



Ipsos Flair Collection



Thailand 2015,  
preserving its  
unique versatility.

GAME CHANGERS







Thailand 2015,  
preserving its  
unique versatility.

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# [ Guide ]

## Ipsos Flair: Understand to anticipate

*The world economy and relative weights are changing and our companies are willing to develop their business in increasingly important markets: Brazil, China, India, Indonesia, Malaysia, The Philippines, Russia, South Africa, Taiwan, Thailand, Turkey, Vietnam...*

*But these countries are unevenly familiar to international firms and there is the risk to simply project outdated stereotypes, so our customers really need information about:*

- *The country values and mood, at a specific time,*
- *The influence of history, religion and culture,*
- *Their vision of the future, their ambitions and desires, their ideals.*
- *Their relation to consumption and brand image*

*So this is why Ipsos Flair was created in the first place: in order to demonstrate the originality and sharpness of Ipsos, because « Flair » is about instinct and intuition. It is the ability to capture the mood, to perceive the right direction, to know when to act...*

*It is also another way of looking, one that considers survey results as sociological symptoms to understand the real relationship between people and everything around them: brands, ads, media...*

*Ipsos is uniquely positioned around five major specializations: marketing; customer & employee satisfaction; media and advertising; public opinion research; and survey management.*



*By bringing together these diverse, yet complementary, perspectives, we can explore the many different facets of an individual, be it a consumer, a citizen, a spectator, or an employee.*

*France was the pilot country in 2005, followed by Italy in 2010, then China in 2012.*

*This year, the world development of Flair is on the agenda, as a strategic goal for the group: Brazil, India, Indonesia, Malaysia, and – of course – Thailand.*

*Ipsos has been in Thailand since September 1<sup>st</sup>, 2005, as a full-service agency with in-house data collection and data processing.*

*We are among the top three research agencies in Thailand with 510 million Baht (US\$ 17.3 million) revenue. Ipsos conducts qualitative and quantitative research among the general public and specific targets (business, professional, farmers etc.). Now, Ipsos has 250 full-time employees in Thailand, all based in the Bangkok office.*

*That is why we are really happy to develop Flair in this new country, crossroads of Southeast Asia and should have a major stake for all our customers...*

*Enjoy your reading!*

Henri Wallard  
Deputy CEO  
Chairman of Loyalty, Connect and Public Affairs



## [ Editorial ]

*If you search "Thailand" on websites, you will find more than 1,110,000,000 results.*

*Apart from institutional sites (embassies, tourist boards, economic analysis agencies, geostrategic agencies etc.) or those relating to disasters such as the 2004 tsunami, few sites portray a serious image of Thailand.*

*Recurring words are similar in tone - very flattering, but still superficial. They talk about Thailand's atmosphere, its topography and its inhabitants: "the land of smiles", "heaven", "Eldorado", "sun & sunbathing", "luxuriant islands", "great beaches", "relaxation", "patience", "food", "care", "innocence", "charm", "grace", "sensuality"...*

*Apart from the "wai" (the traditional Thai gesture of greeting), the words and phrases that visitors should initially learn are: mai pen rai (it doesn't matter), mai mi pan ha (no problem), jai yen yen (take it easy - literally "cool heart"), greng jai (consideration - literally "fearful heart"). In other words, they should focus on quality of relationships and creating balance.*

*From the outside, Thailand appears as a unique oasis in the world, an ideal of harmony, tolerance and light.*

*Most tourist guides end on a wistful note so the pang of leaving the country always feels like yesterday, for instance: "Years after you leave Thailand, pictures and movies will make you remember the monuments, the streets, the markets... But no picture, no words could give you a more wistful feeling about losing this extraordinary peace<sup>1</sup>."*

*So, on one side of the coin, Thailand has a reputation as "a fascinating land, full of contrasts", with Bangkok its "Venice of the East", which makes everyone forget the tangible realities.*

*On the other side of the coin, the international media portray a very negative image of the government of Thaksin Shinawatra and then that of his sister Yingluck, which saw the demonstrations of*

<sup>1</sup> Issue 42 of the magazine « Tour du Monde » (1963, Paris)



November 2013 to May 2014, and which was followed by the military coup on the initiative of General Prayuth Chan-o-cha. That negative image persists today in many foreign media.

To comprehend this paradox, we should avoid Western value judgments based on a dichotomous tradition of good and evil. Nor should we mistake courtesy, kindness and care for the needs and desires of “real people”. These have real desires, real expectations, real drives, which are often confusing for Western people.

Ipsos Flair is designed to give our customers a full strategic planning tool, as well as useful decision support, thanks to the various Ipsos experts working in the country. It looks at:

- The different opinions people hold regarding brands, ads, companies and institutions.
- The elements that help us understand messages and attitudes towards them (favourable or unfavourable, trusting or sceptical, positive or critical etc.).
- The consequences we should learn in order to define a strategy of influence (marketing, media, ads etc.).


All the people who have visited Thailand share the same view: Thailand is a unique country, despite its geopolitical problems, ethno-religious tensions and strategic development choices.

Thailand has suffered some very painful events: the “**tom yum kung**” economic crisis of 1997, the tsunami of 2004, and the disastrous floods of 2011 that cost over 340 billion baht (\$11 billion USD), slashed GDP by 3.1%, and limited growth to 1% in the year. Thailand still suffers almost daily attacks by Muslim separatists in the South, which have caused over 6,000 deaths in the last eleven years.

One might well think that the reality is in conflict with the image, if such events really exist behind the “**smile**”.

Thailand is like a mirage - a garland of orchids reflected in the Chao Phraya river. But this mirage is very fragile, ebbing and flowing, and that is why we chose this title for our first Ipsos Flair - “**Thailand 2015: Preserving a unique versatility**”.





*Of course this versatility is not a new phenomenon. But it necessarily intensifies as Thailand strives to retain total control while moving from emerging nation to developed country status in the 21<sup>st</sup> century. How is it possible for Thailand to achieve this without losing its soul?*

*Thailand welcomed 24.7 million visitors in 2014, declining for the first time by 6.6% from 26.7 million visitors the previous year, mainly as a result of the political crisis and economic turbulence (including the declining rouble and euro).*

*How is it possible to preserve the magnetism of Thailand and to maintain its strong growth? How is it possible to circumvent the risk of overheating, when the Fitch rating agency raised its grade for Thailand to BBB+, four years after recommending a decrease, following the state of emergency and the troubles?*

*As for advertisers and industry - should they lose trust in all those Thailand epithets: “charm”, “welcoming way of life”, “relaxed attitude”, “openness & open-mindedness”, “fun”, “exuberance”? Ultimately, how is it possible for them to seduce Thai society without imposing an inaccurate model?*

*The challenge is for Thais to remain in harmony with their values in the face of economic growth, mounting tourism, Western brands and urbanisation. Modernisation means rapid evolution of the country’s way of life, its culture and even its whole philosophy.*

*This first **Ipsos Flair for Thailand** is designed for this purpose - exploring, with the help of Ipsos Thailand experts - ways to offer solutions for our customers in a country where “**the only thing which is permanent is impermanence**”.*

*And because such sayings are integral to the everyday life of Thai people, you will find others in the text...*

Yves Bardon  
*Ipsos Flair Program Director*



# ‘Siam to Thailand: from Buddhist, Smiling Country of Elephants to Globalised, Urbanised ‘Land of the Free’

## The vision of Lifeng Liu – CEO of Ipsos Asia-Pacific Region

*Thailand, formerly the Kingdom of Siam, is one of the most popular tourist destinations in Asia.*


*Visitors are attracted by its friendly, flexible and smiling people, its Buddhist culture and history, comfortable living environment and services, shopping malls and - of course - relaxing tropical islands with a well-established tourist infrastructure coupled with reasonable prices.*

*Thailand is slightly different from other SouthEast Asian countries:*

- *It has a predominantly rural population, and an agricultural industry considered as ‘the **Barn of SouthEast Asia**’.*
- *The percentage of young people is lower than in Indonesia or the Philippines. This may be a long-term concern.*
- *It has growing automotive export and electronic goods industries.*

*I believe the main assets of Thailand are:*

- **The attitude:** *Thailand has always been an open country, although it has never been colonised. From the fourteenth century Thailand was trading with countries as diverse as China, Persia, the Arab countries and Portugal. Today you see tourists from all over the world. Thailand always tries to find a middle way between East and West, tradition and modernity, young and old, industry and agriculture, modern cities and rural areas.*

- 
- **The culture:** From the food to the style of living and working together.
  - **Its geographical location:** Thailand can function as an anchor economy for the neighbouring developing economies of Laos, Burma, and Cambodia.
  - **It's considered a safe country** with a low crime rate.

*When you visit, you definitely feel Thailand is moving from a traditional to a modern country, but it protects its culture and history well – that's the charm of its unique fusion.*

*I believe that as soon as Thailand has a clear vision, acceptable to all, of the economy and the society Thai people need to build in the 21<sup>st</sup> century, then the country will be able to seize the numerous opportunities offered.*

*As you know, Thailand is famous for its “**muay thai**” (Thai boxing), a real man's sport! But you probably don't know that the Thai women's volleyball team recently won the Asian women's championship by beating all the traditionally strong teams, including China, Japan and Korea. It was the second time they'd won the championship in four years.*

*Research is quite competitive in Thailand as several major players have chosen it as an entry market to SouthEast Asia.*

*Also, Bangkok has been chosen as a regional hub by a few large manufacturers which brings more research business opportunities, and consequently more attention and competition.*

*Bangkok is also considered one of the best choices for expats in Asia, which brings more international talent into the country.*

*Despite this, Ipsos has managed to gain a leading position. Ipsos Thailand has a good mix of “**Thainess**” and international experience - Thailand is more a “**high touch**” market than a high tech market.*

*Lifeng Liu*



# 「Wheels Within Wheels」

## The vision of Jérôme Hervio – Country Manager of Thailand

**This is the first time we have analysed Thailand from the combined perspectives of market, social, cultural, advertising and fashion theories. What do you think our clients need to gain a profound understanding of the current situation in Thailand?**

*Thailand is at the same time both easy and difficult to understand. Easy, because people are open and welcoming. Difficult, because this open access is restricted to certain areas of life.*


*Western analysts are looking for depth, digging down from superficial attitudes to hidden, subconscious motivations.*

*But for Thailand it is more useful to imagine several concentric circles. Each circle corresponds to a set of specific values, behaviour and attitudes.*

*The inner circle is the family. This is the area of total solidarity and deepest relationships. People will leave their jobs and forsake their careers to help a parent who has fallen sick. Conversely, parents will make all possible effort to ensure the success and comfort of their children. The most influential character in this circle is the Mum. And the moral principles mainly stem from Buddhism.*

*Moving outwards, the second circle includes close friends. There is respect, politeness, solidarity, and also some fun and freedom in this area.*

*Then you have the colleagues, the broad online social network, and the Facebook friends. The relationships are direct but loose.*



*Further outside are the people you meet in stores or on public transport. Politeness becomes secondary: jumping the queue in a convenience store or running for a seat in public transport are common.*

**Do you think this kind of link can impact brands and marketing?**

*This concentric model is important for brand building, as some brands only reach the external circles and are not able to develop a very strong relationship with consumers.*

*It's a matter of personal relevance. If a TVC uses foreign models or situations imported from Western markets, we are in the external circle of loose relationships and limited commitment. If brands use jokes and humour in communication, that may well grab attention but the emotional involvement is still weak. This leads to relatively low levels of loyalty.*

*There are a few shining examples of communications involving family, and more importantly family values, such the TVCs developed by Thai Life Insurance (Silence of Love and Unsung Hero). Such TVCs are able to modify the long-term positioning of brands.*

**You have been in Thailand for almost 20 years now, first as Managing Director of Research International from 1995 to 2005, and then since 2005 as Managing Director of Ipsos Thailand. What kind of changes have you noticed?**

*I soon realised that in many areas Thailand really is different from Western countries and also from other Asian countries.*

*A few examples of Thai uniqueness:*

*- The last war involving Thailand finished around 1770, meaning that Thai people have enjoyed the last two and a half centuries without too much pain and suffering. This has helped to develop and maintain a gentler, kinder society.*



- *There is limited interest in the past and in the future. The past is associated with poverty and darkness, while the future is perceived as risky and threatening. We do not find a deep sense of nostalgia in Thailand.*
- *There is also limited attraction to the world outside Thailand. The number of Thai expatriates is low. There is no desire to leave Thailand.*
- *The perception of beauty is also unique. Thai women invest a lot of money and effort to enhance their natural beauty. Their goal is certainly to be attractive, but also to contribute to a beautiful and harmonious world.*

*As a result, life is about the here and now, which is a good recipe for happiness.*

*The downside is that Thai people may struggle to adjust to changes in the modern world. The current political problems can be read as a difficult adjustment to the new millennium.*

### **What is the greatest concern for people?**

*Thailand has enjoyed over 15 years of continuous prosperity, with a low unemployment rate (0.6% at the end of 2014).*

*The impact of economic growth has been massive: progress in life expectancy, millions of households out of the poverty zone, better hospitals and roads.*

*There are also some unwanted side effects, such as the gap between rich and poor, the decline of the birth rate, and growing materialism.*

*The gap between rich and poor is not new. It is no worse than elsewhere in the world. But it has become more visible through luxury malls and expensive condominiums. Also, people are better informed through the internet.*

*The declining birth rate is an important trend. The situation is very different from Indonesia or the Philippines where there are young populations. The proportion of the under 65 year-old population aged 0 -14 has reached 58% in the Philippines and 40% in Indonesia, but only 29% in Thailand.*



*Thailand may become old before it becomes rich.*

*Materialism has boosted consumption, but it has also fed corruption, poisoned politics and even religion as illustrated in the recent controversy concerning Wat Phra Dhammakaya.*

**Thailand is developing. It has been visited by more and more tourists, and it is more and more sensitive to outside influences. Will this deeply transform the whole of society?**

*Thailand is a large exporter and importer, a major tourist destination. The country is open to foreign products and influences. Thailand is certainly part of the globalised world.*

*This may influence the way of life and threaten the social fabric. Its graceful politeness and strong family values will be challenged.*

*I still feel optimistic, as Thai people are expert in coping with multiple influences, politically and culturally. Western influence is counterbalanced by Japanese and Korean influences. The relationship with the US and China is equally good.*

*Also, the deepest values are to some extent hidden and protected within the inner family circle.*

*Thai companies are competing with international companies. It is interesting to note that local companies often win when open conflict occurs in a joint venture or between a mother company and its franchise.*

**And how does Ipsos Thailand anticipate these changes?**

*We want to work for both multinational and Thai companies. Our second and third largest clients are Thai companies.*

*Multinational companies have a strong culture of research. We are their natural partners. Local companies are hungry for information, especially when they expand their activities at regional or global level. We have specific programs to serve their needs.*



*We have to take some cultural factors into account when conducting research. For example, “courtesy bias” generates very high levels of positive purchase intention. We have to interpret results in this light, and build databases so we know what constitutes a genuinely good result.*

*We also know that the decision-making process is more collective and consensual than in the West; you do not always use your favourite brand if your friends prefer another one.*

*Ipsos is equally strong globally and locally. We try to use the most advanced research techniques while staying very close to Thai consumers.*

*Jérôme Hervio*







# [ CONTENTS ]

## [ User's guide ] 19

[What is a "developed country"?] 20

[Thai reality in 2014/15] 22

Economic turbulence 22

Household attitudes 23

Opportunities for Thai development 24

ASEAN 26

The growth of automotive industries 27

The rice-selling strategy 29

Railroad development 30

[Thailand: specific features] 31

Self-confidence and resilience keep  
the people encouraged 31

Entrepreneurial Spirit 32

The attractiveness of Thailand 32

## [ 2015 - a turning point ] 35

[In short: traditions and mutations] 36

[Thai identity: the structure] 36

The three principles 36

Theravada Buddhism 39

Respect for elders 42

[The mutations] 43

Exploring Lakorn 43

Emerging trends 45

A divided society 47

Impacting influences 49

A fragile balance 51

Expat sentiment 51

## [ Focus ] 55

[Four key groups for the future] 56

[The empowerment of women] 57

Some data 57

How do our soap operas represent women? 58



New expectations	59
<b>[The new generation]</b>	<b>60</b>
Some data	60
New topics for the new generation	60
The increasing influence of social media	61
Increasing individualism	63
An increasingly narcissistic and demanding consumer	64
<b>[The middle class]</b>	<b>65</b>
A fact	65
A new system of values	66
<b>[The seniors]</b>	<b>67</b>
Some data	67
What future for seniors?	69
<b>[To Summarise]</b>	<b>70</b>
<b>[The key to success]</b>	<b>75</b>
<b>[Thai glossary]</b>	<b>76</b>
<b>[The outlook]</b>	<b>77</b>
Changes and anchors	77
<b>[The issues]</b>	<b>78</b>
Emphasis on the Kingdom and patriotism	78
Emphasis on the “Thai touch”	79
Emphasis on Conspicuous Consumption	83
Respecting absolute tolerance	84
Emphasis on happiness	85
Managing the balance between dream and reality	87
Creating desire	88
<b>[What’s this got to do with surveys?]</b>	<b>90</b>
Identifying Thai motivations: Ipsos Censydiam	90
Playing with the network, the selfies, the emotions	94
Transforming consumers into reporters, thanks to the internet and ethnography	96
<b>[A song: Made in Thailand]</b>	<b>98</b>
<b>[Conclusion]</b>	<b>101</b>





# [User's guide]

*« It is a law of nature we overlook, that intellectual  
versatility is the compensation for change, danger,  
and trouble »*

The Time Machine, H.G.Wells



## 「What is a “developed country”？」

For the last 50 years, Western consumer society has been labelled as a new step in civilisation, and even as the ultimate step. Its model, widely inspired by the American way of life, has spread throughout the world and highlights the hierarchical split between developed and developing countries.

Signs for recognition of a developed country are clear:

- **In economic and social terms:** establishment of an economic dynamic which helps the creation of a real middle class with more purchasing power, which in turn implies a social model which excludes nobody.
- **In terms of land settlement:** construction of highways and transportation systems linking cities and opening up regions, diminishing disparities between rural and urban areas, and reaching a balance in terms of incomes and lifestyle.
- **In terms of architecture:** development of cities, creation of mega-cities, and building spectacular urban centres - amazing skyscrapers incorporating greenery and mirror glass, public buildings in hitherto unseen styles (theatres, opera houses, museums, stadia etc.), more and more high-end residential areas. All in all, innovation of high environmental quality.
- **In terms of marketing and business:** proliferation of brands, advertising communications and associated media. Also more shopping malls and luxury shops, with widespread distribution, stimulating the desire to purchase in each location.
- **In terms of culture:** the ability to influence styles of art, or to create fashion phenomena (just as we saw with “Gangnam Style”, which attracted a billion views in just six months in 2012), or specific styles, such as Bollywood in India.
- **In terms of politics:** generation of a multi-party system, with freedom of thought and opinion, allowing free expression of opposing convictions in the name of democracy.



From most of these points of view, Thailand is on the way to being recognised as a developed country in the next few years. For instance, since 2011, Thailand is a country with “upper middle income” – no longer a “poor country<sup>2</sup>”.

<sup>2</sup> World Bank classification

At the same time, 2014 was a complicated year, setting up 2015 as a turning point... Let's confront both the theory and the Thai reality.

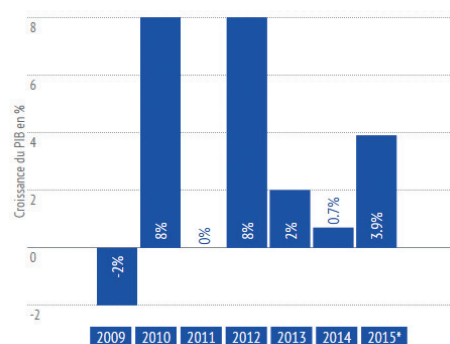


# Thai reality in 2014/15

In 2015, the accent is on finding a balance between economic turbulence, household attitudes, and opportunities for Thai development.

## Economic turbulence

In 2014, the Thai economy was expected to grow by 1.5% for the full year, but the result was worse: 0.7%. Growth was weakened by months of unrest and protests, and worsened by persistent political instability for much of the first half.



Source: \*NESDB  
Forecast – Infographic  
by Thailande-fr.com

According to Asian Development Bank estimates and analyses, *“Political gridlock and street protests that culminated in a military takeover of the government in Thailand in May damaged business and consumer confidence in the first half of 2014, such that gross domestic product (GDP) contracted by 0.1%. Fixed investment dropped, and private consumption fell slightly. Tourist arrivals fell by 10.4% in the first half. Net external demand rose as imports of goods and services fell more than exports, which statistically moderated the decline in GDP caused by weak domestic demand”*.

Selected economic indicators (%) Source: ADB estimates	2014		2015	
	ADO 2014	Update	ADO 2015	Update
<b>GDP Growth</b>	2.9	1.6	4.1	3.9
<b>Inflation</b>	2.4	2.2	2.6	2.6
<b>Current Account Balance (share of GDP)</b>	-0.1	2.5	0.5	0.5





The increasing volatility of the baht is a crucial factor in 2015, impacting the flow of exports and all industrial pricing.

Economists at the World Bank estimate that Thailand will remain the economy with the lowest growth in SouthEast Asia until 2016, expecting growth in 2015 of around 3.5%.

The implementation of major investment in public transport projects is scheduled to begin in 2015, although the majority of them will most likely be implemented from 2016.

Growth in 2015 will be supported by further recovery in exports, and by public and private investments, especially in the first half of the year.

With the recovery in exports and investments, imports should also resume growing after contracting in 2014. The current account surplus in 2015 is projected to be around US\$12.7 billion (3% of GDP), compared to US\$16.0 billion (4.2% of GDP) in 2014.

However, we have to note that the economies of Thailand's neighbours are expected to continue growing at a faster pace: Myanmar 8%, Cambodia & Laos 7%, Indonesia, Malaysia & Vietnam 5% to 6%.

## Household attitudes

Household consumption is another key factor.

Some experts estimate that domestic demand should grow by almost 4% after contracting by 2.3% in 2014. Net exports, however, are expected to grow by just 1.6%, compared to 23.8% in 2014, as import growth reverses from a contraction in 2014 to growth in 2015<sup>3</sup>.

Other experts expect growth of only 1.5% in 2015, given the continued restraint of high household debt.

The question is: how can private consumption be a recovery factor for growth while household debt has skyrocketed during the years of the previous government, reaching over 80% of GDP in 2014?

It will require accelerated government disbursements and a more stable society.

<sup>3</sup> World Bank East Asia & Pacific economic update October 2014



## Opportunities for Thai development

Despite challenges, the World Bank Group report takes an encouraging view of the future, asserting that Thailand has further improved its business environment over the past year: *“The country continues to rank among the top 30 economies worldwide and second among emerging economies of East Asia on the ease of doing business.”*

<sup>4</sup> doingbusiness.org

“Doing Business 2015<sup>4</sup>” takes a similar view: Thailand’s standing improved from 28<sup>th</sup> in 2013 to 26<sup>th</sup> in the 2014 report.

The report finds that Thailand ranks among the top 30 economies in the world in five areas: dealing with construction permits (6<sup>th</sup> in the global ranking), access to electricity (12<sup>th</sup>), protecting minority investors (25<sup>th</sup>), enforcing contracts (25<sup>th</sup>), and registering property (28<sup>th</sup>).

And the report recognises that in 2013/14, Thailand made obtaining construction permits less time-consuming by introducing a fast-track approval process for smaller buildings.

*Ulrich Zachau* (World Bank Group Country Director for Thailand) said: *“Thailand has also used technology to improve the regulatory environment for businesses. For example, the use of electronic systems has reduced both the number of documents and the time needed for exporting and importing by almost half since 2007.”*

East Asia and Pacific forecast summaries help to map the Thai economy and its overall outlook.

	00-10 (a)	2011	2012	2013	2014e	2015f	2016f	2017f
<b>GDP at market prices (b)</b>	9.0	8.3	7.4	7.2	6.9	6.7	6.7	6.7
<i>(Average including countries with full national accounts and balance of payments data only)</i>								
<b>GDP at market prices (c)</b>	9.0	8.3	7.4	7.2	6.9	6.7	6.7	6.7
GDP per capita, constant \$	8.2	7.6	6.7	6.5	6.2	6.1	6.2	6.1
PPP GDP	8.8	8.1	7.3	7.1	6.7	6.6	6.7	6.6
Private consumption	6.7	9.0	7.7	6.8	7.4	7.4	7.5	7.6
Public consumption	8.4	8.7	8.1	7.7	7.4	7.4	7.4	7.4
Fixed investment	11.9	8.6	9.4	8.6	6.7	6.9	6.8	6.7
Exports, GNFS (d)	11.3	8.7	4.7	7.4	6.8	7.6	7.3	7.0
Imports, GNFS (d)	11.0	9.8	6.1	8.6	7.1	8.2	8.1	8.3
<b>Net exports, contribution to growth</b>	0.4	0.0	-0.3	-0.1	0.1	0.0	-0.1	-0.2
<b>Current Account Balance, % of GDP</b>	4.6	2.0	2.1	1.6	1.8	2.0	1.9	1.7
<b>Consumer prices (annual average)</b>	2.6	5.6	2.8	3.0	2.5	-	-	-
<b>Fiscal Balance, % of GDP</b>	-1.6	0.2	-0.3	-2.3	-2.1	-2.1	-2.1	-2.0
<b>Memo items: GDP</b>								
East Asia ex. China	5.0	4.8	6.3	5.3	4.6	5.2	5.4	5.5
China	10.5	9.3	7.7	7.7	7.4	7.1	7.0	6.9
Indonesia	5.2	6.5	6.3	5.8	5.1	5.2	5.5	5.5
<b>Thailand</b>	<b>4.3</b>	<b>0.1</b>	<b>6.5</b>	<b>2.9</b>	<b>0.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.5</b>

Source: World Bank

- a. Growth rates over intervals are compound weighted averages; average growth contributions, ratios and deflators are calculated as simple averages of the annual weighted averages for the region.
- b. GDP at market prices and expenditure components are measured in constant 2010 U.S. dollars.
- c. Sub-region aggregate excludes Fiji, Myanmar and Timor-Leste, for which data limitations prevent the forecasting of GDP components or Balance of Payments details.
- d. Exports and imports of goods and non-factor services (GNFS)

The detailed forecast for East Asia and Pacific country GDP growth at market prices completes the picture:

	00-10 (a)	2011	2012	2013	2014e	2015f	2016f	2017f
<b>Cambodia</b>	<b>8.0</b>	<b>7.1</b>	<b>7.3</b>	<b>7.4</b>	<b>7.2</b>	<b>7.5</b>	<b>7.2</b>	<b>7.0</b>
<b>China</b>	<b>10.5</b>	<b>9.3</b>	<b>7.7</b>	<b>7.7</b>	<b>7.4</b>	<b>7.1</b>	<b>7.0</b>	<b>6.9</b>
<b>Fiji</b>	<b>1.6</b>	<b>2.7</b>	<b>1.7</b>	<b>3.5</b>	<b>3.7</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>
<b>Indonesia</b>	<b>5.2</b>	<b>6.5</b>	<b>6.3</b>	<b>5.8</b>	<b>5.1</b>	<b>5.2</b>	<b>5.5</b>	<b>5.5</b>
<b>Lao, PDR</b>	<b>7.1</b>	<b>8.0</b>	<b>8.0</b>	<b>8.5</b>	<b>7.5</b>	<b>6.4</b>	<b>7.0</b>	<b>6.9</b>
<b>Malaysia</b>	<b>4.6</b>	<b>5.2</b>	<b>5.6</b>	<b>4.7</b>	<b>5.7</b>	<b>4.7</b>	<b>5.1</b>	<b>5.2</b>
<b>Mongolia</b>	<b>6.5</b>	<b>17.5</b>	<b>12.4</b>	<b>11.7</b>	<b>6.3</b>	<b>6.0</b>	<b>6.1</b>	<b>6.3</b>
<b>Myanmar</b>	<b>10.3</b>	<b>5.9</b>	<b>7.3</b>	<b>8.3</b>	<b>8.5</b>	<b>8.5</b>	<b>8.2</b>	<b>8.0</b>
<b>Philippines</b>	<b>4.8</b>	<b>3.6</b>	<b>6.8</b>	<b>7.2</b>	<b>6.0</b>	<b>6.5</b>	<b>6.5</b>	<b>6.3</b>
<b>Papua New Guinea (b)</b>	<b>3.5</b>	<b>10.7</b>	<b>8.1</b>	<b>5.5</b>	<b>7.5</b>	<b>16.0</b>	<b>5.1</b>	<b>5.4</b>
<b>Samoa</b>	<b>2.6</b>	<b>5.2</b>	<b>1.5</b>	<b>-1.1</b>	<b>2.0</b>	<b>2.2</b>	<b>-0.5</b>	<b>-0.1</b>
<b>Solomon Islands</b>	<b>2.9</b>	<b>10.7</b>	<b>4.9</b>	<b>3.0</b>	<b>0.1</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>
<b>Thailand</b>	<b>4.3</b>	<b>0.1</b>	<b>6.5</b>	<b>2.9</b>	<b>0.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.5</b>
<b>Timor-Leste (c)</b>	<b>4.3</b>	<b>14.7</b>	<b>7.8</b>	<b>5.6</b>	<b>7.1</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Vanuatu</b>	<b>2.9</b>	<b>1.2</b>	<b>1.8</b>	<b>2.8</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>
<b>Vietnam</b>	<b>6.6</b>	<b>6.2</b>	<b>5.2</b>	<b>5.4</b>	<b>5.6</b>	<b>5.6</b>	<b>5.8</b>	<b>6.0</b>

Source: World Bank

- a. GDP growth rates over intervals are compound average; current account balance shares are simple averages over the period.
- b. The start of production at Papua-New-Guinea-Liquefied Natural Gas (PNG-LNG) is expected to boost PNG's GDP growth to 16 percent and shift the current account to a surplus in 2015.
- c. Non-oil GDP Timor-Leste's total GDP, including the oil economy, is roughly four times the non-oil economy, and highly volatile, sensitive to changes to global oil prices and local production levels.



The situation is better understood through examples. Let's look at the Association of SouthEast Asian Nations (ASEAN), and then focus on Thailand's automotive sector, rice selling strategy and railroad development.

## ASEAN

International commentators frequently refer to Thailand as the strategic gateway to the ASEAN bloc.

With the ASEAN Economic Community (AEC) due to be implemented by the end of the year, Thailand's impressive exporters are increasingly convinced of the advantages it will bring and the opportunities it will allow them to exploit.

The AEC is the equivalent of the European Union for SouthEast Asia. The big issues will be how can Thailand compete and how can it be a leader? Are Thai businesses really up to this challenge - can they respond and make things happen? How can business people ensure they are competitive?

An indication can be seen in agribusiness, where Thai exports to other ASEAN markets doubled from 2009 to 2012.

As part of ASEAN, with its vast population, the Thai market will effectively change from a single country to part of a broader community. That's the reason why Thailand represents a business opportunity for any company that comes here.

The ASEAN Economic Community will be great for Thailand in terms of investment. Thailand is one of the upcoming countries, and the AEC will be a big driver of business here.

For example, the AEC will harmonise healthcare systems:

*“If you look at the healthcare systems in all the countries in the region, they're very different. While some are very underdeveloped, others like Singapore are very highly developed. But with the rapidly approaching ASEAN Economic Community, all the member countries are aiming to have a united healthcare system.*

*This will involve unifying and enforcing regulations and bringing healthcare systems up to similar levels throughout the region. It's an uphill task and we are looking at a long*



*timeframe, because there are countries within the ASEAN community where the focus right now is on stable governing systems rather than healthcare.*

*Countries in ASEAN like Thailand will have to think like one community. It will be very exciting for healthcare companies in the region - both local as well as big MNCs - I can't wait for that to happen!" (Amit)*

## The growth of automotive industries

Thailand was the first car assembly platform in South East Asia. Its automotive sector is one of the ten largest in the world. Nevertheless in 2014, Thailand's new vehicle sales plunged 33.7%.

In 2015, car production in Thailand is projected at 2.2 million units while exports are set for 1.2 million units, according to Surapong Paisitpattanapong, vice chairman of the Federation of Thai Industries.

*Mr. Surapong, who is also the FTI's automotive industry group head said, "The auto industry in Thailand has set the car production target for 2015 at 2.2 million units. Sales in the country could increase to one million units this year, depending on government disbursement and investment in mega-projects as well as on government financial assistance to agriculturists. Exports of cars in 2015 are projected at 1.2 million units, almost equal to last year which stood at about 1.13 million units"<sup>5</sup>.*

<sup>5</sup> <http://www.thailand-business-news.com>

According to the Japan Automobile Manufacturers Association, Thailand-made automotive parts are the highest quality among the ASEAN countries. Local manufacturers supply about 85% of the parts used in pickup truck assembly, and about 70% of parts for passenger cars assembled in Thailand. Moreover, the country produces nearly 100% of the parts used in the assembly of motorcycles.

The domestic market plays an important role in automotive growth, which was boosted by the previous government's 'First Car' program.



*“Clouds and problems can arise, but overall, the automotive industry is driven by consumers. Consumers with two wheels want cars, and I do not think this desire will end”,* explains **Uli Kaiser**, the Automotive Focus Group analyst.

For example, Honda aims to produce some 420,000 vehicles per year in Thailand in 2015, with the opening of a new factory on the outskirts of Bangkok, which represents an investment of \$644 million.

**Pitak Pruittisarikorn**, vice-president of *Honda Thailand*, clearly states: *“Thailand is now the largest production base for Honda in the region.”*

Furthermore, Honda’s main competitor, **Toyota**, began production in its new assembly plant in 2013 and sold more than 800,000 vehicles that year, of which just over half were exports.

Finally, analysts predict a bright future for the Thai automotive industry, with an increase in production of 15% in 2015, bolstered by government initiatives such as the Eco-Car policy.



Automotive domestic sales should return to the growth path that existed before the disruption of the First Car Scheme

- Domestic sales are set to get close to 1 million units, stabilising the domestic market
- Eco-car production will play a central role in the return to growth in 2015



- Thailand will retain its position as the main automotive production hub within ASEAN
- Export production will see continued modest growth at 3%.

## The rice-selling strategy

The possibility of Thailand regaining its former position as the world's biggest rice exporter in the near future is believable.

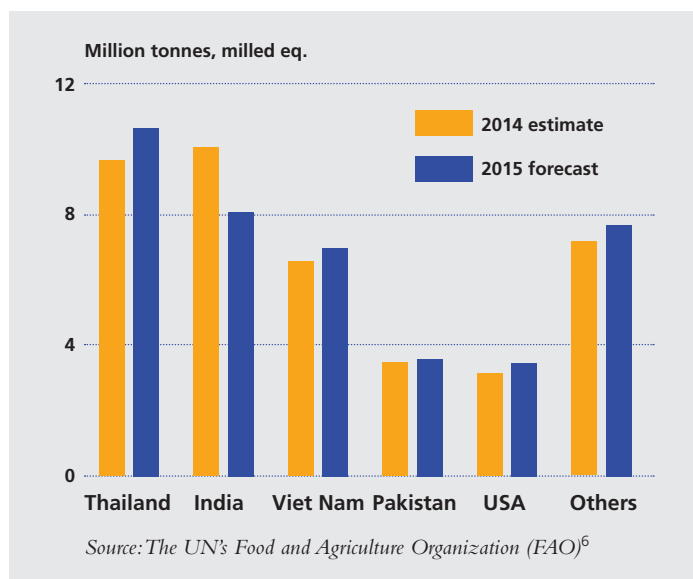
An economic downturn is possible in 2015, meaning that the purchasing power of other countries would be weaker.

Several solutions are on the table.

Commerce Minister *Chatchai Sarikulya* has said that the Ministry of Commerce and the Board of Trade of Thailand have agreed to form four joint committees to plan international, internal and border trade strategies as well as local product distribution.

He said that the international trade strategy committee would promote Thai exports in new major markets, such as emerging countries in SouthEast Asia as well as China and India (MCOT online news).

### Rice exports by major exporters



<sup>6</sup> <http://www.oryza.com/news/rice-news/fao-forecasts-2015-global-rice-trade-40-million-tons-slightly-last-year>



The decision to sell millions of tons of rice in auction is another strategy to create a growth shock.

Thailand's government plans to sell around 17 million tons of rice over the next two years from stockpiles built up under the previous administration's failed buying program<sup>7</sup>.

<sup>7</sup> <http://in.reuters.com/article/2015/01/13/thailand-rice-idINL3N0US3D520150113>

Thailand was the world's top rice exporter for decades until its grain became uncompetitive under the buying scheme brought in by ousted former Prime Minister Yingluck Shinawatra after she won the election in 2011.

The scheme paid farmers well above market rates for their crops, and the Finance Ministry in its most recent estimate said it caused losses of more than \$15 billion to the state, although that figure would be reduced if the grain is eventually sold.

## Railroad development

Thailand and China have joined hands to develop railroads and infrastructure.

The Minister of Transport said that a meeting was held in the wake of a Memorandum of Understanding between Thailand and China on Thailand's 2015-2022 transport infrastructure development plan, agreed by the Prime Ministers of the two countries<sup>8</sup>.

<sup>8</sup> [thainews.prd.go.th/centerweb/newsen/NewsDetail?NT01\\_NewsID=WNECO5801210010018#sthash.RmCiiXWW.dpuf](http://thainews.prd.go.th/centerweb/newsen/NewsDetail?NT01_NewsID=WNECO5801210010018#sthash.RmCiiXWW.dpuf)

*“The infrastructure development project is considered as a key project of Thailand that will help expand the economy, create more jobs, increase the government's revenue from taxation, and will be beneficial to both Thailand and China in connectivity, trade, and tourism”*, said the Minister of Transport.





## Thailand: specific features

Knowing the economic outlook is, of course, essential. But cultural and sociological characteristics have to be considered as well: Thailand's resilience and entrepreneurial spirit, as well as the attractiveness of the country and people.

### Self-confidence and resilience keep the people encouraged

Thailand has already been through the Asian financial crisis of 1997, and now people believe that if something goes wrong in the remoter continents of North America or Europe, the effects here can't be as bad as they were then. After all, whenever there are crises in the USA or Europe, the business usually flows to Asia.

Nowadays, people seem generally optimistic about business and the stock market. Investors are also very optimistic; they have no fear of unemployment, nor of running out of money.

Everyone expects to see high business growth in the next and subsequent years, along with major investment in infrastructure. Growth will be driven by business, which people expect to be very good over the next 3 years.

*"We can study how they deal with crises in the US and Europe. But one thing that's surprising in Thailand is that we don't really learn lessons from outside the country. We believe we can rely on ourselves.*

*So for us, even for business people, things that happen in the US or Europe are still very distant. We just think about our immediate surroundings. Thais don't really think about the big picture, the global economy. We just see the local picture; we believe these other things are very remote from us.*

*The attitude is: "Even if there is some effect it won't impact me!" Okay, if a crisis is happening in Indonesia or China, it would worry Thais a bit, but not if it was happening in Europe." (Pakee)*



## Entrepreneurial Spirit

An entrepreneurial spirit drives Thai people to be their own bosses:

*“They have this mentality that drives them to have their own businesses. For example, they might want to open a food store or a stall in the market, or some other small business like a florist’s or a café. It’s quite common in this country. You have vendors on every street; everyone just wants to do something!”* (Alex)

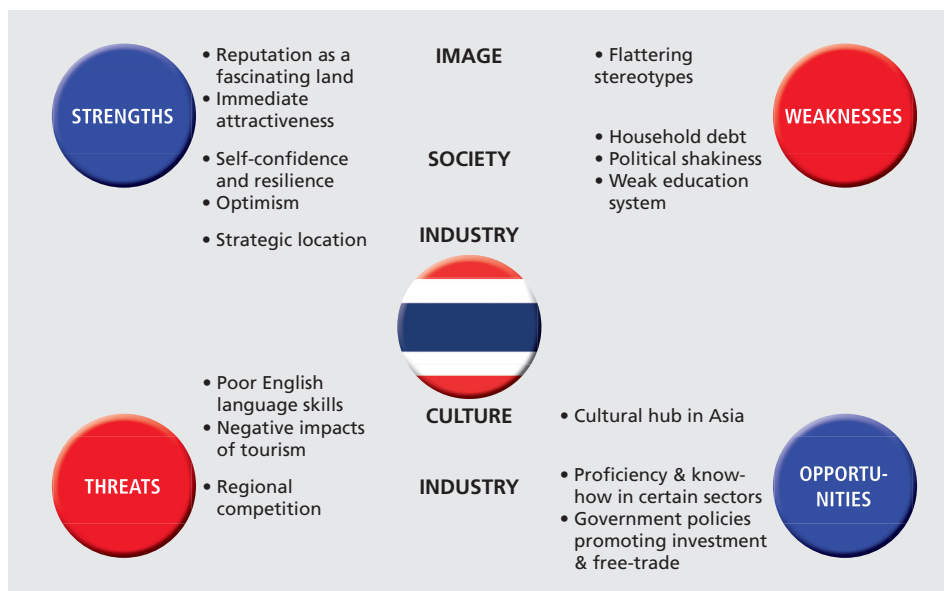
## The attractiveness of Thailand

It’s not just businessmen and women who have confidence in Thailand. A recent survey by International Living rated the country as Asia’s second-best retirement destination.

So, the case for Thailand becoming a regional hub starts to build up. Some of the reasons for the country doing so well include its low cost of living, its high quality of life, and of course its friendly local people<sup>9</sup>.

The following diagram sums up strengths and weaknesses, opportunities and threats for Thailand:

<sup>9</sup> Ipsos Asean Pulse, Issue 2 2013 Q2, «Evolving opportunities», Understand why Thailand is described as the gateway to the ASEAN bloc.









# [2015 - a turning point]



## 「In short: traditions and mutations」

Certain factors sound the alert over Thailand's ability to maintain the unique character that currently attracts tourists and investors. It's an increasingly divided society with changing values and lifestyles.

On the one hand, Thai society is supported by strong cultural and ethical pillars; on the other it is not impervious to new influences.

Let's look at these current tensions and challenges.

## 「Thai identity: the structure」

### The three principles

*“How do you define a Persian?”* This question ensured the fame of one of the greatest philosophers of the 18<sup>th</sup> century, Montesquieu, in his book «*The Persian letters*» published in 1721.

*“How do you define a Thai?”* This question was raised and answered in 1939 when the government decided to define the national identity in order to unite all the territory's inhabitants under one flag and replace the old Siam name, which had been used since the 16<sup>th</sup> century, with Thailand (commonly translated as *“Land of the Free”*).

First, they had to determine what is Thai (khwam pen thai) and what is not. In other words: an identity, a coherence, and a system of values.

*“Thailand has this strong sense of nationhood. It's the only country in the SouthEast Asian region that has never*



*been colonised. Thais are fiercely proud of this, and it's written into their national education. Also, they have their own language and their state religion, and it all adds up to uniqueness, because no one else is in the same situation. Thailand is the big brother of this sub-Mekong region.*

*Thailand is a country with a history, a long history compared to newer SouthEast Asian countries which have only been nations for a short while. Thailand has this historical vision, which is very much what you see in China as well. There is this long view back to the past, and the mentality is «because we're Thai, we're different, and we have to remain different.»”(Alex)*

In order to understand this, a few words about the Kingdom of Thailand flag will give an initial idea.

The civil flag, state flag and mercantile flag, ธงไตรรงค์ (*thong trairong*, the tricolour flag) was adopted on September 28<sup>th</sup>, 1917, on the recommendation of *HM King Rama VI*. The flag comprises five horizontal stripes in a red-white-blue-white-red sequence, with the central blue stripe being twice as wide as any of the others.

Prior to that, the royal red national flag used to feature a white elephant, as a tribute to the animal offered as a gift to HM King Rama II.

The colours carry several symbolic interpretations:

- Red: Love of homeland, blood shed in defence of the land (in memory of the golden age of Ayutthaya, during the reign of *HM King Narai* from 1590 to 1605)
- White: Purity of the Buddhist faith in its Theravada form
- Blue: Monarchy (the auspicious colour of HM King Rama VI)

Today, *thong trairong* is raised every morning at 8am, in front of all official and many other public buildings, to the accompaniment of the national anthem, and the flag is taken down every evening at 6pm.

The three values expressed by the flag echo the principles defined by *HM King Vajiravudh* to determine the three pillars of the Thai identity:



- The nation (*chat thai*) and its language (*pasa thai*)
- Its religion (*satsana*)
- Loyalty to the Chakri monarchic dynasty and the King (*phra mahakrasat*).

Thus, a Thai is someone who speaks Thai, follows Theravada Buddhist principles and swears loyalty to the King.

Transmitted at school, repeated in the family, broadcast through the entire media and political system for years, these three principles constitute and structure **“Thainess”**, the common collective identity based on the three elements which all Thai people share.

This explains the integration and fusing together of populations from different ethnic and cultural origins, such as the *luk jeen* (Chinese children), whose ancestors were Chinese migrant workers, and who became established as traders in the 19<sup>th</sup> century.

They now have Thai nationality, mostly live in Bangkok or in other urban areas, and have an important economic and political influence. Their assimilation has been accelerated through interracial marriages. Today 70% of the population of Bangkok has Chinese blood.

These three facets provide the foundations for social harmony and respect of the existing order in a patriarchal, hierarchical society where people display cool heads, warm hearts, gratitude and public deference.

The three elements also explain **“Thai uniqueness”**.

*“We go to temples, we are very religious, and that’s a unique part of Thailand. Also we have our King, who is very special and unique. It’s hard to explain this, but Thai people are different to people from other countries. It’s partly because of the language, the way we talk. Some people say it sounds like music; we have five tones. And it’s also because of our culture. People are polite, much more so than in other countries. So, the way we talk and the way we act are different. Of course, China is different too, and so is Indonesia, but it’s not the same difference! It’s absolutely different here!”* (Pattama)





To understand this further, we need to look at the specificity of the *satsana* (religion) and the influence of Buddhism on the everyday lives of Thai people.

## Theravada Buddhism

In Western lore, Buddhism has become synonymous with a cool, new age philosophy, far from the constraints of religions born out of the old and new testaments, Islam and so on. Images of the Buddha (and also Hindu gods) are perceived as simple decorative elements in Western houses, made to embellish indoor decor and bring a touch of exoticism.

Note that the use of Buddha images by Westerners, especially as tattoos, is deeply offensive to many Thais, and the export of artefacts with Buddha images is banned.

In effect, very few people take the time to explore the influence of this spiritual system on Thai consumers, customers, and the advertising audience.

This is truly amazing, because in Thailand 94% of the population is Buddhist and every man must live as a monk<sup>10</sup> during a period of his life<sup>11</sup>. There are some 30,000 temples, and the entire year is regularly punctuated by religious holidays dedicated to Buddha.

The specificity of Buddhism, as practised and lived by Thai people, is essential to their relationship with advertising, corporate communications, and all the players in modern consumer society.

*“You may well see someone holding a smartphone, all dressed up and very chic, but going to the temple. That’s an interesting sight here. In Europe, a lot of people are not religious in the same sense. But here, going to the temple shows that you’re a good person. It’s quite common for people to do that, even the most modern people. They may take Instagram photos but they also go to the temple to pray, especially on Buddhist holidays.”* (Alex)

The population practises Theravada, the most ancient Buddhist school and still present in SouthEast Asia, in contrast with the Mahayana school which has been implemented and developed in much of the rest of Asia (the Far East, the Himalayan region and Central Asia).

<sup>10</sup> HM the King Mongkut (1804 - 1868) had been a monk himself for twenty-seven years, before coming to the throne in 1851.

<sup>11</sup> Between finishing studying and before starting a professional career or getting married.



The goal of both major schools of Buddhism remains the same: awakening and enlightenment through the evaporation of egotistic desires and illusions, which are at the root of human suffering, thus ending the cycle of successive rebirths (*sangsarawat*).

However, one century after the Buddha attained nirvana, discrepancies regarding the way in which he reached his own enlightenment created different schools. For example, did he achieve enlightenment by himself, without any extraneous teaching and by discovering everything alone prior to transmitting his knowledge to his followers, or did he apply precepts learned from other contemporary buddhas that he met during his Bodhisattva experience?

Theravada stems from the independent enlightenment belief and recommends a personal approach, while Mahayana assumes outside assistance and preaches a collective approach.

On the one hand, in the Theravada school the approach to enlightenment must be made alone, through personal discovery of essential truths.

For Mahayana followers, on the other hand, awakening is linked to universal wisdom and involves teaching to make everyone aware of the nature of the Buddha, until every human being has reached enlightenment.

In Mahayana, compassion means guiding other human beings towards the discovery of their essential nature. In Theravada, compassion is expressed by the banishment of individuality, because such egotism just creates conflict and negative energy.

The consequences of this tradition are not just theoretical or speculative. They can be found in daily Thai life, in the relationships between people, their ability to care, to be kind and to smile in order to prevent discord, and in both the social and spiritual systems which are intimately linked.

Another Thai saying reflects this significant and ideal objective of living together in harmonious relationships and helping one another, because everything is dependent on everything else: **น้ำพึ่งเรือเสือพึ่งป่า** (literally, *“a boat needs water, a tiger needs the jungle”*; idiomatically, *“You scratch my back and I’ll scratch yours.”*)



There are concrete proofs of the principles which help to engender compassion: respecting all forms of life, and caring about one's words and actions by applying the precepts of the *metta sutta* – the chant extolling loving kindness.

There are also several alternative objects of worship - gods, famous monks considered as spiritual guides, ancestors, sacred spirits etc. - which are also part of the population's daily life.

Such traditions and beliefs are especially significant in rural areas, with superstitions and talismans such as amulets and tattoos designed to attract luck, love, health, strength and vitality, and to repel dangers, evil spirits or any threat.

Also, when the national anthem is being broadcast, regardless of style, occupation, social status or age, everyone stands in deference to HM the King, whose picture is present on bridges, on many buildings, and in homes.

Local religion is also very specific because Thailand has never known foreign occupation or colonisation, which would have brought in other values and cultures; hence it has proved possible to produce and keep its own syncretism.

You should not be surprised therefore to see a stylish-looking Thai, dressed in cutting-edge South Korean fashion and a fan of Western brands, giving a respectful *wai* (the traditional Thai gesture of greeting) to a san *phra phum* (ศาลพระภูมิ) - the little house where the protecting spirits live, the *jao thii*, a legacy of animist practices integrated with Buddhism<sup>12</sup>.

You should not be surprised either that, after an accident involving an Airbus skidding off the runway at Bangkok's main international airport, the authorities held an important ceremony at the site of the accident to appease the spirits and thank them for the successful rescue operation. The Transport Minister explained that *«it was for the good of his ministry»*, given the high number of major accidents mostly involving trains, that had occurred during the year.

Expats here frequently use a phrase made famous by an erstwhile newspaper columnist: **"T.I.T" – This Is Thailand** – which explains the regular occurrence of the ostensibly impossible!

<sup>12</sup> The owners and tenants offer the protecting spirits food and drink, incense sticks, flowers for good grace and so on, so that they will repel the 'phi' (bad spirits or ghosts), as well as thieves.



*“I was talking about Thailand with a colleague. He said Thailand works in practice, but it would never work in theory! And he’s right! Everything is refreshingly different.”* (Gordon)

## Respect for elders

In the West, the elderly are often treated with minimal respect and without empathy; they don’t correspond to the ideal of youth and beauty, or to the aesthetic model portrayed by brands and advertising.

Generational differences seem more pronounced in the West, and the elderly are often seen as outdated, unable to understand modern life, and therefore irrelevant and useless. For example, advertising often portrays a grandparent as kind and tender, but mute and peripheral.

In the West, breaking away from what has gone before, asserting the will to be different, is seen as desirable. Not following the ways of older people is perceived as a sign of intelligence, of emancipation and freedom, even if the results are disastrous.

In contrast, Thailand (and indeed Asia in general) shows much greater respect for the elderly, even though urban Thai youth is showing more signs of independence.

*“A Thai may say «I need to see my Mum», and if that means their parents have asked them to go home, then they have to go back and you can’t stop them. Family is seen as important and you need to respect that. You’ll see that in a lot of societies in Asia, even though people tell you they want to be individualistic (because that’s what they see on TV and in Western media and advertising). But their parents keep reminding them, «Remember your home, ok? Remember your family, respect your elders - you are obliged to do this!»”* (Alex)

Older people have an accumulation of experience and knowledge to transmit, to listen to, to put into practice, because in a cyclical theory of time, everything has already happened. Listen to your elders: it will save you time!



## [ The mutations ]

Today, in parallel with the key structuring values, new practices and new behaviours are developing.

These are the consequences of different influences - political, economic, social and cultural.

Before exploring socioeconomic facts, it's interesting to observe implicit and explicit trends in TV programs. Thai soap operas (*lakorn*) are a good start - a mirror or a manual for Thai society.

### Exploring Lakorn

*"Guan karn thong gub gang" "Por pla lai", "Por gai jae", "Fai ruk, ploeng kaan" "Susan kon pen", "Yah leum chan", "Hormones - Wai waa woon"...* Who doesn't know these TV series?

The majority of Thai women are avid soap opera fans, knowing everything about the stories and the lives of the stars, and talking about them enthusiastically.

The traditional lakorn formula is tried and trusted – the Thai love for things familiar and easy to comprehend – and appeals to the current quest for "resting the brain".

Lakorn is a very specific genre.

In the UK for example, there are long-running soap operas such as *"Coronation Street"*, *"Emmerdale Farm"*, and *"East Enders"* - all involving 'real' people who look as real people do, portraying their small but real problems. These soaps are evolutionary, the screenplay writers introducing issues that are current into the story.

In Thailand, lakorn was born from music: *chow baan* music - tapping wood, rhythms with words added - imitating dialogue, and also arguments between man and woman.



*Lakorn toratat* (televised lakorn) arrived in the Thai year 2499 (AD 1956). Originally, it took the form of parody, using 'high-class' stories but applying them to the lives of ordinary people.

*Channel 7* tried to improve this art form by basing their productions on quality novels.

But it appears that Thai soap opera has back-tracked and reverted to the old formula of jealous women slapping each other as a result of infidelity, thwarted desires and so on. This formula has proved very successful AND most of the productions now use a 'hi-so' lifestyle as story context.

The lakorn formula is appealing thanks to its simple story lines. It's not taxing and is easy to relate to. Stereotypes reinforce familiar behaviours and personal, family or social issues, e.g. envy, infidelity, inequality. One sees situations in one's own life being played out on the screen so one can identify with them and feel better because someone else is having the same problems.

Lakorn fills a need for romance and love thanks to a happy ending for the *pra ek* and *nang ek* (lead man and lady). The lives of many people lack romance so lakorn and the tenderness of pra ek's courting feeds female viewers' dreams. There is also the appeal of perfect love where the pra ek and nang ek end up 'having it all'.

Lakorn creates aspirations. When real life is tiring or dull, lakorn is the perfect antidote. Viewers' dreams of wealth, power, a love that overcomes obstacles, and eventual happiness are played out in front of them.

#### Lakorn has two dimensions:

**Explicit:** the content, the action, the characters, the twists, everything that captivates viewers.

**Implicit:** the new facets of Thai society - the traditional and the new values, the pillars and the emerging signals.

Religion is still depicted as important to the older generation but there is a thought-provoking scene in *Hormones* when Pai who had joined the monkhood is beaten by gang members with whom he had fought earlier. Will Buddhism and its values become less important? Of the Five Commandments for laymen, the rules



to abstain from gambling, alcohol, lying, and promiscuity have certainly taken a knocking. There are more and more stories about “wayward monks” in the newspapers.

Superstition still abounds (as portrayed in *Fai ruk, ploeng kaan*) and keeps being reinforced, hence the popularity of lakorn based on folk stories like *Mae Naak*. The fear of ghosts is unshakeable. While we are one of the biggest users of social network technology, the majority of Thais are still unscientific and unquestioning when it comes to the supernatural.

A recent Internet campaign against Thai belief in ghosts triggered a scandal. A man, who goes by the pseudonym “*F\*\*kGhost*” and runs a popular Facebook page with the same name, caused uproar when he posted a photograph of himself stepping on a row of zebra figurines at a busy road junction in Bangkok known for fatal crashes<sup>13</sup>. In response, lots of Thais denounced his action as a blasphemous provocation.

<sup>13</sup> [www.therakyatpost.com/](http://www.therakyatpost.com/)

## Emerging trends

Infidelity (including that of women) and jealousy are standard ingredients to seduce viewers. But the reinforcement of these topics is interesting; the term “*gig*” has been in circulation for many years now, and the idea of having one, two, or six lovers has become acceptable and even applauded.

Historically, infidelity was a male domain. Now, with burgeoning confidence, the **Thai Woman** feels she can play the same game, perhaps influenced by Western movies and magazines, as well as internet dating sites. No longer is it unladylike to have a gig. It's not rare to meet Thai women boasting about the multiple gig relationships they have.

With infidelity comes suspicion and jealousy. The way jealousy is portrayed in lakorn shows Thai women in a very poor light, no matter how hi-so they look. The typical scene is formulaic - involving coarse, abusive language (even from the mouths of well-educated hi-so's) and physical violence. Troublingly, there is a similar scene of uncontrolled anger and vitriol in *Hormones*, but with two teen girls fighting over a boy.



More flesh and sex is not anecdotal. In spite of the National Broadcasting and Telecommunications Commission and the efforts of the Ministry of Culture to keep the Thai public away from seeing more flesh and sex, lakorn producers have been successful in introducing these elements. A little at a time, to test the water. Sex is also openly discussed in magazines like Cleo and Lisa, and the internet is unstoppable as a source of photos and video clips that go beyond what lakorn is showing presently.

How women see, or want to see, themselves and how women see or want to see men also reveals emerging signals.

If lakorn is anything to go by, the Thai Woman has changed considerably. The old teaching that women should *ruk nuan sa nguan tua* (be reserved when it comes to men, and stay pure) seems to have been thrown out, and Thai women are now embracing their sexual awakening - as also seen in the direction columns are taking in women's magazines, with their more liberal Western attitude towards sex (at a younger age, before marriage, or within marriage but with other sexual relationships on the side).

**Feminism** is also on the warpath. More Thai women are choosing not to marry, and not to have children. This is still mainly true for the upwardly mobile segment but as more women become financially independent, this attitude may well spread. A lot of this is backlash against the historical infidelity of Thai men as portrayed in Por kai jae where the fumbling, sexually-deficient Tan Haan is a caricature.

How do women see or want to see men?

The Thai Man used to lead, or was allowed to take the lead. His worth was unquestioned because of his exclusive eligibility to the monkhood and resultant salvation in the Next World for his parents. The Thai Woman used to put up with his weaknesses - gambling, drinking, '*mia noi*' (minor wife or wives) because she was dependent on him.

Today, the **Thai Man** is having to go through a makeover to be considered. Apart from feminism, he is coming up against tom (lesbians), farang (Caucasians) and other foreign men, internet relationships, and also other Thai men who are more desirable because they are richer, better-looking and better-groomed.





**Beauty** is a standard requisite for teenagers and women, but now, the desire for beauty goes for men too. Male grooming has become big business, as has cosmetic surgery. Like many younger women, the Korean look is also aspirational for men.

Desirable male qualities are reinforced by lakorn: rich, handsome, successful, gentle, attentive, pampering, “family men” - sincere, monogamous, romantic. In his pra ek roles, *Tik Jedsadaporn* epitomises this ideal.

The celebrity cult also contributes to the use of hi-so actors. Many of the celebs in lakorn have little acting ability so they are selling their good looks, their extravagant clothes, play-acting in affluent surroundings that are already a part of their lives, showing off their beautiful skin, hair and make-up. And the Thai viewers love it. All of this feeds into product advertising which helps to reinforce the idea that good looks are a must-have in order to be noticed, chosen, loved, successful and rich!

After the fiction comes the reality. Politically and socio-economically, Thai society is changing as well.

## A divided society

Until the coup of May 2014, the growing antagonism between red and yellow shirts made Thailand seem a nation of protests and conflicts, more and more divided.

The terms “torn”, “broken”, “at an impasse” have often been used to qualify the state of Thai society since 2010.

Political division has created tension within families, groups of friends and colleagues.

*“We’re divided here; you have the red shirts and so on. It’s a very interesting dynamic. The vast majority of people voted for Pheu Thai, so they’re looking for change, but it’s a quest for change in a Thai way. You have “This Person” in the background - very charismatic, very populist but also seen as a threat. So you’ve got the yellow camp and the red camp, and something in the middle. It’s a very interesting time and it will remain so in the future for Thailand, but there’s not going to be a revolution.”* (Gordon)



But other divisions are at work.

### **Inequality**

*“I think there’s a sense of inequality. Most Thai people can’t afford to buy a home, so there is a feeling of inequality, though at the same time people are still reasonably happy. But things will have to change. Last year they increased the minimum wage. It’s now 10 US dollars a day, and still under 20 dollars if you’ve got a degree. Ten dollars a day! That’s got to change! There will be changes in the distribution of wealth, and somehow Thailand will have to adjust to that. It’s not about making people rich of course, but people should be able to afford a good life for their families, and access to enough money to be able to get the things they really need.” (Colin)*

The gap between **Bangkok and Upcountry** is still significant. According to the World Bank report *East Asia’s Changing Urban Landscape: Measuring a Decade of Spatial Growth*, *“Urban growth in Thailand is dominated by the Bangkok urban area, which was the fifth largest in East Asia in terms of area and the ninth largest in terms of its population, approaching 10 million in 2010”*. No other urban area in Thailand has more than 500,000 people, although the discrepancy will reduce.

*“Thailand is two countries; there’s Bangkok, and then you’ve got the rest of Thailand.” (Colin)*

Take healthcare, for example:

*“In terms of healthcare infrastructure, there is a regional discrepancy. Most of the big public hospitals and universities are here in Bangkok. As a focus on a particular therapy area, look at oncology - nearly all the oncologists in the country are concentrated in Bangkok. Only about 10% are in other cities. This is just an example, but the general trend is like that.*

*Most healthcare professionals want to practise here in Bangkok. Money and opportunities are better here. In general, you have a good life in Bangkok, so they prefer to be here rather than upcountry. But the provinces are*

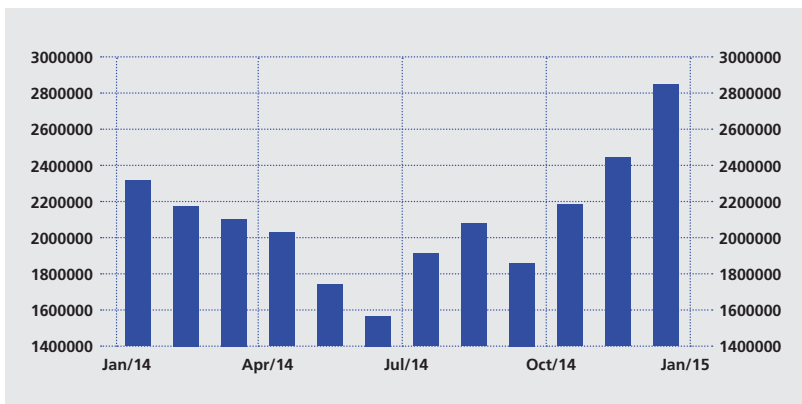


*not totally deprived of hospitals. They have healthcare facilities, but they're not fully equipped; they don't have all the medical devices. If people travel a little bit, they can usually get what they need within the region, but for major treatments like cancer, they would have to come here to Bangkok.” (Amit)*

Branding for Bangkokians and consumers in the rest of Thailand is also understandably different. It all boils down to how a brand connects with a different value system, and how the consumer makes a connection around those values. What works in Bangkok doesn't always do the trick upcountry. However, tourist destinations like Pattaya and Phuket might adopt new lifestyles faster than other provinces.

## Impacting influences

Thailand is an increasingly attractive destination for conventional tourism, and growing as a medical tourism destination.



Thailand tourist arrivals 2014<sup>14</sup>

<sup>14</sup> <http://www.tradingeconomics.com/thailand/tourist-arrivals>

Medical tourism is an important challenge, because healthcare is at the forefront in the development of Thailand.

With nearly 1,000 public and over 300 private hospitals, Thailand is one of the world's leaders in the area of medical services, with some 70% of equipment imported from the USA, Japan and Europe.



A high-quality healthcare system is one of the most important reasons for the country to attract tourists, particularly to Bangkok. It is estimated that some 1.4 million tourists travel to Thailand specifically for medical treatment every year.

In a very short time, investment opportunities in this area have increased. Already benefiting from significant medical investment, and with the best in technology and pharmaceutical products, Thailand has the ambition to become the main health centre for the whole geographical area.

Top 10 medical tourist destinations by volume of care	
<b>1 Thailand</b>	<b>6 Philippines</b>
<b>2 Hungary</b>	<b>7 United States</b>
<b>3 India</b>	<b>8 Costa Rica</b>
<b>4 Singapore</b>	<b>9 Brazil</b>
<b>5 Malaysia</b>	<b>10 Mexico</b>

<sup>15</sup> <http://www.frost.com>

Source: Frost & Sullivan<sup>15</sup>

Medical tourism is forecast to generate revenue for Thailand of over THB 100 billion in 2015. The reasonable cost of treatment, together with premium quality healthcare, provides a competitive edge for the Thai medical tourism industry, unmatched by key competitors such as Singapore and India.

The cost of a coronary artery bypass graft (heart bypass) may be around USD 140,000 in the USA, but usually under USD 20,000 in Thailand. We are now seeing this sector being much more aggressively promoted by the Tourism Authority of Thailand (TAT). Hence, healthcare promises a great deal of opportunity for companies to grow their business and leverage their entry into the Thailand market for expansion within ASEAN.

In the near future, transportation is scheduled to follow a similar expansionist path, with high-speed trains proposed for routes north from Bangkok to Chiang Mai (via Phitsanulok), south from Bangkok to Hua Hin, and east from Bangkok to Rayong (via Pattaya).

<sup>16</sup> With a goal of increasing freight from 3% to 10%.

Railway's twin functions (travellers and freight<sup>16</sup>) will open up the regions, helping to create new balances between populations.



## Expatriate sentiment

Some of the reasons for Thailand doing so well include its quality of life, its high standard and low cost of living, as well as the friendly local people.

Expatriate Explorer Experience League Table 2014	
1 Thailand	6 Germany
2 New Zealand	7 Taiwan
3 Bahrain	8 Vietnam
4 Spain	9 India
5 France	10 Singapore

Source: HSBC's seventh Expatriate Explorer survey 2014

For the record, Thailand was voted number one for the overall expatriate experience according to an HSBC Bank international survey canvassing the opinions of over 3,000 expats working in 30 industries across 50 countries.

The survey also reports that around 69% of single expatriates had found a long-term relationship in Thailand. Add to this the fact that a recent survey by International Living rated Thailand as Asia's second-best retirement destination.

## A fragile balance

How to maintain Thai uniqueness and at the same time become a regional hub?

### Two hypotheses: Adaptation and Preservation

#### - Adaptation

*“Thai people are quite easy-going, and tend to forget things quite quickly! We have a culture of compromise; we don't compete directly. We work hard and do compete with each other in a way, but not directly. It might be difficult to preserve this essential Thai culture of compromise and consideration, but because of our ability to easily adapt other cultures to our own I don't think we will completely lose its integrity. It will still be there somewhere, only it might have blended with other cultures.”* (Raweewan)



## - Preservation

*“People earn more now, but the way they live is not changing that much here. Bangkok is very special, it’s still the only major city, but it’s retained its traditional character. Nothing has changed underneath, there are strong communities and everything is still the same.”* (Rattaya)

*“There is a group of people who are trying hard to preserve our own culture by encouraging us to love and take pride in it – our music and musical instruments, our architecture, our language, our way of life. I think this helps.”* (Raweewan)

Thailand’s growth remains linked to its traditional base of agriculture and related industries (the rural population was 52% at the last census update in 2013), and this helps to explain the strength of the link between workers in the capital city and their rural family origins.

So, two systems coexist, one inheriting and passing on customs, the other accessing and enjoying the modern world.

With increasing economic reforms, the volume of international trading, and the development of cultural tourism (beaches and hospitals alike), there could be a change in the whole system’s centre of gravity if the pendulum swings dramatically towards the universe of Western values.

Today, everything seems to be done in order to preserve the status quo, whether on the political, advertising or marketing map.

Confusion between modern trends absorbed from developed countries and ancestral values will increase.

Issues surrounding the amount, the rate and the intensity of such confusion will become more significant and possibly even violent.

On the other hand, Thailand may find the necessary balance to create a unique Thai model of development, which could be used by other ASEAN countries as an inspiration for their own rise.









## [ Focus ]

**The empowerment  
of women**

**The new generation**

**The middle class**

**The seniors**



## Four key groups for the future

We have chosen to zoom in on four key groups that will shape the Thailand of tomorrow.

- The **women**, because they are an increasingly sophisticated and demanding marketing and advertising target. They carry their families and a large part of the economy on their shoulders. Their contribution is not yet fully recognised. Their values remain traditional in some areas (beliefs, family, marriage, children) and at the same time they are more emancipated, more autonomous and more free.
- The **new generation, or teenagers**, is at the heart of business strategies, because it is the most receptive to the influence of television, stars, movies and trends. It makes and breaks moulds. It is unfaithful without guilt, but must be seduced and amused. Romantic and demanding, emotional and pragmatic, it has little money (or just parents' pin money). But it will be the generation of the 2020's - influential consumers, more comfortable and self-confident.
- The **emerging middle class**, of course, because it is the result of 25 years of economic growth in Thailand. Effectively, consumers start belonging to the emerging middle class as soon as they are left with a bit of money after paying the bills. But regardless of the criteria and definitions used, the middle class is expanding with the growing economic strength of emerging markets. The emerging middle class have left behind their days of poverty. Without the need to worry about basic survival, they now look towards consuming beyond their fundamental needs. While they are not wealthy enough to spend as much as they would like, generally speaking, they are a strong force in driving consumption within Thailand. This group, between rich and poor, is also considered as a driver of democracy due to its strong attachment to the rule of law and its insistence on greater accountability from government.



- The **seniors**, because the population is ageing. By 2030, the world population will age a further 5.1 years on average. In Thailand the proportion of people over 60 will increase dramatically from 15% in 2010 to 35% in 2060.

The significant decrease in the ratio between the overall population and its senior segment presents both a problem and an opportunity. It raises a number of questions. On the social level, how to finance the necessary welfare? Collectively, how to maintain the inter-generational links? From a marketing standpoint, how to communicate with the over 60s?

## 「The empowerment of women」

### Some data

Thailand's female population comprises 47% of the country's workforce. 30% of companies in Thailand employ female CEOs, the highest proportion in the world, and women account for 36% of senior management.

Women no longer need to wait for men to offer them gifts. As in Europe, the trend is simple - women will buy themselves gifts to celebrate a promotion, a bonus or a personal success. As well as casting a new perspective when it comes to corporate management, this probably implies increasingly self-confident and self-indulgent female consumers.

That will change a lot of things in terms of services, stores, amenities and loyalty. For example, in the traditional concept of luxury shopping everything is often organised for a male clientele with pretty hostesses and attentive female sales staff.



At the same time as they play a key role in the economy, women have to devote themselves to family (91%) and are in charge of most tasks at home: cleaning (86%), laundry (83%) and cooking (79%) - *Ipsos Censydiam 2014*.

Thai women have a right to complain about their double burden. Some already do but a large group is able to adjust happily to the world of today.

## How do our soap operas represent women?

We believe that soap operas reflect stereotypes as well as revealing trends and aspirations. In *lakorn*, women are often represented as strong and resourceful. They command the respect of those around them.

Caricatures of women are also common: bitchy, overly jealous, madly or pathologically in love. In that sense the soap opera genre actually reinforces stereotypes justifying the traditionally inferior position of women in Thai society.

Soaps provide a context in which women can express both good-humoured acceptance of their oppression and recognition of that oppression, and some equally good-humoured protest against it.

Women, the primary target of soap operas, enjoy the sexual freedom exhibited by the heroine. There are frequent examples of male weaknesses (gambling, drinking, *mia noi*).

At the same time women tolerate and accept more and more hard criminal scenes. As discussed rapists are seldom punished in soap operas, and their victims rarely talk about it. In a famous scene from Thailand's award-winning *Rang ngao* (The Power of Shadows), the handsome protagonist gets drunk and rapes the leading lady. He later begs her forgiveness, and they live happily ever after.

Aspirations are illustrated through surroundings, homes and clothing. Soap operas take place in wealthy environments. In *lakorn*, only servants, tradespeople and characters introduced for comic relief are 'ordinary people', wearing ordinary clothes.

The main characters, good and bad, are light-skinned, attractive, extravagantly dressed and coiffured.



## New expectations

We need to know more precisely what young women are looking for and whom they look to. What do they want from their careers and from the surrounding culture and the market in terms of music, fashion, television, style, make-up and so on?

*“If we look at the tensions in the country, it’s very interesting here. On the surface, you might think there’s nothing new, but in fact a lot of change is going on. Just look at the women. We talk to a lot of women for our clients such as L’Oreal and Unilever. From the outside, Thai women seem classic, passive, traditional, but actually it’s very different. We need to be smart to understand their motivations. They may look quite passive but they’re actually very ambitious and passionate. They have goals, dreams, aspirations. You can look at the public face, but there’s also the private face. How do you project yourself in a society that expects women to be a certain way?”* (Gordon)

The growing empowerment of women helps predict what the next trends and icons will be, and what will need to be modified. Social listening and social spaces relevant to the Thai market help to understand women’s new expectations: independence, recognition, status, success.

*“There are increasing numbers of women who are not married, and a lot of families are broken families. The women say “I don’t need a husband any more!” Women are deciding for themselves and becoming heads of families. Economically they are empowered; they may not need to depend on men. If you look at the countries that Thailand tends to admire, like Korea and Japan, women are very empowered in those countries.”* (Sid)

*“There’s more materialism now. Everyone has a mobile phone. Women’s handbags used to show their social status, but now it’s their mobile phone that shows it. This applies to everyone across every social class. It’s the same for everyone.”* (Pattama)



# [ The new generation ]

## Some data

The 15-24 age group is a significant part of the Thai population, and is expected to grow in the next Population and Housing Census.

Age	Population					
	Total	%	Male	%	Female	%
<b>Total population</b>	<b>65,981,659</b>	<b>100</b>	<b>32,355,032</b>	<b>49</b>	<b>33,626,627</b>	<b>51</b>
15 – 24	9,592,109	15	4,826,102	15	4,766,008	14
25 – 29	5,092,597	8	2,529,633	8	2,562,964	8

Source: The 2010 Population and Housing Census, National Statistical Office, Ministry of Information and Communication Technology, Thailand

## New topics for the new generation

Teen behaviour and problems are a significant issue in lakorn, magazines and on social networks.

The way Thai teens are depicted in Hormones TV Program is certainly no different from teens in the West when it comes to questioning, rebelling, sexual activity, aggression, insecurities, etc. It will be interesting to see the influence of lakorn on this and the next generation of Thai teens, and how authorities - parents and educational institutions - handle and adjust to it.

There is bound to be considerable resistance as the older generation, who are in positions of authority now, are likely to choose to uphold *"Thainess"*, especially when patriotism and nationalism are being summoned to hold the country together. This conflict between generations will be played out in all spheres of life - at home, school, university, and even in the workplace.

Certainly, if Hormones depicts the questioning of authority in the classroom, and more teens espouse this idea, they are likely to transfer this attitude to the workplace too. Traditional respect for seniority in terms of age and length of service will then be undermined.



The new generation doesn't openly fight; they're still fairly quiet, but they will speak up if they disagree with you, perhaps because of the international schools.

International schools are quite popular in Thailand, and they have new ideas and teaching techniques which are increasingly applied in Thai schools. They're more open, and they encourage everyone to participate and share opinions.

*“Better teaching techniques, encouraging more participation, are beginning to change things and build the new generation’s analytical skills. In the past, there was a fixed frame of thinking and not many people could think outside it, but right now education is changing that. Education encourages people to think more and challenge more. It will take time, but it’s changing for the better and more people will learn to say “No!” in future!”* (Nawajit)

## The increasing influence of social media

Thailand is one of the most connected countries in the world (penetration of smartphones is over 90%), and one of the most addicted to technology.

For instance, according to a global survey by Hotels.com, Thai tourists are the least likely to travel without their smartphones or tablets (85% say they wouldn't), followed by Korea (78%) and Japan (69%).

Facebook is the most commonly used social network, followed by Twitter and Instagram. Thailand ranks 13<sup>th</sup> in the world in number of Facebook users.

Over the last few years, lifestyles here have been influenced by a lot of things, particularly digital media and social networks. People can obtain information extremely quickly now with the internet, Google and so on.

*“In general, Thai people are becoming more knowledgeable. They search for and have access to more information now, partly because the recent yellow and red shirt confrontations have made them more aware of political issues. People can access the net on mobile phones or on laptops when they need information.”*



*But really the most important thing is to have our own ideas and do our own analysis. We shouldn't believe every piece of information we get. But if we need to compare things, then I think the internet has its advantages. If I want a hotel, I can read the reviews and compare them. And they won't just be from Thai people. Anyone can contribute a review, so you have different points of view. Consumers are getting smarter and reviews are a very powerful tool.” (Nawajit)*

In consequence, life is getting harder for manufacturers, especially those making commodity products.

*“Business owners may want to censor criticism, but on the internet they can't! Any consumer can share their experience of products or services – it doesn't matter if their views are positive or negative. For instance, some advertisers still rely a lot on celebrity endorsement, but now consumers are getting smarter so it doesn't work so well. People search out their own information, rather than just believing what they're told by some celebrity brand ambassador who probably doesn't even use the product in real life. The internet opens the door to people who are afraid to share things in person. Now they can share things on the social network. They can analyse and share opinions.” (Nawajit)*

Teenagers are the primary user group, having access to more information and chatting a lot on mobile phones, smartphones and iPads. They follow the superstars on Instagram, and they access websites for tips on beauty; they also talk about how to look good, how to do make-up, and about products. Social networks are heavily influential in respect of cosmetics and skincare; people get on websites to talk about trends in beauty and make-up.

Sharing pictures and comments is a pleasure and a reflex, but also a tool of influence and recommendation:

*“I see lots of interaction via social media, through blogs and so on. In Thailand, this whole area is quite interesting. If you look at Instagram, usage is highest in the world, and the number one place photographed is the airport! Number two is Siam Paragon, an upmarket shopping mall. People*





*at work like to display their individuality and show each other pictures, but they do it among friends – they don't do much alone. Japan is much more individualistic, people do things on their own there. But here, when you see people eating, it's a very communal activity; there are always at least two people eating. It's all about sharing with your family and with your friends. But people grow older, and eventually when they're 25 or so they'll get married. They'll try to keep some part of themselves, and give some part to the family. So it's very hard to see how this is going to change and evolve over the next 30 years.” (Alex)*

This creates new challenges.

*“Pressure of work and the limitations of modern life have started affecting the way young people spend money and time, and also their ability to socialise. Digital media like Facebook are becoming more popular. Thailand is very trendy; it has one of the highest concentrations of Facebook users in the world!” (Amit)*

*“Thailand will be exposed to a lot more international stuff, and that will lead to the challenge of providing better service. Thailand is changing. New innovations are coming, from big and small companies alike.” (Sid)*

*“What with globalisation and the internet, everything's so fast right now, and the new generation, they want everything now!” (Raweewan)*

## **Increasing individualism**

Social perception in Thailand reflects a dichotomy of values. Thai society is moving from a family base to a more individualistic one.

*“Families are becoming smaller, and a lot of people are staying single if they don't see any value in getting married. So, in the near future society will change because of the family structure.” (Sanpichit)*

The younger generation feel they're in a sandwich situation where they want to be individualistic in terms of consumption, but they always remember they're tied to their families.



Strategic planning needs to integrate this dilemma.

*“Lifestyles in Thailand are changing rapidly. Increasingly, people are living singular lives. A lot of young people are not getting married and are giving precedence to their careers. Young people are very busy now, and people have started living in smaller units, smaller buildings. Everyone has their own small apartment, and they like to go to places like malls. It’s getting rarer to see Thai families celebrate special occasions together at home”.* (Amit)

*“Obeying family and elders may sometimes be contrary to what younger Thais want to do, but they just have to do it! This applies to Thai youth in general. So you’ll get a sense of advertising trying to sell products and services that give consumers that sense of ‘individualistic’ freedom”* (Alex)

## **An increasingly narcissistic and demanding consumer**

The model for developed countries involves a value system which places an individual's desires at the centre of everything, and makes that individual the centre of the world.

This is a legacy of evolution from a world organised by gods (subsequently a single god) in the West from antiquity to the Renaissance, through a world built around human beings in the 18th century Enlightenment, to a world exclusively for human beings starting in the 20th century when Materialism was created.

With the lack of any metaphysical, spiritual or philosophical counterbalance, a religion based on ego has been created. The question is, will Thai people turn into colder consumers, less grateful, and always more and more demanding?

In contrast to current imagery – บัวไม่ให้ช้ำ น้ำไม่ให้ขุ่น (literally, *“don’t bruise the lotus, and don’t disturb the water”*, or in other words, *“don’t rock the boat”*), Thailand runs the risk of encouraging a Western-style emergence of self-centred individuals, better prepared for conflict than for harmony.

*“Thai kids stay with their families until they get married. Of course, they will become a bit more individual at a certain age.”* (Sanpichit)



*”You see a lot of things indicating that younger people will be less tolerant of the system, and that traditional family structures will be impacted. At the moment, even if you’re a nuclear scientist, you have to listen to your dad when you go home and accept that he knows more about cold fission than you do! But young people will find it easier not to defer to the father figure. I don’t think they find the family unit any less important, but it’s changing - younger people will become less tolerant.” (Colin)*

Ego-marketing is the culmination of this trend, as seen in the signature of most Western brands.

## [ The middle class ]

### A fact

The emerging and the emerged middle class represent the holy grail for marketers, advertisers and strategists!

*“It’s the middle class which is driving the country!”*  
(Rattaya)

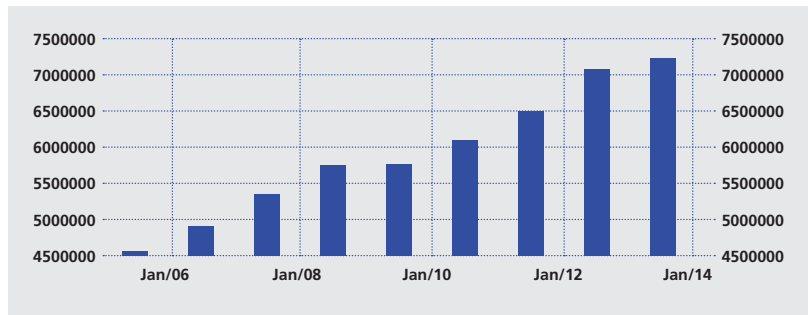
*“Our clients increasingly ask us about the emerging middle class. Who is the middle class in Thailand? How can they identify their aspirations, goals, frustrations and tensions? We propose methodologies for that. Of course, some of the best observers of people who do it to make a living, are comedians. Stand-up comedians talk about society. They have a great ability to observe and get the essence. But we also have people who have this ability to identify the essence of something and talk about it.” (Gordon)*



Because the middle class at last has the **access** to the goods and the lifestyle of the upper class, it also has the **desire** to identify itself with success and status. The middle class embodies a maximum of stress between desires and resources, aspirations and revenues, urges and constraints.

<sup>17</sup> Source : [www.tradingeconomics.com](http://www.tradingeconomics.com)

Thailand households' disposable income 2005 - 2014<sup>17</sup>



## A new system of values

Lakorn reflects this social segment, or best portrays its aspirations.

In *Hormones* for instance, the teen bedrooms are essentially Western with their built-in wardrobes, bedding, and posters of bands and stars on the walls. One well-to-do family has a meal at home, eating roast chicken and salad. Another family eats Thai food - many dishes, all presented in restaurant style. There is no maid serving the food. A girl washes her own plate after eating. The only thing that keeps the scenes pegged to traditional middle-class Thainess is that they do not use serving spoons.

*Thong neua kao (Channel 3)* presents another example. The story begins in the Thai year 2505 (AD 1962), and takes place in the river community of Bangkok Noi. Lamyong asks her first husband to buy her gold jewellery because that was the measure of wealth in those days. His parents are decent, hard-working shopkeepers and he is the dutiful son. They are Thai in their dress and outlook, and are content as their life is comfortable enough. They would have been the middle-class of those days because they obviously *paw mee ja ghin* (have enough to eat).

Other more contemporary lakorn stories portray social classes ranging from middle to hi-so. An expensive SUV, a big Western-style house, but the wife's hair is not overly styled and she's not



wearing much jewellery, so is she middle class or upper-middle? Are suits, chandeliers, and always dressing up for a party the key requirements for the next step up the social ladder?

Lakorn shows only one dimension of wealth: financial. Financial success leads to wealth, but lakorn hardly touches on such values as commitment, self-discipline, and perseverance, which are generally associated with success

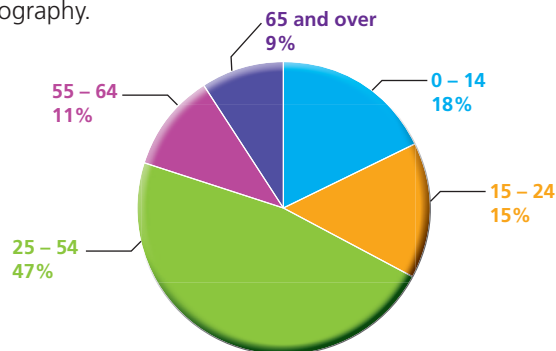
Strategists have to anticipate where the Thai middle class wants to go.

Will the middle class values of fifty years ago be satisfying enough? What other elements of Thainess will be superseded by more aspirational values?

## [ The seniors ]

### Some data

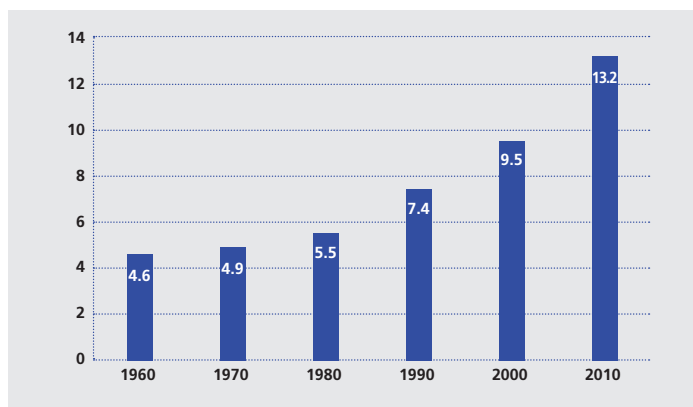
This age structure chart shows the significant weight of seniors in Thai demography.



Thailand has aged faster than other countries in SouthEast Asia in the past...

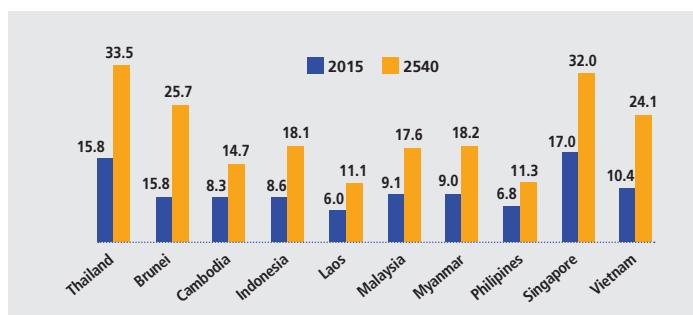


Increase of the older population (aged 60+) through last 50 years\*



... and it will continue to age faster in the future:

Proportion of older persons in Asean countries 2015 - 2040



The 2<sup>nd</sup> National Plan on the Elderly (2002-2021) addresses the role of senior people in Thailand with an ad hoc philosophy:

*“The elderly are not a vulnerable group nor social burden, but able to take part as the social development resources, so they shall be entitled to recognition and support by the family, community and the State to lead a valuable life with dignity and sustain their healthiness and living standards as long as possible.*

*On the other hand, the elderly who encounter difficulties shall access the full and justified care from the family, community, society and the State.*

*The establishing of security for old age is deemed as a process in social strengthening to be accomplished by the participation of all concerned parts and sectors, consisting of:*



- *Self-help disciplinary population*
- *Caring by the family*
- *Support by the community*
- *Social and State's support*

*The participation of all parts and sectors shall be in a comprehensive system suiting the circumstances at all times”.*<sup>18</sup>

<sup>18</sup> [http://www.asean.emb-japan.go.jp/documents/20140620\\_keynote1.pdf](http://www.asean.emb-japan.go.jp/documents/20140620_keynote1.pdf)

## What future for seniors?

Silver generation and older people's lifestyle and habits are a hot topic and will become more and more relevant. The new generation of elders and seniors will be markedly different from the previous ones, who lived without smartphones or even computers.

Today in advertising, the accent is still on family unity. But advertisers and strategists will have to select new, more relevant icons and images for the new generation of seniors as well as youth.

*“You see images of families doing things together. It's important in Thai society to keep everyone together, to support the social infrastructure in times of change. The whole of the Thai social system is built on this notion of obeying your elders. Thais want to preserve this, believing it maintains the whole structure. Things will change, but it will be a while before it happens.”* (Colin)

*“Family values are still very essential in this country. We still have that, the family. It's still the pillar, the key. It brings people together. If you ask Thai people what's important, it's the family, having a good education and a good job. That's what they want. With the older generation specifically, if you ask what they want, they want stability for their kids and for them to have money and everything else.”* (Rattaya)

*“We still have strong family bonds. We might have smaller families compared with the past, but we still want to be close to our parents, and not far away. When Americans or Europeans get married, they might move to other cities, but we don't do that here in Thailand. If you're going to live separately from your parents, you'll still choose a place that's close to them.”* (Raweewan)

## [ To Summarise ]

What makes these groups different from the rest of the population?

The women	The teenagers	The emerging middle class	The seniors
<p>Women are connected (69% have access to the internet), optimistic as to their financial situation (better than last year: 55%, even better next year: 81%).</p>	<p>Teens are the most connected group (91% have access to the internet), optimistic as to their financial situation (better than last year: 45%, even better next year: 70%).</p>	<p>Members of the emerging middle class are connected (72% have access to the internet), optimistic as to their financial situation (better than last year: 55%, even better next year: 77%).</p>	<p>Seniors are less connected (only 12% have access to the internet), circumspect as to their financial situation (better than last year: 26%, even better next year: 54%).</p>

What matter to these groups?

The women	The teenagers	The emerging middle class	The seniors
<p>Two issues matter more than average:</p> <ul style="list-style-type: none"> <li>Salaries &amp; wages: women have to manage the household budget. They also love shopping. They pay careful attention to income &amp; resources (71% vs 65% average)</li> <li>Justice. Fairness is an important aspiration, mainly required by women (64% vs 59% average).</li> </ul> <p>On the other hand, women pay less attention to housing costs and more surprisingly to health care.</p>	<p>Teens do not worry too much about the economy (44% vs 53% average) or salaries &amp; wages (55% vs 65% on average). One issue matters slightly more than average: justice. Teens care about justice (61% vs 59% average).</p>	<p>Two issues matter more than average:</p> <ul style="list-style-type: none"> <li>Inflation: newcomers to the middle class are afraid of seeing their status eroded (35% vs 29% average).</li> <li>Pollution: this negative side effect of economic development is important as well (55% vs 50% average).</li> </ul> <p>On the other hand there is less concern about justice (54% vs 59% average).</p>	<p>Two issues matter more than average:</p> <ul style="list-style-type: none"> <li>Health care (60% vs 49% average)</li> <li>The economy (59% vs 53% average).</li> </ul> <p>On the other hand, and maybe wrongly, seniors pay less attention to inflation (17% vs 29% average).</p>



## Which values do these groups espouse?

The women	The teenagers	The emerging middle class	The seniors
<p>Women tend to give higher importance to all values.</p> <p>But one is clearly above average: Controlling emotional involvement.</p>	<p>Teens are very much driven by these values:</p> <ul style="list-style-type: none"> <li>• Individual freedom (68% vs 59% average)</li> <li>• Enjoyment of living, fun (52% vs 45%)</li> <li>• More surprisingly, perseverance in learning (65% vs 56%).</li> </ul> <p>On the low side: sufficiency economy philosophy (47% vs 55% average), conservation of Thai culture (45% vs 53%) and control of emotional involvement (38% vs 48%).</p> <p>Is this a matter of life stage or a sign of a more individualistic society?</p>	<p>There is a strong ethical component in emerging middle class values, particularly:</p> <ul style="list-style-type: none"> <li>• Respect for elders (84% vs 77% average)</li> <li>• Sufficiency economy (61% vs 55%).</li> </ul> <p>Self-made, they believe less in perseverance in learning (49% vs 56%).</p>	<p>Seniors tend to be more conservative with emphasis on:</p> <ul style="list-style-type: none"> <li>• Conservation of Thai culture (61% vs 53% average)</li> <li>• Sufficiency economy philosophy (57% vs 55%).</li> </ul> <p>But they pay less attention to individual freedom (47% vs 59%) and enjoyment of living (32% vs 45%).</p>

## How do they like to be seen and to think of themselves?

The women	The teenagers	The emerging middle class	The seniors
<p>Self-perception is important for women, particularly in two areas:</p> <ul style="list-style-type: none"> <li>- <i>"I need to feel attractive and sexy all the time"</i> (60% vs 47% average)</li> <li>- <i>"I always try to look younger than my age"</i> (85% vs 70% average).</li> </ul>	<p>Feeling attractive is important for teens, <i>"I need to feel attractive and sexy all the time"</i> (52% vs 47% average).</p>	<p>This group has a high level of self-confidence:</p> <ul style="list-style-type: none"> <li><i>"I like it when people look at me"</i> (58% vs 54% average)</li> <li><i>"I am confident in the future"</i> (88% vs 84% average).</li> </ul>	<p>A low level of self-esteem translates into below-average ratings generally.</p>

### How good is today's life?

The women	The teenagers	The emerging middle class	The seniors
The overall quality of life is highly rated: 8.1 out of 10 on average			The overall quality of life is rated lower than in other groups: 7.4 out of 10. Most ratings are relatively low, especially their financial situation, social life and personal health. The main ray of hope is the family relationship, which matches the average.
Two areas are below expectation: • Family relationships (49% vs 53% average) • Personal health (43% vs 48% average).	Two areas are above average: • Personal health (59% vs 48% average) • Amount of free time (38% vs 31% average).	Mainly driven by satisfaction at work (41% vs 31% average).	

### What is the ideal age in life?

The women	The teenagers	The emerging middle class	The seniors
23 years old	15 years old	25 years old	36 years old

### Attitudes to marketing

The women	The teenagers	The emerging middle class	The seniors
Women are relatively likely to follow the latest trends (69% vs 60% average) but they do not feel so much need to be loyal (62% vs 67% average).	Teens like to follow the latest trends (75% vs 60% average) and tend to be open to marketing initiatives.	No particular biases in attitudes towards marketing and brands.	Seniors are a little more loyal than average (69% vs 67%) but less interested in trends (36% vs 60%).







**[The key  
to success]**



## [ Thai glossary ]

Some expressions crystallise the Thai spirit:

“Sabai sabai”	สบาย สบาย	: Easy-going, comfortable
“Sanook”	สนุก	: Fun
“Gheng jai”	เกรงใจ	: Be considerate, think of others
“Mai pen rai”	ไม่เป็นไร	: Never mind
“Chang man thoe”	ช่างมันเถอะ	: Let it be, just leave it
“Tam jai”	ตามใจ	: As you like, as you please (up to you)
“Arai ko dai”	อะไรก็ได้	: Whatever!
“Jai yen”	หัวใจเย็น	: Keep cool, ('cool heart')



# [ The outlook ]

## Changes and anchors

Thai society and its values are undergoing big changes.

Lakorn, Western brands, the internet, social networking, opening up to the world, tourism - lots of things can be very influential, affecting Thai people's self-perception, aspirations, and defining how the other people in their lives should be.

Traditional cornerstones of Thai society, particularly religion, family, and respect seem to have become less important, yet superstition is entrenched.

The values of beauty and wealth are becoming more central. There is an expression that has been current for several years now: *suay luak dai* ("beautiful, so you can choose"). Hence the increased consumption of milk amongst Thais, not just for health reasons, but also for the aesthetic benefits of height and white skin - quite a common belief.

The aspirations of the burgeoning middle class are a gold mine for those who want to satisfy their needs. Senior citizens are also on the increase. How can they be educated to think in terms of living a full life as they age? More importantly, how can they be financially independent and not have to rely on the old values of filial duty and gratitude?

Obviously, brands and products that can cater to these changing needs will do well. But at what cost? Will Thais lose their identity, together with the traditional values that have held Thai society together and kept them contented and happy?

Of course, because the answer is "*no*", strategists have to integrate the fragile balance between the anchors and the changes.

Let's explore some issues and trends - both traditional (the Kingdom and patriotism, tolerance, emotion, humour, happiness) and more recent (the cult of beauty, creating desire, conspicuous consumption).

Tensions between dreams and reality, particularly those caused by increasing debt, are an emerging signal. But always enjoying the moment and taking each day as it comes are at the heart of the "*Thai touch*".



## [ The issues ]

### Emphasis on the Kingdom and patriotism

Thailand is one of the few monarchies in Asia and the link between the people and *King Bhumibol* is unique in the world.

The King is seen as more than a ruler. He is regarded by Thais as their 'father,' the role model for Thai people to follow.

*"I think one very important aspect of Thailand is the King. The King is always shown as a model of responsibility. In 1997, there was the financial crisis and a lot of people had problems. The King talked about self-sufficiency and cooperation, and people still follow what he said. We had a flood crisis, and all the hypermarkets and places like Carrefour had an unwritten rule of rationing and people followed it. And we had lots of people buying things from supermarkets and sending them to temples. That is the principle of merit-making; all the good you do today will help you in the next life. Thais believe that. They help each other even in times of crisis. I have a very positive view about Thai society from that perspective."* (Sid)

*"It's a different system here in Thailand, with the King. The monarchy is part of the constitution. The King plays a central role; he's a very hardworking man, he does a lot! He helps the poor, and advises on the educational system and on water management. The bond between King and people is very strong. He does so much work for the country."* (Nithipont)

In this light, it's easy to understand the success of *Mercedes-Benz* - HM the King's car and that of most of his ministers. It is through loyalty to the monarchy and identification with its values that people who can afford it will buy the brand, even though they might personally prefer *BMW*.

As well as being loyal to the monarchy, Thais are extremely patriotic. Many Thai brands, from beer to petrol, capitalise on this patriotism by promoting the message that buying a particular product will help the country as a whole.





HM the King has also influenced the people's values and habits with his Self-Sufficiency principle:

*“People are now aware of the King's ideas about self-sufficiency, and how this can help them improve their quality of life without being as materialistic as before. They are more concerned now with self-development.”* (Nawajit)

*“Thailand is a land of contrasts. That's one way you can describe it. It's becoming a more materialistic country, but at the same time we have a philosophy of life, led by our King, which is about self-sufficiency. Of course people will always want more, but self-sufficiency is an alternative way. People try to hold on to their values, but they adapt them to their life today.”* (Rattaya)

## Emphasis on the “Thai touch”

Originally, just being an international brand would ensure success, attracting and fascinating Thai consumers. Consequently, major international companies saw their sales increase at an amazing rate.

Nowadays, local brands have studied and learnt efficient recipes to their own advantage - enhancing products with clear messages, attractive and famous personalities, flashy or evocative colours, depending on the market and the category.

They also employ elements that bring an essentially “Thai touch”.

*“We have rules for advertising content; there are things you can't say in ads. For instance, you can't make direct comparisons; you can't say you're better than some other brand. Sometimes it limits the creativity of the art director. But it reflects Thai culture; we're not aggressive. We don't directly compete with one another; we make compromises instead. In ads you have to tell the truth and you can't exaggerate, so for example you can't say explicitly that something helps to make you slim unless you can offer some proof.”* (Raweewan)



## Proximity

Western stars and top models neither reflect local consumer needs nor Thai reality. Sure, they look stunning, but they do not have the skin problems or the specific hair quality, the morphology, the diet or lifestyle of Asian men and women.

And yes, they did bring the dream to life when the country first started to discover the consumer society with its big brands and grand malls. And they remain relevant for certain luxury brands, but for the most part consumers prefer to see a different persona – one which is successful but more accessible, young and active.

Western stars often exhibit straight and serious faces that fail to match the complex expectations of human simplicity and sophistication specific to Thai people.

This helps us to understand the success of Thai or Korean glamour girls, singers or soap opera stars, in advertising communications.

Proximity is not just about a shared feeling in terms of values, but it is also a reality, given that manufacturing is local and creates employment. Some government measures have been taken in order to encourage *“Made in Thailand”* consumption, and to counterbalance the influence of globalisation and imported goods.

## Humour

Complementing Proximity, the second *“Thai touch”* element is humour. Laughter creates links and reflects the need to have fun (*sanook*) as well as the will to be positive at all times. Such a disposition is in line with cultural and philosophical expectations specific to Thailand, echoing the fact that in Asia most learning has been handed down by wise men, through anecdotes and fun stories.

It also helps understand why the funnier a brand can be, especially if it is creative and bold, the more impact it will have, and the more it will excite sympathy. A skincare brand really expresses that by showing a model with extreme close-ups on a face full of acne.

Brands such as *MBK* compete in fun, absurdity and quirkiness in order to make everyone laugh.



Another example is *Oriental Princess* (cosmetics), which portrays a young woman running around madly, eating a wedding bouquet, shoving models in a fashion show aside, before swimming and dancing like a starlet<sup>19</sup>.

<sup>19</sup> <http://www.youtube.com/watch?v=c3bi5khKeUY>

There are trademark quips involving many stereotypes - girlfriends, marriage, ideal beauty, fashion, sporting achievement, the ideal of whiteness of some Asian women...

In advertising, the creatives have to choose between seriousness and humour. It is an important choice, given an audience that likes to laugh and also wants its core values to be respected.

Bangkok Insurance demonstrates its understanding of this with a series of very funny TVCs. They feature exceptional accidents, with a 0.0000001% statistical probability of occurrence but for which people can guess that the company will committed to being there for its customers!

Being able to laugh at yourself, recognising your own flaws, and making less of a drama of them, are essential keys for communication and meeting expectations.

*“Thai people love to laugh so humorous content in advertising is good; it’s an easy way to catch people’s attention. There’s a narrator here who is quite popular in ads, as he has a very unique voice which people find funny. He makes people laugh whenever he talks. Though what we think is funny in our culture might be different from others. Some ads in the USA are funny there, but not really suitable for Thailand. Take the Simpsons - it’s funny and suitably ironic for Americans, but it wouldn’t be funny here because of the different culture.”* (Raweewan)

## Emotion

The success of soap operas and sentimental movies provides a reference model for advertising communications. Codes are fundamentally linked to emotional values in advertising.

For instance, if you want to talk about healthcare or health insurance, you need to represent situations linked to traditional life and family, showing the link between children and parents in order to create maximum identification through empathy and the suffering expressed.



As a first example, there is a *Thailife* Insurance advertising spot showing a mute father and his student daughter who wishes she had another father, so everyone would stop laughing at her at school.

A second example is *True Move H*. This telecom brand has created a very touching advertising spot, inspired by the true story of *Dr. Kelly*, who died in 1943. When he was still a young boy, Dr. Howard Kelly went door-to-door in order to pay for his studies. Hungry, he knocked on a door and a girl offered him a glass of milk. Later, this girl fell ill and the doctors thought she would die. She went to seek treatment in a large city and Dr. Kelly, who had become a famous specialist, recognised the young girl. He promised to do everything possible to save her. When the bill arrived (for 792,000 Thai baht!), the patient read «*Paid for entirely with a large glass of milk.*» In less than a week, this spot had been viewed more than 5.5 million times on YouTube.

When the subject is fashion, clothes, accessories etc., advertising is always fun, featuring sexy, cute, trendy girls - mostly Thai or Korean stars who are very popular today, just as the Japanese were 10 years ago. Automobile advertising and motor shows are a further example, featuring dozens of «pretties».

These codes are perfectly understood by the marketing and communication targets, reflecting the curiosity, open mind and positive attitude of Thai consumers.

The implication is that interest generates faith, that emotion creates empathy, and laughter will always make you want to purchase... provided the brand registration is strong enough!

*“We like funny ads, but we also love touching stories, like one for an insurance company that’s become the talk of the town. It uses lots of emotion, to create a need for insurance. It’s very successful. It’s not a very big company, but the company name is quite similar to another big insurance company, so it does make people confused as to which brand it is. Their ads have been like a series of stories, and every time they launch a new one, people will watch it! Thai people love dramas, they love watching them. We also love reality shows but they can’t be too aggressive here. For instance, a romantic relationship can arouse interest, but if it goes as far as having sex, that would be too much for us and the show would get negative feedback from the audience”.* (Raweewan)



## The Cult of Beauty

The visual appeal of Thai food, with its beautifully-carved fruit and vegetables, is famous worldwide.

Aesthetic perfection is a common aspiration. This is in part a sign of social respect (projecting the best possible image to others in accordance with the important principle of “face”) and also a sign of status (showing you are successful and making money).

It's less a matter of what is right or wrong than whether one looks good or not.

This explains the success of counterfeiting, which offers the chance to look good with a cheap accessory or dress, before access to the real brand becomes affordable.

It also explains the craze for luxury brands, which are a holy grail everywhere in Asia, and much more than anywhere else. A luxury brand is also a promise of sensory pleasure.

## Emphasis on Conspicuous Consumption

Much consumption reflects a positive attitude towards the future. People want to upgrade their social status, and this is reflected in what they consume. Consumption is a way of displaying status; this is very common in many societies, including Thailand.

Lots of goods or items have to reflect a good image, a symbol or a statement about the consumer's wealth because Thai people are very conscious of anything to do with their image and the way they project themselves.

People really do crave brands, particularly successful and aspirational ones. Thai people use brands very much as signals - metaphors for success and achievement – and that's great for brands, especially high-end ones.

Cars, clothes, watches, food, alcohol – even doughnuts! It's all about brand!

*“If you go to Scotland, Johnnie Walker Black's not a particularly popular whisky, but here people like to be seen drinking it. It's a symbol, the brand is linked to their status and that's very important for them. Thai people need to be*



*seen to be using respected brands. If they're out drinking, they'll be drinking Johnnie Walker Black, because it means "I can afford Johnnie Walker Black!"*

*There was a doughnut shop opened up in Bangkok a few years ago for instance - Krispy Kreme. It's just a doughnut shop from the US, but it's a desirable brand, and suddenly for months, there were queues in the streets to buy a doughnut! People were going in, purchasing a doughnut, and then trying to sell it on the street.*

*The whole concept of brand here seems to be "I must have this brand to be popular." People don't keep their phones that long, probably just a year or a little bit longer. They've got to be able to say "I've got the best!" So people with less money will buy a year-old iPhone because everyone wants one. Just like fake Louis Vuitton. It doesn't matter! It's all about "Look at me. I've got the new iPhone!" Even for people who are already very wealthy, it's all about this." (Colin)*

## Respecting absolute tolerance

Advertising communications clearly reflect an intention to retain a distinctive model, specific to Thailand.

Lacking local knowledge, some Western brands make damaging mistakes, such as Ikea in an ad initially broadcast on Bangkok's skytrain and on YouTube in late 2012.

The ad shows a woman who is so surprised by a sale item that she speaks with a male voice. The man she is with looks shocked and horrified. The last scene shows the man running away as the woman carries a box of flat-packed furniture by herself.

What would have appeared comical in the West gave offence in Thailand, where **กะเทย** (transgenders or "katoeys") are considered as the third sex, and are relatively well integrated within the population. The Transgender Open Alliance and the Thai Transgender Alliance requested apologies from Ikea. In an open letter, they complained about a 'negative and stereotypical' portrayal: *"The transgender content of the advertisement is negative and stereotypical in nature, perpetuating*



*misunderstanding of transgenderism as human sexuality deployed as a deceitful and deviant lifestyle”.*

Buddhism does not proscribe homosexuality or transsexuality. Without colonisation, there has been no religious interference to alter this situation.

Unlike its neighbours, the Thai government has never adopted any religious law to discourage homosexuality or transsexuality. Thailand is the country where you will find the greatest percentage of transgenders (more than 2% of the population), and is a pioneer in terms of sex change surgery.

You can find katoeys in administrative and technical jobs, as well as working in the beauty area and in show business.

As a recent example, new Thai airline *PC Air* recruited transgenders as flight attendants on its planes.

Such examples are not merely anecdotal. This is a typical area of cultural misunderstanding and one where alien value judgments may be at odds with Thai culture. Mistakes can have a lengthy negative impact on a Western brand's image.

## Emphasis on happiness

### The four secrets of Thai Happiness

“Happiness” has been nominally integrated with politics and the economy throughout 2014. The “*Return Happiness to Thailand*” song, with lyrics by Prime Minister Prayuth Chan-ocha, has received over a million YouTube views.

It is therefore interesting to understand what really drives the happiness of Thai people.

The level of claimed happiness is indeed very high. A poll conducted by Ipsos through the Global Advisor program in 21 countries included a simple question: “*Taking all things together, would you say you are happy or unhappy...?*”

94% of Thai respondents answered yes, they were happy, which was more than in any other country, including Australia (85%), India (81%), China (75%), and far above all Western countries.



Levels of optimism are also impressive: 75% are optimistic about themselves and families, 70% are optimistic about the city, town or village where they live, 71% are optimistic about the country and 70% are optimistic about the world in general.

In all these question areas, Thailand is ranked first or second among the 21 countries surveyed. When it comes to optimism about the world, Thailand is 21 points above the second country India and 64 points above France, where only 6% are optimistic!

But Thai people are not blindly optimistic; they acknowledge that the economy is facing problems and they wish that life could be simpler.

The underlying roots of Thai optimism are deep and cannot be eradicated by any leader or any government.

Four factors can be identified:

**1. Thailand's long-term economic growth has been remarkable.** In 1945 Thailand was one of the world's poorest countries. Most of the development occurred between 1987 and 2006, interrupted by the crisis of 1997-1999. Over the ten-year period of 1987-1996 the Thai economy enjoyed the fastest growth in the world.

This translates easily into confidence: 67% of Thai people feel that "their generation will have had a better life than their parents' generation". An even higher number of 72% believe that "today's youth will have had a better life than their parents' generation". On those two questions China is the only country more optimistic.

**2. Thai people are also pragmatic and know how to adjust to circumstances.** 79% claim to "often change plans to take account of new conditions". Again, only China is higher.

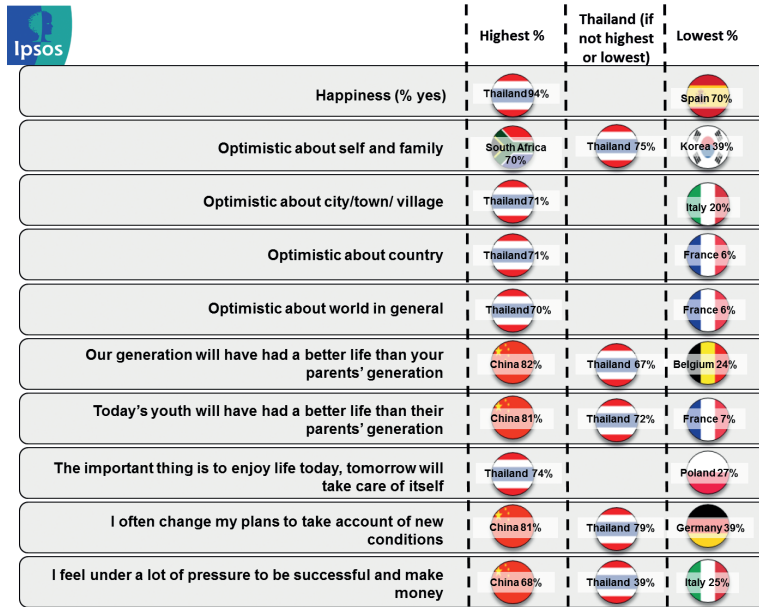
**3. The sabai sabai (easy-going) attitude is also part of the equation.** 74% of Thai people – the highest in the world - believe that "*the important thing is to enjoy life today, tomorrow will take care of itself*". Again, the Chinese also believe in enjoying life today.

**4. If Thailand is close to China on the first three drivers, the final component reveals a gap:** Thai people are less stressed. Only 35% of Thai respondents feel "*under a lot of*



*pressure to be successful and make money*”, as opposed to 68% in China or 60% in India.

A sense of long-term improvement, pragmatism and adaptation, focus on today, and limited stress and pressure are the four secrets of Thai happiness.



## Managing the balance between dream and reality

It's important to remember that not every region in Thailand lives at the same pace or has the same background, and that the educated Bangkok middle class does not represent all Thai people.

It lives differently, consumes differently, votes differently.

Most people are too busy trying to scratch a living to have much interest in brands or shopping malls. The ubiquitous 7-Eleven probably represents their closest exposure to Western values, and even that doesn't exist in most villages.

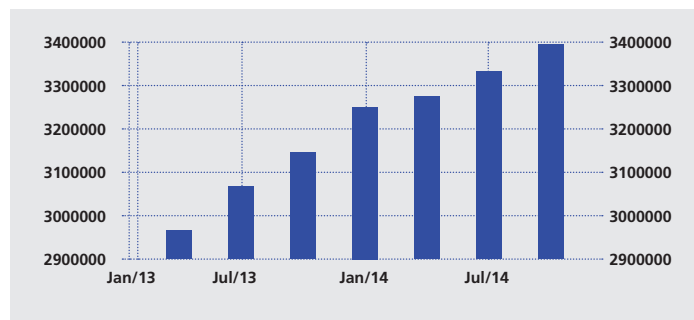
Most of Thailand remains rural and is many miles and many years away from Bangkok, but still has the perspective to reshape the nation's economic geography.



A lot of people in the middle class category don't have enough money to satisfy their needs and have to compromise.

This explains the increasing consumer credit and all the problems of tradeoff between genuine and aspirational needs. In the third quarter of last year, household debt climbed to 84.7% of GDP from 83.5% in the previous quarter.

Thailand consumer credit 2013 - 2014\*



\*Source : [www.tradingeconomics.com](http://www.tradingeconomics.com)

## Creating desire

The Thai combination of open minds, curiosity and care could have you believe they are the ideal consumers.

*“In general, Thai people are positive, relaxed and quite open to brand communications. People tend to receive messages from advertisers without questioning them and tend to trust the brand. They don't question the quality unless it says “Made in China” (given frequent food safety incidents there). China is not really trustworthy in terms of products.” (Dao)*

*“Public opinion towards ads? Although we may get fed up with being bombarded by so many, we still don't have a very negative view of advertising. We might switch channels if we get bored with ads but some very good ones are still watched and talked about.” (Rawewan)*



*“Thais like advertising; many still follow celebrities in the ads. Advertising really works here. A lot of the celebrities are accessible. They’re not mega movie stars; they’re just on local TV, but they’re famous here. They’re Thai, but most of the top models are of mixed race. They lend their names to advertising, and people believe them. In India for example, people would say, “Hey, he’s getting money, that’s why he does it!” but not here; you don’t have that kind of cynicism.” (Sid)*

Western brands launch new variants specifically for Thais, trying to influence their tastes and to modify their habits. But the pace and sequence of life is not the same in the Thai and the Western worlds, as exemplified by Western mealtimes versus Thai continuous snacking.

That is why development strategies must acknowledge and integrate Thai consumer versatility, because the open mind of the consumer is not synonymous with lasting success of the brand.

Nothing is more dangerous or unpredictable in terms of marketing or advertising, than a butterfly consumer... disloyal.

*“Our clients are all trying to win market share, but it’s more difficult for them to increase share now. Lots of clients want to get closer to the customer, and get more consumer insights from qualitative research and interactive consumer panels. They listen to consumers, and they go and see real consumers more and more often!” (Dao)*

*“I do quite a lot of work with Telcos. These days, for instance, clients want to know what type of apps people use. What new advertising channels are popular? What do young people use their smartphones for? How do they interact with their friends, and so on?” (Colin)*

# What's this got to do with surveys?

## Identifying Thai motivations: Ipsos Censydiam

Ipsos has created an interactive compass to guide you around the world of human motivations.

Motivations can be difficult to articulate and therefore strategies based on motivation can sometimes be a little vague or unclear.

Ipsos Censydiam has developed a framework, which has been validated and can help brands understand people's motivations in relation to their brand positioning and communication.



**Conviviality is all about wanting to be connected with other people.** For me, meeting people is a joy. I love having good times with good friends and loved ones. Interacting and sharing experiences means letting go of any differences we might have.

**Belonging is all about being surrounded by people who accept me as I am, as an equal and who make me feel welcome.** Belonging is about the need to be part of society or a group. Part of this is linked to following norms and traditions just because we are part of that culture or group.

**Security is about the experience of relaxation, tranquillity and safety.** These are the moments one feels the need to retreat and recharge. One is looking for an experience that soothes, comforts and takes away the stresses and strains of hectic daily life.

**Control is about keeping myself in check and hiding my emotions and feelings.** It is not that I don't have emotions, I just don't want to let them out or let them be seen by others.

**Recognition is about feeling unique, special and ahead of the pack.** The Recognition dimension reflects the need to stand out from the crowd and break from convention. Recognition is all

about being proud of one's own special ability and competence intellectually, culturally and materially.

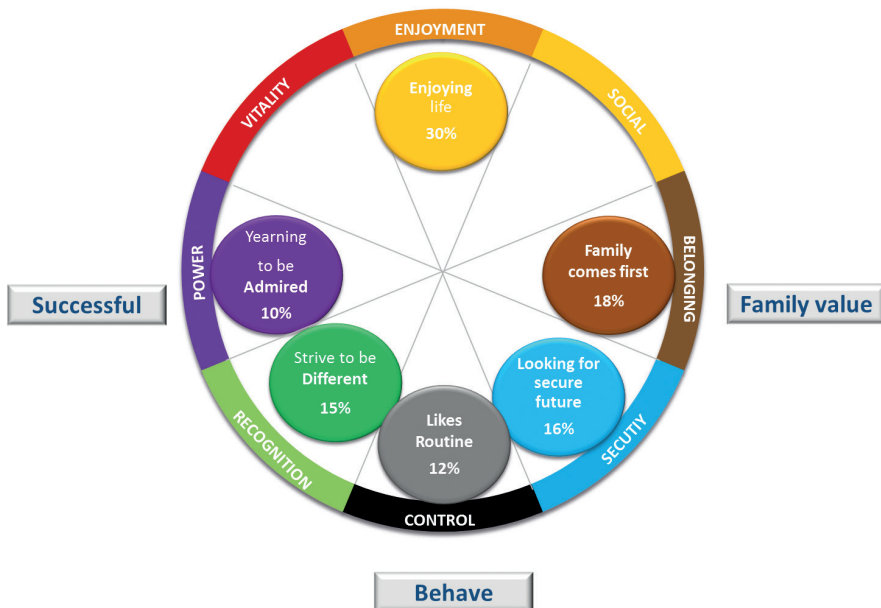
**Power is about the need to be the best.** It relates to the desire I have to be respected, praised and acknowledged for the choices I make and for the successes I have achieved in my life. The Power dimension reflects my social status and the need to be an authority and a leader of others.

**Validity is about adventure, testing your boundaries and discovering new things.** It taps into the need we have to step outside of our comfort zone, to explore our environment and to achieve independence (away from others). It is when we travel and experience the exotic and the unusual to be stimulated and excited.

Ipsos has applied the Censydiam technique to identify the underlying needs driving women's attitude and behavior. Without risk, we can assert that these motivations apply to Thais generally.

**Well.... What about Thai motivations?**

**Enjoyment is the winner.**





**Enjoyment is all about maximising the pleasure I get out of life and enjoying myself without worrying about the consequences.** I go a little crazy, overindulge myself and lose all inhibitions. I am spontaneous, follow my instincts and live for the moment. The purpose of consumption is abundance and enjoyment.

**Enjoyment is now...**

*“Like any other country, Thailand has had its ups and downs. Yes, there is a feeling of apprehension, but life will go on. Thais try to make the most of what they have. They enjoy the present, because you never know what will happen tomorrow. Thais have seen so many things. They try to be happy; they move on and smile! They could be more ambitious, but if they were, then Thailand would be just like Japan. No, Thailand is Thailand!”* (Sid)


*“People are maybe too optimistic about what they’re going to find tomorrow. The young generation spends everything they have; they think life is short! This is a generation that can earn a lot but also spends a lot. They don’t plan much for the future or for retirement. They are optimists; they think the money will still flow at the same rate tomorrow. So they spend a lot on luxuries, travel, expensive meals.”* (Pakee)

**... and occasionally yesterday**

*“There’s a desire for retro fashions in Thailand. Retro makes people feel comfortable and reminds them of the good old times. I think retro designs make you feel cosy and comfortable, and there are a lot in today’s market. For instead, scooters look very old-fashioned, but they’re very popular in Thailand.”* (Sanpichit)

*“A lot of brands in Thailand play on nostalgia, which is fine, but I don’t see that as inventive. Technology is more compelling in my opinion. As an example of nostalgia, there is a shopping mall in Hua Hin, which recreates the style of many years ago.”* (Nithipont)

**Enjoyment is basking in reflected glory...**



*“In Thailand, celebrities are still powerful. If Thai people like them enough, they’ll follow everything they do. For instance, Chompoo is a Thai star and almost every Thai woman looks at what she’s wearing or carrying, so we can buy the same things that she uses. Celebrities are a good choice to sell products here in Thailand. If you use the right one, even if the ad itself is boring, you’ll grab people’s attention. If you don’t use a celeb, you have to make sure your ad has something special to make people watch it because there are so many out there, especially during prime time when everyone wants their ads to be seen. In Thailand, people don’t realise that stars get paid to do advertisements. They think that if the star is shown using something in an ad, it’s because they use it in real life! If it’s someone we like, then we’re very easily persuaded.”*

(Raweewan)

**Luxury is the best route to enjoyment.**

*“Thai people like luxury brands, but if they can’t afford a Louis Vuitton bag, they’ll go to Mah Boon Krong and buy a fake one. People are very aspirational; they want to have the best, but they don’t care if it’s real or not. I think it’s a very brand-driven society here for sure. Thai people love brands; they love the “right” brands.”* (Colin)

*“Some people spend on luxury brands, but others don’t care about them. You have all sorts. Even with things like detergent where you have good local brands, you still find people buying imported brands costing five times more. I think they’re under the illusion that imported brands work better, or maybe they just want to be different. You have some very well-established luxury brands, like Louis Vuitton, where people are willing to buy almost everything they make.”* (Pakee)

*“Thai society is very hierarchical. The most affluent people can afford luxury brands like Gucci and Chanel, and they set the trend for the next level of society to follow. Thai people are heavily influenced by others; they’re followers and will purchase anything trendy.”* (Nawajit)



## Playing with the network, the selfies, the emotions

There are 34.2 million people registered on social networks in Thailand. Facebook alone has 28 million accounts, putting Thailand 9<sup>th</sup> in world ranking<sup>20</sup> ; Twitter has 4.5 million users and Instagram 1.7 million<sup>21</sup>.

<sup>20</sup> Facebook 2014 world population is 1,251 million users (+ 9% growth/2013)

<sup>21</sup> Thailand & Global Social Media Movement 2013-14 - #ZocialAwards2014

Bangkok has 15.4 million Facebook accounts, the highest incidence of any city in the world.

*“People in Bangkok use the internet to gather information on products, on trends, on lifestyle, on health and everything! We can get everything on the net; everyone is checking all the time, all day long. But this is just Bangkok. If you talk about people in other parts of the country, traditional mass media – TV, newspapers and magazines - are still influential. But the internet is also growing as a channel to gather information.”* (Pattama)

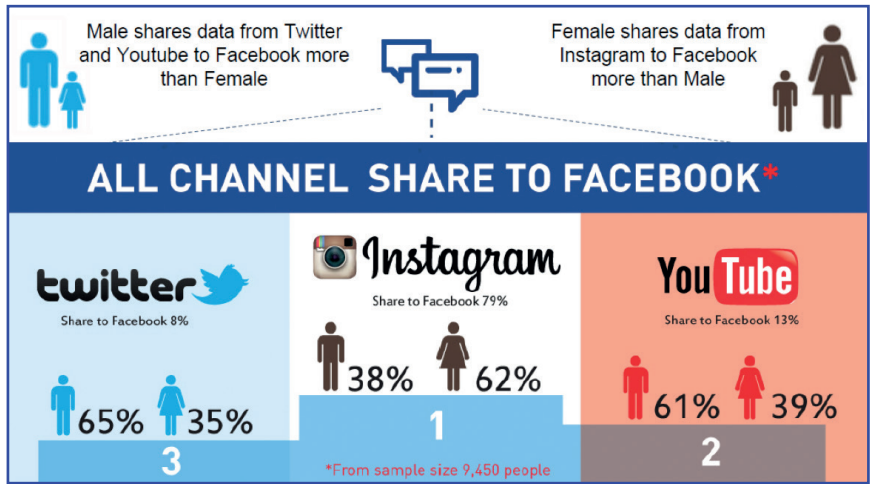
*“Most people use the internet mainly to see what trends are popular right now, and what the celebrities are doing, so they can follow them. Others check on information, like searching for a place to eat or stay, or doing price and product comparisons. And more and more people are doing online shopping now.”* (Raweewan)

Thailand is ranked 17<sup>th</sup> in the world ranking for Twitter. But more than 60% of Thailand Twitter users are inactive. The active users send 5 million tweets a day, tweeting more with photos and hashtags.

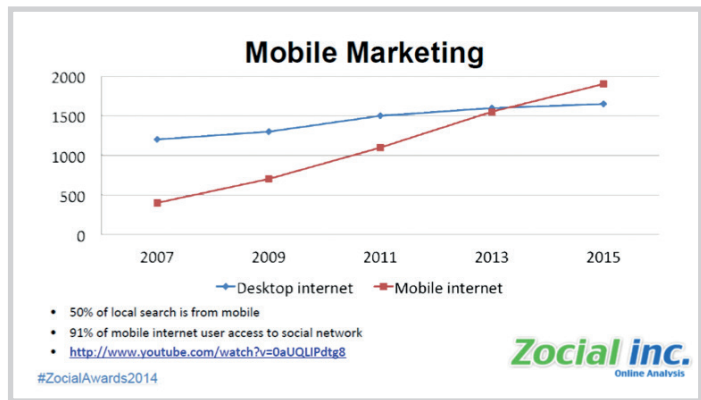
However, the most spectacular explosion is Instagram, where growth increased from 0.24 million in 2012 to 1.55 million in 2013.

Now that there are more cellphones in Thailand than people - fashionable smartphones as well as cheap Chinese cells - Thais have all the available tools to share, tweet, post and like - mostly at night (11pm is the preferred time to share messages on Instagram)!





This is impacting Thai consumers' relationships with brands and products, because in everyday life situations commendation and criticism are both made easier as mobile marketing grows.



In addition, with mobile and social media anyone can be a style advisor, influencing choices, impacting and orienting desires.

*“Thais are quite heavily influenced by television ads, especially the less educated. Those with more education won’t automatically believe what a TVC tells them; they’ll be looking for information on the internet, and peer group word-of-mouth is also very powerful. They also see advertising via the internet, but I don’t think that has very much influence on them.” (Dao)*



This is changing both the rules of faith for our customers and the techniques of information collection for Ipsos.

*“Clients now are asking a lot of questions about digital media. They want to use new media to reach consumers, and they wonder what kind they should pick. Clients also want to know consumers’ shopping habits; how consumers react, or what they think when they’re shopping.”* (Raweewan)

Surveys, thanks to geolocation, can capture consumer emotions at the moment of choice itself, and thanks to the online community can also create conditions for a genuine exchange about specific topics in the participant’s life, either within a limited timeframe or 24 hours a day.

*“Relationships are so important because, a lot of trust is based on relationships. Digital technology may help companies to build relationships, but it will never replace them.”* (Nithipont)

## **Transforming consumers into reporters, thanks to the internet and ethnography**

Surveys, especially those using a qualitative approach, aim to encourage participants to talk a lot, and words play an essential role in collecting all the information we need.

Words have to be sincere, and marketers and advertisers must be coherent in what they say and what they do.

But, how is it possible to decide and recommend any strategic solution where the synergy between the following three elements is in a constant state of flux?

1. We have to be cautious with the words we choose and be aware of all potential interpretations for fear of creating conflict (a concern you will not find so intense in any other region of the world).

There is another Thai saying which is not so very far from what we practise in our our job! We listen to people, we want them to talk, to reveal their convictions. So we know that “speech is silver; silence is golden», พูดไปสองไพเบี้ย นิ่งเสียตำลึงทอง...



2. The level of information and the new abilities the Internet provides allows people to know everything, and also helps them to understand other consumers' opinions of brands or products.

3. We are discovering a new consumption universe with advertising communications which increase the number of solicitations, of references, of choices, and which create a flow of changing desires.

This involves different tools from the ones used in developed countries which have been immersed in a diversified offer for a longer time, and in which conflict does not involve the same cultural or spiritual stakes.

*“Probably because we’ve got used to other cultures in the past -Thai and Chinese - it’s as if we’re both at once. Right now you can’t tell who’s Thai or who’s Chinese. In questionnaires in other countries, there may be a question on nationality, but in Thailand you can’t ask that question. Speaking personally, I can’t tell if I’m Thai or Chinese! I don’t know; I could be Thai, but I still have Chinese blood, and I think that’s what makes it easy for us to absorb other cultures.”* (Raweewan)

This is the reason why countries in APAC, and Ipsos researchers in particular, are developing new, innovative data collection tools, focused on observation and listening.



# [ A song: Made in Thailand ]

## เมดอินไทยแลนด์

**“Made in Thailand”**, our land.

We’ve kept it since the ancient times; there’ve been many good things  
Since the eras of Sukhothai, through Lopburi, Ayuthaya, Thonburi,  
Through to modern day Bangkok,  
The city where people fall down open drains (don’t blame them for it!).

**“Made in Thailand”**, made in our own land,

The land of meaningful songs and dances.

Foreigners secretly are admirers of Thai products, but Thais don’t see their worth.

Scared of being looked down upon, that liking Thai products isn’t fashionable.

If it’s “Made in Thailand”, who’s going to give a guarantee for them?

(I think someone should accept responsibility for this.)

**“Made in Thailand”**, and all its admirers understand

That these are products produced by Thais, made by Thais.

The shirts, trousers, and jeans

Are sent abroad on planes, and then imported back.

It’s the Thais who gain face (but it’s the foreigners who get the money.)

**“Made in Thailand”**, and when they put them in the shops,

They put “Made in Japan” labels upon them.

Then they sell well, sell for high prices

And the wearers then brag they’ve got imported clothes,

The latest fashions, from the magazines.

It wasn’t the foreigners who cheated us.

But it was us who cheated ourselves!

*Text & Music: Thai rock band Carabao*

*Title: Made in Thailand*

*Album: Made In Thailand©Warner Music (Thailand)*







# [ Conclusion ]



2015 and 2016 will be crucial to return Thailand to stability and economic growth. It will require all the skills of this maritime and riverine nation to navigate a narrow course through this difficult time. It calls for subtlety and balance to avoid the rocks and reefs.

Opportunities will arise from government investments in infrastructure, from the return of foreign investment and from the ASEAN Economic Community.

Risks are linked to the growing level of household debt, to the lower pace of exports and to post-coup uncertainties.

Double-digit growth will not return simply with order and stability. Re-building Thailand as a hub, re-balancing relationships between West and East – especially between US and China - will require a new strategy and vision.

This effort is comparable to the achievements of King Rama V in the second part of 19th century.

At that time, King Rama V was able to fundamentally reform the government, the economy and the society of the country, while ensuring the survival of Siamese integrity and culture.

The challenge is even greater in today's world of instant communication in which anything can be communicated or bought anywhere anytime.

A quote from Tomasi di Lampedusa's slim epic, "The Leopard", frequently echoed by our late and deeply missed co-president Jean-Marc Lech, may serve as a warning for Thailand: *"If we want things to stay as they are, things will have to change."*

We can be optimistic. Thailand's uniqueness is linked to its ability to adapt, to integrate without internalising, and never taking up a frontal position. You can clearly see this in fashion, where Western, Japanese and Korean styles have followed in turn, slipping along the surface without really penetrating the world of immaterial values that build the "core" of the Thai soul. This national trait is born from a history, a plan, even a collective destiny - a country that has never been colonised, and never will be.





This background is important for innovation, for communication, for consumer and customer understanding. Our ambition is to make Ipsos the partner of those who want to understand their audience and their market and to help steer our clients through the challenging rapids of these times of change.

Jérôme Hervio & Yves Bardon



Realisation: Ethane  
Photo credit first page: shutterstock  
Ipsos editions  
April 2015









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