

**THE PSYCHOLOGY OF THAI CRAFT BEER CONSUMPTION
AND THE OPPORTUNITIES TO INCREASE PURCHASE**



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CONSUMPTION AND THE OPPORTUNITIES
TO INCREASE PURCHASE**
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THE PSYCHOLOGY OF THAI CRAFT BEER CONSUMPTION AND THE OPPORTUNITIES TO INCREASE PURCHASE

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ABSTRACT

In recent years, the popularity of craft beer has been a boom in Thailand, and there are more and Thai craft beer in the beer market. However, the beer production law that restricted Thai craft beer brewers to brew their beer outside of Thailand and import back into the country. From this, Thai craft beer is labelled as imported goods and pays the imported tax which makes the price of Thai craft beer to rather expensive. Therefore, the potential of selling Thai craft beer in Thailand is not so easy because consumers view Thai craft beer as expensive and value it less than foreign beer as consumer thinks that foreign beer is better for value. This paper will explore on the psychology of drinking Thai craft beer and how can brewers increase the consumption. Moreover, this paper will cover three main topics; Thailand's beer market analysis, consumer behavior on craft beer consumption in Thailand, and marketing strategies.

KEYWORDS: Craft beer/ Consumer behavior/ Consumption/ Opportunities

40 pages

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CHAPTER I

INTRODUCTION

1.1 What is Craft Beer?

What is “craft beer”? According to Brewers Association (US), the term “craft beer” is a product from small brewers or microbrewers with limited number of production, must be independent, and produced in traditional or innovative brewing ingredients and fermentation (Brewers Association, N.D.).

1.2 Craft Beer in Thailand and the 1950 Liquor Act

Beer has been a popular alcoholic beverage in Thailand for decades and craft beer has recently hit the Thai beer market and the popularity has been increasing as consumer seeks something new as an alternative drink to mass produced beer such as Singha, Chang, and even Heineken. This also increases the number of Thai microbrewers to introduce more Thai craft beer into the market. Furthermore, many Thai craft beer has high quality in taste that can easily compete with foreign craft beer from countries such as America, Australia, and Scotland. Some people perceive craft beer as a “premium” product as the price is rather high. Nonetheless, with quality of Thai craft beer, they should have the potential to sell as well as foreign craft beer. However, Thai craft beer cannot sell well because of the high price due to beer production restriction law. According to the Ministry of Finance, Thailand’s 1950 Liquors Act states beer can only be made in a factory or brewpub and there are two types of licenses available for beer production (MOF, N.D.). One is for large-scale brewers with a capacity of no less than one million litres a year. The second license is for brew pubs, which must produce at least 100,000 litres a year for onsite sale only with no bottling. Furthermore, the brewers must be registered as a company with no less than 10 million baht registered capital. This law limits the number of new brewers to enter the market to compete with major brewers such as Boonrawd and Thai Bev. However,

it is now question to many whether the 60-year-old law is too outdated to today's society. Because of the law, Thai craft beer brewers must produce their beer outside of Thailand and import them back into the country making Thai craft labeled as imported goods with high alcohol tax. The bottle will get the stamp and be taxed at 60% for customs duty and another 48% excise tax. This makes the cost of Thai craft beers to be high and some are as high, or higher, as foreign beers. Beer consumer may perceive that purchasing foreign beers would have better value for money. Therefore, what if there is a change in the beer production law that allows Thai craft beer brewers to be able to produce in the country and their beers to then can be sold at lower price? This paper aims to analyze the beer market in Thailand, consumer behavior on craft beer consumption in Thailand and how they would respond to the change in the law, and to come up with marketing strategies after the findings. The goal is to give some important information back to the business owners of Thai craft beer with insights of their consumer thoughts on the change of the law and how they could handle the situation in the future.

1.3 Research Question

This paper is to explore the consumer behavior of beer drinkers in Thailand towards Thai craft beer and whether there is are potential opportunities to increase consumption.

CHAPTER II

LITERATURE REVIEW

2.1 Thailand Beer Market Analysis

2.1.1 Major Producers vs. Microbrewers

Thailand is one of the largest beer markets in South-East Asia, but the growth has been constant in recent years. According to Yasmin Lee Arpon of Strait Times, Thailand beer market is worth 150 billion baht and is largely controlled by two companies which are Boonrawd, producer of Singha, and ThaiBev, producer of Chang, which are making about 90-95% of the Thai beer market and all are lager style (Lee Arpon. Y, 2017). According to a report by Thansettakij, the market share of domestic beer at the end of 2016 is as follow: Leo 53%, Chang 38%, Singha 5%, Heineken 4% (Thansettakij, 2016). From this, with the lack of variety of beers in Thailand and the restricted policy on craft brewing, the growth of Thailand beer market is weak. With the growth of craft beer culture, there is a demand for innovative flavors and premium quality beer which can only be found from the imported foreign beer. According to Rabobank, the imported beer is a small portion of the overall market with 13% growth in 2017, which slowing consumption and rising competition will incentivize domestic brewers to invest in premium brands.

Beervana was the first company to import craft beer to Thailand and introduced the Thai market with Rogue, a brewery from the US. They had to give away 400 bottles as samples to convince Thais that spending 250 baht on a beer is normal. In 2014, according to American Brewers Association, Thailand is one of the fastest growing market for American craft beer (Brewers Association, 2015).



Figure 2.1: Thailand Quarterly Beer Consumption, 2016 – 2018

Note: Q1 reflects the first two months

Source: Rabobank

<https://research.rabobank.com/far/en/sectors/beverages/Vietnam-and-Thailand-Beer-Market-Update.html>

As shown in Figure 2.1, there is little to no growth in Thai domestic beer consumption in 2017 due to the official year-long mourning period for the late king. Nonetheless, according to Rabobank, the Thai beer market is in a recovery mode, but there is an expected growth after the end of year-long mourning in October 2017, and the summer holiday (Songkran in April) and the World Cup in June – July 2018 will increase the beer consumption.

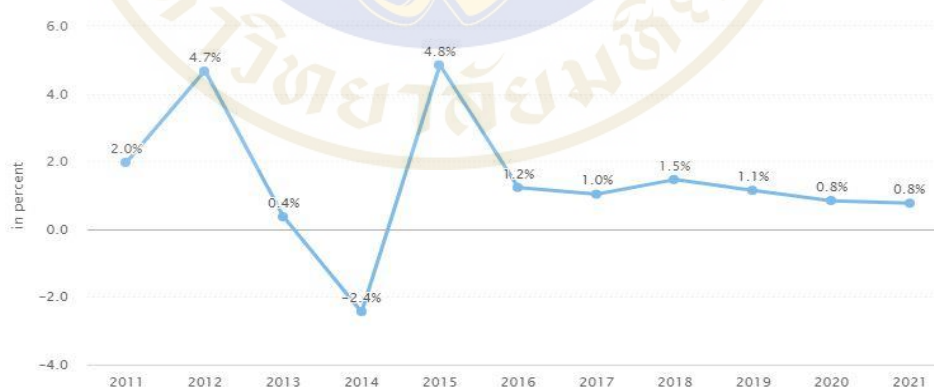


Figure 2.2: Thai Beer Market Volume Growth

Source: Statista – Thailand Beer Market

<https://www.statista.com/outlook/10010000/126/beer/thailand#market-pricePerUnit>

According to an interview of Wichit Saiklao, one of the founders of Stone Head beer, by Chanel NewsAsia, craft beer has become a world trend, and once it is a

world trend it is hard to stop (Board, 2017). Furthermore, Chanel NewsAsia also mentioned that the craft beer consumption is on the rise as the domestic beer consumption is declining as seen in Figure 2.2.

From an article by Positioning, in 2017, craft beer in Thailand made just under 1% market share of the Thai beer market which is worth about 300 million, consisting of 50 to 60 Thai craft beer brands and 100 foreign craft beer brands (Positioning, 2018). Whereas the lager beers cover 99% of the market share. However, the growth of craft beer in 2017 was around 40 to 50% compared to only 6% growth of the larger beers.

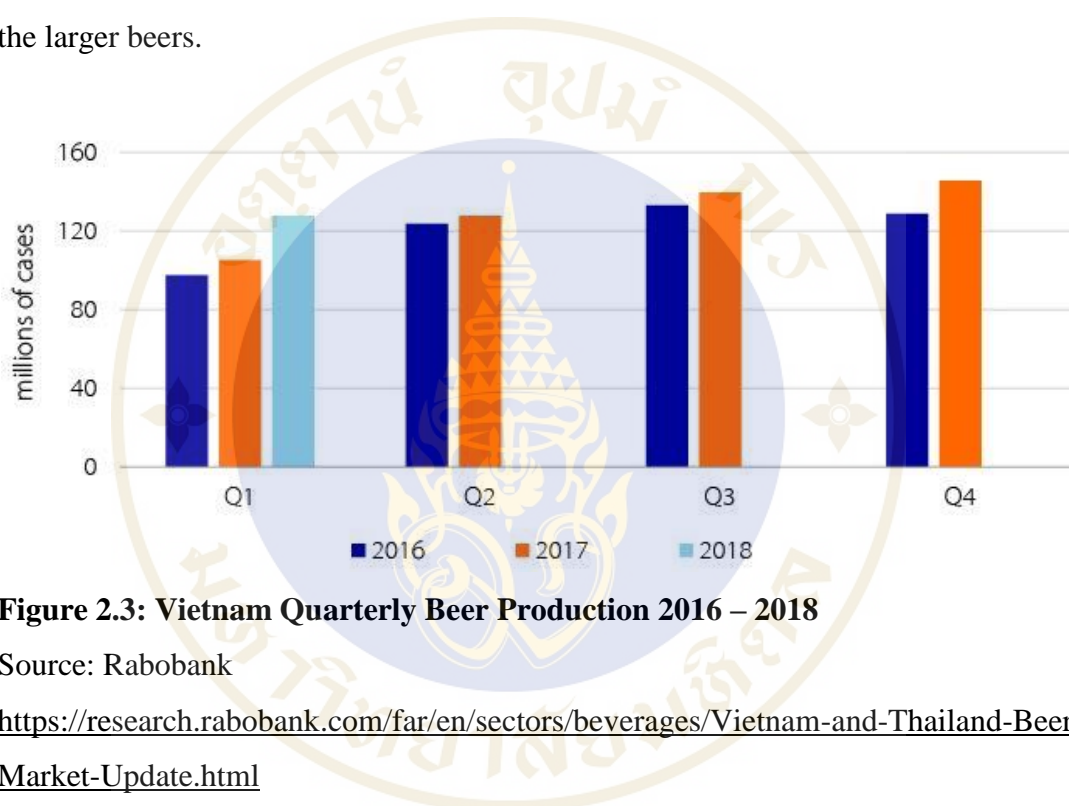


Figure 2.3: Vietnam Quarterly Beer Production 2016 – 2018

Source: Rabobank

<https://research.rabobank.com/far/en/sectors/beverages/Vietnam-and-Thailand-Beer-Market-Update.html>

With the brewing regulations, Thailand's craft beer industry growth is very different from Vietnam where the craft market is increasing drastically as seen in Figure 2.3. Vietnam beer production exceeds 120 million cases from Q2 to Q4 in 2016 to 2017, and the figure drastically increased about 20% to exceed 120 million cases in Q1 for the first time in 2018. Furthermore, unlike Thailand, there is no brewing restriction in Vietnam which makes the craft beer industry to grow very fast. Vietnamese craft beer industry has been increasing revenue and gain a lot of attention from both local and foreigners. According to Rabobank, the expats in Vietnam are the ones who will be driving the local craft beer, while there will be more international brewers setting up

microbreweries, like Thai microbrewers, which makes Vietnam a very strong craft beer competitor in South-East Asia (Rabobank, 2018). According to Statista, Thailand beer market revenue in 2018 is \$2,533 million, while Vietnam nearly doubled the figures at \$4,997.4 million (Statista, 2018).

The big companies are on their move as well. According to Carl Dixon from BK Magazine, global beverage companies have been purchasing more than a dozen of America' popular craft breweries in the past seven years (Dixon, 2017). This could happen in Thailand, but as there is a brewing regulation, the mass brewers Singha and Chang have little concern about their craft competitors. In fact, Singha launched Est. 33 in 2009 as an attempt to sell "Thai premium craft beer" served from their brewery at their Est. 33 by Singha pub at Crystal Design Center. Their first "craft beer" is called "Copper" which is an Amber Ale style, something different from the mass market lager beers. In 2018, Singha introduced another craft beer called Snowy Weizen and this time they produced the beer in cans for the market that can be found at numerous 7-Eleven. At THAIFEX 2018, Singha renamed their popular Copper to "Kopper" and will also be selling in cans.

According to Catherine Vanesse from Magazine Latitudes, there is a collaboration between several Thai microbrewers in progress to legally produce craft beer in Thailand (Vanesse, 2017). The collaboration is called Mitr Sam Phan Brewery which is collaborated with Deva Hops Farm, Wizard Brewery, Red Stone Brewery, Kitten Beer and Mickleheim Brewery. However, the brewery will still be limited by the law to the production limit and only to sell the beer inside the brewery. Nonetheless, the partners think that the law will certainly change in the near future for underground Thai artisan beers to become mainstream.

2.1.2 Consumer Satisfaction on Beers

According to Shahram Heshmat Ph.D. from Psychology Today, the decision to drink alcohol will depend on the value that the person attributes to drinking alcohol (Heshmat, 2017). For example, people may drink alcohol to make them feel better when they are not in a good mood or they have anxiety. Some people may drink to increase confidence. From this, people often expect an outcome that they look for when they drink which becomes their motivation to drink.

According to the World Health Organization (WHO) beer is the second most popular alcoholic beverage in Thailand after spirits (WHO, 2010). Thailand beer market is largely dominated by lager style beer. As mentioned earlier, the craft beer trend is growing fast and has become a world trend. Therefore, Thai people are seeking alternatives from mass produced lager beers and explore craft beers. As Thailand is relatively new to the craft beer market, the word of mouth has made Thai people more aware that there is more than just lager beer in which craft beer may satisfy their need of wanting to try something new. This then increases the growth of the craft beer culture in Thailand in the past three years.

According to Brian Spencer from CNN, the growth has expanded to the stage where there are more and more people who brew their own beer at home (Spencer, 2017). Wichit Saiklao, one of the founders of Stone Head beer and owner of Chit Beer, who opens a brewing academy in Bangkok wants to raise awareness of the potential of Thai craft beer. He wants people to learn more about homebrewing which he has been taking in a lot of students. Of course, homebrewing is illegal in Thailand, but it shows us that there is an increase in demand for craft beer.

Through quantitative and qualitative research, this paper will provide insights on the consumer satisfaction towards mass produced beers, craft beers, and Thai craft beers. The insights will give a better understanding on the consumer behaviors and perceptions towards Thai craft beer.

2.2 Consumer Behavior on Craft Beer Consumption in Thailand

2.2.1 Craft Beer Consumption in Thailand

This paper will explore on why Thai people drink craft beer. As most mass-produced beers in Thailand are lager beer, Thai beer drinkers seek something new as alternatives. From this people drink craft because of the distinct and unique tastes. This creates a new beer culture that has been forming over the recent years. More and more people want to learn about beers. This created opportunities for Thai craft beer brewers.

2.2.2 Perception on Thai Craft Beers

According to Cristea Adina, country of origin of a brand can influence consumers' buying decision which can create competitive advantage (Adina, 2015). Country of origin can also influence brand positioning and act as a guarantee. However, country of origin can also have negative impact on the brand because different countries have different background and histories especially in producing a product. For example, a high-end watch brand made in Switzerland has a much higher competitive advantage than a high-end watch made in China as the Switzerland is known for the best in watchmaking. This is the same as the beer market. European countries are more well known for beers. Whilst Asian countries are less known for beers. From this, Thailand is only known for mass produced beers and they are all lager style. People may perceive that Thai people cannot make good craft beers that can compete with craft beers from United States where craft beers have been largely produced for many years. However, there is a sense of nationalism and Thai people may want to buy Thai craft beer as a "Thai product".

Through quantitative and qualitative research approach, this paper will give some insights on what beer drinkers think about Thai craft beers. From the research, the paper will explore the psychology of drinking craft beer. As of now, craft beer is still expensive to mainstream drinkers. As Thai craft beers expensive due the import tax, they may be valued lower than foreign craft beers.

Another area that will be explored is, would the sales of Thai craft beer increase when they are no longer perceived as a "premium" product and the scarcity

may change to be more of a mass product if the production had moved into Thailand. This means, how much would consumer pay for Thai craft beer.

From the collected data, I will be able to identify the strengths and weakness of Thai craft beers and whether they can be valued higher.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

For this paper I will use 2 research methods; quantitative research for beer consumer in a form of survey, and qualitative research in-depth interviews of beer consumers, beer distributors, and beer brewers. By using these 2 approaches is to get more accurate results and to be able to compare between parties to gain better understanding. Furthermore, the research approaches will explore the demographic of the consumers such as age, income, and occupation to gain a bigger picture of who is the heavy drinker of craft beer in Thailand and to understand their behaviors.

3.2 Quantitative Research

A quantitative research will be conducted for beer consumers to see the big picture of beer consumption. The research will be made in a form of survey that will be sent to at least 100 people and mostly are beer consumers. The survey will be conducted an online survey for convenience and fast data collection and interpretation. A paper survey will also be conducted if there are not enough online samples or they can be sent to people at several bars. The goal for a quantitative research is to generalize the beer consumption in Thailand and to observe patterns such as who is the heavy drinker, what type of beer is the most popular, and how many people drink craft beer and Thai craft beer.

3.3 Qualitative Research

A qualitative will be conducted for beer consumers to gain better understanding of their attitude and perception towards Thai craft beer. The research will be made in a form of a qualitative research survey and in-depth interviews with a focus on the consumer. There will also be interviews with the beer distributors and craft beer brewers to gain better insights. The goal for this approach to gain a better understanding of the psychology of drinking beer of the consumers and their perception towards Thai craft beer and the beer culture. In addition, the interviews with the distributors will also benefit the research because they can give more information on the beer business side what they think about Thai craft beer compare to foreign craft beer in terms of business opportunities. Furthermore, the interviews Thai craft beer brewers will give more insights about the threats of major brewers entering the “craft” market and they think they can offer the consumer.

By conducting interviews, I will be able to face the interviewee face to face and I can observe their reactions on each question. This is to create closer understanding towards their attitudes and behaviors. For the interview of beer consumer, due to time limitation, I will conduct quick interviews with about 20-30 beer drinkers to get closer understand of their perception and to gain variety of responses. Then I will follow with the distributors (pub owners and beer importers), as well and some brewers.

CHAPTER IV

RESULT AND DATA ANALYSIS

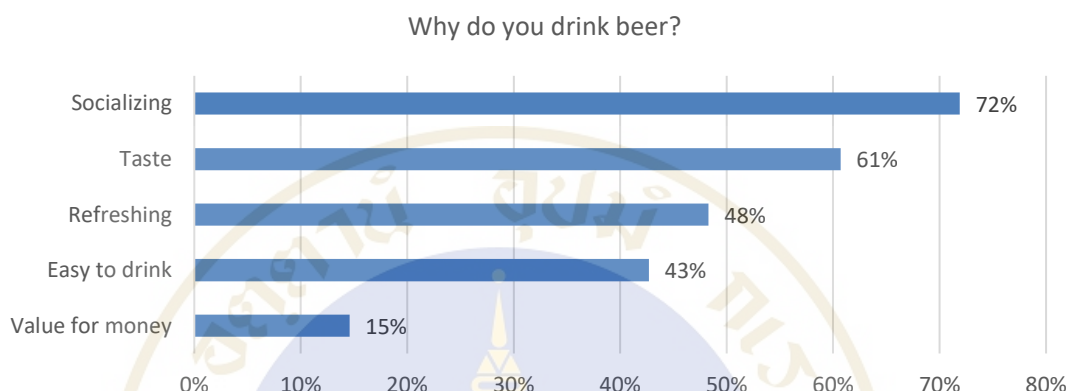


Figure 4.1: Why do you drink beer? n = 119

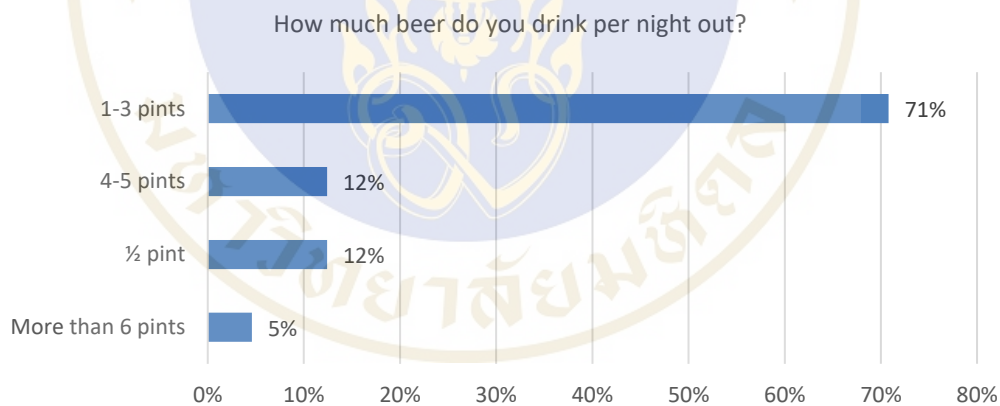


Figure 4.2: How much beer do you drink per night out? n = 119

From the collected data on beer consumption in Thailand, out of 119 responses, most people drink beer for socializing and for taste as seen in Figure 4.1. Only 15% thinks beer is value for money. From this, beer is generally considered to be expensive, as seen in Figure 4.2 where most people only drink 1-3 pints per night out. Only 5% are heavy drinkers who drink more than 6 pints per night out. Therefore, on average price, most people would spend around 100 to 500 baht per night out for mass

domestic and imported beer, and about 250 to 1,000 baht for craft beer. For craft beer, the high alcohol content compared to mass produced lager style beer, such as Singha, could be a factor that determine the less number of consumption.

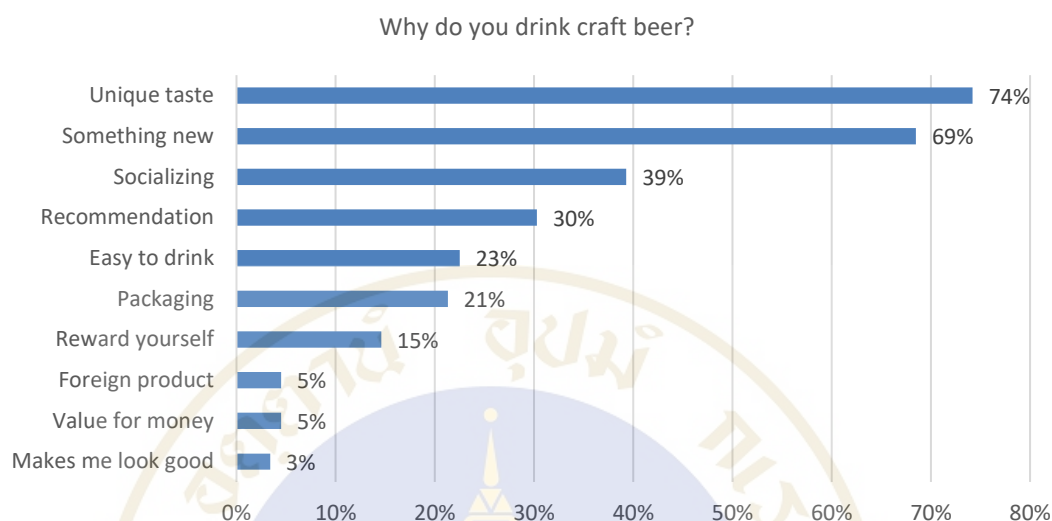


Figure 4.3: Why do you drink craft beer? n = 119

Craft beer in general is in fact an expensive drink where an average price per bottle is around 150-180 baht. The prices are even higher at beer bars or pubs, making the starting average price is 250 baht per pint (approx. 50cl) which is rather expensive. From this, craft beer is perceived as a “premium” alcoholic beverage. However, as the craft beer culture has been emerging in recent years, many people want to try something new rather than the lager style beer in the mass market. People starting to know more that there are other styles of beer such as Pale Ale, Indian Pale Ale (IPA), Amber Ale, and Porter. From this, mass beer drinkers are increasingly converting to craft beer drinkers because they want the unique taste of craft beer. According to Figure 4.3, although people still drink for socializing, most people choose to drink craft beer because of the unique taste and they also want to try something new. According to several interviews with beer drinkers, the fun of drink drinking craft beer is not knowing what you are going to get. Drinking craft beer is more of gaining experience of beer drinking. Each craft beer has a unique taste of their own. Some are great, and some may be strange to some people, but it is the experience to trying new things. Many people started drinking craft beer because of the word of mouth from someone they know.

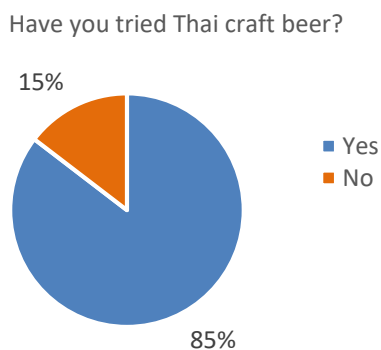


Figure 4.4: Have you tried Thai craft beer? n = 119

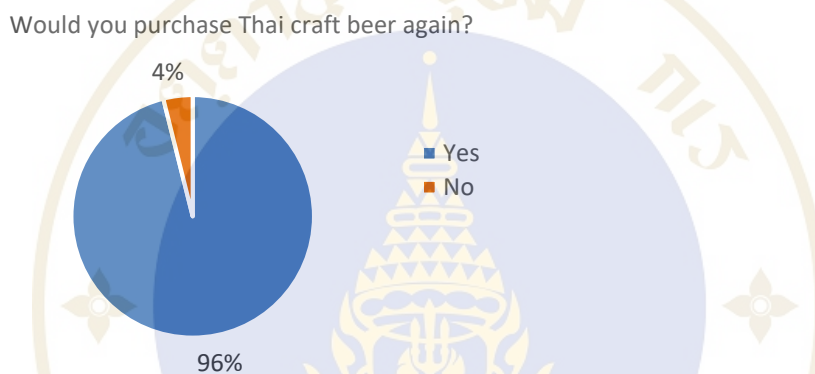


Figure 4.5: Would you purchase Thai craft beer again? n = 119

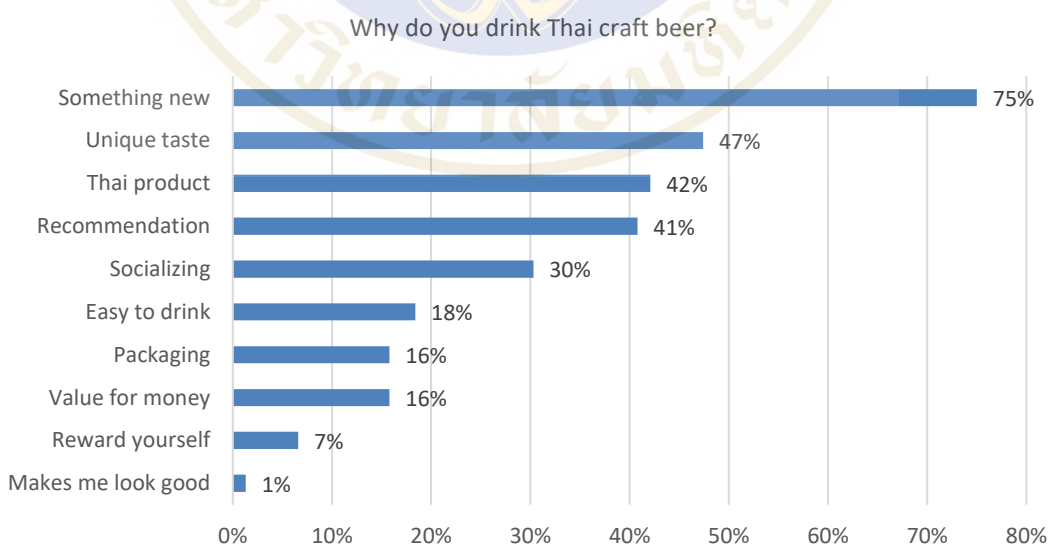


Figure 4.6: Why do you drink Thai craft beer? n = 119

According to Figure 4.4 and Figure 4.5, 96% of the people who had tried Thai craft would purchase again. Most people consider Thai craft beer as expensive and premium which they drink less often. There is no doubt that the taste can match those foreign competitors. As seen in Figure 4.6, most people drink Thai craft beer because they want to try something new. Furthermore, 42% buy Thai craft beer because is a Thai product which shows clearly a sense of support. Unlike other craft beer, there are more people that drink Thai craft beer because of recommendation and it is better value for money.

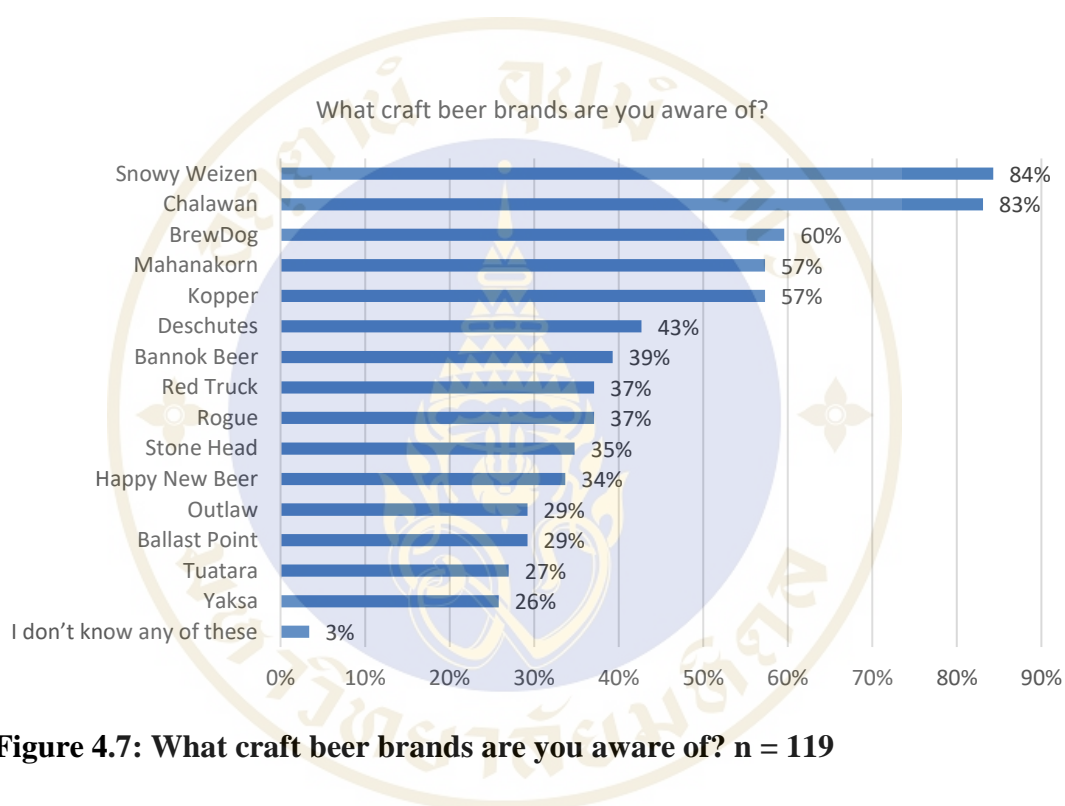


Figure 4.7: What craft beer brands are you aware of? n = 119

According to Figure 4.7, there is no surprise that most responses would know about Snowy Weizen by Est. 33 and Chalawan by Fullmoon Brewworks more than other craft beers in the Thai beer market. This is because, although, Snowy Weizen has just entered the market earlier this year in 2018, the product is produced by mass beer producer Est. 33 or Singha who is trying to enter the “craft” market. Even though Snowy Weizen is not a “true” craft beer as it is made by a big brewer, they have used the craft beer hype through social media to attract consumer with an attractive can design and as a craft beer that can be bought at 7-Eleven. This makes the beer to go viral on social media and became the most and fastest well-known new beer by Thai people in

2018. They also serve it draught at their pub, Est. 33. It is also interesting to see that Kopper the first marketed beer by Est. 33 is less known than Snowy Weizen. This may be because Kopper has been sold only by glass at Est. 33 since 2009 and has only recently been produced in can with their launch at this year's THAIFEX 2018.

Chalawan on the other hand is the first legal Thai craft beer that was launched in 2016 and it has been seen at many restaurants around the country, especially Bangkok. Unlike Snowy Weizen, Chalawan is a true craft beer that is produced by a micro brewer called Brewworks. According to an interview by Wassachol Quadri from The Momentum, the way Chalawan was earlier marketed was by word of mouth through direct selling and tasting because craft beer was something new to the market (Quadri, 2016). Although Chalawan is not quite as seen on social media as other new Thai craft beers, the reputation has been spreading to consumer through their sale in restaurants such as Grey Hound Café.

Furthermore, it is interesting to see that a new micro brewer called "Bannok Beer" that only launched their product in late 2017 and has gained 39% awareness from the survey which is more than many of Thai micro brewers that came earlier such as Outlaw, Happy New Beer and Yaksa. According to an interview by Aran Nongpol from The Standard, Patipan Dongsiri the owner of Bannok Beer, and also co-owner of Stone Head and Lamzing, is a person who wants to revolutionize the Thai craft beer market by trying to make it legal to brew within the country, which would reduce the cost and make craft beer more accessible to the consumer (Nongpol, 2018). To do this, Patipan first strategy is to make to his beer accessible at 7-Eleven because 10-20% of craft beer in America is sold at convenient and it gives much more selection of beer styles. In January 2018, Bannok Beer had launched two beers to the shelves at 7-Eleven which are call Honey Bomb (Session IPA) and Kiss Me Deadly (Crystal Wheat) and the beer went viral on the internet as the first Thai craft beer to be legally sold at 7-Eleven. Bannok Beer also uses social media a lot. They create lots of contents on their Facebook page about their beer, the craft beer culture and beer consumption, which raises the awareness of their brand greatly. From this, on June 14th, they had announced on their Facebook that they have reduced the price down from 99 Baht to 79 Baht per can because they have enough buyers to support the price reduction.

Social media has been playing an important part in the marketing of craft beer as alcohol cannot be advertised directly in Thailand. Many brewers have been using the power of viral marketing which can be as simple as ordinary people sharing and review their experience on Facebook via their own personal accounts, groups or pages. Many Facebook “beer groups” in Thailand has been playing important part for Thai craft beer. Through the craft beer culture, people seek recommendations and reviews to explore new beers which make the beer groups very important to the marketing of the brewers for their beers to be “seen” more.

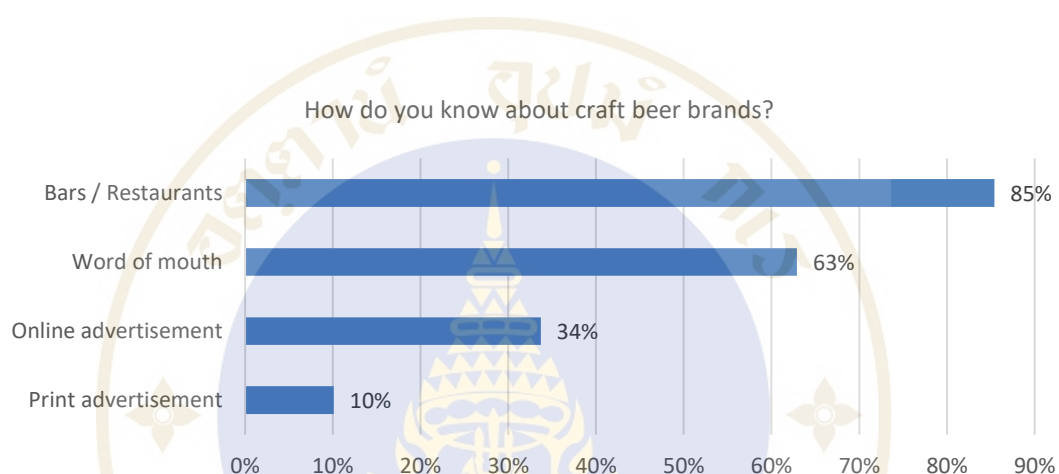


Figure 4.8: How do you know about craft beer brand? n = 119

Nonetheless, most people would know more about craft beer from bars and restaurant, as seen in Figure 4.8. With more and more craft beer bars opened due to the growing craft beer culture, more beer drinkers can access craft beers easier with locations that are nearer to them. There are numerous new craft beer bars in Bangkok and in tourist destinations such as Pattaya, Hua Hin, Chiang Mai, and even Koh Tao. At these beer bars, drinkers and explore new beers in which they can ask for a taste shot before they can order the full glass. Drinkers can also learn more about beers because the bartenders are willing to talk and give out information. Moreover, word of mouth is also a big part of getting people to know more about craft beer. This can come from people who had a craft beer and recommend to their friends and family, or from beer review pages and groups on social media. Both of these factors are part of the socializing in the craft beer culture in which people share their experience to each other.

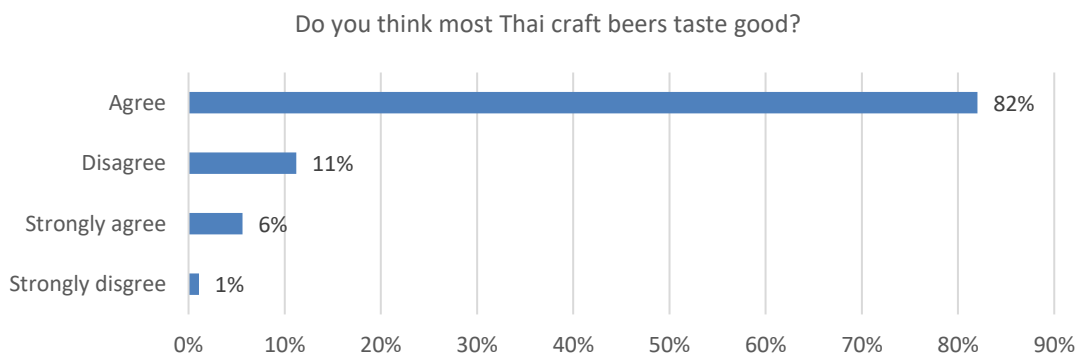


Figure 4.9: Do you think most Thai craft beers taste good? n = 119

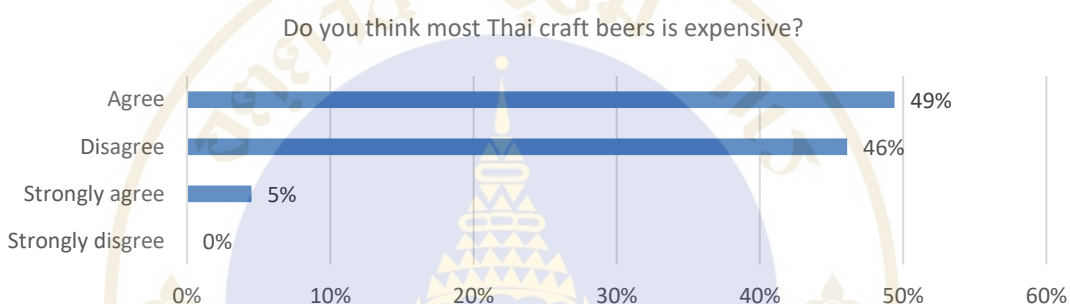


Figure 4.10: Do you think most Thai craft beers is expensive? n = 119

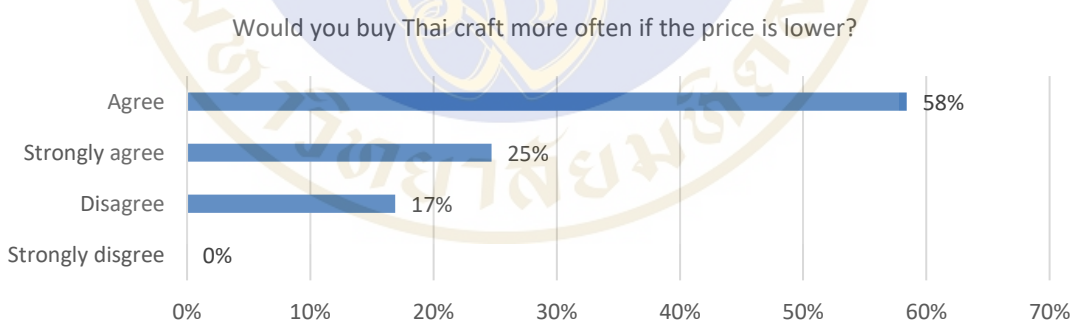


Figure 4.11: Would you buy Thai craft more often if the price is lower? n = 119

Thai craft beer can easily compete with other foreign craft beer. As seen in Figure 4.9, a large number of people agree that they enjoy the taste of most Thai craft beers. However, the price is a problem that may restrict the number of consumption as they are expensive. Nonetheless, it is interesting that the number of disagreements on the high price is nearly as high as those who agree as seen in Figure 4.10. This shows

that a lot of people do not mind paying the high price as long as the beer tastes good. Figure 4.11 shows that the price is a factor that determine the purchase of Thai craft beer. Most people agree that they would purchase Thai craft beer more often if the price is lower.

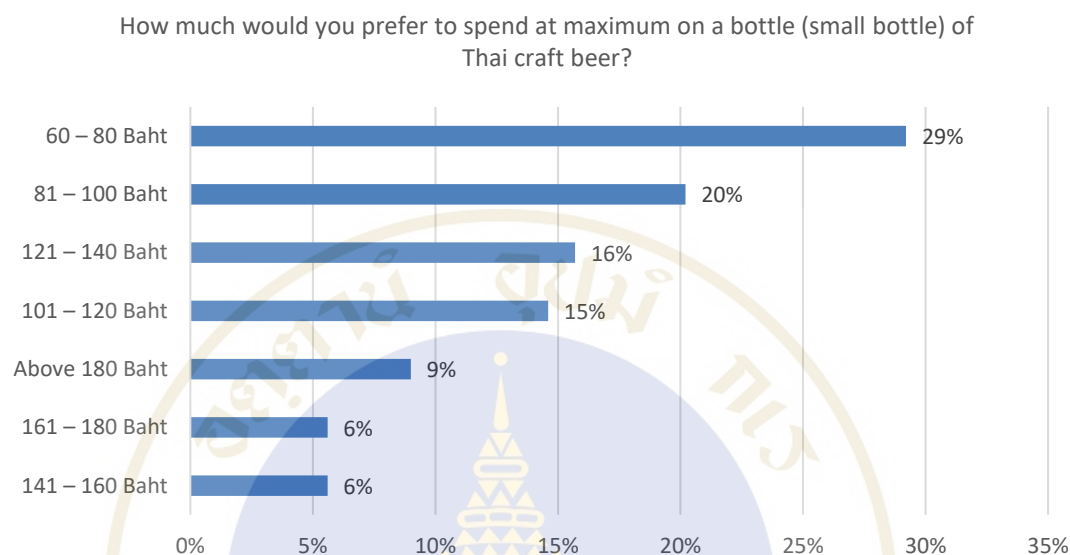


Figure 4.12: How much would you prefer to spend at maximum on a bottle (small bottle) of Thai craft beer? n = 119

According to Figure 4.12, the majority responses would spend 60-80 baht as the maximum price on a small bottle of Thailand craft beer. At present, the average price of Thai craft beer is approximately 140 baht per small bottle. There are two major factors that cause the pricing; the demand and the law.

As seen from the case of Bannok Beer, the price can be reduced due the demand and the purchase of their beer. If the consumer is satisfied with the product, the producer can then sell more to cover the production cost which may result in price reduction. Cheaper price to sell more.

The law is the major factor that restricts the price of Thai craft beer to be lower due to the high imported tax and the production must be done outside of Thailand. Some microbrewers may have higher production costs than others, such as those producing in the United States, Japan and Australia. Nonetheless, all these microbrewers must consider the logistics cost in addition to their production which makes the price stands high. If there is a change in the law and the craft beer production can be made in

Thailand, there will certainly be changes to the price and the Thailand beer industry. The microbrewers will not have to pay imported goods tax, and there will be less cost in the logistics which will certainly reduce the price of Thai craft beer to be more accessible to the mass market. Like Vietnam, if Thailand opened for more microbreweries, it could attract more investors from other countries to make their production in Thailand. This could significantly increase the growth of the beer market in Thailand.



CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

In conclusion, I have encountered some limitations, such as time which affected the amount of data collected for more precise results. Moreover, my survey sample is all from Bangkok only which affected the variety of opinions from different regions. However, with only opinion from people in Bangkok, I think that it is enough to represent what I intended. Therefore, I am pleased with the results. Some are as expected, and some are more than expected. The collected data can represent beer drinkers in Thailand and it is enough to make accurate analysis.

Thai people are more aware of craft beer as the trend is still growing. From the results of the survey, on average price, most people would spend around 100 to 500 baht per night out for mass domestic and imported beer, and about 250 to 1,000 baht for craft beer. For craft beer, the high alcohol content compared to mass produced lager style beer, such as Singha, could be a factor that determine the less number of consumption. Furthermore, most Thai beer drinkers do give support for Thai craft beers as they are considered as Thai product and they are willing to try something new. From the survey, the taste of Thai craft beers is no doubt can compete with other foreign craft beers and people are willing to pay the premium price. However, most people agree that there would be more purchase if the price is lower. To reduce the price, the 60-year-old law has to change which is very difficult, but it is not impossible. The change could potentially reduce production cost, logistics cost, and less tax to be paid, which will result in the price reduction. Furthermore, like Vietnam, the change could potentially increase the growth of Thailand beer market by accepting more investors to invest in microbreweries in Thailand. This could also attract more tourists to increase the consumption and potentially help the economy.

Furthermore, more Thai microbrewers could apply Bannok Beer's marketing strategy to make themselves more known to the mass market. "Brewing for

passion and for art is not going to make much money and will not make Thai craft beer to be known and accessible to the mass market. Doing a good business will.” These are the words from Patipan Dongsiri, the owner of Bannok Beer, in his interview with the Standard (Nongpol , 2018). Social media plays a important role in today’s marketing, especially the alcohol cannot be advertised in Thailand. Creating interesting contents can capture the consumer attention. Bannok Beer make stories and videos for their audience to follow which is very effective. As seen from the results of the survey, consumers are more aware of the more “seen” products such as Snowy Weizen and Chalawan.

5.2 Recommendation

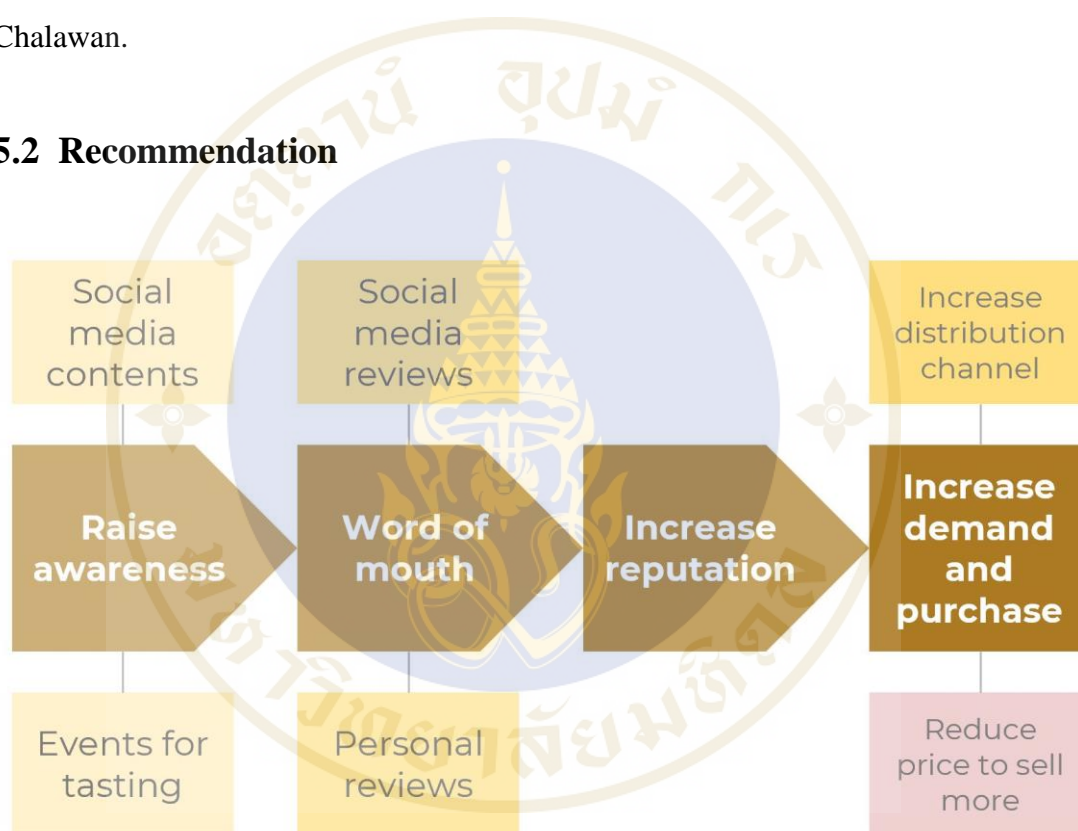


Figure 5.1: Recommended Marketing Strategy: Raise Awareness

Figure 5.1 outlines my recommended marketing strategy in raising awareness of Thai craft beer. As the selling point of all craft beer is the unique taste, the taste is an important factor on the how consumers will repurchase. The taste will definitely be the first impact that will, or will not, make the drinker to make recommendation to others. The word of mouth has evolved into reviews on Facebook pages and groups which we cannot deny that it is helping Thai craft beer to survive all these years. People want to try something new, and with craft beer culture, more people

want to share their experience with others. From this, the more people see your product the more that they will likely to buy which, according to Patipan, if there is enough demand for the product the brewer can sell with low profit margin at cheaper price in order to sell more. In the case of Bannok Beer, they reduced the price of their beers by 20 baht due to high demand. In additional, their announcement went viral which increases the awareness of their brand even more. This is an example of a price reduction that does not have to deal with the law, but by marketing.

Moreover, I have the same belief as Wichit Saiklao, one of the founders of Stone Head beer, that “Craft beer has become a world trend, and once it is a world trend it is hard to stop”. From this, I believe that there will be a change in the law that will eventually support microbrewers and craft beer will be made cheaper and easier accessed by the mass consumers. I hope that this research will be useful for Thai microbrewers who want to expand their craft beer business. The results show positive outcomes on the perception of Thai craft beer in which the Thai microbrewers can be assured that there is still support for them to keep producing. Moreover, they can use the data to look into new marketing strategies on who to target, where to distribute their beers, how to promote better, and how much they can charge their consumers, as well as be prepared for the future if there is a change in the law.

For further research, I would add more brewer’s and distributor’s point of view to gain more data and deeper understanding. Also, I could make comparison with consumer’s point of view which may result in unexpected outcomes. In addition, I could interview foreigners for the opinion on Thai craft beer which may differ from Thai people.

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APPENDICES

Appendix A: Research Survey for Beer Consumer

1) How often do you drink beer?

- Everyday
- 2-4 times a week
- Once a week
- Once a month
- I don't drink beer (End survey)

2) How much beer do you drink per night out?

- ½ pint
- 1-3 pints
- 4-5 pints
- More than 6 pints

3) Why do you drink beer? (You can choose more than one)

- Taste
- Easy to drink
- Refreshing
- Socializing
- Value for money

4) Why do you drink craft beer? (You can choose more than one)

- | | |
|--|---|
| <input type="checkbox"/> Unique taste | <input type="checkbox"/> Reward yourself |
| <input type="checkbox"/> Easy to drink | <input type="checkbox"/> Foreign product |
| <input type="checkbox"/> Value for money | <input type="checkbox"/> Makes me look good |
| <input type="checkbox"/> Something new | <input type="checkbox"/> Socializing |
| <input type="checkbox"/> Packaging | <input type="checkbox"/> Recommendation |

5) Would you or have you tried Thai craft beer?

- Yes No

6) Would you purchase Thai craft beer again?

- Yes No

7) Why do you drink Thai craft beer? (You can choose more than one)

- | | |
|--|---|
| <input type="checkbox"/> Unique taste | <input type="checkbox"/> Reward yourself |
| <input type="checkbox"/> Easy to drink | <input type="checkbox"/> Thai product |
| <input type="checkbox"/> Value for money | <input type="checkbox"/> Makes me look good |
| <input type="checkbox"/> Something new | <input type="checkbox"/> Socializing |
| <input type="checkbox"/> Packaging | <input type="checkbox"/> Recommendation |

8) What beer brands are you aware of? (You can choose more than one)

- | | |
|--|--|
| <input type="checkbox"/> Singha | <input type="checkbox"/> Asahi |
| <input type="checkbox"/> Suntori | <input type="checkbox"/> Leffe |
| <input type="checkbox"/> Leo | <input type="checkbox"/> Guinness |
| <input type="checkbox"/> Chang | <input type="checkbox"/> Beer Lao |
| <input type="checkbox"/> Hoegaarden | <input type="checkbox"/> Erdinger |
| <input type="checkbox"/> Sapporo | <input type="checkbox"/> Paulaner |
| <input type="checkbox"/> Heineken | <input type="checkbox"/> Budweiser |
| <input type="checkbox"/> Stella Artois | <input type="checkbox"/> I don't know any of these |

9) What craft beer brands are you aware of? (You can choose more than one)

- | | |
|--|--|
| <input type="checkbox"/> Chalawan | <input type="checkbox"/> Happy New Beer |
| <input type="checkbox"/> Snowy Weizen | <input type="checkbox"/> Rogue |
| <input type="checkbox"/> Kopper | <input type="checkbox"/> Deschutes |
| <input type="checkbox"/> Ballast Point | <input type="checkbox"/> Mahanakorn |
| <input type="checkbox"/> Yaksa | <input type="checkbox"/> Stone Head |
| <input type="checkbox"/> Outlaw | <input type="checkbox"/> Bannok Beer |
| <input type="checkbox"/> BrewDog | <input type="checkbox"/> Red Truck |
| <input type="checkbox"/> Tuatara | <input type="checkbox"/> I don't know any of these |

10) How do you know about craft beer brands? (You can choose more than one)

- Print advertisement
- Online advertisement
- Bars and Restaurants
- Word of mouth

11) Do you think most Thai craft beers taste good?

- Strongly disagree Disagree Agree Strongly agree

12) Do you think most Thai craft beers is expensive?

- Strongly disagree Disagree Agree Strongly agree

13) Do you think most Thai craft beers have attractive packaging design?

- Strongly disagree Disagree Agree Strongly agree

14) Do you think that the price of Thai craft beer should be lower?

- Strongly disagree Disagree Agree Strongly agree

15) Would you buy Thai craft more often if the price is lower?

- Strongly disagree Disagree Agree Strongly agree

16) How much would you prefer to spend at maximum on a bottle (small bottle) of Thai craft beer?

- 60 – 80 baht 81 – 100 baht 101 – 120 baht 121 – 140 baht
 141 – 160 baht 161 – 180 baht Above 180 baht

17) What is your age?

- 18-24 25-34 35-44 45 – 54
 Above 55

18) What is your monthly income (baht)?

<input type="checkbox"/> Less than 10,000	<input type="checkbox"/> 10,001 – 15,000	<input type="checkbox"/> 15,001 – 25,000
<input type="checkbox"/> 25,001 – 35,000	<input type="checkbox"/> 35,001 – 45,000	<input type="checkbox"/> Above 45,001

19) What is your gender?

- Male Female

Appendix B: Survey Responses

n = 119

