Educational marketing strategy in a Thai context

Uddannelsesmarketing i Thailand

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Abstract

Denne afhandling omhandler den danske kaffeproducent Grower's Cup og deres brug af marketingsstrategier i Thailand. Udgangspunktet for undersøgelsen tager afsæt i de samfundsmæssige, kulturelle og forbrugeradfærdsmæssige forskelligheder, der forekommer ved markedsekspansion af virksomhedens kaffebrygger til det Thailandske marked. Virksomheden har mødt udfordringer i deres markedsføring, da Thai forbrugere ikke ser samme værdi i kvalitetskaffe, som deres danske og vestlige kunder gør. Derfor analyserer denne afhandling, hvordan Grower's Cup kan øge deres Thailandske markedsandel samt målrette deres markedsføring til denne kundegruppe.

Gennem et deskriptivt undersøgelsesdesign, interviews og spørgeskemaundersøgelser fandt vi frem til en række faktorer, der gennem en hermeneutisk, fænomenologisk og socialkonstruktivistisk tilgangsvinkel blev analyseret med det formål at afdække aspekter, som Grower's Cup bør inkludere i deres interkulturelle markedsføring.

Kaffebryggeren samt kvalitetskaffe dækker andre behov hos Thailandske forbrugere end hos vestlige forbrugere, og samfundsmæssige strukturer med henblik på postmodernisme og modernisme fandtes afgørende i forhold til produktets værdi. Endvidere konkluderes det gennem en forbrugeranalyse, hvordan forbrug har betydning for Thailænderes identitetskonstruktion. Virksomheden benytter sig af fokuseret differentiering i forhold til Porter's generiske strategier, og der eksisterer samtidig *blue ocean* karakteristika i deres marketingsmæssige udgangspunkt, da deres valg af nichemarked har et minimum af konkurrenter.

Ud fra de analyserede punkter konkluderes det, hvorledes virksomheden ikke behandler sociale, kulturelle og forbrugermæssige omstændigheder på en fordelagtig måde. Samtidig integrerer deres uddannelsesmæssige proces heller ikke disse, men varetager udelukkende intern uddannelse af ansatte i samarbejdsvirksomheder. Følgelig anvender Grower's Cup ikke uddannelse som et marketingsværktøj.

For at imødekomme de nævnte faktorer og skabe konkurrencemæssige fordele vurderes uddannelsesmarketing som en favorabel tilgangsvinkel. Gennem kundegruppeuddannelse og

præciseret segmentering kan Grower's Cup understøtte de analyserede perspektiver og på samme tid opnå øget markedsandel på det Thailandske marked. Med en ny uddannelsesmæssig angrebsvinkel, der inkluderer de analyserede faktorer, fremsættes en model, der illustrerer hvordan samfundsstrukturer, sociale og kulturelle værdier samt forbrugeradfærd kan assistere virksomheden i at maksimere deres markedsandel.

Uddannelsesstrategien baserer sig på Grower's Cups nuværende situation i forhold til marked og produkt. Dog er den strategiske model et anvendeligt værktøj for andre industrier og i andre sammenhænge med henblik på interkulturel markedsføring.

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Chapter I: Introduction

Introduction

Consumers in Thailand are facing a new trend: coffee. Until recently, tea has been the Thais' favourite hot drink consumed at all hours of the day – very similar to the Scandinavian coffee culture. However, since 1990, Thailand and the rest of Asia have had the most dynamic growth within coffee consumption on a world basis (ico.org, 2014). The coffee consumption has had an annually growth of 4.0% since 1990, which after year 2000 increased to 4.9%. These facts made the basis of this thesis, as the region's consumers and producers show an increasing interest in the coffee sector, and the market represents significant potential for expansion within the coffee industry, both in terms of volume and value.
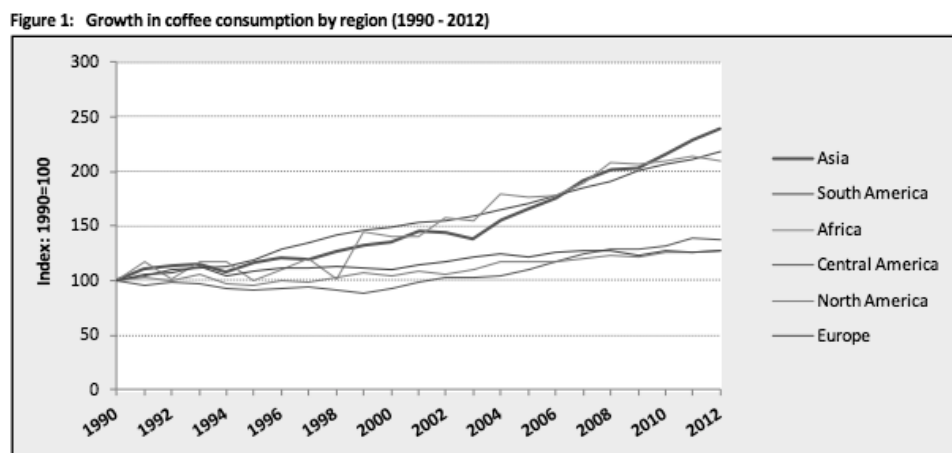
Figure 1: Growth in coffee consumption

Moreover, at the same time as the coffee market has made its entry into the South-East Asian region, a growing number of expats and international students, together with an increasingly Western-minded young generation of Thais, are slowly affecting the Thai coffee tradition. These consumer groups are changing the country's population into postmodern consumers, which creates new demands that Asian products currently not fulfil. Additionally, Thailand is one of the most developed countries in South-East Asia, which makes this market economically favourable for foreign companies. Because of this, Danish Grower's Cup is currently entering the Thai coffee market with their innovative coffee brewer. In their previous marketing strategy aimed at the

European and American markets, Grower's Cup has focused on their two corner stones: *convenience* and *quality,* to address the consumers' needs for high quality coffee in a hectic daily life. However, in their attempt to penetrate the Thai market, the company's idea is to put emphasis primarily on *quality*. According to co-owner Carsten Lerke-Nielsen, the reasoning behind this move is based on the fact that Thai consumers are used to drink tea and Vietnamese-produced low quality coffee containing high amounts of sugar, and therefore do not have much knowledge regarding quality coffee. Because of this, Grower's Cup wishes to educate the new group of quality coffee consumers, and become first-movers with their product in Thailand.

Problem statement

> ### How can Grower's Cup achieve and secure a valuable market position in the Thai coffee consumer market?

On the basis of the Danish company Grower's Cup, this thesis seeks to explore how to develop a customer demand for high-quality coffee in Thailand, and how this consumer group should be targeted. This subject is chosen for investigation due to the recent growth in coffee consumption in Asia making this is a relatively new market in the coffee industry, thus a market with potential for Western businesses. Additionally, this topic is chosen because of the company's fairly unique and unknown product and the evident differences in culture, which are factors impeding this market expansion. To answer the problem statement this study is based on three sub-questions handling societal and cultural structures, consumer culture and behaviour and marketing strategies. The sub-questions are wide reaching, as we want to examine the topic from different perspectives.

In this research we therefore want to answer the following sub-questions:

1. Which societal values characterise Denmark and Thailand, and how does this affect Grower's Cup's marketing strategies?
2. How can consumer culture and behaviour, with regards to coffee, be characterised in Thailand?
3. How can Grower's Cup position and market themselves in Thailand to increase their market share?

Academic contribution and reason for research

The objective of this thesis is to explore how a consumer demand can be created for coffee in a Thai culture, where coffee is not perceived in a similar way as it is in Denmark, where the company usually operates. Although there has been an increase in Asian coffee consumption, there is not a growing consumer demand for coffee products, and despite the rising demand for hot drinks in Thailand, a steady, rather than dynamic, sales growth is expected in the country in the coming years (euromonitor.com, 2016). Therefore, it will be investigated how the Danish coffee company through a focused marketing approach can establish themselves in the market. The topic is of interest as Thailand is a country that has undergone considerable development in recent years and currently exists as an advantageous option for Western companies looking to increase their profit. This, combined with a global advancement in technology, the one-of-a-kind coffee brewer has the potential to be a success in a Thai context.

Coffee is the second largest commodity traded in the world only exceeded by oil, and is therefore a product category worth dealing with, as the customer group is so extensive. With this thesis we wish to look at the marketing strategy of Grower's Cup with the purpose of creating a new strategic model based on consumer behaviour to manage the company's aspiration to gain market share and implement their product in a Thai context. The model will be based on the company's current marketing plans and show to which extent a different approach is needed in order to successfully enter the Thai market. The company's strategy of educating their potential customers instead of localising their product to Thailand is fairly unusual, and we wish to explore how this can be turned into a successful venture for the company. Through market research in the field of consumer behaviour and intercultural marketing combined with theories within this area we seek to academically contribute with a new marketing model illustrating an educational marketing strategy.

Currently there is not an extensive base of research with regards to educational marketing. The main research within this topic is conducted by Meer in 1984 and Honebein in 1996. The two theorists deal with customer education, and how it is possible for companies to create customer loyalty and benefit strategically. However, neither of the theories consider intercultural factors, which many industries have to take into account in our current business context. Additionally, Meer's (1984) and Honebein's (1996) definitions and use of the concept of customer education is relatively dated, and will therefore in this investigation primarily act as a base for understanding the effects of educational structures. Consequently, it is our aim to integrate this already completed research with current phenomena to build a business model that fits in a modern and global environment with intercultural dimensions.

Delimitation

In our research some choices are made to ensure the most precise results in accordance with the topic of interest. Initially, we have chosen to focus the study on coffee and not tea, even though Grower's Cup sells both in Thailand. We found coffee, which is also the area where the company places their greatest efforts, as an unusual product to market in Thailand, and as a product with obvious difficulties with regards to cultural aspects. Based on this, and on the fact that tea is already an integrated part of the Thai society, we have chosen to concentrate this study on coffee. Secondly, because Grower's Cup has their primary sale in urban areas of the world, we focus our investigation on Bangkok, which is also the place with more population compared to any other city in Thailand. Thirdly, we have chosen to not include economic factors as well as the internationalisation process in the research, as it was concluded as too extensive and too far away from our key focus points. In relation to marketing and advertising, traditional marketing tools have been found irrelevant to include in our discussions, as the Thai market is not comparable with the Danish, where the company apply these communication tools. Additionally, we have chosen not to include digital marketing, which to some extent could prove as the most convenient option for Grower's Cup to market themselves. However, our focus on customer education did not allow us to include for example social media for in-depth analysis. Moreover, it was important for us to explore the possibilities to establish a market through the process of education, and as we did not see the possibilities of obtaining knowledge with regards to societal and cultural values and structures as

well as consumer behaviour to use in an educational setting, social media are not prioritised in the analysis. Finally, due to the lack of activity on Grower's Cup's Thai Facebook page (facebook.com/growerscup.thailand/) with the last post being on February 2016, and a relatively small amount of followers (around 3400), social media were found irrelevant to apply in this context. Finally, the coffee brewer's functionality will briefly be attended to, but because Thailand is our primary focus in this study, we will mainly pay attention to the content-side of the product with regards to marketing strategy and customer education.

Structural overview

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Chapter II: Grower's Cup

Coffee is the world's second largest commodity traded, only surpassed by oil, and in Denmark alone, three to four cups of coffee are consumed per inhabitant daily (kaffeinfo.dk). These numbers make Denmark one of the most coffee consuming nations in the world, and the increasing demand has led to entry opportunities for new coffee manufacturers into this market. Traditional coffee companies have in recent years been faced with fierce competition from alternative coffee solutions such as coffee capsules and to-go brands, which slowly have been gaining more and more market share all over the world (statista.com).

Danish based Grower's Cup represents one of these alternative coffee solutions. The company specialises in the production of quality coffee sold in innovative coffee brewers, and they base their business concept on their two core competencies: *convenience* and *quality*:

Ulrik Skovgaard Rasmussen:

"Vi har gjort tingene på en helt anden måde end alle andre. Og det er I det hele taget at tænke kvalitet og convenience sammen, og det uden at man har en maskine. Det er meget innovativt."

Figure 2: Extract from interview with Grower's Cup's CEO

Grower's Cup import coffee beans from coffee farmers around the world, and roast them in their production facility in Funen, Denmark. Here the coffee beans are grinded and placed in filters which are then put in small "bags" and this way substituting the traditional coffee machine. These innovative coffee brewers are then sold in supermarkets as well as online, and the idea is, that the customer only has to add hot water to the brewer to get the experience of quality coffee.

The Coffeebrewer
-how does it work?

1. OPEN the top and shape base for standing
Twist / click off spout cap

2. POUR in 300ml hot water
and brew for 2 – 4 min (mild-strong)

3. SERVE 2 cups of 150ml
To keep warm, click the cap back on the spout

Figure 3: The coffee brewer – how does it work?

With the coffee brewer, Grower's Cup seeks to provide an extraordinary coffee experience to the consumer, which is built on the company's mission: "To make people enjoy and appreciate great coffee – anywhere, anytime!" (growerscup.coffee). By using words like *anywhere* and *anytime* the business concept of Grower's Cup places the company both as an alternative to gourmet coffee through its quality, and as an alternative to to-go products as it is possible to bring the brewer with you. Because the brewer is the only one of its kind on the market, Grower's Cup has secured a solid platform to work from through patent rights. The ambition to facilitate an extraordinary coffee experience through innovation is also expressed with the company's core values through Grower's Cup's internal objective: *Be innovative, be extraordinary* which captures the essence of the company as being unique and creative.

A simple idea,
but an outstanding brew
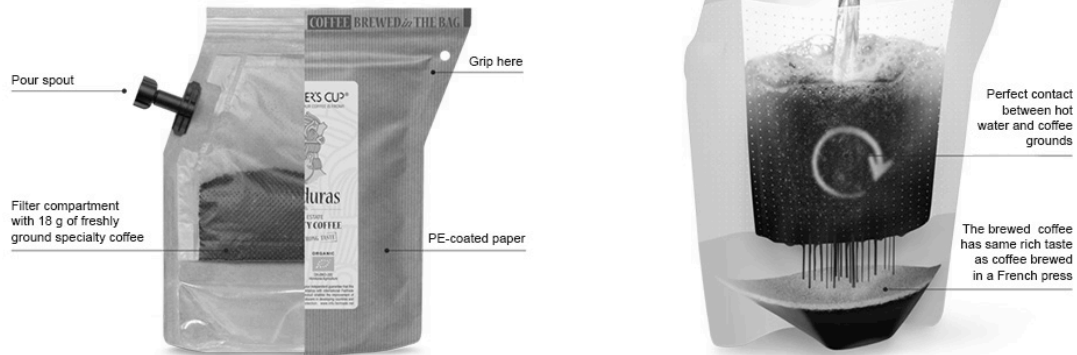
Figure 4: The coffee brewer – how does it work?

Ulrik Skovgaard Rasmussen, CEO of Grower's Cup, founded the company in 2006 and had at this time his primary focus on the outdoor/adventure market, as the coffee brewer suits the convenience needs of active people. However, in 2014 Grower's Cup improved the technology behind the brewer, and began aiming the product at regular coffee consumers independent of the outdoor segment in order to establish the coffee brewer as a recognised alternative to already existing coffee solutions. Rasmussen characterises the product's current market situation as *affordable luxury*, which marks the brewer as a luxury good that everyone can afford:

> **Ulrik Skovgaard Rasmussen:**
> *"Det koster ikke noget at forkæle sig selv en gang i mellem. Det må godt koste lidt. Så vi kalder vores marked for 'affordable luxury.'"*

Figure 5: Extract from interview with Grower's Cup's CEO

The price of the brewer varies between 8-12 DKK depending on choice of retailer and prospective promotions, which makes the coffee brewer competitive with both coffee capsules and to-go coffee from various coffee chains.

Organisation and strategy

Grower's Cup is represented through a relatively flat organisational structure, which benefits the innovative project, as employees have the possibility to influence processes and initiatives made within the company. Because of its relatively small size, Grower's Cup consists of loosely structured divisions including sales, marketing and production. Additionally, Grower's Cup also has a line of freelance workers consisting primarily of students employed with the aim to create product awareness in different larger cities in Denmark. These students are working as marketing coordinators in ambassador groups trying to promote the coffee brewer through social media.

Due to the company's small size, Grower's Cup cannot afford large scaled marketing campaigns, and are therefore trying to reach their target groups through the marketing coordinators and with guerrilla marketing. In this sense, the guerrilla tactics should be understood as an advertisement strategy designed to promote the coffee brewer in an unconventional way with a small budget. This is often done with marketing activities taking place in public places in order to reach a large audience for a very small cost. This way, the company are attacking the stronger competitors in the market by gaining low cost publicity and establishing the brand in the minds of the consumers (Hooley, G., Piercy, N. & Nicoulaud, B., 2012). The employed students are working with guerrilla marketing through a strong presence online, as well as presenting the products in different public places handing out samples and letting the potential costumers try the product themselves before buying it. It is also this way Grower's Cup actually reaches their target audience, as they are characterised as being between the ages of 18 to 40 years old. Furthermore, they try to target university students and people with higher educations, as the company views this segment as being their primary target group due to both the price and quality of the product, as they consider themselves selling high-end goods. Accordingly, the coffee brewer is gaining most attention in urban areas such as Copenhagen and Aarhus where the majority of students are present and also where the highest living costs occur. Through guerrilla marketing as well as the power of word-of-mouth, the company is working to gain market share with widening their distribution. In the long-term, Grower's Cup wishes to open up their own shops and cafés in Denmark, where a self-service concept will enable the costumers to brew their own coffee in the brewers while sitting at the café.

In relation to corporate social responsibility, the company does not yet have the financial foundation to work strategically herewith. However, all their business activities with coffee farmers in developing countries are Fair Trade acknowledged. Grower's Cup also recognises that in a marketing context it would be beneficial to produce the coffee brewer from sustainable material, and they are expecting in 2020 to have a defined strategy with regards to corporate social responsibility.

Strategically, Grower's Cup wants to create a trend as they categorise the brewer as a life-style product. Their big selling point in Denmark is the convenience of the product combined with quality, as they acknowledge the third-wave coffee movement, where coffee is considered as an artisanal foodstuff rather than a commodity (craftbeveragejobs.com, 2016). For this reason, the origin of the coffee used is essential when marketing the brewers, and it is therefore printed on each brewer where it comes from in order to accentuate this. Accordingly, Grower's Cup is trying to move away from their original starting point as being a perfect outdoor-product. Now, in 2016, they are trying to distance themselves from this as they do not wish to be perceived only as selling *camping-coffee*, and are currently trying to establish themselves as a retailer of *affordable luxury*, as previously mentioned.

International perspective

In an international context, Grower's Cup has a global range, as they export the coffee brewer to a long line of countries throughout the world. They have been most successful in Scandinavia, where coffee in general is appreciated as a necessity of daily life, but also around Europe the sales have proven decent. What the company does is to make agreements with supermarkets for a short period of time in order to explore a certain country or region's potential. Hereafter it is decided whether to keep pushing the coffee brewer this way, or to try different regions or target groups. Another way Grower's Cup previously has been entering new markets is through international fairs where potential clients try the brewer and then decide to buy large quantities and sell them privately themselves. This way Grower's Cup is able to benefit without having to actively promote the brewer in the specific area. Their primary focus has until now been in Europe, as the coffee culture is seen as homogeneous, however, Grower's Cup also wishes to enter the American market and is currently here trying to establish themselves in outdoor related contexts, the same way as they started out in Denmark.

Thailand

Carsten Lerke-Nielsen, co-owner of Grower's Cup, was the reason for the company's decision to enter the Asian market, as he lives in Bangkok. This made Thailand a perfect choice for expansion as Nielsen through his own consultancy business had access to a lot of different contacts in the Thai industry. In an interview conducted through Skype, Nielsen explains that another reason for entering the Thai market was that no real competition exists there. He also emphasises, that because quality coffee is not an acknowledge product in this area of the world, the company has been faced with a long line of difficulties when trying to establish themselves in the mind-sets of the Thai consumers. One of the biggest hurdles Grower's Cup has to overcome in order to create a basis for the product is that because Thailand is a country with a large-scale sugar production, sugar is added to almost every Thai-produced product in order to help the country's agriculture. For this reason, the coffee sold and consumed in Thailand is currently filled with sugar making the coffee taste quite different than the coffee consumed in Denmark.

Another aspect is the different types of coffee that exist on a world basis. In a general context, coffee can be divided into two different categories: Arabica and Robusta. Overall, the Robusta coffee bean is easier to use with regards to farming. The taste of the Robusta bean is also more bitter due to its high level of caffeine, compared to the Arabica bean. Where Robusta beans contain approximately 2.7 % of caffeine, the Arabica only has about half of this, with a 1.5% caffeine level, which makes the coffee made from Robusta taste significantly harsher (theroasterspack.com, 2014). For this reason, Robusta is primarily applied in instant coffee products where the coffee taste is not expected to be something worth noticing. Since Grower's Cup's products contain 100% Arabica beans, challenges occur in the Thai market, as Vietnam is the world's largest producer of Robusta beans, accounting for approximately 40% of the world's total Robusta production (interamericancoffee.com). In recent years, Vietnam has increased their coffee production and is currently producing more coffee than Colombia. The Vietnamese coffee culture is therefore reasonably well established, and they export a lot of their produced goods, although they are not known for producing high quality speciality coffee. Thailand is one of the Vietnamese's big export markets, which has a great effect on the Thai attitude towards how coffee tastes. This fact, combined with the sugar-perspective, provides challenges for Grower's Cup:

Figure 6: Extract from interview with co-owner of Grower's Cup

Additionally, there are other entry barriers that prevent Grower's Cup from entering the Thai market. In order to protect original Thai brands of all sorts, the Thai government has introduced a 90% import duty, which means that of all imported goods, including carriage, 90% of the cost has to be paid:

Figure 7: Extract from interview with co-owner of Grower's Cup

The trade barrier makes it difficult to do business in Thailand, however the barrier also works as an advantage for Grower's Cup, as the import duty keeps competing brands away. On the other side, the barrier contributes to a lack of consumer knowledge regarding quality coffee, as products of this kind are not common in the country. One of the biggest challenges for Grower's Cup is that the Thai consumers' first impression of the company's products is that the coffee is of low quality, because it does not have a sweet, sugary taste.

In the Southeast region of Asia, there has been a rapidly strong growth in coffee consumption during the last 20 years, and statistics from the International Coffee Organization (ico.org, 2014) shows that there has been a doubling from 8.4 million 60kg bags in 1990, to 19.5 million bags in 2012, which signifies an annual average growth rate of 3.9%.
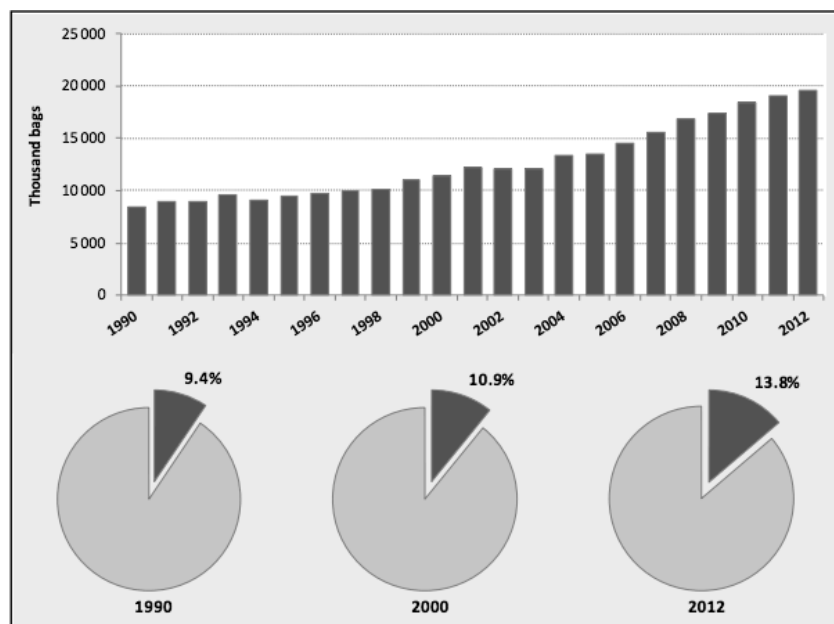
Figure 8: Coffee consumption in Southeast Asia and % share in word consumption (1990-2012)

If we look at Thailand individually, the latest numbers suggest that domestic consumption has increased from 7 – 10 % over the last decade. That implies that, with a conservative rate of 7% per annum, Thai consumers consumed over 1 million bags of coffee in 2012. As the population in Thailand consist of around 67 million people, this equate to nearly 950 grams per capita:
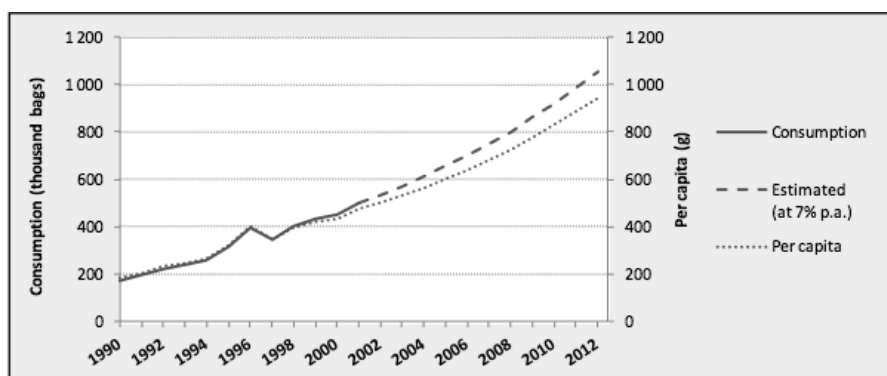
Figure 9: Consumption and per capita consumption in Thailand

The increasing coffee demand is primarily driven by the interest in Robusta beans, which we earlier explained are mainly used in instant, ready-to-drink and 3-in-1/4-in-1 coffee products that often contain a large amount of sugar and milk. Over 95 % of the domestic coffee market in Thailand, according to the International Coffee Organisation (ico.org, 2014), consists of mainly instant coffee

or 3-in-1 mixes. Since Thailand's own coffee production consists of around 90 % Robusta beans, and the amount of coffee being exported to Thailand is approximated to 95% Robusta beans (ico.org, 2014), there is a clear lack of accessible Arabica coffee beans. This explains why Thai consumers are not familiar to the type of coffee Grower's Cup produces, which opens up a new market for the quality Arabica coffee.

Current marketing strategy in Thailand

Due to previously mentioned challenges and entry barriers in the Thai market, Grower's Cup has been making marketing efforts in order to gain foothold. Initially, they have defined their target group as being the Western minded segment including the part of the population who has been abroad either for work, studying or travel, or people with foreign partners. Expats living in Thailand are also included here. Grower's Cup has therefore chosen to market the coffee brewer as a niche-product, and not to target the mass-market. This strategy is somewhat similar to the Danish/European one, as they also here are trying to seek out trendsetters who to some extent can act as ambassadors for the brand. Again, as with the Danish marketing strategy, Grower's Cup is not trying to target people of lower social class, but is aiming instead for the highly educated segment who can see the use of the brewer and who can afford it. The company sees a potential in this market, as there is a couple of million Westerners living in Thailand, and it is the company's conviction, that they want the coffee they are used to from home. When Grower's Cup is competing in the Danish and remaining European market it is because of the product's unique packing and functionality. Because the company's actual product is the coffee brewer, the company feels that there is no chance of adapting the product to a Thai context, as would usually be the method applied when entering foreign markets:

Carsten Lerke-Nielsen:

"Vi kan kun sælge kaffe i Danmark fordi vi har rettighederne til en emballage som ingen andre har, og det er derfor vi kan gå ud og kæmpe mod de store som Nestlé. Ellers havde vi aldrig haft en jordisk chance. Vores produkt er emballagen, altså bryggeren, og derfor kan vi ikke tilpasse vores produkt til den thailandske kultur. Grundlæggende har vi reelt ikke noget valg omkring kulturtilpasning fordi hvad vi egentlig sælger er bryggeren."

Figure 10: Extract from interview with co-owner of Grower's Cup

However, Grower's Cup believes that they can succeed in convincing the Thai population of the high quality of their product, which in the long run will lead to increased sales.

Educational strategy

In order to achieve this, Grower's Cup has divided their preferred distributors in Thailand into two categories: large café chains and individual non-chain cafés. According to co-owner Carsten Lerke-Nielsen, there are approximately 5000 coffee shops in Thailand, an out of these 5000 around 1500 of them belong to some sort of café chain. That means that there is a relatively large market for the individual cafés, which are characterised by private ownership. Therefore, these cafés have big potential for Grower's Cup, as they are competing with large-scale companies and are therefore in need of cooperative partners to help them grow.

The large coffee shops that Grower's Cup is interested in as distributors are targeted from the top. This means that meetings are held with the top management in order to make them see the potential in the coffee brewer. Currently, Grower's Cup has an agreement with a Thai company called True, who has a large chain of coffee shops around the country, and Grower's Cup are the only one of True's suppliers whose products are sold in the shops without commission. This gives True more incentive to sell the brewers as they make money directly through this. However, due to the size of the company, True's employees do not feel the difference between selling the coffee brewer compared to products from other suppliers. An advantage with the non-chain cafés is therefore that the owners here have more motivation to market the brewer if it means a bigger turnover for them as it affects them directly. The big selling point for Grower's Cup when they communicate with potential distributors is that the product does not cannibalise their other products, and that there actually is a great chance of additional sale as the customer actually can buy the brewer and take it home.

The coffee brewer from Grower's Cup is currently present in 130 True cafés in Bangkok (see appendix 1), and True has made the decision to give Grower's Cup completely control with regards to marketing the product in the store, as they admit to having no knowledge of how to handle this type of coffee. For this reason, the company is applying an educational approach in order to capture the attention of the Thai consumers. The educational tactic applied with the True group occurs in sections and extends from the top of the company all the way to the consumer. This way the niche market is handled throughout the system:

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┌─────────────────────────────────────┐
│         Education of CEO            │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│     Education of key employees      │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│  Education of managers and supervisors │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│     Education of coffee shop staff   │
└─────────────────────────────────────┘
                  ↓
┌─────────────────────────────────────┐
│      Education of costumers          │
└─────────────────────────────────────┘
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Figure 11: The educational process

Through this, Grower's Cup seeks to educate their distributors as well as the end-customer in the product and in quality coffee in general. Initially, they educate the CEO of the company, then other key employees, followed by managers and supervisors and finally the staff in the coffee shops. The idea is then for the coffee shop employees to share their knowledge with the customer in order to increase sales. Because of limited resources this educational approach has been decided upon, as it is possible this way to brand the coffee brewer, and in some way 'employ' brand ambassadors. By educating people about quality coffee the hope is that in the long term the trend will spread as more and more people learn about it. Even though it may take longer to establish the brewer in the market by doing this, the educational approach is cheaper than media coverage. Grower's Cup has also chosen not to sell the coffee brewer in Thai supermarkets, as there is no possibility of educating the customers here. Additionally, Grower' Cup has been forced to disregard other target groups such as outdoor, as this segment is just not present in Thailand.

Tea is seen as another way to establish the company name in Thailand, as Grower's Cup also produces a variety of tea brewers. Because tea is a very popular drink in Asia, the tea brewers are supposed to help promote Grower's Cup, because what the company actually sell is the brewer. The content of the brewer can vary, and what they actually have patent rights for is the design and functionality of the brewer. Due to the large amount of tea drinkers in Thailand, Grower's Cup hopes to make a reputation for themselves this way. However, as tea is so commonly consumed in this area of the world, the company is aware that they have to reintroduce tea in some way. Their primary focus here is therefore to emphasise that their tea-products are composite products and therefore something new compared to green, white or black tea.

Compared to Denmark this educational strategy is completely different, as people in Europe already are aware of quality coffee. Here it is sold in the supermarkets where regular people buy it. In Thailand on the other hand, according to Grower's Cup, the trick is to find the niche-segment in the coffee shops and then educate people there. The company goal is to get 250 cafés (out of the 5000) in Thailand to distribute the brewer. In the future they hope also to be able to enter the Malaysian and Singaporean markets with the same objective of 250 cafés.

Chapter III: Methodological framework

To answer our problem statement, we collect data by using both qualitative and the quantitative research methods. The chosen scientific methods contain certain elements that reflect and provide a deeper understanding of the thesis' problem statement. All of the methods that are used in the research for this thesis will be reviewed in the sections below. The validity and reliability in our research will also be considered, together with the degree of objectivity gained when preforming the research.

Research design

This section will give an overview over the research methods used in our dissertation and the strategic choices that were made in the process. The following overview shows how our theoretical choices are connected to the empirical spectre, and how and why this analysis strategy will help us answer the sub-questions:

Sub-questions	Empirical perspective	Method	Theoretical perspective	Purpose
Which societal values characterise Denmark and Thailand, and how does this affect Grower's Cup's marketing strategies?	- Interview with Carsten Nielsen and Ulrik Rasmussen (expert knowledge)	Qualitative interviews	- Modernisation Theory - Maslow's hierarchy - Hofstede's national dimensions	Gain knowledge about Grower's Cup's in an international context and define the differences in needs and values in Denmark and Thailand.
How can the consumer culture and behaviour, with regards to coffee, be characterised in Thailand?	- Interviews with Belle and Carl (coffee consumers in Thailand) - Survey of expats and Thai natives living in Thailand. - Interview with Carsten Nielsen and Ulrik Rasmussen (expert knowledge)	Qualitative interviews Quantitative questionnaire	- Consumer culture theory - Identity construction - Definition of culture Secondary literature: - Country rapport Thailand	Investigate the coffee market in Thailand, and define the cultural consumer differences.
How can Grower's Cup position and market themselves in Thailand to increase their market share?	- Survey of expats and Thai natives living in Thailand - Interviews with Belle and Carl (coffee consumers in Thailand)	Quantitative questionnaire Qualitative interviews	- Customer education Theory - Porter's generic strategies - Blue ocean	Explore Grower's Cup's potential to gain market share in Thailand. Explore how, and with what means, Grower's Cup can establish themselves in a Thai context.

This thesis follows a descriptive research design, for the reason that it is designed to depict the participants in an accurate way without influencing them. By following a descriptive research design, the thesis can acquire a lot of information through description. This will help answering our problem statement by identifying variables and hypothetical constructions, which later on can be researched further with different tools. The descriptive research approach we use is through surveys as the methods being used are interviews and questionnaire where we gain information about a specific topic. The types of surveys we conducted, interviews and questionnaire, will be discussed later in the methodology. In this study, an inductive approach is taken, as new knowledge is generated through collecting of data and systematisation hereof. When taking an inductive standpoint, it is understood that conclusions are drawn on the basis of observations and experiences (Kjørup, 2008). Induction can therefore be argued as a way of generalising, where the logic conclusion is based on empirical data. As we apply a descriptive research design, the inductive approach forms the foundation of this, because we seek to map out cultural differences and provide

marketing solutions on the basis of surveying with regards to quantitative and qualitative research strategies.

The research method is divided up in qualitative and quantitative approaches. Our choice to make use of both methods is based on the belief that greater knowledge will be gained because the limitations of one approach are balanced by the strengths of the other. This guarantees that an understanding is improved by integrating knowledge in different ways. The quantitative data is used to identify issues, and the qualitative approach seeks to support and elaborate on important problems that were found throughout the quantitative study. Taking advantage of both methods supports our overall descriptive research design, as this can utilise elements from both qualitative and quantitative research methods and in this way fulfil the main purpose of the descriptive research design, which is to describe, explain and validate (aect.org, 2001).

Both methods are used to collect descriptive data. The sequential data gathering technique is used, as the collection of the quantitative data is done first, and subsequently be assisted in the development of the qualitative research design. The quantitative research is used to support the epistemological demand that research data should be quantitative in order to be compared across theories (Kvale, 2003). By taking advantage of the interaction between the qualitative and quantitative approach, the thesis will provide more precise, objective and valid results.

Scientific method

The scientific methods applied in this study are characterised through an interpretative viewpoint, as we deal with collected empirical data, which we analyse with our own pre-understandings and worldview. Furthermore, we consider individual knowledge and pre-assumptions as a strength in this context, as the aim of the study is to explore cultural differences through consumer behaviour. An interpretive approach will provide us with an understanding of the varieties that exist in the consumer coffee culture as we seek to enter the worldview of Grower's Cup and the respondents.

Hermeneutics & phenomenological approach

In this study, a hermeneutic and phenomenological perspective will be taken as these define the core of the scientific method as being interpretative (Pahuus, 2008). As the humanistic science looks for a deeper understanding of human activities, hermeneutics are considered essential when

dealing with consumer behaviour, as the hermeneutic tradition can be explained as the theory of interpretation (Kjørup, 2008). How a text is understood can be through hermeneutic consideration, and how a message is understood in a communication process is pivotal for the interpretation of different statements. The hermeneutic approach is also found relevant with regards to the intercultural marketing aspect, as the hermeneutic viewpoint describe humans as thinking and opinion-forming beings. The existential hermeneutics based on the empirical practice, reject traditional hermeneutics by viewing the human being as having undeniable comprehensions, and it is therefore not possible to address a matter without implicating your own renderings. Respectively, objectivity exists based on the premises of subjectivity (Pahuus, 2008).

Hermeneutics are in this study applied with an ontological view, as humans are understood as being interpretative. Methodologically, the interpretation of a phenomenon takes places when moving between components and entity: in order to understand the various components, they have to be considered in relation to the context in which they exist. At the same time, it is only possible to understand the contextual setting from the components. The components and the entity that constitute a phenomenon are therefore dependent on each other (Jacobsen, Lippert-Rasmussen & Nedergaard, 2012). For this reason, our worldview has a certain pre-understanding when interpreting phenomena. Every new understanding of a phenomenon is a surpassing of a previous understanding, which entails that something unfamiliar becomes known and a new horizon of experience is constituted. This can again be revised with new understandings, and the process is often viewed as eternal (Jacobsen et al., 2012). When encountering an unfamiliar context, this is put in relation to the interpreter's own pre-assumptions, and is slowly integrated when going inside the phenomenon's horizon, and a fusion of horizons occurs.

With regards to this study, hermeneutics are applied in the sense that we have pre-understandings of the Thai-culture as well as assumptions about how to strategize a company's marketing efforts. In our investigation we will acknowledge these pre-understandings and include them in our findings with the aim to establish a new horizon of understanding. This also includes our respondents in our qualitative and quantitative research. The pre-understandings that our respondents have, makes it impossible for them provide a 100% objective interpretation of the research subject, because of their subjective attitude which will influence their replies. This will be discussed further in the section about our research approach.

Social constructivism

The term constructivism covers various areas of philosophical traditions, and initially it is important to distinguish between epistemological and ontological constructivism. Epistemologically, the constructivist approach sees our realisation of the world as socially constructed. This means, that the realisation itself is shaped by a social context rather than within itself. The ontological perspective on the other hand claims that the actual reality is a construction. In this study, a mix of the two mentioned constructivist views will be applied, as it can be argued that epistemology constitutes ontology: If our perception of the world is shaped by social circumstances, and if this perception reflects or corresponds with reality, then reality must be shaped by social circumstances. Reality in itself is therefore a social construction (Jacobsen et al., 2012).

Within the worldview of social constructivism is anti-realism, which represents the idea that reality does not exist independently of experiences and understandings (Larsen & Pedersen, 2011). An anti-realistic perspective is also fundamental in this study, as anti-realism perceives objectiveness a humanly created. This way, phenomena exist dependently of the human consciousness (Klausen, 2005). Objectivity can therefore be aligned with the concept of inter-subjectivity, which denotes that a matter is objective, if a sufficient amount of people can agree on it. The anti-realistic objectiveness is therefore a product of consensus in a social community. This makes anti-realism suitable in terms of analysing consumer behaviour in Thailand as attitudes and habits with regards to coffee consumption not can be assessed in an objective context.

The philosophy of social constructivism is as earlier mentioned build on how something is socially constructed based on what each individual perceive (Burr, 1995). Each individual perceives the world differently, and construct their own reality based on their own experiences. The real world is therefore different for everyone (Burr, 1995). Social constructions develop a truth, and descriptions of this actual truth are maintained socially (Sonne-Regans, 2012). Accordingly, it is the social context that influences construction of reality, including cultural and historical background. For example, Westerners can have a different reality about the role of consumption of food and drinks in their society than for example Asian people who may not have the same behaviour and access towards food and drinks. In this case, people's historical and cultural background plays an important part in what perception they have.

Since social constructivism is, among other things, concerned with investigating what is regarded as undisguised and natural behaviour, this scientific theory is found relevant in researching this thesis' problem statement since a part of the purpose is to revile Grower's Cup approach in the Thai marked and how consumers in Bangkok perceive the product. Individuals develop their own perception of reality based on their frame of understanding that is a result of culture and historical past. Therefore, we are aware that the interview objects in this investigation, have their own perception of reality based on their cultural and historical background, and that this can influence their opinions and behaviour on our research subject.

Additionally, another aspect to be aware of is the problem of induction, where the issue is whether inductive reasoning leads to justifiable knowledge. When making generalisations about a number of observations it is presupposed that a sequence of events will occur similarly in the future (Kjørup, 2008). Therefore, it is not possible to make 100% theoretically proven generalisations and conclusions, as all occurrences of a phenomenon cannot be observed. Uncertainty will consequently always be present because future observations may contradict the initial ones. With this in mind, we acknowledge that the inductive tradition is not able to provide us with conclusive answers. However, because our empirically collected data is supported by theoretical factors, and due to the amount of answers in the questionnaire, we rely on the anti-realist objectivity which can be aligned with inter-subjectivity, where objectivity is created through consensus in a social community.

Our scientific standpoint will therefore assist in analysing collected data viewing it through social constructivism when interpreting and understanding information. The knowledge production process with regards to our problem statement and the sub-questions will therefore recognize our own perception of reality as well as our respondents constructed reality.

Consequently, in our knowledge production we are aware, that positivistic objectivism is not reachable, and we strive to base our results on hermeneutical and constructivist objectivity where pre-understandings and social construction of reality define the research process and the outcome. Therefore, we recognise the interview objects' and questionnaire respondents' individual subjectivity and incorporate this in our process of knowledge production.

Qualitative research

The qualitative research design is used to gain a deeper understanding and knowledge about Grower's Cup and their market strategy, but also about Thai consumer behaviour. A qualitative research is carried out during a relative short period of time, but gives a deeper understanding of the subject that is being researched. Another advantage when using the qualitative research method is that you have access to better see the respondent's behaviour, reactions and expressions, than in a quantitative research (Kvale & Brinkmann, 2009).

We chose to conduct four qualitative interviews with four different interview objects. The interview objects were Carsten Lerke-Nielsen (co-owner of Growers Cup), Ulrik Rasmussen (CEO of Growers Cup), Belle Kannicha (Thai native living in Bangkok) and Carl Andersen (expat living in Bangkok). We developed the interview by using the non-controllable style. This helped the interview to be more flexible and the interview objects could control the conversation on the subjects they were asked about. The purpose of the interviews was not to find a solution to the problem, but rather to gain knowledge about different views and reactions concerning Grower's Cup's products in Thailand. We chose to use the semi-structured lifeworld interview. This interview style benefits our thesis more than other styles as it provides us with room for unplanned discussion, which contributes to related results that we might not have considered beforehand. The decision was made based on the phenomenological approach that is used in the semi-structured lifeworld interview. Shortly explained, the focus in this investigation is on creating an understanding about social phenomena from the interview objects' own perspectives, which also relates to the applied social constructivism. We wanted to understand our topic from the interview objects' view; the meaning of their experiences and for them to explain the phenomena as they see them. As previously mentioned, the world is explained as it is experienced through the reality of what people perceive (Kvale & Brinkmann, 2009). By continuing this constructivist mind-set to our qualitative research, we will gain a deeper understanding and access to the coffee culture in Thailand and the consumers' perspective on Grower's Cup.

The interviews with Ulrik Rasmussen and Carsten Lerke-Nielsen were conducted via Skype. However, the interviews with the consumers (expat and Thai native) were conducted person-to-person. The reason for this is that we wanted to present the product to them in order for them to not

only see it, but also taste the coffee and experience how the brewer works. This helped us to gain more in-depth answers about the taste, packaging etc. The interviews where done in a relaxed setting, where the respondents could feel at ease and take their time to experience the product first-hand. Before the interview we presented the product and the subject of the thesis, as well as notifying them that the interview would be recorded. The degree of confidentiality was reviewed and the respondents were informed about the purpose of the interview and what was expected of them. Lastly, we gave the respondents the opportunity to ask questions before the interview started. We chose to do this, to decrease the chances for misunderstandings. The interview questions were adjusted in advanced, so that they fit with the respondents' vocabulary. We excluded technical terms in the questions, to increase the risk of misunderstandings that could lead the respondents to not answers what they actually were asked. The questions were developed with a direct language so that the respondents were led on the right track related to the research's problem statement (see appendix 1).

When conducting a lifeworld interview, we wanted, based on the respondents' own everyday perspective, to increase our understanding of the respondents' attitude and behaviour towards Thai coffee culture and Growers Cup's products. As Kvale & Brinkmann (2009) states, this type of interview is almost as an everyday conversation, but with a professional purpose and a distinct approach and technic (Kvale & Brinkmann, 2009). That is why Kvale & Brinkmann (2009) state that it is *almost* an everyday-conversation, because there is a specific interview guide, which more or less has to be followed. There was room for adjustments and adding questions during the interview, which made the respondents free to answer as they pleased. This method is essential to gain a natural flow in the interview process, and in that way collect as much information as possible about the respondents' perception about the subject. In concluding the interview process, we had a short de-briefing to sum up what had been discussed, to confirm that everything was correctly understood. The interview objects also got the chance to add something if they felt they did not express themselves the right way.

Quantitative research

The quantitative approach applied to collect data for this thesis is by using a questionnaire. With a questionnaire as a methodical research approach, we will reach a broad representative selection of

respondents. When we reach a great amount of respondents, we also increase the generality of each point of view. Each reply will be used as a guideline to define Thai consumers' behaviour and attitude towards quality coffee, and the collected data will therefore help us gain an understanding of this subject. This helps us in determining which questions and topics that are relevant to further research in our qualitative methodical approach. The questionnaire was sent out to the respondents and subsequently incorporated in the thesis. By doing this, we use the hermeneutical circle in practice as we apply individual components in a greater context.

Sampling design

As it is impossible to study the whole population in Thailand, we used samples to gather the data we needed. Selecting the sample is an important part in the descriptive research design that this thesis follows, and will therefore be accounted for. The sampling design we used is a non-probability sampling technique called snowball sampling. This sampling technique is effective in our research, because it helps us reach out to members of our target group who could be difficult to get in touch with as we have a limited amount of contacts in Thailand. Our target group is individuals living in Thailand, both Thai natives and expats, which we targeted through several personal contacts who we relied on to help to locate more respondents. In this manner, we used the snowball sampling technique in practise. Even though our target group has no restrictions when it comes to gender, age, education etc., we still added these factual questions in our questionnaire. The reason for this is in case a tendency appears between for example male and female, age groups etc.

Questionnaire

The questionnaire is developed in Google Survey, which offers designs and constructions of online questionnaire, in addition to a graphical presentation of the results. Since we exclusively wanted replies from consumers in Thailand, we found that an online questionnaire was the best way to reach out to this group of respondents. We contacted different business schools in Bangkok that helped us share the questionnaire, as well as other personal contacts. As a result, we managed to send out about 250 questionnaires, and collect 136 answers. This gives us a return rate of 54,4 %, which is considered adequate. The questionnaire was divided into two parts: initially the questions covered quality coffee and the consumers' attitude towards coffee, and lastly questions about Grower's Cup's coffee brewer was asked (see appendix 2).

The questions

The questionnaire consists of 18 questions. The reason for this was that previous experience showed that too many questions increase the chance of random answers from the respondents. We wanted to avoid the boredom bias by decreasing the amount of questions and make them more specific. How the respondents could answer the questions varied from open-ended questions, multiple choice to the use of a scale from 1 to 10. The questions were divided by factual, cognitive and attitudinal questions (samfnuwebsite.systime.dk). The questionnaire started with factual questions about the respondent's gender, age and education. This was because we needed information about our respondents' social background for later analysis of the existing patterns and categorising of the answers. Afterwards, we applied cognitive questions, where we asked for the respondent's knowledge and experience. Since these types of questions can cause hesitation among the respondents and in that way not give a correct answer, we only applied this method when we asked about their familiarity with Grower's Cup. The last and third type of question we used was the attitudinal questions. Here we wanted to gain knowledge about for example the respondent's attitude towards Grower's Cup's product. To do this we introduced a short video about the essence of Grower's Cup's product and vision and then asked the respondents for their opinion:
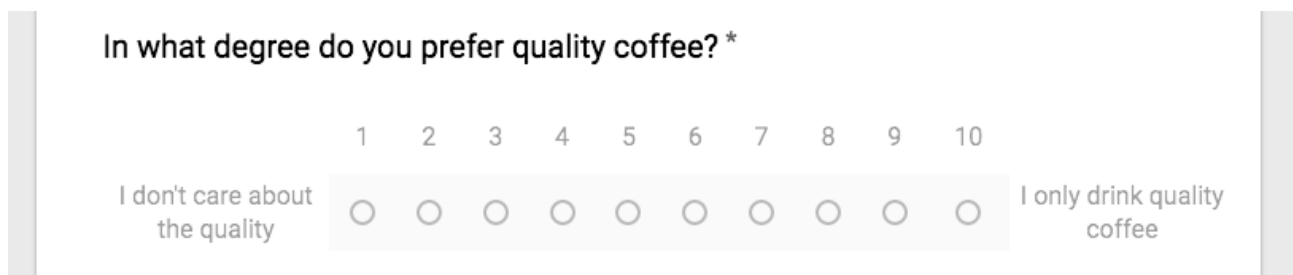

Figure 12: Screenshot from questionnaire

By using this method, we got the chance to analyse the different attitudes that the Thai consumers have and compare them to the different social background variables. When developing the questions, we were careful to formulate them neutrally, and not in an inclinational way so that the respondent would give a specific answer. For example, we decided to ask, *"After watching this video, what is your opinion about Grower's Cup"* and not *"After watching this video, do you think Grower's Cup offers a good product?"*

The answers

The different ways to answer the questions were considered in accordance with how we could achieve the most precise and balanced answers for the data processing later on. For example was the scale used when we wanted to know to what extent the consumers prefer quality coffee:

In what degree do you prefer quality coffee? *

	1	2	3	4	5	6	7	8	9	10	
I don't care about the quality	○	○	○	○	○	○	○	○	○	○	I only drink quality coffee

Figure 13: Screenshot from questionnaire

This method is also called a likert response scale, which measures the answers on an interval level (socialresearchmethods.net, 2006). This method is often used for questions that ask for the respondent's opinions as our question above. We also used open answer questions where the respondents had the opportunity to write their own responses. This choice had a positive outcome, as some of the respondents gave more elaborate answers than what we would have gained if the question had multiple-choice answers. The possibility to answer more than one alternative was also present in the questionnaire in several of our questions. By giving this opportunity, we wanted the respondents to answer more truthfully than what they would do, if they could only choose one alternative.

Validity and reliability

In the research process, we are looking for accordance between the theoretical and empirical framework. Furthermore, it is in our interest that the collected data is reliable and sufficient. In this

context, the term validity covers the results relevance, and the term reliability describes how precise our results are measured, and whether the results are affected by chance (Andersen, 2009).

Heldbjerg (2003) introduces 8 criteria to insure the data collection; 4 criteria in quantitative and 4 criteria in qualitative research. We will describe how we have used these criteria to validate our data collection as presented in the model below:

Quantitative research	Qualitative research
Internal validity	Credibility
External validity	Transferability
Reliability	Dependability
Objectivity	Conformability

Figure 14: Heldbjerg's criteria

Initially, when dealing with qualitative research, Heldbjerg's (2003) four validity criteria are applicable to ensure valid results. *Credibility* is the first of the criterion and deals with how to certify that the outcome of the data is credible (Heldbjerg, 2003). To ensure credibility, the interviews conducted for this thesis were recorded, and notes were taken. Moreover, to make sure that the interpretation of the interview objects' words and opinions were correct, a debriefing was held after the interviews. Additionally, follow-up and clarification questions were asked during the interviews to further improve the validity. Having the interview objects confirm their responses increased the data credibility. The data is also found credible, as coherence exists between the applied literature and the data collected through the interviews. The second of Heldbjerg's (2003) criterion is *transferability*. This refers to how data and its outcome can be transferred to similar contexts (Heldbjerg, 2003). In this study, transferability was ensured as several interviews were conducted. However, because the outcome is based on the subjective opinions of the individuals,

and our interpretations, a different outcome can occur if the interviews were conducted again with different respondents and by different interviewers. Thirdly, Heldbjerg (2003) defines *dependability* as the measurement and methods used for collecting data, and the validity of these (Heldbjerg, 2003). In this research, using a partially open structure in the interviews ensured dependability. When doing this, the respondents had the option to elaborate on their statements, and as the interviews were semi-structured the course of the process were not based on our own expectations of the results. Heldbjerg's (2003) fourth validity criterion is *confirmability,* which secures that bias is avoided. As we work from a hermeneutic and constructivist perspective, our own social and cultural background affects the primary data. These pre-understandings were necessary to comprehend the investigated phenomena, because these shape our interpretations and contribute to the knowledge production process.

When dealing with quantitative data collection, Heldbjerg (2003) also states four factors, which assist in ensuring validity. The first two, *internal* and *external validity,* deal with the validity of the investigation and whether it is possible to make generalisations (Heldbjerg, 2003). As our respondent group consisted of 136 individuals, the internal validity is secured. Because of this relative large size of answers, it is possible to draw conclusions from the collected data. However, it is not possible to generalise our data collection 100% as the amount of respondents are not equally divided into the different categories, which also decreases the external validity to some extent. The third factor of quantitative validity has to do with *reliability.* In this study the questionnaire was sent to respondents who have an immediate relation to Bangkok. This could have contributed to influence our results, in contrast to if more respondents outside of Bangkok answered the questionnaire. Another criticisable point is that over 80% of our respondents have either a bachelor's or master's degree. If our respondents have had more varied educational backgrounds, this would affect our results. All of the mentioned factors contribute to decrease the amount of reliability in our data collection. *Objectivity* is Heldbjerg's (2003) final criterion for quantitative research. Since we base our thesis on the hermeneutic and social constructivist traditions, we dissociate ourselves from the positivistic neutrality. We recognize our pre-understandings and assumptions as part of our interpretation and analysis of the collected data. On the basis of this, we do not strive to obtain 100% general objectivity.

Chapter IV: Theoretical framework

This section will provide an overview of the theories used in the analysis, which also will create the basis of the research. The theory section will be divided into three parts; consumer behaviour, modernisation theory and customer education theory.

The first part will focus on the modernisation theory of Ronald Inglehart. To outline this theoretical part, Maslow's hierarchy of needs as well as Geert Hofstede's dimensions of national culture will be presented in the context of modernisation. This theoretical perspective is chosen with the aim to establish Denmark and Thailand as having different cultural values, but also with the intention to determine Grower's Cup's position and potential in the Thai market. In the second section, consumer culture theory will be discussed by using Arnould & Thompson's consumer culture theory (2005). To support the theory, the term *culture* will be defined as well as terms within the field of consumer attitude and behaviour and decision-making. This specific perspective of consumer culture theory is chosen to enable a thorough investigation of the coffee market in Thailand, with the goal to define the cultural consumer differences compared to a Western context. The third theory section will deal with customer education theory. Initially, the section will have a brief overview of Porter's generic strategies and blue ocean strategy, and finally current theories of customer education will be presented. These theories are chosen to help us explore how, and with what means, Grower's Cup can establish themselves in a Thai context.

Modernisation theory

Maslow

The Hierarchy of Needs Theory of Abraham Maslow from 1943 is one of the world's best-known behavioural theories. The theory is commonly applied in motivational and psychological contexts as it deals with human developmental psychology focusing on describing the stages of human growth. However, for this study, Maslow's perspective will be included with the intention to support theories of modernisation and postmodernisation and emphasise the human needs and values behind modern and postmodern societies.

Maslow defines five human needs that are often visualised in the shape of a pyramid with the largest, most fundamental levels of needs at the bottom and the need for self-actualisation at the top. The hierarchy consists of five needs:
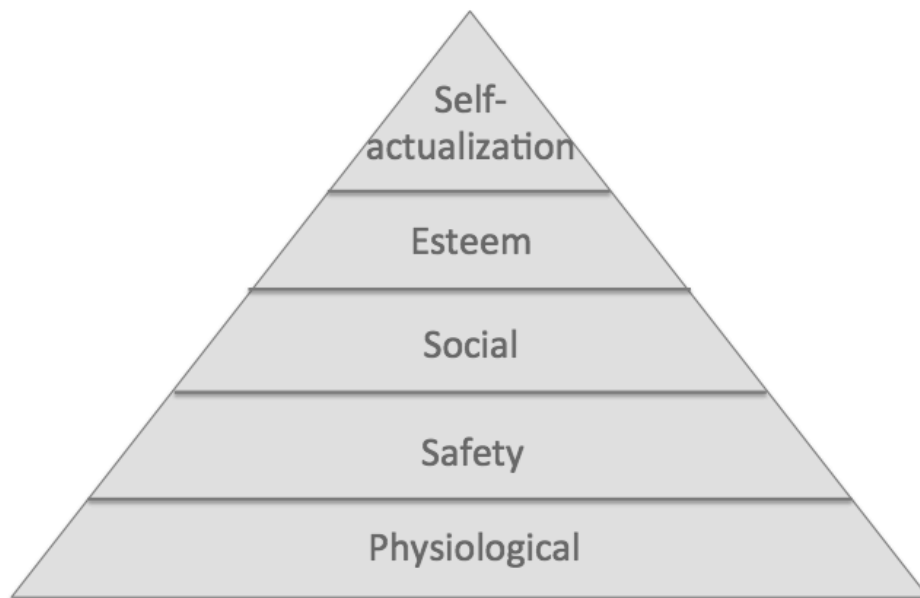

Figure 15: Maslow's hierarchy of needs

Although no need is ever fully gratified, the pyramid portrays how when each need becomes substantially satisfied, the next one becomes dominant (Robbins, S. P. & Judge, T.A., 2013).

The five-stage model can be divided into basic needs, also called deficiency needs, including the first four needs. Self-actualisation can be characterised as growth needs. The deficiency needs are said to motivate people when they are unmet, as the need to fulfil these needs will become stronger the longer they are denied: the longer a person goes without food the hungrier they will become (simplypsychology.org, 2016). The lower-level needs must be satisfied before progressing to meet higher level needs and the growth needs. The theory states, that everyone is capable and has the desire to move up the hierarchy toward self-actualisation, however, failure to meet lower-level needs often disrupt the progress. Self-actualisation is the final stage and refers to the need for personal growth, and according to Maslow, individuals are always 'becoming' and never remains static in this context (simplypsychology.org, 2016).

Hofstede

A highly referenced approach to analysing cultural variations was carried out in the late 1970s by Geert Hofstede. IBM employees in 40 countries were interviewed about their work-related values, and it was discovered that these vary on five value dimensions of national culture (Robbins, S. P. & Judge, T.A., 2013). Hofstede's theoretical approach is included in this study to help define Denmark and Thailand's cultural values with the purpose of placing them in a modern and a postmodern context respectively. The dimensions are *power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance* and *long-term versus short-term orientation.* Power distance expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. For example, a culture with a large degree of power distance accept a hierarchical order where low power distance cultures seek to equalise the distribution of power. Individualism represents the preference for a loosely-knit social framework in which individuals are expected to take care of themselves, in contradiction to collectivism where in-group relations are highly valued. The masculine dimension has to do with achievements and material rewards for success whereas the feminine dimension is centred around more soft values. Uncertainty avoidance expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity – should the future be controlled or should it just happen. Finally, the long-term versus short-term orientation says something about a culture's preference towards maintaining time-honoured traditions and norms in contrast to a more pragmatic approach encouraging preparations for the future (geert-hofstede.com). In 2010 a sixth dimension was added called *indulgence versus restraint* characterising the degree to which societies tend to allow relatively free gratification of natural human desires related to enjoying life and having fun versus the belief that such gratification needs to be regulated by norms (geert-hofstede.com).

On the following chart it is illustrated how the values in Hofstede's dimensions differ significantly when comparing Denmark and Thailand. This means that the internal national value systems vary to a great extent, and that it is something that must be considered when working cross-culturally in a business context:

Denmark
In comparison with Thailand
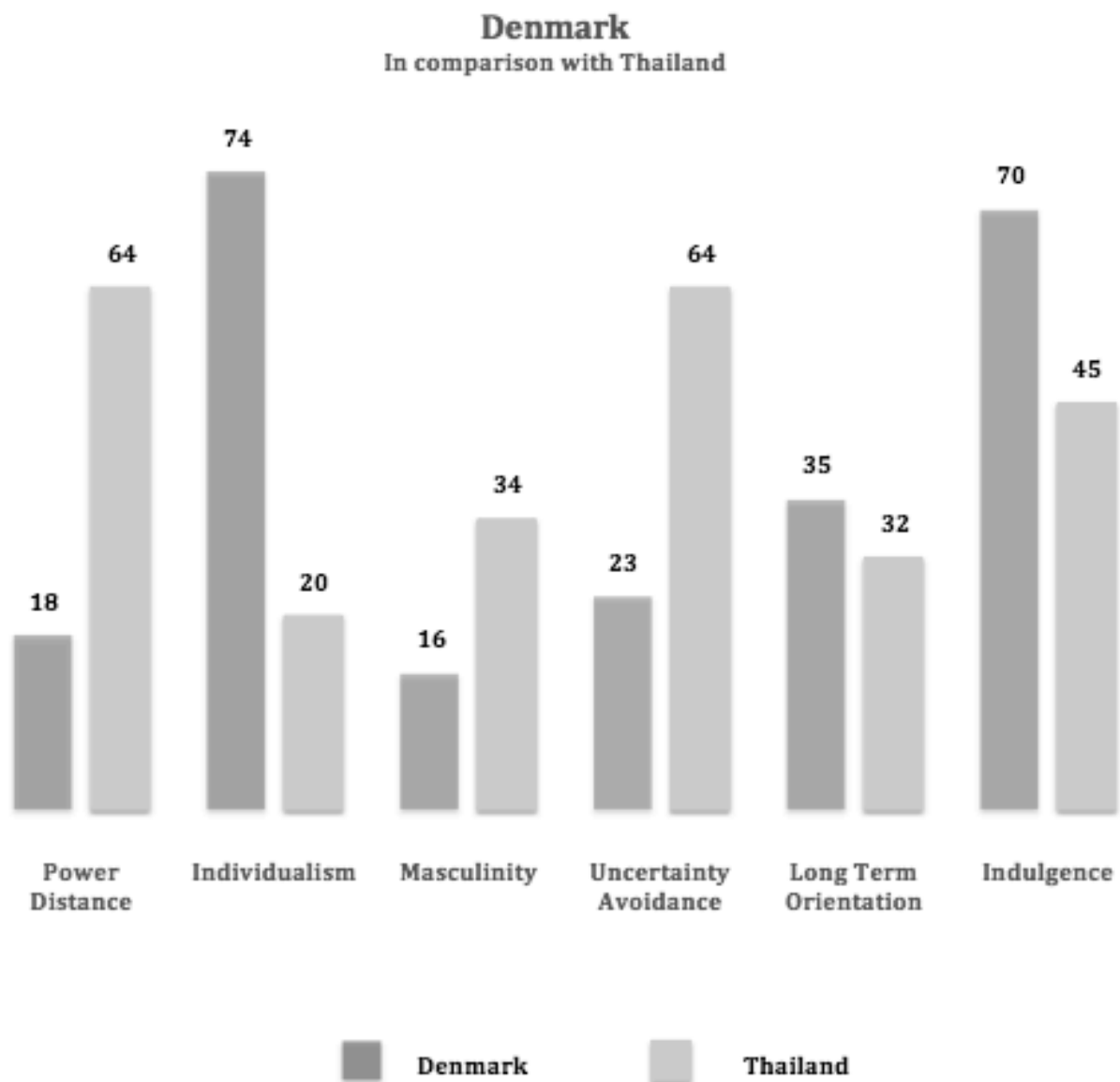
Figure 16: Hofstede's cultural assessment of Denmark and Thailand

In accordance with Hofstede's dimensions, the hierarchy of needs-theory aligns with different cultural perspectives, as cultures with strong uncertainty-avoidance will have security needs on top of the pyramid. At the same time, countries with a high score on nurturing characteristics, such as Denmark for example, will have social needs on top (Robbins, S. P. & Judge, T.A., 2013).

Inglehart

The World Values Survey is a global research project that explores people's values and beliefs, and how they change over time and to which degree these values impact socially and politically. It is

carried out by a worldwide network of social scientists who since 1981 have conducted national surveys in almost 100 countries (worldvaluessurvey.org). In these surveys the same questions are asked throughout the world, and is made in 'waves' representing five years of history. Currently the 7th wave is being planned and is expected to be conducted worldwide in 2016-2018.

Ronald Inglehart, political scientist and director of the World Values Survey, puts forward three societal types on the basis of the conducted surveys, with which culture and values are connected. The three types of societies are traditional, modern/industrial and postmodern/post-industrial. The traditional society has social structures relating to family orientation and is typically found in agricultural settings. It is a collectivistic culture centred on the family in which there is a strong co-dependency both of economic and social nature. The individual is subordinated to the community, and there is a high degree of outgroup distrust. Traditional societies have no-growth economies and are typically found in developing countries (Inglehart, 1997). The modern societies are dominated by industry and standardised mass production. The bureaucracy is the primary way of thinking, in contrast to the collectivistic traditional society. Economic growth and scarcity is characterising for this societal type along with values such as materialism, the belief in science and secularisation (Inglehart, 1997). Finally, the postmodern society is made up of social structures dominated by the service sector. In a business perspective we here have flat organisations, and HR-management is highly valued. Production is flexible and the work is no longer manual but based on the thought-process. A higher awareness of the human mind as a resource and the importance of welfare exist. Affluence and security reflect the economic situation, and central value orientations are the rejection of authority, life style fragmentation, emancipation of gays, CSR, ecology, non-institutional religiosity and a general revalorisation of tradition (Inglehart, 1997). Challenging ourselves and to have a job with room for self-expression is important in the postmodern society, and materialism is no longer dominant. Because the material elements are attended to, new values to strive towards are being created. This can be explained through the term post-materialistic.

Inglehart's analysis of the data collected with the World Values Survey has resulted in his modernisation theory and cultural mapping of the world. The modernisation theory describes how the industrial revolution marks a radical shift defined as modernisation. Along with the industrial advancement the traditional agricultural society transitions to a modern and urban society. A cultural shift is therefore happening. Overlap exists within these cultural shifts, and there is many to

discover in the shift between the modern and the postmodern, as Inglehart (1997) explains that these to societal types does not have big variations. Inglehart (1997) believes that postmodernism is an evolvement of modernism and not so much a radical shift to a new society as the industrial aspects still characterises the postmodern world, it is simply a different value system that is present (Inglehart, 1997). The modernisation and postmodernisation theory is based on Maslow's hierarchy of needs theory as it is determined how humans moves from focusing on survival values to self-actualisation values. From the moment that the material needs are satisfied people have the freedom to think about other needs, which entails values of self-realisation.

Global cultural map

Modernisation theorists have argued that the rise of the industrial society is linked with coherent cultural shifts away from traditional value systems. Distinctive cultural zones exist and each of them has major social and political consequences helping shape important internal phenomena. In cross-cultural variations, societies differ in the extent to which they emphasise survival values or self-expression values, and cultures that put importance to the latter are more likely to be democracies than societies with a high degree of survival values. Because economic development brings a gradual shift from survival values to self-expression values, richer societies are more likely to be democracies (Inglehart, 2000).

Using data from the waves of the World Values Survey, Inglehart (2000) defines how economic development seems to be linked with a syndrome of predictable changes away from absolute social norms and toward increasingly rational, tolerant, trusting, and postmodern values. Furthermore, it is found that the worldviews of people in rich societies differ systematically from those of low-income societies including a wide range of political, social, and religious norms and beliefs. Additionally, the fact that a given society was historically Protestant, Orthodox, Islamic or Confusian gives rise to cultural zones with highly distinctive value systems that persist (Inglehart, 2000). With the data from the World Values Survey, a factor analysis reveals two main dimensions that to a great extent can explain the cross-cultural variations. The two dimensions reflect cross-national polarisation between traditional versus secular-rational orientations toward authority and survival versus self-expression values. These dimensions made it possible for Inglehart (2000) to plot each society's location on a global cultural map:
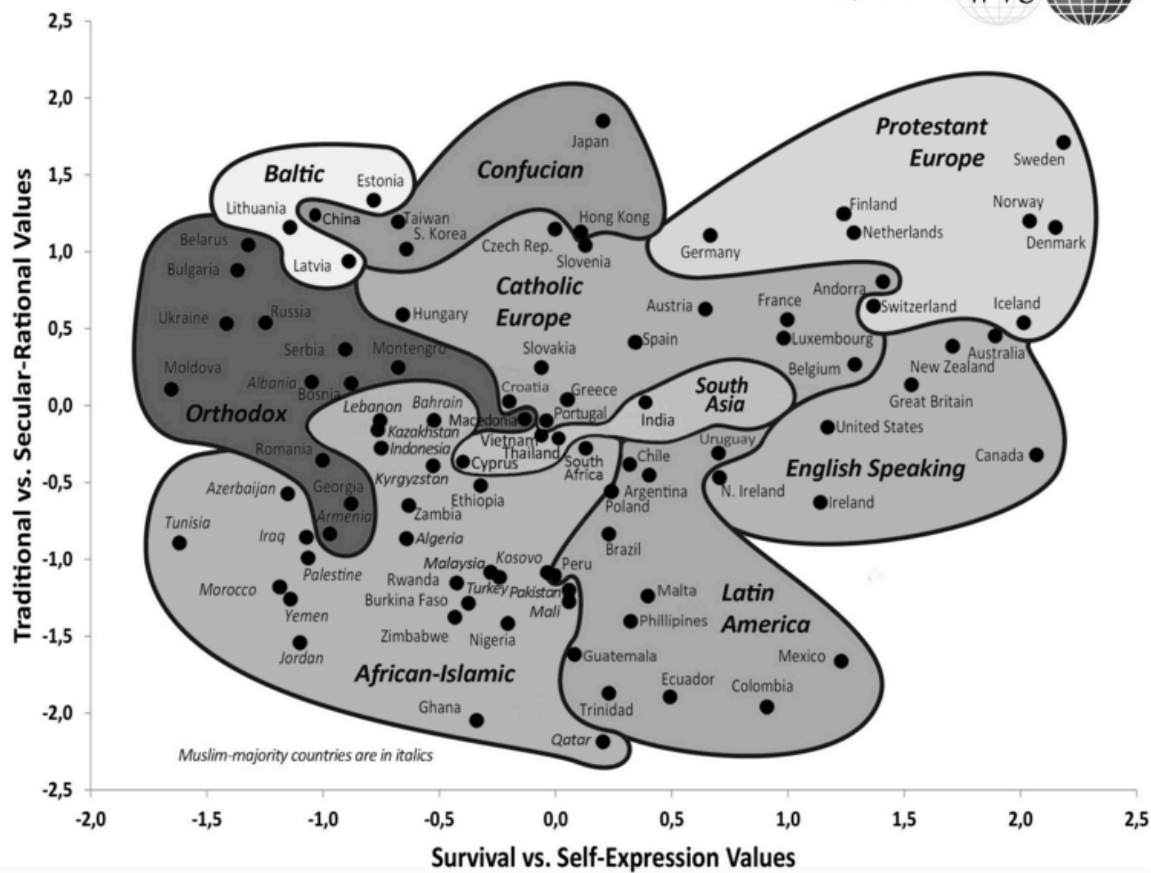
Figure 17: Inglehart's global cultural map

This cultural map is built on data from wave 6 of the World Values Survey from 2010-2014 (worldvaluessurvey.org). The traditional/secular-rational dimension reflects the contrast between societies in which religion is very important and those in which it is not. Moreover, it includes the emphasis on the importance of family ties, deference to authority, emphasis on consensus over confrontation and other aspects related to these factors. Societies at the traditional pole emphasise religion, traditional family values and social conformity rather than individualistic achievement. Societies with secular-rational values have the opposite preferences on all these topics (Inglehart, 2000). On the other axis the survival versus self-expression values are shown, and these involve the themes that characterise postindustrial societies. One of the central components here are the polarisation between materialist and postmaterialist values. This reflects the intergenerational shift from emphasis on economic and physical security toward increasing emphasis on self-expression, subjective well-being, and quality of life (Inglehart, 1997). Societies that emphasises survival

values show relatively low levels of subjective well-being, report relatively poor health, are low on interpersonal trust, and are relatively intolerant toward outgroups. Societies with a greater emphasis on self-expression values tend to have the opposite preferences on these issues (Inglehart, 2000). The cultural map visualises the connection between economic development (industrialisation and economic growth) and alteration of values. Developing countries are primarily located in the bottom of the map as they have strong traditional values such as family and religion. Most of the wealthy industrial countries are located in the top right corner with postmodern values like self-realisation and postmaterialism, and poor industrial countries are to be found in the top left corner having mainly material survival values.

When applying Inglehart's modernisation theory and the cultural map it is important to have in mind that this analysis is highly generalising and does not consider the complexity linked to the individual countries. An example of this could be the United States where both postmodern and modern values exist due to the size of the country but also because of its multi-ethnic and –cultural construction. Moreover, it is important to remember that the modernisation theory is not linear. Developing countries cannot be assumed to exist in what we know as the Middle Ages as they have a different basis of technology than what existed in the Western Middle Ages.

Consumer Behaviour

Consumer attitude and behaviour is an advanced and widely discussed field. However, to understand different markets and segments, it is important for researches to get an understanding of not only why consumers choose the products they do, but more importantly how, and in which situations, they choose to consume and purchase (Blackwell, Miniard & Engel, 2001). Even though the study of consumers is a broadly researched subject, it can be defined very specific as a study of psychological, social and physical actions when people buy, use and dispose products, services, ideas and practices (Solomon, 2006; Blackwell et al., 2001; Peter & Olson, 2008).

A consumer's behaviour can consist of internal factors such as feelings, experiences, culture, ideas and actions, but also external factors like ads, recommendations and prices. The consumer's perception of these factors, whether as an individual or in a group, is inconsistent, which makes consumer behaviour a dynamic process (Peter & Olson, 2008). Although researcher can analyse the

process of consumers' behaviours by observing them, 95 % of the thought, emotion, and learning (that drive our purchase) occur in the unconscious mind – that is without our awareness (Armstrong & Kotler, 2005).

This section about consumer behaviour will present the theories and frameworks that are used in the analytical framework to investigate the behaviour of Thai consumers. The theories will also, later in the analysis, help reveal which underlying factors that influence the behaviour and attitude of Thai consumers, compared to Danish consumers, when it comes to the coffee market. Firstly, Arnould and Thompson's consumer culture theory (2005), here after referred to as CCT, will be introduced and argued for. CCT emphasises the importance of a dynamic relationship between consumer's experiences, the marketplace and different cultural meanings with the symbolic value of brand consumption (Arnould & Thompson, 2005). CCT will be used as an approach to the study of consumers and consumption and will in the thesis be used to define the cultural consumer differences and investigate the influencing factors in Thai consumer behaviour. Identity construction is introduced as a part of the CCT with the purpose of analysing if the pursuit for identity construction has the ability to transform the Thai consumers into consumers with postmodern European needs and desires, and how this transformation can benefit Grower's Cup. The term *culture* will then be defined, as an extension of CCT and will operate as an additional support for explaining Thai consumers' behaviour and attitude towards the coffee market in Thailand. Lastly, the decision-making theory will be introduced, which in the analysis will determine which factors are influencing the Thai consumers when buying coffee.

Consumer Culture Theory

The consumer culture theory (CCT), introduced by Arnould and Thompson (2005), refers to a common family of theoretical perspectives, which all try to explain the dynamic relationship between how consumers act, the specific marketplace and the cultural meanings (Annamma & Li, 2012). CCT will provide this thesis with a *distributed view of cultural meaning* (Hannerz, 1992) created by social and cultural forces. Even more relevant, CCT emerges from particular socio-economic systems with the impact of market globalisation. This will give insights in our investigation of the influencing factors in the development of Thai consumers.

Culture is complex and should therefore not be viewed as a homogenous system of shared meanings and unifying values that are shaped by members. However, culture should be viewed as a

heterogeneous sharing of meanings (Arnould & Thompson, 2005). In this thesis, we will use this definition of cultural theory to understand the Asian consumer and their behaviour towards the coffee market in Thailand. Arnould & Thompson (2005) also stress the connections between social resources and lived culture, and the meaningful way of life and the different kind of resources, both material and symbolic, on which the consumers depend. This is especially important when investigating a Thai market, where class differences play a big role in the society, which we will come back to when elaborating the Asian culture. When researching consumer consumption, Arnould & Thompson (2005) divided the theory in four thematic domains of research; consumer identity projects, marketplace cultures, the socio-historic patterning of consumption and mass-mediated marketplace ideologies and consumers' interpretive strategies (Annamma & Li, 2012). In researching the Thai consumers growing relationship with quality coffee, we will focus on the part of CTT dealing with consumer identity projects. Constructing an identity through consumption is a widely shared topic by anthropologist, sociologist and CTT researchers all over the world. Generally, they focus on definitions and especially extensions of the self (Ahuvia, 2005). The relationship between consumers and their products, such as quality-brewed coffee, can according to Belk (1988) be viewed as an extension of the self.

Looking at a global consumer culture and identity construction at macro level, Dong & Tian (2009) stress how Asian consumers use Western brands to defend their competing versions of Asian national identity. In this case, Western brands are used as symbols of democratisation (Annamma & Li, 2012). Moreover, Belk, Ger & Askegaard (2003), take CTT further and extend two further claims to the theory. It is especially the first claim; *consumption resolves tensions between the pursuit of pleasure and morality* that is interesting to look further into. This statement indicates that the choices the consumers are making are combining results of their satisfying a personal pleasure with maintaining their moral level. Morality is closely linked to culture, and this will therefore be discussed further when we introduce Thai culture and consumer behaviour. Some theorists claim that the mass-media is a great influence on which identity consumers choose to construct. When it comes to the Asian market, advertisers tend to move towards a European look in their marketing by using European models, the English language and European culture. But how is this an influencing factor for changing the lifestyle and identity of Asian consumers choose? Will this pursuit for identity change the Asian consumer into a consumer with postmodern European desires and needs, and how will these changes benefit Growers Cup?

Consumption is historically shaped by sociocultural practice. It is these sociocultural influences that form consumers' identity and behaviour in everyday life. Consumption can differ from a variety of social settings, such as at home, at the office, the web, retail settings etc. (Arnould & Price, 1993). This study will focus on using the CCT in the setting of consumption at different retail settings, and therefore avoid being affected by how consumers act in non-relevant settings. Belk & Costa (1998) address how consumers are constructing their reality linked to fantasies, desires and identity play, which differs greatly from their everyday lives. By using CCT this study will explore how symbolic meanings are transformed by Thai consumers to manifest and develop their self-identity.

Definition of Culture

Consumers are strongly linked to culture and types of societies, and therefore the term *culture* is defined in various ways. The Dutch social psychologist Gerard Hendrik (Geert) Hofstede defines cultures as "the collective programming of the mind distinguishing the members of one group or category of people from others" (geert-hofstede.com). Another definition made by the American professor Jeswald W. Salacuse (1991) states that culture is "socially transmitted beliefs, behaviour patterns, values, and norms of a collection of individuals identifiable by their rules, concepts, and assumption". According to the Dutch-French organisational theorist Alfonsus (Fons) Trompenaars (2004), a national culture is composed by norms (what is appropriate or not regarding behaviour), beliefs (what is true or not true), and values (what is more or less important). These here items are set in peoples' minds and act on their behaviour. Lytle & Brett (1995) explain that culture is also linked to social, economic, political, and religious institutions of the precise nation. These elements affect group members and socialise them. The elements are making the culture be a social identity that socially integrates individuals with other people sharing the same culture (Gouveia, Espinosa, De Albuquerque & Clemente, 2002).

Inglehart (1997) share the same view as Hofstede, when it comes to that a culture consists of shared habits, values, norms and rules of behaviour. However, Inglehart (1997) claims that cultural differences exist between types of societies and not between nations as Hofstede states. Furthermore, Inglehart (1997) presents the thought that cultural changes are a consequence of transformations of one type of society into another, whereas Hofstede believes that cultural changes is a part of globalisation. Since this research will involve Thai society and how it is changing into another, Inglehart's thoughts are the most relevant to use. His theories about the different types of

societies will be accounted for later on.

Decision-making

Torben Hansen & Thyra Uth Thomsen (2006) have developed a framework for understanding the choosing-behaviour of the modern food consumer. This framework builds on the cognitive dissonance theory, which implies that when a consumer is making a decision (like buying coffee), the consumer tries to balance his or her attitude, goals, feelings, knowledge or desires to satisfy her/his interest and avoid cognitive dissonance (Soutar & Sweeney, 2003; Festinger, 1957). Hansen & Thompson (2006) have developed this theory further to what they have named supra-complex decision-making. Hansen & Thompson (2006) claim that consumers do not use product attributes when deciding how valuable the product is to them. However, they use *mental markers* as a justification to buy a specific product. This is especially relevant when researching consumer behaviour and attitude towards coffee products. Hansen & Thompson (2006) explain that the mental markers refer to how the products affect the human body. This can either be by consuming unhealthy coffee (as we earlier explained how Thai coffee is a good example of), or how products can limit health authorities' and the marketers' opportunity to use informational campaign to educate their consumers.

Customer education theory

Competitive strategies

When competing in a business context, companies have to ask themselves questions about customer segments, how to service these segments, what value there are to be gained and how much all of this will cost budget-wise. A company can only achieve unique competitive advantages by serving its segment better than their competitors can. This means that a company must provide the customer with better value or have lower costs to be able to compete, and these unique competitive advantages must be built on the company's core competencies (Andersen, Jensen, Jepsen, Olsen & Schmalz, 2011).

Porter's generic strategies

In his book, *Competitive Advantage*, Porter describes how companies' successes are dependent upon whether or not a corporation is able to choose the right competitive strategy out of four

possible options (Andersen et al., 2011). According to Porter, a company can only be successful if it follows one of the four strategies, also known as generic strategies.
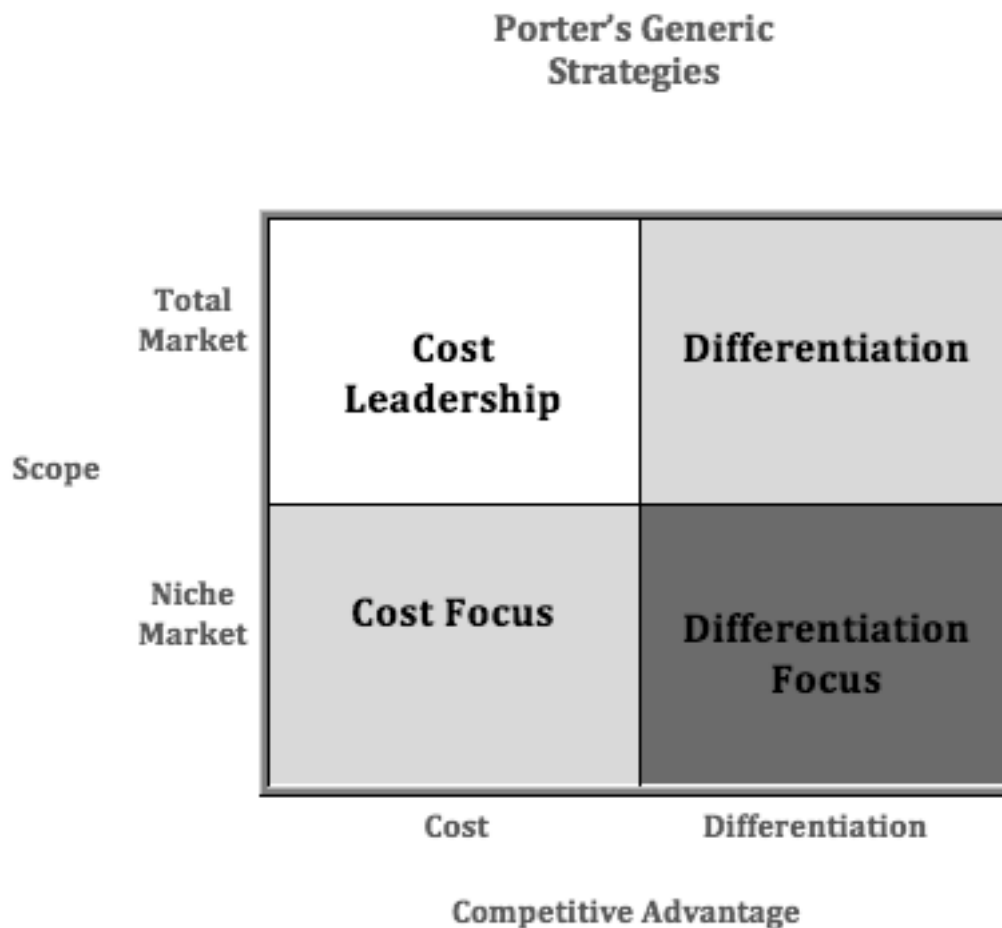
Porter's Generic Strategies

Figure 18: Porter's generic strategies

Porter works with two dimensions: *competitive advantage* and *market.* Within these dimensions, four different competitive strategies occur: *cost leadership, cost focus, differentiation* and *differentiation focus*. When defining the dimension of competitive advantage, Porter explains that this can occur in two ways; either by purchasing, producing and distributing with the lowest budget in the industry, or by offering a unique product. Low budgeting can be realised through low purchasing prices, standard products, effective production technology, distribution or management of the value chain. A unique product can then be realised through special functions or features of the product, design, costumer adaption, service level or brand (Andersen et al., 2011). The purpose of realising low costs is that the company can sell their products to low prices in the industry. This way the company will be less sensitive with regards to price competition. If the company offers a

unique product, they will have the chance to generate high and stabile profits. The second of Porter's dimensions is the market in which the company wishes to enter. Here it is worth considering whether a large or small part of the market should be targeted, how many products and variations there should be offered, which geographical market and what distribution channels to apply.

As shown in the model, by combining the competitive advantage of low costs and unique product with the market aspects of large and small parts, four competitive, or generic, strategies exist.

With the first competitive strategy, *cost leadership,* the company strives to serve a very large target group with relatively low prices. Through this, a competitive advantage is created when having the lowest costs of purchasing, production and distribution. The second strategy is *cost focus,* where a narrow segment is targeted with low cost products. The third strategy is defined by *differentiation.* With this competitive tactic companies combine a unique product with targeting a large part of the total market. Companies using this strategy provide a differentiated product, which for example can be through customised products, superior quality, best design or service as well as through advanced technology. If a company wishes to follow the differentiation strategy they must be able to communicate the superior level of quality to their target group, and at the same time it is of great importance that they manage to brand themselves in an attractive way. The fourth strategy is *differentiation focus*, where a small segment is targeted with a unique product. Companies applying this strategy must be able to deliver a more specialised product than companies following the differentiation strategy (Andersen et al., 2011).

Porter emphasises that companies who follow a "clean" generic strategy has a much higher success rate than the ones who are taking a mixed approach. The mix of competitive strategies often leads to the position of being *stuck in the middle,* a very unattractive situation for a company to be in, as this leads to a weak brand perception and customer confusion. The company will be perceived as having no specific competencies thus there is no incentive for consumers to build strong preferences for the brand. Furthermore, it is essential that strategy choice always be connected to a company's core competencies, mission, vision and contextual setting, in order for the brand to be successful.

Blue Ocean Strategy

Still with a focus on competitive advantages, an alternative to Porter's generic strategies is the Blue Ocean Strategy. This strategic approach centralises red ocean and blue ocean. If a company is trying to gain market share in an already established market with a defined set of competitors, customers, etc., this particular company is competing in the red ocean. Here everyone knows each other's weak and strong sides, and the competition is fierce. Red ocean is therefore the traditional market, which Porter uses as a basis for his generic strategies. Blue ocean on the other hand deals with finding new markets and making the competitors irrelevant. Where a choice between differentiation or price is the practise of Porter, the blue ocean strategy makes it possible to break through the costs barrier and offer products that are perhaps both cheaper, better and different that the competition's (Andersen et al., 2011). If a company defines its own market, and turn their back to already existing ones, this is when value creating occurs. Blue ocean can be viewed as strategic thinking as well as technological advancement, and the result is value-innovation. Most often, blue ocean reflects a symbol of an inexistent and unknown market, where there is no competition. Here the demand is created instead of competitors fighting for it.

The secret to achieving the benefits of a blue ocean is to think differently about new markets. Value-innovation is a key word, and there is a great emphasis on creativity and new ideas. The blue ocean strategy states that no company has continuous success, and they should never hang on to certain activities, but instead constantly renew themselves in terms of marketing, sales and communication. By thinking out-of-the-box and exploring the uniqueness of the corporation, the company will create distance between themselves and competitors. The concept of value-innovation deals with creating value for the consumers by offering something new, but without increasing the costs. According to the strategy, a blue ocean can be achieved through 6 different methods: be aware of alternative industries, be aware of strategic groups in the industry, be aware of the costumer segment, be aware of complementary products, be aware of the functional and emotional appeal to the customers, be aware of new trends (Andersen et al., 2011). It can be difficult to base a company's strategies on blue ocean, as it often exists as an unreachable dream of markets with no competition, however, for many corporations blue ocean represents a way of striving towards constant innovation and improvement.

Customer education

Meer (1984) defines customer education as:

> Any purposeful, sustained and organized learning activity that is designed to impart attitudes, knowledge or skills to customers or potential customers by a business or an industry. It can range from self-instructional material for a particular product to a formal course related to a product or service.

The educational activity is directly related to promoting sales or to assisting the customer in the use of the product or service, and customer education can occur before, during, or after a sale. It can also occur in the absence of a sale, as in situations where people participate in presale educational activity but do not purchase a product or service. Customer education, then, can be for customers or potential customers and it is often delivered in conjunction with the sale of a product or service (Meer, 1984). It is important to distinguish customer education from consumer education because the latter is usually provided by a third party, and not by the producer of the product being sold. The purpose of consumer education however is to enable consumers to make more informed decisions on what product to purchase, not to promote the sale of a product (Meer, 1984). Although most companies offer some form of customer education, it is not usually a separately organized function within the company and therefore tends to have low visibility. To sell a product or service and earn a profit is the main purpose of a company's existence, and the primary goal of company activities, including customer education, is to aid sales and marketing efforts, and customer learning is central to co-creation of value. Customers must learn skills and behaviours relevant to purchasing, production and use of goods and services to effectively participate in and contribute towards value creation. Many corporations have recognized the benefit of educating customers, as it leads to greater customer loyalty and more profitable relationships. Constant communication and mutual learning can be seen as key factors behind customer loyalty, as well as education of customers is important for creating customer expertise, which leads to strengthening the customer relationship (Munshik, Henry, Baiastan & Taeseok et al., 2015).

Customer education can be supplied through a variety of educational programs: professional advice, seminars, advertising, booklets, blogs, and forums. Providing educational support requires a better understanding of what to offer customers and in what manner. Through previous studies in this research field, it is proven that well-educated customers can utilise service more effectively,

because they understand application more thoroughly and can assess service performance more accurately. Educated customers can perceive and appreciate 'technical and functional services' as they experience them during the service process. Finally, well-educated customers have the potential for achieving higher levels of satisfaction and a stronger sense of customer loyalty for their service providers (Munshik et al., 2015). Through education companies are able to enhance their business relationships, which also can increase the degree of customer loyalty. Furthermore, in the literature on this topic it is also demonstrated how customer education improves perceived control, perception of trust with the provider and the general customer satisfaction with the company. McNeal (1978) argues three potential advantages to gain from using consumer education: It helps obtain and keep satisfied customers, it contributes to a favourable attitude among consumers towards a product or company, and it helps reduce confrontations with consumer advocates. By utilising these strategies, a business can gain a competitive advantage (Munshik et al., 2015). McNeal (1978) also suggest that companies should consider education as a major competitive strategy with which to achieve positive outcomes such as benefits with larger profits, recruiting and retaining satisfied customers and contributing to favourable attitudes toward products (McNeal, 1978).

Costumer trust and loyalty

Customer education can be viewed as a mean to create value for customers. It can be associated with customer satisfaction and with the development of customer expertise. Customer expertise is a customer's accrued knowledge about product performance and a general understanding of performance of similar brands in the product category (Munshik et al., 2015). Customer education helps customers fully understand the proper usage of a service, and helps the customer understand the value of the product.

In the literature, trust has been acknowledged as an important factor in customer loyalty, as trust reflects expectance or reliability of action of another person. In service relationships two kinds of trust are described, cognitive and affective. Cognitive trust is a customer's confidence or willingness to rely on a service provider's competence and reliability. It arises from accumulated knowledge that allows one to make confident predictions that a partner will live up to obligations. Affective trust is confidence based on feelings, generated by the concern a partner demonstrates. Trust leads to positive behaviour towards a partner. Customer education also contributes to the management of expectations and trust. With regards to customers, trust can be defined as a

customer's confidence in a company's reliability. Consumers who trust rely on relational and tangible characteristics of the service. An inexperienced customer typically perceives a higher risk of decision-making. By informing and explaining service-related concepts, service employees can reduce risk, thus contributing to the development of a trusting relationship (Munshik et al., 2015). Additionally, customer loyalty can be defined as a consumer's intent to stay with an organisation, their commitment and intent to help the organisation to succeed through word-of-mouth. Loyalty continues to be defined as frequency of repeat purchase or relative volume of same-brand purchasing. Developing expertise among customers is valuable for companies, as it strengthens the business relationship by mitigating risk and enhancing service quality. Furthermore, it can be stated that customer education positively affects customer trust, and provides customers with a deeper understanding of product qualities and usage. Finally, customers may feel more comfortable asking questions when they are educated which can lead to enhanced information sharing and consequently increase sales (Munshik et al., 2015).

The process of education

Customer education is a process and not an event, as it exists throughout a customer's relationship with a company: before, during and after the sale. It systematically links the activities of marketing, training and customer support in order to meet customer's on-going needs for understanding, application and success. The process operates to continuously narrow the gap between the customer's knowledge and the product (Honebein, 1996). Honebein (1996) argues that in the marketing mix, between product and promotion, the customer education is to be located; It is part of the product to the extent that it is a part of the benefit given to the costumer to fill a particular need, and customer education is part of promotion to the extent that it communicates information that enables or encourages the customer to make a decision to buy (Honebein, 1996).

All aspects of marketing involve meeting customer needs, and with regards to customer education, these needs involve what the customer knows and feels about the product. The mind processes information intro three distinct domains of learning: knowledge, skills and attitude. Knowledge is the information stored in a person's mind though a process of remembering or understanding. Skills are a person's actions and reactions developed through practice and experience. They enable people to do something with their knowledge. Attitudes are a person's choices, values, or feelings, and these cause a person to act or think in a particular way. However, a gap exists between the customer and the knowledge, skills and attitudes the customer desires or the company desires the customer to

possess. The process of education can bridge these gaps together, as education is a structured process of helping people to acquire knowledge, skills and attitudes.

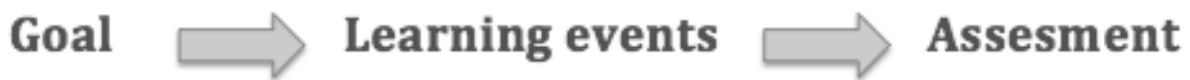Honebein (1996) describes the educational process as the shown in the following model:

Goal ➡ **Learning events** ➡ **Assesment**

Figure 19: Honebein's educational process

Goal is the aim that is specified for the educational process, which can have varying levels. They can be tactical with a specific task a customer will be able to accomplish once the educational process is complete, or strategic with a specific business result a company expects the educational process to deliver. The learning events are the methods by which the company communicates knowledge, skills and attitudes to the customers in order to achieve the goals, and lastly the assessment closes the educational process loop, and determines whether the learning events resulted in accomplishments of the specified goals. The typical measures for assessment include quality, quantity, cost and time (Honebein, 1996).

Theoretical choices

With regards to the modernisation perspective, Maslow's theory is included in order to assist in characterising Grower's Cup as fulfilling the self-actualisation needs of consumers with their coffee brewer. This theory will help support conclusions made in the analytical section of the thesis about Thai consumers having lower needs for this compared to expats living in Bangkok, which also will be supported by data from the qualitative as well as the quantitative research. Similarly, Hofstede's cultural dimensions are chosen to help define values in Thailand and Denmark and place the two countries in a modern and postmodern context. The characteristics found when looking at Hofstede's national culture in Thailand are to be viewed in accordance with Maslow's hierarchy of needs. Data from the questionnaire and the conducted interviews will support these theoretical choices when dealing with cultural value variations. Finally, Inglehart's (1997) modernisation

theory is included in the theoretic foundation, because it is determined by Maslow's hierarchy of needs, as it explains how humans go from focussing on survival values to self-expression values and outlines the societal structures. By combining the empirically collected data with this theory, it is possible to place Thailand in a modernistic setting and characterise Grower's Cup's opportunities in the Thai market.

Consumer culture theory is included to help investigate the influencing factors in the development of Thai consumer culture. The aspect of consumer identity projects is chosen to give a theoretical background to the quantitative and qualitative data with the purpose of defining cultural consumer differences, as quality coffee in this context can be seen as an extension of the self. Identity construction can assist us to determine and analyse whether the theoretically stated pursuit for identity has the ability to transform the Thai consumers into consumers with postmodern European desires and needs. The empirical data will support the theoretical choices when consumer culture theory will be applied in order to determine how this transformation will benefit Grower's Cup. The definition of culture is used to help us understand the Thai consumers and their behaviour towards the coffee market in Thailand, and the decision-making perspective is included with the aim to define which factors influence Thai consumers when buying coffee. Finally, consumer attitude and behaviour and the empirical data will help clarify why Thai consumers choose the products they do, and in which situations.

In the analysis, Porter's generic strategies will help us explore Grower's Cup's potential to gain market share in Thailand, and to investigate with what means the company can establish themselves, when defining the competitive advantages, the company possesses, and to determine the most beneficial strategy. The blue ocean perspective is included to decide whether Grower's Cup is working in a market characterised by blue ocean, and what competitive advantages that may entail. Combined with quantitative and qualitative data, the theory of customer education will assist us in defining the way Grower's Cup can establish themselves practically in the Thai market. It will help define education as a tool for Grower's Cup to create value as customers learn skills and behaviour relevant to purchasing and using the product. Because the coffee brewer is a new product, education is concluded as necessary, which is also a reason for including this theory. Furthermore, as the collected data also imply that Thai consumers do not have knowledge about quality coffee, customer education theory is chosen to help create competitive advantages for the company.

Chapter V: Analytical framework

The modernisation perspective

With the use of a modernisation perspective, we seek to analyse which societal values that characterise Denmark and Thailand. Furthermore, we wish to determine how these cultural and societal values affect Grower's Cup's marketing strategies, and what aspects the company must take into consideration when they are entering the Thai market. This section will contain theories of Maslow, Hofstede and Inglehart, which will be applied in accordance with the collected data, with the purpose of characterising Grower's Cup fulfilling self-actualisation needs with their product and analyse the Thai consumers' needs in relation to coffee. Finally, this section will define societal values in Denmark and Thailand and place the countries in a postmodern and modern context with materialistic and postmaterialistic values.

Coffee in a Western context

When applying Maslow's theory of needs, coffee can be considered as a product, which covers a basic human need. Although the drink is not a necessity for human survival, coffee has nevertheless gained status as a must-have in most Western, hereunder Danish, homes, and is more or less thought of as a necessity good comparable with milk. For this reason coffee can be categorised, not only as a product that attends to a consumer's physical need due its stimulating effect, but also as a commodity that speaks to a security need established through many years of coffee traditions (Andersen et al., 2011). If a company is selling a product that can be regarded as an everyday commodity, it is essential to distance this from competitors, as one kind of coffee roughly speaking can be as good as the next one. Especially in the coffee market, where competition is intense and customer loyalty has a significant influence, differentiation from competing products is highly important aspect to consider. Based on Maslow's pyramid of needs, which is previously presented, it can be assumed that Grower's Cup has endeavoured to create a product that meets the human *self-actualization need*. According to Ulrik Rasmussen, CEO of Grower's Cup, the coffee brewer addresses consumers with self-awareness who actively seeks out quality coffee:

Figure 20: Extract from interview with Grower's Cup's CEO

At the same time, the coffee brewer represents the latest technological advancements, which also can be aligned with the need for self-actualization and in addition the human need for evolvement. The coffee brewer's functionality and it´s benefits are furthermore expressed by expats living in Bangkok, who appreciate the practical advantages of the product. Throughout the questionnaire, it is conveyed that the convenience and preparation time with regards to the coffee brewer are key aspects for European expats living in Bangkok. Furthermore, in an interview conducted with Danish Carl Andersen, living and working in Bangkok, it is stated how the design and functionality is appealing to him:

Carl:

"I think that it is very practical, it takes nothing to prepare it, and to me it looks like a product that is very convenient if you want to have coffee and you do have the means to prepare all the setup. In terms of design I think it's the best choice in terms of fitting it in small spaces."

Figure 21: Extract from interview with Carl Andersen, Bangkok expat

Additionally, the quality of the coffee is also stressed as being of great importance to European expats when looking at data collected by our quantitative research. When asked if the respondents would like to purchase the product in the future, one respondent states that the coffee brewer fits perfectly with his needs, as he often wants good tasting coffee but has trouble to find it when he wants it:

Respondent in questionnaire:

YES! It seems like something for me as I often want great tasting coffee but have problems to find it when I want it. With this brewer I could have it with me in the bag."

Moreover, this respondent sees the advantages of the brewer as easy to carry around with him, serving its purpose as a provider of quality coffee anywhere, anytime, as Grower's Cup's mission also emphasises. Because the empirical data paints a picture of European expats appreciating the coffee brewer and perceiving it at something that can be helpful in their daily lives, the functionality of the coffee brewer combined with the quality level of the coffee is an indicator of Western consumers' need for what Maslow refers to as self-actualisation.

Coffee in a Thai context

In strong contrast to the Western perception of coffee stands the Thai coffee culture. When applying Maslow's hierarchy of needs in a Thai context, it can be concluded that Thai consumers compared to Western consumers have different needs when it comes to coffee, and that the basic perception hereof differ significantly. As previously mentioned, because coffee in Denmark generally is seen as an everyday commodity, almost the opposite situation exists in Thailand where a total of 14,6 % of the respondents of the questionnaire answered that they do not drink coffee, and 13,1% answered that they only drink coffee a few times a week:

How often do you drink coffee? (137 svar)

- Several times a day
- Once a day
- A few times a week
- Every other week
- I don't drink coffee
- Andet

8%
13,1%
14,6%
26,3%
34,3%
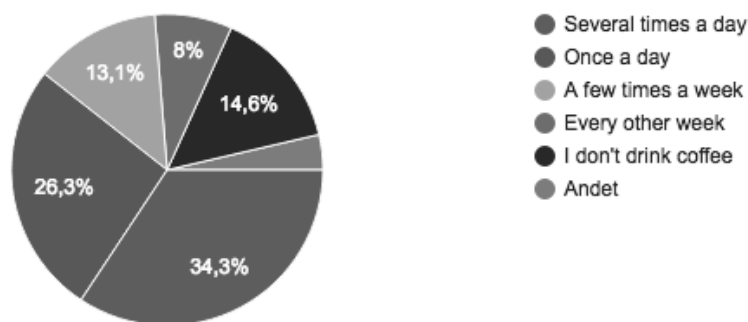
Figure 23: Question from the questionnaire to Thai natives in Bangkok

This is a significant variation from the Danish coffee traditions, as the average Dane drinks 4 cups of coffee per day (kaffeinfo.dk). Conclusively, the basic view on coffee varies, and when using Maslow's theory, Thai consumers are not looking to fulfil the self-actualisation need with premium coffee. However, based on our findings, parallels can be drawn between Thai consumer behaviour

towards coffee and Maslow's deficiency needs. Initially, Thai respondents expressed that they drink coffee primarily to stay awake and be energetic in work related contexts, and 63,5 % of the respondents in the quantitative research answered that they primarily drink coffee at work and/or in school:

In what situations do you normally drink coffee (several answers possible)
(137 svar)

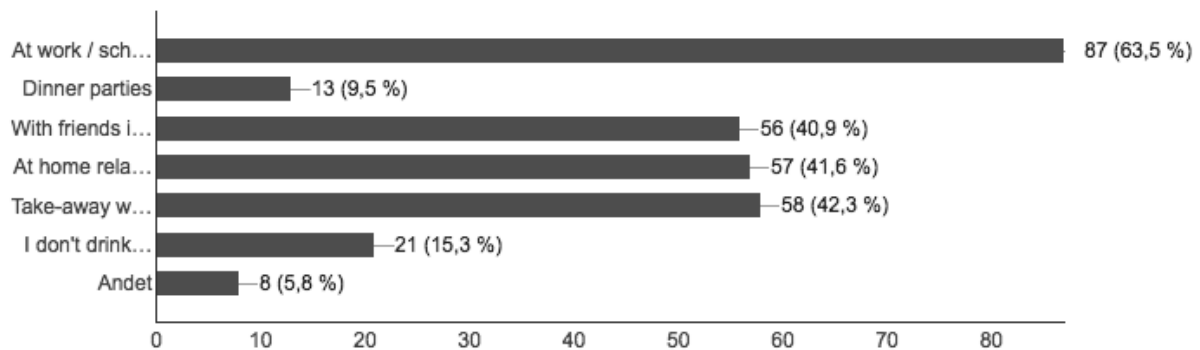| Category	Value
At work / sch…	87 (63,5 %)
Dinner parties	13 (9,5 %)
With friends i…	56 (40,9 %)
At home rela…	57 (41,6 %)
Take-away w…	58 (42,3 %)
I don't drink…	21 (15,3 %)
Andet	8 (5,8 %)

Figure 24: Question to Thai natives in Bangkok

This contrasts the Danes' and Westerners' use of coffee, as a large number of coffee drinkers highly value the morning coffee at home, or in the afternoon after work (kaffeinfo.dk). Moreover, when asked if the respondents in the questionnaire would like to purchase the product in the future, the tendency was that Thai consumers stated how they primarily drink coffee to stay awake, and that they do not care so much about the taste of the coffee, but more about the energy they can get from the high level of caffeine:

> *Respondent in questionnaire:*
> *"I am not a coffee lover. I don't care about the taste of the coffee. Just drink it for energy. There's many way to get an instant coffee. Also I have coffee brewer at the office."*

Figure 25: Thai native in questionnaire

In addition, in an interview with a native Thai girl living and working in Bangkok, Belle, it was emphasised how she drank coffee to feel awake during her workday:

> **Belle:**
>
> *"I drink coffee at the office. Because I normally feel very sleepy during the day so I need coffee."*

These statements can be concluded as a sign of coffee fulfilling the Thais' physiological needs as it makes them have energy and be awake. Furthermore, through the study it was discovered how coffee in Thailand also has the function of warming when working in air-conditioned offices and schools. Coffee is again covering the Thais' basic needs:

> **Belle:**
>
> *"Thailand is a very hot and humid country, so people like to drink something that refresh themselves you know like cold. Think it would work in offices and stuff like that because in offices it is very cold."*

Other findings related to Maslow's hierarchy of needs are concerned with the situations Thai people drink coffee in, as 40,9 % of the respondents answered that they drink coffee with friends in social situations (see figure 24 above). This founding proves that coffee is fulfilling the social need of Thais in accordance with Maslow because social interaction becomes centred around the action of drinking coffee. Finally, coffee also fulfils the Thai consumers' esteem needs, which among other things denotes achievement, status, prestige and respect from others (simplypsychology.org, 2016). In our interview with native Thai Belle, these needs are expressed as fulfilled by coffee as she explains how people in Thailand prefer products from Starbucks, mainly because the brand value is very strong, and how European products are considered more premium:

> **Belle:**
>
> *"A lot of people like Starbucks in Thailand. I think it is because of the brand. It makes you feel like it's the best. If products are made in European countries the brand image is more premium"*

On the basis of this it is argued that Thai consumers gain status and respect for others when drinking quality coffee from Western brands. Moreover, they are fulfilling their esteem needs, as they feel Western products are more premium and will add value to their social status and identity construction, which we will discuss further later in the study. Conclusively, the attitude towards coffee and the functionality that coffee has differs significantly from a Western to a Thai perspective. This is expressed in the needs that coffee fulfils in relation to Maslow, as quality coffee and the coffee brewer from Grower's Cup speaks to the self-actualisation need, whereas in Thailand coffee covers the physiological, social, and esteem needs. Our findings therefore show that it is two completely different markets that Grower's Cup is working in.

Grower's Cup and postmodernism

With Maslow's hierarchy of needs in mind, Grower's Cup can be assessed according to Inglehart's (1997) post-modernisation theory. As previously explained, Inglehart (1997) is depicting how cultural differences shape the value orientations of societies. In this respect, Inglehart (1997) is seeing cultures as consisting of habits, values and norm-regulated behaviour; all factors that changes proportional with the transition from one societal type to another (Inglehart, 1997). With these societal varieties, explained through the traditional, the modern and the postmodern society, and on the basis of Inglehart's cultural 'mapping' of the world, Denmark is concluded to have a postmodern orientation. Within a postmodern perspective, self-realisation is a dominant factor in the human mind (see fig. 17: Inglehart's global cultural map, p. 37). Additionally, the conclusions made from Maslow and from our empirical data, Denmark and Danes can be established as a part of the postmodern society where people strive to fulfil self-actualisation needs. By establishing Denmark as a postmodern country, the consumer's choice of products can also be characterized hereby. Additionally, the coffee brewer from Grower's Cup can be considered as a result of the consumers' need for goods in the self-realisation category. This assumption is based on the brewer's gourmet-aspect which meets the standards of the postmodern consumer with regards to quality in their daily shopping experience. At the same time, the brewer's functionality relates to the postmodern individual as it dissociates from the typical coffee tradition.

If we correlate Inglehart's postmodernisation theory with Maslow's hierarchy of needs, it becomes clear that it exist several challenges when selling coffee as a traditional product in a postmodern context, as for example in Denmark. As previously argued, coffee is covering the basic needs of Maslow's pyramid and, in connection to Inglehart's (1997) postmodernisation aspect, it can be

assessed that quality coffee is associated with the modern society, as a core element here is materialism. This is concluded, as it is assumed that purchasing gourmet coffee, compared to regular or perhaps instant coffee, originates from a materialistic mind-set. However, with the coffee brewer's functionality, Grower's Cup is moving beyond the standard coffee culture norms as they have incorporated postmodern values in their product, which is also visible in their company mission: "To make people enjoy and appreciate great coffee – anywhere, anytime!" (growerscup.coffee). For this reason, the brewer can be characterised as a new way of perceiving coffee, making the coffee market evolve from having a materialistic to having a postmaterialistic value orientation. Furthermore, Hofstede's cultural dimensions provide great insight into the Danish society's values, and especially the relatively low score of the masculinity dimension as well as the high score of the indulgence dimension, are interesting in this framework (see fig. 16: Hofstede's cultural assessment of Denmark and Thailand, p. 34). By categorising Denmark as a feminine culture, a dominant societal characteristic would be quality of life. At the same time, the indulgence scale defines Denmark as a country where the culture allows its inhabitants to act on their impulses which again underlines the aspect of quality of life (geert-hofstede.com). With regards to the coffee market it can therefore be expected that products with a focus on the quality of life aspect will be more compatible as the Danish consumer is ready to spend money on self-indulgence (geert-hofstede.com). Following this it can be concluded that Grower's Cup has an advantageous basis for success in Denmark with the production of quality coffee sold in innovative and functional packaging.

Thailand and modernism

When looking at Thailand and the Thai consumers in relation to Inglehart and Maslow, different cultural perspectives occur. When acknowledging that coffee covers Thai consumers' physiological, social and esteem needs, a different type of market place becomes visible compared to the postmodernist in Denmark where Grower's Cup have their primary sale. In Inglehart's global cultural map, Thailand is placed relatively centred (see fig. 17: Inglehart's global cultural map p. 37), which tells us that the Thai society is less determined by secular-rational values and self-expression values compared to the Danish society. This entails that the Thai society gives more importance to religion, emphasises family ties and values and social conformity to a greater extent than the Danish society does (Inglehart, 2000). Additionally, Thailand also dissociates from Denmark by having a greater extend of survival values. This aspect is also visible when including Maslow's needs, as it is the four deficiency needs that Thai people seek to fulfil. Because of

Thailand's placement in the global cultural map and the analysed needs that coffee fulfil for the Thai consumers, the country can be argued as having a society with modernistic characteristics. The society is therefore dominated by industry, standardised mass production and materialism (Inglehart, 1997).

If we look at Hofstede's cultural dimensions in Thailand, a strong contrast occurs in the power distance dimension where Thailand has a score of 64 (see fig. 16: Hofstede's cultural assessment of Denmark and Thailand, p. 34). This clarifies how inequalities are accepted and how it is important to have and show respect towards authorities. Thus, a hierarchical structure is valued. When comparing this to the empirically collected data, it is also seen how symbol of status is of importance as previously explained, as our respondents felt that drinking quality coffee from a brand with premium image provided them with status, which again could take them a step further up the hierarchal and social ladder. Moreover, is interesting to look at the uncertainty avoidance where Thailand also has a score of 64, slightly indicating a preference for avoiding uncertainty (see fig. 16: Hofstede's cultural assessment of Denmark and Thailand, p. 34). This score is contrasting the Danish score of 23, and tells us that the Thai population seeks to avoid the unexpected, has difficulties to accept change and is very risk adverse (geert-hofstede.com). This is also expressed in our interview with Belle, who does not expect people to change their habits of drinking tea and sugary coffee because they are so used to this taste:

> **Belle:**
> *"But also like from my observations in Thailand, people like to drink tea and mix with milk, a lot of milk. They don't really drink pure black tea or coffee. And they put a lot of caramel and sugar. That's why they like Frappuccino and stuff. Chocolate things. It's more like a mix, not pure coffee."*

Figure 29: Extract from interview with Belle, Thai native

Finally, the indulgence dimension is of interest in relation to this perspective, as it explains the degree to which people try to control their desires and impulses. Thailand scores 45 in this dimension, which is relatively low compared to the Danish score of 70 (see fig. 16: Hofstede's cultural assessment of Denmark and Thailand, p. 34). Comparing the two scores gives us an indication that the Thai society has a more restrained approach to acting on desires and being

impulsive, which supports our claim of Thai consumer as hedonic shoppers which is argued for in the section about consumer behaviour.

Postmodernistic challenges in a modern society

The variation between a modern and a postmodern society also provides differences in consumer behaviour. These different behaviour and attitudes in the different culture creates challenges when Grower's Cup is establishing themselves in the Thai market. From our empirical data and throughout the modernisation analysis it can be stated that the company needs to consider their marketing strategies when wanting to penetrate the Thai market. The coffee brewer has postmaterialistic characteristics, and the traditional coffee experience is challenged with the brewer's packaging and functionality. Because the material elements of quality coffee is attended to, new values to strive towards are being created, which again explains the postmaterialistic dimension of Grower's Cup's product. In relation to Maslow this is also visible, as from the moment material needs are satisfied, consumers have the freedom to think about other needs, which entails values of self-realisation. These differences between the Danish and the Thai market are important for the company to attend to in order to be successful.

An important deduction in this analysis is that Thai consumers feel that Western brands can help them gain social status. However, because the brand is not yet established in Thailand, the advantages hereof are not fully utilised, and the brand image has no value to the Thai consumers yet. With regards to the modernisation perspective, another essential conclusion is that Thai consumers are looking to fulfil completely different needs when drinking coffee than the needs that Grower's Cup are offering to satisfy for them.

Partial conclusion

In the first section of the analysis about modernisation, the company was concluded to be the provider of a postmodern product. Coffee was essentially seen as a basic product, but with the coffee brewer's functionality and level of quality, it was possible to establish the product as covering self-actualisation needs for Danish consumers. Through differentiation, the company has managed to move quality coffee from a materialistic level to a postmaterialistic level. Since Denmark is concluded as a postmodern society, the consumers' choices also have postmodern characteristics based on the self-actualisation drive. In the empirical data, expats living in Bangkok conveyed how the convenience and quality of the product were appealing. Therefore, the data

paints a picture of European expats perceiving the brewer as something that can be helpful in their daily lives, and the functionality of the coffee brewer combined with the quality level of the coffee is an indicator of Western consumers' need for self-actualisation when looking at Maslows needs. However, in Thailand coffee is proven not being an everyday commodity and used for example as a product to cover the consumers' physiological needs, for example to help them stay awake. However, from our empirical data it concluded that coffee attended to the Thai consumers social and esteem needs as well, with regards to status and identity construction. Variations were also discovered when looking at the national culture, as the Danish is represented though feminine characteristics and indulgence emphasising a quality of life-perspective. On the other hand, Thailand was through the analysis concluded as a modern society also based on cultural mapping. The high power distance in Thailand and the accept of inequalities together with Thai consumers perceiving status through premium brands, prove the cultural challenges that exist for Grower's Cup when entering the Thai market. Conclusively, the attitude towards coffee and the functionality that coffee has differ significantly from a Western to a Thai perspective. Furthermore, because the company's brand image is not yet established and because they fulfil completely different needs with the coffee brewer than the Thais are looking for, they are not utilizing the advantages that the coffee brewer potentially could provide them with.

Consumer culture

This chapter will use Arnould & Thompson's (2005) consumer culture theory, with an emphasis on identity constructing, to characterise consumer behaviour among Thai consumers. We will use our earlier analysis of the Thai society and investigate the coherence between society and consumers and the effect that potentially affects Grower's Cup entry in the Thai consumer market. By combining theory and our collected qualitative and quantitative data, we will define cultural differences in consumer behaviour and attitude and investigate the influencing factors that affect the development of society and consumers.

Identity construction

One of the four main strands of research that Arnould & Thompson (2005) organized as key studies of consumer culture research is 'consumer identity projects'. By analysing this branch within CCT, we will determine how Thai consumers' pursuit for identity construction is changing from modern to postmodern consumer behaviour, and how this potential transformation will benefit Grower's Cup entering the Thai coffee market. The theory will be applied in accordance with the collected qualitative and quantitative data.

Identity projects present the idea that consumers construct a narrative of themselves and use consumption as a tool to verify their personal story (Szmigin & Piacentini, 2014). The construction is done in various practises and situations, for example in social settings, everyday routines and during shopping. According to social constructivism, consumers use social processes to construct their perception of a brand (Burr, 1995). Consumers assemble disjoints factors from experiences to construct a valid "narrative of self-identity" (Thompson, 1995. See also McAdams 1998; Ricoeur, 1984). To compare this theoretical view with Thai consumers, we asked our Thai respondents in what situation they usually drink coffee. 40,9% of our respondents replied that they consume coffee with friends in social situations (see fig. 24, p. 54).

These results gives us an indication of that coffee is seen as a social contribution among the Thai consumers, and something that also is enjoyed in fellowship with others. In addition to consuming the coffee in a social setting, Thai consumers also articulate a non-material good by showing others which type of coffee they are consuming. By consuming a special brand of coffee in a social setting, the consumers express a symbolic and narrative value that influence how others perceive their identity, as shortly introduced earlier. These findings is also confirmed in our qualitative interview with Thai native Belle. Also used as an example earlier, she express how her friends and herself enjoy Starbucks coffee, not because if the taste but because of the brand:

Belle:

"I think it is because of the brand. It makes you feel like it is the best".

Figure 30: Extract from interview with Belle, Thai native

Another argument that supports our findings about identity construction is portrayed in our questionnaire. Under the open question about what quality coffee means for the respondents, several individuals commented only "Starbucks". This gives an indication of how Thai consumers prefer a brand name instead of the actual type of coffee that is being consumed.

Consumer identity projects are mainly seen as to be goal driven (Arnould & Thompson, 2005), which our collected data support. As previously mentioned, 40% of the Thai respondents drink coffee in social situations and 42% drink coffee on-the-go. Both of these consumption situations involve other people perceiving them, and having the opportunity to show their identity and narrative story to others through their consumption choices. Our interview with Belle revealed that Thai consumers consume coffee in public coffee shops with the intension of gaining status and climbing the social hierarchy, which will we discussed further in the next section.

Asian societies, and especially Thai, value the importance of face and status. Maintenance of face and status can often coincide with private consumption, which Growers Cup has to take into consideration when they are entering the Thai coffee market. Dealing with Thai consumer's collectivist culture, the protection of the face and status can be a challenge for foreign companies. The product's brand plays an important role as it signals and gives others an impression about the consumers' face and status. Our qualitative interview with Belle confirms this when she expresses her love for the brand Starbucks:

> **Belle:**
> *"It depends, but I would say that because my mom she really loves coffee, and she loves Starbucks. A lot of people in Thailand drink Starbuck because it is well known. I think that they are more concerned with the green Starbucks logo on the cup than what is inside. At least my friends always make a big deal out of holding the cup in a way so other people can see the logo."*

Figure 31: Extract from interview with Belle, Thai native

These findings can be reflected to the well-researched area of how consumers use products and brands to build and construct an identity. This is a social constructive view that explains how social interactions are constructing consumers' identities. Even though consumers are constructing their

own identity, as the CCT tells us, we will challenge this theory by adding another factor to the identity construction, which is especially relevant for the collectivistic Thai consumers. A consumer cannot always control her own identity construction, as the way they are perceived are also influenced by who they surround themselves with. Other people among the consumer can work as "co-constructors" in an identity construction process, which means that the consumer is not 100% in control over their own identity construction process. Grower's Cup will therefore have to convince the Thai consumers that they are adding value to their identity and their face when they chose to buy Growers Cup coffee. Since Grower's Cup's product is developed with the intention of being a take-away product, and therefore not can be consumed in the coffee shops where it is sold, this need for identity perceiving is lost. Our data shows that Thai consumers tend to be more concerned with telling a story about themselves by buying a popular brand, which means that Grower's Cup's products do not fulfil this identity construction need as some of their competitors, e.g. Starbucks, does.

These new findings can be drawn as a parallel to what we earlier discussed using Maslow's hierarchy of needs. By combining and analysing the use of these theories with our quantitative and qualitative data collection, our research gained new knowledge showing that Grower's Cup's marketing strategies in Thailand does not correspond to the Thai culture. Furthermore, when analysing Arnould & Thompson's identity projects with the collected data, it proves to be a coherence between how Thai consumers construct their identity and that their consumer behaviour can be seen as more postmodern than modern. As earlier discussed, Grower's Cup is a postmodern company with postmodern products, while the Thai society is, seen from Maslow's and Inglehart's point of view, as a modern society. However, this research challenges this view as it is shown that Thai consumers are headed into a postmodern consumer behaviour that corresponds greater with Grower's Cup and their products. This change in consumer behaviour will be discussed next.

Thai consumers and society

The aspects of Thai society are important to take into account when analysing consumer culture and the identity projects that follows consumption. Consumer culture can generalise consumers, and that is why we will look into what characterises the Thai society to understand this specific group of consumers. As previously claimed using Hoefstede and Inglehart, Thailand can be characterised as a modern society and has always been a country that makes effective use of its natural environment. Traditions are highly valued and the society is constructed around the beliefs of the Theravada

Buddhism. However, even though Thai traditions, royalty and religion exist within a deep social conservatism, it seems that the consumption of Western brands is co-existing side by side without creating morally dilemmas for the Thai consumers.

From an exterior perspective the Thai society can seem homogeneous, but it actually presents a compromise among the various groups of people in order to prevent their own identity. Like other countries that are under development, Thailand still has a society build upon a hierarchical structure. This can explain why the need among Thai consumers to create the right identity and being perceived by others, are highly important. Over 90% of the respondents of our questionnaire have an education on a bachelor level or above, which makes our data restricted in proportion to analysing the population as a whole. As education is expensive in Thailand, this group of people probably have their origin in privileged economical stable families, which can be very different from how other Thai consumers live their life. However, looking at Grower's Cup as a postmodern product, this is exactly the target group they want to attract. Consumers from a high level in the hierarchical structure show another consumer behaviour than members from lower levels. Belle elaborates this when she explains how everything a Thai consumer buys is linked to their social status success, and wealth:

Belle:

"Also, Thai people are very concerned about how they are perceived in public, which also includes what they eat and drink. Everything is linked to social status and wealth."

Figure 32: Extract from interview with Belle, Thai native

The monarchy, military and the upper level bureaucrats, who also strongly influence the country's economic and business community, mainly control the structure of the Thai society. Although Thailand's private consumption has been controlled by political violence and instability, all of these events trigger the demand for consumer goods (Thailand Country Monitor, 2011). These new demands increase as a consequence of low unemployment and stable prices. The economic growth in the country is increasing, and private consumer growth increased 4.8% in 2010 followed by a 3.0% the year after (Thailand Country Monitor, 2011).

Economic Growth: Historical Trends
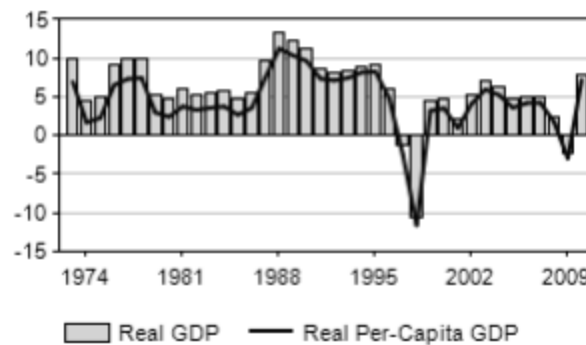(Percent change from a year earlier)

Figure 33: Economic Growth Thailand 1974-2009

The economic growth from 2010 shows how Thailand is on its way to becoming one of the strongest economical countries in South East Asia, and an attractive business market. A lot of Thailand's increasing popularity from Western investors comes from the country's participation in ASEAN (Association of Southeast Asian Nations). The organization aims to open the boarders more and as a result there will also be a high expansion of stores and transnational products and retailers. The cultural differences may be more noticeable with this expansion, combined with the change in lifestyle that is seen currently happening in Thailand. Our interview with Carl Andersen argues in favour of these numbers. Andersen explains in the interview we conducted with him that he had noticed a change in the class society in Bangkok. He pointed out that as Thailand has become an active participant in international world trade, the traditional way of measuring status is less meaningful. On the other hand, the demand for valued Western product is increasing. Moreover, our interview with Belle also shows that the Thai consumers are more concerned about postmodern issues than before. By examples she stresses the increasing importance of ecological and "green".

> **Belle:**
>
> *"I think the packaging looks very organic and environmentally friendly, and would fit in small boutique stores and coffee shops in a trendy area in Bangkok."*

Figure 34: Extract from interview with Belle, Thai native

According to Timothy Morton (2010), professor at Rice University, ecological thinking can be linked to postmodern consumer behaviour. The focus is not on the attributes of the product anymore, but more on the meaning that is constructed by the experiences consumers have. This can also be seen as an aspect of hedonic consumer behaviour, which will be discussed later.

Cultural issues affecting consumer behaviour in Thailand

From theorists such as Howard & Sheth (1969), we learn that shopping behaviour and motivation can be influenced by different cultural values. The Thai cultural values include phrases such as "mai pen rai" (never mind) and "sanuk" (fun and enjoyment), which both have their origin from the Buddhist teaching and are an essential part of Thai culture, tradition and behaviour (Ovatsatit, 2007). Both values express how people should show immediate gratification and not have concern for yesterday's or tomorrow's events (Ovatsatit, 2007). Sanuk, which can be understood as similar to "fun", can act as a value that involves motivation to engage in something not only for the joy but also for emotional benefits (Benedict, 1952; Phillips, 1974). This is a big part of Thai consumer behaviour and gives emphasis to Belle's explanation of shopping as the main activity for wealthy Thais. Belle also accounts for the importance of owning Western products. She says:

Belle:

"In Thailand owning Western branded products have been seen as a privilege and a status symbol since King Rama IV and King Rama V. They were here when Western technologies started to arrive in Thailand for the first time. And it was only the Thai elite that owned Western products at that time."

Figure 35: Extract from interview with Belle, Thai native

From this statement it can be argued that Thai society appreciates the enjoyment of life and to live in the present, and at the same time of their enjoyment they prefer Western products to enhance their representation in the society.

To put this value in a consumption perspective, Thai consumers can be described as hedonic shoppers who consume goods and products for pleasure and enjoyment. Chetthamrongchai & Davis (2000) claims that a hedonic shopper is highly present, which means that they are not too concerned with what happened in the past or in the future, but more interested in what is happening here and

now. Hedonism is also a characteristic of postmodern consumers, which again proves the change in Thai consumer behaviour. .

However, according to Carl Andersen the level of time pressure is also an aspect that can affect consumer behaviour, and it is necessary to take into account that time-pressured shoppers will most likely present efficient shopping behaviour (Capella, 1995). Thai and Westerner shoppers differ in this point. Westerner shoppers are seen as having high time pressure and want to finish the shopping as fast as possible. Thai consumers on the other hand, tend to have low time pressure and put more enjoyment in their shopping experience. This can be seen as a correlation to what we earlier discussed in Hofstede's dimensions regarding collectivism/individualism. Thai consumers show collectivism consumer behaviour, in comparison to a Western individualistic way of consuming. Products are consumed in the company of others (41% of our respondents drink coffee with friends in social situations) and according to Belle shopping is a popular activity that is practiced with enjoyment.

Moreover, cultural values such as low time-pressure and enjoyment of consumption can help trigger another factor, namely impulsivity. Kollat & Willet (1967) defines impulse buying as a purchase decision that is made in a store without having any explicit need for this specific purchase before entering the store. This will help benefit Growers Cup, as the Thais can be willing to pay higher prices, despite having a low income. As stated earlier, impulse is a part of the indulgence dimension where Thailand has a score of 45, and we argued earlier that this can be a challenge for Grower's Cup. However, the convenience of Growers Cup's products can be a good match to the Thai impulsive consumer behaviour because of their small size and easy to buy-look.

Partial conclusion

There may consist a parallel between Thai's practice of the Buddhist notion of the self and postmodern understandings about the self. This shared perspective mainly consist of the idea that subject and object is merged into a combined entity which can be characterised by the stream of personal experiences (White & Hellerich, 1998). Even though this research has uncovered cultural conflicts between the traditional Thai society and the modern Thai consumer, it has also discovered factors that make it possible to see Western product consumption together with the principles and traditions of Buddhism. In addition, this new way of consuming resolves identity dilemmas that educated Thais have been faced with earlier, between cultural traditions and the seek for Western

material success. Our study supports the idea that consumption is a main site in negotiation regarding deep identity conflicts and the postmodern values that can create disturbances between society and consumer. As already established, luxury consumption of mainly Western brands is a dominant pheromone for Thai consumer, however, the precise meaning of different brand can be specified down to history and cultural traditions, and as a results of this there is no combined group that can be referred to as "Thai" consumption.

Customer education

With the customer education section we seek to investigate how Grower's Cup can position and market themselves in Thailand to increase their market share, by using a educational strategy. In order to do this, Porter's generic strategies will be accounted for with the aim to establish the company's chosen strategies in Denmark and Thailand, and to determine the differences. In this context, the blue ocean perspective will also assist in reflecting on the company's situation to reveal product weaknesses and competitors. Finally, Grower's Cup's educational activities will be analysed with the purpose of assessing them as competitive advantages.

Generic strategies

By serving their target group better than their competitors, with for example providing better values or have lower costs, Grower's Cup can achieve competitive advantages. When dealing with Porter's generic strategies it can be argued that the company apply two different competitive strategies when it comes to the Danish and Thai market. In a Danish and Western context, Grower's Cup is using a differentiation strategy as they are disassociating themselves from their competitors by offering a product that at the same time is unique and difficult to copy. The strategy is based on a high level of quality coffee and the functionality of the brewer, which CEO Ulrik Rasmussen defines as a *simple-serve* product. Because the brewer is innovative and the only of its kind produced in the world, the product can be characterised as being unique. Moreover, due to the company's patent rights they are not facing the immediate threat of imitation. For companies who wish to differentiate Porter defines a set of uniqueness drivers of which Grower's Cup to a large extent uses product differentiation. Within the dimension of product differentiation the value drivers of the core, the expected, the augmented and the potential product exist. Grower's Cup's core product is coffee, and the expected product is defined by the customers' expectations to quality coffee and by the easy-to-use brewer.

The augmented product is represented by something special, which in this case is that you can brew quality coffee anywhere, anytime. The brewer itself is therefore a factor that helps it differentiate from competitors, which again can result in creating consumer value. The potential product is currently not in play with the coffee brewer, but could in the future be provided by for example using sustainable materials. As we shown earlier in our analysis, an ecological behaviour is increasing in Thailand, which would provide extra value to the product. Because Grower's Cup is also targeting a large share of the total market, differentiation is their primary strategy in Denmark. However, there is evidence of a cost leadership strategy in their Danish approach, which is occurring when a company strives to serve a very large target group with relatively low prices. Because the price of the coffee brewer in Denmark is compatible with for example to-go coffee, Grower's Cup is trying to compete on price as well as differentiation. Moreover, the price aspect is also based on the goal to target a wide group of consumers. This can in the long run lead to customer confusion as they, at the same time, are marketing a unique and exclusive product to relatively low prices in Denmark, which can lead to the position of being *stuck in the middle*.

Grower's Cup applies other generic strategies in Thailand. Since they are serving a relatively narrow segment with a niche-product in the Thai market, the differentiation focus is the chosen marketing strategy. A minor target group is targeted with a unique product, and Grower's Cup must strive to deliver a more specialised product than their competitors following a differentiation strategy. This differentiation is successful as the quality of the coffee differs significantly from competitors in the Thai market, and because they have chosen a small target group consisting of a Western minded segment including the part of the population who has been abroad either for work, studying or travel, or people with foreign partners as well as expats living in Thailand. Grower's Cup has therefore chosen to market the coffee brewer as a niche-product, and not to target the mass-market, which creates the foundation for a differentiation focus strategy.

Blue Ocean

An alternative competitive strategy is the blue ocean strategy, which stands as a symbol of an unknown market where no competition exists. Blue oceans companies turn their back on already existing markets and seek to develop new markets with the goal of value creation. A blue ocean market is often seen as an unreachable visualisation of markets with no competition more than an actual strategy. However, in the case of Grower's Cup, it can be argued that the company is using the concept behind blue ocean to think strategically about where to market themselves. An example

of this is the previous mentioned Thai import duty of 90 %, which makes it difficult for foreign companies to enter the market. However, in the case of Grower's Cup, the import duty can be seen as an entry barrier to keep competing companies from entering. Moreover, because quality coffee is not a common product in Thailand and the company's target group is relatively small, it can be argued that the idea behind blue ocean is applied, as the company believes that there is not so much interest about this kind of product that competition will not be significant. Co-owner Lerke-Nielsen supports this in our interview:

> **Carsten Lerke-Nielsen:**
> *"Der er ca 70 millioner mennesker i Thailand, men det er ikke vores målgruppe. Det er måske en halv til en hel million mennesker, der er det. Til gengæld så har vi altså ikke 500 konkurrenter fordi der ikke er så mange der interesserer sig for det her marked. Og det er vel det man kalder niche."*

Figure 36: Extract from interview with co-owner of Grower's Cup

These results shows that several factors behind Grower's Cup's marketing strategy are pointing towards the company trying to create a blue ocean for themselves with no competition. Nevertheless, competition exists if we look at substitution products. As previously analysed, our respondents expressed how warm beverages are consumed with the aim to stay energetic and keep warm in cold offices. Therefore, in relation to coffee, substituting hence competing products can be energy drinks as well as tea or other hot beverages. Additionally, competition also exists if we look at other Western brands, which was previously described as having premium value to the Thai consumers. If customers are buying Western brands to assist in their identity construction and to gain social status, there are other products to choose from which again creates competitors for Grower's Cup. Finally, looking at the functionality of the product, competition also occurs in Thailand as the brewer also can be characterised as a to-go coffee, which makes all the providers of to-go coffee in Thailand company competitors. We have shown that Starbucks is a great example of a strong competitor to Grower's Cup due to their status as a premium Western brand, their level of quality coffee and because they sell it is a to-go commodity as well. The secret behind a solid blue ocean strategy is to think differently about new markets, which at some level Grower's Cup is doing. However, even though the company does not have any immediate competition due to their unique product and their patent rights, other products or industries can easily affect the sales of the

coffee brewer as alternatives exist for the Thai consumers to choose from. It is therefore important that Grower's Cup market themselves in a way that they can gain customer attention and become the Thais' first choice.

Customer education

As well as using the focused differentiation strategy together with aspects of blue ocean, Grower's Cup is also applying an educational dimension to help them establish in Thailand and capture the attention of the Thai consumers. This approach is present internally in True Coffee (Grower's Cup's collaborator in Thailand) and other coffee shops that distributes Grower's Cup's products (see appendix 1, p. 94) where Grower's Cup is making sure that all the levels of the company as well as the end-customer is educated in the product and in quality coffee in general. The basic idea behind this strategy is that employees in the coffee shop share their knowledge with the customer to increase sales, which is a cheap way to gain awareness as the employees only has to be 'educated' once, and the employees become brand ambassadors. Through this marketing approach the company is hoping that 'the trend' will spread as more and more people is educated about the coffee brewer. As previously stated, customer education deals with activities directly related to promoting sales, or to assist customers in the use of a product or service. Customer education is not usually a separately organized function within a company, but Grower's Cup has made it their main channel of marketing in Thailand. This very unusual approach is based on the low customer attraction to high quality coffee as previously described.

If we look at Grower's Cup, there are two aspects to be recognised about the product, the brewer and the content. Because of previous analysed societal variations, the brewer is the primary product the Denmark, as this is the only way that the company can differentiate themselves from other coffee producers. The brewer is what Grower's Cup owns patents rights to and is the innovative factor that makes the company differentiate from its competitors. However, in Thailand it can be discussed whether this is the case, because the company is going to great lengths to promote the brewer's content and not so much the brewer itself. Co-owner Lerke-Nielsen also expresses in an interview how the convenience aspect is not as important in a Thai context because the new thing about the product here is the coffee, which differs significantly from the Thai coffees:

Figure 37: Extract from interview with co-owner of Grower's Cup

Conclusively, coffee is the product that Grower's Cup is marketing in Thailand compared to the brewer, which is the selling objective in Denmark. With this in mind, different marketing strategies are necessary when selling two different sides of the product. Because Thailand is our primary focus in this study, we will mainly pay attention to the content-side of the product with regards to marketing strategy and customer education.

Customer learning is central to co-creation of value, which includes both customers and the company, and Grower's Cup is working to benefit both parties with their educational system as previously described. However, there are certain factors that our research shows the company is failing to deal with in relation to this. Initially, aspects concerning taste and product adaption are worth mentioning due to previously stated cultural and societal differences. In interviews conducted with a Carl Andersen, Danish expat, and Belle, Thai native, both living in Bangkok, they both express that a good idea would be to add sweeteners or milk to the product, as they did not see the convenience factors when having to mix this in yourself afterwards. This says something about the Thais' perception of coffee and how it is important for Grower's Cup to understand and deal with in order to be successful. In our interview with Belle, she explains how the company for example could try to attract Thai customers by making the taste sweeter because this is how Thais usually drink their hot beverages:

Belle:

"If you want to attract the young people an idea could be to make it more sweet."

Figure 38: Extract from interview with Belle, Thai native

Additionally, in our interview with a Carl Andersen, it was described to us how he sees the cultural differences when it comes to coffee as a matter of taste, also due to sugar adding:

> **Carl:**
>
> *"I see the cultural differences as you in Thailand use so much sugar to put in the coffee or I guess the way of appreciate good coffee differ a lot, and places or coffee that might be good for Thai people might differ considerably by the one that expats love."*

Figure 39: Extract from interview with Carl Andersen, Bangkok expat

Furthermore, as this respondent has knowledge about both consumer markets, it was emphasised by him how Grower's Cup's brewer should have some adaptions in order to fit with the Thai habits:

> **Carl:**
>
> *"I think when you enter a market where the consumers are so different and with a so different taste as Denmark for example, I think the product should have some adaptations, because this is probably the same as you sell in Denmark. It is very ambitious if you expect the market to adapt to your product. I think the product should adapt to the market, for example by making it more sweet as we talked about. Maybe I am wrong, but I don't see the coffee culture in Thailand changing."*

Figure 40: Extract from interview with Carl Andersen, Bangkok expat

Again was sweeting the taste a mentioned solution. A way for the company to meet customer needs could therefore be by making product adaptions to the Thai market. However, even though we base these conclusions about cultural product adaption on statements from Thai consumers, Grower's Cup does not wish to make any changes, as they argues that the Thai market can handle Grower's Cup's product. The issue we see with this strategy is that Grower's Cup fail to understand the consumer needs of their target group. Instead of adjusting their product to the Thai market, they force their Western product on the customers, which may lead to future loss of market share. On one hand, Grower's Cup sees the product as a 'market changer', and the company strongly believes that it will gain popularity and status as a trendsetting product. On the hand, there is no financial foundation to help make product changes, and there is a conflicting perception in the company of what the product is with regards to content and functionality and which aspect to market in Thailand. Lerke-Nielsen explains in an interview how Grower's Cup's product is the coffee brewer, and when asked about the possibility of product adaption to attend to Thai consumers' needs and wants he refers to how the actual product is the brewer as it is possible to put any coffee or tea mix

inside it. Furthermore, he elaborates how the brewer is the only reason that Grower's Cup has even a slight chance of competing with large coffee suppliers, and because the packaging is their 'real' product, it is not possible for them to adapt to the Thai culture:

> **Carsten Lerke-Nielsen:**
> *"Nu siger jeg produktet, produktet for os det er jo vores brygger. Vi kan jo komme hvad for en smag af kaffe eller te-blanding i det skal være. Vores produkt, det vi ejer rettighederne til, det der er vores patent, det er bryggeren. Vi kan kun sælge kaffe i Danmark fordi vi har rettighederne til en emballage som ingen andre har, og det er derfor vi kan gå ud og kæmpe mod de store som Nestlé. Ellers havde vi aldrig haft en jordisk chance. Vores produkt er emballagen, altså bryggeren, og derfor kan vi ikke tilpasse vores produkt til den thailandske kultur."*

Figure 41: Extract from interview with co-owner of Grower's Cup

Problems arise here, as the product Grower's Cup is trying to market in Thailand is quality coffee, but the company focuses on the brewer as their 'actual' product. For this reason it can be argued, that Grower's Cup lacks awareness of their customers' needs and wants due to their conflicting product perception. The conflicting perception internal in the company can also create challenges is the educational process of what the values of the product really are, and what is being educated to the customers.

Grower's Cup is using an educational approach to establish their product in Thailand. They are educating their distributors in the brewer's functionality, and the idea is to create brand ambassadors who know about the company and the product. The employees of the different distributors are to share their knowledge in the customer encounters with the aim to increase sales and create customer trust and loyalty. In relation to customer education theory, the potential consumers learn skills and behaviours relevant to purchasing, production and the use of Grower's Cup's product, which can contribute to value creation. By doing this, the company is seeking to make the decision-making process easier for the customers when it comes to buying coffee, as they are educated in the product. This will also assist in reducing risks linked to buying the product. Additionally, well-educated customers have potential to achieve higher levels of satisfaction and a stronger sense of customer loyalty for the product provider (Munshik et al., 2015).

However, the company is not taking advantage of the potential that is connected with customer education, as they do not consider societal and cultural values in their educational activities. Their educational process is occurring internally in the collaboration company, in this case True Coffee, and even though the educational chain as shown in figure X includes the end-customer, Grower's Cup cannot be sure that the sales personnel in the coffee shops share their knowledge of quality coffee. Therefore it can be argued that the actual customer is not fully attended to, which there is a need for:

> **Belle**: *I really don't know so much about coffee. I never make it at home, I just buy the ones I can get in the cafés, Starbucks for example. That is really good.*

Figure 42: Extract from interview with Belle, Thai native

Because Thai consumers do not have extensive knowledge about quality coffee, or coffee in general, Grower's Cup current educational chain needs revision as the lack of end-costumer focus can jeopardise the entire educational process. In relation to customer loyalty and trust, customer education is also beneficial, as cognitive and affective trust can arise between company and consumer. As previously described, cognitive trust represents a customer's confidence and willingness to rely on a service provider's competences. In our interview with Carl Andersen it is emphasised how the cognitive trust is important when he choses a product:

> **Carl:**
> *I don't think that I would spend that kind of money on a brand I don't know. Then I prefer to buy something that I already know is good.*

Figure 43: Extract from interview with Carl Andersen, Bangkok expat

Affective trust, on the other hand, is based on feelings and can be seen in accordance with brand identity and image. In our interview with native Thai consumer Belle, the brand value is highlighted as essential:

> *Belle*:
>
> *I like the Starbucks coffee. It taste good and I know the company, and all my friends drink coffee from there too. I don't think that I would buy this product if I had the choice between this and a Starbucks coffee.*

Figure 44: Extract from interview with Belle, Thai native

Thus, for Grower's Cup to increase their market share it can be argued that they need to establish trust between the company and their customers. Through customer education, the trust can increase, as the consumers are informed of the product and its benefits from ambassadors who can seem trustworthy than mass-media advertisements. A long-term goal of customer loyalty and purchase-repetition can then be aimed at when extending the educational process to go beyond the internal educational chain that Grower's Cup currently operates with.

In the process of customer education, positioning is also of great importance, as a company here has the chance to paint a picture in the customer's mind of what the product is about. Furthermore, the purpose and value of the offered educational elements are necessary for a company to establish themselves in the customer's mind. When educating their customers in the brewer's functionality, Grower's Cup need to apply product feature positioning because it is essential with a type of 'user manual' to understand the functional benefits of the product. They also need to position themselves through value added service positioning because this positioning relates to learning experiences that is valued by customers but not required. In this context it can be said that it is not necessary to know about quality coffee but it can add value to the customer. Grower's Cup should also have a knowledge builder positioning strategy as potential customers commonly fear a sales encounter if they are not familiar with a product. Moreover, it is essential for Grower's Cup to decide whether they are selling coffee or the brewer as their primary product, and which one of the two elements that works as a value-adding element to the main product. This way it is possible for the company to create competitive advantages through customer education.

Partial conclusion

Throughout the analysis, critical points have been raised about Grower's Cup's marketing strategies in Thailand. In the section about consumer education it was discovered that Grower's Cup applies a

mix of a differentiation strategy and a cost leadership strategy in the Danish market in accordance with Porter's generic strategies. The differentiation strategy was concluded on the basis of the high level of quality coffee and the functionality of the brewer. With the uniqueness drivers it was possible to establish the company's augmented product as it represents the fact that it is possible to brew quality coffee anywhere, anytime. The brewer itself is therefore concluded as a factor that helps differentiate the product from competitors, which creates consumer value. The cost leadership strategy in Denmark is based on the price of the coffee brewer, which is compatible with other coffee solutions. It is therefore concluded that Grower's Cup is trying to compete on price as well as differentiation in the Danish market. Furthermore, it was established that the company uses a different generic strategy in Thailand, namely differentiation focus, because they target a niche market with a unique niche product. This strategy is visible with the high level of quality coffee varying significantly from competitors in the Thai market, and due to the small target group. Moreover, it was concluded that even though the company's competitive strategies have blue ocean characteristics as no immediate competition exists, substituting products still pose a threat. The blue ocean concept was concluded as a visionary goal for Grower's Cup to reach with a niche product sold to a niche market in a country with an import duty so high that competitors are kept away. However, alternative products such as other kinds of hot beverages, energy drinks, to-go coffee and Western brands, are concluded as indirect competitors. When it comes to consumer education, it was concluded that Grower's Cup applies an educational perspective as well as the strategies of differentiation and blue ocean to help them establish themselves in Thailand. In addition, the product was characterised as having two dimensions; functionality and content, and that the content aspect was the one which Grower's Cup wants to focus on with their educational strategies, because they wish to teach Thai consumers about quality coffee. Issues with this were concluded as respondents from our interviews express how product adaption with sweeting the taste could help the product to increase its popularity. With customer education, the decision-making process is made easier, and at the same time, customer loyalty is established and risks linked to buying the product are reduced. In relation to Grower's Cup's educational approach it was concluded that for the company to create consumer loyalty and trust they need to expand their strategies to focus more on the customers. However, issues occur as Grower's Cup's educational activities focus more on the brewer's functionality, which creates conflicting product perceptions. It is therefore concluded that Grower's Cup needs to consider societal and cultural values when educating their potential customers, and develop these needs into an effective and beneficial marketing strategy. Finally, it is

concluded that the company has to be more precise about what they are selling to the Thai customers: coffee or convenience.

Chapter VI: Conclusion

In this research we have focused on the coffee culture in Thailand, and how cultural, societal and consumer differences create barriers in the marketing process of Western products. With Grower's Cup as basis for our study, it has been investigated, in accordance with our problem statement, how a customer demand for high-quality coffee can be developed in Thailand, and how to target this consumer group. In order to do this, three sub-questions made up the structure of the research and guided the investigation to attend to the problem statement.

The first sub-question deals with societal values and marketing strategies, and through a theoretical perspective of Maslow's hierarchy of needs, Hofstede' national culture and Inglehart's modernization theory, conclusions can be made with regards to cultural differences between Denmark and Thailand. Initially, Grower's Cup's coffee brewer can be concluded as a postmodern product covering self-actualisation needs for Western consumers, and through differentiation the company has managed to take quality coffee to a postmaterialistic level. Through our research we then discovered how the brewer's quality level, combined with its functionality, appeals to Bangkok's expats' self-actualisation needs in relation to Maslow's hierarchy of needs. Furthermore, it can be concluded that coffee covers a basic need for Thai consumers as it helps them stay awake and keeps them warm in cold offices. Following Maslow's theory, coffee also attends to the Thai's esteem and social needs with regards to status and identity construction. Finally, with theories of Inglehart and Hofstede the attitude towards coffee can be concluded as very different when looking at it from a Thai and a Western perspective as Thailand as a modern country has significantly different values than postmodern Western countries with regards to power distance, feminine aspects and indulgence. The analysed factors can therefore be concluded as important for Grower's Cup to incorporate in their marketing strategies.

The second of our sub-questions deals with characterising consumer culture and behaviour with regards to coffee in a Thai and Western context. It is concluded that consumption and consumer behaviour is generated by culture and values, which means that Thai consumers behave differently than Western consumers. Furthermore, when applying consumer culture theory it can be concluded

that cultural conflicts occurs between the traditional Thai society and the modern Thai consumer. Moreover, even though Thailand is categorized as being in the modernization stage in accordance with Inglehart, some consumer groups within the country show postmodern consumer behaviour characteristics. For this reason, it is concluded as vital for Grower's Cup to avoid categorizing Thai consumers as an entity. Additionally, it is concluded that Western product consumption can be seen together with the principles and traditions of Buddhism. A new way of consuming was also discovered which resolves identity dilemmas that educated Thai's previously had between cultural traditions and the quest for Western material success. Concluding on this sub-question, our research supports the idea that consumption plays a great part of identity conflicts and construction and it is concluded that because Western brands has an impact on the Thai identity construction, Grower's Cup has a competitive advantage with their brand value.

The theoretical perspective of customer education is concluded as a way for Grower's Cup to increase their market share in Thailand, which is the focus of our third and last sub-question. Through an analysis of the company's strategic base it can be concluded, that in relation to Porter's generic strategies, they apply a mix of a differentiation strategy and a cost leadership strategy in the Danish market. Following, the brewer is concluded as a differentiation factor creating consumer value. Moreover, it can be concluded that Grower's Cup apply the generic strategy of differentiation focus in the Thai market with blue ocean features. Finally, it can be concluded that the company's educational efforts should be aligned with Thai consumers' needs as well as cultural and societal values.

Based on conclusions made from the sub-questions and through the analysis it became clear how the company fails to handle important aspects with regards to Thai culture and society in the marketing approach. Furthermore, the company's educational process does not integrate cultural perspectives or customer perceptions but mainly focuses on the administrative system within the collaborating company. Therefore, it can be concluded that Grower's Cup is not strategically using customer education as a marketing tool, but as a way to internally educate sales employees.

Chapter VII: Educational marketing strategy

To manage the analysed factors and attend to the conclusions drawn in the study, we have created an educational marketing strategy for Grower's Cup to apply in Thailand. Customer education is a strategic marketing tool because it can be perceived as a way of marketing the company and its products to existing and potential customers with a long-term perspective. The existing literature is relatively sparse despite the fact that customer education exists as a wide spread phenomenon in business practice. The reason for this might be, that it has not yet been recognized as an important strategic tool to gain competitive advantage in business and marketing settings. In most of the existing literature, costumer education is treated as a mean to increase sales or to establish long-term relationships and loyalty with customers. However, what we want to prove is that customer education can be used as a strategic tool to apply when entering new markets. Grower's Cup is currently applying an educational approach in order to gain market share in Thailand, however, our research shows that the company fails to attend important aspects with regards to culture. In figure 11 (see p. 17), Grower's Cup's educational process is illustrated showing how different departments within the company are educated in the coffee brewer and it's quality coffee. The educational process is represented through a chain starting from the CEO and going all the way to the end-customer. However, Grower's Cup's educational process does not integrate cultural perspectives or customer perceptions, it only focuses on the internal administrative system within the company. Grower's Cup is therefore not using customer education as a marketing tool aiming at increasing sales and gaining market share, but more as a way to internally educate the sales employees about the product. For Grower's Cup to take advantage of their educational elements, it is important for them to establish concrete goals and deciding on learning events following Honebein's (1996) educational method as shown in figure 19 (see p. 49). It is important that they work externally when educating instead of only internally as they currently do. On the basis of this, it is essential that they concentrate more on the customer aspects of the strategy and add external marketing dimensions to their educational chain.

Educational marketing strategies involve the effort to pursue learning strategies with the focus on emphasizing flexibility, interactivity and understanding of the products with the long-term goal of increasing the customer's knowledge about Grower's Cup and their products. Working with an educational marketing strategy in practice is more complex than it sounds, but the rewards can be

high. According to consultant agency Intrepid Learning Solutions, educational experiences make customers 29 times more likely to purchase a product than if the customers were only informed through media advertising (Intrepid Learning Solutions, 2006). Advanced communication technologies has made it possible for companies to take advantages of several communication channels, even at the same time, to interact and educate their consumers directly. In our interview with Grower's Cup's CEO, it was early on established that Grower's Cup wishes to develop a communication chain consisting of a flow of education all the way from the first to the last link, which we also presented in the beginning of this research in figure 11 (see p. 17). To successfully accomplish such an educational chain with the consumers as the final stage, our research has shown that there are several factors that need to be taken into consideration. This is especially important when dealing with foreign cultures and consumers.

Our qualitative and quantitative data shows that Thai consumers prefer sweet coffee and mostly cold drinking products due to the humid climate in Thailand. However, Grower's Cup refuses to adapt to the culture and introduces their coffee brewer in the same way as in Denmark. Therefore, a conflict can emerge, which Grower's Cup is trying to solve by using an educational marketing strategy to educate the Thai consumers to discover the enjoyment of good hot quality coffee. Our research presented various dimensions which Grower's Cup need to consider, when entering the Thai market. Initially, the company is concluded as providing a postmodern product attending to the self-actualisation needs of Western consumers, including expats in Bangkok. Additionally, it was established that the coffee brewer covers the physiological, esteem and social needs of Thai consumers offering them status and assisting them in their identity projects. These decisive differences occurring between postmodern and modern societies lead to consumer variation and conflicts within the marketing choices. Because of this, it is of great importance that Grower's Cup incorporates societal considerations in their external educational process with their potential customers.

When looking at the consumer behaviour, our research showed how Western brands are changing the Thai attitudes and purchase behaviour. Because Western brands play a big part of Thais' identity projects, a change is occurring making the modern society of Thailand more approachable with regards to for example quality coffee. However, the postmodern consumption habits of Thais are conflicting with Thai traditions when constructing identities, making it difficult to establish a

concrete pattern of consumer behaviour in Thailand. The effect of globalisation and westernisation of Thai consumers are therefore critical aspects to reflect upon in this context. With regards to Grower's Cup marketing strategies our investigation proves that the company applies a differentiation focus attending to the chosen niche market in Thailand. Moreover, their marketing approach has blue ocean characteristics as the only real competition exist with threats from substituting products. From these conclusions it can be stated, that Grower's Cup has to consider both societal structures as well as internal differences in consumer behaviour, which may not correlate with Thailand's general societal norms, and it is necessary to think these factors into their current marketing strategies as mentioned above.

The issue we see when trying to combine the key factors mentioned with an educational marketing strategy is product adaption. Event though Grower's Cup does not feel that this is an option in order to increase sales, our study has proved that it plays a significant part. While Grower's Cup claims that the coffee brewer is their actual product, and not only the quality coffee, our study shows that customer behaviour has to be considered, which for example includes customers' preferences in taste, as taste can be closely linked to culture and society. We have earlier argued with our collected data how the taste does not appeal to the Thai consumer, and also do not fit their culture and society. A solution for this is to adjust the taste to the consumers' preferences. By launching a side-product with added sugar and milk or an ice-coffee, Thai consumers will have a product that is culturally and habitually adapted. However, although product adaption can be seen as a way to aim more directly at the Thai consumers, the previously mentioned change into more postmodern-minded Thai consumers should also be considered.

A new marketing model

According to Honebein (1996) the process of customer education is three-fold as previously described. By combining his model with our analysed data we end up with a new framework for Grower's Cup to apply when dealing with the Thai market and its consumers:
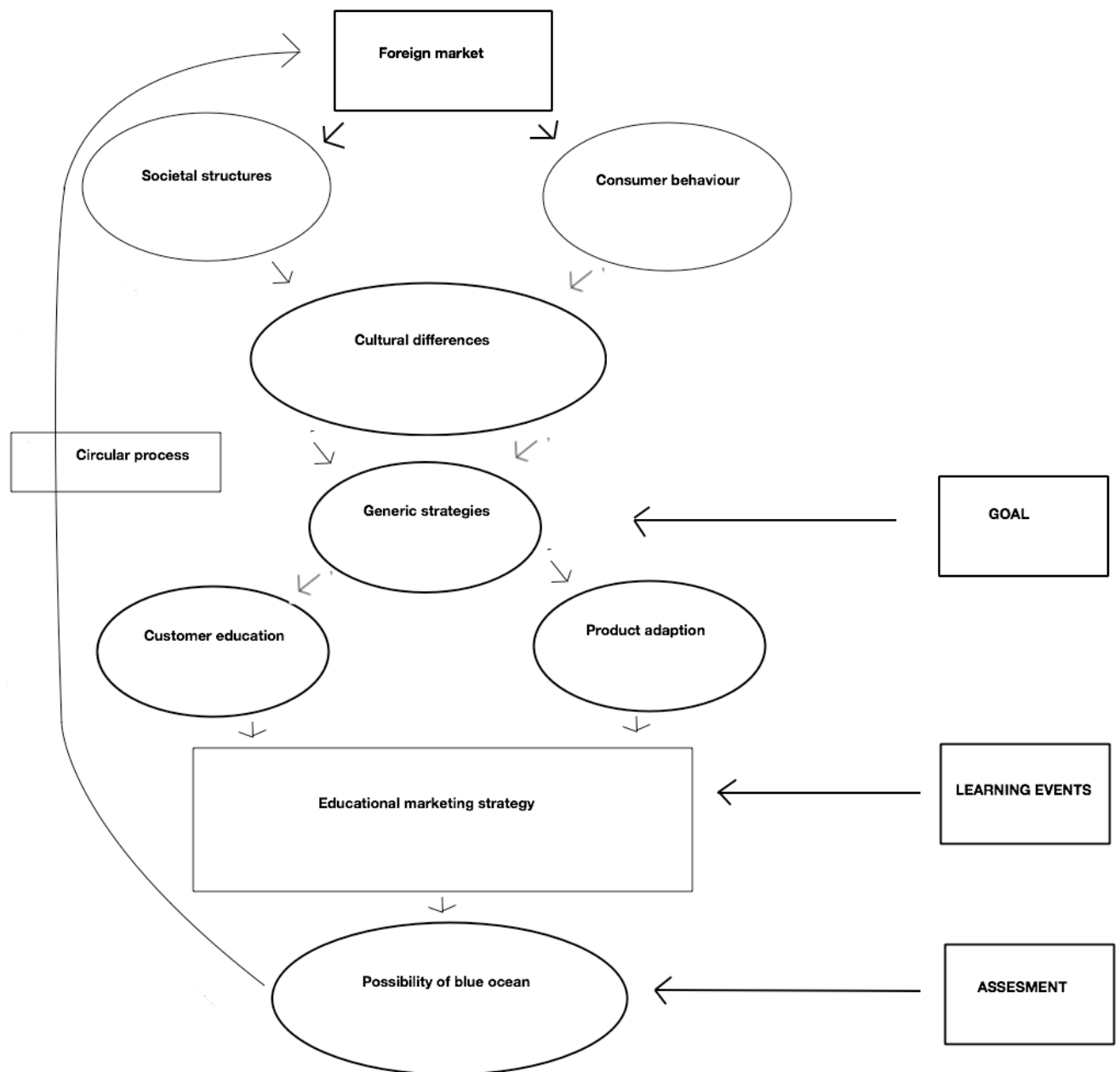
Figure 45: Educational process when entering foreign markets

In this framework our research is combined with Honebein's (1996) educational process in order to establish a way for Grower's Cup to work strategically within the Thai market. The model in figure 45 expresses how, when entering a foreign market, a business corporation must make sure to take societal structures into account as well as consumer behaviour in the specific region in order to understand which cultural differences to attend to. From these cultural differences it is possible for the company to decide on which generic strategies to apply in order to deal with the cultural differences. At this stage in the process the company should also decide on their goals for the

market venture in accordance with Honebein's (1996) three-stage educational process. The goals are the aim that is specified for the educational process and can be both tactical and strategic. On the tactical level we have a specific task a customer will be able to accomplish once the educational process is completed, and on the strategic level a specific business result is set that a company expects the educational process to deliver on a long-term basis. From the set goals, the company moves into the customer education process, where learning events are created in order to create an educational marketing strategy. According to Honebein (1996), the learning events are the methods by which the company communicates knowledge, skills and attitudes to the customers in order to achieve the goals. At this stage product adaption is also occurring, and it is decided which product features to change in order to deal with the cultural differences. In the end the company is able to obtain the advantages of blue ocean, as they have successfully completed an educational program involving all the aspects that are relevant when entering a foreign market with an unknown product category, and all competition and threats will be eliminated. The complete process as shown in figure 45 is a circular process, as assessment of the activities are made in the end. This stage is created so that the company can evaluate and assess whether the learning events resulted in accomplishing the specified goals. From this the company is able to change aspects that proved to be unsuccessful and out more emphasis on the learning events that had more value. The process is then to be repeated with the aim of constantly improving the educational marketing strategy and expanding the customer base.

Grower's Cup and the foreign market educational process

The above model in figure 45 can help Grower's Cup to initiate and succeed in establishing themselves in Thailand. If we look at the different elements in the framework, initially they need to attend to the cultural differences as analysed with regards to postmodernism versus modernism as well as consumer behaviour in the context of identity projects. Whether a society is postmodern or modern, has to be seen in comparison to consumer behaviour. These two factors decide together which cultural differences that occur in the market. However, our research proves that consumer behaviour and society structure does not have to affect each other in regards to the cultural differences. As we discussed earlier, with arguments from our data collection, a society can be defined as modern but have consumers with postmodern tendencies. It is therefore concluded that society and consumers should be separated and not seen as one entity, but instead seen as two

individual factors that together will gain an understanding of the cultural differences that companies need to consider. When using these cultural differences in a strategic way it is possible to create end-goals and decide which results the company want to achieve throughout the process. Tactical goals with a specific task that the customer will be able to accomplish once the educational process is completed could be that the consumer is able to see the use of the coffee brewer on a regular basis. Additionally, a strategic goal for Grower's Cup to accomplish could be to make the specific target group see the differences between the commonly consumed coffee in Thailand and quality coffee from the coffee brewer, and in the long-term make this the preferred choice of Thai consumers. The chosen generic strategy should therefore correlate with the set goals, and in the case of Grower's Cup, differentiation focus, which they are already applying fits herewith, as the unique product of the coffee brewer is aimed at a niche market.

From this point, Grower's Cup moves into the stage of customer education and product adaption. To educate their customers to reach the previously determined goals, Grower's Cup is going to establish a line of learning events. We suggest that these events primarily occur within the marketing area and exist as informational as well as practical learning. Company ambassadors could make day-events in coffee shops, teaching the use and value of the product to potential customers directly. This way they do not need to go through the employed sales people in the coffee shop and can skip this link in the chain. This is also the stage where product adjustments are decided. In the case of Grower's Cup, we suggest them to make changes in the taste, making it more sweet fitting the Thai consumers' expectation of coffee. Other learning events could involve the use of advertising on TV and billboards where the value and practice of the product is showed in a simple way. Subsequently, all of the above mentioned factors constitute Grower's Cup's educational marketing strategy. As of now, CEO Carsten Lerke-Nielsen explains that their focus have been on educating the employees in the different coffee shops. Another step forward we recommend would be to educate the people on the street, before they enter the coffee shop. As our research has discovered, Grower's Cup's target group in Bangkok is a consumer group with postmodern tendencies. Grower's Cup should therefore go after this group of consumer, and not wait for them to enter the store. Postmodern tendencies can be more visible in urban areas of Bangkok, and positioning is therefore important. A lot of the life in Bangkok is happening in the streets, which is a perfect opportunity to get in contact with the right people. Sample giving and events in these areas will attract the right consumers and make awareness about Grower's Cup as a

brand. Considering the cultural consumer behaviour in Thailand, which we discussed earlier, by the importance of consumers to be seen with Western products as a way to construct identity. Public events will satisfy this need, which again will profit Grower's Cup and gain attention to the products. However, there are other factors to consider to arrange an public event in Thailand, and Grower's Cup have to take into account that their target group is narrow, which means it will need good publicity beforehand to attract the right group of people. Furthermore, by educating customers in this scenario will benefit Grower's Cup as they have the opportunity to extent their market share, in comparison to if they only educate consumers inside their coffee shops. Our discussion about Thai consumers being hedonic shoppers supports this suggestion, as hedonic shoppers purchase for the joy and not focus mainly on the shopping itself. Even more, earlier we established, Thailand has a collectivistic culture using Hofstede, which can be seen as an extension to the hedonic consumer behaviour as well as Hoefstede's dimension of indulgence that was introduced earlier. Thai consumers prefer, independently of situations, to be in groups. We have also shown that this accounts for their consumption behaviour as well. As a result, a public educational event will satisfy their social needs, and works well with their collectivistic culture.

Finally, in the last stage of the educational process, Grower's Cup must assess and evaluate on the process in order to see if the specified tactic and strategic goals are achieved. Because the model is constructed from a circular perspective, from this assessment it is possible to make adjustments to the process and repeat it with for example new goals, different target group and varying learning events.

With this new educational marketing approach, we seek to attend to the concluded issue by incorporating the analysed factors with regards to societal and cultural values as well as consumer behaviour into a framework for the company to apply when wanting to increase their market share. The educational strategy is therefore based on Grower's Cup's current situation in relation to product and market. However, the model is to be seen as applicable for other industries as well as in various contexts in different foreign markets. In conclusion, the educational marketing strategy is a general tool for businesses to apply when wanting to enter a foreign market with an unknown niche product, as well as for further research within this field of study.

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Appendixes

Appendix 1: Grower's Cup retail shops in Thailand

Appendix 2: Interview questions

- **Can you state for us your age and nationality?**

- **Relationship with coffee**:
    - How much do you drink coffee?
    - When do you drink coffee?
    - Where do you drink coffee?

- **Can you characterise the Thai coffee culture for us?**

- **Do you see any similarities or dissimilarities between Thai and Western coffee culture?**

- **Grower's Cup:**
    - What is your opinion of this product?

- What is your opinion about the taste?
- What is your opinion about the design?
- What is your opinion about the functionality?
- Would you use it and why?

- **Who would you think the target group of this product would be?**

- **What would be a good price for this product in Thailand?**

- **What is your recommendation for marketing this product in Thailand?**
  - Placement
  - Marketing strategy
  - Presentation

- **What role does quality coffee have in Thailand?**

- **Do you think this product could be a success?**

Appendix 3: Questionnaire questions

- **Gender:**
  - Male
  - Female

- **Age:**
  - >16
  - 16 - 25
  - 26 – 36
  - 36 – 45
  - 46 – 55
  - 55 <

- **Nationality:**
  - European
  - American
  - Thai
  - Asian (not Thai)

- **Where in Thailand do you live?**
  - Central Bangkok

- o Bangkok suburbs
- o Small village in Thailand
- o Another city in Thailand
- o Other

- **What is your highest completed eduction?**
  - o High school
  - o Bachelor
  - o Master
  - o PhD
  - o Other

- **How often do you drink coffee?**
  - o Several times a day
  - o Once a day
  - o A few times a week
  - o Every other week
  - o I don't drink coffee

- **In what situations do you normally drink coffee?**
  - o At work / school
  - o Dinner parties
  - o With friends in social situations
  - o At home relaxing
  - o Take-away when I am on the go
  - o I don't drink coffee
  - o Other

- **What kind of coffee do you prefer?**
  - o French press
  - o Coffee brewer
  - o Drip maker
  - o Instant coffee
  - o Pod maker
  - o I don't like coffee

- **Where do you buy your coffee?**
  - o In the supermarket / hypermarket
  - o Online
  - o At the local coffee shops (Starbucks, True, etc.)
  - o On the street
  - o I don't buy coffee

- **In what degree do you prefer quality coffee?**
    - On a scale from 1 -10
        - 1 being: *I don't care about the quality*
        - 10 being: *I only drink quality coffee*

- **What is quality coffee to you?**

- **Have you ever heard about Grower's Cup?**
    - Yes
    - No
    - I don't know

- **If yes, where have you heard about Grower's Cup and what do you think about the concept?**

- **After watching the video about Grower's Cup, what is your opinion about the product?**

- **Would you consider buying this product in the future? Please elaborate**

- **How much would you expect this product to cost? (1 bag = 2 cups of coffee)**
    - Less than 20 TBH
    - 20 – 49 TBH
    - 50 – 79 TBH
    - 80 – 109 TBH
    - 110 – 140 TBH
    - More than 140 TBH

- **Where do you expect to find this product?**
    - Hypermarkets (e.g. Big C, Tesco, etc.)
    - Supermarkets (e.g. Villa Market, Foodland, etc.)
    - Convenience stores (e.g. 7/11 etc.)
    - Big coffee shops (e.g. Starbucks, True, etc.)
    - Local coffee shops
    - Shops specialised in coffee