Chapter 9

Convergence of Technology in the E-Commerce World and Venture Capital Landscape in South East Asia

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ABSTRACT

Every time technology changes, it creates threats to established ways of doing business and opportunities for new ways to offer services. This is being shown in the E-payment E-commerce world with the convergence of the technologies. In this chapter, we will discuss the recent economic surge of Southeast Asia and analyze the E-commerce payment systems with the latest development of the convergence of the technologies. We present an empirical study of E-payment systems and implications of our findings on E-payment systems in Southeast Asia. Finally, we present an overview of recent research on business angel investing in Southeast Asia focusing on investor’s high-tech investment strategies. We propose that management can tap the opportunities of the electronic payment technologies for E-commerce by providing electronic payment solutions that meet the consumers’ intention to use.

INTRODUCTION

Throughout history, there have been numerous different types of payment systems (Lai, 2016). Today electronic payment systems have become the in-thing for the E-commerce world. There are a number of electronic payment systems but this chapter will focus on the retail payment systems involving Card, Internet and Mobile that lead to the convergence of the technology for the E-commerce world. There are numerous advantages using electronic payment as compared to cash. A cashless E-payment system, for example an E-payment card (e.g.: credit card, debit card, pre-paid card or E-money card), may well

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be smaller and lighter, provide convenience and efficiency that support the E-commerce world. The convergence of different technologies of E-payment interactions for the E-commerce world has emerged in the consumer-centric world. Businesses can be conducted accurately, quickly and flexibly with the electronic payment solutions for the E-commerce world. Management can tap the opportunities of the electronic payment technologies for E-commerce by providing electronic payment solutions that meet the consumers’ intention to use (Lai, 2016).

This chapter is organized as follows: first, in section 2, we briefly discuss the recent economic surge of Southeast Asia. In section 3 we present multiple subsections focusing on explaining E-commerce payment systems. Sections 4 and 5 present, first, an empirical study of E-payment systems in Southeast Asia and, second, implications of our findings on E-payment systems in Southeast Asia. In section 6 we present an overview of recent research on business angel investing in Southeast Asia focusing on investor’s high-tech investment strategies. Finally, we provide a concluding section to summarize the main points of this chapter.

EMERGING SOUTHEAST ASIAN COUNTRIES

Southeast Asia represents one of the fastest growing economic regions in the world (Asian Development Outlook, 2011). A major reason for this economic juggernaut has been the growth of emerging Southeast Asian countries, which have developed rapidly over the past decades (Asian Development Outlook, 2014). An outcome of this impressive growth has been increased investment opportunities for private equity investors to include venture capital and business angel investors (Scheela et al., 2015; Scheela, 2014).

According to the Global Entrepreneurship Monitor (GEM) global report (Amoros and Bosma, 2014) entrepreneurship is a major factor in this impressive growth cycle in Southeast Asia. GEM researchers Amoros and Bosma (2014) report that entrepreneurs in the emerging countries of Malaysia, Indonesia, the Philippines, Thailand and Vietnam have shown above average intentions to become entrepreneurs because of both increasing economic opportunities and the high status of successful entrepreneurs in this region.

Recent private equity research has focused on the impact that business angels have on the development of high-tech industries, to include E-commerce technology, in these five emerging Southeast Asian countries. We will review these studies to determine the impact business angel investors can have on the E-commerce world in Southeast Asia.

E-COMMERCE E-PAYMENT TECHNOLOGY OVERVIEW

Every time technology changes, it creates threats to established ways of doing business and opportunities for new ways to offer services (Lai, 2006). Technology advances including broadband internet and mobile have reached critical mass with news sources saying these are going to be the ‘next big thing’. The world of electronic payment is changing with the introduction of mobile phone Near Field Communication (NFC) as well as Radio-frequency identification (RFID) contactless payments, in-app payments or payment apps and with these changes the way we shop and make payments. Marketers and managers need to be watching developments proactively to determine their potential impact. Leading firms often seek to shape the evolution of technological applications to their own advantage (Lovelock, 2001, Lai,