An exploratory study of the socio-cultural impact on the adoption of e-commerce for firms in the tourism industry of Thailand

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AN EXPLORATORY STUDY OF THE SOCIO-CULTURAL IMPACT ON THE ADOPTION OF E-COMMERCE FOR FIRMS IN THE TOURISM INDUSTRY OF THAILAND

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Abstract

Previous studies have demonstrated the importance of Internet and e-commerce technologies in the tourism industry. The tourism industry is one of the most important that contribute to Thailand’s economic growth. The Thai government has promoted e-strategies in the tourism industry for economic reform. Although the government has encouraged the use of Internet technology for effective communication and collaboration across a broad range of tourism related activities, it has not yet been widely accepted. This study examines the roles of culture in the Thai business community, and how its underlying assumptions affect the adoption of technology in the Thai tourism industry. The findings are presented in two main parts: visions and current issues from the Thai government and the actual technology adoption issues faced by practitioners.

Keywords: Culture, Digital divide, eTourism, IT adoption, Internet, Thailand, Tourism industry.
1. INTRODUCTION

Information and communication technologies (ICTs), in particular, the Internet and e-commerce technology have had a great impact on the tourism industry in recent years. It is more commonly known as ‘eTourism’. This technology plays an important role mediating between suppliers and customers for information acquisition and business transactions. It enables multiple opportunities for tourism companies in developing countries to reach a wider customer base worldwide, in numerous cost-minimising and time-effective ways. Developing countries have hoped to use e-strategies as an economic leap frog into the digital economy (UNCTAD 1999, 2001, 2002a, 2002b). In particular, the adoption of Internet based business-to-business (B2B) e-commerce comprises 95 percent of all e-commerce revenue. The growth of global B2B is predicted to grow between 54.4 percent and 81.5 percent per annum (UNCTAD 2002a, pp.7-8). It has been said that “for as long as B2B does not take off in developing countries, e-commerce value will remain negligible” (UNCTAD 2002a, p.9). Our interest is in how effective is the tourism industry in developing countries, specifically Thailand, in adopting Internet technology in B2B communication1 and what role socio-cultural issues play in technology adoption.

The primary motivator for us is a theoretical gap in the research where the key concepts of socio-cultural issues, B2B e-commerce adoption in developing countries and tourism industry intersect. There is evidence suggesting that appropriate technology transfer to firms in developing countries is facilitated by social interaction and organisational actors (Demeester, 1999; Shore & Venkatachalam, 1996; Bruun and Mefford 1996; Scheraga et al., 2000; Seror, 1996; Shioib and Nandhakumar, 2003; Martinsons and Westwood, 1997). There is previous research investigating the adoption of eTourism (e.g Tonn and Hemrick, 2004; D’Ambra and Wilson, 2004; Kim et al., 2004; Ma et al., 2003; Ng et al.,1998; Ozturan and Roney, 2005; Wan, 2002; Wang and Cheung, 2004; Wyane et al., 2001; Yuan et al., 2003), however there is minimal work investigating the adoption of technology from a socio-cultural perspective. It became apparent to us that a systematic theoretical analysis of socio-cultural impact on the adoption of Internet technology in B2B relation setting does not exist in the tourism industry. Thus, this study extends this line of analysis by exploring the role of the Thai business culture on Internet technology for inter-firm communication adoption in the Thai tourism industry.

The second motivation is a lack of literature on eTourism in developing countries, especially in Asia. The tourism industry has emerged as an economic force in many nations. The Asia Pacific region is predicted to be a leader in the adoption of e-commerce in comparison to developing countries in other regions (UNCATD, 2002a). However, there are very limited studies on Internet based B2B e-commerce adoption in Asia (Teo and Rangathan, 2004). Research conducted by the Asian Pacific Economic Corporation (APEC, 2002) on e-readiness in East Asian economies found that developed countries such as Singapore, Hong Kong, China, Chinese Taipei and Korea, lead the region in their abilities to use Internet based technologies to sustain their economic engines. The rest of East Asia such as Thailand and Vietnam seem to be underdeveloped in adopting technologies, as they have not yet succeeded in using Internet technology to leverage competitiveness in the digital economy (APEC 2002, p.3).

This paper is organised as follows: in the next section, current issues of e-commerce adoption in the Thai tourism industry are discussed; secondly, a research method employed by this study is presented. This is followed by a section in which we examine how Thai cultural values influence Internet technology for inter-firm communication. Finally, research implications and conclusions are discussed.

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1 This research focuses on the use of Internet technology for B2B communication. It is also known as ‘Internet technology for inter-firm communication’. These terms are used interchangeably. This includes the use of e-mail and e-marketplace.
2. THE CASE: THAI TOURISM INDUSTRY

2.1 Overview of Thai tourism industry


In May 2003, the Thai government worked with Professor Michael Porter to enhance competitive advantage for the country’s economic reform (Kaopatumtip, 2003). Porter identified five clusters for Thailand’s competitiveness: the automotive cluster, fashion cluster, food cluster, tourism cluster and software cluster. Among these clusters, the Thai government has paid the most attention to tourism and the automotive industry for economic development. However, of the five clusters, the tourism industry has the most e-commerce activities (26.3%) and the automotive industry has the least (0.2%) (ECRC 2000, p.17).

Although the percentage of e-commerce usage in the Thai tourism industry it is quite high compared to other industries, however, the use of e-commerce in this industry has not been maximized. Evidence shows that 81 percent of existing websites (494 out of 607) are static websites, which are used for information and promotional purposes. Only 19 percent of these websites (113) provide value added services such as online reservation systems (ECRC 2000, pp.16-18).

Porter (2003) suggests that the Thai tourism industry should be promoted as an “Asia tourism capital”. However, he also points out that the Thai tourism industry is competing on promoting natural tourist resources but is still lacking in effectively cooperating across industry. This yields a problem in information collaboration process across a broad range of tourism related activities in this industry. This research sees a high potential that Internet technology, which is used for facilitating inter-firm communication and collaboration, may play a major role in the development of the Thai tourism industry. Thus, it is vital area to be investigated.

Although the Thai government has a vision in supporting the development of e-commerce in tourism industry, the information about the e-commerce adoption in the Thai Tourism industry is limited because it is still considered as a new phenomenon in Thailand (Ngaorungs, 2004). Only one study has been published on the adoption of e-commerce among SMEs in the Thai tourism industry. Intrapairot and Srivihok (2003) conducted a study on the adoption of websites among SMEs. They found that most SMEs have information based websites only. In addition, e-commerce was found to be a threat to Thai’s SMEs. Companies were afraid that suppliers would use e-commerce for direct sales to cut down the business processes by removing intermediaries and enabling direct sales with customers.

In addition, there are some arguments that the basic technical infrastructures such as telecommunication, hardware and software are no longer a major problem in the adoption of the Internet in Thailand. The main point is addressed over how Thais can adapt knowledge and technologies from the Western world to maximise the benefits in the social and economic development (Koannatakool 2002, p.13). In addition, research by Gray and Sanzogni (2004) reviewing Thai national e-commerce plans and strategies encountered the problem of: “How do you change cultural impacts on technology developments? This seems to be the real and imposing question in Thailand”. Nevertheless, there is no further investigation on how socio-cultural factors impact on the e-commerce technology adoption in the Thai tourism industry. Therefore, this research proposes the question: Is there any relation between national culture in the Thai business community and the adoption of Internet technology for inter-firm communication in the tourism industry? If so How and Why?
2.2 Background of Thai culture

Thailand’s population is relatively homogeneous. More than 85% speak a dialect of Thai and share a common culture. Up to 12% of Thai are of significant Chinese heritage. Malay-speaking Muslims of the south comprise another significant minority group (2.3%). Other groups include the Khmer, the Mon, who are substantially assimilated with Thai. Theravada Buddhism is the official religion of Thailand and is the religion of about 95% of the population (U.S. Department of State, 2005).

Studying the historical background of developing countries in Asia, we find that most of these countries were under Western colonisation. Thailand is the only country in South East Asia that has never been under a western colonial power. Colonisation affects the development of culture (Bhabha 1994, p.114). Countries that had been conquered by western countries are most likely to have a hybrid characteristic in their cultures. ‘Hybridity’ represents the partializing process of two contradictory sets of knowledge that has integrated in a cultural value (Bhabha 1994, p.115). As a result, these countries are more accustomed to Western culture. Thus, Thailand has its own rich culture. Thai cultural values will be further discussed in the key findings section.

3. RESEARCH METHODS

An underline philosophy for this research is the qualitative interpretative field study. Klein and Myers (1999) seven principles of interpretative method is used for this study. They proposed a set of principles for the evaluation of interpretive field research in information systems. Firstly, the fundamental principle of the hermeneutic circle, this principal encourages researchers to understanding human behaviour by iterating between considering the interdependent meaning of parts and the whole. This study analyses human experience involved in using Internet technology used for B2B communication in a particular Thai cultural context. It iterates between examining the experience of adopters (organisations) as parts and determining the full meaning of the shared meanings of the adopters with reference to the Thai national cultural context to interpret the technology adoption behaviour as a whole.

Secondly, the principle of contextualization, which is needed to specify the social and historical background of the research setting. This study uses the Thai cultural context to explain some surprising aspects of the adoption of Internet technology for B2B communication in the Thai tourism industry.

Thirdly, the principle of interaction between the researchers and the subjects is considered. The data for this study was collected using in-depth interviews, collecting internal documents and observations. Data were collected by a fieldwork study in Thailand for a two month period during June and July 2004 by the first author. Each interview was about 1 hour in duration. Overall, 13 interviews were conducted (see Table 1). This research commenced by conducting face to face interviews and collecting internal documents from the Tourism Authority of Thailand (TAT) (Ngaorung, 2004) and President of Association of Thai Travel agents (Soorangura, 2004) on the current e-commerce adoption in this industry. Following these initial two interviews a further 11 firms in the Thai tourism industry were interviewed. Travel Agents, Hotels, and Resorts were selected because they have been identified as the most active businesses in the adoption of Internet technology (Ngaorung, 2004).

The interviews started with a few companies. Then, the participants were asked to identify companies that they have business collaboration with, such as their suppliers, customers and competitors. The contacts to the new companies may have been made directly by the researchers or the participants may have kindly initiated the contact to the new companies. The researcher then followed up the initial contact to arrange the interviews. This process helped introduce the researcher to the linkages in the interorganisational network and collaboration in the Thai tourism’s supply chain.
Table 1 Numbers of interviews

<table>
<thead>
<tr>
<th>Types</th>
<th>Size</th>
<th>Number</th>
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</thead>
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<tr>
<td>Government Institution</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Industry association</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Travel agent</td>
<td>SME</td>
<td>6</td>
</tr>
<tr>
<td>Travel agent</td>
<td>Large</td>
<td>2</td>
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<tr>
<td>Hotel</td>
<td>SME</td>
<td>2</td>
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<td>Hotel</td>
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<td><strong>Total</strong></td>
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The interviewees asked about the current Internet and e-commerce applications that were currently used in their business, including any future plans for implementation. Then, respondents were asked about their attitudes towards the use of these applications including the benefits and drawbacks of the applications, the current business processes and to what extent these applications replace the traditional ways of doing business.

Fourthly, the principle of abstraction and generalization is considered, this principle requires idiographic details of data interpretation through a theoretical lens that describes the nature of human understanding and social action. In this study, analysis of socio-cultural issues of the technology adoption is supported by national culture theories. Hofstede's (1997) theoretical framework on national culture is the main theory used in data interpretation. However, this study also use other cultural related theories, for instances, Trompenaars (1996) and the concept of Guanxi, which is a principle cultural concept in the Chinese and Asia community to support the analysis.

Fifthly, the principle of dialogical reasoning, which “requires sensitivity to possible contradictions between the theoretical preconceptions guiding the research design and actual findings ("the story which the data tell") with subsequent cycles of revision” (Klein and Myers, 1999). This study also introduces cultural related issues found in the case, which cannot be explained through the current theoretical national cultures.

Sixthly, the principle of multiple interpretations. This study presents the multiple viewpoints from interviewees to form the analysis. More than one interview is used to support the discussion of the key findings. Finally, the principle of suspicion, this research criticises the benefits of Internet technology adoption in Thailand. The findings present some interesting issue relating to the technology adoption in the Thai context, which contrasts to general Western’s beliefs in the use and benefits gained from the Internet technology.

4. DISCUSSION THE KEY FINDINGS

The findings are presented into two parts. Firstly, the interviews with TAT and the president of The Thai Travel Agents Association which considered the Thai government’s perspectives on plans, strategies and issues related to e-commerce adoption in the Thai tourism industry are presented. Secondly, the interviews with Thai travel agents and hotels on the actual adoption of technology and cultural related issues faced by practitioners are discussed.

4.1 The Thai government’s visions and plans

The Thai’s government has emphasized the importance of the development of e-commerce in the tourism industry. Visions of TAT in ICT strategies are 1) using ICTs as marketing tools to build competitive advantage in terms of increasing the nation’s income and improving quality of service for tourists 2) using ICTs to enhance work efficiency and effectiveness. Corresponding to these visions, the ICT strategies of TAT for year 2004-2006 have been established. The five main strategies are as follows;
Building a centralized database system within the TAT organization, which can be connected to overseas offices;
Developing an e-office (a paperless system) within TAT;
Developing a Digital Nervous System for enhancing the data processing;
Developing an eTourism system;
Developing e-learning, e-library and e-publishing systems to increase the level of knowledge for all the parties in the industry through knowledge based systems.

Following these visions, TAT was a pioneer in setting up a B2B e-marketplace for the tourism industry in Thailand. Previously, TAT developed the e-marketplace called www.tourismmarketplace.com for local companies and overseas companies. It hopes to enable a new channel for promoting local companies to meet new trading partners worldwide. It provides online services for the participants including search functions as: finding potential trading partners, maintaining member profiles, providing a message centre, advertisements for packaged tours, webboard for online negotiations, email and online bidding. However, it has not been a success due to very low utilisation of e-marketplace functions (Soorangura, 2004; Ngaorungs, 2004).

Later on, TAT redeveloped the e-marketplace, the new version was launched in August 2004. The new e-marketplace is a similar concept to the previous one, but the main difference is the name of the website. From the interview, the reasons of the failure have not yet been well studied. However, TAT suspects that the failure of the previous e-marketplace is caused by the name of the marketplace, which did not represent Thailand. In addition, there was no division which was directly responsible for this area. Therefore, TAT has decided to change the name of the e-marketplace to www.thaitravelmart.com and setting up a new division to be responsible of the e-marketplace project. In addition, there are some interesting points that were found during the interview. Traditionally, TAT has supported the offline marketplace, which is known as ‘travel mart’. The concept is similar to e-marketplace, but the main difference being the provision of an offline method is where suppliers and customers meet face to face at a marketplace. TAT acts as an intermediary by setting up a travel mart and inviting local and overseas companies to meet in Thailand. The executive director of Information Technology of the Tourism Authority of Thailand said that “This strategy works very well and we are still using it. However, when new information technologies come, we start to use e-commerce by setting up www.tourismthailand.org”. In addition, he added that “we do not have a proper research or feasibility study for this new project. However, there was a small research that we hired someone to do on the adoption of e-commerce in SMEs, but it was not very detailed. I feel that culture may have a major impact in the e-commerce adoption in Thailand. But we haven’t done any research about it yet” (Ngaorungs, 2004). The next section presents further investigation from the practitioners’ point of view on the level of e-commerce adoption for inter-firm communication and cultural related issues in Thai tourism industry.

4.2 Issues relates to the actual adoption

The overall usage of Internet technology for B2B communication in the Thai tourism industry is still very limited. The use of email seems to be significant for communicating with the overseas firms but not for domestic firms. Large organisations seem to have a higher rate of the adoption than small and medium organisations, but still in a very limited way. Most of the communication methods between firms are in traditional manner, such as phone, fax and face-to-face meetings.

An initial analysis of the role of Thai cultural value that may impact on Internet technology for B2B communication are identified in three main issues: the concept of personal services, the importance of Guanxi and language barriers. It is noted that discussion on the characteristic of national culture, of course, does not mean that every person in that culture arranges all the characteristic dimensions in the same order of importance. Therefore, in describing the Thai national characteristics, the authors are
only “referring to the common characteristic elements within the Thai culture – the national norms, or group norms in the case of describing a particular group” (Komin 1990, p.687).

4.2.1 The concept of personal services

Having said that the tourism industry is a service industry, understanding the concept of service in Thai society is important. Hofstede (1997) asserts that the characteristics of masculine society are masculine, assertive and competitive social role, while feminine society represents caring, modest and weak social role. As a result, “belongingness and human relationship will prevail over esteem in a feminie culture, but esteem over belongingness in a masculine culture” (Hofstede 1997, p.123). Hence, in the Thai’s feminine society, maintaining a warm relationship with people is important. Personal relationships including exclusive personal attention, warm relationship and face-to-face contact are fundamental to building trust. And this is very important in doing business in Thailand. Thai people like personal service and a convenient lifestyle (Suprab, 2000). This can be seen in many middle income households where housewives prefer to hire servants to clean the house over managing this work themselves. At the workplace, messengers often are used to run errands for their boss. This includes their personal matters.

It is found that travel businesses in Thailand seem to focus on providing personal services in traditional communication methods to their customers rather than online services. In addition, providing an online service is not viewed as a personal service in a Thai’s point of view. All of the interviewers said that personal attention and exclusive services is the most important success factor to their businesses. For instance, in Thailand, air tickets are delivered to customers’ homes or workplaces by the travel agent’s messengers and this service is not charged for. This contrasts with the e-business concept that face-to-face contact is minimized and mediation is promoted.

Although, the benefits of e-commerce are identified as a more convenient communication method than traditional communication methods, such as less travelling, cost reduction and anywhere, anytime (Turban et al., 2002). Interestingly, Thai society perceives the web channel as less convenient way compared to the traditional communication methods. An interview with a local travel agent expressed that:

“If we use email, we can only send information but using messengers can send others document such as invoice. Thai people still need personal service. It is inappropriate to email customers to tell them to transfer money. So, we provide a messenger service to collect money and send the plane ticket to them.”

An Interview with Thai local hotel:

Interviewer: Do you think Internet can replace traditional travel agent?

Interviewee: I think it is different group of customers. For example, xyz tour, which is the tour that has the target customers in China town. Why you do think people go for xyz tour rather than going for travel agent in the Internet. They have internet access, but why don’t they go to search the Internet. Because traditional travel agents are more convenience for customers. Traditional travel agents provided more convenience than the Internet. For example, they may want to eat only Chinese food. How can we find the Chinese food overseas? So, it is a duty of travel agent to set up their requests. Not like Western people that they prefer to travel individual or in a small group. That people prefer to travel in a big group.
4.2.2 The importance of Guanxi

Personal connection/relationship is very important to business in Thailand (Thongjeen and Speece, 2002). It is similar to the concept of “Guanxi” in Chinese business relationships. Guanxi represents the formal and informal relationship building and maintenance for business connections in Asia, in particular Chinese business relations. It requires personal relationship networking among individuals, not organisations. In Western networking, relationships grow out of deals, while in Chinese networking; deals grow out of relationship. Thus, the exchanges which take place amongst members of the Guanxi network are not solely commercial, but also social, involving the exchange of favors (Davies et al, 1995; Hammond and Glenn, 2004; Vanhonacker, 2004). In addition, the relationships are formed and maintained by personal face to face relationships. It also has been observed that despite the tremendous opportunities now presented in the China market many foreign businessmen find it more difficult to do business in China than they anticipated (Chen, 2004; Davies et al., 1995).

“It has long been recognized that doing business in China is particularly difficulty and that a key difference between Chinese and Western business practices lies in relative importance of personal relationship (Guanxi) in the former, as opposed to the specification and enforcement of contracts in the latter” (Davies et al. 1995, p.207). There is a saying that “without Guanxi, one simply cannot get anything done” (Davies et al. 1995, p.212).

Komin (1991), who is a local expert in the Thai culture, strongly agrees that Thailand is a society of relationships not a society of law. The explanation of the relationships in Thai social networks can be further supported by Hofstede’s national culture theories. Hofstede (1997, 2001) asserts that Thailand is a collectivist society. In collectivist societies, members are concerned with the group interest rather than individual interest (Hofstede 1997, 2001). The distinction between in-group and out-group is strong. As the distinctive between in-group and out-group, treating one’s friends better than others is natural and ethical, and sound business practice. Taking similar view, Trompenaars (1996) also calls this way of thinking as ‘particularism’. “Particularist societies are those where particular circumstances are more important than rules. Bonds of particular relationships (family, friends) are stronger than any abstract rule and the response may change according to circumstances and the people involved” (Trompenaars 1996, p.53). Particularism is opposed to Universalism, which preferential treatment of one customer over others is considered bad business practice and unethical (Trompenaars 1996, p.53).

Most of the interviewees do not believe that the e-marketplace will help their businesses to search for new business partners and to gain more business opportunities. Most of the interviewees said that normally they use Guanxi, which is a recommendation from previous customers to their friends and family to get new customers by word of mouth. In addition, face to face communication is important in building trust. In the Asian context, generally, trust is established before conducting businesses with new trading partners (Samovar et al. 1998, p.189). Suppliers often do a ‘sales call’; this is where they have to go to corporate customers to present their products. For example, hotel representatives will go to travel agents to present their products and services. The following examples demonstrate Thai’s attitudes towards using web channels to replace the traditional sales and marketing strategies:

**Interviewer:** If there are companies contact you via email or web channel such as e-marketplace for seeking for the new business opportunities, will you trust them?

**Interviewee:** There are some enquiries from online channel. However, we have never ended the agreements online. We still need to arrange the meeting and sign the agreements. In Thailand, we are not doing business in online collaboration. Maybe in Europe, US and Australia, they may do. In Thailand, although sometimes we see each other face to face, we still don’t trust or believe them. If we do not see their faces, how can we trust and do business with them.
An Interview with Thai local travel agent:

Interviewer: How do you contact and select your overseas suppliers?

Interviewee: We selected new suppliers by talking to them. We would be able to have a better judgement about the suppliers’ capability by talking to them face to face than looking from the document. Maybe it is a Thai’s culture. We must make sure that we know them from the top managers to small employees. In addition, we want prefer to contact overseas suppliers that have offices in Thailand. We want to know exactly where the office is located. If there is any problem, we will know how to find them.

An Interview with a Thai manager working in International travel agents in Thailand:

“Sales in Thailand emphasize the personal relationship than business talk like in the US. You must know the technique.”

4.2.3 Language barriers

Thai language is an important aspect of Thai culture. It can be explained through Thai history. The impact of Western colonisation is found in terms of ability to communicate in a foreign language. For instance, a high population of people in Singapore, Hong Kong, Myanmar, and Malaysia can speak English as a result of colonisation by the UK. (Irwin 1996, p.51), Thai people lack the ability to communicate in a foreign language (Chieochan et. al., 2003; Cobitt, 1999). Thailand has never been under a Western colonial system.

The issue of language seems to be an important aspect of e-commerce adoption in Thailand. This is because Internet technology accelerates the need for global communication and English language is the predominant language for the development of IT and e-commerce (Chieochan et al. 2003, p.26; Perry and Schneider, 2001). Most of the interviews addressed the problem of the English language in e-commerce adoption. For example, an interviewee who is a foreign manager working in Thailand said that:

“...Thai people feel more convenience using telephone than writing an email. For local communication, they use telephone and fax. Local Thai people has problem in English language and spend so much time for writing an email. And normally, the language we use in e-mail is English language...”

An interview with a local travel agent:

“Language is the main barrier. Sometimes customers from overseas do not use English such as the Spanish and French. They send us emails. However, they also call us to confirm and explain what they want. Because the Spanish also not use English as the main language as well as Thai. Thus, we both have the problem in English communication.”

An interview with a local hotel:

“Language is a major problem in e-commerce adoption in Thailand. Especially, in Thailand, if we want our e-commerce to be like Inter², we have problems in expressing in writing and reading contents from on the web. Unlike talking, it is harder to understand and write.” He expressed frustrated feeling that “have you ever been able to translate language on the web but you don’t know they really want you to do?”

An interview with a local travel agent:

“Language is not a problem of us because we hire foreign workers from overseas.”

² Inter is a slang in Thai language, which means International.
An interview with TAT;

Interviewer: What are the problems of e-commerce adoption in Thai tourism industry at the moment?

Interviewee: SMEs do not want to invest in having websites because 1) cost 2) maintenance and 3) language problems.

Interviewer: Can you please explain more about language problem?

Interviewee: They need some skill staff that are able to write program tours, communicate and correspond and also negotiation with overseas. These activities require skill in the International communication language.

Interviewer: But they don’t have to use the International language when communicate in the traditional way?

Interviewee: Yes, they do. But by using web, they will meet new trading partners, which they may come from diverse background and different places. But for now, they are using the existing overseas trading partners. They have met in person and talk which it still be able to communicate easier than writing. In addition, the business now is supply chain. The retail travel agents get business contact with the wholesales that have known. But by using the new marketplace, they will have to communicate with anybody around the world. For example, they may get email 10-20 from overseas. Then they need staff who are able to communicate and write back.”

5. DISCUSSION

An examination of the conditions facilitating Internet technology for inter-firm communication in the Thai tourism industry reveals some interesting points on the role of local culture on technology transfer to developing countries. Although the Internet technology seems to be a strategic tool in the globalisation process (Kraemer et al., 2002) and globalisation has resulted in the emergence of a ‘world culture’ concept. The world culture is “the idea that as traditional barriers among people of different cultures break down, emphasising the commonality of human needs, one culture will emerge, a new culture to which all people will adhere” (Chaney and Martin 2000, p.2). Consequently, both developing countries and researchers tend to have less concern about the role of local culture on Internet technology for inter-firm communication transfer from Western to Asian countries. Some assume that the adoption of this technology in developing countries will be driven by the global competition and multinational corporations (MNCs) (Gibbs et al, 2002). This research found evidence to suggest that Thai culture does shape the adoption of Internet technology in the Thai tourism industry.

The findings highlight some contradictory aspects of the use of Internet technology for inter-firm communication between Western philosophy underlining the benefits of the Internet and the actuality of technology adoption in Thailand. This leads to a critique on the expected benefits from Internet technology in developing countries, especially in Asian countries, where there is a significant cultural difference from Western culture. For instance, Westerners believe that the Internet will enhance the networking capabilities of companies which will lead to a better competitive position and also bridge the gap between business people of different nations and cultures. It also argues that this may not simulate trading opportunities in an Asian context. Networking enhances competitive advantage by providing access to the resources of other network members. However, the local cultural aspect for example, Guanxi, which emphasizes the role of the trusted insider, conflict with Western’s new social network concept, which suggests that the new information and opportunities are critical for survival (Hammond and Glenn, 2004).

Therefore, developing countries, such as Thailand should consider cultural aspects when adopting eTourism technology. Although Thailand has the economic pressure to adopt these technologies in being a part of the globalisation to survive on an international scale. We can see that the adoption of Internet technology does not always create the benefits to local firms as it does for Western firms. Thus, if Thai tourism firms who wish to have an effective use of Internet technology, it is suggested that they should design the e-strategies that are suitable to the local requirement.
6. LIMITATION AND FUTURE RESEARCH

The main limitation of this paper is the scope of unit of analysis in the Thai tourism industry. The authors only focused on interviews of hotels and travel agents in the Bangkok area because it was identified as the most active sector in e-commerce adoption. However, other tourism sectors such as theme parks, spas, and transportation were not included. The future investigation of this work will be conducted through quantitative research approach. This approach seeks to understand more complex relationships between Thai socio-cultural factors and the effectiveness of technology usage. A research model will be formed by using information from this qualitative analysis. Survey questionnaires will be sent across Thailand to all the sectors in Thai tourism industry to validate and test the model.

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