

# คุณค่าเชิงสัญลักษณ์ของเบียร์กับการบริโภคเบียร์ในสังคมไทย



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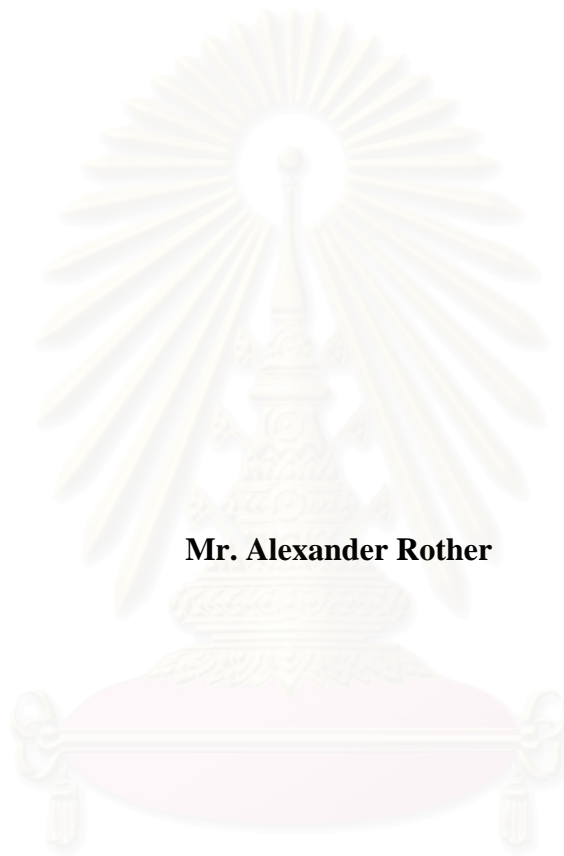
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**THE SIGN VALUE OF BEER AND  
THE CONSUMPTION OF BEER IN THAI SOCIETY**



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นายอเล็กซานเดอร์ โรเซออร์: คุณค่าเชิงสัญลักษณ์ของเบียร์กับการบริโภคเบียร์ในสังคมไทย (THE SIGN VALUE OF BEER AND THE CONSUMPTION OF BEER IN THAI SOCIETY) อ.ที่ปรึกษา: ผศ.ดร.คาริณา โชติทวี, อ.ดร.ศิริพร ภักดีหาสุข จำนวน 135 หน้า

การปรากฏของเบียร์ในลักษณะที่เป็นผลิตภัณฑ์ที่เป็นที่นิยมของผู้คนในวงกว้างนับเป็นเรื่องที่ใหม่มาก นับตั้งแต่ประมาณปี พ.ศ. 2543 เป็นต้นมาสินค้าประเภทเบียร์ยี่ห้อต่างๆ ได้ออกมาสู่ตลาดเบียร์ในประเทศไทยโดยแต่ละยี่ห้อจะตอบสนองความต้องการของกลุ่มชนชั้นที่ต่างกันไปในสังคม นับตั้งแต่เริ่มมาปริมาณการบริโภคเบียร์ในประเทศไทยได้เพิ่มสูงขึ้นเป็นอย่างมาก เทาที่ผ่านมางานวิจัยที่เกี่ยวกับปรากฏการณ์ดังกล่าวนี้ยังมีจำนวนไม่มาก วิทยานิพนธ์ฉบับนี้ได้ตั้งสมมุติฐานว่า เหตุผลหนึ่งที่ทำให้การบริโภคเบียร์ในประเทศไทยเพิ่มมากขึ้นน่าจะพิจารณาได้จากการสร้างและการยอมรับ คุณค่าเชิงสัญลักษณ์ที่อยู่เบื้องหลังยี่ห้อต่างๆดังกล่าว โดยศึกษาการโฆษณาของบริษัทเบียร์ต่างๆ เพื่อให้เห็น “สาร” ที่เบียร์แต่ละยี่ห้อพยายามสื่อกับสาธารณชน ผู้วิจัยได้แจกแบบสอบถามแก่บุคคล 120 คน เพื่อสอบถามถึงเหตุผลในการบริโภคเบียร์ยี่ห้อใดยี่ห้อหนึ่ง เพื่อให้ทราบว่าคุณค่าเชิงสัญลักษณ์มีความสำคัญเพียงใด

พื้นฐานความคิดในเรื่องคุณค่าเชิงสัญลักษณ์ที่ใช้นี้เป็นผลงานของ ฌอง โบคิริยาร์ด ซึ่งอ้างว่าผู้คนจะเลือกบริโภคสินค้าที่ทำให้คนแตกต่างไปจากผู้บริโภคคนอื่นๆ ในความเห็นของโบคิริยาร์ด นั้น ผู้บริโภคสมัยนี้ไม่เพียงแต่จะใช้จ่ายเงินทองเพื่อซื้อคุณค่าของสินค้า แต่ยังซื้อคุณค่าเชิงสัญลักษณ์ที่มากับสินค้า ดังกล่าวด้วย คุณค่าเชิงสัญลักษณ์ดังกล่าวจะพบได้ในภาพลักษณ์ หรือสิ่งที่เชื่อมโยงกับเรื่องราวเช่น สถานะ วิถีชีวิต หรือ ทัศนคติ การใช้ทฤษฎีคุณค่าเชิงสัญลักษณ์ดังกล่าว สามารถแสดงให้เห็นว่าเบียร์ต่างประเทศล้วนมีจุดมุ่งหมายที่จะสร้างคุณค่าเชิงสัญลักษณ์ ที่มีส่วนในการสร้างภาพลักษณ์ของสินค้าโดยผ่านทาง การโฆษณา การวิจัยพบว่าเบียร์แต่ละชนิดสะท้อนคุณค่าเชิงสัญลักษณ์ที่ต่างกัน ได้แก่ ไฮเนเก้น: ความโก้เก๋ สิงห์: ความเป็นไทย ช้าง: ความเป็นไทย ลิโอ: ชีวิตแบบเรียบง่าย เซียร์: ชีวิตแบบเรียบง่าย

ส่วนการบริโภคเบียร์นั้นการศึกษาพบว่าผู้คนส่วนใหญ่บริโภคเบียร์ด้วยเหตุผลในเรื่องรสชาติและราคา รวมทั้งเหตุที่ว่าเบียร์เป็นเครื่องดื่มที่มักจะดื่มในลักษณะการร่วมกันแบ่งปันกับเพื่อนฝูง ในประเด็นของคุณค่าเชิงสัญลักษณ์นั้นผู้คนส่วนน้อยเท่านั้นที่ซื้อสินค้าด้วยเหตุนี้ซึ่งปรากฏในตลาดเบียร์ระดับสูง ดังนั้นจึงเป็นเรื่องที่สรุปไม่ได้ว่าทฤษฎีเรื่องคุณค่าเชิงสัญลักษณ์ที่โบคิริยาร์ดเป็นผู้เสนอ จะใช้ได้กับตลาดเบียร์ของไทยทั้งหมดได้หรือไม่

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ALEXANDER ROTHER: THE SIGN VALUE OF BEER AND THE  
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CARINA CHOTIRAWE, Ph.D. CO-THESIS ADVISOR : SIRIPORN  
PHAKDEEPHASOOK, Ph.D.,pp.135.

The emergence of beer as a product that appeals to a wide range of people is quite recent. Moreover since the 1990s many new brands have been introduced into the Thai beer market to cater to each class of society. Since than beer consumption in Thailand has increased enourmously. So far not much research has been done on this phenomenon. The hypothesis of this thesis is that, one reason for the increase of beer consumption in Thailand can be found in the creation and acceptance of sign value behind the brands. This thesis has used advertisements of the beer companies to understand the message the brands try to create to the public. A questionnaire has been distributed to one hundred and twenty people to ask them about the reasons for their consumption of a particular brand and to determine how important sign value is to them.

The framework of sign value is proposed by French philosopher Jean Baudrillard. He argues that people choose to consume goods which differentiate them from other consumers. According to Baudrillard, consumers nowadays spend money not only for the value of the product but also for the sign value. This sign value can be found in images or linkages to status, lifestyle,taste etc. By applying Baudrillard's theory of sign value this thesis aims to demonstrate that different types of beer brands aim to create sign value which contibute to the image of the product through advertising. The finding reveal that each beer reflects a different sign value i.e. Heineken : Stylishness, Singha : Thainess, Chang : Thainess, Leo : Easy going and Cheers : Easy going.

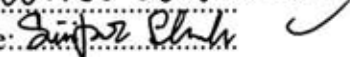
Regarding the consumption of beer appears that most people consume a particular brand because of taste and price but also because beer has become a beverage which is widely used for sharing purpose among friends, colleagues etc. Regarding the importance of sign value only a small number of people made their purchase because of this reason which took place in the premium beer market. It remains therefore open whether the theory of Sign Value as proposed by Baudrillard can be applied for the entire Thai beer market or not.

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Student's Signature:.....

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Up to the present I recall the moments which happened to me at the Thai Studies office on Tuesday the 22<sup>nd</sup> of August, 2006 at 4.30 pm. What happened there has hurt me, my heart and soul. All the pain and sorrow, and big personal disappointment have followed me since more than seven months now which have made my life a nightmare. But I only can say that despite the disappointment and hard time I had, this thesis still was completed on time.

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# CHAPTER I

## INTRODUCTION

### 1. 1 STATEMENT OF THE PROBLEM

The observer of Thailand, may it be the area specialist or frequent tourist, will realize that within a relatively short time, the country has changed so much in many ways. While only some decades ago, Thailand was full of forest, empty beaches and Bangkok a city with clean air and little traffic, the recent pictures looks revised. The Thailand of today is a country where cars, electronic and food is produced and exported to all corners of the world. The new airport called *Suvarnabhumi* (Golden Land) aims to increase the arrival of tourists up to 13.2 million in 2007.

As it is known, Thailand was never colonized by a western power and thus has occupied a unique position in Southeast Asia. However, this does not mean, that foreign influence never made it into Thailand. Actually Thailand has adopted many things from other countries, be it western or Asian culture respectively. Under King Chulalongkorn many foreign advisers helped to modernize the country. Whether it was developing the army, establishing and planning the railroads or telephone system Thai and foreigners had worked hand in hand. During the time of the American engagement in the Indochina War, Thailand was a strong ally of the Americans which in return of the usage of airbases had become a source for financial and technical help.

All of this influence from different nations has left its mark in Thailand and one of these marks is beer. Beer as we will see does not have its origin in Thailand but has managed to become a very popular beverage among the Thai people. While in most European countries, beer has been known since many centuries, in the case of Thailand the picture is however quite different. As we will see in the chapter about the development and history of beer, it was during the reign of King Chulalongkorn (1886-1910) that beer started to become known among the Siamese i.e. Thai people, at least to those living in the capital. From then it started to become popular around the kingdom until finally Thailand's first beer brewery Boon Rawd Brewery was established in 1933.

It would then take almost sixty years before more breweries were opened in Thailand and due to this more beer brands were introduced into the market. This happened at about the time where Thailand was faced with an economic boom which would change the country enormously. May it be the establishment of a working class which hitherto was quite small, or the rich and wealthy who had managed to become rich within a very short time due to stock market speculation or other investments.

Thus, the emergence of beer as a product that appeals to a wide range of people is quite recent. This can be seen in the increasing amount of beer being consumed since the late 1980s. Moreover, since the early 1990s after the fall of the monopoly of Boon Rawd Brewery, many new breweries have been established, introducing their brands to the customer of each social class of society and have so stimulated consumption even further. So far, not much research has been done concerning this phenomenon with the exception of some works focusing on the history of beer as a beverage produced and sold in Thailand. One hypothesis of this thesis is that, nowadays sign value plays one important part behind the daily consumption of beer.

The framework of sign value is proposed by French academic Jean Baudrillard. He argues that people choose to consume goods which differentiate them from other consumers. According to Baudrillard consumers nowadays spend money not only for the use value of the product but also for the sign value which responds to the economic needs of projecting a certain image linked to status, lifestyle, taste etc. In the case of Thailand, this thesis will investigate the construction of sign value of different kinds of beer brands in the Thai market. While doing this, the thesis hopes to prove the hypothesis that different brands of beer try to project a different sign value in order to impact consumer spending on their particular brands. This will be examined through data collection (personal observations, studying of beer advertisements, interviews and questionnaires).

The focus is based on 5 selected brands (*Heineken, Chang, Leo, Singha and Cheers*). These brands differ in terms of price from the deluxe (Heineken) to the cheapest (Leo) and are thus consumed by a certain kind of income group. The final part of this thesis will investigate the several factors such as price, taste, and sign value which influence the choice of consumption of beer in Thai society.

## 1.2 OBJECTIVES

As we will see later, the emergence of beer as a product which appeals to a wide range of people is quite recent. This can be seen in the increasing amount of beer being sold and consumed over the last years. Starting from the early 1990s many new brands have been introduced into the Thai beer market to cater to each segment of society. So far not much research has been done in English books or articles on this phenomenon with the exception of some works on the early history of beer focusing on the consumption of beer as a beverage produced and sold in Thailand.<sup>1</sup>

The objectives of the thesis are, to study the sign value of beer and moreover to study the consumption of beer in Thai society. The hypothesis is therefore that sign value plays an important part in daily beer consumption and are so one reason for the increasing beer consumption. The new law against the alcohol advertisement by the new government aiming to reduce alcohol consumption within the public, can be regarded as step which supports this hypothesis. The framework of sign value as used in this thesis is proposed by the French academic Jean Baudrillard. He argues that people choose to consume goods which differentiate them from others. According to Baudrillard, the modern consumers spend money not only for the value of the goods but also for the status (sign value) which it represents. In order to investigate the importance of sign value behind the consumption of beer in Thailand, this thesis will focus mainly on five famous beer brands which are in name; Heineken, Singha, Chang, Leo and Cheers. In these cases the author will investigate the construction of sign value behind the named brands. While doing this, the thesis hopes to prove the hypothesis that the different beer brands try to project a different sign value in order to impact consumer spending on their brands.

This however is only one aspect of this study on beer; the second will deal with the general reasons for consumption of beer in Thailand. In order to fulfill this task the thesis incorporates the result of a questionnaire which was distributed to one hundred and twenty Thai people in three different locations of Thailand.

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<sup>1</sup> The name Siam was changed into Thailand in 1939. To avoid confusion this thesis will use Thailand when referring to the country.

### 1.3 LITERATURE REVIEW

Information regarding beer in Thailand was not available in large quantities while on the other hand, only some aspects rather than the real topic were covered. Concerning the chapter about the history of beer, it was impossible to find literature which exclusively writes about the history of beer since its early beginnings. In the magazines and pamphlets of Boon Rawd Brewery, brewer of Singha beer, an extra part about the history and development of Boon Rawd Brewery and its brands such as Singha has helped to record the history of Thailand's first Brewery.

However, for information dating earlier than that, the book **The Making of a Legend** (1993), published by Thai Asia Pacific Brewery Co., Ltd. was useful and provided some information especially about the first emergence of beer in Siam (Thailand). However since this group is brewing Heineken beer, little or no attention was devoted to its competitors. In the case of Carlsberg Beer, the article **Carlsberg Brewery (Thailand) Co., Ltd.** (1993), a special publication of the Bangkok Post was helpful to read about the development of the company as well as to get a good introduction of beer brewing.

Perhaps the best and most comprehensive study about the emergence of beer until the establishment of Boon Rawd brewery was by Japanese academic Makoto Nambara (2004), her research paper entitled **The Beginning of the Thai Beer Industry** is an excellent work about the beginning and developing of the early Thai beer history, judging from an economic point of view, her statistics and tables about the import of beer in the period of the early 20<sup>th</sup> century.

Literature within the timeframe of 1940s to 1970s regarding the development within the Thai beer market is almost non-existent, since at that time the Thai beer market was dominated by Boon Rawd Brewery and its flag ship Singha beer, the company's pamphlet was however very useful. Moreover out of interviews of people, especially those living in the outer provinces, it is known that they could not afford to buy beer but had been introduced to beer due to the American involvement in the Indochina conflict. The Thai beer market started to prosper from the middle of the 1980s which coincided with the start of a decade in which Thailand experienced significant growth due to an economic boom.



Two books **Thailand's Boom and Bust** (1998) and **Thailand's Crisis** (2000) explain the events which contributed to Thailand's economic growth. As we will see later, the changes due to this economic boom were vital for the increase of beer consumption.

A very good article about the changes in the Thai beer industries in the 1990s called **The Beer Industry** (1999) is written by Pimpa Leksukhum. This article describes the changes in the law at that time which allowed foreigners to enter in joint ventures with Thai businesses to establish more breweries and gives details about the fall of the monopoly of Boon Rawd brewery and the challenge for the Thai beer market.

Regarding the term sign value, the work of Jean Baudrillard (1999) - **The Consumer Society** is a evidently source for this thesis since the framework of sign value and its importance in daily consumption is defined by this scholar. However, Baudrillard argues merely from the point of a scholar of social studies and philosophy. Moreover the society he is referring to, a western country, France. In order to combine his theory of sign value behind beer, literature which covers marketing had to be used. In addition to Baudrillard, the book **Consumerism as a Way of Life** written by Steven Miles (1998) describes in detail about the events and development which finally led to the establishment of a consumer society. While the number on books about marketing is varied, some works which talk about the importance of (sign) value in marketing is for instance **Brand Marketing** (1993) by William M. Weilbacher who even goes as far to advise marketers to create values in brands whether they are for real or just an illusion in order to stimulate sales.

That marketing nowadays has become complex and due to globalization internationalized is something which Bernd Schmitt and Alex Simonson (1997) try to introduce to the audience. Their book **Marketing Aesthetics**, a term which both of them have invented, looks behind marketing from a creative outlook. To them marketing has much to do with looks, fashion and design. Thus, a creative logo, slogan or product can appeal positively to the consumer and so foster consumption.

Another scholar Tony Cram (2006) emphasizes the importance of pricing. Unlike many other marketers who advise lower prices in order to gain market sales from competitors, Cram argues that higher prices can be advantageous since the higher priced product will appeal to consumers as a superior brand simply due to its higher

price compared to other brands. Thus his book **Smarter Pricing** explains the importance of values and especially the price of these (emotional) values. While Baudrillard writes in his work explicit about the west i.e. France, Helmut Schuette and Deanna Ciarlante in their book **Consumer Behavior in Asia** emphasize both the importance that consumer behaviors vary from culture to culture i.e. Asia versus the West. This has led the author to use books such as **Branding in Asia** (2000) and the first **Book about Thai advertisement** (1998) to get a wider knowledge about Asian (marketing) culture. These books and articles together with other various studies which, due to limited time and space could not be mentioned here (see reference) provide the mainframe for this thesis and thus a vital part of the research methodology.

#### **1.4 RESEARCH METHODOLOGY**

As mentioned above, the collection of various kinds of literature and articles was the main part of the research. It nonetheless would not have been possible to complete this thesis without using other tools. One important tool was to visit places where beer is consumed. From various visits of places such as bars, restaurants and beer gardens where personal observations and interviews have taken place, many other vital information and impressions could be collected. Such kind of observations, have helped to shape the awareness of the importance and existents of a Thai (drinking) culture. In general one can see that Thai people enjoy drinking beer together i.e. sharing a bottle of beer with friends, similar to what they do while eating food. Moreover marketing i.e. sales stimulations takes place are often implemented by beer ladies who get a commission from the brand she represents. In Germany for example, mostly people order their beer fresh from the tap for individual consumption instead of buying a big bottle (in Germany there are only 0.33 and 0.5 liter beer bottles available) which can be used for sharing purpose.

Since one part of this thesis is about the sign value behind the beer brands, it became necessary to collect various advertisements such as from television, magazines, and the internet. In Thailand Billboard advertisement are widely used in cities and villages and most of them are placed in front of restaurants, pubs or beer gardens. Thus

they are visible to all people no matter whether they watch T.V or read magazines. What the author simply did was it to drive around and take pictures of those billboards in various places. That billboards in Thailand actually reach the many parts of society was confirmed by the people in the survey where even more people have seen the beer ads on the billboards while only some in magazines. These billboards are included in Chapter IV about Sign value. This thesis then tried to investigate the message behind the advertisement in order to understand the sign value which the brand represents to the people i.e. customer or simply how this brand tries to appeal in public. However since the author of this thesis is foreign it became difficult to get the information alone. In order to collect more opinions and suggestions especially from the Thai people, the author has watched and later on discussed the advertisements together with Thai friends. Out of these discussions it became obvious that different cultural backgrounds shape different perceptions and without the help of local people the part of the sign value would not have been understood.

It also required doing informal interviews such as asking people when they came in contact with beer for the first time. On the other hand people have also told the author about their opinions and ideas related to beer and alcohol. Thereby the biggest problem for the author was it to get the right information directly from the breweries and advertisement agencies which at the end have led to some problems. So was it, for instance, impossible to get information directly from the breweries who did not reply to e-mails. The same was true for the advertisement agencies. Luckily it was possible to put together a questionnaire in Thai which however at the end required the help of native Thai speakers in addition. Thus it became clear within time that in order to study in Thailand and moreover, to write about Thai society and culture one should be able to speak, read and write good Thai but also understand cultural contexts.

Since the term sign value is merely a technical-academically term, the answer in the questionnaires (see appendix) needed to be created so that people could easily deal with the questions while the interviewer on the other hand, had the possibility to find the real meaning. In a total, one hundred and twenty questionnaires were distributed in various places in Thailand in order to get a feedback of the Thai people and learn more about the main reasons behind consumption of beer in Thailand as well as to see how important sign value at the end is. Since time and budget was limited the author has

chosen three locations in Thailand where forty questionnaires each were distributed. The first location was Bangkok which not only is the capital but as the author believes the city where the mainstream and newest changes can be observed best. Together with the help of a Thai friend the author has distributed forty surveys to guests in bars at the Rangnam area. Later on forty other surveys were distributed each in Lopburi and Ubon Ratchathani where the author went to bars and restaurants and distributed there the surveys among the guests. Thus, at the end this survey took place mostly in urban areas. However, as a matter of fact the vast majority of Thai people is living in rural areas and perhaps as a result of this the author had for example difficulties to find many Chang beer drinkers but many Leo beer drinkers. The author nonetheless hopes that the reader will enjoy this thesis and can see trends about beer consumption in Thailand, especially in urban areas



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## **CHAPTER II**

### **BEER IN THAILAND**

#### **2.1 BEER**

Before we talk about the history of beer in Thailand, let us first examine the product which is the main subject in this thesis. This thesis will therefore look briefly to the characteristics and history of beer. The origin of beer is still unknown since it can be traced back many thousand of years and is linked to civilizations which have long disappeared. However we know that, 3500 years ago, in the area of what is now the Islamic Republic of Iran; a drink similar to beer was produced.

Beer was since 1600 B.C brewed in central Europe in the area of Germania (presentday Germany). With the changes in religious beliefs from the Nordic gods to Christianity, beer was brewed mostly in monasteries in southern Germany, Switzerland and Austria before it spread throughout the German states and other European countries respectively.

Over the centuries breweries have changed, the art of how to brew beer and moreover which ingredients are used can be traced back to the law about beer brewing of 1516 which again, was implemented in Germany first. Beer is categorized as a fermented alcoholic drink, and there exists two types of beer. The first type is bottled and canned beer. They are pasteurized beers and can be stored for a long period. The second type is draft beer. This beer is not pasteurized, so the storage period is limited to one week only and has a better and fresher taste.

In the case of Carlsberg beer (Carlsberg 1993: 14) which belongs to the first type, barley is steeped in water and germinated into green malt. This green malt is dried and later on crushed in the brew house. There, it is mixed with water and heated gradually to 76° C. in the mash coppers. In the mash filters spent grains are separated from the wort which is sold as cattle fodder. The wort is cooled in plate coolers and pure yeast is added. Fermentation takes place in vertical outdoor fermenting tanks.

The produced beer is stored and matured for two weeks after which it will be clarified in the beer centrifuges, and then filtered in filtration rooms. Traditionally beer

is sold in bottles, cans or can be consumed fresh from the tap. In general beer has an amount of circa 5% alcohol. Beer in Thailand however has in some cases an alcohol amount of 6% and more. This is because of the tropical temperature which can give beer if brewed with a higher percentage of alcohol a better taste.<sup>2</sup>

Since many countries, especially those in central Europe have their own history and tradition of brewing beer, various amounts of beer varieties can be found around the globe. Indeed beer is very important in certain cultures; the varieties which are available are not only huge but moreover embody customs and traditions of various groups of people. Among these beers are for instance:<sup>3</sup>

- Ales- various colors, bouquets and tastes. Originated in England, Scotland, Holland, Belgium and northern Germany.
- Altbier- brewed in cities of western and northern Germany, Containing heavy yeast taste and high degrees of alcohol.
- Weizenbier-Made from wheat and popular in southern Germany and Austria.
- Pilsner- Originated from the town of Pilsen (Bohemia) in 1840. Light yellow in color, clear and sparkling.
- U.S and Canadian beer similar to Pilsner, one of the most famous is Budweiser beer.

As we could see, not only do there exist many varieties of beer but their origin is mostly linked to the West i.e. central Europe. Moreover many breweries have a very long tradition such as the German Paulaner brewery which was established in 1634.

In the case of Germany which is after the Czech Republic and Ireland the third largest consumer of beer per capita,<sup>4</sup> the kind of beer which is chosen by the people for consumption is mostly associated to a certain area or city. Thus one does not need to

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<sup>2</sup> However, another reason for this could be that in general Thai people prefer alcoholic drinks with higher percentages of alcohol such as whisky. And so the strategy of some beer companies could be to sell beer with higher alcohol content is simply a marketing strategy. If one examines the beer brands of the low income market, one will find that most of them show a higher percentage of alcohol than the brands in other segments. One possible reason for this can be that those beer brands do not only compete with each other but moreover with cheaper white liquors famous in the rural area.

<sup>3</sup> The beers have been chosen from the products of TFG Family see Thai Asia Pacific Brewery (1993), p.22.

<sup>4</sup> In 2004, the average Czech consumed 156.9 liter of beer, followed by the Irish 131.1 and the Germans 115.8. [www.kirin.co.jp](http://www.kirin.co.jp).

wonder if there are over 1279 breweries in Germany. While many of them only have a small beer output, there are however global players such as Beck's, Warsteiner or Paulaner. Germany is also the country where the oldest brewery still in production can be found dating from 1040 A.D. or almost 200 years before the establishment of Thailand's first Capital-Sukhothai.<sup>5</sup> This shows that compared to Thailand beer, is deeply rooted in German culture and tradition.

## **2.2 THE HISTORY OF BEER IN THAILAND**

Regarding Thailand, the emergence of beer as a beverage is linked to Western and Japanese influence respectively. If we want to talk about its emergence we can split the emergence of beer into Thailand roughly into two periods as we will see later. The first period coincides with the era of the modernization process under King Chulalongkorn (1868-1910). This era is the period in which beer gained access into the country and the beverage market, respectively. For the present situation, then we have to consider the second period, which started with the beginning of the boom years (1985-1995) as the economy of Thailand experienced phenomenal growth so various changes were impacting the country and its people. As we will see, both events were vital for the escalation of beer consumption among the Thai people. The process where new brands are emerging or disappearing from the market is however still an ongoing one.

However it becomes clear, that beer which was once purely a foreign product to the Thai people, has managed within the time to become a favorite beverage of the Thai people. Moreover since many beer brands are brewed in Thailand one could argue that beer has even become "Thainized" i.e. a product which nowadays is linked strongly to the country and its heritage as being Thai.

### **2.2.1 BEER AND MODERNIZATION**

It might be interesting to find out how beer actually was introduced into the country and moreover to its people. Since beer does not have its origin in Thailand, its emergence is therefore linked to the outside world.

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<sup>5</sup> [www.wikipedia.de/wiki/Brauerei](http://www.wikipedia.de/wiki/Brauerei)

Since Thailand was never formally colonized by any Western power we can say that beer is not a legacy of foreign imperialism or colonialism but actually an “outcome” of the modernization period which started from the middle of the 19<sup>th</sup> century when Siam was challenged by two western powers i.e. Great Britain and France respectively. This challenge which also could be seen as a serious threat to the nation’s autonomy was thus one of the main historical and political factors leading to the beginning of modernization in Thailand (Wyatt 2003: 169). This chapter aims therefore to provide an overview about the changes within the Kingdom to show how modernization in Thailand was implemented and how this provided the context for the entrance of beer into the country.

Beer played only a minor role in the 19th century and was mostly consumed by westerners. These were mostly the people who came to Siam because of trading purpose or as experts in order to help with their skills and knowledge to modernize the country. Scholars like Wyatt (2004) regard French and British aggression as one of the main reasons behind the implementation of reforms under the reign of King Chulalongkorn and perhaps before him his father King Mongkut as well (Wiwat 1982: 15). But beside the external factors there were also internal ones. Thailand was beginning to modernize itself into a modern state which could show the west that it was not a backward country anymore.<sup>6</sup>

Already under King Rama III, signs of modernization could already be seen but were nothing compared to what would happen later. At that time many protestant missionaries especially from the U.S. had arrived in Siam. Missionaries from the US included Mr. Dan Bradley who, brought the first Printing Press to Thailand and moreover worked as an adviser for the Royal government. He was also the same person who introduced modern medical equipments and methods into Thailand (Wiwat 1982: 79).

If we talk about the picture of Bangkok before the reign of King Mongkut (1851-1868) however, we have to imagine a city which was only accessible by boats and thus linked by canals. Under the reign of King Mongkut the first road (*Charoenkrung*) was constructed and within only some decades more followed.

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<sup>6</sup> According to Tuck, King Chulalongkorn thought that if Thailand would become a modernized country than other western powers would hinder the British and French respectively to colonize the country since it would be appeal as an equal civilized nation.



King Chulalongkorn began his reign at the young age of 17 and had to struggle hard for many years before he could assert himself and implement his ideas into a policy program.<sup>7</sup> Some scholars even compare the reforms of King Chulalongkorn to the Meiji reformation in Japan (Likhit 1985: 5).

Like in Japan, so did the Siamese court hire foreign expatriates and moreover saw the arrival of foreign visitors, missionaries, scholars and businessmen. Moreover, Chinese miners and workers were encouraged to migrate to Siam in order to increase the workforce. King Chulalongkorn was the first Siamese King ever to travel overseas which helped widen his knowledge about the western powers tremendously.<sup>8</sup> Contact and trade with the outside world had increased since the Bowring Treaty (1855) and would increase more within time.

Regarding the status of missionaries, especially that of Americans entering the Kingdom in greater numbers, unlike the most French catholic priests before them, they were not only looking to convert Thais into Christians but tried to establish schools, working as doctors and even as above mentioned, opened the first printing press in Thailand in order to bring improvements for the people.

By the end of the Reign of King Chulalongkorn, Bangkok already saw the emergence of western architecture, the opening of railroads, telephone connections, the establishment of companies (teak and rice) etc. Moreover during this period of reforms many new government ministries were created and some of them were even headed by foreigners.

If when considers the issue there is also need to consider the arrival of large numbers of Chinese migrants. Every year Thailand saw an increase of Chinese migrants who left a life of poverty in mainland China and were looking for new opportunities in overseas countries. These people were industrious and hard working and some of the more enterprising ones opened business companies such as rice mills or went into trade. Thus Bangkok was beginning to transform itself into a thriving metropolis with many foreign communities.

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<sup>7</sup> King Chulalongkorn had to struggle against various fractions within the Thai nobility such as the conservatives, Kullada (2004), p.57-59.

<sup>8</sup> King Chulalongkorn had visited various European countries such as Great Britain where he was shocked to see the poverty stricken suburbs of London. Wyatt (2004), p. 197.

As the next chapter tries to point out, all these changes were the reason why byproducts such as beer could emerge and moreover managed to stay within the country which eventually would even lead to the establishment of Thailand's first brewery.

## 2.2.2 THE EMERGENCE OF BEER IN THAILAND

The emergence of beer in Thailand is, as we have seen, linked to the outside world. The first evidence of beer (Dutch) which is documented dates back to the period of the reign King Narai of Ayutthaya.<sup>9</sup> At this time beer was consumed and introduced by the Dutch and perhaps the British who were trading with Ayutthaya under the Dutch and British East India Companies respectively.

However, as the same documents point out, beer was not a product for the Thai people but rather for the foreigners who came as sailors or traders. This fact did not change until the signing of the Bowring Treaty of 1855 that aimed to link Siam to the world market. Before that time foreign beverages were very expensive and so used by the nobility and wealthy people only while the local population mainly used local spirits or cheap Chinese liquor.<sup>10</sup>

The first written evidence about the emergence of beer in daily Siamese life was in the reign of King Chulalongkorn (1868-1910). As we have seen described above, life in Bangkok became more cosmopolitan and so did its taste for food and beverages as well. We know that in an English newspaper in the year 1884 an advertisement was placed offering to sell German beer.<sup>11</sup> But since it was in English and moreover advertised together with other western products we can speculate that its aim was mainly to attract western customers.

At that time beer had to be imported exclusively and was so a very expensive beverage even for the foreigners living and working in Thailand.<sup>12</sup> Within some years however advertisement for beer was seen more frequently in Bangkok newspapers.

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<sup>9</sup> In his journal, *La Loubere*, the French Ambassador from the court of Louis XIV, wrote in 1687 that Dutch beer fit very well to the climate of the Indies. See: *The Making of a Legend* (1993), p.81.

<sup>10</sup> Up to the early Rattanakosin Period, Thais preferred to consume local spirits, the producers were mostly Chinese. However in many cases, spirit which was distilled illegally in China came to the Thai market where the cheap spirit created health problems and drunkenness. See. Wiwat (1982), pp.28-32.

<sup>11</sup> This advertisement by Falck&Beidek which was the name of a store making commercial for several western goods such as brands of German Premium beer. *The Making of a Legend*. p.82.

<sup>12</sup> According to a German businessman in Thailand at that time before the opening of the first railroads, beer was expensive and even for westerners barely affordable. *Ibid.*, p.82.

According to the American Ambassador John Barret (1893-1898) beer was obviously much better suited to the tropical climate in Thailand than other spirits and importantly as he points out, was also a favorite among the Thais.<sup>13</sup> If we consider however the fact that he was communicating with people of the upper class mostly, than we have to assume that beer was consumed exclusively by the wealthy and noble Thai elite.

Beer started to become a beverage available in the outer provinces due to the construction of railways and roads when it was sold to foreigners and wealthy Thais respectively. After the modernization process had taken place, with the result that Thailand was now equipped with good systems of transportation, telegraph, western education etc, many of the former foreign experts were now replaced with skilled and educated Thais.

Interestingly however, beer did not disappear from Thailand but as we will see, the importance as a beverage among and for the Thais was increasing. However until the early 1930s it was strictly a product which was imported from overseas countries. Besides imported beer from western countries such as United States, Germany and England, beer from Japan also found its way into Thailand. Brands such as Sapporo and Asahi which is still available on the market nowadays as well as Malaya's Tiger beer could be bought at that time.

It is said, that Rama VI (1910-1925) who had been educated overseas (England), personally consumed beer (German Royal Beer) and in the reign of King Rama VII (1925-1934) Thais were seen consuming beer on many occasions (Making of a Legend 1993: 82).

Around the same time drinking houses were established in Bangkok. These houses however were mostly operated by Chinese who sold western and Chinese spirits respectively. Among the western spirits and beverages however was also beer (Ibid: 83). It would take however until 1929 that the first western style bar was in operation, called the Nai Lert bar. The history about this bar is however unknown since it had to close down due to the outbreak of the Second World War.

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<sup>13</sup> The beer came from American cities such as Portland, Seattle and San Francisco. Ibid., p. 82.

### 2.2.3 THE ESTABLISHMENT OF THE THAI BEER MARKET

Until the early 1930s beer was exclusively an imported product. Thus since the first documented newspaper advertisement in 1884 beer was still a foreign product for almost fifty years. According to the statistics we can see for instance that in 1922/23, 356,298 liters of beer were imported for a price of 251,762 baht. This would mean that one liter of beer at that time cost roughly 0.71 baht. Moreover, during the same time a total of 2,197,349 liters of Chinese wine (Samshu) was imported or a value of 1,184,832 baht or 0.54 baht per liter, thus cheaper than beer ( Makoto 2004: Table 2,pp12-13).

If just for numerical purposes, we assume that in the same year one person drank 2 liters of beer per month than the annual consumption of beer would have been 24 liters. Dividing it by the amount of imported beer in 1922/23 than it could have been used by roughly 14,845 people. Thus the consumer group at that time was relatively small. One reason for this could be that most beer came from nations such as Germany, England and Denmark where prices, because of long distance transportation costs, were high.

Ten years later, however, the picture looked reversed. Beer imports went up to 1,089,306 liters but the value was now only 360,923 baht. Thus a liter of beer at that time only cost 0.33 baht or 50% less than ten years ago. On the other hand, the import of Chinese wine decreased to only 333,109 liter or a value of 214,238 baht or 0.64 baht per liter and thus more expensive than beer (Ibid: 13). Taking the same 24 liters per person than the amount of exported beer than, it would have been consumed by almost 45,387 people or an increase of more than 300%. This is another sign, that beer from then on had to be consumed by larger groups of Thais and was thus a favorite beverage among several Thais at that time already.

The main reason for this phenomenon is linked to the Japanese “attack” on the Thai beer market. Within only a short time Japanese beer managed to become the market leader which, was due to its cheaper prices compared to the Western countries.<sup>14</sup> With its transformation and modernization into a developed industrialized country, Japan was looking for new markets to sell its products. In the case of beer we can assume that despite the small size of the population Japanese beer companies still

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<sup>14</sup> The price for one liter Japanese beer in 1932 was only 0.19 baht compared to 0.51 baht for the British one. Ibid, p.16.

regarded Thailand as a lucrative market. Already in 1932, Japan had become the main exporting beer country for Thailand.<sup>15</sup> Moreover, since it took as many as 40 days from Western Europe to Thailand by boat, the quality and thus the taste of beer had suffered during this long journey while the shorter route from Japan to Thailand made Japanese beer not only cheaper but also gave it a better and fresher taste.

These changes however leave space for interpretation and one might doubt that those westerners living in Thailand switched their beer attitude away from western toward Japanese beer. Thus Japanese beer mostly would have been serving Thai people and to a small extent Japanese who lived in Thailand in the early 1930s.

## **2.2.4 THE ESTABLISHMENT OF THAILAND'S FIRST BREWERY**

While 1932 marks a very important year for the country when its political system changed from absolute monarchy to constitutional monarchy, in 1933 the first license to brew beer was awarded to a Sino-Thai businessman.

These political changes enabled *Phraya Phiromphakdi* the possibility to establish Thailand's first brewery which is still nowadays known under the name ***Boon Rawd*** Brewery. Phraya Phiromphakdi was born on October 13; 1872. His life was full of ups and downs before he would emerge as one of the well known business figures at that time.

Regarding his interest in beer, it is said that he was inspired by the taste of German beer, which gave him the idea to set up a brewery in Thailand (*Making of a Legend* 1993: 83). Moreover, many journeys had led him to Germany where he had visited breweries and moreover had bought technical equipment which he had led shipped back to Thailand. However it was not an easy task at that time for him and he had to fight hard in order to make his dreams come true. In 1929 he signed a contract with the manager of the German company, *Paul Pieckenpack* to consider beer bidding to the Thai government which at that time was still represented by the King. This Thai-German joint venture managed to put a budget of 500 000 baht together, at that time an enormous sum.<sup>16</sup>

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<sup>15</sup> Japan ranked first after it had replaced Germany from the top position. Ibid, p.18.

<sup>16</sup> The largest company at that time in Siam was the Siam Cement Co., Ltd which was established with a capital of one million baht.

In 1931 he submitted a petition to the King asking for permission to set up a brewery. One of his major arguments was that Thailand could save up to 80% of the money which left the country annually due to beer imports. Moreover, jobs could be created in which Thais could find employment. However as a matter of fact and as we have seen above, due to the cheaper Japanese beer, the amount of money leaving the country was much less than ten years earlier. Perhaps, the main reason for him was that the beer market was already very lucrative to make profits.

Incidentally however, Phraya Phromphakdi was not able to obtain the necessary license immediately since it was necessary to obtain the approval of the King and Ministry of Finance respectively, problems about the alcohol tax, the machinery as well as others things arose such as the important of ingredients. The outcome of this struggle was that he was permitted to brew not stronger than with alcoholic content of 7 percent. After the 1932 revolution took place, the new government decided that the tax was at 10 satang per liter and the main problem for him was thus solved.

Finally, in April 1933 after many years of struggle and various journeys overseas, Phraya Phromphakdi established the Boon Rawd Brewery Co., after shares were sold and the brewery was constructed, the first (Thai) beer left the assembly line in March 1934. In the first year the company had a production capacity of 30 000 bottles per day. Due to this, the domestic production of beer was from then on higher than the amount of imported beer (Makoto 2004: 25).

Among the first brands which were produced were “Golden Kitty” and later on “Sing(ha)” which is thus the oldest still existing Thai brand nowadays. Interestingly, regarding the famous Singha logo it is said that the company had started a contest in Thailand in which people would send proposals whereby the winner would receive a 1,000 baht prize. Out of 2,000 proposals the lion was finally selected from a proposal of a Chiang Mai resident and became the trademark logo in 1939.

During the first years, the company had to struggle hard in order to survive. World War II made it especially difficult for the company to sell their products but moreover to import barley and grain which are essential to brew beer. Learning from their experience the company therefore was looking for possibilities to cultivate these crops in Thailand in order to become less dependent from imports. After many years of tests and research, the company finally succeeded to cultivate barley in Chiang Rai district

where the weather is suitable for the growing of the plant. In the 1990s already 10 000 *Rai* ( $Rai=1600m^2$ ) were under the cultivation and more crops and fruits were planted for economical purpose too.<sup>17</sup>

Moreover the company has established the first malting processing factory (Chiang Mai) in Southeast Asia. Mr. Prachuab BhiromBhakdi, who headed the brewery for almost 50 years is also believed to be the first Thai brewing master and so the founder of Singha beer.<sup>18</sup>

Until the early 1990s Boon Rawd Brewery controlled over 90% of the Thai beer market because it had the monopoly. In 1993 its total output was 350million liters while two percent of this amount went into export. Thus Singha beer is not only a domestic but also international brand. During this time the beer market in Thailand already began to boom. As we will see it was the economic boom which brought development and dynamic for the country but also for the beer market. Within the years to come, Thailand would see the establishment of several large breweries which in the case of *Thai Beverage* with its flagship *Chang* beer even managed to gain the top position in the sales of beer.

## **2.2.5 THE THAI BEER MARKET BEFORE THE ECONOMIC BOOM**

After the first brewery was established in Siam (see previous chapter) Thailand as well as the entire of Southeast Asia soon saw the emergence of the Second World War. During the War, beer output in Thailand was in decline.<sup>19</sup> Moreover despite the fact that Thailand first declared its neutrality in the war,<sup>20</sup> Japanese de facto occupation brought enormous economical problems for the country. Since Boon Rawd at that time was still dependent on malt and other grains which needed to be imported from overseas, Japanese maritime power brought the business during that time almost to a halt. After

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<sup>17</sup> Boon Rawd is also producing beverages such as drinking and soda water as well as fruit juices. Boon Rawd (1993), p.18.

<sup>18</sup> Mr. Prachuab Bhirom Bhakdi was studying the ancient art of beer brewing at the famous University of Munich Ibid, p.22.

<sup>19</sup> The de quasi occupation brought enormous financial problems for the state and the people so luxury goods such as beer were unaffordable for the average Thai. Moreover the Japanese had brought their own beer with them.

<sup>20</sup> One can argue whether this is true or not since Field Marshal Phibun had declared war to the Allies which however the Thai Ambassador in Washington, Semi Pranoj did not deliver the declaration to the President and moreover declared Phibun`s statement as illegal and unrepresentative of the Thai peopled wishes. Wyatt (2004), 24.

the end of World War II, the world would be divided ideologically what came to be the Cold War. Thailand unlike some other Southeast Asian countries established closer links to the US.

The partnership between Thailand and the US was strongest during the dictatorship of Field Marshal Sarit Thanarat (1958-1963). Thailand would become the base for the U.S troops in their war against communism in Indochina and moreover would receive enormous military and financial aid.<sup>21</sup> Due to the large numbers of U.S soldiers and military staff that came to Thailand and brought with them their thirst for western beverages, bars and other entertainments which sold beer to the soldiers spread across the country. As a result Boon Rawd and its Singha beer could now make a profit from the Soldiers and thus recover from the hard times during the period of Japanese occupation.

Bars were opened in the cities where U.S airbases were located (mostly in the Northeast) and places like Pattaya (a former fisher village) was developed in a city famous for its nightlife and attracted so many soldiers as a place for rest and recreation. However after the American policy changed and the U.S decided to remove their troops from Thailand, many bars lost their customer base. Since beer and alcohol was still pricy at that time and the economy suffered enormously, tourism was promoted in the 1980s to receive hard currency from overseas travelers. Due to the increase of tourists, many bars and other establishments reopened and the amount of consumed alcohol increased again.

Until the early 1980s however, Thailand's economy despite the increase of tourism still lagged behind other Asian nations which showed a much higher GDP growth, and compared to them the Thai economy even slowed down. According to Pasuk and Baker (1998;2), between 1984-85 Thailand stood short before the emergence of a crisis of recession and political disorder- a bad sign for the economy as well as for the Thai beer market.

However, within only a few years, the economy of Thailand saw a boom coming. This economical boom plus the liberalization of the beer market in 1992 by the government which hitherto was monopolized by Boon Rawd and Thai Amarit brewery

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<sup>21</sup> Chaloenmtiarana, Tak. (1979), *The Politics of Despotic Paternalism*, Bangkok: Thammasat University press.



respectively brought an enormous push to the beer market which until the present has not changed so far.<sup>22</sup>

## **2.2.6 THE ECONOMIC BOOM YEARS**

While the emergence of Thailand's beer market as well as the establishment of its first brewery can be linked to the process of modernization, the emergence, the increase and emergence of other breweries and brands can be linked to the boom years and the development of the country. As this chapter will try to prove, this boom brought not only economic growth to Thailand but also enormous changes for and within Thai society which simultaneously helped to foster the beer market.

During the boom years, Thailand would, according to Pasuk and Baker (1998) face the emergence of stronger cleavage lines between the classes. This new class structure is important if we want to investigate the construction of sign value of beer and moreover, the consumption of beer in general. While before the boom, Thailand already had different classes, the largest population however worked in the fields. Within these boom years many things would however change. Some people became so rich for instance, that the amount of consumed Bordeaux wine per capita in Thailand was the highest on the world (Pasuk and Baker 2000: 129). The question may arise how this boom actually happened. As we have seen, the Thai economy was not in a good shape in the early 1980s but only some years later, the situation was totally reversed. The common reason for this lay in Japan.

In the 1980s Japan built up a huge trade surplus with trading partners such as the U.S, due to the weak Japanese Yen. The other major industrialized countries urged Japan to revalue the Yen since they considered it as unfair that the Japanese government was supporting a weak Yen which on the other hand made Japanese export goods much cheaper. Due to international pressure, Japan gave in and within a very short time the Yen rose to 89% against the dollar.

Thus, many Japanese manufacturers left Japan in order to search for low cost sites in Asia. While the four economic Tigers (Korea, Taiwan, Hong Kong and Singapore) were also facing higher currencies, countries like Vietnam, Burma and the

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<sup>22</sup> Compared to Boon Rawd brewery which, until 1992 hold 90% of the beer market, the Amarit group which distributed Kloster beer only placed a minor role. Leksukhum (1996), p.25.

Philippines but especially Thailand which due to the U.S Aid had a much better infrastructure than the others, became the new favorites for the Japanese firms (Pasuk and Baker 1998: 4). But it was not only Japanese companies which came to invest in Thailand but other Asian countries notably Taiwan as well. Moreover overseas companies would soon follow them. Thus foreign capital was pouring into the country and at the end multiplied ten times in 1985-1990 (Ibid: 3).

However it was not only foreign investment which pushed the Thai economy, thousand of local firms have joined in the surge of export oriented manufacture thanks to inexpensive loans from the banks (a fatal mistake as we will see later). While in 1980, three-fifths of export originated from agriculture, 15 years later, over four-fifths came from manufacturing alone. Another sign for this boom was the increase of value of the stock market. While in 1987 the Thai stock market was worth 138 million baht, only 6 years later it jumped up to 3,325 billion baht. Many people speculating at that time on the stock market managed to become rich within very short time and another class- the new rich class was created.

Another outcome of the boom was that much investment went into the establishment of heavy industries such as cement, petrochemicals, steel, power etc. As we will see later this also brought an increase of workers and laborers and moreover higher salaries and wages for the people respectively. Importantly for the development of the beer market moreover was the fact that the government liberalized the Thai beer market in 1992 (Leksukhum 1996: 25) While before that Boon Rawd enjoyed the monopoly, it had from then on to compete with other breweries in a more lively and competitive Thai beer market.

### **2.2.7 CHANGES WITHIN SOCIETY**

While economic growth was one major factor in the expenditure of the Thai beer market, social impacts within society such as the emergence of new classes was the other. As foreign investment poured into Thailand, industries<sup>23</sup> spread, and so did its people who left the countryside to find work in the new established industries. Thailand, which had previously been mostly an agricultural society, faced now large scale

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<sup>23</sup> According to Pasuk and Baker (1998), alone from 1993-1996 a new Japanese firm opened in Thailand every three days. p.36.

migration into the urban centers such as Bangkok where people found work in the newly established factories.

Whereas in the 1980s, 70% of the working population was still involved in the agriculture sector, the boom started to create new jobs and thus new classes. From 1984 to 1996, three million people went into the manufacturing sector. Interestingly, the number of women working in manufacturing sectors was higher than the one of the men.<sup>24</sup> In addition to the three million manufacturers, four million jobs in urban areas were created thus, bringing seven million people into the „working class”. Few of them had proper education but within the time skilled laborers were needed and thus education became important since it was a way to get a better chance for a job and to earn higher wages.

Until 1991 (Pasuk and Baker 1998: 96), the amount of workforce was so high, that wages remained stable (average of 90 baht per day). Thus at that time the bottle of beer of Singha would have been almost unaffordable<sup>25</sup>. From 1991, labor suddenly became scarce and due to this wages increased 8.2 percent annually and in 1994 the average wage per day was 130 baht or an increase of roughly fifty percent compared to 1991.

Due to this, industries which previously were established around Bangkok began moving closer to the outer provinces where a larger labor pool was available and wages tended to be lower as well. The government on the other hand tried to remedy the shortage of skilled labor and launched a crash program to extend secondary schooling. Within 6 years (1987-1993), the proportion staying on from primary school to secondary school rose from 33 to 63 percent (Pasuk and Baker 1998:146).

The same happened within the higher education sectors such as colleges and universities where the numbers in the same period rose from 8-13 percent or a total number of 659,000 students. While workers were essential for the production, university degrees such as in Engineering also became important. Within Thailand during the boom years, several private schools and universities opened to fulfill the demand of university educated people. While in the 1960s Thailand had a total number of 500,000 white collar workers, by 1991 the number had already increased to 4.5

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<sup>24</sup> One reason for this was that in many cases women got less paid than men.

<sup>25</sup> In 1992 the price for one bottle of Singha beer was 45-46 baht per bottle, thus one worker had to spend half of his daily wage for one bottle. See. Leksukhum (1993) p.27.

million. Those students who went overseas to study and receive a degree from a good university could easily find jobs. As in the case of architects and especially engineers, Thailand even had to take expatriates.<sup>26</sup>

The result of this is clear. Thailand and especially Bangkok had acquired a new large urban middle class who had aspirations, new values and new needs. Many of them had salaries which were close to western standard. On the other hand the workers who were part of the working class did not receive more than 5 dollars per day if skilled. However, Thailand at large had changed; even those working in the factories had made more money than previously as they were farmers. This money could be utilized for new products or sent back home to support the family members.

One popular consumer product at that time for rural people was the television. While in 1985, half of the rural folk already had TV sets by 1996 the number went up to 90%. Thus the rural people were watching the same shows and commercial spots like the people in the city and they would want to enjoy the same lifestyle like their urban counterparts (Pasuk and Baker 2000: 84). This at the end increased consumerism among the rural people enormously.

Bangkok which, had changed so rapidly over the boom years eventually became a city of sky scrappers, shopping centers and entertainment places. Of course, most of these entertainment businesses sold beer which was already widely available in the shops or supermarkets. This time however, the varieties of beer brands had increased and so had its consumers.

### **2.3 THE LAUNCHING OF NEW BRANDS IN THE THAI BEER MARKET**

Within the boom years, many changes took place and moreover many new things emerged or were created. In the case of beer, production increased between the years 1988 and 1994 at an annual average rate of 26.6%. In general we can say that there were two reasons for this phenomenon. The first one was the increase of wealth among certain groups. Secondly, due to the liberation within the beer market, Thailand would see the establishment of several breweries.

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<sup>26</sup> In 1997, 15,000 engineers were working in Thailand and the demand for the next years was 27,000 additional engineers within the next few years. Ibid, p.147.

The variety and moreover the competition in the beer market had resulted in cheaper prices for the consumers which on the other hand fostered consumption. Among the five brands I am focusing on, two brands were introduced during that time and are still popular among many Thai people and in the case of *Chang* beer even managed to gain the top market position from *Singha*.

### 2.3.1 THE DUTCH DELUXE BEER

The years 1992-93, would slowly mark the end of the dominion of Boon Rawd in the Thai beer which, for almost 60 years was “controlled” by Thailand’s first brewery. Under a joint venture between *Thai Life Insurance Group, Thai Pure Drink Co., Ltd., Thai Military bank and Asia Pacific Brewery Pte. Ltd. of Singapore*<sup>27</sup> the **Thai Asia Pacific Brewery Co., Ltd (TAPB)** was founded in 16 September 1993.<sup>28</sup>

This company brews *Heineken* beer for the Thai market under the license of Heineken Holland. However what many Thai people might not know, is that the Malaysian Tiger beer which reached the Thai market in 1933 was at that time the “Asian” version of Heineken.<sup>29</sup> Now however the world’s largest beer exporter has returned to Thailand. Together with the technical assistance of Heineken Holland and Asia Pacific Brewery of Singapore, a brewery was set up in Nonthaburi. While this brewery has a capacity of 100 million liters regarding the first years it started with an output of 40 million liters.

According to the President of this company, one of the major objectives was to introduce beer brands for Thai consumers at a reasonable price which previously had to be imported.<sup>30</sup> Mr. Heineken whose grandfather once brewed the first Heineken beer regarded Thailand at that time as Asia’s most dynamic and progressive economies, Thailand provides the perfect environment for the Thai Asia Pacific Brewery to grow in

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<sup>27</sup> This company has expertise throughout Southeast Asia and brews famous brands such as; Heineken, Tiger, Anchor and ABC Stout. See, *the making of a Legend* (1993), p. 2.

<sup>28</sup> This company already had existed under the name Thai Palit Sura Co., Ltd and was founded in March 1975. It started to produce alcoholic beverages and in 1986 received the license to sell imported beer in the 14 provinces of Southern Thailand. *Ibid*, p.89.

<sup>29</sup> In October 1932 the Malayan Brewery was set up with Heineken as partner. The name Tiger was chosen since it is a symbol of power and strength in Chinese culture. *Ibid*, p.65.

<sup>30</sup> *Ibid*, p.12.

a prosperous company, able to supply more and more Thai consumers with the premium quality Heineken beer.”<sup>31</sup>

Here we can see that the boom and development within Thailand at that time had changed Thailand into an attractive market which due to the liberalization policy of the government attracted foreign beer companies. Regarding Dutch beer, as we have seen in the first chapters, it was the first beer ever recorded in Thai history and now after more than 300 years it would return the country under the brand name Heineken.

### **2.3.2 THE DANISH-THAI ELEPHANT**

Carlsberg beer, the largest Danish brewery started to sell its beer in Thailand as early as 1903. In 1934, two years after the political changes in Thailand, King Rama VII and his wife visited the brewery grounds in Copenhagen where in order to honor the royal guests a special brand, “Royal Siam Lager” beer was brewed but only for that special occasion and not for the market (Carlsberg 1993: 2).

It would however take almost 60 years before Carlsberg went into a joint venture in order to produce its beer directly here in Thailand. In 1992 Carlsberg Brewery (Thailand) Co., Ltd was established. The investors at that time were led by Mr. Charoen Sirivadhanabhakdi<sup>32</sup>, The Thai Farmer’s Bank and Carlsberg International A/S of Denmark. The total amount of investment at that time was 555 million baht.

A new brewery was constructed in Wang Noi which lies in Ayutthaya province with an annual capacity of one million hectoliters of beer and another one million hectoliters for soda and drinking water. The first beer reached the shops and restaurants at May 30, 1993. That the fast development of Thailand was the reason for the entrance of Carlsberg A/S Copenhagen, Denmark to enter the Thai market, is shown in the statement of Mr Poul j. Svanholm who said

“Thailand is a country witnessing progress in all areas. Dynamics and stability go hand in hand, and especially in recent years developments in Thailand have won international respect” (Carlsberg 1993: 4).

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<sup>31</sup> Ibid. p.3.

<sup>32</sup> He is the son of Chinese immigrants, despite the fact that he never received formal schooling he nonetheless managed to become one the richest Thai nationals ever.

While much money and promotional efforts were done like the sponsorship of sport events such as the Thailand Open Badminton Championship 1993, things did not run smoothly as expected. While Carlsberg managed to gain 25 percent of the Thai beer market Boon Rawd Brewery the hitherto largest and only brewery in Thailand started an aggressive marketing campaign which implied that drinking of foreign brands was unpatriotic.<sup>33</sup>

In 1994 Charoen and TCC started their own brand *Chang* beer under the supervision of Carlsberg, which had 6% and thus more alcohol than previous beers and moreover cheaper prices which so attracted the working class.<sup>34</sup> During the years, Charoen and its TCC group tightened the cooperation with Carlsberg Brewery and in 2000 an equal 50-50 joint venture was established under the name Carlsberg Asia limited.<sup>35</sup>

However after Chang beer became a hit and the TCC Company managed to gain a large market share of the beer market she, split away from Carlsberg after it came to disputes in 2003.<sup>36</sup> As we will see later, Chang is one of the strongest brands in Thailand nowadays and has even managed to become the sponsor of an English premier league football team.

## 2.4 THE CURRENT SITUATION OF BEER CONSUMPTION

Within a relatively short time, beer has become one of the favorite beverages for the Thai people. As we have seen, even in the early 90s beer was still considered as a luxury item and almost exorbitant for the large segments of society, speaking about present Thailand, the picture has so totally changed.<sup>37</sup> Each place where beer can be bought or consumed offers a variety of beer which attracts various groups of people. A bottle beer of the brands *LEO* and *Chang* cost roughly 30-35 baht per 0.66 liter, while

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<sup>33</sup> [www.thaipage.ch/journal/seite\\_144.php](http://www.thaipage.ch/journal/seite_144.php)

<sup>34</sup> [www.kwrintl.com/library/2001/8-16-01a.html](http://www.kwrintl.com/library/2001/8-16-01a.html)

<sup>35</sup> Ibid.

<sup>36</sup> [www.forbes.com/forbes/2005/0328/028a\\_print.html](http://www.forbes.com/forbes/2005/0328/028a_print.html)

<sup>37</sup> The price of beer has due to the emergence of cheaper brands such as Chang and Leo and nowadays the very cheap Archar Beer has made beer affordable to lower income classes. While in the beginning of 2000, one worker almost had to spend half of his wage for a bottle of beer, in the present this has decreased to one sixth.

more exclusive brands such as *Singha* 45 baht per 0.66 liter and, the more exclusive brand of *Heineken* 56 baht respectively.<sup>38</sup>

Moreover the Thai beer market has become attractive for foreign brands which are trying to gain a share of the market as well. Due to the popularity of beer and the opening of large numbers of beer gardens, Thailand has joined the rank of one the world's leading beer consuming nations. In Thailand however, beer gardens or restaurants where beer is sold, an own kind of "beer culture" has been established.<sup>39</sup> Compared to a German beer garden beer has become much more commercialized. While in Germany the beer garden is a place where one can relax, communicate and enjoy drinking its beer, the situation in Thailand is different.

The German observer will realize that "beer-girls" often dressed in short skirts with the name of the brands will come immediately, after the customer has taken his seat and ask whether he will order the beer which she represents. Moreover, many of these women are in their early 20s are not only much younger than the average German waitress but also wear a different outfit. While the traditional German clothing of the waitresses in southern Germany for instance are linked to tradition and customs the outfit of the "waitresses" in Thailand represents the colors and logo of the beer. Moreover many of these beer gardens feature entertainment such as live music and football games on screen.

While the city of Munich in Bavaria is world famous for having its *Oktoberfest* which actually starts in September, Bangkok is nowadays famous for having its "November fest". Since November is the month when weather is cooler and Thailand's beer season starts, the "entire" city will change into a big beer garden. Tables and chairs are brought out onto the streets and fresh beer can be bought directly from the tap. While beer of course is not only a phenomenon in Bangkok, this large city is however famous for featuring a lively atmosphere and the (beer) season last until mid January.<sup>40</sup>

During the last 10 years, Thailand has experienced a continuous rise in the sales of beer and other alcoholic products. According to the research center for alcohol related problems, in 1998 the country was ranked 50th in the world for overall alcohol

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<sup>38</sup> These prices were taken from the Big C super center in Bangkok, Ratchathewi Street on 28.09.2006.

<sup>39</sup> The notion of a "beer culture" which unlike Germany where it is widely known to refer to it as the culture which has been created around beer. Part of a beer culture is for instance, the way how beer is consumed, and the look of the beer gardens, outfit of the waitresses and so further.

<sup>40</sup> Source: [www.discoverythailand.com/Bangkok\\_Beer\\_Garden\\_Festival.asp](http://www.discoverythailand.com/Bangkok_Beer_Garden_Festival.asp)



consumption. Within years the pictures changed and while it was 44th in 1999, 43rd in 2000, it moved even further up to 40th in 2001.<sup>41</sup> Beer is one main reason for continuing to this phenomenon. In the case of beer, the consumption per capita went from 9 liters in 1994 up to 19 liters in 2001. In the same year beer already represented 16% of the total alcohol consumption.<sup>42</sup>

In the following years beer consumption in Thailand increased at a high level and in 2004 Thailand already ranked 20th on the list of the worlds major beer consuming countries with a total consumption of 1,625 billion liter. In the previous year 2006, according to Thai Asia Pacific,<sup>43</sup> 1,875 billion liter of beer was consumed bringing the sales up to 95.8 billion baht. Even while some experts are skeptical towards the growth of the beer sales<sup>44</sup>, it might be possible that within the next two years, Thailand might hit the 2 billion liter level. For the state and government the repercussions of increase in beer consumption is two fold. Positive for the state is the increase of tax revenue which is of course collected by the government. In Thailand, the government levies 3 different types of taxes. These are; excise tax, value added tax, local tax and surcharge on sprits earmarked for national health Promotion Found. If the alcohol is imported than in addition customs duty has to be paid (Somchai 2005: 34). Figure 1 shows us that regarding the taxation of beer already brings the largest revenue for the government.

**Table 1:** Total tax revenue collected from liquors by the Excise Department 1999-2005

Unit: U.S. Dollar

Fiscal Year	1999	2000	2001	2002	2003	2004	2005
Liquor Tax	515.0	262.5	250.0	217.5	517.3	662.5	680.4
Beer Tax	557.5	798.8	760.0	821.8	791.3	1,092.5	1,256.9
Total	1,072.5	1,061.3	1,010.0	1,039.3	1,308.5	1,755.0	1,937.3

<sup>41</sup> Source: [www.nationmultimedia.com/2006/07/10/headlines/headlines\\_30008411.php](http://www.nationmultimedia.com/2006/07/10/headlines/headlines_30008411.php)

<sup>42</sup> Source: [www.inbev.com/press\\_releases/20021119.1.e.cfm](http://www.inbev.com/press_releases/20021119.1.e.cfm)

<sup>43</sup> Source: Bangkok Post, Tuesday January 30<sup>th</sup> 2007, p.B10.

<sup>44</sup> According to Prin Malakul, corporate affairs director of Thai Asia Pacific Brewery, recent events such as the bomb blast on December 31st might slow down the beer consumption for the next six months. Ibid.

1. Fiscal Year starts from 1 October to 30 September of each year.
2. Exchange Rate = 40 Baht/U.S. Dollar
3. Revenue for FY is a forecasted figure.

(Source: Thai Health Promotion Foundation 2005)

While this obviously is positive for the government budget, over consumption of alcohol i.e. beer has led to an increase of alcohol related diseases in Thailand as well as traffic accidents. Since health care costs are increasing, the 2001 Thaksin administration has enacted the Health Promotion Foundation Act. The law stipulates that a surcharge on the excise taxes collected from alcohol and tobacco products would be earmarked for the fund.

It is not only the government which tries to control alcohol i.e. beer consumption. Very recently, Buddhist groups have shown that the rise of beer consumption also has led to concern within the Buddhist ecclesia.<sup>45</sup> The recent political changes however, have brought a new controversy within Thai society. The possible new law against alcohol advertisement issued by the new government will perhaps bring the biggest challenge to the Thai beverage industry. According to this proposed law, alcohol advertisement will be banned from all open places. Moreover it even can go so far that the breweries will have to recreate their logo (Bangkok Post, Tuesday, November 7, 2006).

According to the Public Health Ministry, the new act is an important policy implementation of the new government which aims to promote good health and reduce alcohol consumption within society (Bangkok Post. Saturday, October 28, 2006). The new act was planned to take effect on December 3, 2006 but was delayed by thirty days in order to give more time to the beverage companies. Up to the present, such a law has not been passed yet, perhaps due to protests and objections from various groups, for instance advertisement agencies hit hard who count with a total loss of two billion Baht. Moreover, beer sales are expected to shrink by 5% to 10% next year if such a law would be enforced.

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<sup>45</sup> In March 2005, a group of 2000 monks gathered together in the front of the Bangkok stock market to protest against the planned public listing of Thai Beverages Ltd, the brewer of the country's best-selling beer. Their argument was that the surging number of alcohol-related deaths from road accidents and the rising trend of underage drinking is a great problem for society and should be better controlled by the government and laws.

## 2.5 DOES THAILAND HAVE A BEER TRADITION?

People unfamiliar to Thailand reading the previous chapter might assume that this enormous increase of beer consumption must have reasons which are related to the economic success during the last decades. As we have seen, this is true to a certain extent. We also have to consider the history of beer, thus the early beginning of the emergence of beer in Thai society in the late 19<sup>th</sup> century which however was limited and due to higher prices not widely consumed among the rural people who hitherto made up the largest percentage of the population. As discussed earlier in countries like Germany where a long beer tradition has fostered beer consumption over over generations the picture in Thailand, for instance, looks different, here beer has rather become a product which only recently has become available for larger segments of society.

The increase of beer consumption in the recent years however, is not only a phenomena in Thailand but generally speaking in the entire east Asia where especially in China beer sales have exploded over the last years. However, we have also seen that Thailand like most of the countries in that area was hit by the Asian crisis in 1997 but still the increase of beer consumption continued as usual. This was due to the fact that beer has become cheaper and more brands came on the market where competition even increased the reduction of the prices. Others also might regard it as a cultural phenomenon since alcohol has been consumed in Thai society for a long time. It is known that especially in the middle of the 19<sup>th</sup> century Thailand experienced an enormous increase of liquor which often was smuggled from China into the country. But the low quality and high consumption of this alcohol have led to big concerns among the ruling class which tried to stop alcohol consumption, perhaps like the previous government with tough bans and laws.<sup>46</sup>

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<sup>46</sup> In the late 19<sup>th</sup> century, Thailand was forced by foreign nations to accept treaties in which nationals of this country received protégé. Especially Chinese residing in Thailand sought protection under Western Powers such as the French and British respectively. If they committed crimes, they were not punished under the Thai law. This encouraged them to engage in criminal activities such as the smuggling of cheap Chinese made liquor. The amount of cheap liquor entering the Kingdom was so high, that not only domestic liquor producers lost their business but moreover cheap Chinese made liquor led to health problems such as blindness. Getting drunk, many turned to violence and murders became an almost every day occurrence. See A century and a half of Thai-American Relations, Mungkandi/Warren (1982), pp.28-36.

As a matter of fact Thailand does not have any beer tradition which can be traced back for centuries, as for example, in Germany. Moreover, beer is even not the most consumed alcoholic beverage, especially among the rural people.<sup>47</sup> While Thai people are famous for sharing food and drinks with each other long before beer was introduced, breweries or even beer was unknown to the vast majority of people in the 19<sup>th</sup> century. Moreover, as we could see above, to speak about beer as a beverage available and, moreover affordable for all classes of society is a rather new process. One could argue, that the end of the monopoly of Boon Rawd in the early 1990s and the entering of Chang beer have started to create a beer market which is not only limited to high income earners but also to the low income earners. Thus, we might have to say that although Thailand lacks a long history of beer consumption it nonetheless has managed to develop a comprehensive beer market within a relatively short time.

As we have seen, we can divide the period of the arrival of beer brands in two periods. The first period started with the modernization of Thailand i.e. Siam at the time of King Chulalongkorn (1868-1910). The outcome of this modernization period in which beer was introduced by foreigners had led to the first establishment of Siam's i.e. Thailand's first brewery (Boon Rawd Brewery) in 1933/1934. This brewery managed to hold the monopoly until 1992. Moreover it was during that time that beer has been introduced into the country. After that Thailand saw the emergence of foreign brands which hitherto were purely an import good and thus almost unaffordable for the average Thai. During the American War in Indochina, American beer was famous among soldiers but de facto unknown to the local people. As one Thai informant of this time remembers that

“When I was little I always took my bicycle and went to the place where the soldiers lived. They liked to drink beer which at that time I did not know; moreover beer was too expensive for the people. But the American soldiers always gave me the empty cans which I made small and sold for one baht each as scrap metal.”<sup>48</sup>

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<sup>47</sup> According to an article of the Bangkok Post, white spirits which are typically produced in rural communities by small distilleries are estimated to account for up to 70% of the sales of the 80 billion Thai alcoholic beverage market. Bangkok Post, Tuesday, November 7, 2006.

<sup>48</sup> This statement was collected from a person in Ubon Ratchathani where the Americans used to have an airbase during the Vietnam War.

Therefore, if we want to talk about the present phenomenon in Thailand we need to include the “second phase” of the emergence of beer in Thailand. This second phase or development would see the arrival of two foreign brands i.e. Heineken and Carlsberg (later on Chang) which were first brewed under license in a joint venture in the mid 1990s. This “second phase” or development started in the mid 1980s when Thailand experienced a boom in which the country was starting to develop into an “almost” industrialized and service oriented country. This simultaneously means that many people from the countryside were moving to the cities, to find work in the factory and increased the working class which would be a huge pool for beer consumption later on.

As discussed earlier, the emergence of new classes with different incomes is one important reason for the increase of beer consumption in Thailand. This is simply so, that before 1992, there was almost no competition in the Thai beer market. Boon Rawd almost had the monopoly and so controlled 90% of the market. After the fall of the monopoly however, the market developed to become more competitive and brands had to invest much in advertisements and campaigns to stimulate their sales among the customers who from then on had a wider choice. Thus, this second phase which took place almost ninety years after the first phase has finally established a comprehensive beer market in Thailand.

This has continued up to the present where still new brands are still coming into the beer market. All of them might differ in price, taste, and design. Mostly the brands come from different breweries such as Boon Rawd Brewery which has brands such as Singha, Leo or Thai beer or from Thai Beverage with their famous Chang beer. Interestingly, Thailand does not have brands which are linked to an area or specific location like countries of Germany or even China which at the end, can be seen as one reason for beer consumption.<sup>49</sup>

Thus, we also need to apply other approaches in order to investigate why the amount of beer consumption in the last years has increased so much. Since Thailand does not have a long history of beer nor regional linkages to certain brands, it might be of interest to investigate whether certain groups of people consume certain brands because of the taste, logo, price or other things. Before we actually do this we will however use the approach of Jean Baudrillard who

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<sup>49</sup> In a vast country like China, various provinces produce their own beer which carries the name of their origin. One of the famous brands is Tsingtao beer. See, [www.Tsingtaobeer.com](http://www.Tsingtaobeer.com).

argues that in postmodern societies, consumers consume goods not because of essential needs but because of the sign value behind the object, product or brand.



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## CHAPTER III

### SIGN VALUE AND MARKETING STRATEGIES

#### 3.1 THE THEORY OF SIGN VALUE

One might wonder about the main reason behind the rise of beer consumption in Thai society during the last decade. While there are several factors to consider such as; the increase of higher wages, the emergence of new breweries and brands which stimulated price competition among the sellers, one should also regard the creation of sign value behind the brands as one possible explanation for this phenomenon. First of all, the Thai beer market now holds several beer brands. Thus, these beer brands come from different breweries which often have several brands their which differentiate from each other in terms of volume of alcohol, taste, and logo as well as in price.

Thus, these brands try to target different groups with different purchasing power but are sometimes overlapping or quite narrow in price differences such as *Leo*, *Chang* and *Cheers* which all have target groups in the low-income market. Thus we could ask why does a person who can choose between three brands buys *Chang* and not *Leo*. On the other hand why does someone buy a bottle of expensive Heineken beer and not the cheaper but still good quality beer of Singha?

The argument, that consumers purchase products because of a certain sign value comes from the study of French Philosopher Jean Baudrillard (1929-2007). He argues that people nowadays live in a consumer society and not more in a status of social solitary or collective natural consumption (Baudrillard 1990: 5). Even if his work is based upon the French model, his theory seems to be applicable to a country like Thailand which only has developed recently into a quasi industrialized country. To him, a consumer society is the extension and expansion of industrial production, which organizes and incorporates consumption power. Thus in the case of Thailand, we can

say that with the beginning of the boom in the mid 1980s and the transformation process<sup>50</sup> the theory of sign value could be applied.

Drawing from Roland Barthes and Georges Bataille, Baudrillard argue that while Marxist economics and the classical economics of Adam Smith had sought to understand the consumer society in opposing ways, both accepted the nature of use value without question. They both therefore mis- understood need in the same way: always as a genuine, a socially constituted drives for a given consumer's satisfaction. Against this, Baudrillard argues that an individual necessarily, in purchasing and consuming goods, places him or herself within a system of signs; objects therefore always 'say something' about their users. He thus developed a theory of society governed by a system of sumptuous, sacrificial consumption, in which needs become 'ideologically generated' (Miles 1998: 136). Thus in addition to the use value of a product which the producer will sell in order to regain costs plus a gain for himself so does Baudrillard, sees the importance of sign value which will be added in addition to the product. The consumer therefore pays not only use value but also money for the sign value which according to Baudrillard is an illusion.

In short, in a consumer society people consume goods in order to distinguish and differentiate them from other consumers. Products become objects which represent certain values for the individual person. Thus this person is at the end not only buying the material or use value of the object but especially the attached value i.e. status which it represents. However while Baudrillard calls them objects, in the case of beer one should rather call these objects, brands. Thus a brand with a good name or reputation might cost more than an equivalent product with less reputation. To Baudrillard, consumption is a class institution meaning that there is inequality before objects (brands) in the economic sense. Firstly, as we have seen, the boom years and the emergence of new classes such as the middle class in Thailand are quite recent unlike Western or some East Asian countries respectively. Moreover, there is a stronger emphasis on social status and values in Asian countries than in most European countries where a social welfare system takes care of the poor and weak while on the other hand taxes for the rich are higher. If we were to apply this point of view in the case of the Thai beer market, we could argue that people with higher status and economic well

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<sup>50</sup> I chose the word half industrialized because; almost 50% of the Thai people are still involved in agricultural occupations which however only distributes 9% of the total GDP of the country.



being purchase beer brands which those with lower incomes can not afford. Thus according to Baudrillard, people might not only purchase a beer brand because of the taste but because of the label i.e. brand. This statement was proved in a case study about the taste of beer in western countries:

- Without the labels shown, beer drinkers were generally unable to identify their brands they most often drink and expressed no significant difference between brands. In this instance, the schema of attributes to categorizes brands was based solely on the physically characteristics of the brands (e.g. plate, smell and the visual evaluation). When the study was repeated amongst the same drinkers, but this time with the brands labeled, respondents immediately identified their most often drunk brand and commented on significant taste difference between brands! With the labels shown, respondents placed more emphasis on using the brand names to recall brand images as well as their views about how the brand tasted (Randall 1997: 45).

This example proves that the theory of Baudrillard can be found in many examples even in the case of beer if he discusses the emergence of an increasingly eclectic society in which people consume surfaces and not substances. Thus, it might be argued that the consumer is subject to such a vast array of imagery or sign value which is designed by the design industry or behind the doors of the marketing managers (Miles 1998: 46).

However, according to Baudrillard, this status differentiation is a fundamental social process in which everyone takes his or her place within the (consumer) society. If his theory would be true for this case studies about beer brands in Thailand to be discussed in the next chapters than, one could argue, that the sentence “the beer brand you drink shows which class you belong ” could theoretically be applied for beer consumers in Thai society.

If we consider this, than we can say that objects, to which the author however refers as brands are nowadays promoted with the help of advertisement which create images and messages to the public. Once a brand or company which offers the brand has managed to become desirable it has the possibility to attract large parts of society

alone through its name.<sup>51</sup> Moreover, critics could argue that Baudrillard sees only sign value behind every object. But why some consumers do for example spent thousands of dollars to collect items such as stamps or toy figures if they are especially for personal purpose only. Is it not so that emotion can also play an important role behind many purchases as well as tastes? As this study will show, many people here in Thailand have chosen their beer brand according to their tastes or because they have been offered this brand by others. As we can see there are many open questions which Baudrillard has left unanswered like the final answer how important sign value at the is.

While Baudrillard sees the emergence of a consumer society which will be discussed in detail in chapter three we also have to see the problems which such a society can bring for a country like Thailand. As the main religion in Thailand is Theravada Buddhism which in principle emphasizes the teaching as laid down by the Buddha of non-attachment, "...a mind free from preoccupation with materialism (Gohlert 1991: 148), the danger is that these values might suffer due to the influence of consumerism and materialism. Since sign value leads to an attachment to objects how does the teaching of the Buddha and the Theory of Baudrillard of sign value fit with each other.

Perhaps as a remedy, venerable Thai Buddhist scholar Buddhadasa Bhikkhu (Dhammic Socialism 1986) and also his Majesty the King of Thailand see the importance of Buddhist ethics such as sufficiency and moderation. These two notions include self-restraint and simple life styles in which the accumulation of wealth and of course, the consumption of sign value as a mean to show the status of a person does not have space. Thus it seems that for a while these two controversies will still be an ongoing conflict between interest groups will look like.

Since this thesis however, is about sign value and beer it will take a closer look behind the emergence of the consumer society and moreover try to investigate the

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<sup>51</sup> There are however exceptions which can be found in the car market for instance. While a brand and company like Mercedes Benz has a varieties of models which target different income groups despite the fact that its name and reputation stands for expensive cars, a company like Porsche on the other hand almost exclusively targets high income groups. This proves that most companies have to appeal to a wide consumer group since competition has increased over the years enormously. Moreover if we follow Baudrillard than a consumer of a Mercedes Benz car which has the equal price of a competitor which, however does not have the same reputation is doing so because of the sign value. However as the author said it also can mean that the very same customer is doing so because he wants to have a car of the same company as those who can afford to buy the premium model. Thus, while differentiating himself from those who have the premium car he nonetheless tries to have a model of the same company in order not to be much different from the others.

notion and importance of consumption/ consumerism which are vital for the existence of a consumer society in chapter three.

### **3.1.1 THE EMERGENCE OF THE CONSUMER SOCIETY**

While Baudrillard proposes the theory of the consumer society, the author Steven Miles (1998) on the other hand writes about the creation and moreover about the developments leading to this kind of society. To Miles, the emergence of a consumer society is due to the growth of working-class purchasing power especially in the aftermath of World War II in the United States. The emergence of a mass market which to some extent follows the principles of Fordism or the idea and principles of the American industrialist Henry Ford. Fordism was based on principles of size, uniformity and predictability and on the notion that to keep demand high wages needed to keep up, while government investment provided an essential means ensuring full employment and prosperity.

Eventually, the workers had more spending money available and after purchasing the necessities still had some money left to purchase other things known as consumer items. Over time formerly luxury goods became every day items and consumption came to play an increasingly important role whereby people were not only offered what they needed but also what they desired, while simultaneously wants became needs.

One therefore can imagine how the transformation took place. Small shops disappeared from the streets replaced by large shopping centers. More goods entered the market and made space for new sectors such as advertisement and marketing approaches to stimulate sales. However, the emergence of the consumer society also has negative impacts. Latouche (quoted in Miles 1998: 150-151) for example argues that the rise in standard of living in the western world had been obtained at the cost of deeper malaises in a spiritually empty and immoral society where money is all and where the soul is degraded in a constant cycle of selfishness and manipulation. To him, modernity encourages the emergence of an essentially inhumane society which cannot be perfectly

happy if one of its members is in misery. In this context, Latouche criticism is very close to that of Buddhadasa a well known Thai Buddhist thinker.<sup>52</sup>

Beck, on the other hand criticizes that the support mechanisms which are traditionally associated with modernity, such as social class, family and community, have apparently been replaced by secondary ties such as fashion, economic cycles and markets which in turn undermine the individuals degree of control and leave him or her open to the ups and downs of an increasingly insecure life experience (quoted in Miles 1998: 157).

This negative outcome of the consumer society is perhaps one reason why some Asian leaders like Lee Kwan Yew former Statesman of Singapore warn against the influx of western influences and fear the loss and disappearance of Asian values which are threatened by westernization and globalization respectively (Temporal 2000: 125).

If we follow Mile's theory about the emergence of a consumer society and apply it to Thailand, than we can say that the boom in the 1980s created a working class which not only increased in number during the years but also the wages in general. Thus, one does wonder why it was in the early 1990s that former luxury items such as beer became affordable to a larger group of people and moreover, in the meanwhile, has become a need for many people.

### **3.1.2 CONSUMERISM AS A LIFESTYLE**

While Thailand still has a large number of people working in the agricultural sector, it nonetheless has become a center of consumption in Southeast Asia. In the literature there exists are variety of definitions of the term consumption. McCracken (1990: xi) has defined consumption as following,

....in Western developed societies culture is profoundly connected to and dependent upon consumption. Without consumer goods, modern, developed societies would lose key instruments for the reproduction, representation, and manipulation of their culture. The meaning of consumer goods and the meaning creation accomplished by consumer processes are important parts of the scaffolding of our present realities.

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<sup>52</sup> Buddhadasa Bhikkhu, (1986). *Dhammic Socialism*. Bangkok: Thai Inter- Religious Commission For Development.

Without consumer goods, certain acts of self definition in this culture would be impossible.

Thus, consumption is more than a mere economic phenomenon since one also has to consider the cultural aspect. Before that however, we have to consider the important fact, that the key barrier to consumer choice is money. The message- if you want choices you have to get out there and get going is only possible if one has the right amount of money. Money provides choices and these choices give us a kind of freedom. Whatever the area of consumption, from crime protection to clothes, from health to education, from cultural industries to cars, money is the final arbiter (Miles 1998: 149).

While the importance of money as a choice mechanism is without doubt clear, talking about the Thai beer market as we will see, even people with less income have choices to consume different brands. It is thus of importance to investigate the sign values of some brands in order see how the companies work in order to attract customers in an already competitive market.

In brief we can say, that consumerism is ideologically powerful because, despite being partially aware of its influence and power, consumers are prepared at least to explore the extent to which they can use consumerism as a framework for the construction of their identities. A person might not construct an identity directly through what he or she consumes, but they may well construct who they are as a result of why they consume that particular item. (Ibid: 153).

Consumer goods in a consumer society have therefore turned out to carry and communicate messages. Consumption at large has the purpose to transfer meanings. Thus it is in the interest of the consumer (capitalist) society to message and shape our individualistic desire in order to express ourselves to others through what we consume and finally at the end why we consume. This approach is very close to Baudrillard in which according to him, objects have become a means to impress the identity and status of a person.

### **3.1.THE CONSUMERS**

Consumers in general are those who are living in a consumer society. While of course money is the key to ones status, media and advertisement have reached all parts of society and people in the urban as well as in the rural areas are watching the same programs as well as advertisement in which products are offered and bought by both (like cars).

The consumer moreover has become a godlike figure, before whom markets and politicians alike bow. Everywhere it seems, the consumer is triumphant but yet the consumer is also seen as a weak and malleable creature, easily manipulated, dependent passive and foolish. Immersed in illusions, addicted to joyless pursuits of ever-increasing living standards, the consumer, far from being a God, is a pawn, in games played in invisible boardrooms (Miles 1998: 31). Regarding Thailand's population and class (income) structure we can say that luxury brands such as Mercedes Benz cars and Gucci Handbags are only affordable by a smaller group of people, the Thai beer market however, as we will see later, has become so much developed and comprehensive that generally speaking all people (having the proper age) of all classes can play a role in this kind of market.

#### **3.1.4 IS THERE A GLOBAL CONSUMER SOCIETY?**

After we have heard about the fundamental changes which have to take place in a pre-modern consumer society in order to develop herself into a modern consumer society we can say that in the case of Thailand, many factors seem to indicate that Thailand has in fact reached this level, even if not as much and strong as Japan or Korea if one considers the income per capita.

The big question remains, however whether a consumer society in which consumption takes place on a daily basis, has become global i.e. shows the same characteristics among all nations and cultures. This would help to see in howfar the theory of baudrillard which was drawn from French society in the 1960's can be applied to all societis on the planet. One of the scholars, who clearly refutes this is Helmut

Schuette (1998) and in his book Consumer Behavior in Asia, explains why.<sup>53</sup> After have been working and living for many years in Asia, he emphasizes the differences of societies between the West and the East. One very important differentiation lies in the aspect of culture. Out of two definitions<sup>54</sup>, (1) Culture is the configuration of learned behavior and results of behavior whose component elements are shared and transmitted by the members of a particular society and,

(2) Culture is transmitted and created content and patterns of values, ideas, and other symbolic-meaningful systems as factors in the shaping of human behavior and the artifacts produced through behavior, the two definitions stress two important aspects of culture: (1) culture is shared by the members of a given society, and (2) culture is, by its very nature, dynamic and transmissible. Sources of culture include nationality, language, political system, education, profession, group, religion, family, gender, social class etc. Thus, culture has a profound impact on how individuals perceive who they are, what they are allowed to do and what their role are as a member of society.

These perceptions are often so thoroughly internalized that they are difficult to express explicitly, but they are revealed through behavior such as consumption. This is one means by which an individual expresses who he perceives himself to be and who he aspires to be. Thus, an understanding of the concept of self is important in forming an understanding of consumer behavior, and the contrast along the dimension between Western and Asian cultures illuminates further the impact of culture on consumer behavior. As a result it seems that even consumption and materialism has reached most nations in Asia, the impact of culture leads to different motivations behind the reason for consumption in the nations of the East and West, respectively.

### **3.1.5 WESTERN VERSUS EASTERN VALUES**

Before considering Western and Eastern values and societies respectively, let us first examine the problems behind these terms. Most scholars who are writing about the West and East respectively are still over simplifying in too many aspects. While talking about the West, most of them are actually referring mainly to the USA. Since it is

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<sup>53</sup> Schuette, Helmut with Deanna Ciarlante, Consumer Behavior in Asia, New York: New York University Press, 1998.

<sup>54</sup> Ibid, p.6.

arguably the most powerful country in the western hemisphere; speaking in warfare and economical terms this might make sense. However since Europe has started to become a united force which differs from the USA, it is therefore difficult to speak about the West as monolithic unit which has many in common characteristics. As we have seen the definition of culture alone shows that within Europe there exists varieties of languages, political systems, groups and even religions. The recent Iraq War has proved that the countries of the West are not sharing the same opinions and moreover values and ideologies either.

The same can be said about Asia. Talking about Asia in general, which holds the largest part of the world's population many marketing studies refer to countries such as Japan, Korea and recently China as the key countries. This can be out of the context that those countries share similarities in the writing system and the importance of Confucianism in society as well as in the case of Japan and Korea are industrialized countries.<sup>55</sup> In addition to those countries, Asia is home to many other countries which differ in cultural aspects such as religion (Islam, Christianity and Buddhism and others), language, ethnicity etc. Even for a country like Thailand it becomes difficult to give a standardized definition of Thainess.

However, according to Schuette, despite the multiplicity of cultures in Asia, there are many characteristics that are more or less common across many Asian cultures. Examples are the importance of the family, group orientation and the issue of face, all of which at the end have an impact on consumer behavior.

Scholars such as Trompenaars (Schuette 1998: 10) have identified five value orientations on how people relate to other people. These are: (1) universalism versus particularism (2) individualism versus collectivism, (3) neutral versus affective, (4) diffuse versus specific, (5) achievement versus ascription. Applying those five value orientations among Western and Eastern cultures respectively, Trompenaars comes to following conclusion:

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<sup>55</sup> The same is true for countries like Singapore and Taiwan.



<u>WEST</u>	↔	<u>EAST</u>
Universalism		Particularism
Individualism		Collectivism
Affective		Neutral
Specific		Diffuse
Achievement		Ascription

Thus, for Asians, the strong sense of belongingness is an anchor for self-identity. Reinforced by collectivism and conformism, it calls for the individual's strong commitment and loyalty to his group. In the West, people tend to go for the opposite way i.e. towards individualism instead toward collectivism. In these societies much emphasize is placed on the well being of the individual instead of the group. However, in the case of European welfare states, the state is replacing the family as care taker in many ways such as with pension funds.

In Asian societies according to Schuette (1998: 14), the good of the group is often more important than the good of the individual i.e. member of this group. Thus, if we consider these facts, then consumption, even of identical products in these parts of the world would not indicate a sameness of cultures. Consumers will continue to be influenced by their unique cultures and thus consumer behavior will continue to vary cross-culturally. While a person buying an expensive designer bag in the West might do it to express his or her desires, a consumer in Japan might do it because of group pressure or the desire not to be different from those who already have a designer bag. Another example is, that a person driving an expensive BMW car in Germany is doing this because of her preference for this car or a dream for which the person has worked his entire lifetime or his achievements at work while in some Asian countries, driving this car can be a symbol of status and ascription.

However, since individuals beliefs and feelings are extremely culture dependent, the interpretation of stimuli such as signs, names and symbols varies greatly across cultures. There are cultural differences in the ability to perceive certain stimuli such as signs, names and symbols which vary greatly across cultures. There are cultural differences in the ability to perceive certain stimuli as well as in the feelings and images

they invoke. Different cultures do not necessarily build equivalent symbolic associations for the same stimuli (Schuette 1998: 63).

In sum, we can say that despite the emergences of consumer (capitalism) societies throughout Asia, cultural context and differences towards the West do not allow us to speak about a global consumer society. Even when without doubt, globalization has brought many parts of the world closer to each other, Asian cultures still have their own characteristics which have to be considered and respected while doing business in those countries.

### **3.1.6 CONSUMERISM DURING THE ASIAN CRISIS**

The Asian financial crisis in 1997 actually started in Thailand before it spread around other Southeast and East Asian countries respectively. As we have seen, the crisis did not affect beer consumption in the negative but instead fostered beer consumption especially those of cheaper brands which were introduced very recently into the market.

According to Kotler and Kartajaya (2001: 67) customers generally go through several stages in adjusting their purchasing patterns during a period of recession. Since the economic crises that befell Asia the outcome of this crisis has affected consumers buying behavior in various Asian countries. Consumer behavior has also become more value-oriented in selecting products and service. While in the pre-crisis era and especially during the boom years in the late 1980s until the early 1990s many consumers tended to be quality oriented, the economic crisis had many made move from being quality-driven to value-driven and the former value-driven consumers moved toward being price-driven. For our study about beer the important outcome is based on the premise that brands like *Chang* could push their sales due to their cheaper prices while its main competitor *Singha* lost market share and launched its own low priced brand *Leo* on the market. Another change was that people who still purchased the former products did this on a lower level which on the other hand let companies to bring out smaller sizes such as smaller bottles.

The same authors point out that those customers who had been quality-oriented before the crisis still considered quality as important, although their purchasing power

has led them to make value or price substitutions. If this statement is correct than we could say that as soon as the Asian crisis over come the purchasing power of the people would have been increased so would people follow their same purchasing pattern as they did before the crisis (Kotler and Katajaya 2001: 129).

### **3.2 WHAT IS A BRAND?**

While each of us could count various brands like Coca Cola, Toyota, Microsoft etc., the answer how one would define a brand is perhaps more difficult. Moreover we have to ask ourselves what actually separates a brand from a mere product. In the case of literature one can find various books and articles concerning this question and so numerous are the answers. According to (Randall 1997: 4) all brands start as undifferentiated products; their success or failure in the marketplace depends on their functional quality.

The essential purpose of brands is to identify a product or object. A brand tells the user that the product comes from a particular source, regardless of whether that source is known or unknown. Brand names or logos that feature a product can be protected as trademarks or service marks.

If a product has managed to become a brand it has so to say a life of its own. How does this happen? The answer lies in the collective opinion of the target customers or consumers. If they can perceive that a product has a unique identity that differentiates it from other similar products, and they can describe it and the unique set of benefits it offers, then it is a brand and has received a status among the perception of the consumer. If we change now the word brand with the word object which Baudrillard's uses, we can see in this case that also in the marketing and business world Baudrillards theory can be found in such examples even if merely indirectly.

However, it is not so, that only the customer alone is responsible for the purchase even if the last decision is made by him or her respectively. Nowadays the market mechanism is by far much more complex that it used to be before.<sup>56</sup> In the case

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<sup>56</sup> While studying various marketing books, it seems that the usage of marketing as a tool to foster sales has taken place in the USA where as we have seen consumerism occurred first. Meanwhile the importance of a the retailers who have gained much influence have led to even companies to pay for the best position in the shelf of the large supermarkets. See Randall (1997), pp.81-88.

of brand perceptions we can speak rather of a symbiosis between both the consumer and the producer while the latter tries to use mechanism to stimulate consumers to buy his brand. Such mechanism can be done for example through advertisement in various forms or promotions. A corporate brand for example, as expressed in the company's name and logo, is a value indicator to the customers and prospects. In the case of beer, it would be *Heineken* and *Singha* where the logo or name respectively has managed to build up a brand identity which is centered merely on the product. Building and maintaining brand equity is however not an easy task and requires investment.<sup>57</sup> In brief, we can say that a brand is the shorthand for a set of values and attributes that differentiate one product from another. In the next sections we will therefore take a closer look behind some marketing strategies and moreover try to investigate some aspects of consumer behavior.

### **3.3 MARKETING STRATEGIES TO STIMULATE SALES**

As we have seen in the previous chapter, becoming a famous and desired brand is not an easy task for the producer i.e. the company. Thus a company bringing a new brand on the market needs perhaps two good things- luck and money and in the case of Thai Beverage (Chang beer) the right marketing strategy as we will see later.

So for instance did Miller Brewery introduce a new brand called "Miller Regular" and spent thereby US\$ 50 million alone to launch a new campaign in order to promote the new brand. However, as soon as the brand was established and accepted by the people as such, the company had to spend on advertisement in order to build and create brand loyalty, brand acceptability and brand preference. Al Ries argues that Brand-advertising budget functions much like a country's defense budget.<sup>58</sup>

That is, the massive spending only on brand advertising does not buy a company anything; it only manages to keep the company or product from losing market share to others. Thus companies following such paths are at the end caught in a circle in which they keep going competing with each other. Even giant brands such as Coca Cola pay

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<sup>57</sup> Alone in the U.S. , companies spend between US\$100 million and US\$300 million annually on brand advertising . See, Kotler&Kartajaya 2000, pp.185-186.

<sup>58</sup> Ibid. pp. 214-215.

enormous sums for marketing to promote their soft drinks as superior toward Pepsi. The way brand managers try to stimulate sales is called branding and includes various ways and tools to promote a brand successfully.

### **3.3.1 BRANDING**

As we have seen, brands provide us with an image. Moreover they give us a kind of assurance of buying a product of good quality. Brands also provide a long-term value through their names and through associations that add to or subtract to the consumers. This long-term value however requires that the brand owner invest in marketing. Over time, many new marketing strategies have been developed, while others have disappeared.

The concept of branding and brand management dates back to the 1930s when it was invented by consumer packaged goods firms like Proctor and Gamble. Since then, brand management focuses exclusively on the marketing of a brand (branding). Brand and marketing managers expend a great deal of energy on tactical decisions concerning pricing brands, promoting brands, and advertising them. We will therefore take a closer look later behind these tools.

The identity of the brand concept from the brand owner's perspective- is the foundation of any good brand building program. A company must have a clear brand identity with depth and textures so that those designing and implementing the communications programs do not inadvertently send conflicting or confusing messages to customers. (Randall 1997: 13-14).

It has been said that whenever a clear and strong brand identity is lacking, a brand is like a ship without a rudder. This suggests that branding nowadays has changed in so far that it is vital to understand the consumer and give them a brand that really adds value to their lives (Temporal 2002: 267). Thus those people involved in marketing have to try to create things that touch and move people's souls. However, these things are not found in the rational world but in the emotional world only which as we will see later has brought the importance of advertisement as a very important marketing tool.

Like Temporal so does Weilbacher also considers the importance of added value to a product as vital if he states that:

“Continued prosperity (for a company) depends upon the development of succession of new marketing entities that offer the consumer decisive value. This value may be based on technology; access to scarce resources; innovative distribution; greater comparative quality; or illusion of value-created by advertising. Whatever its basis, the cooperation’s long-term goal must be the continued creation of decisive consumer value” (Weilbacher 1996: 189).

As we have now seen, even marketing gurus such as Weilbacher consider the adding of value, may it be real or fake, to a product as vital for any company to sell their brand successfully to the consumers. To take a closer look behind the creation of sign value we will first examine various marketing tools and have a closer look at how the present Thai beer market is organized.

### **3.4 PRICING**

Pricing is another important part of marketing strategies. Today’s business world has changed dramatically. Not only are many domestic companies trying to get the biggest market share of the domestic market, the impact of globalization and the disappearance of trade barriers has brought international rivals into the domestic market and thus competition is even increasing and so is the price war. While much is talked about cheaper prices, discounts or more value for same price etc. to stimulate sales, Tony Cram (2005) in his book, *Smarter pricing-how to capture more value in your market* suggests that lower prices are at the end not always the right remedy to gain higher sales in the long term. He rather suggests a kind of smart pricing which he defines as:

“Smarter pricing begins by understanding that the customer is trading money for more than simply a product or service. Customers are buying a combination of product (or service) performance, plus an emotional association. Often customers claim that the

most important criterion is a lower Price. The low price myth is sustained by face-value research studies where customers, asked about acceptable price levels, always fish for a better deal. However, psychologists suggest that in these responses they may be hoping to influence the research sponsors to bring prices down. The importance of a low price can be exaggerated in purchase decisions. In fact, emotional associations often count for more than is admitted” (Cram 2005: 11).

Similar to Baudrillard, Cram sees the importance of value behind the brand or object which can create an emotional association to the customer. One instance for emotional association is the buying of Nike sport shoes. While everybody knows, that Nike produces its shoes in countries like Vietnam and Thailand where labor costs are lower than in the West, nonetheless people are willing to pay a premium price back home in the sports store. Thus those people are not looking for low prices but for value and perceived quality for which they are willing to pay a premium price.

To Cram, brands create value for customers by developing products and services that customers need, and surrounding them with positive associations. Value can thus be defined as a combination of a set of product benefits plus emotional associations at an identified price level (see Figure 3).

**FIGURE 1: The definition of value**

$$\text{VALUE} = \begin{array}{c} \textit{Perceived} \\ \textit{Product} \\ \textit{Benefits} \end{array} + \begin{array}{c} \textit{Perceived} \\ \textit{emotional} \\ \textit{association} \end{array} - \begin{array}{c} \textit{Perceived} \\ \textit{Price} \end{array}$$

(Source: Crams 2005: 15)

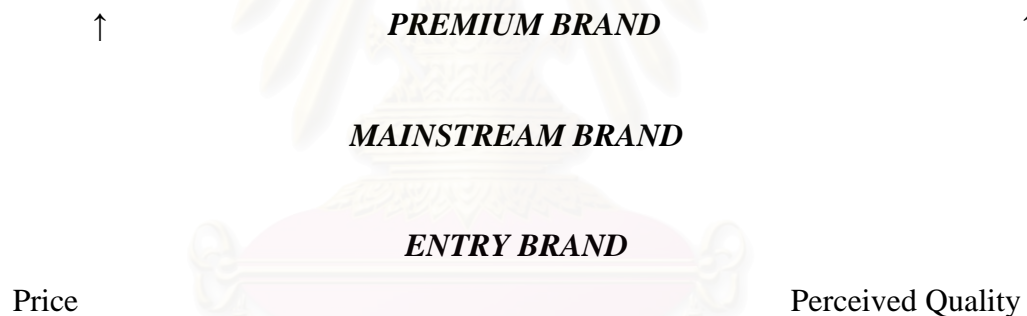
The right price is the tipping point where the benefits outweigh the customer’s desire to keep the money in the pocket. Smarter pricing means leveraging the value in the mind of the customer. Brand Positioning is therefore what the company stands for in the eyes of the costumers relative to competitors. In the next part we will try to apply this scheme among Thai beer brands.

### 3.4.1 THE SEGMENTS OF THE THAI BEER MARKET

As we have seen, there exist a variety of beer brands in the Thai beer market. Although this thesis focuses on five selected brands only, the actual number is much higher. Cram (2005: 39) says that pricing in competitive markets (and the beer market is a competitive market) is a clear way of placing or positioning a company in the mind of the customers relative to other producers of the same goods. Price is therefore a major indicator whether the brand is up market or down market.

As discussed, brand positioning is what the brand stands for relative to competitors. Out of this there exist three different kinds of brands within the circle of brand positioning. These are; premium brand, mainstream brand and entry brand (Figure 4).

**Figure 2: The segments of the market**



(Source: Cram 2005: 73)

High prices relative to competitors can be a component in communicating a message of indulgence. Obviously the product, service or experience will need to justify the price premium, and the premium percentage must be creditable. However, at the point of purchase, the price acts as confirmatory evidence of intended superiority. The mainstream brand on the other hand is a brand which has found wide acceptance in the market. It can be purchased by people with a stable income like the middle class. On the other, the owner of this brand has the possibility to lower or raise the price due to economical circumstances such as crisis or higher demands.



Beer brands which come new on the market might show a lower price than those which are already on the market. These brands called entry or fighting brands try to get much attention and moreover steal away customers. An example for this could be Beer *Chang* which due to its lower prices and aggressive advertisement campaigns gained many customers from *Singha* beer (Temporal 2000: 149). Once the beer brand has achieved its obligation to gain wide acceptance in the market, it might consider moving upwards.

Moreover, an entry-fighting brand has the purpose to avoid the huge contribution loss that would occur if a leading national brand tried to stem share losses to private labels by dropping its prices. The fighting brand therefore gives the price-sensitive consumer a low cost brand alternative. Moreover, a company has so possibilities to gain market share in the low income market (Harvard Business Review 1999; 40). That this, is not just a simple theory but a matter of fact will provide us the example of *Cheers* beer which was introduced by Thai-Asia-Pacific-Brewery to enter the very lucrative low income market.

To Cram (2005) there are two options for a brand to combat competition. The first option is to reduce the price in order to attract more customers. This was the idea of some marketers of *Singha* beer of Boon Rawd Brewery as *Chang* Beer came on the market. This option however, is something which Temporal (2000) for instance strictly rejects since it lowers the value perception of the customers. In order to avoid this, Boon Rawd brewery created a new brand *Leo* which as we will see gave the company the possibility to maintain the value of the mother brand (*Singha* beer) and simultaneously uses the famous mother brand to promote the brand.<sup>59</sup>

The second option to him (Cram 2005: 82) is the opposite of the first one. This is to enhance the product, add emotional value to it and due to this have a convincing communication. One example where one can see this in the market is the change which *Singha* has undertaken while modernizing the logo of the beer. The second option therefore leads to a higher price which perhaps is the reason why his theory is so unique in the business world.

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<sup>59</sup> See, Temporal (2000), a case study about brand positing of Leo beer, pp,166-173.

### 3.4.2 THAI BEER MARKET AND BEER PRICES

Nowadays the Thai beer market is quite lively and new brands are still coming on this market. Despite domestic brands one can also find exclusive brands such as German, Irish or British brands respectively. However, the observer will realize that unlike in Germany, the main Thai breweries in general will have a sentiment of beer brands which belong to the same Family. At present there are four major breweries in the market which are:

Boonrawd Brewery: Singha, Leo, Thai Beer and Kloster

Thai Beverage: Chang Beer, Chang Light, Chang Drought and Achar

Thai Asia Pacific Brewery: Heineken, Tiger and Cheers

San Miguel:<sup>60</sup> San Miguel Pale Pilsner, Blue Ice, Red Horse Beer

In addition to these brands there are other brands like Asahi a Japanese but in Thailand brewed Premium Beer. Judging from the price per 0.66 liter bottle at the Big C supermarket,<sup>61</sup> the Thai beer market is split up in following sequence;

#### ***PREMIUM BRAND (50-59Baht)***

Heineken (59Baht); Asahi (57Baht); Kloster (50Baht); Sant Miguel Pale Pilsner (50Baht)

#### ***MAINSTREAM BRAND (40-45Baht)***

Blue Ice (45Baht); Tiger (44.50Baht); Singha (44Baht); Chang Light (40Baht)

#### ***ENTRY/FIGHTING BRAND (34-23Baht)***

Chang Draught (34Baht); Red Horse beer (34Baht), Leo (33.50Baht); Cheers (33Baht); Thai beer (32Baht); Chang (32Baht), Archar (23Baht)

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<sup>60</sup> This company from the Philippines has bought the former Thai Amarit Brewery Ltd., in order to get the possibility to brew and sell its brands directly here in Thailand.

<sup>61</sup> The prices were collected from the Big C supermarket in Bangkok. Beside the mentioned beer brands there were other mostly foreign brands like German and English beer which due to the smaller bottle sizes were not included in this study. Moreover there have been recently new introductions of low income beer brands such as Archar. This beer brand was not available at Big C supermarket but seems to be sold in rural areas.

Interestingly, while doing research at BIG C supermarket, the sequence of the bottles in the shelf was done accordingly to the cheapest price (left) up to the most expensive one (right). Moreover the color of the bottles of the Premium brands differed from those in the other two sections. Three-Heineken, Ashanti and Kloster are filled up in green bottles while San Miguel Pale Pilsner was filled in a pure white glass bottle. Judging from the pure amount of brands, it seems that especially the low income market experiences an enormous competition. In the Premium sector on the other hand, domestic brewed beer brands also have to face competition from outsiders such as German or English beer brands which however, only have a small percentage of this segment.

Another interesting fact is that, especially Thai Beverage Brewery provides the customer with a variety of inexpensive brands and thus is very strong in the low cost market while not having any brand running in the premium sector. Since Thai beverage has brought out another brand *Archar* which is even cheaper than the others, one might speculate that Thai Beverage tries to attract mostly people who prefer to drink cheap liquor and thus tries to get access to this large group of consumers. This hypothesis is supported by an article in the Bangkok Post pointing out that the market share in the Thai beer market is as follows<sup>62</sup>

**Figure: 3 Market share in the Thai beer market**

<b><u>PREMIUM</u></b> (7.3bn. Baht)	<b><u>STANDARD</u></b> (10.49bn. Baht)	<b><u>ECONOMY</u></b> (78.04bn. Baht)
<b><i>HEINEKEN 93%</i></b>	<b><i>SINGHA 94.5%</i></b>	<b><i>CHANG 56%</i></b>
<b><i>SAN MIGUEL 2%</i></b>	<b><i>CHANG LIGHT 1%</i></b>	<b><i>LEO40%</i></b>
<b><i>ASAHI 2%</i></b>	<b><i>TIGER 0.5%</i></b>	<b><i>ARCHAR 2%</i></b>
<b><i>KLOSTER 1%</i></b>	<b><i>BLUE ICE 0.5%</i></b>	<b><i>CHEERS 0.5%</i></b>
<b><i>OTHERS 2%</i></b>	<b><i>OTHERS 3.5%</i></b>	<b><i>OTHERS 1.5%</i></b>

<sup>62</sup> Bangkok Post, Tuesday, January 30<sup>th</sup> 2007, Business, B10.

This overview gives us some important information. First, the premium as well as the standard market is dominated by a single brand *Heineken* (Premium) and *Singha* (Standard) respectively. However these two market segments only cover a market worth of roughly 17.8 billion baht in total. The largest segment is the economy or low income market. In this segment the volume of the market is worth more than 78 billion baht. Thus, one does not need to wonder that it is exactly in this market segment that competition is hardest. In this market, especially two brands - *Chang* and *Leo* are competing with each other while Thai Beverage with its brands *Chang* and *Archar* seems to hold the top position in sales, *Leo* nonetheless has managed to gain much success since its introduction in 1997. Thus, as we can see from the statistics the first two market segments are totally dominated by one brand while in the third segment Boon Rawd Brewery with its brand *Leo* and Thai Beverage with its brands *Chang* and *Archar* are so the main competitors in the Thai beer market.

### 3.4.3 STRUCTURE IN THE THAI BEER MARKET

After all, the following figures should give us a final analysis of the Thai beer market and the brands. In a country like Germany we would get the following structure of a beer company which offers different tastes (ingredients) which however run under the same brand name.

	<u>BREWERY</u>	
	<i>PAULANER</i> <sup>63</sup>	
<b>WHEATBEAR</b>	<b>YEASTBEER</b>	<b>PILSNER</b>

This structure shows that this company tries to attract customers by a variety of tastes under the same brand name while prices are secular. Different tastes might appeal to different people. Thus, one person might prefer the wheat flavor while others prefer the yeast flavor. Nonetheless the brand name is the same. As a marketing strategy, this company tries to keep its brand name for all the different varieties of beers. This

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<sup>63</sup> [www.paulaner.de](http://www.paulaner.de)

company can so sell its products in areas where a Pilsner is preferred and not wheatbeer. A similar strategy as we have seen does Thai Beverage with *Chang* beer.

Compared to the German beer market structure however, the marketing approach in Thailand with the exception of Thai Beverage is reversed. In the instance of Boon Rawd brewery although the flagship or mother brand *Singha* comes in different varieties such as strong and light beer respectively the company is still running other brands under her name to attract all segments of the market. In order to segment the market, this Brewery has created various brands which differ in price and appeal so to different income groups.

BREWERY

**BOONRAWD**

**KLOSTER (PREMIUM) SINGHA (MAINSTREAM) LEO (FIGHTING B.)**

Out of this observation we can make the hypothesis that due to the lack of a long beer tradition unlike in Germany where the varieties of breweries and kind of beers are so many and moreover can differ from area to area,<sup>64</sup> the Thai beer market is more fixed and stimulated by price competition while the variety of beer in the context of different kinds is secondary. We therefore could speculate for this time, that the German and Thai beer markets therefore represent the following two schemes:

**Reason for beer choice**

**GERMANY: TASTE (can be regional oriented)**



**THAILAND: PRICE (can be income-class oriented)**

If this observation would be correct, then we can make the hypothesis that sign value in the Thai beer market could play a much more significance than in the German

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<sup>64</sup> As we have seen, Bavaria for instance is famous for its wheat beer, while the northern part of Germany is famous for its Lager and the East for its Pilsner. Moreover, in the previous years, breweries have brought mix drinks on the market, like beer mixed with cola or lemonade. These drinks often appeal to the younger generation.

beer market where tastes and the origin of the beer decide mostly about the consumption. Since companies have to compete in the entire beer market with a varieties of brands they therefore have to face harder competition for their products which, for instance, in the economy market are having the same price.

### **3.5 ADVERTISEMENT**

Advertisement is another crucial part of marketing. According to Dr. Martin Komolmas (Assumption University 1998: 2) advertising is here to stay and it has become a way of life in modern societies. Consumers now consider it essential to have information provided in advertisements and companies know they cannot survive in highly competitive atmosphere without effective advertisement.

In short, advertisement is a marketing tool which tries to affect/change behaviors of the consumer. Thus, advertisement as marketing tool helps or tries to shape consumer perceptions of things and objects or as we have seen brands. As we have seen a brand is the short hand for a set of values and attributes that differentiate one product from another. Moreover, buyers (consumers) and sellers (producers) live in a kind of symbiosis in which the latter tries to influence the former to buy his product.

The job of advertising and advertising agencies is it to communicate these values and attributes of a brand in a meaningful and involving way to the public or to create immediate awareness of a theme or a brand name in the public. According to Pornsiri Rojmeta, former President of the Advertising Association of Thailand that advertisement is the tool which conveys the message to the public and it's the business of the advertising agencies (in Thailand) to have its strength here (Assumption University 1998: 234-235).

But before one can actually start with advertising, one needs to understand the objectives of the brand and the advertisement respectively. There are three integral constructs of the advertisement (Figure 4)

#### **Figure 4: Objectives of advertisement**

**Strategy** = What is to be said about the brand

**Idea** = How this message is to be carried

**Execution** = How this is implemented in practice

(Source: Assumption University 1998: 24)

Thus, if advertisement wants to be successful the combination of Strategy, Idea and Execution needs to be synergistic. Synergy occurs where the structure of the advertising is harmonious. While developing an ad, the makers have therefore to consider many things.

To place the right message inside the advertisement, one also has to consider message planning which is based on two major parts. The first one is message strategy (known as copy strategy or creative strategy). In brief this is to convey the benefit or problem solving abilities of the product to the target audience-the consumer(s). The second element is message techniques. This part deals with the execution of the strategy and emphasizes on how to say it. In this part, both visual and copy will be developed to serve the objectives to be achieved.

When recruiting the ideas to design the message of the ad, the creative people of the advertisement agency will search for features, may it be real or perceived that will allow advertising to distinguish the product or service from the other players. A real benefit exists when the product has something different on its functions, components etc. A perceived advantage exists when consumers think there is a different element, although the difference can be hardly seen or even does not exist in real. A good example is beer, while as we have seen, many drinkers of beer could not distinguish their favorite beer from other brands without seeing the logo, this attitude changed as soon as they consumed the beer while seeing the logo. Or to put it in another simple example, the consumer of a pricey Heineken might not only buy this beer because of its

taste but also because there is a luxurious lifestyle added to it which he or she is ready to pay for it. As we have seen consumer behavior varies from culture to culture and so it's the advertisement which varies from culture to culture in order to create brand or theme awareness among the people. Schuette (1998: 170) argues that advertising is the most culture-bound element of the marketing mix because it is based on language and other communication instruments that are themselves very deeply rooted in a given culture of society. Regarding this, many leading figures in the Thai advertising sector use and recommend humor as a good tool while avoiding direct criticism.

A good example for this was the advertisement of the Gasoline Conservation Campaign (2 Project) produced by Leo Burnett Agency. According to Pongpisit Viseshakul, Director of the National Energy Policy Office; the Thais are fun-loving people, therefore, advertisements need to be humorous and light hearted without any tensions and admonitory in tone (Assumption University 1998: 87).

### **3.6 MARKETING AESTHETIC**

Marketing aesthetic is another important part of marketing strategies but it seems that most managers consider it not as important as other marketing strategies. This term was invented by Bernd Schmitt and Alex Simonson (1997). The main idea behind this concept was to find a word which refers to the marketing of sensory experiences in cooperates or brand output that contributes to the organizations or brands identity. Today's environment is much more multimedia, multichannel, multisensory, and digital than ever. Communications, transportation and products and services are becoming global. Worldwide, more people than ever are living in urban centers and consumer lifestyles and preferences-especially among young people-are intense, short-lived, and ever-changing. These environments provide ideal conditions for marketing aesthetic (Ibid. : 18). The authors therefore see marketing aesthetic as an important toll if they state that:

But many managers and marketers have forgotten what provides value to the customers; what truly satisfies customers; what turns them on. Business has been preoccupied with "quality function deployment" and activity-based accounting,



“business process reengineering and Cost Savings”, “defining core competencies” and “strategic planning.” Business Processes do not provide value to customers. Core competencies do not. Even brands per se do not. Value is provided only by satisfying needs. In a world in which most consumers have their basic needs satisfied, value is easily provided by satisfying customer’s experimental needs-their aesthetic needs (Ibid; 3).

According to them, there is an overall trend away from product attributes towards lifestyle or value systems. The consumer of today makes choices based on whether or not a product fits into her or his lifestyle or whether it represents an exciting new concept-a desirable experience. Without mentioning Baudrillard, we can see from the above statement, that both of the authors follow Baudrillard if they agree that consumption nowadays is much more complex and that the importance of sign value is one important reason for consumption.

Thus, the importance of marketing aesthetic lies in the term modernity if not globalization. The new media has made it possible, that customers get more information and moreover share this information with other people on the planet. Marketing aesthetic draws from three disparate areas: (a) product design (b) communication research, and (c) spatial designs.

However, as we have seen, different cultures tend to inherit different symbols, colors and meanings. Schuette (1998: 63) makes an interesting point if he says that a general concern for aesthetics, that is an attractive look, touch, feel and attention to detail, is common throughout Asian cultures, But there are however significant variation in aesthetic style across Asian countries, the three principles present in varying degrees that guide Asian aesthetic sensibility are (1) complexity and decoration, (2) harmony, and (3) naturalism. Chinese, Thais, Malays and Indonesians value complexity and decoration.

While we will take a closer look behind the design and logo of the five beer brands, marketing aesthetic does not only cover graphics, company logos, product designs or packaging. Any form of cooperate output is seen as having the potential to provide aesthetic value and gratification, and thus are having the potential to provide aesthetic value and gratification, and thus as having the potential to differentiate the company and its product from competitors (Schmitt and Simonson 1997: 42).

Since research has shown, that people have excellent memories for pictures. Compared with words, pictures are highly distinct, and thus may be recalled for a long time (Ibid. : 86).

Even if people all over the world are living in the age of globalization, we have seen that it is difficult to find the universal consumer. Since our case study is about Thai beer and moreover about the attitude of the Thai consumers so will the aspect of marketing aesthetic hopefully give us a clue what Thai people prefer. For instance, which colors do the beer brands choose to represent their brands, what their name of the logo stands for, the writing system as well as values and customs etc. All of these parts differ from culture to culture and are so especially for foreign companies entering a foreign market important when a better understanding of cultural values are required.



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## **CHAPTER IV**

### **THE CREATION OF SIGN VALUE BEHIND THAI BEER BRANDS**

#### **4.1 THE CREATION OF SIGN VALUE BEHIND THAI BEER BRANDS**

While Baudrillard argues from the point of view that it is consumers who go for sign values behind objects- brands, one however has to remember that at the end it is the brand which tries to create (sign) value in order to attract customers. If a brand manages to gain a good reputation or name, customers might be willing to pay more for the product than other similar products.

This chapter will investigate the sign values of following beer brands; Heineken, Singha, Chang, Leo and Cheers. While doing this following problems emerged which made it difficult to get the right price range of these brands. We have to consider the fact that there are two ways of consuming beer; in public or at home. In most of the beer bars or pubs one will find only some of these brands, seldom are there places where one offers all of these brands. What actually happens is that many restaurants or pub owners have contracts with a brewery and therefore offer inclusively their brands only. On the other hand, prices at restaurants for beer tend to be higher and at some places a bottle of Singha the same prices as for a bottle of Heineken. Thus, as we have seen, the retailer prices at Big C supermarket which offers all those five beer brands were taken as criteria of how one can value and categorize the brands.

In addition to the drawing of sign values which will be drawn from various advertisements, this chapter also will provide a background about the brands in order to get a better knowledge about the brands.

#### **4.2 THE POPULARITY OF THE BRANDS**

In a market and research study by Assumption University in October 1998 a total of 329 persons in Bangkok were asked which beer brand they regarded as the most popular. At this time Singha beer was regarded by almost 60% of the surveyed as the most popular beer brand in Thailand. Chang beer ranked second with 14%. Heineken was

ranked third with 7.6%. At that time Leo beer as we will see was just beginning to enter the Thai beer market and was thus not among the answers or perhaps integrated in the last group, the same goes for Cheers beer which as we will see entered the market quite recently. Thus, since this survey was done in 1998, many things have changed; new brands have entered the market while others have disappeared. Moreover, being the most famous brand does not mean, that this brand also holds the main share in the market as we have seen with the successful entrance of Chang beer which had gained the number one position in the Thai beer market so far. In the next chapter we will see how the surveyed people are thinking about the beer brand nowadays which perhaps gives us the possibility to see the changes in the consumer perception

**Table 2: POPULAR BEERS IN THAILAND 1998**

BEER BRANDS	N 329	%
SINGHA	196	59.6
CHANG BEER	46	14.0
HEINEKEN BEER	25	7.6
KLOSTER BEER	13	4.0
CARLSBERG BEER	8	2.4
OTHER BEER BRANDS	41	12.5

(SOURCE: Assumption University 1998: 104)

#### 4.2.1 THE QUESTIONARIE

While studying the sign value behind the five brands the big question remains whether the messages the brands have tried to create have also reached the audience. Moreover one also wants to know how important these messages which create a certain value around their object (Baudrillard) are if it comes to the final purchase which however will be examined in the next chapter. In order to get a better picture and feedback from the (Thai) consumers the thesis includes this chapter which has surveyed and asked the opinion of 120 people. While a nationwide survey was not possible, the

survey nonetheless has focused on several areas such as Bangkok, Lopburi and Ubon Ratchathani since the author has gained much inside of these locations throughout it stay here in Thailand. Thus the main focus is not to get a complete and comprehensive marketing study whether the message of the companies have been understood by the people.

While one could argue that in the case of income distribution the people in bangkok would have higher salaries than the people in Ubon for example, so did the author not see this difference since many respondents were also students. As this thesis has tried to split the respondents into the group of the beer brand rather than to a location, the reader will see the differences later in this thesis according to the five selected beer brands.

#### **4.2.2 THE FAVOURITE BRANDS**

In the beginning of this Chapter we could see the result of the marketing survey of Assumption University held in 1998. Since then, almost nine years have passed and if we follow the result of the survey so did the brands have changed the ranks among being the most popular beer brands:

**Table 3: POPULAR BEERS IN THAILAND 2007**

BEER BRANDS	N 120	%
LEO BEER	55	45.83
HEINEKEN BEER	24	20.00
SINGHA BEER	22	18.33
CHANG BEER	17	14.16
CHEERS	1	0.83
ARCHAR	1	0.83

**(Source: Data from own survey)**

### 4.2.3 ADVERTISING AND THE CONSTRUCTION OF MESSAGES

It was also asked in the questionnaire whether the people have seen the ads of the five beer brands and if yes where they have seen them. As we can see, most people have seen the ads of Chang and Leo thus; two brands of the economy market while the third one Cheers was seen only by thirty three people. The ads of Singha were seen by sixty seven people and the ads of premium beer Heineken were seen by fifty eight or almost half the people. As one might have expected so did most people see the ads on T.V. Second to it so does it seem that billboard advertisement reaches the public more than magazines.

1) have seen the ads of,

Heineken 58	Singha 67	Chang 72	Leo 77	Cheers 33
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2) and I saw them in/on

T.V. 108	Billboard 47	Magazine 21	Other= Radio 1
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### 4.3 HEINEKEN

Despite the fact that this premium brand it is brewed in Thailand by Thai Asia Pacific Brewer under license, Heineken is a Dutch and thus foreign brand. As a matter of fact and as we will see later on this brand does not to try make the effort of adjusting the brand to the native culture but instead tries to keep its international-global touch. Perhaps this is one reason why Heineken is among the most valuable brands on the world.<sup>65</sup>

The brewery was founded in 1863 when Gerard Adriaan Heineken bought a brewery called *De Hooiberg* in Amsterdam. After hiring a German brew master the first bottles of Heineken left the brewery shortly after that and in 1893 Heineken, was already among the largest breweries in Holland.<sup>66</sup> In 1933, while Europe saw the emergence of fascism in various countries finally leading to war in 1939, Heineken

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<sup>65</sup> Out of 75 international brands, Heineken ranked 64th and was thus the second most valuable beer brand after Budweiser. Kevin Drawbaugh 2001: 180).

managed to be the first imported beer reaching the US market just three days after the end of national ban on alcoholic beverages.

At about the same time, Heineken took a tentative to step into Asia and established the first brewery outside Holland in Indonesia the former Dutch colony. The new brewery was called Fraser and Neave the forerunner of today's Asia Pacific Brewery. That Heineken has managed to become one of the world leading beer brand is strongly linked to Alfred Heineken, grandson of the founder who went to study in the USA. There he learned many theories about marketing and came up with the green color scheme, the Heineken script and also the standardization of the packaging look. Within the next decades Heineken imported its beer into other countries following the motto of Alfred Heineken that, "Beer can Travel".

That Alfred Heineken was right shows in sales figures. In 1960 the output of Heineken beer totaled 3.8 million hectoliters and in 1997 it was already up to 73.8 million hectoliters. Hence Heineken had become Europe's largest and the world's second largest brewer in the 1990s. As we have seen Heineken started to brew its brand in Thailand in 1993. In 1999 Heineken annual sales in the Asia Pacific region reached almost 800 million Euros and has so, turned this area into a very important market for the company.

#### 4.3.1 LOGO-AESTHETIC<sup>67</sup>



As it was said, Heineken is a beer brand famous all over the world. Wherever one goes, the bottle and logo will be the same despite the fact that in countries where Heineken is not directly brewed a red "imported" will be included on the label. The rest is the same and this simply is- the typical green Heineken color.<sup>68</sup> Whether it be the billboards or advertisement in the newspaper or of course the bottle, a green color is enough to make one recognize that the ad refers to Heineken. Beside the green color of the bottle and on it the Logo one can see the real trademark of Heineken. The red star meanwhile

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<sup>67</sup> Picture 2: The bottle of Heineken, taken by Author.

<sup>68</sup> Not only Heineken is using the green color but also Chang. However the green color of Chang is much darker than that of Heineken.

has become so famous during the last decades. It is however not only Heineken who uses this star as a symbol but many teenagers and students, especially the alternatives have the association between the red star and role models such as Che Guevara or even the red star of Soviet Russia. According to Schmitt and Simonson (1997: 15) so is the Star a symbol for divine presence, enlightenment and wisdom and is used by brands such as Converse and Texaco.

While other brands in Thailand have won various beer awards in the previous years, Heineken has done so more than a century ago. As one can see, written in French, so did Heineken win several times a medal in Paris for its beer. That Heineken beer is not only cult status but also uses the best ingredients from nature which makes the beer giving a good flavor is for a beer in the price range of course a have to.

#### **4.3.2 ADVERTISING AND SIGN VALUE**

As we have seen, the aim of advertising is it to bring the message of the product to the people. While message is a wide notion, it would be better to say that the brands try to represent something to the customers like myths or messages which add extra value to the brand and moreover make them look special and different from each other. This is very similar to Baudrillard's terms when he explains that ads function in construction sign value to the objects. But while talking about Heineken the question arises whether this brand actually still needs a message for its brand. Is it not a fact that Heineken has become a cult brand similar to Levis and Coca Cola already? The answer is yes, it still needs advertising. As we will see in the examples, the brand, despite being the most expensive beer among the five selected brands tries to emphasize its cult status among the consumers. A message which the company tries to keep among the public and as we will see later, has much success in doing so.



## A) T.V. COMMERCIALS<sup>69</sup>

### 1) THE RESTAURANT TABLE

The spot, like all the other spots of Heineken is complimented by a famous song which makes the spot really perfect since they were chosen to fit with the spot.<sup>70</sup> As one can hear it in the background- “you can get it if you really want”, the spot takes place in a fine restaurant. Several people all dressed in fine clothes are eating at the same table. This table is a kind of dinner with a Lazy Susan on a turntable in which food can be moved around easily so that one can pick the food with his chopsticks. Out of the group of people one handsome guy dressed in a nice suit with light color is trying to move a plate to a beautiful and perhaps hungry looking lady sitting opposite to him. But this is not so easy since many men want to have a bite so this guy also has to wait before he can move the plate to her since the other gentlemen do not seem to care about the lady but about their own hunger most. But finally, after many trials he manages to pass the plate to the lady who looks so glad and as one can read -be a gentleman even if you have to try hard. Well it seems that distinguished appearance can not make one becoming a gentleman, one also needs to try hard but with the help of Heineken, things will go smoothly.

### 2) ONLY ONE HEINEKEN LEFT IN THE FRIDGE

This spot takes place in the apartment of a man who has organized a party and invited his friends. The man looking quite trendy perhaps in his early thirties is dressed up in stylish clothes and so are his friends. While the host is on the way to the fridge he passes several ladies and gives the impression that he is popular with women. While he is almost dancing instead of walking to the fridge and looking happy his expression on the face changes as soon as he opens his fridge. Because it seems that his guests have finished almost all Heineken bottles save one. Well what he does in this strange situation where it seems that he does not want to drink the bottle alone or share with his

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<sup>69</sup> The headline of the spots have been chose and given by the author after watching and consulting together with Thai people.

<sup>70</sup> The songs are even available on a CD. See, [www.heinekenthai.com](http://www.heinekenthai.com).

friends? Luckily the clock tells him that it is already after midnight and so he tells all his friends that they had better leave his apartment. As a text written in Thai announces, it's late already, respect the privacy of the neighbors. After telling all the people, one after the other is leaving his apartment also the women who do not look happy. But there is no way to convince him to let them stay longer and so the door slams and the final sequence shows the picture of the lonely bottle of Heineken in the middle of the fridge. It seems that Heineken is speaking to the individual rather than a group in this spot since to the person in the spot, drinking the bottle of Heineken by his own was more important than leaving or sharing it with his friends.

### 3) DON'T DRINK TOO MUCH

This spot is very interesting since it tries to educate the public to be careful with alcohol. The spot takes place in a café in the middle of a big western city. Three men, all westerners, are sitting at a table and each is drinking a Heineken beer. It seems they have a lively discussion and during this discussion one is not careful with his elbow and hits the bottle so that the beer is dropping to the bottom. The owner of the bottle does not realize this and so a dog drinks the beer. This is the dog of a blind man occupying the table next to them. After the dog has finished its beer, one can see the blind man ready to go and putting the dog leash around the dog. But the dog seems to be drunk and whether the owner will manage it to reach home safely remains an open end. What seems funny on the first moment has, however, a serious purpose. As a text at the end announces- Why do you put other people in danger, don't drink and drive!

Why one can not say for certain whether people will listen to the warning or not but how this company tries to bring it over to the public is unique. Not only is it a western spot but also full of humor which however can be misunderstood by some Thai people since a dog is drinking the brand. What the author wants to impress simply is that this spot was not made for everybody but rather for those who understand the sense of humor i.e. the cosmopolitan people since actors, location was foreign.

## B) BILLBOARD



1)<sup>71</sup> This ad tells us only in a few words what Heineken stands for. It's not the beer for the rich and famous but simply the coolest beer in town. One can see how great the slogan and picture of the bottle fit to each other. While the picture shows a green icy bottle with the larger as usual Heineken label on ice cubes. Of course you can't drink an ice cold beer except a cool one and that's simple

Heineken, get out and find it!



2)<sup>72</sup> While the first ad clearly tells us what Heineken stands for, so does this ad tell us who the consumers of Heineken are. This picture was made for the green spot corner of Heineken beer in which different music, cuisine and cool people go to drink and enjoy Heineken beer. One can see three pictures all made of a green background, the color of Heineken. In each of them can see a hand holding an emptied beer glass with the Heineken logo making the hand

appears like that of a person who is sitting in front of the group. The first picture shows a music band of six people, looking young, cool and stylish. Next to the glass comes the

<sup>71</sup> Picture 3: The coolest beer on Town, Source: The Review, August 2006.

<sup>72</sup> Picture 4: The green spot, Source: [www.greenworldtravel.com](http://www.greenworldtravel.com)

sentence a melody never repeats i.e. there are many varieties of melody. The second picture shows many chefs from various nations such as westerners and Asians representing make different types of cuisine.

Now the text asks which dish shall be the first. The last picture shows some stylish, good looking ladies. Since those ladies are all so beautiful the text now just says what all are thinking- not easy to chose, of course.

It should be clear, that the Heineken and its consumers are modern, stylish, universal, cool and creative. What else does one need to say what a brand stands for and how the target group looks like?



3)<sup>73</sup> The last ad shows a big can of Heineken in front of a bar. This shows that Heineken uses commercials in a different way from others. While unfortunately most advertisements of Heineken can not be downloaded from the homepage, the author nonetheless recommends interested persons to visit [www.heinkenthai.com](http://www.heinkenthai.com) in order to see how interesting and different the ads of Heineken are. That Heineken is special compared to all the others can also be seen while studying the homepage. Heineken

has something the others lack. This is, simply because Heineken is a world brand and that makes it so different from the others. Being a sponsor of football clubs like Barcelona or Chelsea, or sponsoring jazz festivals in Thailand, Heineken is there- for you.

### **Sign Value**

In short, a brand like Heineken does not need much work. The beer is established as cool, it's stylish and it's an international brand. Ironically it does not emphasize its origin i.e. coming from Holland but keeps that international touch. What about the target group? It seems that Heineken tries to appeal to the cool, hip and

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<sup>73</sup> Picture 5: A big Heineken can, taken by author.

trendy. Those who like fashion style and moreover tend to feel part of the world community. Heineken brings the world together, not only can beer travel as the maker of Heineken said but Heineken can also bring people together. Of course, it's not a cheap beer but if you want to be part of that group so you might have to afford the extra money. While asking the one hundred and twenty people what they associate with Heineken it was no surprise that the message of the company has reached the target audience.

(Answer of the respondents what notions they associate with Heineken)

Answers	N= 83	Percentage =100
Stylish	32	38.6%
Cosmopolitan	23	27.7%
Modern	21	25.3%
Friendship	2	2.4%
Famous	1	1.2%
High Society	1	1.2%
Smartness	1	1.2%
Martial	1	1.2%
Luxury	1	1.2%

Thus as we have seen, it seems that the sign value which the ads try to create describes a beer which is stylish, universal and modern. Thus, being the most expensive beer in the market among the five brands, this beer is associated not as an expensive beer but rather as a cult beer which the customer has to pay for if she or he wants to have it.

#### 4.4 SINGHA

This thesis has already discussed the history of the establishment of Boon Rawd Brewery Thailand's first and perhaps most famous brewery. If we talk about Singha beer, we speak about one of Thailand's oldest and still existing beer brands. As we will see later, the logo of Singha and Boon Rawd are very closely related to each other. Moreover, the brand Singha is among Thailand's most famous brands.<sup>74</sup> While Boon Rawd had the monopoly for almost six decades in the Thai beer market, the company has once lost market share to rival Thai Beverage i.e. Chang beer. However, regarding the mainstream market, Singha holds the absolute top position with 94.5%. Singha beer is not only famous within the Thai Kingdom. Even before Chang was introduced, Singha beer was sold in Thai Restaurants around the globe.<sup>75</sup> Foreign visitors to Thailand also like this beer which according to an internet survey among international beer drinkers is the best brewed beer in Thailand.<sup>76</sup>

Regarding the origin of Singha beer, so have seen that the owner and most of the brew masters of Boonrawd Brewery have learned and studied this ancient art in Germany i.e. Munich the capital of Bavaria which is famous for its ancient breweries. In 2003, making the 70<sup>th</sup> anniversary of Boon Rawd brewery and Singha, the brewery has changed the beer and made it smoother in its taste as well as decreased the alcohol content from 6 down to 5.5.% which seems to be an average trend in the Thai beer market.<sup>77</sup> Very recently the company has managed to win former Miss Universe Natalie Glebova who has become the Brand Ambassador of Boon Rawd.<sup>78</sup> Since her engagement to famous Thai tennis player Paradorn Srichaphan her reputation and name has increased in fame and so brought the company an extra value.

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<sup>74</sup> [www.boonrawd.com](http://www.boonrawd.com)

<sup>75</sup> Singha beer started to export the beer in 1970. The beer was promoted in 36 countries. Nowadays, a total of 3.6 million bottles of Singha beer are sold in oversea countries and the United States has become the largest export market (20%) for Singha so far. The company even tries to increase its shares and has signed a contract to become a sponsor of a famous American cooking show which includes Thai Star chef Tommy Tang. [www.brandage.com/issue/edn](http://www.brandage.com/issue/edn).

<sup>76</sup> [www.ratebeer.com](http://www.ratebeer.com)

<sup>77</sup> A market study of the brewery has found that many drinkers of Singha are men aged between 50-60 and show a strong conscious for their health. This was certainly another factor while many breweries reduced their alcohol content in the recent years. See, [www.matichon.co.th/prachachat/prachachat\\_details](http://www.matichon.co.th/prachachat/prachachat_details).

<sup>78</sup> Bangkok Post. Saturday, September 2, 2006. p. 01.

#### 4.4.1 LOGO-AESTHETIC<sup>79</sup>



One of the changes in 2003, besides the alteration in taste, was that Singha also brought out a modernization of its logo design which can be seen on the bottle. The reason behind this was it to show more modernity and emphasize the brand as a premium brand. While many people refer to the Singha logo as a lion one should however keep in mind that aware that the Singha is not a natural animal but is a figure which comes from ancient mythology. If it would be a lion than according Schmitt and Simonson (1997: 155) the lion represents leadership, power and royalty.

Without doubt, the Sing(ha) has not only become the brand's logo and name giver but moreover is synonymous to Boon Rawd Brewery. Perhaps, the logo is even more famous than the brewery itself, especially overseas. This might be one reason that the company has urged the government to abandon its plan to prohibit beer brands to continue using their logo in advertisements.

That Singha is The Thai beer is also included on the bottle. Not only is it written on the top but the Garuda Emblem being the official seal of Thailand requires a royal decree which is for a company like Boon Rawd the second most important trademark after the Singha. Now one should understand why Singha is indeed the first, the only, and especially the only real Thai beer.

#### 4.4.2 ADVERTISING AND SIGN VALUE

Singha beer is the first beer of Boon Rawd Brewery which will be surveyed. Unlike Leo beer whose target group is young adults, Singha beer tries to target the young executive group which starts at the age of 35 years.<sup>80</sup> The main marketing strategy of Singha is it to be a national beer. Ironically, the first steps of promoting Singha beer was quite different from what it is nowadays. The first advertisements of

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<sup>79</sup> Picture 6: The bottle of Singha, taken by author.

<sup>80</sup> [www.manager.th](http://www.manager.th)

Singha, actually tried to promote the beer as a German beer. Perhaps due to the reputation of German beer and moreover due to the history of Boon Rawd Brewery which has much technology and knowledge from Germany imported as we could see. During the time however, Singha has changed its marketing strategy away from being a foreign beer towards a native and more the native Thai beer. The famous slogan -beer Singha beer Thai – has made the brand known for its cultural Thai heritage. From then the slogan went so far as to say Singha beer our (Thai)land. Thus, in order to keep and promote this marketing strategy, Singha has emphasized cultural values of Thailand. It seems that in this spot Singha has managed to bring together a global Miss Universe and the local *Wai* gesture together, creating thus a link between the world and Thailand with Singha beer as a link between these two.

#### A) T.V. COMMERCIAL

##### 1) THE- TOOTHPICK- SPOT

In this short spot, two friends or brothers are sitting inside a fine bar. One of them is *Phi* meaning the older and one is *Nong* meaning the younger. Both men are pushing something around to each other. But one can not see in the first seconds what exactly it is. Instead one can hear only a sound which sounds like glass. A female bartender is watching both interestingly while one only can see the both men are pushing this little something around while saying *Phi gon* versus *Nong gon* meaning the older first versus the younger first. As it is common in Thailand, seniority is an important symbol for respect and status. While *Phi* might be the older and thus has the first right i.e. *Nong* is offering it to him first. But he, *Phi* also has to act like the older and so is offering it to *Nong* which at the end a difficult task in which none of the two is accepting this little something. This kind of moving around the little something is going on for a while and gives the viewer a kind of amusement. Then after a while one can see what the object is- a small whisky glass with a single toothpick inside.

After one could see the picture of the glass with the toothpick, a song in English singing about friendship and good times appears in the background and the younger of them is breaking the toothpick in two pieces while a text announces, -behave like a kind



person-. After that both are happily waving to the female bartender and the next sequence shows a bottle of Singha beer on a golden background while the slogan Beer Singha- Beer Thai is onscreen. Perhaps this bottle is going to be shared between *Phi* and *Nong* in the same manner as the toothpick!

## 2) THE- MISS UNIVERSE TEACHING THE THAI WAI- SPOT

This spot is only one among several different spots where the former Miss Universe Natalie Glebova plays a part in it. It seems that this spot is taking place at her parents home back in Canada. Natalie is sitting between her parents while her father is looking at the pictures she has made back in Thailand where she has won the Miss Universe. All are speaking in English but a Thai subtitle is translating for the Thai audience. After a text has announced her name, Natalie is teaching her mum how to *Wai*<sup>81</sup> and perform a greeting in Thai properly. Natalie starts with the teaching and shows her mum how to position the elbows rightly. After her mum has learned how to perform the gesture and say *Sawasdee Kha* or hello, Natalie is performing the gesture to her mum while saying *Sawasdee Kha Khun Mae* and to her dad *Sawasdee Kha Khun Po*. Her parents are asking her astonishingly what this means. Natalie tells them that it means hello mum, hello dad. Following the explanation, her mum is performing the *Wai* to her daughter while saying *Sawasdee Kha Khun Natalie* and so does her dad.

As all Thais and friends of Thailand know, the polite article *Kha* is only used by women or male transvestities only while men have to use the polite article *khrap* instead. Thus, humor has been used to address the Thai public. Due to this one can see the beautiful face of Khun Natalie who looks like a little bit embarrassed. After this sequence one can see the Logo of Boon Rawd - the Singha and the text “ the Thai Wai makes all of you become the most beautiful on the earth”. While it seems funny to the foreigner the message for the Thai audience can be seen out of the context that in the modern society, conservative Thais complain about the loss of values. Especially the youth is regarded as a generation which does not display graceful Thai manners as before. Using Miss Universe , a foreigner, to teach this meaningful gesture is a way to

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<sup>81</sup> The Wai is the traditional way in Thailand and some other Asian countries to greet each other respectfully.

show Thai people that even foreigners appreciate the Thai polite gesture and therefore Thais should too.

### 3) THE- FRIENDSHIP- SPOT

This spot is different from the others in various forms as we will see soon. At the beginning of this spot one can see a beach landscape somewhere on an island or along the coast in southern Thailand. This beautiful beach is surrounded by rocks and jungle. On this beach is a bamboo house inhabited by a young group of people among them Westerners too. All these young people are looking cool, may it be their afro- hairstyle or the sunglasses and hat they are wearing. All are enjoying the beach and sunny weather. One can see a guy playing with instruments i.e. he is beating a drum. While the guy is beating his drum he realizes that a similar sound is coming from the other end of the beach and makes him interrupting his play. Now one can see where the noise came from. At the other side of the beach is another bamboo hut which is also filled with young and cool looking people and one guy from that house is beating a drum as well.

Out of this story a kind of music language develops in which the one beats a tone on the drum and the other is imitation the tone or responding to it while one also could guess it's a kind of competition. After this goes on for a while one can see both groups walking from their houses to the middle of the beach where they meet each other. While they look like cowboys walking to a duel one can get the impression that they might argue or even hit each other. While the two groups confront each other and the faces look very serious, the outcome of the story becomes however quite the opposite

. The guys who beat the drum shake their hands in a combination style making it looking quite funky while in the background one can hear a drum play and a speaker who says in Thai that- *Mii Dontrii Mii Mitraphap* which can be roughly translated as "where there's music there is friendship". Funnily since none of the actors are speaking at all, one suddenly makes a noise with his finger while putting it into his mouth, sounding like the opening of a bottle. After that noise one can see the bottle of Singha which is placed in front of the beach and the words of the speaker "Beer Singha beer Thai".

As previously mentioned, this spot was quite different from the others which always emphasized Thai values or ideals. However also in this spot it seems that Singha is trying to promote its beer as a link between cultures similar to the Miss Universe spot in which the beer can be exchanged with the music making it look like that Singha beer brings two groups or two cultures together without having to know the other's language or custom or simply where there's a bottle of Singha beer there is also friendship.

## B) BILLBOARD



1)<sup>82</sup> This ad was collected from the homepage of Boon Rawd brewery and was used to celebrate the 72nd Anniversary of

Boon Rawd Brewery. As we have seen the Singha is the Logo of the Brewery as well as the Logo of the beer brand. While 72 years, compared to German breweries are not a long time of period, Singha is nonetheless the brand which has Thailand's oldest brewing tradition. Especially the slogan "72 Years of Devotion" is something where people should take a better look. Without mentioning it directly, the word "devotion" only can describe the contribution which Boon Rawd Brewery and their flagship Singha beer has brought to Thailand, and the Thai people. We could see in Chapter Two how Boon Rawd brewery has tried successfully to grow ingredients which are essential to brew beer here directly in Thailand, which however was a very difficult task and has required much time and money for the company to achieve.

Moreover, Singha sponsors cultural events such as Boat Races, movies and other sport events. Thus Singha clearly is looking for the link between Singha as being part and moreover contributor to Thai cultural heritage.<sup>83</sup>

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<sup>82</sup> Picture 7: 72 years of devotion, Source [www.boonrawd.com](http://www.boonrawd.com)

<sup>83</sup> Ibid.,



2)<sup>84</sup>These two ads were collected in front of restaurants. Similar to Heineken these ads try to emphasize the product i.e. Singha beer only but have chosen an exclusive background i.e. gold color to give it an exclusive look but which also could be the color of the beer. All this indicated that similar to Heineken where the brand is widely known among the public, a brand like Singha does not need slogans but just a picture of the Logo to remind people which beer they should choose while entering the Bar.



The second picture on the other hand which was taken in front of a discotheque shows a small bottle of Singha perhaps remembering the visitor that ordering a small bottle of Singha beer is cool and trendy. In order to promote the beer as something special a golden background has been chosen to show that Singha is a fine and stylish beer or as one can see a good premium beer.



3)<sup>85</sup> Taken underneath a small hut. This ad of Singha beer shows the brand name in big letters next to the Logo. In the background is a golden yellow color which looks like beer. While one might think this ad only tries to attract foreigners is wrong. Despite the fact that the slogan Singha beer Thai beer is included one also can see written in Thai that drinking alcohol makes

<sup>84</sup> Picture 8: a stylish Singha, taken by author.

<sup>85</sup> Picture 9: Singha the Thai beer, taken by Author.

one reducing its ability to drive any vehicle. However, it seems that at that time than the ad came out it was forced by law to do. Still, it is clear that Singha beer is a Thai beer and not only just one Thai beer, it is simply the one, first and judging from Boon Rawd's point of view the best and only Thai beer among all the others.

### **Sign Value**

To search for sign value behind Singha beer is certainly the most interestingly task among the five brands. The first question occurs whether a famous Thai brand like Singha actually still needs to convey a message to the public? If so than it becomes clear that Singha tries to give the image of being the only real Thai beer. While those who have read the previous chapters will know that even the forefathers of Singha have learned their craft of brewing beer in Germany i.e. Munich and moreover have promoted Singha as German beer for a certain period all this does simply not matter any more. As a matter of fact, Boon Rawd Brewery has managed without much help from outside unlike Thai Beverage and Thai Asia Pacific Brewery, to build up a brewery and with Singha a brand which has gained worldwide reputation for its quality. That Singha and Boon Rawd try to sponsor cultural events in order to position the brand as part of Thai cultural heritage is certainly one approach of the company to foster sales.

But one would be wrong to argue that Singha tries to play the national card. As we have seen the company has managed to win Natalie Glebova as their brand ambassador and in the spots, so is Singha trying to promote a kind of Thainess to the public. May it be the teaching of the typical Thai greeting- the *Wai* or the respect of the younger friend/brother for his older friend/brother both is important for Thai people and right behavior in Thai society.

Asking the people in the survey what they associate to Singha after seeing the ads so did the picture looks like this,

(Answer of the respondents what they associate with Singha)

Answers	N= 88	Percentage =100
Thainess	32	36.36%
Modern	13	14.77%
Stylish	12	13.63 %
Martial	11	12.5%
Cosmopolitan	11	12.5%
Friendship	4	4.54%
Easy going	2	2.27%
Sporty	2	2.27%
Charming	1	1.14%

This result shows that most people consider this beer of being Thai. As we can see now the message which the brand has created as described in some ads is also accepted as such by the audience. Interestingly, this beer is also considered as being a modern and stylish beer which perhaps is due to the T.V ads like the one about the music. The very same spot might be the reason why people also consider it as a universal beer and a beer for friendship. It could be argued that nowadays Singha beer is trying to move a step further away from the slogan to promote the brand simply as the Thai beer but rather as an agent of global/local or intercultural connection. As a result the survey shows that 12.55 of the people consider this brand as a cosmopolitan beer.

#### 4.5 CHANG

With Chang beer, we are entering the economy market segment. As discussed earlier in Chapter Two, it has managed to gain the number one position from former Singha. If one talks about this brand, one also has to consider the person behind the brand and this is no one less than Thai Tycoon Charoen Siriwathhanapakdee<sup>86</sup> and his Thai Beverage company which also produces other spirits such as *Saeng Som*.

We also have heard about the cooperation between Thai Beverage and Carlsberg beer which helped to supervise the establishing and brewing of Chang beer in 1994. One year later in 1995 Thai Beverage built a new factory to brew Chang beer

<sup>86</sup> Bunchai Chaiyen 2005, The Richest Man in Thailand. White Lotus Press, Bangkok.

exclusively. Whether or not the taste of Chang and Carlsberg beer are similar is up to the expert but after the split between the two companies, Chang beer has managed to become the most sold beer brand in the Thai beer market where the brand controls 56% in the economy market segment.

Interestingly, the company has created their own strategy to promote Chang beer. Firstly, their target groups were workers at the age of 20-39 living in the provinces. There, Thai Beverage Company controls many small companies who produce rice whiskey which is famous among that group of people. However, Charoen and his company planned to change the drinking habit of the people i.e. away from rice whiskey toward (Chang) beer. Thus, a new marketing strategy called "Tie in Sales"<sup>87</sup> was applied. Another marketing strategy was it to brew a beer with high alcohol content of 7%, in the meanwhile however Chang beer has reduced it to 6.4%. That Chang beer is now also famous and promoted overseas can be traced back to 2004. It was in this year that the English Premier club Everton Football Club and Chang signed a contract for sponsorship. Since then, the white Chang label and Logo can be seen on the blue Club shirt each weekend watched by millions of fans around the world.

#### 4.5.1 LOGO-AESTHETIC <sup>88</sup>



Starting with the name of the brand i.e. Chang or Elephant in English, Thai Beverage has chosen a name which is a very important animal and symbol for Thai culture, history and heritage. According to the consultant of the Thai Beverage company, the name Chang was chosen by the company to have a symbol which represents an auspicious animal as well as a national institution Bunchai Chaiyen 2005). Not only is Thailand known worldwide for being the land of smiles but also as the land of elephants and before the creation of Thailand's present national flag, a white elephant

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<sup>87</sup> Under this new marketing strategy in 1995, the company forced the grocery owners who especially sell spirits to the target group, to buy three dozens of bottles (36 bottles) of Chang beer if they wanted to buy a box of rice whiskey (32 bottles). In 1998 the rules were sharpened and the grocery owners had to buy 6 dozens of Chang beer (72 bottles) with each box of rice whiskey, Ibid.,

<sup>88</sup> Picture 10: The bottle of Chang, taken by author.

on red background were the flag and symbol of the country i.e. Siam. Moreover a white elephant always was a symbol for the glory and power of a Kingdom i.e. King within Thailand as well as a source of conflict with neighboring countries such as Burma. Regarding the bottle Logo of Chang beer, one can see two white elephants facing each other. The concept behind the creation of this logo was it to show two elephants facing each other in the same way Thai people should face each other to solve problems for the nation. The spring of water above the two elephants is a meaning for a healing source which can give the Thai people friendship and protection and good relationships to each other (Bunchai 2005: 89). Despite the relatively inexpensive price for the brand, Chang beer has won the Australian international award in 1998 and has included this on the bottle as a sign to guarantee quality and international recognition of the product.

As one can see the bottle features three colors, green, white and gold. One can clearly see that above the logo of the brand, the beer also has included a strip in which the winning of the gold medal in Australia is included pointing out that the buyer will purchase a good quality beer.

#### **4.5.2 ADVERTISING AND SIGN VALUE**

As in all the case studies, T.V commercials and advertisements will be the main tools to see how the brands try to appeal to the consumer. As we have seen, Chang beer uses several marketing tools to promote the beer. While the elephant as a symbol for Thai identity is one thing, the sponsorship of football is another. As we will see, both of them are included and moreover emphasized in various commercials and advertisements.

##### **A) TV COMMERCIALS**

###### **1) THE- THAI PEOPLE HELP THAI PEOPLE- SPOT**

In this advertisement, one can see the mountains of Northern Thailand. These mountains are inhabited by people from so called hill tribes. Shortly after that, one can see the letters “Thai People Help Each Other” while watching the poor people,



especially the elderly people freezing in their thin clothing and try to keep them warm. While the viewer can see how the people suffer from the cold, only a second later, like a wonder, the light is coming through the forest bringing warmth and hope with them. A speaker announces that; since more than 5 years already, and more than a million hope we (Thai Beverage) have shared the warmth with them. Now is the breaking of the sixth year that Chang is helping people to avoid suffering from the cold, while donating another 200 000 blankets to people in need. Thus, bringing the total amount to now more than 1.2 million blankets which have cost so far 180 million baht. While announcing this statement, one can see trucks in green color wearing the Chang beer sign, leaving the factory ground. Later on Thai Beverage staff is personally donating the blankets to smiling and grateful people. After that one can see the people smiling and feeling happy underneath the blankets. A small child, wearing a green Chang blanket says in northern Thai “Thank you (Thai Beverage/Chang)”

## 2) THE “DO A LITTLE BIT MORE” SPOT

This spot starts with a young man hanging the Thai flag out of his window. After that another young man is helping an elderly shop owner to open his shop which requires strong hands. In the next sequence another young man, this time an office worker is turning off the lights before going to have lunch, a sign for saving energy. Following sequences show a man driving his car away which blocked a small street, in order to enable a waiting taxi driver to continue his journey and after that a man and a child giving away their eye glasses for charity which later on will be used by an elderly man and a child who thanks to the donation can be clearly seen now.

The next pictures show a man and woman inspecting the quality of white orchids from their fields as well as a woman who produces (green colored) silk which shows a superb quality and will be worn by a model on a catwalk later on. After the catwalk sequence the pictures show the Thai football team dressed in blue shirts with the white Chang label following the advice of their coach and while playing against a team in red (red for Leo?), supported by a huge crowd scored and bring the crowd to cheering. After the football match, one can see the model wearing the green colored silk dress on the catwalk. As it was said, Aed Carabao song could be heard in the

background throughout the entire spot with the main emphasizes on “Do a little bit more” addressing the Thais in general. Judging from the various sequences throughout the spot this means that Thai people should help each other, work hard, be patient and fight as a team. The last sequence showing the logo of Thai Beverage ends with the last songs words “The thais have hearts like a elephant” literally are good people with big hearts.

### 3) THE-THAI FOOTBALL PLAYER GOES INTER-SPOT

In this spot, the main focus is on three young football players dressed in green uniforms with the Chang logo, giving the viewer the impression of being proud and strong.<sup>89</sup> In the next sequence two wooden doors, both bearing the logo of Chang open and let the sunshine come through. After the gates opened one can see Big Ben the well known land mark of London giving the viewer a mystical picture like that of a gateway to another world. In this world i.e. England-London one can see now the three Thai football players playing with a ball around the city of London.

While playing and running through the small gates of the city bypassing old houses and cheering people they finally reach the stadium of Everton where a huge crowd of Everton supporters is waiting for them all dressed in the colors of Everton i.e. blue and white. Shortly after that the three players can be seen entering the catacombs of the stadium. After that, all come out, now dressed in the shirts of Everton, and together with the entire football team are finally standing among the team in the middle of the stadium. While the song in the background, here again written and sung by Aed Carabao sings- Thai football player goes inter or overseas. While seeing the picture of Chang a speaker announces that Chang is supporting Thai football players to become world class players.

### B) BILLBOARD

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<sup>89</sup> The three football players which can be seen are actually real. They have been sent to Everton in order to train 9 months together with the team to improve their skills and hopefully return as very skilled players which can help Thailand to have better football players. This is cooperation between Chang the main sponsor of Everton and Everton Football club in 2004. See Bunchai 2005, p. 146.



1)<sup>90</sup> This ad shows that Chang beer has won the Australian International Beer Award in 1998. The medal is placed on the left side while on the right side a can, a small and large bottle of Chang beer is

placed. One can see clearly that the medal is printed on the top of the bottle, a sign that the design now has changed after Chang has won this price. Between the pictures of the medal and the beer are the large green letters “Beer” Chang placed while a text in Thai and English announce the winning of the price. Since much emphasizes is placed on the award, one can speculate that Chang beer tries to tell the public that Chang beer has a good quality and moreover, being brewed here in Thailand has won international respect as a Thai beer.



2)<sup>91</sup> The second ad, deals with Chang draught beer, even if not a lager, this ad places a big glass of Chang beer on a wooden table, underneath a coconut dream. While Thailand has many beautiful islands one can speculate here again that this Island

represents Ko Chang or Elephant Island in eastern Thailand close to the Cambodian border. Bearing the same name Chang or elephant is a nice metaphor. But of course the ad wants to show that drinking a fresh Chang from the tap is nice, refreshing and perhaps relaxing while on vacation.

<sup>90</sup> Picture 11: Chang and the gold medal, taken by author.

<sup>91</sup> Picture 12: A Chang beer on the island, taken by author.



3)<sup>92</sup> Even if the previous world football championship in Germany is already passed and the Italians in general prefer wine and not beer, this Billboard ad can still be seen

around the cities.<sup>93</sup> In this picture the dark green, white and gold color, is used for the roof as well as for the writings. Simultaneously these are the same colors of Chang beer. On the right side are people from different nations which are representing football fans. The above writing says that there will be no commercials during the play i.e. no interruption as it is common while matches are held on public channel here in Thailand. The reason why? As Chang announces in a sentence underneath that, Chang is the main sponsor for the broadcasts of the football matches of the Football World Cup 2006 in Germany. This is a sign that Chang makes it possible that Thai people can enjoy full ninety pleasure minutes of watching the games without being disturbed by commercials. Thus a big thanks and appreciation to the Thai people by Chang beer.

### **Sign Value**

There are certainly many ways how one can try to explain the success of Chang beer in the Thai beer market. A very aggressive marketing strategy is certainly one main reason for this fact. Regarding the creation of sign value behind the brand, than many people perhaps will be amazed by the approach of this company. Despite the inexpensive price of this beer one did not get the feeling that Chang is giving that impression to the public. Instead this company emphasizes her charity towards the Thai people. The company is providing poor people with blankets but also provided the Thai public with commercial free football games during the World Cup in Germany. Sport is thus another crucial object of the company, being the only Thai beer company sponsoring an English Premier Football club bearing the white label of Chang on their shirts is certainly another fact which makes this company so famous among the people here in Thailand. In addition, the company sends Thai football talents to Everton in

<sup>92</sup> Picture 13: Chang and the World Cup, taken by author.

<sup>93</sup> Before the world cup started, Chang had a similar ad on T.V.

order to provide them even with better skills and help so to improve Thai football. Standing among the best football players despite the fact that internationally speaking the Thai football is still relatively irrelevant, gives the Thai people the feeling to join the ranks of the best.

In another spot, the company has tried to reach the public via sending showing the good examples of behavior i.e. how Thai people can help each other to make a better society. With Aed Carabao's voice in the background the company has certainly managed to gain a famous Thai singer for their spots.<sup>94</sup> Drawing from the billboard ads, so one can see that company also tries to promote their Australian award of winning of the first price in the Australian beer context in 1998 which shows the public that drinking an inexpensive beer must not be a sign of low quality. However as a matter of fact, despite all the sponsoring and contributions by the company, this was and is only possible if people keep buying Chang beer i.e. bring great profits to the company. Thus, the main signal at the end is to keep the people drinking Chang beer which contributes to the company's charity work as well as the sponsoring of Everton F.C., and sending young Thai talents to England. To get a more complete picture about the sign value we especially have to consider the opinion of the interviewed that associate Chang with the following:

<b>Answers</b>	<b>N= 83</b>	<b>Percentage =100</b>
Thainess	47	56.6%
Friendship	8	9.6%
Martial	8	9.6%
Easy going	6	7.2%
Sporty	5	6%
Cosmopolitan	4	4.8%
Thais have spirit	2	2.4%
Stylish	1	1.2%
Thai beer	1	1.2%
Love Thai people	1	1.2%

<sup>94</sup> Aed Carabao alias Mr. Opargun is famous singer in Thailand. The song that made him famous is "Made in Thailand". He belongs to the folk music tradition.

While perhaps, most people would have expected that Singha beer is the beer mostly associated to Thainess or being Thai, if we follow the result of the questionnaire then Chang seems to be more Thai. As we could see the ads of Chang, try to emphasize the charity work of the company toward Thai society as well as urge the Thais to do more for society. Despite the fact, that only seventeen people preferred Chang beer as their favorite beer, the ads of Chang have managed to build and moreover to maintain the impression to a vast audience that Chang is being Thai.

This also gives us space for speculation and since more people consider Chang as being more Thai than Singha despite that the company promotes “beer Singha as beer Thai: it seems, that Thai people consider it more important that a company is doing good for society instead of using Thai gestures such as the *Wai* to appeal as Thai to the public. However, as there is space for speculation the owner if Singha might have chosen a new way to reposition the brand as more global. In addition to that there were also people who consider this beer as part of friendship which perhaps is meant that in one the spots friendship between all the Thai people is also stressed.

#### **4.6 LEO BEER**

As we have seen, the fall of the monopoly of Boon Rawd and the success of Chang beer in the Thai market has brought the former Number one Singha not only enormous competition but also enormous market loss and thus profit. During the Asian crisis as we could see, consumer behavior has switched towards cheaper alternatives i.e. brands and thus, a beer in the price range of Chang appealed to many Thais positively. Boon Rawd however had a problem; if it would lower the price for its Singha beer and thus try to compete with Chang it would lose its reputation as a beer of the middle class and shift toward a beer appealing to the low income market. If this would happen, the



brand would perhaps risk losing its reputation and moreover loose customers in its original market segment. In order to avoid this, Boon Rawd Company launched a new brand in 1997 called Leo Lager Beer. It came on the market in order to target the low income group of the consumer market i.e. compete with Chang. Together with a huge marketing

campaign and free consumer trials, 2.5 million cases of Leo beer were sold after the launch of the successful TVC (Television Commercial). At that time, the beer was especially sold in the poorer regions of Thailand such as the Northeast where Boon Rawd made heavy campaigns to gain back market shares from now main competitor Chang beer.

Another way to attract customers was it to win Thai Super Model Miss Methini Kingphayom<sup>95</sup> as Brand Ambassador for the company. However a recent law has prohibited the beer companies to use famous persons to endorse products in this advertisement which has led the company to open a contest called SEXY LEO GIRL to find ladies who will become Leos brand Ambassador for the future.<sup>96</sup>

Thus, we can say that Boonrawd had set up Leo, a brand that suits to the provincial peoples earnings and behaviors and moreover a product which is not too strongly associated to Singha. As we will see later, however this has recently changed and Leo nowadays tries to appeal more to younger people since it has brought an even cheaper brand called Tai Beer to target groups in the rural areas. Interestingly the alcohol content is 5.5% thus smoother than the others and in this respect similar to Heineken but at a cheaper price.

#### 4.6.1. AESTHETIC AND LOGO DESIGN<sup>97</sup>



With the name Leo for its new brand, Boon Rawd has chosen a short and impulsive name. Leo shortened form from Leopard, the fast predator whose picture in red and white can be seen on the bottle of Leo beer which have become the trade mark of the brand. Similar to Chang so does Leo beer has won a kind of award. While one can see two coins on the main label, one coin is also on the top. The right medal shows the city of Munich while the left one shows the

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<sup>95</sup> Picture 14, the supermodel source: [www.brandage.com](http://www.brandage.com).

<sup>96</sup> This campaign costs Boon Rawd Brewery seventy million baht. During a timeframe of six months representatives of the company are driving throughout the country to interview the applicants and check the look. Out of the nationwide applicants, a total of seven ladies will be chosen to represent the brand in advertisements. Ibid.

<sup>97</sup> Picture 15: The bottle of Leo, taken by author.

award which has been received from the World Beer Association in Munich for their good quality. Underneath the coins written in Thai stands that, this prize is an international quality prize. Thus a Leo looks not only interesting but also has a good quality guaranteed.

#### **4.6.2 ADVERTISING AND SIGN VALUE**

As we have seen originally Leo was lunched to target people living in rural areas which were the bunch of the low income market. Meanwhile however, things have changed and Leo beer has tried to reposition itself. The main target group of Leo beer, according to the Boon Rawd Brewery is young adults.<sup>98</sup> The beer moreover tries to create the image of the beer as not being a cheap quality beer despite the inexpensive price for it. The concept of this campaign as we will see is it to emphasize on the slogan *thug kho thug chai* or right taste right satisfaction. As a result of the new target group i.e. young adults, the company also tries to promote the brand as a sexy entertaining beer, modern and a beer of lifestyle.<sup>99</sup>

##### **A) T.V COMMERCIALS**

###### **1) THE -KEEP THE BEACH CLEAN- SPOT**

In this spot, three young men are walking along a beach spotting a group of young ladies all dressed in red and white colored clothes whereby the cloths are very short i.e. sexy. It seems that the ladies are cleaning the beach from various things such as leaves while putting them into rubbish bags. Incidentally a wooden piece is swimming next to one of the three young men and as the one man tries to pick up this wooden piece a lady is coming to him and opens her bag in order to collect it from him. Soon the other young men follow and all together are cleaning the beach giving the viewer the impression that they have fun while doing the work.

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<sup>98</sup> Under young adults the company defines students who study in the third or fourth year respectively or are currently looking for a job after graduation. [www.brandage.com](http://www.brandage.com).

<sup>99</sup> Ibid.



## 2) THE- I WANT TO HAVE CHINESE DUMPLINGS- SPOT

This short spot takes place in a convenience store. Standing behind the counter is a good looking young lady. The customer in front of her looking very corpulent, with glasses and little hair is asking her for Chinese dumplings. As she politely replies to him that they are all gone he still keeps asking for Chinese dumplings therefore putting the lady into a difficult situation. A young man who purchased the last two Chinese dumplings is offering him his dumplings in order to free the lady from this strange situation. A speaker announces thereby, act clever and help ladies which can be done very easily and as a result will make you look charming and attractive (to them). Shortly after that one can see the lady smiling and after that the picture of Leo beer.

## 3) THE- RAINY DAY- SPOT

This spot takes place on a rainy day. Many people are standing squeezed underneath a roof or perhaps a bus station in order to avoid the rain. All of them are male except one who is a woman. This woman however is standing in front of them since all the space is occupied by the men and so has to stand underneath the rain and gets wet by it moreover she gives the impression of feeling cold. It seems that none of the men care about her situation. Only two young men realize that the lady is getting wet and cold and so decide not only to offer their space to her but moreover step forward in order to stand before her and similar to a wall try to block the rain so that that she will not have to feel wet and freezing. As in the above spot, a speaker announces that act clever and help ladies which can be done very easily and as a result will make you look charming and attractive (to the ladies).



### B) BILLBOARD

1)<sup>100</sup> The first billboard shows the logo of Leo beer to the public. Judging from the aesthetic point of view this ad shows a nice picture of the

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<sup>100</sup> Picture 16, the Leo, taken by author.

beer bottle while one can see the bubbles of the yellow colored beer. While on the top the name of the brand is written, much emphasize on the big Leo logo which almost covers the entire billboard. Perhaps with this billboard the company is trying to promote the picture, the name as well as the prizes which have been awarded to the public. Underneath the scaption Leo beer on the top are the letters *thug kho... thug chai* i.e. right taste right satisfaction which are one main motto of Leo beer in the billboard advertisements.



2)<sup>101</sup> This billboard unlike the other is written entirely in English remembering one that not only Thais are consuming much beer per year but also millions of tourists who can't

survive the heat without a cool beer. Thus, one can speculate that the purpose of this billboard which was taken in front of a restaurant tries mostly to attract foreign customers. While the background is red colored i.e. the color of Leo, one can see a big bottle of Leo beer which shows a nice beach and a fascinating underwater world instead of the dark brown colored regular bottle. On the right side is a glass of Leo beer which looks like as if it would be filled by the big beer bottle above. But unlike beer comes the slogan "Enjoy more of Thailand" out of the bottle. This makes the ad so interesting and one can imagine that to enjoy a bit more of Thailand beside the fine beaches and underworld, is a nice glass of Leo beer. As it is announced next to the small picture of a bottle of Leo beer, so is Leo beer another (smooth...always) quality product of the brewer of Singha beer perhaps an indicator that Singha is already well known all over the world. Now all fans of Singha should be aware that Leo is a good (cheap) quality beer of the Singha family.

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<sup>101</sup> Picture 17: A bit more of Thailand, taken by author.

3) <sup>102</sup>



The third and last billboard advertises the seven sexy Leo girls campaign of which we have heard previously. While the same advertisement can be found on the can of Leo beer it also can be found on the billboards i.e. in public. As background one can see the shapes of the

seven still unknown ladies yet, all colored in red adding thus quite a bit of eroticism to this ad. While the slogan of the campaign can be found in English on the right side, the left side announces it in Thai that all of us i.e. the Leo beer drinkers are searching for the seven sexy ladies who have *thug kho... thug chai* i.e. right taste right satisfaction. Thus, in this ad the brand integrates its slogan *thug kho... thug chai* but giving it a totally different meaning. While in the first billboard the slogan was used to promote the taste of the beer, here the slogan is twisted to describe how the seven sexy girls have to be – the right taste and right satisfaction. However, since this ad tries to attract men only it can be argued that this picture might offend women who consider it as sexism.

### **Sign Value**

In the case of Leo beer one might have expected that the brand having the name of a powerful and fast predator would use car racing or action in their spots. But as we have seen, the facts are quite the opposite. It seems that the company is trying to work with two different approaches while using advertisements. Regarding the T.V commercials it becomes clear that the target market is young adults-especially, young male adults. The impression from watching the spots is that everyone can become a charming and handsome young man in the eyes of a beautiful lady if he is only helpful in any situation and makes her life so easier.

Asking however the opinion about this brand of the people so looks the result as following:

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<sup>102</sup> Picture 18: The seven sexy Leo girls, taken by author.

<b>Answers</b>	<b>N= 74</b>	<b>Percentage =100</b>
Easy going	31	41.9%
Modern	11	14.9%
Friendship	9	12.2%
Martial	7	9.5%
Stylish	6	8.1%
Cosmopolitan	6	8.1%
Thainess	3	4.1%
Bravery	1	1.4%

Following the people's opinion so does it seem that, this beer stands mostly for easiness. While it is difficult to say exactly whether the ads try exactly to create this message it is however obvious that the main target group, young adults have this kind of feeling while watching the ads. Other important signs were modernity and friendship which are also important values to young people. Interestingly the importance of sexiness among those surveyed was not acknowledged important.

#### **4.7 CHEERS BEER**

Beer Cheers will be the last one among the five brands in our study. As we could see this brand only holds a small percentage in the low income market (0.5%). Brewed by TAPB, this beer was launched on September 2005. After research was conducted by the company, the company received the feedback from the general consumer that many in the economy market would prefer an inexpensive beer which is brewed with an alcohol content in the middle range. Thus the company brought this beer out with an alcohol content of 5.6 % which however is similar to Leo beer and nowadays even Chang beer which as we have seen has reduced its alcohol level. Moreover, the company brews this beer with ingredients such as hops from England and America as well as malt and yeast from Europe to give this beer an aromatic taste.<sup>103</sup>

When it came out, the price per bottle was 35 baht but has now decreased to 33 baht. In order to promote this brand among the public, the company has spent more than

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<sup>103</sup> Source: [www.manager.co.th](http://www.manager.co.th)

400 million baht on various advertisement campaigns.<sup>104</sup> Thus, with this beer brand, TAPB has covered all segments of the market after the premium brand Heineken and the mainstream brand Tiger. According to the brewery, the main purpose of this brand is it to be “Switching Brand” in order to gain customers from the low income market i.e. have an alternative to Leo and Chang respectively. As we have seen, the low income market is the most lucrative segment of the entire market. However, so far this brand has not managed to gain much percentage in this market segment.

#### 4.7.1 AESTHETIC AND LOGO DESIGN <sup>105</sup>

Regarding the aesthetic of this logo and name, this brand is quite different from the others. Not only does this brand have logo picture which in three case studies was represented by an animal it also has a foreign sounding name i.e. cheers. This English



word was chosen by the company to differentiate itself from other brands in the economy market segment such as Chang and Leo beer.<sup>106</sup> Regarding the logo so one can see clearly that much emphasis is placed on the name which is written in big white letters on a blue background. According to the company ([www.brandmanager.com](http://www.brandmanager.com)) so does blue color conveys that it is soft, easy to drink and stylish. As we will see moreover, regarding the billboard advertisements so does this brand work with colors rather than signs. The yellow color which represents the color of beer emerges out of the blue color which perhaps represents the color of the sky as well as the brand color which as we have seen stands for softness, easy to drink and stylishness<sup>107</sup>. While as we have seen the brand lacks an animal as logo it has printed a logo of two pitchers full of beer in a kind of bronze coin which also includes the words quality beer. Perhaps since Chang and Leo,

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<sup>104</sup> Among them were advertisement campaigns on TV, Radio and billboards. Moreover PG (Promotion Girls) were sent out to promote this brand among restaurant owners. Others include the hiring of trucks which are covered by their advertisement driving around the cities to make people aware of the brand. Ibid.,

<sup>105</sup> Picture 19: The bottle of Cheers, taken by author.

<sup>106</sup> Cheers is said when one is making a toast when lifting a glass and drinking someone’s good health and well being.

<sup>107</sup> [www.manager.co.th](http://www.manager.co.th)

both active in the low-income market have won various awards for their beer, Cheers tries obviously to go the same way while telling the consumer that the brand stands for good quality.

#### **4.7.2 ADVERTISING AND SIGN VALUE**

Before actually describing the sign value, drawing from various advertisements, the company has given its own definition of sign value which it tries to the public through its advertisement campaigns. The concept of the marketing is it to represent this brand through slogans such as happiness, joyfulness and the sharing of good time together with friends. The common slogan is as we will see, “This Life has many good Things”– “AU CHEER”. The main target groups are people at the age of 22-30 living in urban centers which according to the company’s research prefer beer in the economy sector and moreover switch brands frequently.<sup>108</sup>

##### **A) TV COMMERCIALS**

###### **1) THE- PARKING LOT-SPOT**

In this spot, three friends are sitting in an old and small car searching for a vacant parking spot at a big parking ground. At first, they can not find any free space but than suddenly a big and perhaps expensive car is leaving its spot, making one spot available. As soon as the car has left, one of the three friends immediately occupies the space, while another friend is helping the driver to park safely. As soon as the car parks successfully, all friends break out in joy and celebrate the victory with each other while a speaker in the background says; learn to be happy with small things then your life will be full of happiness. As a final sequence the beer is presented with the slogan, “This Life has many good Things”– “AU CHEER”.

###### **2) TGIF**

This spot takes place in a bureau which is staffed by a larger number of people all males. The viewer has the impression that the colors in the office are merely grey,

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<sup>108</sup> Ibid.,

black and white giving a boring atmosphere to the viewer. At first, the focus is on two people who are workmates and work at the same desk. While being busy and doing their work, the one workmate is asking the other what day it is. The other one responds in Thai *Wan Suk* which not only means Friday in English but a pun moreover, *Suk* being happy. As soon as the speaker announces the day, the entire staff stops working and is looking at him. Soon they break out in joy and throw their papers in the air, while watching the calendar which indicates that Friday is the last working day for this week Saturday and Sunday the office is closed. Moreover, theoretically speaking this Friday is the second of the month and so only shortly after the staff would have received their salaries. Thus this would be the first weekend where the salary could be spent. While the two workmates are seen embracing each other while showing happiness and joy, the next sequence shows the entire staff cheering and embracing each other while as in the former spot, the speaker says; learn to be happy with small things than your life will be full of happiness. As a final sequence the beer is presented while the slogan is: “This Life has many good Things”– “AU CHEER”.

### 3) THE- CRAB- SPOT

This spot takes place in an average restaurant which does not seem to be luxurious or special since it is equipped only with some tables which however are all occupied by customers. The first half the spot however is focused on a couple which receives their food they ordered – glass noodles and crab pieces. As the chef opens the pot of the served food the obvious couple sees that there is only one crab piece in the pot. Being a gentleman, the man offers the crab piece to the woman who dips the piece in a sauce and eats it happily. As she says it is tasty, the man just replies with a short “Really” while his face looks cravingly if not even jealousy. As the man wants to take the glass noodles, he finds out that there is another crab piece underneath the noodles. As soon as he sees the second crab piece which looks much bigger than the first one, a loud BOOOOOOOOOOOH comes out of his mouth which is the Thai word for crab.

While the man is shouting and holding up the crab in his hand like a trophy, all people are watching at him and join him in his happiness looking like a football team after winning the football championship. While the couple is embracing each other, a speaker says; learn to be happy with small things than your life will be full of happiness.

As a final sequence the beer is presented while the slogan is, “This Life has many good Things”– “AU CHEER”.

## B) BILLBOARD



1)<sup>109</sup> In the first billboard advertisement, one can see how the company tries to promote the brand to the public. In this billboard much emphasizes is placed on the blue color which almost occupies the entire space. One can see the big logo of the Cheers on the left side, while on the right side the bottle of Cheers and

three glasses filled with the beer. One can argue or speculate why there are three glasses of beer. One reason could be that a bottle of beer contains enough for three glasses. However as a Thai idiom goes , One person is alone, two person means two heads are better than one but three people are *Sabay* together means that the yellow color on the right side clearly represents the color of beer. As we will see, the sentence “This Life has many good Things”– “AU CHEER” is placed in the middle between the logo and the beer. As a matter of fact however, this kind of advertisement merely tries to make people aware of the brand.

2)<sup>110</sup> The second billboard almost similar to the first one above also tries to make people aware of the brand name. However compared to the first one, the blue color is



lighter and the picture in total appeals to be more stylish than the first one. However as in the first one, the cheers logo is placed on the top while the bottom is occupied by a bottle of cheers beer and glasses filled with the beer a bottle and three glasses (one hidden behind the bush) filled with the beer. Blue the main color almost covers the entire billboard

<sup>109</sup> Picture 19: Cheers ad one, taken by author.

<sup>110</sup> Picture 21: Cheers ad 2, taken by author.



while yellow on the bottom is a sign for the beer. The slogan “This Life has many good things”– “AU CHEER” as the main message is placed between the two pictures.



3)<sup>111</sup> This picture was taken in front of a beer garden and is quite different from the two others seen above. This add tries to work with hidden signs. But first of all it uses yellow as the main color i.e. background and not blue. However, blue the color of Cheers Beer is represented above as well as on the bottles and logo. The two bottles of beer are the main attraction of the add. The big Cheers Logo links both of them together. Without much imagination, one can see that these bottles look like the bottles of two friends, sitting at the beer garden and cheering with each other before drinking their beer. As a symbol, the cheers logo represents links both bottles together perhaps a sign of friendship between the two bottles i.e. owners. The slogan “This Life has many good Things”– “AU CHEER” is placed between the two bottles, and like the logo links the two bottles with each other. Thus in this add, Cheers is a link and a sign that drinking Cheers beer with each other is a good thing i.e. a sign of friendship.

### **Sign Value**

Regarding Cheers beer and sign value, the company emphasis the slogan “This life has many good things“. Judging from the T.V commercials, the brand promises people a piece of happiness. Especially the T.V ads are funny and target people who live a simple rather than a stylish life. However, all of them do have happiness, even if small one. May it be the occupation of a scarce parking spot, the finding of another piece of crab or the last working day before weekend. The message is clear it does not need a big and expensive car, nor an expensive dinner and perhaps, an expensive beer to be happy. Drinking a bottle of Cheers beer which is inexpensive together with friends

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<sup>111</sup> Picture 22:Cheers ad 3, taken by author.

brings happy moments to all of those whose life is not as exciting and luxury as the wealthy and famous.

While observing Cheers beer however, it seems that not too many of the people in the survey have seen the ads, those who have seen the ads and know that brand think about Cheers as a beer which is,

<b>Answers</b>	<b>N= 59</b>	<b>Percentage =100</b>
Easy going	26	44.1%
Sporty	12	20.3%
Friendship	8	13.6%
Stylish	4	6.8%
Modern	4	6.8%
Cosmopolitan	4	6.8%
Thainess	1	1.7%

Similar to Leo, many people associate this brand with being easy going which could be related to the sports which seem to promise simple happiness but also as being sporty which however could not seen directly in the ads we have heard about. Friendship however is associated by some people with this brand pointing out that this message is one part of the creation of sign value which this brand has managed to intermediate to the public.

While the ads, especially the T.V. commercials tried to be funny which as we have seen is liked by the Thai people in general the danger is, that some consumer might get the feeling that Cheers beer is actually meant for the losers of society who seldom have luck and moreover a boring life and is therefore not made for the winners. Moreover since this brand competes with others such as Chang and Leo beer it seems that this brand is regarded similar to Leo in the case of being easy going. If we follow the theory of Baudrillard and apply it on the case of Cheers beer then this brand does not distinguish itself from other such as Leo in the case of messages.

After this chapter has investigated the five brands in order to draw the sign value it seems that Heineken beer is mostly regarded as a stylish beer. Being the most expensive among the five brands this brand has created the message of being superior i.e. stylish. Singha beer is at the present still regarded as a beer which represents Thainess, however, as we have seen for the future this picture might change since Chang beer has managed to create this message much better to the public. Leo and Cheers are both regarded as a beer being easy going. However as a matter of fact, Leo beer has managed to gain much more percentages in the economy market segment as Cheers beer.



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## **CHAPTER V**

### **THE CONSUMPTION OF BEER IN THAILAND**

#### **5.1 BEER CONSUMPTION IN THAILAND**

While this thesis is not a study about beer consumption from a business or marketing point of view it still benefits to investigate the reasons behind consumption in beer in Thailand. As we have seen, Thailand does not have a long beer tradition like other countries. Nonetheless the amount of beer consumption as we have seen in Chapter two has increased over the recent years. If we talk about consumption in general than from observations one can say that Thai people enjoy drinking and sharing beer with each other in a Beer garden, restaurant or outside on a table. In many cases people prefer a glass filled with ice cubes which is uncommon in Germany where beer is mostly preferred at room temperature but seems to fit to the tropical climate like in Thailand.

However we could see that the Thai beer market is split in three market segments in which different brands from the big beer breweries here in Thailand are competing with each other. Thus, if we want to talk about beer consumption in Thailand the question arises whether consumption is linked to different incomes, tastes or other reasons such as an inexpensive price. In the previous chapter we have talked about the creation of sign value behind five beer brands and the acceptance by the people. In order to get even a better picture this chapter will deal with the consumption of the five brands. As we have seen, the surveyed people have been split up in groups according to their favorite beer brand. Since the questionnaire included various questions ( see appendix) which helped the author to get more information's about their background as well why they preferred this beer, how they consumed and other important material which gave the possibility to split the people into the five brand groups.

As we will see, this makes it easier to split up the people accordingly to the three market segments and moreover to give us the possibility to see whether there are differences or similarities between the groups.

### 5.1.1 HEINEKEN

Heineken beer is as we have seen the premium beer number one in the Thai beer market and has the absolute dominion in this market. There were 24 people in the survey who preferred drinking Heineken beer. Among them were 15 men and 9 women. The average age was 30.4 years old. Twelve of the people drank Heineken beer exclusively while another twelve also change to other brands. In regard of the beer consumption, so did fourteen of the people drink beer depending on the occasion while one person said to drink it only once a month. The rest drinks beer from 1-5 times per week. It seems that Heineken drinkers mostly enjoy their beer outside the house because only one person said that he drinks beer at home. Eleven on the other hand usually drink Heineken beer at the bar or restaurant while twelve said they prefer drinking Heineken beer on social occasions such as meetings, parties etc. Fourteen people drink beer together with friends while ten also drink beer alone. The persons occupations were as follow

<b>Occupation</b>	<b>N= 24</b>	<b>Percentage=100</b>
Student	4	16.7%
Businessman	12	50%
Government Officer	6	25%
Employee	2	8.3%

Regarding the monthly income, only two persons earn less than 5,000 baht per month. Twelve people earn between 5,000-10,000 baht and six between 30,000-50,000 baht per month while four even earned more than 50,000 baht per month. Sixteen of the informants agreed that the quality of more expensive beer is better than cheaper while six denied this. Thus, the drinkers of Heineken value quality of a more expensive beer higher than that of cheaper. Here in this instance it seems that the higher pricing strategy of Cram (2005) in order to add value to the product seems to be found in the case of Heineken beer. If it comes to the question why they like drinking that brand so were the answers as following

<b>Answers</b>	<b>N= 24</b>	<b>Percentage =100</b>
Soft and not too much alcohol, easy to drink	9	37.5%
Good taste	6	25%
Expensive	2	8.3%
Has style	2	8.3%
Makes me feel being part of High Society	2	8.3%
Good taste and is a foreign beer	1	4.2%
Better than all the other	1	4.2%
Causes no headache	1	4.2%

Three of the informants said that the advertisement has a very strong influence on the purchase of Heineken and eight said that the ad has influence while five said it has so sometimes. Eight people do not make their purchase according to the advertisement. Asking the drinkers of Heineken about their opinion what a good beer should be like so were the answers as following<sup>112</sup>

<b>Answers</b>	<b>N= 31</b>	<b>Percentage =100</b>
Good taste	16	51.6%
Quality	3	9.7%
Famous beer (good reputation)	3	9.7%
Stylish beer	4	12.9%
Inexpensive	1	3.2%
Expensive	3	9.7%
Other reasons: reasonable priced	1	3.2%

## **CONCLUSION**

<sup>112</sup> In this question (Number 11), the people had the possibility to make several choices.

As one could see, asking the drinkers of Heineken for the reason why they like the beer, so did the most say that they like the soft taste of the beers as well as the small amount of alcohol. Thus, in this case the main reason behind the consumption of Heineken beer is the soft and good taste of the beer. Beside the taste however, one can see that four persons also like drinking that beer because it gives them the feeling being stylish and part of a special group of society. Two even said that they like it because it's expensive. Thus we can see that in the case of Heineken beer being a premium beer, sign value does play an important part in the consumption of this beer brand. We also have seen that many of the Heineken drinkers have a high monthly income and it does not seem popular among employees. This can be regarded as a sign that people with higher income can not only afford this beer but some also want to impress that they belong to a certain group of society.

Asking the people moreover how a good beer should be like it seems that taste is the most important one and is another hint that to the drinkers of Heineken a good taste is very important for a good beer. Beside that however, it also has to be stylish, a good quality and a good reputation with a high price, it seems that the description exactly fits Heineken beer.

### **5.1.2 SINGHA**

Singha is the brand of the mainstream market segment. Similar to Heineken so does this brand have almost no competition in her segment. In the questionnaire a total of twenty-two people preferred drinking Singha. Out of them were sixteen men and six women having an average age of 34.6 years. However, if it comes the question of brand loyalty only five of them said that they drink the beer regularly while the other seventeen also switch to other brands. Five people of them do drink a Singha beer at home while six prefer drinking a beer of Singha in the bar or restaurant, respectively. The other eleven usually prefer a beer of Singha while having meetings or special occasions. Thirteen of them prefer drinking beer with friends while only one drinks it alone. The nine others drink it while together with friends or being alone. Twelve people drink Singha beer only on occasion thus not directly on purpose. Two drink it 1-

2 times per month. The rest drinks it weekly from 1-7 times. In the case of Singha beer the occupation were as following

<b>Occupation</b>	<b>N= 22</b>	<b>Percentage=100</b>
Student	0	0%
Businessman	5	22.7%
Government Officer	11	50%
Employee	6	27.3%

When it comes to the aspect of monthly salary than the split for Singha so did four people earn less than 5,000 baht and seven people between 5,000-10,000 baht per month. Eight people earned from 10,000-30,000 baht while two were in the range of 30,000-50,000 baht and one even earned more than 50,000 baht per month. Thus, unlike Heineken drinkers most people had a monthly income of 5,000- 30,000 baht. Asking the people about the relationship between price and perceived quality like Cram emphasizes so did nine Singha beer drinkers think that the quality of more expensive beer is better than that of cheaper one while five denied this thus, the majority. The reasons for their choice for Singha as being their favorite brand were

<b>Answers</b>	<b>N= 24</b>	<b>Percentage =100</b>
Good taste	7	29.2%
Soft, mild	4	16.7%
No headache after drinking	2	8.3%
Strong, intense taste	3	12.5%
Drink the Thai taste	1	4.2%
Easy to drink	1	4.2%
Inexpensive, easy to find and easy to be drunk	1	4.2%
Better than the others	1	4.2%
Good taste and the beer lady looks interesting	1	4.2%
No response	1	4.2%



Regarding the importance of advertisement while making the purchase decision so did two say that the advertisement makes the final decision for the purchase and ten said that advertisement has influence. Four said that advertisement sometimes influences their decision and six said that advertising does not influence them at all. Asking the drinkers of Singha beer how a good beer should be like so were the answer as follow:

<b>Answers</b>	<b>N= 31</b>	<b>Percentage =100</b>
Good taste	16	51.6%
Quality	7	22.6%
Famous beer (good reputation)	4	12.9%
Stylish beer	0	0%
Inexpensive	4	12.9%
Expensive	0	0%
Other reasons:	0	0%

## **CONCLUSION**

The drinkers of Singha beer mostly prefer this beer because of the taste which is the most important factor for their purchase. Thus, like the majority of the Heineken drinkers so do the Singha beer drinkers choose this brand because of the taste whether it might be soft and strong. Concerning the occupation this beer not seem to be famous among students but for government officers. In the case of Singha beer there was only one who said that he likes it because of the Thai taste which can be regarded as a sign value. It seems therefore that Sign value in the case of Singha i.e. being the only true Thai beer does not seem of importance if it comes to the reason for the choice. This seems to fit with the result of the survey where only four out of one-hundred twenty said that drinking foreign beer is unpatriotic.

Moreover it seems that the ideal beer in the eyes of the Singha fans should have a good taste and quality as well as having a good reputation but still an inexpensive

price. Thus it seems that, the drinkers of Singha chose this beer mostly because of the taste and quality and not because of the name only.

### 5.1.3 CHANG

Chang is at present still the number one in the very lucrative economy market but has to face competition from Leo. In our study however most people have preferred Leo beer which can be the reason that most people participating in the questionnaire were living in the urban areas while due to the market strategy of Thai Beverage, Chang beer might be a favorite among rural Thai people. So were there only seventeen people who crossed for Chang beer. The split among the sexes was eleven men versus six women while the average age was 33.7. In total five respondents drink Chang regularly while twelve switch brands. Five of them drink Chang beer at home while only three drink it at the bar or restaurant, the rest usually drinks Chang on special occasions such as meetings or parties. Eleven of them mostly drink beer together with friends while the six others also drink a Chang while being alone. Similar so do fifteen Chang drinkers drink Chang on occasion while one only drinks it per month and another five times per week. In the case of occupations the split was as followed:

<b>Occupation</b>	<b>N= 17</b>	<b>Percentage=100</b>
Student	1	5.9%
Businessman	4	23.5%
Government Officer	8	47.1%
Employee	4	23.5%

In the case of income distribution so did ten people earn less than 5,000 baht per month. Three of them earned up to 10,000 baht, two up to 30,000 baht and each one up to 50,000 and above. This is interesting since one might have been expected that only people with little income or salary prefer drinking this brand. If it comes to question about the perception between better qualities for higher prices so did only three Chang drinkers believe that the quality of a more expensive beer is better than a cheaper one.

Seven denied this on the other hand and perhaps this is a sign, that Chang has had success in promoting the brand as an inexpensive quality beer with international reputation. The reasons for choosing Chang as their most favorite beer brand were as followed:

<b>Answers</b>	<b>N= 17</b>	<b>Percentage =100</b>
Inexpensive	4	23.5%
Easy to drink	3	17.6%
Strong, intense taste	3	17.6%
Inexpensive but tasty	1	5.9%
Easy to buy	1	5.9%
Tasty	1	5.9%
Soft	1	5.9%
Only drink this brand	1	5.9%
Brings satisfaction	1	5.9%
No response	1	5.9%

Only one person said that advertisement has a strong influence on the decision to purchase while two said it has. Three people said it has sometimes but eleven said that advertisement does not play a role in buying this brand. Asking the drinkers of Chang about their definition of a good beer brand so looks the picture like this,

<b>Answers</b>	<b>N= 17</b>	<b>Percentage =100</b>
Good taste	12	70.6%
Quality	1	5.9%
Famous beer (good reputation)	0	0%
Stylish beer	4	23.5%
Inexpensive	0	0%
Expensive	0	0%
Other reasons:	0	0%

## **CONCLUSION**

Unfortunately the numbers of Chang drinkers was very small in this study compared to the large market share in the economy market by this brand. Most of the respondents considered the inexpensive price and quality as the most important reason for the purchase i.e. consumption. While most people in the study have the association for Chang as being a beer which stands for Thainess, none of the Chang drinkers however consumes this brand because of this reason. However it seems that the brand which tries to promote its Australian award seems to have success while promoting the beer as an inexpensive quality beer. Thus one could argue that sign value does play a role in the consumption of this brand. It is however not a myth but rather the reality, since Chang has won this award that, this beer is actually of good quality. Asking the people how a good beer should be like most of them said that a good taste and an inexpensive price is the most important. It seems therefore that the consumers in this market segment i.e. in the economy market prefer a beer which shows these two characteristics. In the near future one might even expect that some will even switch to the new brand Archar of Thai Beverage since it is even cheaper.

### **5.1.4 LEO**

It seems that if one would follow this study, Leo beer is the most consumed beer in Thailand with almost 50%. However as we have seen, regarding the economy market so is still Chang the leading brand. However alone from observations it seems that many people in the bars or restaurants like drinking Leo beer more than Chang beer.<sup>113</sup>

In total fifty five people said in the survey that they like drinking Leo beer more than the other brands. There were forty-two men compared to thirteen women. Those people had an average age of 33.5 years. Twenty four of them are regular drinkers of Leo while the majority or thirty-one also switch to other brands. Interestingly, Leo beer seems to be the brand which most people like to drink at home (fifteen respondents).

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<sup>113</sup> From observations and informal interviews of foreign students at Chulalongkorn University reveals that these informants prefer Leo beer because of its taste.

Thirteen of them said that they drink Leo beer at a bar or restaurant while the majority goes for a Leo on occasions such as parties, meetings etc. It seems that in that case of Leo, the brand has become a kind of party beer or as the author has found out through observation- a beer which is shared among friends and work mates while sitting together on a table in front of a shop or working place respectively. This observation is supported with the statement of thirty-two respondents saying that they drink beer together with friends while only one prefers to drink it on his own.

Thirty seven of those one who drink Leo beer do so only on occasion while four said they drink it 1-5 times monthly. Interestingly fourteen people drink Leo several times per week even some up to daily. That analysis seems to fit with the observation as we have seen that, Leo beer is often shared together in the round after work. Regarding the occupations the split in the survey was as followed:

<b>Occupation</b>	<b>N= 55</b>	<b>Percentage=100</b>
Student	13	23.6%
Businessman	6	10.9%
Government Officer	24	43.6%
Employee	12	21.8%

In the case of income distribution of the surveyed Leo beer drinkers, so do 25 people earn less than 5,000 baht per month. Fourteen people earned up to 10,000 baht and twelve up to 30,000 baht while the rest-four earned up to 50,000 baht per month. Unlike the majority of the consumers of Chang beer so did twenty three Leo beer drinkers say that more expensive beer has a better quality. Although twenty disagreed it seems that many of them have tried the mother brand Singha and so know the differences in taste, price and quality of the two brands.<sup>114</sup>

If it comes to the reasons for choosing Leo beer as their most favorite beer brand so were the answers of the fifty five people as followed:

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<sup>114</sup> Interestingly while talking about brand loyalty it seems that in the case of Leo and Singha beer some drinkers prefer the brands of the same company. However, despite the fact that some have market two brands as being their favorite the author nonetheless has counted the more expensive one i.e. Singha otherwise the amount of Leo beer would have even been higher.

<b>Answers</b>	<b>N=56</b>	<b>Percentage =100</b>
Tasty and inexpensive	11	19.6%
Tasty	11	19.6%
Easy to drink	6	10.7%
Inexpensive	5	8.9%
Easy to drink and not bitter	4	7.1%
Softer than the other brands	3	5.4%
Independent flavor	3	5.4%
No respond	3	5.4%
Famous brand	2	3.6%
Inexpensive but good quality	1	1.8%
Good taste and drink because it helps Making my blood pressure higher	1	1.8%
Drink since many years	1	1.8%
Sweet and easy to drink	1	1.8%
Not too much alcohol	1	1.8%
While having parties etc. mostly drink this beer	1	1.8%
Other people buy for me	1	1.8%

Moreover, asking the fifty five Leo beer drinkers about their ideal brand so does the picture for this group looks like this,

<b>Answers</b>	<b>N=77</b>	<b>Percentage =100</b>
Good taste	36	46.8%
Quality	8	10.4%
Famous beer (good reputation)	7	9.1%
Stylish beer	4	5.2%
Inexpensive	20	26.0%
Expensive	0	0%
Other reason: reasonable price	2	2.6%

When asked about the influence of advertisement while making their purchase decision only six said that advertising is very important while thirteen said it does have influence. Twenty four said ads influence them sometimes while twelve say that advertising does not have influence at all.

## **CONCLUSION**

Leo beer was without doubt the most popular brand among the respondents. It seems that Leo beer is the party beer or the beer which is likely to be shared among friends after a long working day. The taste of the beer seems to be the most important factor behind the purchase of this beer but the inexpensive price is also of importance for many. Thus, also in this group taste is the most important reason for the consumption as well as the relatively inexpensive price. Regarding the importance of sign value of this brand for the reason of consumption so said only two that they consume this brand because it has a good name/reputation which perhaps is due since it is brewed by Boon Rawd brewery. It seems that Leo has gained much success among the young people, especially the students but not too much success among the business people which however is not the main target group of this brand., thus we can see here that the marketing strategy of Leo to attract many young people has success.

The ideal beer of the Leo beer drinkers looks different than from the Chang drinkers, despite the fact that both have almost the similar price. A good taste is the most important for many of them followed by an inexpensive price. But as we see, some also want to have a famous brand which is also stylish and perhaps is due to the many young drinkers of Leo beer.

### **5.1.5 CHEERS**

Cheers beer was without doubt the most difficult brand to study. While on the one hand spots, advertisement and commercials are found on many places one might however ask whether the money invested by Thai Asia Pacific was worth the trouble. As we have seen Cheers beer only holds 0.5% of the economy market and perhaps as a result still not too many people know about this brand which should give the brand

manager of the company some possibilities to rethink their strategy. Moreover in our study only one person said that he drinks Cheers beer. In that case the person was a twenty one year old student with a monthly budget of less than 5000 baht who consumes cheers just on occasions and because this brand is inexpensive.

Perhaps the brand might still need a time to gain more market share since it was introduced to the market just a couple of years ago. However it seems that Cheers beer has difficulties to find the right tactic in order to attract the consumers which also make it clear that money must not always be a guarantee to establish a successful brand, perhaps until now the myth or the extra value which makes this brand interesting and appealing to the consumers is still missing.

#### **5.1.6 SUMMARY**

Even if only a short study one could see that if we refer to the consumption of beer in Thailand one needs to regard the different market segments. However, in general we could see that the taste of the brand seems to be the most important reason for the consumption of all five brands in Thailand. However, if we consider the reason for the consumption of beer according to the brand so can we see slightly differences.

In the case of the most expensive beer i.e. Heineken some people admitted that the purchase this brand because of giving them the feeling to be part of a special group. Thus, in this case the reason for consumption was not the taste only but the sign value which the brand has created. Moreover regarding the income structure so did the drinkers of Heineken earn in general more than the others another sign that this brand is mostly consumed by people with higher income.

Also in the case of Singha the taste was the most important reason for consumption while only one said to like the original Thai taste, thus it is difficult to say how important sign value is at the end for the consumption of Singha beer.

Chang being a brand of the low income market was mostly consumed because of its low price while still providing the consumer with a good quality beer. Perhaps the strongest and true sign value this brand has created is the perception to be a good Thai quality beer which has won international respect. As we have seen unlike the majority of the Leo beer drinkers, the majority of the Chang drinker did not agree that drinking a



more expensive beer also means to have a beer of better quality compared to cheaper brands.

In the case of Leo beer which as we have seen was like by many young people did the taste play an important role for the consumption of this brand. Like Chang many Leo drinkers also choose this brand for its inexpensive and thus appealing price. However there were some cases in which the brand was favored because of its good reputation and being stylish. This means that in this case even if only a few people preferred this brand because of sign value rather than taste.

Cheers beer, the last brand among the surveyed is difficult to estimate. It was difficult in this study to find customers who prefer this brand. This perhaps does not mean that no one drinks it since the purpose as we have seen was it to establish a switching brand. However the one correspondent said he likes this beer because it's quite inexpensive. Thus also here plays the price the role while doing the purchase.

As we could see, in most cases, beer is consumed together with others and thereby depends on the occasion. Together with the observation of the author it becomes clear that beer as beverage is consumed among people rather than by a person oneself. This means that beer, perhaps similar to whiskey has become an important beverage for the people, especially for the male here in Thailand who prefer to sit among friends and drink alcohol together.

As everyone can see, Thai people like enjoying sharing food with each other which is different from Germany where the family sits together at the table but each person has their own plate of food which is seldom shared with others.

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## **CHAPTER VI**

### **CONCLUSION**

The objectives of the thesis were, to study the sign value of beer and moreover to study the consumption of beer in Thai society. The hypothesis of this thesis is that sign value plays an important part in daily beer consumption and is so one reason for the increasing beer consumption

While writing a thesis like this it has become essential to refer firstly to the history of beer in Thailand. Therefore Chapter Two had the purpose to give an overview about the several steps which finally have led to the establishment of a Thai beer market which could within the time prosper with a variety of brands. As we have seen, beer was not a Thai product from the beginning but has been introduced due to overseas contact. While nowadays many people talk about the age of globalization it seems that if we follow chapter Two globalization has taken place more than a century ago. What this simply means is, that the Thai culture at that time was already in contact with other cultures i.e. people and in the case of beer has even adapted a foreign product within their time as their very owns.

This is a sign that cultures are open to other influences and since Thailand was never colonized this can be regarded as a sign that people or cultures are actually in a kind of cultural exchange if they think this new thing can be beneficial to them. Finally this foreign influence which also has brought Japan on the stage has led to the first establishment of a brewery in Thailand. Boon Rawd Brewery and its logo the Singha have become a synonym for Thai beer throughout the years. However, we could see that more than one hundred years later, another wave of globalization would take place and which in the case of Thailand was initiated by Japan. A country which at that time, was looking to shift their labor intensive industries to countries where labor was cheaper. Thus, quasi overnight, Thailand became the focus for Japanese and later on more

overseas countries as being a lucrative market. What this has brought for changes to the people i.e. society have we seen.

Within a relatively short time, new classes have been created while formers have decreased on the other hand so have urban cities gained a growth from people who used to work in the agricultural sector before. In the case of a final and especially lively and competitive establishment of a Thai beer market which we can say did not exist before the 1990s due to at least two reasons; the quasi monopoly of Boon Rawd Brewery and the relative expensive price compared to the low wages of the majority of the people.

Firstly, the wages throughout Thailand have been increased over the years making it possible that people had so more money for consumption. Secondly, the fall of the monopoly of Boon Rawd enabled other investors mostly together with large foreign breweries to set up new breweries here in Thailand. These breweries not only brought out new brands but also faced competition among each other. As a result, the price for beer became so cheaper and the success of Chang beer shows that many people were ready to buy beer as soon as the price decreased.

Chapter Three has provided the reader with several information and marketing strategies as well as the theoretical framework of this thesis. Regarding the term sign value so have we seen that this term becomes important once a consumer society has been established. The big question remains whether Thailand can be regarded as a consumer society in the same way as the France which Baudrillard describes. As we have seen, cultures despite the fact they are open and so influenced by other cultural influences still have their own characteristics.

If we consider however the fact that the Thai beer market is split into three market segments which more or less appeal to people with different incomes i.e. classes we can say that Thailand is class society in which status can be impressed to the purchase of goods and services which vary in prices. With the help of marketing strategies like advertisement which in the case of Thailand seems to favor humor as the best way to address to the Thai public, the five brands have created messages around their brands.

It was exactly these messages which in chapter four have been used to draw the sign value behind the brands. As the questionnaire shows, so have most people seen the ads with the exception of Cheers which despite having invested huge amount of money

is still not as well known among the public as the other brands. As we could see moreover, most people watched the ads on T.V. followed by billboards and only some saw them in the magazines. Regarding the sign value so have all the brands created messages around their brand from which the sign value was drawn. In the case of Heineken beer the most expensive brand among the five, fashion and style or being simply the coolest beer in town was used as a sign value which the brand tries to use in order to appeal to the consumers. We also have seen that most people associate this brand as being stylish, modern and universal. Thus, as a result the message the brand tries to create has been understood by most people.

Singha beer, the leader in the second market segment uses a different approach despite being still more expensive than most of the other brands. While it seems that Thai values are emphasized in the ads as well as the brand positioning of being the Thai beer, this company nonetheless also has kept a universal touch with the help of a former and foreign Miss Universe as brand ambassador. It seems therefore that the brand regards itself as a global agent who can link Thai identity and culture to the outside world. However, most people in this study still see the link between Singha beer and Thainess it would be interesting to see the future development of Singha beer therefore. Interestingly, while talking about Thainess so are there even more people in this study who see rather a link between Chang beer and Thainess. As we could see, the brand and company try to emphasize its contribution to Thai society in the areas of sport and community service rather than cultural values like the Thai Wai of Singha. This seems to indicate that to most Thai people, deeds which end in the company's willingness to help the society especially in monetary ways are more Thai than the approach of Singha. Despite this successful campaign the company and its brand Chang also have gained nationwide reputation for its quality beer with international reputation.

Leo, being the second major player in the economy beer market has taken a different path than Chang and its own mother brand Singha. While the main target group is young adults, this company has created ads in which the beer appeals as a beer which urges men to help the women in order to look good into their eyes. While starting their seven sexy Leo girls campaign it seems however that none of the respondents consume this brand because of this reason. If we follow the opinion of the people what stands most for this beer so is it easy going. A beer which seems to fit to the wants and

needs of the young people and thus has succeeded in gaining a market share from Chang.

Cheers Beer, the last among the five brands tried to create and appeal its brand as a small and simple piece of happiness especially for those people who do not have many big happy moments in life. What on the one hand sounds funny in the spots, also gives one the impression that the beer is made for the losers of society. Thus, the question remains whether anyone want to drink a beer which is made for the losers and so give one the feeling to belong to a group which needs to drink Cheers in order to be happy. It may be said that this sign value chosen by the company is not quite appealing to Thai beer drinkers.

In the last chapter this thesis also wanted to know more about the consumption of beer in Thailand. This has led to the necessity to split up the respondents according to their beer brand choice since the Thai beer market is actually split up in three market segments. In this respect, it seems that people with higher income prefer a brand like Heineken i.e. have higher purchasing power than the others. Moreover regarding this brand it seems that sign value in the case of the consumption of Heineken plays a role. Regarding the other however, it becomes difficult to say whether sign value plays an important part behind the reason for consumption so can we say that this was not the case in this study at least not an important reason rather a minor one.

If we analyze the data from the questionnaire it becomes clear that, especially two reasons for the beer consumption in Thailand are of importance. The first one seems to be taste. In all groups there were people who said that they prefer this beer because of its taste. Second to it, so was price a very important reason for the purchase which the drinkers of brands in the economy market especially valued. As a summary for this data we can therefore say that people with higher incomes who therefore can afford a Heineken beer might do so because it has a better and smoother taste than the others. As soon as the income of the people decreases they go for another brand i.e. cheaper brand which however depends then on the taste since people have choices.

There was however exceptions such as in the case of Chang beer whose quality of beer is even valued by people with higher incomes. On the other hand were there people with little income who prefer a Heineken beer but the general trend was like mentioned above.

What however most people have in common is that they prefer and moreover enjoy drinking beer together with others. This takes place especially on occasions such as meetings or parties or while going out. This shows that beer is a beverage widely used for sharing purpose and seldom for drinking on one's own. Whether this study is representative for the entire Thailand remains open but it should remind one that a possible law against beer advertising as proposed by the present government might eventually not help much to decrease the alcohol consumption in Thailand.

Firstly, the majority does not make their purchase according to commercials by the brands. Secondly, and perhaps very importantly, is the fact that as long as beer, especially in the economy market is for most people easily affordable and since there are even newer and cheaper brands which also promise a good quality too, beer consumption might increase rather than decrease. On the other hand a possible law would hit brands like Heineken most which does not mean however that the drinkers of Heineken will quit but rather switch to other brands. Thirdly, it seems that beer consumption has nowadays become part of a Thai eating and drinking habit. This simply means that it is common for Thai people to drink beer as a beverage on many occasions. In short, Thai people have become used to beer and it will be difficult to change this habit within a relatively short time. Perhaps, it would be a much better way to increase taxes for alcohol in general that drinking becomes too expensive.

This thesis has tried but obviously could not cover each aspect of this topic. Nevertheless, it has tried to give more details about the ways Thai beer brands try to appeal to the public. As advertising and marketing strategies change very rapid so can the picture of tomorrow already look different from that one of today and this leaves space for further studies. Moreover for the future it will be interesting to see how the present beer market will change. In the present it seems that there is a tendency towards cheaper brands appeasing and since Thai Beverage has brought out Archar beer one might expect that also Boon Rawd will bring out an ever cheaper brand as alternative to the people. In terms of beer consumption it would be interesting to investigate more about the role and importance of drinking circles which obviously play an important role in beer consumption in Thailand.

## APPENDIX

## A.1 Questionnaire in Thai

## แบบสอบถาม

คำชี้แจง : กรุณาตอบแบบสอบถามตามความเป็นจริงให้ครบถ้วน

ก: ข้อมูลส่วนตัว

1) เพศ: ชาย หญิง 2) อายุ \_\_\_\_\_ ปี

3) อาชีพ รับจ้าง รับราชการ ธุรกิจ นักศึกษา

4) รายได้ต่อเดือน (ไม่ต้องตอบก็ได้)

<5,000บาท  5,000-<10,000บาท

10,000-<30,000บาท  30,000-<50,000บาท  >50,000บาท

ข : กรุณาขีดเครื่องหมาย ✓ หรือเขียนข้อความตามความเป็นจริงลงในแบบสอบถาม

5: คุณดื่มเบียร์บ่อยแค่ไหน?

\_\_\_\_\_ ครั้ง / เดือน

\_\_\_\_\_ ครั้ง / สัปดาห์

\_\_\_\_\_ แล้วแต่โอกาส

6: สถานที่ที่คุณดื่มเบียร์?

บาร์ ร้านอาหารหรือภัตตาคาร งานเลี้ยง / งานสังคม ที่บ้าน (ช่วงรับประทานอาหารเย็น)

7: คุณดื่มเบียร์โดย?

สักสรรค์กับเพื่อน  ดื่มคนเดียว  ทั้งสองแบบ

8: เบียร์ยี่ห้ออะไรที่คุณชอบดื่มมากที่สุด?

ไฮเนเกน  สิงห์  ช้าง  ลีโอ  เซียร์

Oยี่ห้ออื่นๆ (โปรดระบุ): \_\_\_\_\_

9: เพราะอะไรคุณชื่นชอบเบียร์ยี่ห้อนี้?

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10: คุณดื่มเบียร์ยี่ห้อนี้เป็นประจำไหม?

- ประจำหรือดื่มเป็นปกติ  มีการเปลี่ยนไปดื่มเบียร์ยี่ห้ออื่นด้วย

11: เบียร์ที่ดีต้องเป็นอย่างไร?

- รสชาติดี  คุณภาพดี  เป็นเบียร์ที่ได้รับความนิยม  เป็นเบียร์ที่คู่มือสไตล์  
 ราคาประหยัด  ราคาแพง  อื่นๆ \_\_\_\_\_

12: คุณคิดว่าเบียร์ที่ราคาแพงจะดีกว่าเบียร์ที่มีราคาถูกไหม?

- ใช่  ไม่ใช่ (มันเหมือนกัน)  ไม่ทราบ

13: คุณเคยเห็นโฆษณาของเบียร์

- ไฮเนเกน  สิงห์  ช้าง  ลีโอ  เชียร์

จากสื่อใด?

- โทรทัศน์  ป้ายโฆษณา  นิตยสาร  อื่นๆ (โปรดระบุ) \_\_\_\_\_

14: คุณคิดว่าเบียร์ดังต่อไปนี้สร้างภาพลักษณ์อะไร? (เช่น ความเป็นไทย ความทันสมัย

ความเป็นชายชาติวีร ความมีสไตล์ ความเป็นสากล ความเป็นนักกีฬา ความเรียบง่าย  
 ความเป็นมิตร)

ไฮเนเกน \_\_\_\_\_ สิงห์ \_\_\_\_\_

ช้าง \_\_\_\_\_ ลีโอ \_\_\_\_\_

เชียร์ \_\_\_\_\_



15: โฆษณาของเบียร์เหล่านี้มีอิทธิพลต่อการตัดสินใจเลือกซื้อหรือไม่

มีอย่างมาก       มี       มีเป็นบางครั้ง       ไม่มีเลย

16: เพราะเหตุใดโฆษณามีอิทธิพล \_\_\_\_\_

เพราะเหตุใดจึงไม่มีอิทธิพล \_\_\_\_\_

17: คุณคิดว่าการออกกฎหมายห้ามโฆษณาสุราและเบียร์จะมีผลทำให้คนเลิกดื่มเบียร์

หรือไม่?

มี       ไม่มี       ไม่ทราบ

18: คุณคิดว่าการดื่มเบียร์นอกแสดงถึงความไม่รักชาติหรือไม่?

ใช่       ไม่ใช่       ไม่ทราบ

19: คุณมีความคิดเห็นอื่นๆเกี่ยวกับรูปแบบและภาพลักษณ์ของสินค้าประเภทเบียร์เพิ่มเติมหรือไม่

: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

ขอบพระคุณอย่างสูง

สถาบันวิทยบริการ  
 จุฬาลงกรณ์มหาวิทยาลัย

## A.2 Questionnaire in English

1) Gender:  Male  Female 2) Age \_\_\_\_\_ 3) Occupation \_\_\_\_\_

4) Monthly income \_\_\_\_\_ Baht (optional)

- <5,000บาท       5,000-<10,000บาท  
 10,000-<30,000บาท       30,000-<50,000บาท       >50,000บาท

5: HOW OFTEN DO YOU CONSUME BEER?

\_\_\_\_\_ times per month      \_\_\_\_\_ times per week

6: WHERE DO YOU CONSUME BEER?

- OUTSIDE     AT HOME     BOTH

7: HOW DO YOU CONSUME BEER?

- TOGETHER WITH FRIENDS     ALONE     BOTH

8: WHAT IS YOUR FAVOURITE BEER BRAND?

- HEINEKEN     SINGHA     CHANG     LEO     CHEERS     THAI

OTHER: \_\_\_\_\_

9: WHY THIS ONE?

\_\_\_\_\_

10: DO YOU DRINK THIS BRAND REGULARLY OR DO YOU SWITCH?

- REGULARLY       SWITCH

11: PLEASE DEFINE YOUR IDEAL BEER BRAND

- GOOD TASTE     GOOD QUALITY     FAMOUS NAME     STYLISH  
 INEXPENIVE EXPENSIVE    OTHER \_\_\_\_\_

12: DO YOU THINK MORE EXPENSIVE BEER IS BETTER THAN CHEAPER?

- YES     NO ( THEY ARE THE SAME)     I DO NOT KNOW

13: HAVE YOU EVER SEEN THE ADS OF

- HEINEKEN     SINGHA     CHANG     LEO     CHEERS

WHERE DID YOU SEE THEM?

- TELEVISION     RADIO     MAGAZINE    OTHER \_\_\_\_\_

**14: WHAT IMAGE DO YOU THINK THE ADS TRIED TO CREATE FOR THIS BRAND?**

HEINEKEN\_\_\_\_\_

SINGHA\_\_\_\_\_CHANG\_\_\_\_\_LEO

CHEERS\_\_\_\_\_

**15: DOES THE ADS HAVE INFLUENCE ON YOUR SELECTION**

YES VERY MUCH    YES    SOMETIMES    NOT AT ALL

**16: IF NOT/ YES WHY?**

**17: DO YOU THINK THE NEW LAW AGAINST ALCOHOL ADVERTISEMENT WILL STOP PEOPLE FROM DRINKING BEER?**

YES                       NO                       DO NOT KNOW

**18: DO YOU THINK DRINKING FOREIGN BEER IS UNPATRIOTIC?**

YES                       NO                       DO NOT KNOW

**19: ANY SUGGESTIONS OR COMMENTS?**

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**A.3 THE RESPONDENTS SUGGESTIONS AND COMMENTS**

After the analysis, so there was still space for the respondents to make suggestion or comment to beer and related aspects. The author believes that it is of importance not only to ask people the question of the survey to get a better picture about beer consumption but also to let the people give a bit space to say what they think. As a result, some people have written short statements and comments which will be grouped in following folders.

### **Advertising**

There were people who said that the advertising of beer should fit more to the Thai people. One even said that the present advertisements are patterned too much on western ads. Similar so did one respondent say that she liked the advertisement of Chang so much in which Thai people help each other i.e. the nation. This should be an approach for the others too. Others criticized the ads because they do not seem to be interesting. But also some said that there are too many ads which cost too much money; instead the companies should use the money and give something back to society like Chang does with its blanket campaign. But there were also those opinion that advertising of beer is appealing to Thai society and that even foreigners watching the ads, want to buy Thai beer brands.

### **Beer**

Regarding the taste of beer many respondents had much in common, that it would be better to lower the alcohol level of the brands. It seems that some still miss a beer which is soft, has low alcohol and so is easy to drink. Others said that they want to have more quantity of beer with the same quality but also for the same price. In the case of beer consumption one person argued that at the end people like the look and design of the bottle i.e. logo and make so their purchase. Following this comment one said that the design and look of the logos can still be improved. A young man wishes to have a beer with sweeter taste so that even young people can drink it. One person thinks that the brands at the end are not that different from each other.

### **Consumption**

One woman raised the concern that drinking beer is not good for the health. Another woman said that the companies are producing too much beer already. Looking behind the reason for consumption so did one respondent say that at the end the price decides and as we have seen many people prefer a cheap beer with good taste. One

respondent thinks that beer is the best alcoholic beverage because one does not need to mix it like whiskey but can drink it on its own.

### **Price**

Price was also an interesting topic among the respondents. Many say that the price for the brands is too high and should be reduced. One opinion was that when buying a box of bottles, one should get a gift from the company in order to give something back.

### **Law**

Many had questions regarding the possibility of a law against alcohol commercials. Interestingly some people agree that a new law would not stop the consumption. Not only did twelve people believe that a law against alcohol ban would help reduce alcohol consumption but one person was even so frank and said that the real problems start in the shops where enforcement is weak. Also one person said that to most people it would not matter whether they could watch ads on the channel or not. This is simply because once they go for a part they will drink alcohol i.e. beer.

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## BIOGRAPHY

Alexander Rother was born in Germany on 9<sup>th</sup> of September, 1980. After graduating at Cologne University in 2004 he came to Thailand which he had visited several times before in order to enroll for a master in Thai studies. While it was not always easy to study since organization and course implementation was not always as good as it should be he nonetheless has experienced many nice and interesting moments. During the time he has become interested to study more about marketing and business but also his interest for the entire area of Asia has led him to the initiative to apply for an MBA program back home in Germany. Out of this he hopes to link his cultural studies with business and marketing studies in order to work one day in Asia.



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