 2 respondents, equal to 7.14% and 1 respondent in age group 60 and above equal to 3.57%. There were none respondent in the age group 45-54.

Table 10 Age group

Answer Options	Response Percent	Response Count	Basic statistics	
a. 15-24	28.6%	8	Minimum	1
b. 25-34	60.7%	17	Maximum	5
c. 35-44	7.1%	2	Median	2
d. 45-54	0.0%	0	Mean	1.89
e. 60 and above	3.6%	1		
<i>answered question</i>		28		
<i>skipped question</i>		3		

Survey 11 result: What is your highest education level?

Most of the respondents had bachelor degree, consists of 17 out of 28, which was accounted for 60.71%. The percentage of the rest of the group of high school diploma, master degree were 21.43% (n=6), 17.86% (n=5) respectively. There are no respondent on doctor degree. Everyone asked had at least one education degree.(see table 11)

Table 11 what is your highest education level?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Elementary School	0.0%	0	Minimum	2
b. High school Diploma	21.4%	6	Maximum	4
c. Bachelor Degree	60.7%	17	Median	3
d. Master Degree	17.9%	5	Mean	2.96
e. Doctor Degree	0.0%	0		
<i>answered question</i>		28		
<i>skipped question</i>		3		

Source: Own calculation

Survey 12 result: Income Level (ranks in USD per month)

The most common average income lied in the group of 100\$-300\$ per month with 52% (n=13), the group with the second highest frequency was 400\$-1000\$ per month with exactly 28% (n=7). 20% (n=5) belonged to the group with the lowest average income with lower than 100\$ per month. Income from 1000\$ and above \$ no response for this income.(see table 12)

Table 12 Income Level

Answer Options	Response Percent	Response Count	Basic statistics	
a. Lower than 100\$	20.0%	5	Minimum	1
b. From 100\$-300\$	52.0%	13	Maximum	3
c. From 400\$-1000\$	28.0%	7	Median	2
d. From 1000\$ and above \$	0.0%	0	Mean	2.08
<i>answered question</i>		25		
<i>skipped question</i>		6		

Source: Own calculation

Survey 13 result: when you browse web pages at the place where you mostly use the Internet, do you agree that the Internet connection is fast enough?

In table 13, 9 of 27 respondents accounted with 33.33% chose Agree mean that people like to browse web pages at the place they mostly use the Internet because of Internet connection is browse fast and stable. With 22.22% of 6 respondent choose Disagree that people not agree the place they are use Internet the place they always come to pay due to slow Internet connection, follow by same 22.22% of Neutral show that people have not think to choose between agree or disagree and they just think it is ok for them the speed where the place they were use Internet connection. Lastly, 22.22% of strongly agree that people show amount of satisfaction of the place they browse website at the place they mostly use with high speed Internet. Mean of 2.33 explained that overall of respondent came in somewhere between Disagree and Neutral.

Table 13 when you browse web pages at the place where you mostly use the Internet, do you agree that the Internet connection is fast enough?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	6(22%)	9(33%)	6(22%)	0	6(22%)	2.33	27	Minimum	1
<i>answered question</i>							27	Maximum	4
<i>skipped question</i>							4	Median	2
								Mean	2.33

Source: Own calculation

Survey 14 result: Do you think the Internet connection in Cambodia is provided for fair prices?

12 of 26 respondents equivalent to 46.15% chose neutral show that people think the Internet connection in Cambodia give low or high fair price, however 8 respondents accounted with 30.77% chose agree show that they think the Internet price in Cambodia is fair prices or cheap, following by 4 of respondents with 15.38% chose Disagree because they think Internet in Cambodia is not provide fair price and fair speed, finally 2 of respondents chose strongly agree reason is the Internet provider in Cambodia give very best price and good Internet speed. Mean of 2.31 of all respondent chose somewhere between Disagree and Neutral.(see table 14)

Table 14 Do you think the Internet connection in Cambodia is provided for fair prices?

Answer Options	1.Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	2(7%)	8(30%)	12(46%)	0	4(15%)	2.31	26	Minimum	1
<i>answered question</i>							26	Maximum	4
<i>skipped question</i>							5	Median	3
								Mean	2.31

Source: Own calculation

Survey 15 result: Have you ever used the Internet to purchase or shop online?

In table 15 show that 24 of respondents, accounted with 92.37% said yes because they have been used the Internet to purchase goods or products and with 2 respondents equal to 7.69% said No this is mean that they never used to Internet to buy things online. In mean show 1.08 explain that Most people said yes because they understand that they can buy product online and easy to shop ,plus also to buy product that not sale yet in Cambodia.

Table 15 Have you ever used the Internet to purchase or shop online?

Answer Options	Response Percent	Response Count	Basic statistics	
a. Yes	92.3%	24	Minimum	1
b. No	7.7%	2	Maximum	2
<i>answered question</i>		26	Median	1
<i>skipped question</i>		5	Mean	1.08

Source: Own calculation

Survey 16 result: What kinds of e-shops?

Table 16 show how many people which shop online they going to buy with?, so which can see with 17 of respondents equal to 68% choose located in abroad mean Internet shopping outside Cambodia, so people buy product abroad website and they think that it is good way to get their product, 32% with 8 respondents accounted with 32% show that they like to buy products in local website inside Cambodia. Mean of 1.68 mean most people is happy with buy products by Internet used both local and abroad shopping website.

Table 16 which kinds of e-shops?

Answer Options	Response Percent	Response Count	Basic statistics	
a. located in Cambodia	32.0%	8	Minimum	1
b. Located in abroad (EBay , Amazon)	68.0%	17	Maximum	2
<i>answered question</i>		25	Median	2
<i>skipped question</i>		6	Mean	1.68

Source: Own calculation

Survey 17 result: Do you find difficult to shop online?

Table 17 show that 7 of 26 respondents with same percentage of 27% chose Agree or Disagree. For peoples chose agree they are finding that shop online is not difficult for them and about people chose Disagree they are thinking that shop online is difficult for them, because they don't have experience with it. 19% of 5 respondents chose Neutral show that they somehow think online shop is difficult or easy, and 23% with 6 respondents show strongly agree that shop online is difficult for them, But 1 respondent show back strongly disagree for he or she think shop online is easy to use and shop online. For mean of 2.50 show overall respondents thinking somewhere around between Disagree and Neutral.

Table 17 Do you find difficult to shop online?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly Disagree	5- disagree	Rating Average	Response Count	Basic statistics	
	6(23%)	7(27%)	5(19%)	1(3%)	7(27%)	2.50	26	Minimum	1
<i>answered question</i>							26	Maximum	5
<i>skipped question</i>							5	Median	2
								Mean	2.5

Source: Own calculation

Survey 18 result: Do you think using credit card to shop online is complicated?

Look at table 18, 9 of respondents with 34.62% chose strongly agree because people think used credit care to buy things online is very complicated for them, for 30.77% of 8 respondents chose agree think used credit card to shop online is hard, follow by 26.92% of 7 respondents chose Disagree mean they are think shop online by use credit card is not complicated. Neutral and strongly disagree with same 3.85% of 1 respondent thought using credit card to shop online is normal and very simple. Mean of 2.54 show overall of response have strongly come between Disagree and Neutral. Every statement in this category had minimum response of 1 and maximum response of 5.

Table 18 Do you think using credit card to shop online is complicated?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	9(34%)	8(30%)	1(3%)	1(3%)	7(26.92%)	2.54	26	Minimum	1
<i>answered question</i>							26	Maximum	5
<i>skipped question</i>							5	Median	2
<i>Source: Own calculation</i>								Mean	2.54

Survey 19 result: Do you think is safe to pay with credit card when shopping online?

Table 19 show Strongly disagree with 1 respondents accounted with 4% mean that it is not much safe to pay with credit card for buying products online, also 2 of respondents with 8% chose strongly agree mean that it is very safe to pay with credit card when shopping online, more with Neutral and Disagree with same 24% of 6 respondent mean that they were think is not safe at all and some people chose neutral not to decide or not give opinion on it. With 40% of 10 respondents chose agree that pay with credit card is safe when buy online from Internet. Mean of 2.12 show that overall of response came in somewhere between Disagree and Neutral. All statement in this category had minimum response of 1 and maximum response of 5.

Table 19 Do you think is safe to pay with credit card when shopping online?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	2(8%)	10(40%)	6(24%)	1(4%)	6(24%)	2.12	25	Minimum	1
<i>answered question</i>							25	Maximum	5
<i>skipped question</i>							6	Median	2
<i>Source: Own calculation</i>								Mean	2.12

Survey 20 Result: Do you think online seller makes security measures to protect online shopper (e.g. provide 3-D secure, or)?

19% of 5 respondents chose Neutral because they don't want to decide or undecided to this question, moreover 23% of 6 respondents chose both agree and disagree mean that few people think seller online make security to protect online shopper and few people disagree of few online seller not make security to protect online shopper. 34% of 9 peoples chose strongly agree that think online shopper will protect by strong and security measures make by online seller. Median of 3 higher than the mean 2.65 show that the answers are about evenly between positive (Strongly agree) and negative (Disagree) responses. All responses to this categories lied between 1 and 5.(see table 20)

Table 20 Do you think online seller makes security measures to protect online shopper (e.g. provide 3-D secure, or)?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	9(34%)	6(23%)	5(19%)	0	6(23%)	2.65	26	Minimum	1
<i>answered question</i>							26	Maximum	4
<i>skipped question</i>							5	Median	3
								Mean	2.65

Source: Own calculation

Survey 21 result: what are some of the challenges you have when you are shopping online?

In this survey question 9 respondents voluntarily answer this questions, however 22 respondents decided not to answer this question. For 9 of respondents said that slow processing payment, No money, sending slow process, payment process, business is the challenges for them when they were shopping online. Few people that face challenge when he or she shopping online said that it is difficult to purchase when you don't have any knowledge in IT field and the package might look different from what was displayed when it arrives.

Survey 22 result: Do you think the product you buy from online shopping the same when deliver?

In table 21 result show that 10 of respondents with 38% selected Agree think the product they buy from online shopping come the same when deliver, in addition to 27% of 7 respondents selected Strongly agree think the product will come the same as show in the

webpage. 5 Respondent chose Neutral come with 19% that they not to decide between agree and disagree. 11% of 3 respondents Disagree the product that buy online is not come the same when deliver, also Strongly disagree come with 3% of one respodent thought buy online product will not come the same. All 5 answer had minimum response of 1 and maximum response of 5. In median of 2.50 is higher than mean of 2.46 show that all respondent come to think between Disagree and neutral not decide.

Table 21 Do you think the product you buy from online shopping the same when deliver?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	7(27%)	10(38%)	5(19)	1(3%)	3(11%)	2.46	26	Minimum	1
answered question							26	Maximum	5
skipped question							5	Median	2.5
								Mean	2.46

Source: Own calculation

Survey 23 result: Do you think online shopping is the best way to shop?

Result show that 34% with 9 of respondents chose strongly agree that online shopping is the better way to shop to buy product from Internet. 7 respondents chose Agree with 27% explained that online business is the best way to buy. Disagree chose by 5 respondents with 19% thought shopping online is not good way to buy goods, also neutral with 5 of respondent with 19% not decide to answer. All answer have minimum response of 1 and 5 of maximum response. (See table 22)

Table 22 Do you think online shopping is the best way to shop?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	9(34%)	7(27%)	5(19%)	0	5(19%)	2.62	26	Minimum	1
answered question							26	Maximum	4
skipped question							5	Median	3
								Mean	2.62

Source: Own calculation

Survey 24 result: Do you think online shopping is faster for you to shop than tradition way?

Respondent chose Agree more because they think online is faster to shop than tradition way. Continually to Disagree 7 respondent thought tradition way of shop is faster than online shopping, contracting to Strongly agree 7 respondents give us point that online

shopping is reliable and fast to buy product than tradition way. All answer have maximum of 4 and minimum of 1 response. (See table 23)

Table 23 Do you think online shopping is faster for you to shop than tradition way?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	7	8	3	0	7	2.36	25	Minimum	1
<i>answered question</i>							25	Maximum	4
<i>skipped question</i>							6	Median	2
<i>Source: Own calculation</i>								Mean	2.36

Survey 25 result: Do you think accessing online information about product is easier?

In the survey result, the lower of answer is strongly disagree and disagree is described that about product accessing online information is not easier because of the lack information of goods. The higher chose answer is somewhere between agree and strongly agree this explained that online information accessing about product is simple and easy to understand about product. Finally people chose neutral mean that they not decide and not choose between agree and disagree. (See table 24)

Table 24 Do you think accessing online information about product is easier for?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	6	11	5	1	3	2.35	26	Minimum	1
<i>answered question</i>							26	Maximum	5
<i>skipped question</i>							5	Median	2
<i>Source: Own calculation</i>								Mean	2.35

Survey 26: Do you think that information about items on online store is accurate?

People agree got higher response about this question is that they think the information about the products on online shop give them clear and understand about the goods they want to buy. Neutral got second place after agree that people not want to give their opinion for this question. People strongly agree that accurate of information about items selling online will give the customer understand well about the goods they want to buy. Disagree got 5 and strongly disagree got 1 response for it because online store is not give much accurate information about product on the website.(see table 25)

Table 25 Do you think that information about items on online store is accurate?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	5	9	6	1	5	2.38	26	Minimum	1
<i>answered question</i>							26	Maximum	5
<i>skipped question</i>							5	Median	2
								Mean	2.38

Source: Own calculation

Survey 27: Do you think searching information online has been improve in Cambodia within few years?

The strong and higher response is agree and strongly agree because 17 respondents think that in Cambodia within a few year will improve by searching information online and they able to obtain more information about the thing they want to know and help them to gain knowledge from it. Average response is Disagree and strongly disagree which is show that in a few year searching information online from Internet will improve but slow with IT in Cambodia.(see table 26)

Table 26 Do you think searching information online has been improve in Cambodia within few year?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	8	9	3	1	4	2.52	25	Minimum	1
<i>answered question</i>							25	Maximum	5
<i>skipped question</i>							6	Median	2
								Mean	2.52

Source: Own calculation

Survey 28: Do you think searching information on online bring any significance change in your performance using the Internet?

The result show that 18 peoples agree and strongly agree to the question that using the Internet and searching information online will change your performance and bring significance. But 6 response of neutral willing not to decide on this question. Disagree and strongly disagree had no response with it. (See table 27)

Table 27 Do you think searching information on online bring any significance change in your performance using the Internet?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	8	10	6	0	0	2.50	24	Minimum	1
<i>answered question</i>							24	Maximum	4
<i>skipped question</i>							7	Median	3

Source: Own calculation

Mean	2.5
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Survey 29: Have you ever experienced that product you bought from online store was different from the one delivered to you?

Result came with higher response to the question is agree and strongly agree because 15 respondents tell us that they had experienced of product that bought from Internet was dissimilar from the one they receives it. However, 6 peoples disagree and strongly disagree that they hadn't have experienced with it but it mean they are get the thing the same one from the Internet shop.5 responses of neutral willing not to decide. (See table 28)

Table 28 Have you ever experienced that product you bought from online store was different from the one delivered to you?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	8	7	5	1	5	2.65	26	Minimum	1
<i>answered question</i>							26	Maximum	5
<i>skipped question</i>							5	Median	3
								Mean	2.65

Source: Own calculation

Survey 30: Do you think you get any benefit when doing business online?

Agree and strongly agree got high response from people that doing business online, this will let them to get benefit and help them to grow in a near future. Low response from disagree and strongly disagree, this let see that people not think that when doing business online they will not get much benefit from it. Median of 3 higher than mean show that the positive come from between neutral and disagree. Overall response have minimum of 1 and maximum of 5. (See table 29)

Table 29 Do you think you get any benefit when doing business online?

Answer Options	1- Strongly agree	2- Agree	3- Neutral	4- Strongly disagree	5- Disagree	Rating Average	Response Count	Basic statistics	
	9	6	4	1	5	2.76	25	Minimum	1
<i>answered question</i>							25	Maximum	5
<i>skipped question</i>							6	Median	3
								Mean	2.76

Source: Own calculation

Survey 31: Do you get some more profit (discounts, bonuses, extra services, gifts for free, etc.) when you shop online than buying in the shop?

High peak of result is agree and strongly agree because respondents get more profit when they buy product from shop online than buy in the shop. Lower peak is disagree and neutral because it got low percentage and response. Disagree by 4 peoples mean they don't get much profit from shop online, but buying in the shop is better. (See table 30)

Table 30 Do you get some more profit (discounts, bonuses, extra services, gifts for free, etc.) when you shop online than buying in the shop?

Answer Options	1- Strongly Agree	2- agree	3- Neutral	4- Disagree	5- strongly disagree	Rating Average	Response Count	Basic statistics	
	11	8	3	4	0	2.31	26	Minimum	1
<i>answered question</i>							26	Maximum	4
<i>skipped question</i>							5	Median	2
								Mean	2.31

Source: Own calculation

5.4 Present result of outcome expert interview

Mr. Pich Viras, Manager of working online classified responded to three research questions: First question answer from first person with negative explained that a slow Internet connection of using online shopping was wasted time, and give challenges effect to customer that use online, however he replied positive that if Internet browse fast and fast speed, this make customer easy to processing buy online in Cambodia.

Second question answer from first person with positive and negative of response. He said the advancement of the World Wide Web has resulted in the creation of a new of retail transactions electronic retailing (e-tailing) or web-shopping. He continued that thus, customers involvements in online purchasing have become an important trend, as such, it is vital to identify the determinants of the customer online purchase intention. Finally it can see that there are some problem big effect of customers trust in the view of online shopping in Cambodia.

Third question answer from first person said that in developing country like Cambodia system delivery for transportation to oversea not working full operation yet, this lead to effect for customer purchase online in Cambodia due not trust with company seller, and product not real when the product come.

Mr. Vutha Vichhika of market and operation manager responded to three research questions: The person gave answer that there are effects of slow Internet in Cambodia that need to avoid the impact of malware on Internet speed require the customer to check Internet with awareness. Also for customer trust of online shopping in Cambodia had effect

to the challenges of e-commerce with he said “in order to get the trust of customer to order products online need affordable dates of receipt of goods, are regularly put products and confident that customer receive. He refused that there are no effect of lack infrastructure of delivery of product in Cambodia with reason he said “the distribution is very fast and does not take much time to delivery.

Mr. Kong Pheakdey responded to three research questions :

Mr. Kong Pheakdey, the marketing manager, gave response that slow speed Internet had affect the time for doing online business, he said positive that shop online need to browse the webpage fast and able to see the product and to purchase with fast loading of the website. He said trust was the main thing for shop online, if the people want to buy online, they need to know the source of webpage was secure with security or not, and people worry about their privacy and bank info, this is most important, their privacy need to be secure when they finished shop online the webpages. Delivery is other major thing because the product need to be delivery to the right customer. Time of delivery is still not response fast, and need to improve of delivery of truth and fast.

5.5 The Chi Square Test X^2 result and interpretation

Result of S1: Are there challenges or problems in E-commerce affected by the slow speed of the Internet, customers trust in online shopping and lack of infrastructure for product delivery in Cambodia?

S1: an effect of slow speed Internet to the use of online shopping

Total of 16 both male and female agreed and 15 of total disagreed. We would expected to see 51% of everyone said agree that Internet connection is fast and 48% said disagree that connection is not fast enough. We got P-value = 0.87046 and we use alpha = 0.05 , so it interpret that if P-value < alpha is rejected null H_0 , but the result get p-value = 0.87046 > α is fail to rejected H_0 , the statement is not statistical significant, this mean that there is no relationship between challenge of e-commerce (yt) and slow speed Internet of using online shopping (x1).

Table 31 effected by the slow speed Internet of using online shopping (x1)

	Male	Female	Total	total in %
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Agree	9	7	16	0.516129
Disagree	8	7	15	0.483871
Total	17	14	31	

	Male	female
Agree	8.774194	7.225806
Disagree	8.225806	6.774194

Source: Own calculation

p-value = 0.87046

Result of S2: Are there challenges of E-commerce affected by customers trust in shopping in Cambodia?

S2: an effect of customers trust in online shopping in Cambodia

We got P-value = 0.053005 and we use alpha = 0.05, so it interpret that if P-value < alpha is rejected null H₀, but the result get p-value = 0.53005 > α (0.05) is fail to rejected H₀, the statement is not statistical significant, this mean that there is no proving between challenge of e-commerce (yt) and customers trust in the view of online shopping in Cambodia (x2). It can be concluded that the statement three was not accepted.

Table 32 effected of customers trust in the view of online shopping in Cambodia (x2)

	Male	Female	Total	total in %
Agree	10	6	16	0.516129
Disagree	8	7	15	0.483871
Total	18	13	31	

	Male	female
Agree	9.290323	6.709677
Disagree	8.709677	6.290323

p-value = 0.60524

Source: Own calculation

We got P-value = 0.600524 and we use alpha = 0.05, so it interpret that if P-value < alpha is rejected null H₀, but the result get p-value = 0.60524 > α (0.05) is fail to rejected H₀, the statement is not statistical significant, this mean that there is no relationship or proving

between challenge of e-commerce (yt) and customers trust in the view of online shopping in Cambodia (x2). It can be concluded that the statement three was not accepted.

Result of S3: Is there challenges of E-commerce an effect of lack infrastructure of delivery of product in Cambodia?

S3: an effect of lack of infrastructure for product delivery in Cambodia

Table 33 an effect of lack infrastructure of delivery of product in Cambodia (x3)

	Male	Female	Total	total in %
Agree	10	7	17	0.548387
Disagree	5	9	14	0.451613
Total	15	16	31	

	Male	female	
Agree	8.225806	8.774194	
Disagree	6.774194	7.225806	
			p-value = 0.20009

Source: Own calculation

We got P-value = 0.20009 and we use alpha = 0.05, so it interpret that if P-value < alpha is rejected null H_0 , but the result get p-value = 0.20009 > α (0.05) is fail to rejected H_0 , the statement is not statistical significant, this mean that there is no proving between challenge of e-commerce (yt) and an effect of lack infrastructure of delivery of product in Cambodia (x3). It can be concluded that the statement three was not accepted.

5.6 Discussion and Result

Chi-square test statistic compares the observed count in each table cell to the count which would be expected under the assumption of no association between the row and column classifications. Chi-square statistic may be used to test the hypothesis of no association between two or more groups, populations, or criteria.

From the table1 above, effected by the slow speed Internet had no relationship with Challenges of e-commerce (p-value = 0.87046 > 5%), also from table 2 above effected of customers trust in the view of online shopping had no association on challenge of E-commerce (p-value = 0.60524 > 5%). However table 3 there was no association and no

statistical relationship between Challenge of E-commerce and lack of infrastructure of delivery of product in Cambodia ($p\text{-value} = 0.20009 > 5\%$). As the results, all of the three factors have no association on e-commerce in Cambodia, this mean people don't care much about shopping online or doing business in the country. Tradition shopping is still going on and is popular, this way of shop still trust more than online shopping. To explain this in detail is required the qualitative approach which was the limit of this study. The finding used demographic questions also indicated the gender of the respondents, how old they are, which level of their education and how much monthly income they earn, which of these factors did not show any evidence effect to the outcome of prediction of the challenge of e-commerce that effecting by three factors (an effect of slow speed Internet of using online shopping, an effect of customers trust in the view of online shopping in Cambodia, an effect of lack infrastructure of delivery of product in Cambodia) in e-commerce.

Three expert responded that the slow speed Internet in Cambodia is not much effect and not much problem to doing online shopping, but need to check Internet with awareness. People can wait and finish their payment. Trust is still a major concern for online shopping, because people have never bought anything from Internet before and they are afraid that the product they buy will be different from the one they bought. 80% people in Cambodia especially in Phnom Penh have Internet to use, only use to play Facebook and other social networking webpage for fun. If you ask some of them, they replied they don't know how to do and never believe much of product on Internet. To talk about delivery of product it is still needed to improve so that make easy to deliver to location fast and efficient.

He explained more than a total of 242 undergraduate information technology students from a private university in Malaysia participated in this research. Their aim of this research is to evaluate the impacts of shopping orientations, online trust and prior online purchase experience to the customer online purchase intention. Comparison in Cambodia some university of Cambodia have not yet to find the research about the online business and e-commerce in Cambodia, and evaluate the impacts of shopping online, trust, and experience of customer purchase intention, so this is limited of study

6. Conclusion

The main goal is to analyze advantages and disadvantages of prospects and challenges of e-commerce in Cambodia. The partial goals of the thesis are to discover the success and failure of online shopping, and to identify the measure that should be done to ensure success of businesses online. This study was aimed to figure out which of the three perception categories of problem (effect by slow speed Internet, effect by customers trust in the view online shopping, effect of lack infrastructure of delivery of product or goods) are real and which of them influence customers in online shopping in Cambodia. This was achieved by using questionnaires with Likert-scale to do survey on demographic information of customers, response of customers to three perceptions of challenges. Then the collected data was analyzed using different methods: characteristics of sample population, descriptive statistics, expert interview about the research problems and finally the most important one was Chi Square test χ^2 . The results actually indicated the current situation of doing online business in Cambodia.

Findings in the study proposed important practical implication for solution success of e-commerce. Firstly, the slow Internet speed had no effect on shopping online. Secondly, there was no association between people trust in e-commerce and their shopping online. We can say that people not worry much about it as they not use the Internet to shop online. Thirdly, the lack of infrastructure has no barrier to the e-commerce in the point of view of Cambodian Internet users. As respondents said they have not big concern about the delivery time, so they can patiently wait for delivery. It can be concluded that for doing e-commerce is not successful in Cambodia according the results of hypothesis test. However, the number of respondents is low and the sample was not random.

We can conclude that Cambodia needs to develop ICT infrastructure to improve the Internet speed, then it is also needed to increase awareness about trustful online business websites among users and learn the users how to use Internet in a secure manner. The number of Internet users and the level of Internet skills among Cambodian population need to be increased as well which should have indirect impact on improvement of online environment in Cambodia.

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8. Appendices

Expert interview

Mr. Pich Viras, Manager of working online classified response result

Is there challenges or problem of E-commerce effected by the slow Internet speed, customers trust in the view of online shopping and lacking infrastructure of delivery product to customers in Cambodia?

After the conceptualization process, we can divide the main research question into three statements:

S1: An effect of slow speed Internet of using online shopping

A slow Internet connection wastes time of using online shopping, get effect with customer using online. if Internet fast easy customer processing buy online.

S2: An effect of customers trust in the view of online shopping in Cambodia

The advancement of the World Wide Web has resulted in the creation of a new form of retail transactions- electronic retailing (e-tailing) or web-shopping. Thus, customers' involvements in online purchasing have become an important trend. As such, it is vital to identify the determinants of the customer online purchase intention. The aim of this research is to evaluate the impacts of shopping orientations, online trust and prior online purchase experience to the customer online purchase intention. A total of 242 undergraduate information technology students from a private university in Malaysia participated in this research. The findings revealed that impulse purchase intention, quality orientation, brand orientation, online trust and prior online purchase experience were positively related to the customer online purchase intention.

S3: An effect of lack infrastructure of delivery of product in Cambodia.

In Cambodia not yet have system delivery for transportation to over sea yet. So customer have effect purchases online in Cambodia. Not trust with company online in Cambodia Product not real.

Second expert interview

Mr. Vutha Vichhika of market and operation manager

S1 : To avoid the impact of computer virus on Internet slow requires the customer to check Internet with caution and check the Internet this is easy for online purchases

S2 : In order to get the trust of customer to order products online affordable dates of receipt of goods that are regularly put products and confident that customer receive.

S3 : the distribution is very fast and does not take much time to delivery, and distribution do all means to make it easier for customer to purchases order.

Third expert interview:

Mr. Kong Pheakdey, the marketing manager

Third person gave response that slow speed Internet had affect the time for doing online business, he said positive that shop online need to browse the webpage fast and able to see the product and to purchase with fast loading of the website. He said trust was the main thing for shop online, if the people want to buy online, they need to know the source of webpage was secure with security or not, and people worry about their privacy and bank info, this is most important, their privacy need to be secure when they finished shop online the webpages. Delivery is other major thing because the product need to be delivery to the right customer. Time of delivery is still not response fast, and need to improve of delivery of truth and fast.

CUSTOMER SURVEY FORM

Taking part in this survey is voluntary and it is not identified by name. Also no personal information is recorded for this survey. Participation in this study will assist me to have an overview about the perception of Cambodians concerning online business or online shopping. The study is used for my bachelor thesis “Challenges and prospects of online business in Cambodia”. This thesis will enable me to have a broader knowledge of online business in Cambodia and to try to find ways to promote online shopping to a certain degree. Please select an appropriate answer for the survey in your opinion to each question below. Thank you for your participation.

1. How often do you use the Internet?
 - a. Less than an hour per day
 - b. More than one hour per day
 - c. Several hours per week
 - d. Only few times per month
 - e. Not at all

2. Do you have the Internet connection at home?
 - a. Yes
 - b. No

3. If no. 2 is yes: Which type of the Internet connection do you use at home?
 - a. Cable modem
 - b. Dial-up
 - c. DSL
 - d. Micro wave
 - e. other

4. If no. 2 is yes: What is the speed of your Internet connection at home?
 - a. Not more than 256 kbps
 - b. Not more than 512 kbps
 - c. Not more than 1 Mbps
 - d. More than 1 Mbps or higher

5. If no. 2 is yes: How much you pay for you the Internet connection?
 - a. 1\$ to 10\$/per month
 - b. 11\$ to 20\$/ per month
 - c. 21\$ to 30\$/per month
 - d. 31\$ to 40\$/ per month
 - e. 41\$ to above/ per month

6. If no. 2 is yes: Do you use the Internet mostly at home?
 - a. Yes
 - b. No

7. If no. 2 is no: Where do you access the Internet mostly?
 - c. At work

- d. At school
- e. At library
- f. At Internet café
- g. At other places

8. If you have already shopped online, have you ever used electronic payment method such as PayPal, credit card, Visa card, MasterCard, Visa debit, or digital Wallet?

a. Yes →

b. No

9. Demographic Questions:

Gender:

a. Male

b. Female

10. Age group

a. 15-24 b. 25-34 c. 35-44 d. 45-54 e. 60 and above

11. What is your highest education level?

- a. Elementary School
- b. High school Diploma
- c. Bachelor Degree
- d. Master Degree
- e. Doctor Degree

12. Income level (ranks in USD per month)

- a. Lower than 100\$
- b. From 100 – 300\$
- c. From 400 – 1000\$
- d. From 1000 and above \$

Below, there are statements about what you think about the challenges of online business. For each of the statements, choose only one answer that shows the level of your agreement or disagreement using the following range:

1-Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

Slow Internet speed

13. When you browse web pages at the place where you mostly use the Internet, do you agree that the Internet connection is fast enough?

1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

14. Do you think the Internet connection in Cambodia is provided for fair prices?

1-Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

Customers trust in the view of online shopping

15. Have you ever used the Internet to purchase or shop online?
 a. Yes
 b. No
16. Which kinds of e-shops?
 a. Located in Cambodia
 b. Located in abroad
17. Do you find difficult to shop online?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
18. Do you think using credit card to shop online is complicated?
 1-Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
19. Do you think is safe to pay with credit card when shopping online?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
20. Do you think online sellers' makes security measures to protect online shopper (e.g. provide 3-D Secure, or)?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
21. What are some of the challenges you have when you are shopping online?
-

Infrastructure of product delivery to customers

22. Do you think the product you buy from online shopping the same when deliver?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
23. Do you think online shopping is the best way to shop?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
24. Do you think online shopping is faster for you to shop than tradition way?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
25. Do you think accessing online information about product is easier for?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
26. Do you think that information about items on online store is accurate?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
27. Do you think searching information online has been improve in Cambodia within few years?
 1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree
28. Do you think searching information on online bring any significance change in your performance using the Internet?

1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

29. Have you ever experienced that product you bought from online store was different from the one delivered to you?

1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

30. Do you think you get any benefit when doing business online?

1- Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

31. Do you get some more profit (discounts, bonuses, extra services, gifts for free, etc.) when you shop online than buying in the shop?

1-Agree 2-Disagree 3- Neutral 4-strongly agree 5-strongly disagree

Thank you so much for your time to fill this survey