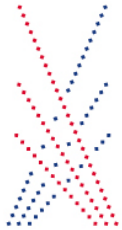

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Internationalization barriers of Thai online fashion SMEs through social media

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ABSTRACT

This paper examines the major internationalisation barriers of 252 online fashion SMEs in Thailand through social media channels with survey data collected in 2018. The empirical results indicate that most of the Thai online fashion SMEs face more internal barriers than external barriers. The marketing-based and firm-specific factors are considered as the major barriers to the internationalisation, including high international transportation, insurance and operation costs, lack of experience in selling abroad, and not being known in foreign markets. The firm size, number of Instagram followers, number of employees, and net income can also influence the online fashion SMEs' internationalisation decisions significantly. The age and gender of these online fashion SMEs have not had significant impact on their internationalisation decisions.

Keywords:

SMEs, Thailand, social media, internationalization barriers

INTRODUCTION

In the global market, small and medium-sized enterprises (SMEs) are becoming increasingly competitive through fast-developing digital channels. This has led to the continuous emergence of SMEs as e-commerce businesses. Nevertheless, most firms focus their business only on domestic markets. There must be a reason why the majority of SMEs do not decide in favour of internationalisation. Presently, the shopping behaviours of Thai customers are changing, especially in the fashion clothing sector. They are less likely to buy clothes in-store and prefer to purchase through online channels. The topic of this +paper is selected based on the popularity of new ventures in the Thai online fashion market. Indeed, Thailand has an extremely high level of online consumption, putting it at the top of the world rankings and making it the leader for daily time spent on the Internet (Statista, 2018; Leesa-Nguansuk, 2018). This creates a domino effect, leading to the advent of extensive SMEs competing in the online market. With the advancement of information technology and e-commerce business, additional distribution channels have been established to facilitate new ventures in operating their stores (SMEs) through online platforms, websites, and applications. In Thai society, Instagram and Facebook are used as the popular online marketing channels. Besides, the most popular e-commerce and social media platform in Thai society is LINE@, the most well-known communication application in the country, which allows users to make free voice calls, send free messages, comfortably check transactions, easily reply to customers, and update and promote products' information with only a click (Tzvetanov, 2018); indeed, it is similar to WeChat or WhatsApp. Some online stores also sell through other common e-commerce platforms, such as Lazada, Shoppee or Februaryvanilla. These online applications provide more convenience for vendors to sell, service and advertise their products at no extra cost; said applications also allow customers to purchase freely without any transaction fees for delivery.

For the e-business environment in Thailand, most products are being sold under direct influence from online market trends in respect of fashion business; indeed, this is thanks to support from business-to-business (B2B) producers in the Thai textile and apparel sector, T&A (Kohpaiboon, 2009). Therefore, emerging domestic investors are encouraged by the technological advantages of online channels to construct e-businesses so as to be competitive and survive in the face of competition from their rivals in the fashion industry. Many brands also cooperate with the multi-label store top straddling the online and offline shopping stores in Thailand (SOS, HOF, BLOC, Matchbox, etc.) as well as attend in the shopping exhibitions, such as ZAAP On Sale or Art Box. However, most of the fashion brands in Thailand rarely make a decision to expand to the international market. They are prone to running small businesses within the country due to the international barriers or obstacles which face them when they attempt to operate their businesses in the foreign market (Laosethakul, 2005). Therefore, the objective of this study is to ascertain issues related to specific barriers, owners' perspectives, and determination regarding online SMEs' use of social media in the Thai fashion industry for internationalisation. The research questions are as follows: What are the barriers encountered during the course of Thai online fashion SMEs' internationalisation? With what means do online small and medium-sized fashion firms in Thailand internationalise? What are the determinants that could affect the decisions of Thai online fashion SMEs' internationalisation?

This paper is structured as follows: Section 2 is the literature review, followed by the research methods in Section 3. The empirical results and discussion are in Section 4. The conclusion and recommendation are in the final section.

LITERATURE REVIEW

With regard to the definition of SMEs in Thailand (Lertwongsatien and Wongpinunwatana, 2003), as stated by the country's Ministry of Industry, SMEs have an overall asset value less than or equal to 200 million baht for manufacturing and service firms, 100 million baht for wholesalers and 60 million baht for retailers. The size of SMEs is determined by the number of employees, which is mutually accepted to be fewer than 200 (Sevilla and Soonthornthada, 2000). Indeed, this figure is seen as the maximum capacity of SMEs.

Exports boost profitability, improve capacity utilisation, provide employment and improve trade balances (Barker and Kaynak, 1992). Therefore, all firms should mitigate obstacles in order to expand to overseas markets. According to Shaw and Darroch (2004), the barriers to internationalisation for new entrepreneurial ventures and non-exporters in New Zealand are divided into five major categories, namely industrial barriers, firm-specific barriers, financial barriers, managerial barriers and market-based barriers. They also distinguished between the results of the exporters, that is, likely exporters and non-exporters. They found that these three groups had different perceptions of barriers to internationalisation, corresponding to earlier studies (e.g., Burton and Schlegelmilch, 1987; Cavusgil, 1980; Kedia and Chhokar, 1986). The results indicated that exporters perceived the barriers to be less relevant than did other groups, and non-exporters felt that firm size was the main barrier, since they believed that their firms were too small to internationalise. In terms of the investigative minor factor analysis, eight factors emerged which could be used to establish whether firm size has any influence on managers' aspects of the barriers to internationalisation: lack of overseas market knowledge and experience, different overseas markets, regulatory barriers, financial barriers, transport and paperwork barriers, product-

related barriers, no government incentives, and physical location. The results showed that firm size was important when it came to the perceptions of the barriers to internationalisation. All of the abovementioned processes and considerations are followed in the analysis.

Al-Hyari et al. (2012) searched for barriers to internationalisation faced by SMEs in Jordan by using a quantitative design comprising a survey method, specifically 250 questionnaires distributed to Jordanian SMEs. The researchers applied the model of Leonidou (2004), which classifies export barriers based on external and internal barriers. Thus, Leonidou's model could help to categorise the insufficient knowledge barriers, which could help firms to understand more about internal or external factors related to expanding markets. For this reason, the above model is the subject of a focus group as part of the methodology, since it is useful for differentiating the knowledge and experience of CEOs in Thai e-commerce business. They explained that internal barriers can be controlled by the organisation, but external barriers cannot be. This is consistent with Leonidou (1995) and Morgan (1997). From the conceptual framework, they explained the meaning of internal and external barriers for both domestic and foreign environments. Internal/domestic concerns the barriers within the firm and relating to the domestic market, external/domestic relates to the barriers in the external environment beyond the control of the firm, internal/foreign concerns the barriers related to the marketing strategy of the firm in the foreign environment, and external/foreign refers to the uncontrollable barriers in the foreign environment (Narayanan, 2015).

Hypothesis 1: All seven major barriers are significant in making decisions on the internationalisation of Thai SMEs in the online fashion industry.

One of the hypotheses in this paper is set up as H1: The perceptions of SME managers towards exporting barriers are similar between exporters and non-exporters. However, this was rejected in the finalisation, as most of their perceptions were different. The results indicated that political

instability in foreign markets and international competition in export markets are major barriers to exporting; this is consistent with the results of Leonidou (1995), Ahmed et al. (2004) and Kaleka and Katsikeas (1995).

Hypothesis 2: Thai online fashion SMEs face or are confronted by more internal barriers than

external barriers to internationalisation.

It was not only Al-Hyari et al. (2012) who successfully applied Leonidou's (2004) model for analysing export barriers in Jordan, but also Uner et al. (2013), who developed the model by combining it with Cavusgil's (1980) firm classification in order to explore 2,159 Turkish firms. The five classifications consisted of non-exporting firms, pre-exporters, experimental involvement firms, active involvement firms, and committed involvement firms. Thereafter, born global firms were added to the model as the sixth classification. The results illustrated that export barriers had not varied from those considered in the 1970s and 1980s by Da Rocha et al. (2008) and the significant differences in barriers to exportation were found across internationalisation stages of the six classifications. However, in relation to the minor groups between born global firms (BGs) and international new ventures (INVs), Cricks (2009) proved that they had similar aspects in terms of competitive advantages for internationalisation (noting that these results were received several years after internationalisation first took place).

After examining everything mentioned in Leonidou's framework, Narayanan (2015) developed a conclusion on all models used to investigate export barriers for SMEs to internationalisation. He achieved this by comparing their analysis from Turkey with studies by Shaw and Darroch (2004) from New Zealand, Pinho and Martins (2010) from Portugal, Suarez-Ortega (2003) from Spain, and Uner et al. (2013), who established that barriers faced by SMEs can be country-specific. This

data can be explained in such a way that each country and region have different perceived major barriers to exportation and internationalisation. In conclusion, the researcher also suggests how to overcome such barriers.

Hypothesis 3: Thai SMEs in e-commerce business lack relationship specificity rather than network specificity.

Clark et al. (2018) discovered that the ages of firms were strongly important in terms of organisations deciding whether to internationalise. Thus, age will also be added to the regression equation to check whether or not it influences Thai e-commerce business in the fashion industry.

Baum et al. (2013) also constructed their own research model for decision making on international new venturing (INV) or domestic new venturing (DNV). They found that SMEs (both exporters and non-exporters) in Thailand realised the benefits of e-commerce for the export market in the same way at a high level, where SME exporters use e-commerce as a tool with which to manage their businesses within marketplaces remarkably. Nonetheless, even SME exporters adopt e-commerce for their businesses considerably, although e-commerce adoption of SMEs in Thailand does not significantly impact the increase in export intensity. Therefore, this paper will further expand the above ideas and ascertain why exportation is not raised, even though most exporters adopt e-commerce business, specifically in Thai fashion industries.

Cardoza and Fornes (2011) studied the international expansion of 125 SMEs in Ningxia, China. They also studied the internal and external barriers that hinder firms' international expansion. However, the researchers mentioned in the beginning that Chinese firms consider barriers to international expansion differently from how other countries consider them. In their conclusion, they proved that Ningxia's SMEs did not perceive finance to be an obstacle to internationalisation, due to governmental support for this activity, but were more aware of the knowledge regarding

their expansion. This idea matches an article from Yang et al. (2013). The analysis will also examine the notion that Thai SMEs' perceptions are similar to Chinese or Western perceptions.

Furthermore, Matthee and Krugell (2012) perceived that internal resources influenced their capacity to export. The article examined the impact of resource barriers by concentrating on firm size, productivity, firm-specific capital, and labour market constraints on the internationalisation of South African companies. They discovered that firm age had positive effects on exportation. Older age and more productivity could increase exportation, and vice versa. Firms accessing finance seemed like an obstacle to operating businesses, thus leading to less exportation. Lastly, using unskilled and temporary workers had a positive relationship with exportation, as well as with labour market regulation and workforce education.

Hypothesis 4: Firm size affects Thai online SMEs' decision to internationalise (number of followers on Instagram, number of employees, and amount of net income per month).

Hypothesis 5: Age of companies and participants might lead to experiences of obstacles preventing internationalisation for Thai online SMEs.

It is necessary for companies to address international barriers before making decisions to expand to markets overseas. The organisational studies are about internationalisation strategies, barriers & awareness. Moreover, in terms of general information on respondents, gender is an essential consideration in quantitative research, as is respondents' age, because these variables can explain the examined issues of gender equity, the structure and evolution of an educational system, and the educational development of students over time (Siniscalco and Auriat, 2005). Within the analysis, not only are the age and gender of respondents considered, but also organisational information.

Hypothesis 6: There are differences in owners' perspectives between males and females.

Based on previous similar analysis, Crick (2009) tested barriers to the international expansion of exporters and non-exporters by finding the average scores of a Likert scale (5 to 1) and ranking them. This method is also mentioned in the general research methods book (Burns et al., 2002). Besides, Belliveau et al. (1996) indicated that companies and social status (firm size, industry, and firm performance) can influence CEO compensation and decisions, as well as operational periods. As such, in this paper, the internationalisation status of companies is similarly measured and interpreted as scores regarding the barriers to internationalisation.

Hypothesis 7: Thai online fashion SMEs follow the Uppsala model to internationalise.

Apart from this, all 80 minor barriers are evaluated by assembling 7 major factors under the univariate model. It is used to assess whether or not the respondents understand the major barriers to internationalisation by comparing the univariate results with the mean scores of the major barriers that are collected from the survey. The univariate data is also employed as the main results on major barriers within the paper. This method follows Muthén's (1984) procedure, since the data from the Likert scale is estimated by merging the small variables into one due to the complexity of his networking model.

The conceptual framework of paper has been developed from literature reviews in respect of both barriers to exporting and expanding markets overseas. The model is constructed so that it covers both external and internal barriers to internationalisation by linking Rugman's (1981, 2010; Rugman and Verbeke, 2008) country-specific advantages (CSAs) and firm-specific advantages (FSAs) framework, liability of foreignness, and the Uppsala model. With regards the 80 minor factors, they are mentioned in almost all possibilities of practical barriers from the literature reviews. All concepts are taken from Shaw and Daroch (2004), Al-Hyari et al. (2010), Baum et al. (2011), Schueffel et al. (2011), and the main theory of Leonidou (2004). The framework is

composed of two main constructs: (1) internal barriers and (2) external exporting barriers, which will also be analysed.

Insert Table 1 about here

METHODS

Data and Sample

The purpose of this paper is to examine the main barriers to internationalisation of SMEs in the Thai online fashion industry through social media. This study acquired primary data for analysis, which employed a quantitative research design by using an electronic survey method. The questionnaires were distributed to focus groups of online stores which use social media as marketing channels in Thailand, applying both snowballing and direct methods. In order to collect the data rapidly, the sample firms given the electronic questionnaires were randomly taken from the "Zaap On Sale" exhibition. The event was held by ZAAP, Co., Ltd., wherein more than 300 brands of Thai new venture SMEs, specifically from online fashion markets (ZAAP, 2018), participated. Moreover, firms' lists required some formal letters for asking permission from the CEO of the biggest event organiser in Thailand, Teppawan Kaninworapan, in order to access customers' information. Nevertheless, as per the company's policy, it was unable to provide the contact details of participants. The hospitality of the CEOs and managers meant that the researcher was given permission to obtain a name list comprising 420 online stores. This helped to decrease the sourcing period, although it was necessary to contact each firm individually through systematic sampling, whereby selected samples could surely explain all online fashion stores in Thailand. The results of this paper may allow said stores to conduct an internal exhibition so as to expand Thai products globally. The Thai government may support the ZAAP event through subsidies, while

sponsorship from outside the country is also possible (South East Asia (SEA), or the global market). However, some provided stores could not be included in this analysis, since not all were SMEs or conducting e-commerce business. Thus, random finding methods for more samples are still required to acquire as many responses as possible for better performance of analysis. As such, the snowballing method is applied in the data collection procedures. The researcher waited for a response from the store but to no avail, and so decided to use his personal relationships and networking. This helped to quickly access information and was more efficient. This also allowed the researcher to indirectly gain data from the store without waiting for a response.

The research questions were tested by integrating all four theories of decision making regarding internationalisation, as well as some constructed models from the literature reviews and the conceptual framework. The incomplete considerations are shown in the independent variables section of the regression equation below. To achieve the objective of the paper, a quantitative method is applied to analyse owners' aspects with regard to making decisions on internationalisation. Due to the time constraint, the method conducted made it possible to achieve and cover the main purpose of the paper.

All questionnaires were distributed based both on the given list and random selection through online channels, such as the LINE application, Instagram, and Facebook direct messages. The process consisted of sending an electronic survey to 500 Thai SMEs which operate an e-commerce business in the fashion industry. The sample consisted of 338 online stores that specialise in women's clothing, 55 for men's clothing, 37 for shoes, and 70 for jewellery. Every company was selected based on their number of Instagram followers (from the highest to the lowest), while the minimum product price was 20 pounds. Since Instagram is one of the most used applications in

Thailand, the number of followers on a firm's Instagram page can be employed as a ranking criterion for the company's reputation.

To construct questionnaires comprising structured and semi-structured questions, the survey questions included both multiple-choice and short-answer questions so as to obtain deep information from the focus group (SMEs of e-commerce business in the fashion sector) and individual perspectives on internationalisation. The multiple-choice questions (which included a Likert-scoring method and simple selection) were applied to explain the barriers to internationalisation of Thai online SMEs and short-answer questions were asked so as to obtain suggestions on how to overcome these barriers and entry mode decisions, following Al-Hyari et al. (2012), Ahmed et al. (2004) and Shaw and Darroch (2004). This electronic survey also included all closed-ended questions, open-ended questions and contingency questions. Ranges of net income, ages of firms (firm sizes), and the gender of participants were also considered so as to ensure the non-bias of the results. Before the owners completed all survey questions, they were asked for voluntary approval and feedback in respect of the paper. The considerations of participants were divided into three areas: genders of male and female, age range of participants (18–24, 25–34, 35–44, >44 years) and companies (<1, 1–3, 3–6, 6–10, >10 years), and firm size in terms of the number of employees (1–5, 6–10, 11–15, 15–20, >20 people), followers (<10,000, 10,001–20,000, 20,001–50,000, 50,001–100,000, >100,000 people) and net income per month.

Furthermore, after 500 questionnaires were distributed through individual online contacts, 270 were returned, A further 230 firms declined to participate in the study, citing a lack of interest, no time, and wanting to keep information confidential. Some potential respondents expressed the view that their firms were not suitable to participate in the electronic survey. Prior to analysing the data, a check for non-response bias was conducted. The results showed that 18 respondents

partially completed and were discarded for the purpose of the analysis (repeated survey, randomly answered, etc.). Therefore, 252 responses were usable for examination. In addition, every question that asked for personal information was secured by the "not disclose" choice. Participants could freely choose to not disclose any data if they did not wish to. Thus, according to the responses, a portion of some descriptive categories was not extracted from the 252 responses. Regarding participant information, approximately 60% were aged 25 to 34, while 35% were aged 18 to 24. Most of them had a high educational level (master's degree (20%) and bachelor's degree (78%)). Besides, around 87% of the respondents were female and a high percentage (90.5%) were owners. The remainder were staff (6.75%) and managers (1.2%). The data also indicates that around 84% of the respondents could speak and understand foreign languages, mostly English and Chinese languages.

In terms of companies' information, 89% of the Thai fashion online stores had fewer than 6 employees, while 5.86% had 6 to 10 people. Moreover, 42.86% had operated companies for 1 to 3 years, 27.38% for less than a year, and 22.62% for 3 to 6 years. Respondents derived from 131 companies (52%) which had never expanded their market overseas but wanted to do so, and 41 firms (16.27%) that had already expanded outwards in respect of their business. However, 51 stores (21.43%) replied that they did not have any plans for internationalisation and were not interested in it, even though almost 78% of stores were confident that their products could be popular in foreign countries. Significantly, many firms had not registered yet. Additionally, nearly 50% of the responses concerned selling clothes and 18% accessories, with product targets of approximately 50% between unisex and females.

Thereafter, reliability was tested before running the data by using pilot testing, i.e., Cronbach's alpha (α). The average variance extracted (AVE) was also run so as to check discriminant and

convergent validity. Subsequently, simple linear regression and correlation regression models of cross-sectional data could be started by generating against many independents. The software used for all statistical analysis of the hypotheses was STATA version 13.0, while mean scores and average percentages were calculated in Microsoft Excel. In addition, a VIF test was conducted and interaction between independent variables was generated after the first active regression (Baum et al., 2013). Multiple regression analysis was carried out with a dependent variable that measured barriers to internationalisation of Thai online fashion SMEs by interpreting companies' status and readiness for internationalisation against major barrier independents. Both were integrated and tested using five-point Likert scores. Companies that had already internationalised were set at the bottom level, equal to 1. Firms that would internationalise within a year were set at 2. Those without a plan to internationalise but were interested and ready to do so were set at 3. Those not ready to do so were at 4. Companies that did not wish to expand overseas were indicated by the highest barrier level of 5. The reason for setting up the measurement was that asking for the level of barriers to internationalisation may not have yielded good results (bias) compared with applying genuine companies' status (Belliveau et al., 1996).

Regression models were expressed as follows at 1%, 5% and 10% significance levels under the equation of $Yi = B_0 + \beta_1 X1_i + \beta_2 X2_i + \beta_3 X3_{i....} + \varepsilon_i$. The dependent variable (Y) was constructed as the level of barriers to internationalisation of Thai online SMEs in the fashion industry, with the scores being interpreted under the companies' status for internationalisation.

Besides, the seven independent variables were tested as seven major barriers, which were also separated into two categories, namely, internal barriers and external barriers to internationalisation, corresponding to the conceptual framework. Thus, these two groups of external and internal barriers were assigned as a dummy variable of internal or external barriers (Al-Hyari et al., 2012).

Moreover, according to Johanson and Vahlne (2009), regarding the liability of foreignness and outsidership theory, two terms — relationship specificity and network specificity — are considered as dummy variables, as well as owners' gender (male or female), firm size (followers on Instagram, number of employees, and amount of net income per month), age of companies and participants (Clark et al., 2018), and status of firms that used to internationalise.

Furthermore, one-way ANOVA and a t-test were used to investigate more details of the data so as to compare differences in the size of companies, genders, and ages, and whether owners or managers had the same perspectives on barriers to internationalisation. If the results proved to be significant (less than the significance level), the post hoc test (Pairwise comparison, Bonferroni) results were further analysed in order to see the specific differences. The idea of the Uppsala model was also a question subject in the survey for further analysis to establish whether the participants decided to expand business to similar cultural countries (SEA) or across regions, e.g., the EU or the US, and to which specific countries they preferred to expand their sales. In terms of dummy variables, firm size was separated into three sectors: number of Instagram followers, number of employees, and firms' net income per month, as these may be linked to the confidence of the owners for internationalisation. Setting hypotheses, this paper is focused on barriers to internationalisation, which depend on the seven approaches of the independent variables. Every hypothesis is investigated by following the methodology, as mentioned: the first hypothesis will specifically investigate each independent variable in detail after finding the relevant coefficients, i.e., betas. Simple linear regression is used to analyse all factors individually by setting up mean scores of barriers to internationalisation as dependent variables and major factors as the independent variables (seven factors). The mean scores of each factor will then be expressed in order to compare aspects of barriers to internationalisation under companies' status (exporter,

likely exporter, non-exporter but interested in doing so, and non-exporters which are not interested in expanding to markets overseas). Thereafter, specifically, 80 minor factors were considered by ranking the top 10 obstacles from all barriers, as well as each group of statuses. The process of comparing the mean scores was conducted by following Al-Hyari et al.'s (2012) method.

For Hypotheses 2, 3 and 6, a t-test was generated, while the mean scores of the consideration were compared in order to test the differences between three considerations: internal and external barriers, genders, and relationship and network specificities. ANOVA was also utilised to investigate the fourth and fifth hypotheses, since they have more than two variables. These fourth and fifth hypotheses are mainly concentrated on major barriers that can change owners' perspectives: firm size and age. For the last hypothesis, the mean scores of entry modes for internationalisation were measured to gauge the pattern of selection, i.e., whether the results showed a similar path to the Uppsala model.

RESULTS AND DISCUSSION

Before running the regressions, Cronbach's alpha (α) was applied to examine the reliability of the multi-item barrier scale of Likert scores. It determines the internal consistency of a test or the average correlation of variables within the test (Nunnally and Bernstein, 1994). The results of the analysis revealed a Cronbach alpha coefficient of 0.97 for the multi-item barrier scale, indicating satisfactory internal reliability for all 7 major barriers and 80 minor barrier variables. Each group was also generated, all yielding positive results of alpha above 0.85, i.e., good internal consistency. Clearly, all variables were acceptable, since the items had relatively high internal consistency of more than 0.7 (Warmbrod, 2014). Moreover, referring to the results, each group produced an alpha

coefficient that was less than the alpha of all variables, meaning that the data of individual variables was also reliable, and the item-total correlation of each minor variable was smaller than 0.3 (Nunnally, 1967; Zikumund, 2010).

Furthermore, AVE was applied to all variables to check the convergent and discriminant validity of instruments, as previous literature suggested. Good results should be more than 0.5 of the AVE value. After testing the AVE of all variables in this analysis, an AVE value of 0.511 was obtained. Regarding both the reliability and validity of this model, it can be confirmed that the items measured only one construct and the convergent validity of the model was satisfied, including the low level of standard error. Therefore, the univariate model can be adopted to increase the accuracy of the data by grouping the minor barrier variables into seven major factors as the mean scores. The outcomes will be used in the entirety of the paper, together with the data collected from the survey. This helps to reduce the bias of the data collection procedure, since some respondents may not have clearly understood the major barriers. Moreover, a Pearson pairwise test was performed to examine the correlation between independent variables, which should not highly correlate with each other because multicollinearity could occur (inefficiency of estimators) (Table 2). However, correlations between minor factors in each group and their own major factor were also tested. For this test, a higher correlation means better results, because it could be interpreted that minor factors can explain the major factors. Obviously, the data from the univariate analysis is more consistent than that in the documents which were directly collected from respondents. Each country has different perceived major barriers to internationalisation (Narayanan, 2015), especially Thailand. A growing body of research highlights that barriers to internationalisation of SMEs in the Thai online fashion industry are unique. Marketing-based barriers and financial barriers are perceived to be the highest level of barriers to internationalisation. Transportation costs, tariff

barriers, cost of selling abroad, experience of selling abroad, insurance cost, firm not being known overseas, complexity of export documentations, personnel for exporting, firm size, and knowledge of international market opportunities are the top 10 obstacles that Thai SMEs are confronted with or scared of while expanding to a new market overseas, respectively, from the maximum to minimum level of barriers. These results are consistent with Ahmed et al. (2004) and Schueffel et al. (2011), both of which found that finance and cost-related barriers, followed by limited market knowledge, were the main barriers, alongside a lack of governmental incentives for tariff cost in export or internationalised markets.

Insert Table 2 about here

The barriers of both exporting and non-exporting manufacturing firms are not different (Ahmed et al., 2008), but Thai online fashion SMEs' perspectives on exporters and non-exporters are distinct. To specify more details regarding the internationalised status of companies, there are some parts that are similar. The top four of exporters', likely exporters', and non-exporters' barriers are demonstrated regarding the same aspects, with transportation costs, tariff barriers, cost of selling abroad, and experience of selling abroad still located in the top 10 barriers.

However, in terms of the differences between them, the exporters and firms that have already internationalised concentrate more on the complexity of operations in foreign countries (external problems) as well as the fluctuation of currencies. Nevertheless, likely exporters or companies that plan to expand overseas within a year, and non-exporters, worry more about problems within their organisation. This result corresponds to that of Johanson and Vahlne (1977), who stated that lacking information is an important export barrier to SMEs being likely to internationalise. Besides, this analysis is consistent with Shaw and Darroch. They mentioned that exporters

perceived the barriers to be less relevant than other groups and the non-exporters illustrated that firm size was the main barrier, since they believed that their firms were too small to internationalise (e.g., Barker and Kaynak, 1992; Burton and Schlegelmilch, 1987; Cavusgil, 1980; Kedia and Chhokar, 1986; Fillis, 2002). Although the outcomes represent different aspects between exporters and non-exporters in many studies, the factors are distinct due to national differences (Narayanan, 2015; Leonidou, 1995; Ahmed et al., 2004; Kaleka and Katsikeas, 1995).

Seven Major Barriers

Hypothesis 1 is not supported, since not all of the major factors play a part in making a decision to internationalise. Table 3 clearly illustrates that the country-specific barriers are not one of the considerations of Thai online SMEs when expanding into markets. Moreover, when all of the factors are run in the multiple regression (see Table 4) as the real circumstances that are all happening at the same time, the results also express equally that the country-specific factor is insignificant for the level of barriers to internationalisation, as well as industry-specific barriers. SMEs might believe that these two factors are uncontrollable situations (Leonidou, 1995; Morgan, 1997); thus, regardless of how bad the political system or issues are within the industry, they would not affect their choice regarding the new expansion (Narayanan, 2015), but kindly adapt to the specific circumstances (Ahmed et al., 2008).

Insert Table 3 about here

Insert Table 4 about here

Furthermore, the perceptions of major and minor barriers are not matched. SMEs generally think that the economy in Thailand is not important, with country-specific barriers showing some evidence relevant to their decision to internationalise. Nonetheless, when they look deeply at the minor issues in each sector, both results illustrate the opposite. Thai SMEs are more concerned with economic barriers but not obstacles from the country-specific barrier. This result also makes it possible to state that SMEs are literally more anxious regarding problems within their domestic country rather than in foreign countries. They do not clearly understand the problems or know what will be faced when starting to expand their business overseas.

Internal Barriers vs. External Barriers

Hypothesis 2 has clearly proven that Thai online fashion SMEs confront more internal barriers than external barriers to internationalisation. The level of internal barriers is shown to be higher than the level of external barriers for the scoring of minor factors under univariate analysis. However, with regards the scoring of major factors, the result is different. This is because SMEs do not know how strongly each major factor can impact their organisation, unless they specifically examine the minor factors in detail. Al-Hyari et al. (2012) and Fillis (2002) mentioned that the lack of information does not vary over time, but barriers such as the level of competition tend to be more prevalent than before.

Regarding the internal barriers, SMEs comprehend the marketing-based barriers at the top level in terms of high transportation costs, costs of selling abroad, experience of selling abroad, and insurance costs. Obviously, this does not correspond to other literature papers. Matthee and Krugell (2012) and Niñerola et al. (2017) mentioned internal resources as the main influencer. Moreover, Cardoza and Fornes' (2011) ideas of China's awareness of knowledge regarding their expansion are also not consistent. Thus, the barriers to international expansion of Thai online

SMEs through social media are different from those of other countries, following neither Western nor Chinese patterns.

Relationship Specificity and Network Specificity

Hypothesis 3 is set up under the Uppsala model based on the liability of foreignness to liability of outsidership (Johanson and Vahlne, 2009). The lack of connection for expanding into new markets is considered in this part, i.e., whether or not Thai SMEs lack more relationship specificity than network specificity. The hypothesis is rejected. The result shows that actually most of the companies lack both relationship and network specificity. However, there is a greater percentage that acquires network specificity than that of relationships. Since relationship specificity may bring good partners to the organisation, it is more difficult to operate without networking (leading to a lack of knowledge overseas). Firms that have lower (higher) barriers will think about network specificity (relationship specificity). This is reasonable because the low-barrier SMEs are mostly those firms that have experience in internationalisation, and so they already exploit the high level of relationship specificity, but still lack the network specificity for success in business, and vice versa.

The reasons for lacking relationship specificity and network specificity are given as follows: firms' size (small business) is too small, SMEs lack the capability to acquire high-potential foreign partners and networking, and they face the newness of the organisation (which lacks knowledge and experience regarding doing business overseas); they also lack capital and do not know how to access marketing channels in foreign markets.

Firm Size

Firm size is important for the perceptions of the barriers to internationalisation (Shaw and Darroch, 2004; Fillis, 2002). Nowadays, Instagram is part of online business as a commercial channel for Thai online SMEs. Thus, the number of followers is tested as to whether or not it can affect the level of barriers to internationalisation. The outcome is shown to be positive. Each group of SMEs in each range of followers perceives the level of barriers differently. Thus, the number of followers can affect owners' perspectives and decisions regarding international expansion.

Number of employees is one of the common methods used for testing firm size. The number of staff influences the decision of SMEs to internationalise, since the levels of barriers are presented as not similar in each range. Besides, firms that have more staff will have a lower degree of barriers to overseas expansion than firms that employ fewer employees. Nevertheless, companies that hire more staff score a higher level in each major factor than do smaller firms. The reason is that more employees can lead to more concern over survival in foreign markets.

Regarding the net income of SMEs, companies that receive a high amount of net income have low levels of barriers to internationalisation, and vice versa. All in all, Hypothesis 4 in respect of firm size is supported, since all three considerations, namely number of Instagram followers, number of employees, and net income, can affect owners' decisions for internal expansion.

Age and Gender

Hypothesis 5 focuses on the age of companies and participants, which might lead to experiences of obstacles for Thai online SMEs when it comes to internationalisation. The result from operational periods is supported. It is found that it can impact upon the experiences of organisations. The younger firms perceive the higher level of barriers to new overseas expansion. Besides, the young companies also comprehend a higher level of external barriers than the older

ones. Thus, age could affect the growth of companies, but firm size and managerial experience have a negative impact on firms' survival (Schueffel et al., 2011). Indeed, the result of the analysis is consistent with Matthee and Krugell (2012), who discovered that firm age had positive effects on exportation. Older age and more productivity can increase exportation, and vice versa. Firms accessing finance seems like an obstacle to operating businesses, thus leading to less exportation.

However, the result for the age of participants is rejected. Being older or younger owners does not affect any of the internationalisation decisions. With regards a more specific examination of the perspective on major factors, the younger respondents give a lower score than the older ones for all factors, since they might have been more willing to take risks than the older owners.

Gender is an essential consideration in quantitative research (Siniscalco and Auriat, 2005). Regardless of whether owners are males or females, the decision to internationalise is not impacted.

Uppsala Model to Internationalise

After investigating the preference of Thai online fashion SMEs regarding entry modes for the new expansion, the pattern of entry modes is pretty similar to the Uppsala model. Thai SMEs are likely to enter through the market entry mode that has the lowest risk (least return) and organisational control (least resource commitment) as the first step, and slowly develop their companies over time (Shenkar and Luo, 2004). Besides, the expansion strategy of Thai online firms is also consistent with the model, since there are more enterprises (approximately 78%) that choose to internationalise to a foreign country that has a minimal number of differences when compared to their domestic country (Johanson and Vahlne, 2009).

However, there are some slight differences in the results. Thai online SMEs are less committed to carrying out licencing and prefer operating as wholly-owned subsidiaries, compared with the Uppsala model from third to sixth and ninth to seventh continuously. This means that Thai SMEs prefer entry modes that have high controlling power rather than quickly being known in foreign markets. Thus, the hypothesis that Thai online fashion SMEs follow the Uppsala model to internationalise is not supported.

The reasons for selecting an expansion strategy of either minimal- or high-difference countries, or other plans, are yielded by the open-ended questions in the survey. Beginning with the expansion strategy, respondents who prefer expanding business overseas into minimal-difference countries give the reasons that there is low risk in case of lower investment, lower competition, and not enough experience for the new expansion. Besides, a similarity in consumers' preferences can be seen, which is more suitable in terms of products, so only small adaptation is acquired, and it is easier to be known in foreign countries. This also brings about more opportunities for customers' decisions to purchase, since most have a good consumer base in neighbouring countries. Moreover, the similarity in culture, norms, etc. is considered, which is more helpful for the quicker development of organisations. There is also a suggestion that firms should operate by subcontracting for internationalisation due to lower differences, a lack of proficiency, and easier use of existing knowledge and experience for the new expansion, such as style, likeliness, etc. Thus, care needs to be taken in every step. Additionally, some participants mention that it would be better if there were a completed online platform and a marketing channel to help them expand their market to other countries.

For the participants who prefer high-difference countries as their expansion plan, one of the reasons is that of exploitation and exploration in new regions so as to acquire knowledge,

technology, etc. for improving their organisations. This corresponds to Dunning's motives for internationalisation. A respondent also opines that the fastest path is that of generating through online channels, such as Etsy, eBay, Amazon, etc.

Nevertheless, some collaborators do not agree with either strategies because they have different aspects regarding getting into new markets. Online marketing is one of their strategic approaches, due to lower investment cost than offline marketing. Regarding the result, it has a positive effect at larger distances than the other strategies. It is also better to enter a country that has high purchasing power with regard to the products or to choose a country that has a lower level of different fashion styles, but targets regarding the low purchasing power for a wider consumer base.

CONCLUSION

After having analysed the barriers of Thai online fashion SMEs to internationalisation, the major factors are market-based, firm-specific, managerial, financial, economic, and industry-specific barriers, respectively, from the highest level of barriers to the lowest. However, country-specific barriers are not seen as part of considerations for making decisions on internationalisation due to the uncontrollable situation. Examining barriers more deeply, transportation and cost of selling abroad, tariff barriers, experience of selling abroad, and firm not being known overseas are the top five problems in every group of internationalised statuses. Regarding the differences between exporters and non-exporters, the exporters are more aware of the issues in foreign markets, but the non-exporters are worried about the problems within their organisation. Besides, the results reveal that most of the Thai online SMEs face more internal barriers than external barriers, with the top

concerns being in the marketing-based barriers: transportation, selling abroad, and insurance costs, including selling experience overseas.

Furthermore, the determinants that have an influence on the decision of Thai online fashion SMEs regarding international expansion are firm size and operational periods of SMEs. Firm size includes number of Instagram followers, number of employees, and net income of organisations. Regarding the age of companies, the result shows that longer operation will create a lower level of barriers to expanding markets overseas. Nevertheless, the age of participants and their gender have negative results, meaning they may not impact the level of barriers to internationalisation. Moreover, most of the SMEs in the Thai online fashion industry lack both network specificity and relationship specificity, although there is evidence to illustrate that firms acquire more network specificity than relationship specificity.

Finally, Thai online fashion SMEs do not follow the Uppsala model to internationalise, but there is a similar pattern. They prefer to expand to countries that have lower differences so as to reduce risk and operate the modes of entry that have lower organisational control and resource commitment first. However, they score the wholly-owned subsidiary at a higher lever and licencing at a lower level than the Uppsala model, since Thai SMEs are aware of lacking the power of organisational control in foreign countries.

As a recommendation, all of the levels of barriers would be reduced if the Thai government supported the online fashion SMEs more in exporting or internationalising by decreasing the tariffs or applying subsidies, as the Chinese government has done. This could improve the fast growth of the Thai economy and the GDP through pushing more exports with fewer imports. Besides, selecting any platform or entry mode does not guarantee the success or failure of organisations. There is no right or wrong path for internationalisation, which depends on the circumstances in

each specific location. Nevertheless, the results of this analysis can be used to produce a platform or for further investigation in order to help Thai online SMEs in the fashion industry to exercise international expansion more efficiently and successfully.

As a limitation, this paper can only illuminate the aspects of online fashion SMEs through social media in the Thai community presently. Besides, most of the information that has been found in the literature reviews is specifically investigated in Western regions. Therefore, some of the research areas and perspectives could not be guaranteed, since they might not correspond to Thai barriers and people's behaviours or norms. However, the theoretical frameworks can still be applied to accomplish the goal of the paper.

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Appendices

TABLE 1 Internal and External Barriers to Internationalisation

Internal and External Barriers	Theoretical approaches	Factor groups	CODE
External Barriers	Country Specific Barriers (CSB/C0)	*Governmental and economic political/legal barriers* 1. Lack of home government assistance 2. Lack of foreign government support 3. Inadequate government regulations and rules government bureaucracy 4. Poor economic situation in the region 5. Political instability in foreign markets 6. Strict foreign rules and regulations 7. Tariff and non-tariff barriers 8. Home geographic location 9. Interest rate volatility 10. Relationship specificity 11. Network-specificity	C1 C2 C3 C4 C5 C6 C7 C8 C9 C10 C11
	Economics Specific Barriers (ESB/E0)	*Procedural and currency barriers* 12. Currency fluctuations 13. Unconvertible foreign currencies 14. Slow payment collections from abroad 15. Complexity of export documentations 16. Inadequate communications with overseas customers 17. Uncertainties in oversea markets 18. Different customer attitudes 19. Demanding of oversea customers	E1 E2 E3 E4 E5 E6 E7 E8
	Industry Specific Barriers (ISB/I0)	*Task and sociocultural barrier* 20. Competitive price in foreign markets 21. Competition in overseas markets 22. Language differences 23. Lack of new technology 24. Different business practices 25. Warehousing facilities abroad	I1 I2 I3 I4 I5

		26. Meeting oversea regulations 27. Transport facilities across country 28. Transportation in foreign country	I6 I7 I8 I9
Internal Barriers	Firm specific Barriers (FSB/F0)	*Informational barrier (liability of newness)* 29. Information about oversea markets 30. Firm size 31. Difficulty of making customer contacts 32. Access to data sources 33. Difficulty in developing new products for foreign markets 34. Lack of production capacity 35. Meeting export packing/labelling requirements 36. Technical/after sales service 37. Firm is not known by oversea 38. Time to take products into markets 39. Ability to compete in foreign markets 40. Competitive advantage in overseas 41. Not interested or willing to expand 42. Product not suits for oversea markets 43. Decreasing growth orientation 44. Prior international experience 45. International network contacts	F1 F2 F3 F4 F5 F6 F7 F8 F9 F10 F11 F12 F13 F14 F15 F16 F17
	Managerial barriers (MB/M0)	*Functional barriers* 46. Time to deal with exports or explore opportunities in oversea markets 47. Personal for exporting 48. Export skills 49. Cultural differences 50. Resources for production for exports 51. Maintaining products quality 52. Managerial attitudes 53. International experience and skills 54. Knowledge about international market opportunities 55. Commitment	M1 M2 M3 M4 M5 M6 M7 M8

		56. Access to potential foreign partners 57. Understanding of how to access oversea markets 58. Inadequate/inexperienced staff 59. Export paperwork 60. Loss of goods in transit 61. Communication with oversea customers	M9 M10 M11 M12 M13 M14 M15 M16
	Financial barriers (FB/FF0)	*Financial barriers* 62. Financial barriers in general 63. Limited financial resource 64. Cost of operating overseas 65. Access to capital and credit 66. Obtaining export finance	FF1 FF2 FF3 FF4 FF5
	Market-based barriers (MBB/MM0)	*Marketing barriers* 67. Liability of foreignness 68. Environmental perception 69. Marketing knowledge 70. Access to distribution 71. Strong domestic market positioning 72. Difficulties in adapting export product 73. Meeting export product standards 74. Competition in export markets 75. Complexity of foreign distribution/advertising channels 76. Reliable foreign representation 77. High transportation costs 78. Insurance costs 79. Costs of selling aboard 80. Selling abroad experience	MM1 MM2 MM3 MM4 MM5 MM6 MM7 MM8 MM9 MM10 MM11 MM12 MM13 MM14

Note*: Overseas = o/s

TABLE 2 Correlation between barriers to internationalization variables

Variables	**Barriers**	**CSB**	**ESB**	**ISB**	**FSB**	**MB**	**FB**	**MBB**
Barriers	1							
CSB	0.1307	1						
ESB	-0.0025	0.4179	1					
ISB	0.1693	0.1698	0.335	1				
FSB	0.1558	0.2012	0.2746	0.333	1			
MB	0.1906	0.2005	0.2211	0.2019	0.746	1		
FB	0.2803	0.2571	0.3019	0.2704	0.5006	0.5694	1	
MBB	0.173	0.1007	0.3276	0.3529	0.3194	0.3464	0.3953	1

TABLE 3 Linear Regression Results

Dependent Variable: **Internationalisation of Thai online SMEs**	**Panel A:** **Real data collected from respondents**	**Panel B:** **Synthetic data from the Univariate Analysis**
Independent variables	Coefficient	Coefficient
Country specific barriers (CSB)	0.1754**	**0.2059**
Economics specific barriers (ESB)	**-0.0078**	0.3620***
Industry specific barriers (ISB)	0.2331***	0.3812***
Firm specific barriers (FSB)	0.1949**	0.5595***
Managerial barriers (MB)	0.2429***	0.4818***
Financial barriers (FB)	0.3524***	0.4238***
Market-based barriers (MBB)	0.2911***	0.6200***

Note: The data is evaluated by STATA 14.0 under simple linear regression*

TABLE 4 Multiple Linear Regression Results

Dependent variable: Internationalisation of Thai online SMEs	**Coefficient**
Country specific barriers (CSB)	0.1676 (0.0950)
Economics specific barriers (ESB)	0.3117*** (0.1171)
Industry specific barriers (ISB)	0.1758 (0.0979)
Firm specific barriers (FSB)	0.0466** (0.1178)
Managerial barriers (MB)	0.0681** (0.1277)
Financial barriers (FB)	0.2916*** (0.0987)
Market-based barriers (MBB)	0.1431*** (0.1217)
R-squared	0.4201

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Note: The data is evaluated by STATA 14.0 under multiple linear regression*