

A STUDY OF BRAND RECALL IN THAILAND

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Abstract

Sales revenues of Japanese corporations abroad have been surpassing those of the domestic markets since 2013. Of all the countries in the world, Asian countries showed the fastest growth between 2000 and 2015. In addition, of these Asian countries, Japanese subsidiaries in Thailand showed the highest profits. In order to cope with the coming deflation led by the aging population of Japan, now more than ever, Japanese companies including small and medium companies must focus on foreign markets. Taking into consideration the developments mentioned above, this research focuses on brand recall using a sample of Thai subjects to answer questions on the brand name which first comes to mind when referencing various industries. The questionnaire survey was conducted using a sample of 153 participants, namely students of Assumption University in Thailand and their parents from October to November 2017. The results demonstrate a new trend, that of a greater interest in Japanese cultural activities including experiencing food and restaurants, visiting tourist destinations, and experiencing the ‘just-in-time’ service lead by convenience stores. This would be a breakthrough opportunity for small and medium-sized enterprises (SMEs) in Japan. This is because SMEs are good at cultural exports, including tourism, restaurants, foods, apparel, and cosmetics.

Keywords: Brand Recall, Top of Mind, Assumption University, Brand Recall by country, Brand Mining, Modularization, Fabless model, Vertical Integration

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1. INTRODUCTION

This paper presents the research results from a study of brand recall in Thailand. Brand recall refers to “the ability or likelihood of consumers to associate and remember a certain brand name when prompted with a product category [quotation translated].” (Ishi,2001) For example, if a respondent recalled a certain brand name such as “Apple’s iPhone” when prompted with a question “What is the brand name that instantly comes to mind when thinking of a smartphone?”, this is brand recall. The percentage of people remembering a certain brand name is called the “brand recall rate,” or “brand recall.” For instance, when it comes to a smartphone, if “iPhone” immediately comes to mind for 80% of respondents in a survey group, this suggests that the brand recall of the iPhone is 80%. The brand with the highest brand recall rate is called “top of mind.” In general, the higher the brand recall rate or recall ranking, the better for the brand. This is because these brands have the high possibility to be considered as a purchasing option when a consumer purchases a product or service.

To achieve brand recall requires exposure to a lot of images or experience of using the specific brand. For example, one image of Starbucks coffee is as a place to work on a project while drinking coffee. Before Starbucks there was no such a place to concentrate on study or

work. Coffee shops before Starbucks were places only for drinking coffee or having chat with others, with the main focus on turnover. Starbucks coffee changed the concept of the coffee shop to the place where people can concentrate on their job as much as they want. As this case represents, the enterprise which introduced the new concept or innovation can hold the ticket to success; generation of brand recall is usually accompanied by innovation. Japan has become the 1st G7 country which gave travel permission without visa to the Thai nation and visitors from Thailand have now become the 6th largest population in Japan.

In this study, a survey was conducted in terms of Japanese products and services in relation to their levels of brand recall in Thailand. Products and services with a rising trend of brand recall have the potential for boosting sales in the Thai market in the future.

2. THE POSITION OF THAILAND AMONG ASEAN COUNTRIES

Figure 1 shows the time series of the sales share of Japanese companies by region, based on the financial results briefing of 186 Japanese corporations whose sales information for each region was published by the Japan External Trade Organization (JETRO). The most notable point is that Japanese companies’ international sales have exceeded 50% since 2013, reversing the trend while

domestic sales have declined. The share has kept increasing, and international sales accounted for 58.2% in 2015 (breakdown: Americas 25.9%, Europe 8.9%, Asia Pacific 18.4%, others 5.0%)(JETRO,2016). Between 2000 and 2015, the sales share increased by 93% in the Americas from 13.4% to 25.9%, 59% up in Europe from 5.6% to 8.9%, and 217% up in the Asia Pacific region, from 5.8% to 18.4%. Asia Pacific has the highest increase of 217% in terms of the degree of increase. On the other hand, the share of domestic sales declined by nearly 30% from 71.4% to 41.7%.

With a declining birthrate and an aging population, the share of international sales is expected to keep rising going forward. Among the rapidly growing Asia-Pacific countries, Thailand is situated in between China and India, both of which are huge economies. Once connected by the Kunming-Bangkok Expressway and the East–West Economic Corridor, which is near completion, Thailand will become the distribution base in Asia. The cumulative direct investment of Japanese companies in Thailand is the largest among the ASEAN countries. Therefore, it is important to

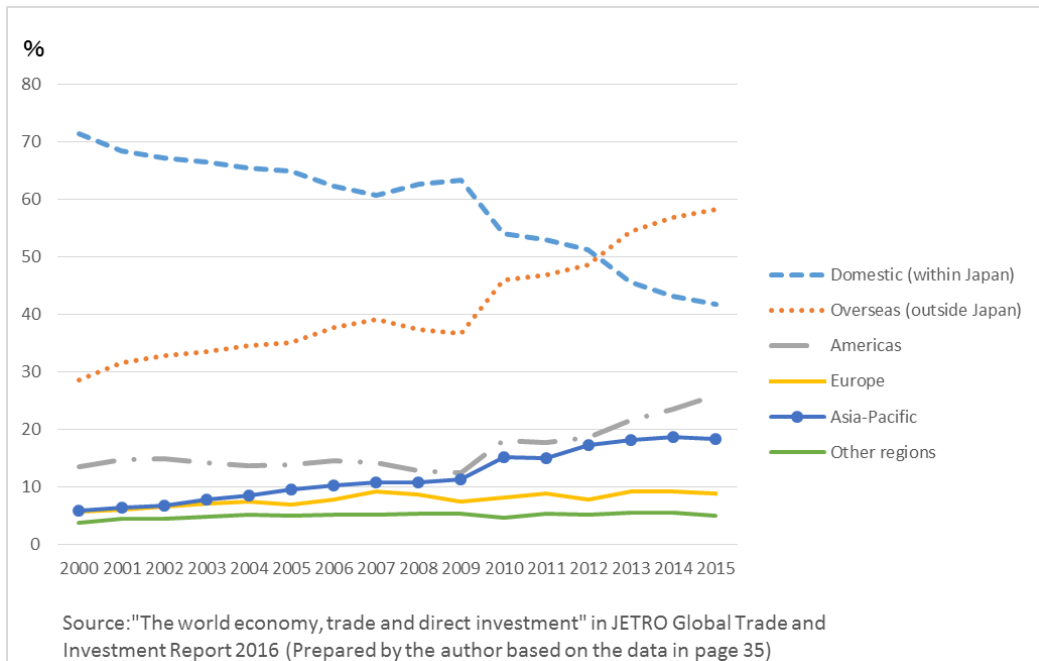


Figure 1 Japanese Companies' Sales Share by Region

understand the brand recall of Japanese products and services in the country. Figure 2 shows the comparison of the median age (median age is the age that divides the population into two equal parts: one-half falls below the median age and one-half above the median) in the major developed countries (G7) and the major ASEAN countries (ASEAN-5). The median age is in the early to late 40s in all G7 countries except the United States, while it is in the early 20s to late 30s in the ASEAN-5 countries. In countries with a large number of young

people, demand is strong due to the costs associated with marriage, childbirth, education, and other expenditures, while the peak of those demands in developed countries has already passed. Also from the point of view of age structure, it is worth keeping an eye on this region.

In terms of the amount of annual foreign direct investment (FDI) in ASEAN countries from Japan, the highest investment is in Singapore, followed by Thailand and Indonesia. As corporate tax and income tax are inexpensive in Singapore, noticeably more corporations

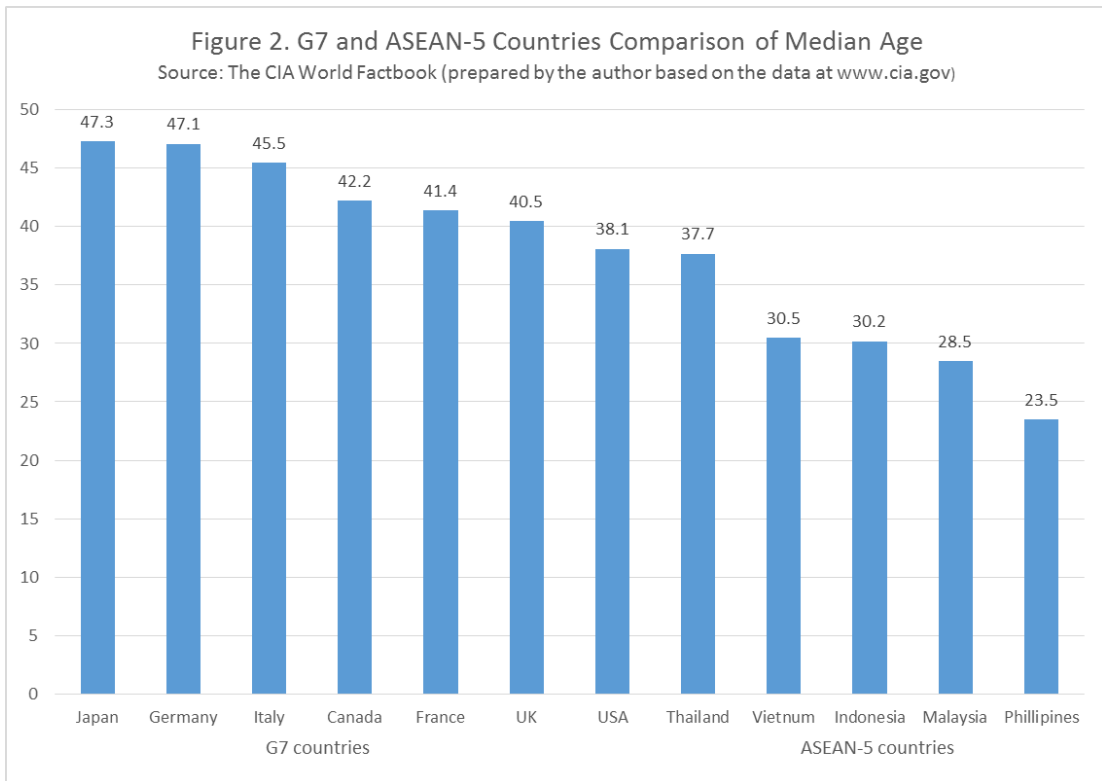


Figure 2. G7 and ASEAN-5 Countries Comparison of Median Age

have relocated their regional headquarters function to this country, with a growing trend in the service industry rather than the manufacturing industry. However, since the country is just a city state with a population of around 5.6 million, it is not very appealing as a consumer market. Therefore, Thailand and Indonesia are considered to be more important as bases for manufacturing and consumption.

Table 1 shows the core economic data of the major ASEAN countries. Regarding the population of Indonesia, Philippines and Vietnam, these countries have a good number. However, per capita GDP is not enough for consumption of Japanese goods and services. On the other hand, Malaysia and Singapore have higher per capita GDP than the other

countries but their population is too small to attract Japanese makers and vendors. Thailand has a medium sized population at 66.41million and also solid economic growth of 2.8% per annum (2018) with little inflation and the lowest unemployment rate or interest rate among the ASEAN nations. Indonesia, Malaysia, and the Philippines have relatively high unemployment rates and interest rates which has a bad influence on the stability of the country. As Thailand has attracted high numbers of exporters from Japan, its current account is always profitable, holding a lot of USD, which makes its currency strong and allowing Thai people to go to abroad and to buy foreign products easy. The Thai baht against the US dollar is expected to maintain a stable

Table 1. Economic situation of the main ASEAN countries

	GDP	GDP YtoY	GDP QtoQ	Interest Rate	Inflation Rate	Jobless rate	Government buget
Indonesia	1,042	5.05%	4.20%	5.75%	3.32%	5.01%	-1.76%
Thailand	505	2.80%	1.00%	1.50%	0.98%	1.10%	-2.50%
Singapore	364	0.10%	-3.40%	1.67%	0.60%	2.20%	0.40%
Malaysia	354	4.50%	1.10%	3.00%	1.50%	3.30%	-3.70%
Philippines	331	5.50%	1.40%	4.25%	2.40%	5.10%	-3.20%
Vietnam	245	6.71%	6.88%	6.25%	2.44%	2.16%	-3.70%
	Debt/GDP	Current account	Population	GDP per capita	FDI from Japan		
Indonesia	29.80%	-3	264	3.9	3,388		
Thailand	41.80%	7.5	66	7.6	4,724		
Singapore	112.20%	17.7	6	64.5	9,677		
Malaysia	51.80%	2.3	32	10.9	935		
Philippines	41.90%	-2.4	107	3.1	1,006		
Vietnam	57.50%	3	95	2.6	2,001		

GDP: billion USD, Current account:(% of GDP), Population:million, FDI fromJapan:million USD

All the sources comes from:Tradingeconomics (Aug2019), except FDI from Japan which comes from JETRO 2017

exchange rate. Although Thailand is relatively stable, there may also be a downside which is the rising median age. For this reason, it will be increasingly important going forward to engage in product development that takes advantage of the location in the center of the growing Asian economies, as well as playing a role as a base for the service industry.

3. SURVEY METHOD AND TARGET POPULATION

3-1. Survey Method

(A) Brand Recall

A survey on brand recall was conducted by category as well as by country; 11 items of products and services were targeted, including white goods (major household appliances), automobiles, personal computers, personal care products, smartphones, apparel, convenience stores, foods, cosmetics, restaurants, and travel destinations.

(B) Data Handling Method

Respondents wrote down their answers as they came to mind, rather than choosing from multiple choices. For this reason, answers were varied including: 1) misspelling; 2) mentioning a seemingly non-existing brand name; 3) mentioning a collective name instead of a proper noun (e.g., cuisine such as “Japanese cuisine” instead of a specific restaurant name); 4)

mentioning a manufacturer name or brand name unrelated to the industry in question; 5) mixing up the manufacturer name, its subsidiary name, and/or brand name. Such answers were handled in the following manner 1) the answer was rewritten as the likely manufacturer name or brand name; 2) counted as unanswered or illegible; 3) listed the collective name without alteration; 4) listed the manufacturer or brand name without alteration, even if irrelevant to the industry in question; 5) listed the manufacturer name, its subsidiary name, and/or brand name without alteration, even if mixed up.

(C) Survey’s Target Population

Due to the large gap between the rich and the poor in Thailand, it is necessary to focus on high-end consumers for the purpose of the brand recall survey on Japanese products and services. Therefore, this survey was conducted in a Thai private college named Assumption University, where a relatively high rate of students come from the upper class who lead the country’s high-end purchasing trend. Although this is a fact, it should be noted that some students are not classified in this standard. It is obvious that the students’ parents can afford to pay much higher tuitions than those of the other affordable universities. A questionnaire prepared for the students and their parents was handed out during a class and collected in the following class. The

survey period was one month from October to November 2017. The sample size, determined by the number of questionnaire respondents, was 153. This consisted of 34 male students, 139 female students, and their parents including 6 males and 8 females.

4. SURVEY RESULTS

4.1. White Goods (Major Household Appliances)

As shown in Table 2, the sample size of white goods was 153. Of these, Samsung came top of mind for 30 respondents. The second place was LG with a count of 25. The total of Samsung and LG accounted for 36% of brand recall among respondents. Japanese manufacturers followed: Mitsubishi ranked in the 3rd place (21), Toshiba in the 4th (13), Panasonic in the 5th (12), Sharp in the 6th (10), and Hitachi in the 7th (8) place. The total of these five Japanese companies accounted for 42% of total brand recall, gaining only 6 percentage points more than the total of two South Korean companies. South Korea advanced itself in the ASEAN market in the 1990s and expanded its market share in a short period of time. Regarding the characteristics of the marketing strategy of South Korean companies, The Marketing Society for Historical Research pointed

out that “they attracted local consumers with a marketing strategy of giving top priority to targeting local consumers” (Dobunkan Press, 2014). They went on to say that another success factor was the South Korean cooperations’ tie-up with the national marketing strategy of actively promoting South Korean culture, such as TV dramas and music, to the international market. On the other hand, Japanese manufacturers did not put their effort into understanding the needs of local consumers and sold their products through trading companies and distributors. These products are goods originally made for consumers in Europe, the U.S.A, or Japan. This resulted in keeping Japanese products from consumers’ top of mind and yielding the position to South Korea.

4.2. Automobiles

Regarding automobiles, Honda ranked the highest in brand recall, followed by BMW (2nd), Toyota (3rd), and Mercedes (4th). These four automakers accounted for a total brand recall of nearly 70%, suggesting a strong attachment of Thai people to these brands. Among Japanese automakers, Honda achieved a higher brand rate of recall than Toyota. Honda has captured the Thai people’s heart by providing a wide variety in their lineup in the Thai market.

Table 2: White goods (major household appliances)

Manufacturer /Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of Headquarters
Samsung	30	0.196	0.196	Korea
LG	25	0.163	0.359	Korea
Mitsubishi	21	0.137	0.497	Japan
Toshiba	13	0.085	0.582	Japan
Panasonic	12	0.078	0.660	Japan
Sharp	10	0.065	0.725	Japan
Hitachi	8	0.052	0.778	Japan
Electrolux	8	0.052	0.830	Sweden
Daikin	7	0.046	0.876	Japan
Hatari	4	0.026	0.902	Thailand
Sony	2	0.013	0.915	Japan
Saijodenki	1	0.007	0.922	Japan
Yamaha	1	0.007	0.928	Japan
Sanyo	1	0.007	0.935	Japan
Maytag	1	0.007	0.941	USA
Haier	1	0.007	0.948	China
BOSCH	1	0.007	0.954	Germany
Philips	1	0.007	0.961	UK & Netherlands
Whirlpool	1	0.007	0.967	USA
Unanswered or Illegible	5	0.033	1	
Total	153			

Table 2-1. White Goods: Brand Recall by Country

Country	Brand Recall by Country
Japan	0.497
Korea	0.359
Sweden	0.052
Thailand	0.026
USA	0.013
Germany	0.007
UK & Netherlands	0.007
China	0.007

Among German cars, BMW and Mercedes achieved high brand recall. Other than the top four, many European brands were mentioned including three UK automakers, namely Rolls Royce, Mini, and Landrover. In terms of the share in sales volume of automobiles in

Thailand in January-June 2017, Honda ranked at the top with 28.5% of sales, followed by Toyota (27.9%), Mazda (10.5%), Nissan (9.9%), Suzuki (5.8%), Mercedes (4.1%), and BMW (3.0%) (MARKLINES, 2018). Obviously, there is a gap between the dream car and the car that consumers actually purchase. However, as the price difference between German and Japanese cars narrows, more German cars are likely to be chosen by consumers. Therefore, it is necessary for Japanese automakers to stick to the current strategy of offering automobiles at a low cost while maintaining current quality.

Table3. Automobiles

Manufactuer/Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of Headquarters
Honda	35	0.229	0.229	Japan
BMW	30	0.196	0.425	Germany
Toyota	26	0.170	0.595	Japan
Mercedes	15	0.098	0.693	Germany
Porsche	8	0.052	0.745	Germany
Audi	8	0.052	0.797	Germany
Ferrari	6	0.039	0.837	Italy
Lamborghini	5	0.033	0.869	Italy
Rolls Royce	3	0.020	0.889	UK
Chevrolet	2	0.013	0.902	USA
Mini	2	0.013	0.915	UK
Volkswagen	2	0.013	0.928	Germany
Mazuda	2	0.013	0.941	Japan
Nissan	1	0.007	0.948	Japan
Volvo	1	0.007	0.954	Sweden
Landrover	1	0.007	0.961	UK
MG	1	0.007	0.967	UK
Hyundai	1	0.007	0.974	Korea
Ford	1	0.007	0.980	USA
Isuzu	1	0.007	0.987	Japan
Unanswered or Illegible	2	0.013	1.000	
Total	153			

Table3-1 Automobiles: Brand Recall by Country

Country	Brand Recall by Country
Japan	0.425
Germany	0.412
Italy	0.072
UK	0.046
USA	0.020
Sweden	0.007
Korea	0.007

4.3. Personal Computers

Regarding personal computers, Apple (US) achieved brand recall of

43.1% among the respondents, surpassing other brands. Acer (Taiwan) came in 2nd place, followed by Dell (US) in 3rd place, Asus (Taiwan) in 4th place, and HP (US) in 5th place. These five computer manufacturers accounted for a total brand recall of nearly 80%. This shows that the popular personal computers in Thailand are mostly made in the USA or Taiwan. On the other hand, Japanese brands of Sony, Toshiba, Panasonic, and Fujitsu were mentioned by only 7 respondents with a brand recall of just 4%. In terms of shipments of PCs worldwide, Lenovo ranked at the top with 55.502 million units,

followed by HP, which came in second place with 55.290 million units, DELL with 40.731 million, Asus with 19.203 million, and Apple with 18.446 million units (IDC Press, 2018). Regarding the PC shipments of Japanese PC makers, NEC Lenovo ranked at the top in the country with 2.596 million units, followed by Fujitsu with 1.847 million

units (IDC Japan,2017). The breakdown of NEC Lenovo consisted of approximately 4.7% for the world largest PC maker Lenovo and 3.3% for Fujitsu. This suggests that Japanese PC manufacturers have declined to a level that sells mainly in the local market targeting domestic consumers in Japan.

Table4. Personal Computers

Manufacturer/Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of headquarters
Apple	66	0.431	0.431	USA
Acer	16	0.105	0.536	Taiwan
Dell	16	0.105	0.641	USA
ASUS	12	0.078	0.719	Taiwan
HP	11	0.072	0.791	USA
Lenovo	9	0.059	0.850	China
MSI	6	0.039	0.889	Taiwan
Samsung	6	0.039	0.928	Korea
Sony	3	0.020	0.948	Japan
Toshiba	1	0.007	0.954	Japan
Fujitsu	1	0.007	0.961	Japan
Intel	1	0.007	0.967	USA
Alienware	1	0.007	0.974	USA
Windows8	1	0.007	0.980	USA
Microsoft	1	0.007	0.987	USA
Panasonic	1	0.007	0.993	Japan
Unansered or Illegible	1	0.007	1.000	
Total	153			

Table4-1 Brand Recall by Country

Country	Brand Recall by Country
USA	0.634
Taiwan	0.222
China	0.059
Japan	0.039
Korea	0.039

4.4. Personal Care Products

Regarding personal care products, as many as 35 brands were mentioned. Due to limited space, brand names with two or more counts were listed in Table 5.

Colgate, which is known for toothpaste, captured the top of mind position, with a brand recall of 21.6% among respondents. Kimberly Clark's tissue brand Scott came in 2nd place, Darlie, Colgate-Palmolive's toothpaste brand in Asia came in 3rd place, while a hemostatic brand Celox ranked in 4th place, and another Kimberly Clark's tissue Kleenex came in 5th place. These five brands accounted for a total brand recall of more than 50% among respondents. The 6th place position was taken by a Thai toothpaste brand Dentiste,

followed by P&G in 7th place, Amway in 8th place, and a Unilever brand Comfort in the 9th place. The top most nine brands are US and UK brands, highlighting the strength of the US and UK companies in this market. Japanese brands came in at the 10th and 11th places, with Lion's toothpaste Systema and a hair styling brand Shokubutsu, respectively. However, with a brand recall of around 3% each, they are significantly falling behind the top brands of Colgate and Scott

Table5. Personal care products

Manufacturer/Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of headquarters
Colgate	33	0.216	0.216	USA
Scott	21	0.137	0.353	USA
Darlie	11	0.072	0.425	USA
Celox	11	0.072	0.497	UK
Kleenex	7	0.046	0.542	USA
Dentiste	5	0.033	0.575	Thailand
P&G	4	0.026	0.601	USA
Amway	4	0.026	0.627	USA
Comfort	4	0.026	0.654	UK & Netherlands
Systema	4	0.026	0.680	Japan
Shokubutsu	4	0.026	0.706	Japan
Silk	3	0.020	0.725	USA
Vaseline	2	0.013	0.739	UK & Netherlands
Sensodyne	2	0.013	0.752	UK
Johnson's	2	0.013	0.765	USA
Kodomo	2	0.013	0.778	Japan
Oral-B	2	0.013	0.791	USA
Breeze	2	0.013	0.804	UK & Netherlands
Dove	2	0.013	0.817	UK & Netherlands
LUX	2	0.013	0.830	UK & Netherlands
Total	153			

Table5-1. Personal Care Products:
Brand Recall by Country

Country	Brand Recall by Country
USA	0.608
UK	0.092
UK & Netherlands	0.085
Japan	0.078
Thailand	0.039

Procter & Gamble (P&G) and Unilever are the largest companies in the world in the consumer goods industry. P&G's sales in the 2016 fiscal year were \$65.3 billion (P&G), (approximately 7,183 billion yen at an exchange rate of \$1 = 110 yen) with the company specializing in a wide variety of personal care products, including baby care products (diapers, etc.), women's care products (sanitary items, etc.), family care products (air fresheners, toilet paper, etc.), beauty products (cosmetics, etc.), housekeeping products (detergent, etc.), and grooming products (hair styling, etc.). Unilever's sales in 2016 totaled 52.7 billion euro (approximately 6,851 billion yen when € 1 = 130 yen) (Unilever, 2017). It could be considered that these two corporations account for the biggest part of the worldwide personal care market (Unilever, 2016). On the other hand, the sales of Kao, the largest company in this industry in Japan, made sales of 1,457.6 billion yen (2016), while Lion's sales were only 400 billion. Kao's domestic sales totaled 1,035.7 billion yen, with the domestic market accounting for 71% of total sales and the international market accounting

for just 29%. On the other hand, the domestic sales of P&G, headquartered in the US, accounted for 44% while international sales accounted for 56%. Unilever, headquartered in the Netherlands and the UK, had 57% of their sales in emerging economies. As Japanese brands are unable to compete in terms of market size, Japanese companies will need to focus on a niche strategy, promoting the efficacy and the use of natural ingredients of their products in order to gain a greater share of the market.

4.5. Smartphones

Regarding smartphones, Apple's iPhone achieved brand recall of 80%, surpassing other brands. Samsung, known for the Galaxy brand, came in second place at 12.4%, followed by Sony and Nokia with just 2 counts each. The Thai smartphone market may be considered a stronghold for Apple. In the global smartphone market, Apple was the top seller in the fourth quarter of 2016, followed by Samsung in 2nd place, Huawei in 3rd place, OPPO in 4th place, and Vivo (OPPO and Vivo are subsidiaries of the BBK Electronics Group, headquartered in Dongguan City, Guangdong Province in China) in the 5th place. Apple and Samsung were also in the 1st and 2nd place respectively in this survey, suggesting that the trend in Thailand is in line with the global trend.

Table6. Smartphones

Manufacturer/Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of Headquarters
Apple	123	0.804	0.804	USA
Samsung	19	0.124	0.928	Korea
Sony	2	0.013	0.941	Japan
Nokia	2	0.013	0.954	Finland
LG	1	0.007	0.961	Korea
I-Mobile	1	0.007	0.967	Thailand
Lenovo	1	0.007	0.974	China
HTC	1	0.007	0.980	Taiwan
Unanswered or Illegible	3	0.020	1.000	
Total	153			

Table6-1.Smartphones:Brand Recall by Country	
USA	0.804
Korea	0.131
Japan	0.013
China	0.007
Taiwan	0.007
Thailand	0.007

4.6. Apparel

As much as 35 brands were mentioned, showing a wide range of clothing brands. Due to limited space, brand names with two or more counts were listed in Table 7. The top three accounted for a total of more than 50%, suggesting a concentration of brand recall. These three brands were Zara (Spain), H&M (Sweden), and Uniqlo (Japan).

Global sales rankings of apparel manufacturers rank Inditex, known for the

ZARA brand, at the top (sales: 2,742 billion yen), followed by H&M in 2nd place (2,550.1 billion yen), Gap (US) in 3rd place (1,911.4 billion yen), Uniqlo's Fast Retailing (Japan) in 4th place (1,681.7 billion yen), and L Brands (US), known for Victoria's Secret, in the 5th place (Saito, 2016). This suggests the top three in brand recall for apparel in Thailand is in line with the top three of the global sales rankings for apparel manufacturers.

In terms of brand recall by country, countries with brands that have the largest market share come in the highest ranks. This is followed by relatively many developing countries such as Thailand, Tanzania, Bangladesh, and India, not just brands in developed countries. As many sewing and fabric manufacturing industries are operated in developing countries, brands in developing countries could beat those in developed countries

by implementing successful design and marketing. This is a characteristic of the apparel market.

In the survey, while only a single Spanish brand name and a Swedish brand name were mentioned, six Japanese brand names were mentioned, surpassing other countries in terms of the number of brand names. Besides Uniqlo, these included Earth Music & Ecology, a popular brand targeting women in their 20s and 30s;

Momotaro, a local brand from Okayama Prefecture well-known for sturdy jeans; Nudy, a women's underwear brand of Wacoal; GU, a subsidiary of Uniqlo, and lastly, Bobon21. With the Japanese boom in recent years, Japanese brand mining is increasingly popular in Thailand, especially among young people. This seems to offer an opportunity to attract the younger generation and stabilize demand.

Table 7. Apparel

Manufacturer/Brand	Frequency	Brand Recall	Cumulative Brandrecall	Country of headquarters
Zara	32	0.209	0.209	Spain
H&M	29	0.190	0.399	Sweden
Uniqlo	16	0.105	0.503	Japan
Jaspeal	6	0.039	0.542	Thailand
Forever21	6	0.039	0.582	USA
A to Z	5	0.033	0.614	Tanzania
CC Double O	5	0.033	0.647	Thailand
Adidas	4	0.026	0.673	Germany
Top Shop	4	0.026	0.699	UK
F&F	3	0.020	0.719	UK
Lyn Around	3	0.020	0.739	Thailand
Nike	3	0.020	0.758	USA
Ralph Lauren	2	0.013	0.771	USA
Arrow	2	0.013	0.784	USA
D&G	2	0.013	0.797	Italy
Levis	2	0.013	0.810	USA
Earth Music & Ecology	2	0.013	0.824	Japan
Lacoste	2	0.013	0.837	France
Lee	2	0.013	0.850	USA
Total	153			

Table 7-1 Apparel: Brand Recall by Country

Country	Brand Recall by Country
Spain	0.209
Sweden	0.190
Japan	0.144
USA	0.137
Thailand	0.098
UK	0.046
Tanzania	0.033
Germany	0.033
Italy	0.020
France	0.020
India	0.007
Australia	0.007
Bangladesh	0.007

4.7. Convenience Stores

With regards to convenience stores, 7-Eleven achieved the highest brand recall score among respondents with a staggering majority. The US-originated 7-Eleven has become a Japanese brand after being acquired by a Japanese company. Charoen Pokphand, a Thai conglomerate has signed a license agreement with Seven Eleven Inc., a wholly-owned subsidiary of Seven-Eleven Japan. As of June 2017, 7-Eleven has 64,319 stores worldwide, the largest share of which is in Japan with a total of 19,979 stores, followed by Thailand at 10,268 stores, ranking Thailand in second place (Seven-Eleven Japan, 2018).

According to Yasushi Nejiro et al (2016) the Japanese convenience store industry has become saturated, leading to expansion through new stores in the Asian

market which has had rapid economic growth in recent years. The population per 7-Eleven store (the country's total population divided by the number of 7-Eleven stores in the country) is 6,352 people in Japan and 6,421 people in Thailand, showing almost the same population per store in both countries. Although Family Mart and Lawson also operate stores in Thailand, brand recall of these companies is far below that of 7-Eleven, as shown in the table. Family Mart plans to double its stores in Thailand to more than 2,000 stores within five years (The Nihon Keizai Shinbun, 2016). However, it is not easy to overturn the brand image of 7-Eleven, which has expanded on a significant scale and is deeply engraved in peoples' minds. Lawson operates only 31 stores (Lawson, 2018) in the country, having just established a foothold. As the brand recall of 80% suggests, 7-Eleven has become synonymous with the concept of a convenience store in Thailand, positioning itself in a significantly advantageous place. However, 7-Eleven requires continued efforts to maintain its current position.

Note that although the results contained items other than convenience stores, such as supermarkets and shopping malls, Table 8 listed the results as is, due to the nature of the survey.

Table8. Convenience Stores

Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of Headquarters
7-ELEVEN	121	0.791	0.791	Japan
Big C	4	0.026	0.817	France
Tesco Lotus	4	0.026	0.843	UK
Tops	4	0.026	0.869	Thailand
Family Mart	3	0.020	0.889	Japan
Lotus Express	3	0.020	0.908	UK
The Mall	2	0.013	0.922	Thailand
Paragon	2	0.013	0.935	Thailand
Lotus	2	0.013	0.948	UK
Lawson	1	0.007	0.954	Japan
108 Shop	1	0.007	0.961	Thailand
Fashion Island	1	0.007	0.967	Thailand
Paseo Mall	1	0.007	0.974	Thailand
Mega Bangna	1	0.007	0.980	Thailand
Unanswered or Illigible	3	0.020	1.000	
Total	153			

Table8-1 Convenience Stores: Brand Recall by Country	
Country	Brand Recall by Country
Japan	0.817
Thailand	0.078
UK	0.059
France	0.026

4.8. Foods

Regarding the food industry, 30 different brand names were mentioned. Due to limited space, only brand names with two or more counts were listed in Table 9. A variety of food brand names were mentioned, but the top five brands

accounted for total brand recall of 60%, suggesting a concentration in a small number of brands. The top three were all Thai brands. In particular, the top brand CPF (Charoen Pokphand Foods) offers all kinds of food items, as a Thai general food manufacturer, and has established itself in a solid position as a domestic brand. Nestle came in the 4th place, followed by American brands in the 5th through 7th place. Strictly speaking, KFC and McDonald are restaurants, but due to the nature of the survey, they were counted in the food category as is. Japanese brands Meiji, 7-Eleven, Glico, and Nissin were mentioned, but these accounted for only 5% of total brand recall, as shown in table 9-1.

Table9. Foods

Manufacturer/Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of Headquarters
CPF	59	0.386	0.386	Thailand
MaMa	12	0.078	0.464	Thailand
S&P	9	0.059	0.523	Thailand
Nestle	7	0.046	0.569	Switzerland
KFC	7	0.046	0.614	USA
Lay's	5	0.033	0.647	USA
McDonald	5	0.033	0.680	USA
Betagro	5	0.033	0.712	Thailand
Farm House	3	0.020	0.732	USA
The Coffee Bean and Tea Leaf	3	0.020	0.752	USA
Oishi	3	0.020	0.771	Phillipines
Starbucks	3	0.020	0.791	USA
Meiji	2	0.013	0.804	Japan
Dutchmill	2	0.013	0.817	Thailand
Subway	2	0.013	0.830	USA
7-ELEVEN	2	0.013	0.843	Japan
Glico	2	0.013	0.856	Japan
Nissin	2	0.013	0.869	Japan
Total	153			

Table9-1. Foods:Brand Recall by Country

Country	Brand Recall by Country
Thailand	0.614
USA	0.209
Japan	0.052
Switzerland	0.046
Phillipines	0.020

4.9. Cosmetics

Regarding cosmetics, the total sample size was 117 since the sample consisted of only female respondents. Table 10 lists the brand names with a count of two or more. The top three global

cosmetics companies are L'Oréal, Estée Lauder, and LVMH (Moët Hennessy Louis Vuitton SE), each of which is a major group of companies with various brands. In this survey, the 1st place was MAC, a house brand of a subsidiary of the US company Estée Lauder, while 2nd place was taken by Maybelline (Maybelline LLC, headquartered in New York, is a subsidiary of the French company L'Oréal). A French company, Chanel ranked in 3rd place, while an Ida Laboratories' brand CANMAKE came in 4th place. Korean brands such as Etude House, Innisfree, and 3CE ranked in the 5th, 7th and 10th places, respectively. In addition to traditional American and

French brands, emerging Japanese and Korean brands are slowly beginning to penetrate the market. As shown in Table 10-1, South Korea achieved brand recall of about 13%.

This was triggered by the Korean boom including Korean movies and TV shows. The wish of Thai women to get lighter skin like Korean actresses has

inspired Thai women to buy Korean cosmetics. In addition, a Japanese emerging brand CANMAKE focused on selling cosmetics in convenience stores at affordable prices to be readily available for purchase. Such attempts to discover a niche market lead to opportunities to enter the cosmetics market which is dominated by major companies.

Table 10. Cosmetics

Manufacturer/Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of Headquarters
MAC	20	0.1754	0.1754	USA
Maybrline	16	0.1404	0.3158	USA
CHANEL	11	0.0965	0.4123	France
Canmake	7	0.0614	0.4737	Japan
Etude House	6	0.0526	0.5263	South Korea
SK II	4	0.0351	0.5614	USA
innisfree	4	0.0351	0.5965	South Korea
Estelauder	3	0.0263	0.6228	USA
NYX cosmetics	3	0.0263	0.6491	USA
3CE	3	0.0263	0.6754	South Korea
Dior	2	0.0175	0.6930	France
Artistry	2	0.0175	0.7105	USA
Laura Mercier	2	0.0175	0.7281	USA
Oriental Princess	2	0.0175	0.7456	Thailand
Bobbi Brown	2	0.0175	0.7632	USA
Skin Food	2	0.0175	0.7807	South Korea
Three	2	0.0175	0.7982	Japan
Total	114			

Table10-1 Cosmetics: Brand Recall by Country	
Country	Brand Recall by Country
USA	0.535
France	0.158
S.Korea	0.132
Japan	0.105
Thailand	0.026
UK	0.018
Germany	0.009

4.10. Restaurants

The restaurant category is a very diverse category, resulting in as many as 41 different brand names mentioned among the respondents. Table 11 lists the brand names with a count of two or more. MK Restaurant ranked in the highest place, followed by Fuji Restaurant, KFC, Sizzler, the BAR·B·Q PLAZA, Shabushi,

Oishi, Ootoya, S&P, and Cocoichibanya, ranking in the 2nd to 10th places respectively. As shown in Table 11, domestic brands gained a significant share in the market. This was followed by the US and Japanese brands, indicating the Thai restaurant industry is almost dominated by these three countries. Japanese food, American fast food, and Thai food have certainly captured

the Thai people's heart. However, Ootoya and Cocoichibanya were the only restaurants owned by Japanese companies among those listed in the top ten. Many Japanese cuisine and quasi-Japanese food were mentioned, the total of which achieved brand recall of 59.5%. As this number suggests, we may consider that Japanese food has become a part of Thai culture.

Table11. Restaurants

Brand	Frequency	Brand Recall	Cumulative Brand Recall	Country of headquarters
MK Restaurant	34	0.222	0.222	Thailand
Fuji Restaurant	17	0.111	0.333	Thailand
KFC	15	0.088	0.431	USA
Sizzler	11	0.072	0.503	USA
The Bar B Q Plaza	5	0.033	0.536	Thailand
Shabushi	5	0.033	0.569	Thailand
Oishi	5	0.033	0.601	Thailand
Ootoya	5	0.033	0.634	Japan
S&P	4	0.026	0.660	Thailand
Cocoichibanya	4	0.026	0.686	Japan
Zen	4	0.026	0.712	Thailand
Yayoi	3	0.02	0.732	Japan
Hachiban Ramen	2	0.013	0.745	Japan
McDonald	2	0.013	0.758	USA
The 8th Café	2	0.013	0.771	Thailand
On the table	2	0.013	0.784	Thailand
Sushiden	2	0.013	0.797	Thailand
Sukishi	2	0.013	0.810	Thailand
Hakone	2	0.013	0.824	Thailand
Total	153			

Table11-1 Restaurants Brand Recall by Country	
Country	Brand Recall by country
Thailand	0.654
USA	0.203
Japan	0.098
Korea	0.007
UK	0.007

4.11. Travel Destinations

As life becomes more affluent, more people travel overseas for pleasure. Thailand is not an exception. The number of Thai tourists in Japan has sharply increased from 214,881 in 2010 to 796,700 in 2015. Even in this survey, many respondents mentioned Japan as the most desired travel destination, achieving brand recall of 44%. The United States came in 2nd place, followed by the UK in 3rd place, Korea in 4th place, and Switzerland in the 5th place. The top five achieved cumulative brand recall of 75% among respondents, suggesting the

popularity of developed countries as travel destinations. Another reason of rising Thai tourist numbers in Japan is that the Japanese government has waived visa requirements for tourists from Thailand and Malaysia since 2013. Currently, Thai tourists visiting Japan ranked in 6th place, after tourists from China, Korea, Taiwan, Hong Kong and the United States (JNTO, 2019). Now that tourism has become an important industry in Japan, understanding the needs of Thai customers and increasing the number of repeat customers will lead to boosting tourism in Japan.

Table 12. Travel Destinations

Country	Frequency	Brand Recall	Cumulative Brand Recall
Japan	67	0.4379	0.4379
USA	21	0.1373	0.5752
UK	11	0.0719	0.6471
Korea	8	0.0523	0.6993
Switzerland	7	0.0458	0.7451
China	4	0.0261	0.7712
Thailand	4	0.0261	0.7974
Italy	3	0.0196	0.8170
Australia	3	0.0196	0.8366
Taiwan	3	0.0196	0.8562
France	2	0.0131	0.8693
Singapore	2	0.0131	0.8824
Greece	2	0.0131	0.8954
Total	153		

5. CONCLUSION

Table 13 shows the brand recall rate for each category of Japanese products and services in Thailand. Convenience stores ranked at the top, followed by white goods (2nd place), travel destinations (3rd), automobiles (4th), apparel (5th), cosmetics (6th), restaurants (7th), personal care products (8th), foods (9th), personal computers (10th), and smartphones (11th). Of the categories that achieved brand recall of 40% or more, two were manufactured goods while another two were services. This included white goods (major household appliances) and automobiles for manufactured goods, and convenience stores and travel destinations for services. In the white goods category, which achieved high brand recall, emerging companies such as Samsung have gained a significant share of

the market.

In the manufacturing goods sector, such as white goods, personal computers, and smartphones, businesses have developed “modularization,” which refers to the production of goods that can be achieved to some degree by anyone who has the components and machines to manufacture the product. Companies that took full advantage of this model were Apple, which achieved staggeringly high brand recall, and the information and communications companies. These businesses are marked by focusing on planning and sales, both of which are the most lucrative divisions. These companies have had great success using the fabless (not having a factory) model by designing a product in China while outsourcing the fabrication of the product to Taiwan.

Table 13. Brand recall rate of Japanese products and services (by category)		
1	Convenience stores	0.817
2	White goods (major household)	0.497
3	Travel destinations	0.438
4	Automobiles	0.425
5	Apparel	0.144
6	Cosmetics	0.105
7	Restaurants	0.098
8	Personal care products	0.078
9	Foods	0.052
10	Personal computers	0.038
11	Smartphones	0.013

On the other hand, Japanese companies continued employing the vertical integration model that extends stages of production operated by company-owned supply chains. This resulted in a significant loss of profits in the industry that developed modularization, due to a lack of cost competitive advantage. In recent years, where modularization and fables have evolved, manufacturing cost effectiveness and marketing ability have determined and will continue to determine success or failure. Japanese companies are expected to enhance their ability in this area. Furthermore, Japan is completely lagging behind in the field of electric vehicles, which will become the mainstream in the automotive industry in the future.

On the other hand, convenience stores and tourism have significantly expanded their market shares in the service industry. Convenience stores have captured the heart of the Thai people with typical Japanese services such as providing fresh food and food items in a timely manner. This has contributed to a staggering brand recall of 80%. In addition, tourism in Japan has gained popularity due to various benefits, being the only visa-free country among the G7, rich in nature and tourist attractions, clean environment, and comfortable and convenient transportation systems.

Apparel, cosmetics, and restaurants achieved brand recall of 10% each.

Although restaurants owned by Japanese companies achieved brand recall of just around 10%, it amounts to 60% when Thai-owned restaurants serving Japanese cuisine and quasi-Japanese food are included. In Thailand, where Japanese food has become increasingly popular, Japanese companies will have many opportunities to enter the market. Susumu Fukui et al. (2016) pointed out that “Japanese food manufacturers have given priority to gaining a share in the domestic market within the product segment and invested many business resources in this area [quotation translated].” This explains why Japanese food manufacturers could not become global brands. While the prices of food items are rising due to the impact of climate change, retail stores demand price reduction and private labels have become popular, causing many Japanese food businesses to suffer. Now is the time for Japanese food manufacturers to aim for the global market. Fortunately, the Japanese food boom is spreading worldwide.

Apparel and cosmetics industries have also expanded their market shares by focusing on a niche market. Thus, the Thai people’s interest in Japanese products and services has shifted from things to culture, and they are increasingly interested in Japanese people, culture, and lifestyle. This is a breakthrough opportunity for SMEs.

One of the opportunities for MSEs to penetrate the Thai people’s mind is not

just travel itself but value-added tourism. One of these, should be medical tourism. Japan possesses the largest number of MRI and CT scanners, which is essential for medical checkup as table 15 shows. In Russia for example, thousands of people wait more than one year to have a medical checkup using diagnostic imaging equipment. Table 14 shows the number of diagnostic imaging equipment possessed by the country per million of the country's population.

As the numbers show, Japan has the largest number of diagnostic imaging equipment which enables its people to enjoy the longest lifespan in the world. Many of the hospitals in Japan are categorized as MSEs, and have these expensive pieces of equipment. If they use this equipment for medical tourism, giving tidy, cordial and accurate Japanese hospitality with a reasonable price,

hospitals will be able to sell more medical tourism in Japan. Attracting more tourists will in turn enable accommodation, restaurant, retail, wholesale and transportation businesses to prosper, most of which consist mainly of SMEs. Thailand has been chosen as a market for labor-intensive industries. However, with evolving modularization and fabless manufacturing, huge Japanese manufacturers are becoming less competitive. Japanese cultural exports are easy to be accepted in a country that has relatively few hard feelings towards Japan regarding World War II, as well as in a devout Buddhist-majority nations that value living in harmony, such as Thailand and Myanmar. The time has come for promoting Japan, for expanding market opportunities through the organic combination of the unique services offered by Japan's SMEs.

Table 14 The number of diagnostic imaging equipment per 1 million by country

CT		MRI	
JPN	107.2	JPN	51.7
AUS	59.6	USA	39.0
USA	41.0	DEU	33.6
ISL	39.3	ITA	28.2
DEN	37.7	KOR	26.3
KOR	37.0	FIN	25.9
LVA	36.9	GRC	24.3
CHE	36.2	CHE	22.0
GRC	35.1	ICE	21.2
DEU	35.1	AUT	20.7
ITA	33.3	ESP	15.9
AUT	29.0	SWE	14.6
BEL	22.9	AUS	14.5
PRT	22.5	IRL	14.1
FIN	21.5	NZL	13.3
LTU	21.0	LVA	12.6
SWE	20.3	FRA	12.6
ESP	18.0	NLD	12.5
SVK	17.9	LUX	12.3
NZL	17.8	EST	12.2

Source: OECD 2017

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