Chapter II

The Adoption of Information Technology: A Foundation of E-Commerce Development in Thai Culture

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INTRODUCTION

Agriculture is important to the Thai economy, contributing about 17 percent to the Thai GNP. It accounts for about 34 percent of all exports (Mahidol University, 1998). Important activities include crop cultivation, rearing of livestock, fishery, and forestry. In 1991, about 62 percent of the Thai population, approximately 36 million people, was involved in agriculture (Office of Agriculture Economics, Ministry of Thai Agriculture and Cooperatives, 1992, p. 29).

Thai agricultural cooperatives play an important role and a study of them provides a window into Thai agriculture. For some Thai farmers, co-operatives provide access to information from the outside world; for others, they provide information about Thai agriculture. Particular cooperatives provide marketing information on agricultural produce that should improve the income of Thailand’s
farmers. In addition, Thai agricultural co-operatives can use e-commerce to improve their trading. A report in *The Nation* newspaper in 1998 (1998a) supported this view, saying that market information such as product prices, could assist farm planning and protect farmers from merchants' unfair trading practices. Merchants could also use such information to improve business planning and to evaluate investments.

It is further suggested that the Thai government could use information technology to better support the Thai farming community; that information technology could be used by agricultural cooperatives as a tool for communication with farmers; and that the government could be better informed of farmers' needs, and so provide better and more useful services. In a similar vein, Sirimance (1998) suggests that information technology could reduce the communication gap between rural communities and the cities [The Nation newspaper (1998b)].

Despite the apparent advantages, Thai agriculture, including agricultural cooperatives, have been slow to introduce and exploit e-commerce; this is basis of our research project as described in Chiecochan and Lindley (1999), Chieochan, Lindley and Dunn (2000a & 2000b).

In these papers, diffusion and adoption theory was used to classify Thai agricultural cooperatives according to if and when they adopted e-commerce. The main conclusion is that Thai agricultural cooperatives are slow in adopting e-commerce. Chieochan, Lindley and Dunn (2000) show that only 60 percent of Thai agricultural cooperatives use information technology and only 5 percent access the Internet.

The Internet in Thailand is used mainly as a communication tool and websites for publishing organizational information, but is rarely used to conduct commercial transactions (King Mongkut’s Institute of Technology, Thonburi, 2001). Therefore, understanding factors affecting the use of information technology in Thai agricultural cooperatives is the fundamental to understand the use of e-commerce in Thai agricultural cooperatives and Thai culture.

Al-Qirim and Corbitt (2001) support that factors inhibiting and encouraging e-commerce adoption are similar to factors inhibiting and encouraging information technology adoption in Thai agricultural cooperatives.

Five keys factors affecting the use of information technology in Thai agricultural cooperatives need to be examined:

- Thai agricultural cooperatives
- Information Technology and e-commerce
- National factors affecting the use of information technology and e-commerce in Thai agricultural cooperatives
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