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Consumer Perceptions of Social Business Practices in South Korea and Thailand

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CONSUMER PERCEPTIONS OF SOCIAL BUSINESS PRACTICES IN
SOUTH KOREA AND THAILAND

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Abstract

The global economy is shifting from Western capitalism towards more inclusive alternatives. Leaders like Muhammed Yunus are normalizing global social enterprise opportunities and cross-sector collaboration. International certifications like B Corporations, Fair Trade, Cruelty Free (The Leaping Rabbit), 1% for the Planet, and the Rainforest Alliance are rapidly growing their networks. Universities, nonprofit organizations, businesses, and governments are incorporating social entrepreneurship into their best practices. In particular, Asia has seen significant growth in its social economy.

Notably, South Korea and Thailand (with six other Asian countries) are included in the world's 30 best nations to be a social entrepreneur. Particular attention is paid by both governments to foster social entrepreneurship through public policy. South Korea and Thailand were selected here because of their ranking, current policies, and existing research network. Survey data was collected from consumers in these countries to inform the perceptions of practices, presence, and values of social businesses in these economies. Strong recognition and positive perceptions exist around specific types of social business partnerships and certifications, though newer variations of partnerships and certifications were found to be less recognizable. For social business practices to expand and flourish in Thailand and South Korea, definitions of social business and entrepreneurship must be viewed as more dynamic in public policies in order include additional populations simultaneously working in this space. Stakeholders should devote attention to diversifying marketing efforts and developing robust, connected networks of stakeholders. Existing certification and social sector networks must improve the national and international sharing of available resources.

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Glossary of Terms

APEC: Asia-Pacific Economic Cooperation

AVPN: Asian Venture Philanthropy Network

B Lab: The nonprofit based in Pennsylvania, US, that certifies all global B Corporations

Certified B (Benefit) Corporation: A private company that has undergone and passed the third-party, independent assessment process by B Lab, and now publicly commits to conduct its business in ways that are good for its people, its community, and the environment.

CSR: Corporate Social Responsibility. Refers to program instigated by private companies that endeavor to give back to the communities in which the company operates.

INGO: International Non-Governmental Organization

NPO: Not-for-Profit Organization

SEPA: Social Enterprise Promotion Act (South Korea)

TSEO: Thai Social Enterprise Office

TSO: Third Sector Organization

Introduction

The overarching societal and environmental consequences of capitalism are no longer worth the price. The economic traditions exported by the West spread the tenets of a free market, private ownership of goods, and investments made through private decisions (Capitalism, 2018). Today, these practices are questioned, criticized, and cast off by a growing number of consumers and producers who desire more communal, holistic, and gratifying financial opportunities than what capitalism's profit-hungry tendencies offer. Boardroom leadership is expanding its focus beyond profits and shareholders to encompass community partners, sustainable supply chains, and informed consumers (Lichauco de Leon, 2012). Producers are repurposing materials and integrating globally recognized third-party certifications like Fair Trade, Certified Organic, or Cruelty-free. Consumers are waking up to the lasting implications their habits have on the environment, on their global neighbors, and on future generations.

This shift towards conscious consumerism and innovative solutions has expanded to the nonprofit sector as well. Nonprofit organizations (NPOs) understand the successes that can accompany collaborative partnerships, and are actively seeking entrepreneurial income streams to diversify their funding (Lichauco de Leon, 2012). The roles of unions, religious groups, and advocacy institutions in economic development are gaining well-deserved recognition by the private sector and public governments (Corry, 2010). This myriad of players is combining into a forceful movement that has numerous names, operates cross-sectionally, and encompasses dynamic definitions. It is known as the third sector or the social sector, called social

entrepreneurship, social business, green business, or corporate social responsibility (CSR).

Despite its many names, the end goal is similar: to enable innovative, mission-driven partnerships and programs, from employee community engagement or financial sponsorship, to incorporating environmentally-friendly measures within office spaces or production processes, to supporting staff development to sustain informed and educated stewards.

To demonstrate the global growth of the social sector, Thomson Reuters Foundation funded a study of the “best” national environments in which to be a social entrepreneur (2016). Diverse countries dominate the top 30, with all continents represented except Antarctica (Reuters, 2016). While social business applications are expanding globally, there is a notable concentration in Asia, home to eight of the 30 list, second highest only to Europe and Scandinavia, with 11 of the 30 (Reuters, 2016). Scholars, economists, and development professionals recognize the immediate and long-term potential to both Asian and global consumers if social entrepreneurship becomes a preferred method of community development and business practice in the region (Hynes, 2016; National University of Singapore Business School, 2017). As of 2017, Asia holds two of the largest world economies, China at second-largest in the world, and India at seventh-largest (Gray, 2017). Other Asian economies like South Korea have seen staggeringly rapid growth rates over a mere few decades (Oh, 2010). Still other Asian countries such as Nepal, Laos, Cambodia, Myanmar, and the Philippines make up half of the top ten fastest growing economies in 2017 (Gray, 2017). The powerful combinations of consumer purchasing power, global cultural influence, political relationships, and significant regional and local diversities mean Asia is poised for global leadership in social

business practices. Durreen Shahnaz, a former investment banker turned social impact investor from Bangladesh, called Asia “the Silicon Valley of social enterprise”: “We have the capital, the enterprises, and best of all, we have the innovation. I think it’s our time--it’s Asia’s time” (Lichauco de Leon, 2012, para. 16).

This exploratory research study endeavors to understand one aspect of this growing movement: the perceptions of and interactions with social business practices in Thailand and South Korea by consumers aged 18-70. South Korea and Thailand were selected because I have personal or professional ties to each, which makes the research process feasible. Additionally, both are ranked in the top 30 countries identified by Reuters, with South Korea in the top ten (Reuters, 2016). In addition to active shifts towards social business in the private sector, social entrepreneurship and related topics are taught in multiple universities in each country. Both nations also have some level of public policy which supports socially-oriented businesses or social enterprises.

Given these backgrounds, this research seeks to understand how consumers, who have access to the internet and are between the ages of 18-50, in South Korea and Thailand perceive social business practices in their communities. I am interested to find out what overlaps exist between community and business; how the private and the nonprofit sectors interact; and how these overlaps and interactions are viewed by the community in which they take place. It is also of great interest to me to explore what place social business, and the social sector at large, holds within each nation. Through this study, I hope to illuminate a sliver of these larger phenomena, in the efforts to contribute to the ongoing research in each country and the region as a whole.

This research aspires to inform private companies looking to engage socially-conscious consumers through marketing strategies or product development, governments forming new policies in the social business arena, and academics undertaking research of related social business topics. Though the current nature of social business is as fluid as the sectors and cultures which utilize it, the goal of its practitioners and academics is steadfast: to apply creativity and innovation to ameliorate and solve social issues.

Literature Review

What Is Social Business?

Social business, social entrepreneurship, and corporate social responsibility (CSR) are buzzwords in the development space today, but what do these look like in practice? How do these nebulous ideas tangibly interact with businesses, consumers, and communities? I offer three examples in the companies Timberland and Patagonia, and the U.S.-based nonprofit Room to Read. As a part of its ongoing CSR commitments, Timberland, a leader in the social business space, has partnered with the nonprofit City Year since 1998 to provide uniforms to City Year Corp members, as well as strategic, financial, and leadership support to the organization (“Schwartz”, 2011). In fact, Corps members are frequently recognized by their Timberland boots, one of the most famous pieces of City Year’s uniform. While Timberland focuses its community engagement intently on its partnership with one nonprofit, Patagonia is frequently lauded as an international leader in comprehensive sustainability practices. In 2014, Patagonia, a certified Benefit Corporation, decided to offer 10 Fair Trade certified clothing styles as part of its

continued commitment to use its business as a force for good (Fair Trade Certified, 2017). By the fall of 2017, Patagonia offered 480 Fair Trade styles in 14 factories around the world, meaning thousands of global employees now benefit from the Fair Trade premiums Patagonia pays for each of its Fair Trade certifications (“Fair Trade Certified”, 2017). These include a set minimum wage to protect workers from fluctuating market prices, and portions of the Fair Trade premium go into a “communal fund for workers and farmers to use as they see fit” in their own communities (“The benefits of Fairtrade,” 2017). CSR initiatives overlap into the nonprofit sector as well. Room to Read has a 501(c)3 nonprofit status in the United States, and it utilizes social entrepreneurial practices in the countries in which it operates. Instead of importing books to use in public schools, Room to Read collaborates with local authors, public education officials, school families, and publishers to create relevant and engaging materials for public school curriculums (“Literacy”, 2017).

These three organizations provide a small snapshot of the possibilities of social business practices and their impact. This amorphousness fosters the dynamics of the field, leaving it open to continued innovation, debate, and study. Social business practices largely depend on the goals or mission of the specific organization, its operating environment and stakeholders, and its existing or future goals. Practices also vary across geographies, with stronger emphasis on certain programmatic or legislative components in some region over others.

The variance in social business practices extends to the variance in the definition of social business practices. Academics and practitioners have not yet reached agreement on a unifying definition. To some, social enterprise means a small to medium organization, perhaps supported

by a social venture fund, that “adopts an enterprise approach to poverty alleviation, endeavoring to build commercially sustainable companies that can create jobs and empower the poor to improve their livelihoods” (Tan, 2003 in Kerlin, 2009, p. 76). Jennifer Chen, a professor of Nonprofit Organization (NPO) Management at Nanhua University in Taiwan, explains social enterprise as an “innovative organizing approach that combine[s] social welfare and commercial logistics” or “the use of business principles to solve social-environmental problem[s]” (Battilana & Dorado, as cited in Chen, 2014, p. 1; Short, Moss & Lumpkin, as cited in Chen, 2014, p. 1). Still to others, social business denotes the values and practices of a for-profit business: it is, in essence, “a non-loss, non-dividend business aimed at [the] social objectives [of] education, health, environment, whatever is needed to address the problems faced by society” (Yunus, 2007, para. 21). Among the existing definitions, I see the following themes: 1) employing market-based approaches to solve social problems; 2) growing cross-sector partnerships, including government, the private sector, and the nonprofit sector; 3) attempting to reduce poverty through community-driven enterprises. It is my opinion that the ambiguity around the definition of social business is, in fact, a strength that lends itself to contextual malleability.

While there is a continued healthy debate around the specifics of social business, there is a critical volume of global movement towards social business in community development work. This movement combines the strengths of the public, private, and nonprofit sectors and merges cross-sector goals of community development, financial independence, innovation, re-imagination, and social engagement. Henry Minsberg (2016) invited practitioners to call this phenomenon the “pluralistic society,” but critics argue the term “plural” then includes every

aspect of society, not just one sector exclusively dedicated to development (Tirmizi & Vogelsang, 2017). Instead, advocates use the term “social sector”, claiming this vernacular better describes the multitude of relationships between businesses, governments, nonprofits, and other stakeholders. Social business practices, therefore, reside under the umbrella of this larger, yet still amorphous, social sector. The social sector has “famously been deemed a ‘loose and baggy monster’” (Knapp & Kendall, 1995, as cited in Corry, 2010, p. 11) because it is a grey space inhabited by many players: private corporations, government agencies, investment ventures, social enterprises, and traditional nonprofits, which overlap and collaborate in programming, funding, and strategy efforts (Corry, 2010). Though expansive and occasionally murky, the interconnectedness of private, public, and nonprofit sectors is vital to the growth and longevity of the social sector, and potentially, the success of large-scale development goals like the United Nations 2030 Sustainable Development Goals (SDG) (Shih, 2017). Rutledge (2016) understands that the hazy terminology of cross-sector partnerships can unintentionally act as a drawback to successful outcomes. She advocates for common terminology that enables ““organizations...to engage in more precise conversations and to have a clearer mutual understanding of what it is their participation means’” (Bailey & Koney, 2000, p. 5, as cited in Rutledge, 2016). In this same effort towards clarity, I will use the phrase “social business” or “social business practices” in this research when discussing social sector methodologies, programming, participants, or legislation.

Shared Value, Shared Goals

While there are many players within the social sector, all are unified by their belief in what Porter and Kramer (2013) call “shared value”. These authors define shared value as the “policies and operating procedures that enhance the competitiveness of a company [or organization] while simultaneously advancing the economic and social conditions of a community in which it operates” (p. 2). Shared value is primarily concerned with “identifying and expanding the connections between societal and economic progress” (Porter & Kramer, 2013, p.2). Under this framework, social business is comprised of stakeholders unified by the motivation to craft shared value through their products and services, and in their communities and governing bodies. An example of this is Ben and Jerry’s, the Vermont-based ice cream company famously dedicated to bettering the life of farmers, consumers, and the environment.

Muhammad Yunus, the 2006 Nobel Peace Prize winner who created the microlending banking model with Grameen Bank, is considered by many to be the impetus of the social business movement. Yunus describes social business as “a kind of business dedicated to solving social, economic, and environmental problems that have long plagued humankind” (Yunus, 2010, p. vii). This definition provides a viable starting point when describing social sector capacities. Yunus (2010) advocates for a new type of economic thinking, one based on mutual benevolence and selflessness. This new form of capitalism transitions from the traditional corporate priority of pleasing shareholders and investors into prioritizing multiple community actors affected by and involved in an organization’s decisions and practices. A socially-oriented

organization can be, but does not have to be, a private company. Rather, this organization “is focused on building the social good, the common good. It could be for-profit, it could be nonprofit, it could be a cooperative” (Tandon in Chhabra, 2015, para. 6). Food cooperatives are a prime example of this in the United States, supporting local agriculture economies and offering consumers healthy, sustainable products.

Because of the ongoing evolution of the social sector, and of both top-down and bottom-up approaches to social business practices, I examine what thematic actions are currently present across the space. Social business practices are the ongoing exchanges between multi-tiered organizations which can include: strategies undertaken by corporations in creating, promoting, and valuing sustainable products and services; the decisions made by consumers in favor of environmentally and socially friendly purchases; the support of national or state governments to foster this type of sustainable growth; the encouragement of the nonprofit sector to either partner with private businesses or social enterprises, or to take advantage of market-based initiatives to enhance their mission; and higher education programs that prepare students for successful careers in this evolving field.

One prominent example of a network that is attempting to transcend the definition debate is the growing global group of certified benefit corporations. Benefit corporations are recognized in one of two ways: they are certified by the independent, international nonprofit B Lab, or, in the United States and Italy, companies can incorporate with the government as a benefit corporation. Benefit corporations registered at a state level (in the United States) or national level (in Italy) are for-profit organizations or social enterprises, but have selected their tax status as a

benefit corporation, as opposed to the more traditional S corp or C corp registrations. Companies desiring benefit corporation certification through B Lab have to undergo a bi-annual, comprehensive assessment which verifies their business is conducted as a force for good for their community, employees, and environment (Honeyman, 2014). As of December 2017, there are 2,339 benefit corporations certified by B Lab across 130 industries in over 50 countries (www.bcorporation.net, 2017).

Benefit corporations offer a viable alternative to many organizations looking for accountability and community in social change, but there are still others who feel social business should be intimately woven into an organization's decisions, whether or not the company decides to incorporate or certify as a benefit corporation. Dipali Patwa founded Masala Baby, a children's apparel company, which uses "hand-made elements," organic materials, women producers, and artisan details to deliver a product that realizes an unmet need in her industry. However, she has not certified Masala Baby as a benefit corporation because she believes that mission-driven brands must have social impact "built into the [business] processes first instead of just [using it as] an outward facing story...impact has to be built into the DNA of what you do and what your brand stands for" (Chhabra, 2016). This viewpoint categorizes her business as a social business based on her value system, though the accountability of these values must come from unregulated sources, like customers, employees, or suppliers, instead of a third-party validation such as B Lab. As Patwa alludes, there is growing debate about when to certify as a benefit corporation, or if a company needs to certify at all. Some feel the certified benefit corporation (B Corps) movement enables unnecessary chest-pounding and self-glorification, and

that the sustainability factors of a truly social business can and should speak for themselves (Chhabra, 2016). As the numbers of certified B Corps grow around the world, this debate will continue to unfold.

Global Social Business Trends and Advice

Not only are companies deciding that they want to be better for the world through participating in third-party certifications like B Corps, Fair Trade, and Rainforest Alliance, but consumers are also demonstrating their commitment to social business practices and products through their purchasing decisions. In its 2015 Global Survey of Corporate Social Responsibility and Sustainability, Nielsen polled over 30,000 consumers from 60 countries around the world, including South Korea and Thailand, the foci of this research. Nielsen found a growing global trend in consumers' attraction and loyalty to businesses that designated brand commitments to sustainability. Forty-five percent of consumers reported being swayed to purchase a product by a company's public commitment to the environment (Nielsen, 2015, p. 6). Further commitments to social value or the consumer's community also positively influenced survey takers' desire to buy, at 43% and 41% respectively (Nielsen, 2015, p. 6). The report defined "sustainable consumer brands" as those which use resources to support nonprofits and civic organizations, source eco-friendly materials, or recycle and install energy efficient lighting in office spaces (Neilson, 2015). This report provides advice for brands looking to enter the global market: "Consumers are starting to consider sustainable practices a basic cost of entry, rather than a market differentiator. Going forward, brands have to define a credible, relevant social purpose,

deliver greater social value, and communicate that value effectively to attract and retain consumers” (Nielsen, 2015, p. 7).

A study undertaken by the consulting firm Accenture also sought to identify shifting consumer preference trends in Asia. It highlighted six main developments, one of which was a growing emphasis on personal and environmental health in consumable products (Gupta, Lee, Layard, Huang, 2011). The authors write that “consumers are gravitating towards certifiably healthy food choices; even as the global food supply becomes more globalized, there is a developing interest in using local, fresh food sources in many emerging market countries (Gupta et al., 2011, p. 3). The means by which food is grown or harvested provide ample opportunities for socially-oriented businesses. This is currently seen in organizations like TeaTalk Group in Taiwan, a certified B Corps oolong tea plantation, or Sahainan, an organic permaculture farm in northern Thailand that grows produce for its community and strives to be a leading permaculture education center (Wen Tang Tea Co, 2017; Sahainan, 2017). Companies such as these also recognize, and the Accenture study confirms, that “many consumers will pay a premium for eco-friendly products, even and especially in developing and emerging markets” (Gupta et al., 2011, p. 3). In fact, Accenture found that consumers in developing economies are willing to pay more for eco-friendly products than consumers in western markets (Gupta et al., 2011). This is incredibly valuable information to marketers and social businesses operating in those regions, and deserves further study.

While corporate community engagement and sustainable products are becoming priorities for consumers around the globe, practitioners recognize the need for significant buy-in from

governments through dynamic public policies. Just as social business itself is being defined, federal governments are learning how to best support this emerging sector. There is significant risk in the startup period of many social enterprises, so consultants and legal advisers must counsel governments to “help social enterprises design a hybrid structure that can be incorporated into a country's business ecosystem, and governments can also encourage the creation of venture philanthropy funds that support early-stage social ventures” (Shih, 2017, para. 17). Naina Batra, CEO of the Asian Venture Philanthropy Network (AVPN), advises that “until governments create and enable a policy framework, we are not really going to see investment in social enterprises” (Shih, 2017, para. 15). The continual lack of a clear definition for social enterprises also contributes to funding difficulties, as many grant-making organizations will not “support a social enterprise once it converts from nonprofit to for-profit status” (Shih, 2017, para. 16). However, there is dedicated commitment to growth from many world governments. Countries like the United States, Canada, the UK, Singapore, Israel, Chile, South Korea, Hong Kong, Malaysia, and France are leading these commitments (Reuters, 2016).

Contextualizing Culture Values in South Korea and Thailand

The need for continued research on public policy, business or organizational environments, and consumer needs in the social business space is paramount. It is the Nielsen study, the research conducted by Professors Jennifer Chen, Janelle Kerlin, Joyce Yen Feng, and Fumi Sugeno’s team at the Japan Research Institute, along with the ongoing field work of Muhammad Yunus, APEC, the British Council, and AVPN, as well as my own interest in the

sustainable growth potential of the region that lead me to inquire about the perceptions of social business practices in two national contexts, the Republic of Korea (South Korea) and Kingdom of Thailand (Thailand).

To appropriately situate this research and to understand cultural drivers and norms within each country, I look to Geert Hofstede's explanations of national and organizational value systems within cultures (1980). Through extensive research across the globe since 1970, Hofstede's team endeavored to identify national cultural values and how these manifest in organized spaces. Understanding the origins and motivations of behavior in these cultural contexts will situate the foundation of the perceptions of social business practices found in this research. Four dimensions of cultural values were extrapolated from Hofstede's research: power distance, or how members of a society accept unequal distributions of organizational power; uncertainty avoidance, or the degrees to which members of a society feel uncomfortable with ambiguity; individualism-collectivism, or the preference among members of a society for either loosely or tightly knit social frameworks; and masculinity-femininity, or preference among members of a society for either assertiveness and achievement (masculine) or an emphasis on interpersonal relationships and quality of life (feminine) (Hofstede, 1980, p. 103, p. 164, p. 220, p. 227).

In his 1985 article entitled "The Interaction between National and Organizational Value Systems," Hofstede concluded that both Thailand and South Korea scored high on the power distance index, meaning a large power distance exists in organizations across both countries. Each scored low on the uncertainty avoidance index, meaning people in both countries

appreciate the steadfastness that comes with structure and are comfortable operating in more rigid societal systems, using these systems as a means to avoid unknowns. Hofstede (1985) describes that people in these countries view organizations as a “pyramid of people,” or a “hierarchical bureaucracy” (p. 352).

Additionally, Thailand and Korea again scored similarly on Hofstede’s individualism-collectivism and femininity-masculinity indices, with Thailand measuring slightly more individualist and feminine than Korea, which scores slightly more collectivist and masculine (Hofstede, 1980, p. 354). In these countries, collectivism manifests as people seeing themselves as part of “we” instead of as a solo “I”. Hofstede writes that “the individual is nothing without his/her in-group and will strive for the group interest” (p. 354). Not only does the group of “we” oppose the individual “I” in sense of self, it also opposes “they”. Dedication, loyalty, and guardedness around newcomers can define strong collectivist cultures.

Hofstede uses the word “femininity” to demonstrate the societal expectations that people of all genders are “both ego-boosting and ego-effacing at times,” as opposed to “masculine” societies where men are ego-boosting and women are ego-effacing (Hofstede, 1985, p. 355). In Thailand’s case as more of a feminine-identifying culture, “people would rather see themselves as *relating to* others than as *competing with* others” (Hofstede, 1985, p. 355). In Korea, with a marginally higher score towards the masculine side of the index, men would be anticipated to be “assertive and competitive” with an eye towards ego, whereas women are less expected to act as such and slightly more likely to be expected to act as an ego-effacer (Hofstede, 1980, p. 355).

These national value frameworks contextualized the countries where I conducted research. Hofstede offers a lens through which I can examine social business practices that are particular to South Korea and Thailand. From this perspective, I can situate the history and legal policies of social business practices in South Korea and Thailand.

Social Business Practices in Thailand

Throughout Southeast Asia, Thailand stands apart with a federal government significantly invested in social business practices. The country has relatively robust, and growing, public policies around social entrepreneurship. Tommy Hutchinson, the founder of i-genius, an international community of social entrepreneurs, reflects that the Thai government has “realized the potential of community-based efforts” and considers Thailand to have “the government that is most switched on” to support these efforts (Hutchinson in Lichauco de Leon, 2012, para. 6 & 7). For example, in 2010, the government supported the creation of the Thai Social Enterprise Office (TSEO). The TSEO’s main priority is to “stimulate cooperation among social enterprises and develop their networks in Thailand” (APEC, 2017). This Office was created with the intention of being “in touch with all possible entrepreneurs who have a particular interest in social and environmental issues, and to inspire social responsibility” (APEC, 2017). The TSEO hosts nation-wide events, film festivals, and an annual awards ceremony.

Thai social business legislation.

Recognizing the growing efforts by both citizens and corporations to incorporate social business practices, the Thai government created the Social Enterprise Promotion Act in 2016. This legislation offers tax relief for corporations looking to set up social enterprises and tax incentives for social investments (Toomgum, 2016). Companies or partnerships which donate money or property to a social enterprise in Thailand can see up to 2% of their net profit exempt from federal taxes (Toomgum, 2016). In addition, registered social enterprises are completely exempt from corporate tax provided that they allocate at least 70% of net profit to social works (Toomgum, 2016). The 2010 Act and its 2016 successor enable government-supported incentives for co-creation of social enterprises through public-private partnerships (Chirapaisarnkul & Doherty, 2017). Corporations are intended to be directly enticed by these measures to either initiate or support social enterprises, with the hope that these private businesses will make significant contributions to the development of Thai people and the Thai economy. The 2016 Act also includes benefits to aspects of private investing. The Stock Exchange of Thailand offers incentives for companies to shift their CSR approaches towards social enterprise (Chirapaisarnkul & Doherty, 2017).

Future plans for continued government support are already underway. As of March 2017, the Social Enterprise Promotion Bill was drafted by legislature and is currently pending. This Bill would “establish a National Social Enterprise Committee, a National Social Enterprise Office, and a Social Enterprise Fund” (Supakijjanusorn & Annez, 2017). This means an independent state agency would be created to support small and medium-size social enterprises with training, funding and investment opportunities, and protect the use of the phrase “social

enterprise” (Supakijjanusorn & Annez, 2017). Supakijjanusorn and Annez highlight that, although there could be changes to this Bill before it is passed, “it has the potential to provide Thailand with a fully fledged legal framework for the effective promotion and regulation of social enterprises” (2017, para. 12).

Examples of social business practices in Thailand.

While the government has a significant role to play in supporting the emergence and sustainability of social business practices, international nongovernmental organizations (INGOs) are also large scale influencers in promoting social business. These INGOs are associated with driving large-scale social change and they supplement the supportive environment around entrepreneurial innovations in Thailand. Ashoka Thailand, ChangeFusion, and NISE Corporation “work as capacity builders [within Thailand] to stimulate social enterprise start-ups and growth” (Chirapaisarnkul & Doherty, 2017). For example, ChangeFusion was founded by Ashoka Fellow Sunit Shrestha, and is supporting Thai youth to get engaged with social entrepreneurship. One successful ChangeFusion program is called Local Alike, and “promotes community based tourism as a means to preserve culture and traditions while also creating economic opportunities for local people” (Ashoka, 2016). Local Alike currently partners with over 50 communities across Thailand.

While national legislation and involved INGOs are relatively new developments in Thailand's modern social business environment, there are a few iconic establishments in Thailand that fall under the purview of today's social businesses. Cabbages and Condoms started in Bangkok in 1974 through a personal dedication of the then-Minister of Health. This initiative aimed to educate patrons about best practices in sexual and reproductive health, while restaurant profits supported the Population and Community Development Associate (PDA), part of the Ministry of Health. Cabbages and Condoms now operates 16 restaurants in Thailand, and two restaurants in the United Kingdom. Profits still benefit the PDA, which has expanded its programs to include "primary healthcare, HIV/AIDS education and prevention, water resource development and sanitation, income generation, environmental conservation, promotion of small-scale rural enterprise programs, gender equality, youth development, and promotion of democracy" (Santos et al., 2009).

Another enduring Thai social business is the Wongpanit Garbage Recycling Separation, a business founded in 1974 by then-18 year old Somthai Wongcharoen. Wongcharoen's business started as a garbage collection and recycling effort, and has since expanded to process paper, plastics, metals, and electronic waste. Today, it encompasses 153 recycling branches and employs over 10,000 people across Thailand (Santos et al., 2009).

Social Business Practices in South Korea

South Korea's initiation with social business practices began a few decades before Thailand's current frameworks were established. Since the 1970s, South Korean municipalities

utilized local community institutions called “Self Support Community Centers” (SSCCs) to provide services on behalf of the federal Ministry of Health and Welfare (MHW). The SSCCs were a type of workers’ cooperatives, focused on promoting the shared values of “a minimum amount of paid work [and] an explicit aim to benefit the community, [as] an initiative launched by a group of citizens and a decision-making power not based on capital ownership” (Park & Wilding, 2013, p. 240). Practitioners and academics trace the origins of social enterprise in South Korea to the SSCCs and the legislation that lifted these groups into national policy discussions. However, the advent of social enterprise as Korea experiences it today largely followed the Asian Financial Crisis of 1997 (Bidet & Eum, 2011; Defourney & Kim, 2011; Park & Wilding, 2013).

Korean social business legislation.

In 1997, Korea suffered from higher unemployment rates than the country had seen in decades, and in response, the federal government crafted a policy called the “National Basic Livelihood Security Act” in 1999. Within this initiative was the “Public Work Program,” which held the main goals of resolving “welfare and unemployment problems simultaneously by providing social security and creating jobs for the poor unemployed” (Park & Wilding, 2013, p. 239). In the years following the Asian economic crisis, the Korean economy had stabilized and government recognized the need to shift from shorter-term solutions of welfare provision through contracted providers towards long-term goals of sustainable job creation (Park & Wilding, 2013).

In 2007, the Social Enterprise Promotion Act (SEPA) was introduced. This legislation, though continuing to focus on “secure job creation” in the country, enacted a significant shift for the future of social enterprises in Korea (Park & Wilding, 2013, p. 241). SSCCs had served as contractors for the MHW, but SEPA changed that, shifting legislative ownership from the MHW to the Ministry of Labor (ML). Instead of contracting out services to local providers, SEPA created an approval system overseen by the ML. This approval system was rigid and strict: “According to Article 19 of the SEPA, the use of ‘social enterprise or similar terms’ is prohibited without approval from the ML” (Park & Wilding, 2013, p. 241). The ML categorizes social enterprises in four ways, based on the model of the organization: job creation, service delivery, mixed, and miscellaneous. Park and Wilding’s Table 3 outlines the growth and overall percentages of organizations in each category from 2007 to 2010.

The changes in legislation around social enterprise methods and involvement demonstrate the Korean government’s shift in the regulation and implementation of social business in Korea. After the financial crisis, social enterprises were mainly concerned with creating jobs and providing welfare services through local cooperatives funded in part by the federal government. After SEPA, social enterprises shifted away from welfare service provisions and towards a

market based approach. Park and Wilding's Table 4 outlines the types of approved social enterprises as of December 2010.

The federal government in Korea requires organizations to apply and be approved to utilize the 'social enterprise' designation, an involved, eight-step process. For a detailed explanation of this certification, please see Appendix A. Critics argue that this process is can prohibitive. Park and Wilding (2013) suggest replacing the federal approval system "with a much lighter form of regulation [which] would recognize the diverse kinds of social enterprises already operating under other names and encourage more innovative solutions to social problems due to the loosening of top-down controls" (p. 246).

Examples of social business practices in Korea.

Related alternatives to social enterprise are already present across the country. South Korean businesses are in conversations with B Lab to join together to become a B Lab East Asian Country Partner by 2019. Country Partner status means Korean businesses could volunteer to be mentors for other businesses in the region who are interested in B Corps certification. Korea has nine certified B Corps as of December 2017, ranging from Korea's largest car sharing

company, to a financial services company focused on traditionally underserved populations, to a social venture focused on sexual health education through access to sustainable contraception (“Find a B Corp”, 2017).

Future of Social Business Practices in South Korea and Thailand

By applying Hofstede’s indices of uncertainty avoidance, power distance, individualism-collectivism, and masculinity-femininity, I can begin to define what drives social business practices as they become more mainstream around the world, how the public interacts with them, and which aspects might be poised for expansion. Lichauco de Leon (2012) emphasizes that the “growth of social enterprise in recent years is due to governments and corporations realizing the potential of community-based efforts, consumers making more ethical decisions about what they buy, and people wanting more freedom and creativity from their work” (para. 6). With developing levels of legislative support, nonprofit and corporate engagements, and consumer demand, the social sectors in Thailand and South Korea are poised for significant growth in the coming decades. Considering this context, my research aims to illuminate the current perceptions and understanding of social business practices by South Korean and Thai consumers’, as well as highlight preferences among these consumers which could be utilized in future marketing efforts, program design, or product development.

Research Design and Methodology

Methodology Choice and Rationale

In order to better understand consumers' experience and preference with social business practices in their communities, I conducted a qualitative research study. Denzin and Lincoln (2017) explain qualitative research as a multi-faceted, multi-method examination of activity, beliefs, or phenomena, undertaken by researchers from a variety of academic backgrounds utilizing an identified theoretical framework. This process encompasses three generic steps: theory identification, method implementation, and data analysis (Denzin & Lincoln, 2017). Qualitative researchers take care to outline their own particular social positions in efforts to shed light on the biases and assumptions they inadvertently bring to their research. Summarily, qualitative research attempts to examine and interpret social phenomena for the purposes of better understanding or sharing a population's lived experiences. I attempted to capture and catalogue perceptions of social business practices in Thailand and South Korea through direct surveys of a select sample of consumers in these countries.

I applied an interpretivist paradigm within my qualitative research, which enabled me to attempt to visualize the world of social business through the viewpoints of the participants. Throughout this research, I aimed to incorporate multiple perspectives and versions of truth through contributors' experiences with social business, elaborated within participants' contexts (Trahn & Trahn, 2015). The interpretivist paradigm also acknowledges that researchers cannot inherently separate themselves from what they know, so the researcher's biases are present in

their research (Cohen, 2006). Together with the research participants, a researcher works to negotiate a dynamic truth within the data (Cohen, 2006). As I analyzed the data I received, I prioritized self-reflexive checks to understand my own biases. I attempted to inform these checks through the available and relevant cultural literature, and through questions posed to the personal or professional connections who assisted with survey distribution.

Site and Participants' Description and Sampling

With these understandings of qualitative research and the interpretivist paradigm, I endeavored to learn about the perspectives and experiences of consumers in South Korea and Thailand around social business practices. I employed a convenience sampling method, collecting data “from population members who were conveniently available to participate in study” (Dudovskiy, 2018, para. 1). I consulted with 16 of my professional and personal contacts who were appropriate participants for the desired research. I asked each participant to complete my survey anonymously, then to disseminate the survey electronically to their networks. Each individual among the identified 16 participants was familiar with South Korea or Thailand, either as a native citizen or a long-term resident; was a private consumer and local community member in one of the two countries; was between the ages of 18-70; and was able to access the Internet. In Korea, this included two former students, one former colleague, one former neighbor, and four former classmates, a total of eight participants. My relationships with these eight ranged from professional contacts with little shared personal knowledge to friends of six years. In Thailand, the foundational group included three classmates, one former colleague, and four personal

connections, total of eight participants. My relationships with these eight ranged from professional contacts with little shared personal knowledge to friends of three years. I reached out all 16 identified contacts through Facebook, following up as needed through email. One member assisted with the translation to Korean, and the translation to Thai was facilitated by a freelancer on the website fiverr. Both translators guided me towards culturally appropriate terms or phrases that should be used within each translation.

Using both the English survey and the translated versions, I shared these surveys with the group of 16 people identified above, asking each to complete the survey themselves. Next, I asked each person to share the survey with their personal networks. Through the 16 participants, I aspired to reach at least 50 people in each country. In total, 77 people completed the survey. Because of the demographics of the original population of 16 people, it was likely that participants would be 50 years old or younger, some with levels of higher education. People of all genders, anyone over the age of 18, across all professional sectors, religions, and ethnic groups in the identified regions were welcome to participate in the survey. I did not receive responses from people under 18, but if I had, I would have not included them given the expedited type of my IRB/HSR application.

Method of Data Collection: Survey

With the identified 16 participants who disseminated my survey link, I shared a link to the anonymous survey, hosted through cloud-based software Google Forms, on social platforms like Facebook, Twitter, and LinkedIn, and when possible sent the survey directly through email.

If the identified 16 participants chose to share the survey further with their networks, it was accessible to anyone with the link and access to the internet. There were no personal identities which I attempted to exclude, except respondents under the age of 18. People could have elected to self-exclude by not filling out or not submitting the survey through the shared link. Due to the distribution methods of this survey, people without available access to an internet connection were not able to participate. Additionally, survey responses were based on self-reported, claimed behavior rather than metered data (Nielson, 2015).

The questions posed in the survey helped examine how participants observe, interact with, and value the phenomenon of social business in their current economies. Questions attempted to understand the vast applications and implementations of social business in a community. A visual recognition component was also included in the last survey question in the form of product labels. These labels denoted either a social business certification, social business' product, or social business practice. I included labels from international organizations such as B Corps, Cruelty Free International, and Fair Trade, as well as each country's specific Certified Organic labels. These labels are one of the fastest ways consumers can understand the process, ingredients, and values behind a product. Label recognition was one way I hoped to understand perception of social business in either place.

Ethics of Research

Although I assessed my study as a low risk inquiry, a number of ethical considerations were taken into account. The survey was voluntary and anonymous, with no record of

participants' contact information. A power dynamic might have existed between some in the group of 16 and myself. In order to mitigate any unforeseen power dynamics, which could leave some participants feeling obligated to engage with this research or respond in a certain way because of a preexisting relationship, I emphasized there was no obligation to participate or answer in a particular way to myself or the research. To reiterate this message, I included an explanatory sentence in the beginning of the survey that read: "There is zero obligation to participate in this survey, and there is no obligation to the researcher to participate or complete this survey. You can opt out at any time; every action is anonymous." As stated, all participants were able to opt out or not complete or submit the survey at any time, with no repercussions. I consulted with two of the 16 participants from either country who are very familiar with these contexts to ensure all translations were culturally appropriate and comprehensible. Additionally, I shared and advertised the survey on social media and through email, and requested that the foundational group of 16 participants disseminate the survey among their networks. Given my linguistic, geographic, and time zone limitations, three waves of social media pushes and individualized contacts via tagging on Facebook and Twitter were the best means to reach the desired larger pool of participants.

Researcher's Positionality

I understand my biases could have impacted this research, and within that, I did my best to remain open to other perspectives and ways of knowing. Because of my professional and personal experiences, I am interested in the growth of the global social business movement.

However, I am also cognizant of my lack of intercultural awareness in this movement in these specific geographies given my experience to date. The fact that I do not speak Korean or Thai fluently contributes significantly to my conceptions of each culture. I am a native English-speaking American, researching a global movement utilizing resources that are primarily in English. While I have intentionally searched for writings by authors and researchers from either Thailand or Korea, my research was by no means exhaustive and was also limited by the fact that I cannot read sources in those languages. I remained reflexive during this research process by questioning and analyzing where I was distributing the survey, how I could include additional participants, and questioning what my expectations were as I answered those questions. As Kolb writes, to be reflexive, I, as the researcher, “must incorporate continuous awareness of reflecting, examining and exploring his/her relationship through all stages of the research process” (Kolb, 2012, p. 85, as cited in Conrad et al., 1993). I have experience within the social business sector, and am a proponent of expanding social business practices when appropriate. While neither is my heritage, I have personal experience and long-lasting connections in both South Korea and Thailand. I am interested to learn to what extent social business practices are present and recognized in these places, as well as learning about the cultural appropriateness or cultural place of social business practices in each country. I attempted to maintain my reflexivity through the data collection, analysis, and interpretation processes by staying in close communication with contacts intimately familiar with Korean and Thai cultures.

Data Management and Analysis

I used feedback gained from extrapolating commonalities within the data to inform the development and growth of my evolving understandings, and I used this data to express and compare the theory to the continual data analysis (Kolb, 2012). This cycle enabled a clearer and more accurately articulated final theory. Once I collected a critical mass of data, I utilized the processes of data reduction, which involved “selection, simplification, abstraction and transformation of the raw data,” where the raw data was sorted into categories (Miles & Huberman, 1994 in Kolb, 2012). I then wove a completed picture of the categories present in the data, and selected the most prominent categories and themes in order to illuminate my findings (Strauss & Colbin, 2008, in Kolb, 2012).

I analyzed data following the two types of coding offered by Strauss and Corbin (1994): open coding and selective coding. First, I conducted and coded the surveys, establishing categories for the codes from data collection results. These categories include participants’ perceptions of current social business practices in their country (perceptions), participants’ opinions on current social business practices (opinions), and participants’ desire to interact with social business practices (desire). Then, I analyzed the results from the survey in order to reach conclusions on how participants perceive social business within their national context. I utilized some of the built-in analytics of Google Forms and Google Drive to create dynamic graphs and charts which assisted in demonstrating responses in visually appealing and easy-to-understand ways.

Credibility of Findings

Although I am not employing a variety of methods in this study, the design of my study allowed me to triangulate sources of information derived from a variety of survey participants to establish credibility of the research. By obtaining responses from multiple people (survey participants) in the same cultures (South Korea or Thailand) around the same phenomenon (perceptions of social business practices), I was able to compare data points from each participant and ensure a variety of perspectives were present in the research.

While I did not undertake an inquiry audit to establish dependability, I believe that the way this research was designed is repeatable by other researchers, particularly given the online accessibility of the data collection methods and related tools available for data analysis.

Limitations and Delimitations of Study

Limitations.

I was acutely aware of several limitations in this study. First, I was not physically present in either country where I conducted research. While this was limiting in some aspects, it was also an asset. Thanks to the technology enabling this survey, I did not need to be physically present in order to recruit willing participants who enabled the exploration of this topic.

A second limitation was that I do not speak Thai or Korean fluently. This limited the extent of my literature review, as I could not read published articles from Korea or Thailand about these topics. I did not have a research partner who could speak these languages either, and

as a result I understood that my literature analysis was skewed towards what was written in or translated to English. Additionally because of this linguistic handicap, I was not able to translate surveys myself and had crafted them in such a way that I would not need to speak Thai or Korean to interpret the findings. As I have not lived in either country in a few years, I did not have hyper-current contextual knowledge of consumer relationships' to social business practices. I attempted to accommodate this by working closely with native speakers of these languages to convey the same meanings between the English and the native language surveys.

Third, I recognized the best practices of online surveys are to keep the surveys short, without jargon, and as easy to use as possible. I attempted to accommodate this by using Google Forms, an intentionally simple, straightforward, user-friendly design. While my research could have been improved by conducting longer surveys, or second and third surveys or interviews with the primary population, this exploratory research laid the groundwork for further inquiry should the opportunity arise.

Fourth, my goal was to have a large sample size of survey respondents. I wanted to work with a broad swath of participants in order to generate rich data. While I was satisfied with the participant group that took the survey, it was not a statistically significant group. While that was not the goal of this qualitative research, it is my recommendation that future research become more geographically specific so as to ask deeper contextualized questions about social business practices. Additionally, further research should be conducted on the perceptions of social business practices with attention paid to delineated urban and rural contexts. While I am able to identify the country of a respondent based on his or her response to Question 1 (which asked

respondents where they lived), I was not able to determine if the specific location was urban or rural.

Fifth, this survey only provided perspectives on the habits of consumers who were also existing internet users. Consumers who did not have internet access or did not use a smartphone were, unfortunately, excluded from this research. However, the accommodation of this situation was outside of the scope of this research.

Delimitations.

The topic of this research and the growth of the social business movement are ongoing global occurrences. In particular, numerous Asian countries are experiencing this growth, but it was not the intention or ability of this study to include all geographic regions where social business practices are unfolding. Hence, I limited the study to South Korea and Thailand. As outlined above, each of these countries have unique government support for this movement, as well as growing consumer and producer awareness. I have personal and professional connections in each place, making it more contextually appropriate for me to study South Korea and Thailand over countries such as Japan or Laos where I have few connections, particularly because this research was conducted from the United States. Finally, I delimited the demographics of respondents to the age range of 18 years old to 70 years old. This delimitation was a reflection of the selected 16 individuals and the reach of their broader networks. I was curious about the habits of general consumers, and further delimiting participants by demographic criteria was antithetical to my inquiry.

Findings

This research aimed to illuminate the perceptions of social business practices by South Korean and Thai consumers. Data were collected between February 16, 2018 and March 19, 2018 via Google Forms. A total of 77 respondents completed this survey: 39 people completed the English survey (50% of respondents), 12 completed the Korean version (16% of respondents), and 26 completed the Thai version (34% of respondents). Forty-three respondents live in Thailand, 23 in South Korea, seven in the United States, and one each from France, Australia, Singapore, and “Other.” Figure 1 delineates language and location of each respondent.

As part of the ongoing self-reflective process within the interpretivist paradigm, I want to call attention to the fact that this group of people who participated in the survey is similar to the researcher, myself, in age, household makeup, gender, occupation (working in education), and language (English speakers). As such, the results here are not meant as sweeping claims of the large populations of either country. The results here only mirror the perceptions and experiences of this particular group of people at this particular time in history.

With this understanding, three main themes emerged from this data: 1) perceptions of the current social business environments in South Korea and in Thailand; 2) perceptions of social business practices compared to traditional business practices; and 3) the value of social business practices for consumers. I explore these themes in detail below.

Demographics

To situate the research findings, first I present respondents' demographic information in Figures 2-6. Almost 56% of respondents live in Thailand, just under 30% in South Korea, 7% in the United States, and 1% of respondents live in each Australia, France, Singapore, and "Other". (Figure 2). Of all respondents, 37% identified as male, and 63% as female (Figure 3). Results here demonstrate that 27% of respondents (21 out of 77) are between the ages of 25-34. Respondents between the ages of 35-44 account for 55% (42 out of 77) of the total (Figure 4). Almost all respondents live in households of four people or fewer (Figure 5). When analyzing the professional sectors of respondents, education and technology ranked highest (Figure 6). The prevalence of the response "other" leads me to conclude additional professional sectors should have been included in the survey, such as "consulting", "finance", or "homemaking". In subsequent iterations of this research, a broader spectrum of professional sectors should be included.

Figure 2

Figure 3

Figure 4

Figure 5

Figure 6

Perceptions of the current social business environment

Because demographic questions comprise half the survey, there are numerous categorizations and analyses that can be undertaken to examine trends in perceptions. Overarchingly, the three most prevalent themes I found across all responses are: 1) the perceptions of the current national social business environments; 2) the comparison between consumers' perceptions of social business and non-social business practices; and 3) consumers' perception of the value of social business.

In the first theme of perceptions of the current, national social business environments, I examine respondents viewpoints and experiences with social business practices. These experiences could be through government initiatives and public policy, existing businesses and social enterprises, active NPOs and INGOs, or any present third-party certification organizations.

The most common understandings of social business practices included eco-friendly products and services, businesses and nonprofits working together, and businesses financially supporting nonprofits (Figure 7).

Accounting for multiple responses across all participants, organizations with eco-friendly practices, as well as businesses and nonprofits working together were the two most recognizable forms of social business practices, at 20.1% and 15.6% respectively. For respondents in Thailand, businesses with eco-friendly practices were far and away the most recognizable, with 53% of all respondents selecting this option. In South Korea, the most recognizable form of social business was businesses giving money to nonprofit organizations, with nearly 42% of respondents choosing this example. These results are indicative of two particular phenomena, that of environmental tourism in Thailand, and that of *chaebol* (family-run business conglomerates) culture in Korea. Figure 7 illustrates all responses to question 6.

Figure 7

With beautiful beaches in the south and lush rainforest in the north, Thailand's environment is a huge draw for tourists. Services make up 55.6% of Thailand's gross domestic product (GDP), with tourism-related services at the forefront (CIA World Factbook: Thailand, 2018). Animal-related businesses are significant tourist attractions as well, such as elephant rides through the jungle, or interacting with big cats at tiger sanctuaries. Agriculture is Thailand's third-largest GDP contributor, and employs over 30% of the labor force (CIA World Factbook: Thailand, 2018). Sahainan is a demonstrative example of the marriage of these industries, tourism and agriculture, with a key focus on environmentally friendly practices through permaculture and education (Sahainan, 2017). Given these existing situations, it is reasonable that consumers in Thailand might interact most with social businesses focused on eco-friendly practices.

The South Korean economy is notorious for its *chaebol* culture: large business conglomerates, usually owned by one family (Tejeda, 2017). These brands are national and international powerhouses like Hyundai, LG, and Samsung, the latter which is, for example, currently owned by Lee Kun-hee, son of founder Lee Byung-chul. Working at a *chaebol* is a penultimate job for many Koreans. This employment comes with great prestige for both the individual worker and his or her family. Compared with Europe and the United States, social enterprises are not yet as widespread, and commonly perceived as a professional risk. However, social enterprises (and the people associated with them) gain legitimacy if the enterprise receives support from a *chaebol* or the company's foundation. SK Group operates The Happiness Foundation, its charity arm whose mission is to provide "the opportunities to grow for those who

want to shape their own future” (The Happiness Foundation, 2018). The Happiness Foundation has created numerous enduring ventures to foster healthy entrepreneurship networks and to support specific nonprofit work, like the Educators’ Network for Social Innovation, which “is a platform where The Happiness Foundation and [Korean] colleges who work on fostering social innovators share their knowledge and expertise” and the Happy Meal-box social cooperative, which supports nonprofits who provide “warm meals to the undernourished” (Fostering Social Innovators, 2018; Establishing Social Enterprises, 2018). In South Korea, it is reasonable that consumers would interact most with businesses which support nonprofits and qualify this as their main exposure to social businesses practices. These national values of environmental focus in Thailand and chaebol, or private business, support in South Korea are demonstrated in respondents’ values in question six that seeks to understand where survey takers have experienced types of social business practices. Figure 8 illustrates the types of social business practices that respondents had experienced or could identify in their own lives.

Figure 8

Question ten, what social business logos or certifications are most recognizable, also illuminates consumers' perceptions of most prevalent facets of social business. In each country, the national organic certification logo was most recognized. South Korean respondents recognized all logos more than Thai respondents, with nine Thai respondents not recognizing any logos at all. After national organic logos, the Fair Trade logo and the Rainforest Alliance logos were most recognized by respondents in both countries. Both of these logos have been in international markets for decades, which might explain their instant recognition. Some logos featured in this survey are relatively new, like B Corps and 1% for the Planet. Both were started in the United States, and were among the least recognizable in Thailand and South Korea. Figure 9 illustrates

that participants most recognized logos were the national organic certifications, Fair Trade certification, and the Rainforest Alliance. Just under 80% of South Korean respondents recognized the Yuginong (Korea's certified organic) label, and just under 50% of Thai respondents recognized the Organic Thailand label. Figure 10 illustrates logo recognitions broken down by country.

Figure 9

Figure 10

Perception of social business practices compared to traditional business practices

The second emergent theme from survey data is the valuation of social business practices compared to non-social business practices. While it is outside the scope of this research to delve deeply into consumers' perceptions of non-social business practices, it is sufficient to categorize non-social business practices as the characteristics of Western capitalism as outlined in the literature review above: a free market, the private ownership of material goods, and private investments. The goals of this type of neoliberal capitalism have been to make as much profit as possible for owners, investors, and shareholders.

Accounting for all responses, most respondents indicated they found the quality of social business products was higher or slightly higher compared to traditional business products. When asked about the cost of social business products or services compared to those of traditional business, 66% of respondents believe costs to be higher or slightly higher than those of the traditional business. Regarding satisfaction, respondents answered 57% higher or slightly higher

levels of satisfaction with social business. Many Thailand-based respondents reported slightly higher satisfaction with social businesses, with most Koreans reporting no difference in their satisfaction levels. Additionally, it is important to note that 30% of respondents felt there was no difference in their satisfaction with social versus traditional business practices, and 37% of respondents felt there was no difference in the quality of social business' goods compared to traditional business. This area of comparison between social and traditional business practices will benefit from further research. What levels of satisfaction consumers feel and how they rank satisfaction as a priority when engaging with a social business organization are both topics that were beyond the scope of this research, but important to consider. It is also worthwhile to note that participants could have felt obligated or expected to answer in support of social business, given the research topic at hand, and answered accordingly. Figures 11-16 reflect the responses for Question 8.

Figure 11

Figure 12

Figure 13

Figure 14

Figure 15

Figure 16

To further delineate the values and priorities of social business over and above traditional business, respondents were asked to rate aspects of both traditional and social businesses. This question allowed for multiple answers. Collectively, respondents valued the quality of a product or service first, followed by eco-friendly products, then workers being treated and paid fairly. Parsing these responses by country, Thai consumers value the quality of a product or service first, an eco-friendly product or service second, and the fair treatment of workers third. Korean consumers value eco-friendly products first, the fair treatment of works and the quality of a product or service tied for second, and the cost of a product third.

For Korean respondents, the high score for product or service quality indicates that consumers expect quality to be consistent with or better than non-social business products or services. This small nugget of data is an important aspect to bear in mind as new policies and

programs are introduced. High quality means more cost, particularly upfront, but will likely yield more and consistent consumer support, translating to the viability and scalability of the social business. Impact investors and grant-making institutions should be reminded of this when funding new initiatives. In their 2015 study, Chung and Park highlighted this as they emphasized the need for continued government support after the initial start-up phase. Ongoing support could provide important business needs like management and technology trainings while positioning new social businesses to scale up and increase services or production, reducing the failure rate of new organizations (Chung & Park, 2015). The high value placed on workers' rights also parallels the history of social enterprise in Korea, which can be traced back to the creation of the community-based SSCCs in the 1970s. It also reflects Korea's higher score on Hofstede's individualism-collectivism scale, and the underlying cultural value of protecting and safeguarding the larger community.

For Thai respondents, the second-ranked aspect of eco-friendly products and services parallels those consumers' responses in Question 6 (which asked what types of social business practices with which consumers are most familiar), with the most recognized form of social business focusing on environmental needs. The third-most valued aspect of business – fair pay and treatment of workers – also mirrors Thailand's cultural score on Hofstede's individualism-collectivism index and masculinity-femininity index, indicating the strong cultural value of caring for the community as well as the valuation of interpersonal relationships and quality of life. Figures 17 and 18 represent the most important business values collectively broken down by country.

Figure 17

Figure 18

Consumers' perception of social business value

The third theme identified in these results was that of consumers' perceived value of social business practices in their communities. This theme illuminates where social businesses might already align with respondents' values, and why social businesses are valuable to these national environments.

This survey results demonstrate that 78% of people (60 of 77) strongly agreed or agreed that business was valuable to their community. This might represent an amazing opportunity for the growth of social business practices. With that percentage of consumers valuing this type of cross-sector development work, there is significant potential to be explored for innovative partnerships, programs, policies, and products to develop. Indeed, this could serve as grounds to stand on when considering the expansions of existing policy and programs.

In Korea, the evidence of consumer value of social enterprise is present in the growing support found in the business community and the investment community. The presence of 10 certified B Corps and the efforts towards becoming a B Lab Country Partner indicate small, but growing, support from the existing business community to pivot itself towards social business practices. The continually innovative developments of private-public partnerships also demonstrate cross-sectional emphasis on the value of social business. For example, in December of 2017 SK Group (one of South Korea's *chaebols*) announced the creation of a new private equity fund aimed "to back homegrown social enterprises" (SK Group Launches Korea's First PEF, 2017). This fund is financed by a 4 billion won (\$3.7 million) donation from SK Group's charitable arm The Happiness Foundation, as well as other institutional investors (SK Group Launches Korea's First PEF, 2017).

In Thailand, the value of social business in the community is seen in the growth of programs like ChangeFusion (the nonprofit created by Ashoka fellow Sunit Shrestha), the advocacy for structural changes in national financial and value systems, and the endurance of now famous social businesses like Cabbages and Condoms.

ChangeFusion has brought about far-reaching and significant change to Thailand and to Southeast Asia. In addition to Local Alike and the 50 communities served by its programs, ChangeFusion also supported the emergence of ToolMorrow, a social enterprise which “uses social media...to creatively communicate social problems...to [a] youth audience” and has over 5 million views and 150,000 followers on YouTube. ChangeFusion also incubated the New Heaven Reef Conservation Program (NHRCP) which is directed at the “preservation of coral reefs (Building the Social Enterprise Eco-system, 2016).

In addition to nurturing emerging social enterprises, ChangeFusion’s founder Shrestha worked with the For Kon Thai Foundation and a fund management company under Bangkok Bank to launch “Thailand’s first socially responsible investment mutual fund with a built-in venture philanthropy mechanism to support social organizations” (Building the Social Enterprise Eco-system, 2016). As of July 2016, this fund was valued at \$45 million.

Cabbages and Condoms, one of Thailand’s first social enterprises, has grown from one restaurant in 1974 to 19 restaurants in three countries in 2018, as well as operates seven resorts and inns throughout Thailand (Cabbages & Condoms, 2018). While exact employment numbers are not available, this franchise is contributing to three national economies and four regions within Thailand (Cabbages & Condoms, 2018).

For a visualization of the data from Question seven, see figures 19 and 20.

Figure 19

Figure 20

Recommendations

This research offers a glimpse into South Korean and Thai consumers' perceptions of social business practices in each national context. Consumers demonstrated familiarity with a variety of practices, and shared their personal values and experiences with social businesses. Continued research would inform our understanding about the ongoing potential for sustainable development opportunities between and among the private, nonprofit, and public sectors. While certain recommendations that I will offer are country specific, there are three major recommendations that apply to both countries. Stakeholders (such as governments, current businesses, university programs, or entrepreneurs) wanting to expand social business operations should devote attention to diversifying marketing efforts, to developing robust, connected stakeholder networks, and to sharing available resources with national and international like-minded networks.

Marketing

Fair Trade, Cruelty Free, Rainforest Alliance, and the national Organic certifications are the most recognized logos. Fair Trade has existed since 1946 and Cruelty Free, or the Leaping Bunny, was created in the 1990s, with the first Rainforest Alliance agricultural certification occurring in 1992. The existence of the two least recognized logos, B Corporation and 1% for the Planet, has a much shorter timeline. 1% for the Planet was founded and started partnering with nonprofits in the United States in 2002, and the first 19 companies globally (including

influencers like King Arthur Flour and method) received their B Corporation certifications in 2007. In contrast with these first-ever certified B Corps, the first South Korean B Corps was certified in 2014, and the first Thai B Corps was certified in 2016.

While there is an expansion of social business practices in both South Korea and Thailand, there is a large amount of consumer education to be done, in each country and globally. B Corps certifications, 1% for the Planet, and The Leaping Bunny (Cruelty Free) were the least recognized international certifications by participants in both countries. Marketing needs assessments should be undertaken in each country if they are not already underway. The South Korean government has a branch dedicated to social enterprise, called the Korea Social Enterprise Promotion Agency. It maintains websites in both English and Korean, though the latter is much more extensive. The Thai government has the Thai Social Enterprise Office, but a marketing assessment for non-governmental initiatives could be undertaken for a more holistic picture of the current situation of social enterprise from both the business perspective and the consumer perspective. Each country would benefit from campaigns to increase awareness of what social businesses are and do, why social businesses can be beneficial to society or a business, and what consumers should look for in order to know they are supporting these entrepreneurial organizations. Attention should be paid to implementing marketing strategies that reach all consumers, including online and offline users.

Networks

There is, as the adage goes, strength in numbers, and as social business practices increase, it is important for those who pave the way to be available to and supportive of newcomers. Whenever possible, in-person meetups, monthly calls, or listservs for social business leadership teams or employees could be beneficial to share best practices, grow community, and avoid pitfalls. Third-party certifiers have unique opportunities in this space as well. Groups like B Lab or the Rainforest Alliance could spearhead the aggregation of new and existing social business groups, or host virtual reference libraries available to those navigating international and national certification processes.

International Resources

Some certifying organizations like B Lab and 1% for the Planet maintain databases of currently certified organizations, though these can be difficult to keep fully up to date, given the rapidity of new certifications (Personal communication, 2017). To be most effective to consumers and potential businesses, these should be searchable in any language and kept up to date. These in-house, public-facing databases are an invaluable resource for groups looking to know the company size, sector, and scores of other businesses. People invested and interested in this sector would benefit from one international, open-source database, but unfortunately such a tool does not yet exist.

Groups like Social Venture Network (SVN) can also be a rich resource for parties interested in social business in specific countries as well as globally. Currently, it aggregates international members who are “social entrepreneurs who are working together to create

transformational innovation, growth, and impact” (SVN, 2018). While SVN has members in multiple countries, there are not yet members in either Thailand or South Korea, or in many countries in the East or Southeast Asian regions. This is a place of potential significant growth for an international network like SVN.

Innovative tools like the Global Innovation Exchange (GIE) are available for social entrepreneurs and their supporters to ease the pain of fundraising to scale or actively scaling a business. Sponsored by USAID, Australian Aid, the Korea International Cooperation Agency, and the Bill and Melinda Gates Foundation, the GIE is an online platform that allows users to browse “almost 6,000 development innovations” and search for “more than USD\$250 million in cumulative funding opportunities” (Global Innovation Exchange, 2018).

Country-specific recommendations

South Korea

As was mentioned above, the South Korean government should loosen its controls on the definition of a social enterprise. Expanding this definition will enable more businesses to offer socially oriented goods and services, expose more customers to the benefits and practices of a social business, and potentially provide funding sources (federal or otherwise) to a larger group of organizations. The early-adopter B corporations in South Korea, like SOCAR, the largest car-sharing network in Korea, or Merry Year Social Company, Korea’s first social impact consulting firm, could hold monthly B Corps 101 workshops for businesses that are interested in

certification, or could collaborate on marketing campaigns to tell consumers their B corps stories.

Thailand

The two certified B corporations in Thailand have a unique, if daunting, opportunity to serve as evangelists for one aspect of the social business movement in their country. Much of the growth of the B corps movement occurs through word of mouth communication, so these companies have an exciting chance to share their story of certification and the changes that certification has brought to their businesses with consumers and other businesses alike. There could also be abundant opportunities for the establishment of regional networks of organizations working in the environmental space. Quarterly or biannual regional conferences could aggregate groups to share best practices and innovations, as well as provide networking opportunities.

Effectiveness of Research

If this research is to be repeated on a larger scale, it will be most effective if conducted by researchers physically present in South Korea and Thailand. This could significantly increase the participant pool and facilitate follow-up methods with the participants. I attempted to expand the participant population by utilizing social media best practices (such as tagging and mentioning) to reach out to organizations or individuals who might be interested in this research. However,

this online “cold call” did not work as well as I had hoped, and garnered only minimal success in increasing responses.

I received interesting feedback from an American living in Thailand, one of the 16 participants, who shared that the Google Forms survey format might have been novel and unapproachable to some Thai people. While this deserves further examination, it is noteworthy that I did not receive the same feedback from native Thais who assisted in sharing the survey, nor did I get that feedback from native Koreans or non-Koreans. Hofstede might argue that this is an example of the power distance present in the research-responder power dynamic. For respondents based in primarily high power distance countries, it is to be expected that I, as the researcher, would receive very little constructive criticism from survey takers. While most survey takers did not have the opportunity to share feedback based on the anonymous nature of the survey, the original group of 16 people did have the means to share feedback. This is the only response of this type that I received from this group.

Future Research Recommendations

This survey opens a wide door to further research in the field of social business and its place in Korean and Thai societies. Future studies should be continued with a larger sample of the population and employing a mixed-methods methodology. In subsequent studies, in-person or paper surveys should be offered to incorporate those who do not have ready access to the internet or who perhaps are not comfortable with responding to an online survey. There is an

opportunity to magnify multiple aspects of this research, such as focusing exclusively on one type of certification like Rainforest Alliance or B Corporation. Gathering more specific demographic data could yield various results, if identifiers are broken down into urban or rural, income levels, or education levels. For example, further iterations of this research could parse the demographic point of household composition, potentially choosing respondents who live in households of five or more, or respondents who live in households of three or fewer.

Additional demographic identifiers such as these would create more dynamic data sets and offer still deeper levels of analysis. Undertaking this research either with an implementing partner on the ground (like an existing social business) or in conjunction with a government agency could provide further access to consumer populations, particularly if a potential partner operates fluently in Thai or Korean.

Conclusions

Social business practices in Thailand and South Korea are poised for unique growth. Both federal governments have outlined dedicated support to social entrepreneurship and social businesses, though this support continues to trickle into the values and practices of local consumers. Ranked in the top 30 environments for entrepreneurs, each country has a viable path forward for social entrepreneurs (Reuters, 2016). In fact, each country has seen growth over the last 15-20 years in their social innovation sectors, and, if situations evolve as they have over the past two decades, each country will likely continue to see steady growth.

In this research, respondents demonstrated that social business was valuable to their communities, yet they were not able to easily identify international social business certifications or less common types of social business practices. These findings also demonstrate that consumers are interested in supporting social business, even if they find social business services and products more expensive than non-social business services and products. There is ample room for consumers continued education and exposure to more social business practices, and equally ample space for businesses, social enterprises, and governments to form creative, cross-sector partnerships towards development solutions. Despite limitations in this study, these findings can be used across sectors to inform understandings of the current social business perceptions in Korea and Thailand.

Before undertaking this research, I identified five specific limitations, the most significant of which proved to be my linguistic limitations. Future research will be strengthened by multilingual researchers, or research team, so as to include an array of perspectives in a literature review, increase the sample of participants, and develop a multifaceted understanding of each culture. While results could have been more varied if this survey were physically conducted in either Thailand or Korea, and therefore more participants could be recruited, I am confident in the number of respondents and the accessibility of the survey regarding length and online availability. If this research is to be continued, these points should be taken into consideration as the study is designed.

In addition to recommendations to future researchers, the findings lend serve to inform policy makers and social business practices in South Korea and Thailand. As discussed above,

there is room for improvement in social businesses marketing and how these organizations integrate third-party logos into their advertising materials, as well as how they create and maintain internal and external facing networks and resource-sharing opportunities. This research could be replicated in another geographical area to gain knowledge on local consumers' perceptions and valuations of social business practices, particularly in another country in Asia. If this were to be the case, the growing amount of data available on Asian consumers' perceptions of social business practices might contribute to the formation of new national and organizational policies, lay the groundwork and share best practices to scale and market social business organizations, and foster new networks of innovation. Social business is a viable means towards global development, and countries like South Korea and Thailand are strong examples from which to learn and to grow.

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Appendix A: Survey Questions

Social Business Perceptions

Thank you for taking the time to fill out this survey. The researcher conducting it is a Masters candidate at SIT Graduate Institute, studying the perceptions of social business in South Korea and Thailand. The purpose of this research is to inquire about people's perceptions and understandings of, and engagement with, social business practices (defined below). She will post the results of this survey online. This survey is completely anonymous. There is zero obligation to participate in this survey, and there is no obligation to the researcher to participate or complete this survey. You can opt out at any time; every action is anonymous.

Demographics

The questions asked here are for data analysis purposes only.

1. *[demographic]* Where do you currently live?
 - a. (country, city)

2. *[demographic]* What is your gender?
 - a. Female
 - b. Male
 - c. Prefer not to answer

3. *[demographic]* What is your age?
 - a. 18-24
 - b. 25-34
 - c. 35-44
 - d. 45-54
 - e. 55-64
 - f. 65+

4. How many people live in your household?
 - a. 1-2
 - b. 3-4
 - c. 5+

5. *[demographic]* In what professional sector do you work?
 - a. Hospitality

- b. Government
- c. Beauty and Wellness
- d. Education
- e. Healthcare
- f. Technology
- g. Agriculture
- h. Food and Beverage
- i. Manufacturing
- j. Performing Arts
- k. Nonprofit
- l. Student
- m. Other

Perceptions and Experiences

The questions below are concerned with your thoughts on social business, which the researcher defines as “ventures that collaborate across government, private, or nonprofit sectors to address and ideally improve a social issue which empowers an under-resourced part of their community; financially supports ongoing work that improves a social issue; creates a sense of community around a social issue; or attends to and cares for the environment”.

6. *[observation]* What are some examples of social business that you have encountered?
Please select all that apply.
- a. Businesses and nonprofits working together
 - b. Businesses with environmentally friendly practices
 - c. Businesses giving money to nonprofits
 - d. Businesses funded by impact investing
 - e. Businesses supporting impact investing
 - f. Businesses providing social services with government support
 - g. Employee-owned companies
 - h. Women’s empowerment programs
 - i. Workforce development programs
 - j. Community cooperatives
 - k. I have never seen an example of a social business.
7. *[valuation]* I believe these types of partnerships are valuable to my community.
- a. Strongly agree

- b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly disagree
8. *[observation]* Please share how you rank social business products to traditional business products. Check all that apply. (checkbox grid) (higher/lower/same)
- a. Social business products are higher quality than traditional business products.
 - b. Social business products are lower quality than traditional business products.
 - c. Social business products are the same quality as traditional business products.
 - d. Social business products have higher cost.
 - e. Social business products have lower cost.
 - f. Social business products and traditional products have the same cost.
 - g. I have higher satisfaction buying from a social business as opposed to a traditional business.
 - h. I have a lower satisfaction buying from a social business.
 - i. I feel the same purchasing from either type of business.
 - j. I'm not sure.
9. *[valuation]* Which elements provided by a business are most important to you?
- a. Products or services are made locally by local people.
 - b. The business is community oriented.
 - c. The cost of the product or service.
 - d. The quality of the product or service.
 - e. Products are environmentally friendly.
 - f. The business is a voice for social change and advocacy.
 - g. Workers are treated and paid fairly.
10. *[observation]* Which of these symbols have you seen? Check all that apply. (Check boxes next to each image. Koreans will receive images Korean images [2]; Thais will receive Thai images [3].)

Appendix B: Procedure for certification of social enterprises in South Korea

Appendix C: Recruitment Letter

Hello [participant],

I hope you are doing well! I am writing to invite you to participate in a survey.

My name is Emily Gaynor, and I am in my last semester of SIT School for International Studies graduate program. I am working on a research project, which explores social business practices in South Korea and Thailand. Would you be willing to fill out this short survey to support my research? Thank you so much!

Once you have filled it out, I would love it if you could share it with your networks. You can post it on Facebook, on Twitter, email it to your friends and family, send it through WhatsApp or Kakaotalk. The more responses I can get, the better my research will be, and your support can really help me with that!

Please let me know if you have any questions. You can email me (egaynor5@gmail.com), or find me on WhatsApp (17576639504) or Kakaotalk (ELG13).

Looking forward to chatting with you soon!

Thanks,

Emily