

Wanvisa Phuttakoon 2007: Market Structure and Switching Costs Analysis of Mobile Telephone Industry in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Darawan Virunyaphol, Ph.D. 91 pages.

The objectives of the study are to study a market structure, to analyses and to estimate cost of mobile switching service under 3 main operators i.e., AIS, DTAC, and Orange. The study will concentrate on 3 main issues i.e., 1) To study in market structure based on business theory and concentration ratio. 2) To study measure switching costs of each provider through SHY model (2002). 3) To study the effect of switching costs on competitive levels. Data used is analyzing process in the secondary, which was gathered during the period from 1998 to 2005 and from March 2002 to December 2005.

The results indicated that Thailand mobile industry had Oligopoly structure with the product equivalent to network service. A market power was concentrated among a few large providers as concluded by concentration ratio ( $CR_3$ ) and Herfindahl Index, which were equal to 55.54% and 0.300 respectively; The interpretation implied that there were high competitive pricing and high barriers to entry.

The estimation of switching costs found out that consumers under network service of AIS had high cost than DTAC and Orange.

The conclusion found out that AIS had highest concentration and switching cost, which mean that AIS gained the market power and high competitive pricing, which were characteristic according to oligopoly market.



Student's signature

 21 March, 2007

Thesis Advisor's signature