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## **Chapter XIV**

# **Culture and E-Business in Thailand**

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## **ABSTRACT**

*Surveys of Western literature identify law, infrastructure, tax, payment processes, consumers, suppliers, education and business culture, as the key factors in the successful adoption of e-business. A survey of Thai business executives confirmed that culture and society are additional factors. Twenty of these factors were identified and examined. Organizational infrastructure and English literacy were also found to be major internal and external barriers respectively. The research findings provide the foundation for future research aimed at developing a holistic framework to guide business in Thailand and other countries, to successfully implement the new generation of e-business activities. The new generation of e-business activities include operation-centric e-business, virtual business and Application Service Providers (ASPs).*

## **INTRODUCTION**

Over the past few years, the widespread use of the Internet has lead to tremendous expansion in electronic business (e-business) worldwide, especially in South-East Asian countries (Input, 1999). E-business over the Internet is a new and fast-growing way of conducting business and, although only a few years old, is rapidly developing into a major

economic activity (Legard, 2000). The ability of e-business to link companies within the global market overcomes traditional barriers to business transactions caused by geography, location and distance.

Surveys of Western literature identify eight key factors that contribute to successful e-business: law, infrastructure, tax, payment processes, consumers, suppliers, education and business culture. Countries and businesses that want to be successful in the new economy must undertake careful study in these areas before launching their e-business endeavors. The Singaporean government is an example of a body that has successfully achieved this goal.

Thailand, which has just begun the initial stages of its e-business development, was selected as the case study for this chapter (Business in Thailand online, 1999a, 1999b). Thailand has a good mixture of foreign and local investors, healthy import and export markets, and an existing strong business environment. Thai culture and society contain many unique characteristics. As in other countries in Asia, e-business activities in Thailand are rapidly growing.

A survey of Thai business executives was conducted during the course of this study. The survey findings confirmed that in addition to the eight key contributors to successful e-business identified in Western research, there are a number of cultural and social issues that are often ignored by current researchers. Twenty of these social and cultural issues are identified and examined in this chapter. From the survey, organizational infrastructure and English literacy were found to be the major internal and external barriers respectively to the adoption of e-business in Thailand.

The findings contained in this study provide the foundation for future research and the development of a holistic framework to guide e-business development in Thailand. The findings can assist both Thailand and other countries in similar stages of e-business development to successfully implement e-business initiatives. Such initiatives encompass many of the new generation of e-business opportunities, including operation-centric e-business, virtual business and Application Service Providers (ASPs). The chapter concludes with a discussion covering the new generation of e-business and predicted future trends in e-business.

## **BACKGROUND**

In this study, e-business is defined as any form of commercial transaction involving goods and services, conducted over a computer network (Evans, 2000). It covers the buying and selling of products and services over the Internet, including those that facilitate online transactions and those enabling the dissemination of information over the Internet. It includes all online interactions between buyers and sellers. A survey of Thai business executives was conducted. The objective of the survey was to identify issues considered by Thai business to be important to the adoption of e-business.

## **E-BUSINESS: A WESTERN VIEW**

Surveys of Western literature identify eight key factors deemed essential to the successful adoption of e-business: law, infrastructure, tax, payment processes, consumers, suppliers, education and business culture.

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