



## CHAPTER I

### INTRODUCTION

There are many different styles of coffee houses in Bangkok today offering a wide variety of coffee items. For example, Starbucks Coffee, the well-known American company now with international branches, and local coffee-house chains such as Black Canyon Coffee, Ban Rie<sup>1</sup> Coffee, and Doi Tung Coffee, as well as the many independent coffee houses; all offer freshly machine brewed coffee. Additionally, there are many Thai traditional style coffee houses that offer coffee brewed using the traditional cloth-bag method. My preliminary survey has shown that there are coffee houses everywhere such as BTS Sky-Train Stations, bookstores, fresh-food markets, department stores, supermarkets, various food-courts, banks, hospitals and at numerous gas-stations across Thailand.

It is reported that the number of newly opened coffee houses offering freshly brewed coffee has increased since 1998, which is the year that Starbucks opened its first outlet in Thailand. At least 60 other coffee-shops have opened in Bangkok between 1998 and 2000, while only 10 shops were opened in 1997.<sup>2</sup> Despite the 1997 Asian economic crisis, the coffee business has operated favorably in Thailand. In terms of the number of outlets of the leading coffee house chains in Thailand, two local companies, Black Canyon Coffee and Ban Rie Coffee, operate more than 100 outlets (as of January 2006).<sup>3</sup>

Also, a unique phenomenon can be found in the coffee house industry, namely the co-existence of a new/modern coffee culture and the traditional/old coffee culture. While

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<sup>1</sup> The name of this coffee house is deliberately spelt “Ban Rie” instead of “Ban Rai”. The owner intentionally uses this deliberately wrong spelling for the sake of uniqueness.

<sup>2</sup> Bangkok Post. August 14, 2001. “Chains add froth to coffee boom”

<sup>3</sup> Black Canyon: Ms. Rungkan Uthaisang. 2005, January 27. Marketing Executive, Black Canyon Coffee. Telephone interview. Ban Rie Coffee: TIME magazine, europe edition. 2005. “Temple of tradition, A Thai coffee chain takes on Starbucks by sticking to its roots”. October 24. vol.166. No.17

many new coffee houses established by both foreign and local companies have introduced the new style of coffee to Thailand, it can be seen that many people still appreciate the traditional coffee, *Kafae Boran*. My further research revealed a hybrid feature of coffee and coffee houses intermingled with traditional and modern elements. For example, one of the distinctions noticed was the hybridity of freshly machine brewed coffee, a modern style of preparation, served in a traditional Thai manner that is in a manner usually seen with in the old style of coffee preparation. One newly established coffee house even offers two types of coffee menus, an international menu and a traditional menu. These strategies not only attract customers but also bring about an emerging new coffee culture in Thailand. In addition, a customer's new consumption style at the coffee houses can be found. My research reveals that there are customers who go to coffee houses even though they do not necessarily drink coffee and some even expressed a dislike of coffee. The reason they go to the coffee house even though they do not drink coffee is that they have a particular purpose to do at the coffee houses such as reading, chatting with friends, doing homework, etc. Moreover, the emergence of many different types of coffee houses entails a severe competition in the coffee business. These features stimulate the emergence and development of a new coffee culture. The new coffee culture which is dynamically ranging from the coffee houses to the customers shows distinctive impact of modern and globalized coffee culture on the contemporary society in Thailand.

This thesis is the very first academic writing on Thai coffee culture contributing to the field of Thai cultural studies. In addition, the impact of globalized culture on local culture is reflected in the case of foodways – cultural practices surrounding the preparation and consumption of food, specifically coffee business and consumption in Thailand. Therefore, it is worthwhile to study the emergence, development and characteristics of this new Thai coffee culture.

## 1.1 Concepts

To clarify the distinct feature that can be seen in the coffee culture in Thailand, an explanation of globalization, hybridization and glocalization as the theoretical framework is necessary.

### ***Globalization***

Globalization is a big flow of a new form of social organization that extends worldwide. It consists of:

*A borderless world where flow of capital and new technology are propelling goods, information, people and ideologies around the globe in volumes and at speeds never previously imagined. It is an interconnected world of mixture, contact, linkage and persistent cultural interaction and exchange.*<sup>4</sup>

Because of these new forms of technologies and transportations, international contact and global expansion are now regular among people and businesses. As a result of globalization, cultural boundaries are becoming more transparent and the world is becoming more homogenous. Yet now, instead of countries and governments expanding, individual companies and corporations seek this global expansion.

### ***Hybridization***

Cultural hybridity, the intermingled elements derived from different cultural contexts, is the process of globalization. Cultural hybridity is a phenomenon in which two or more cultural forms from different domains co-exist. Hybridity is primarily a biological term meaning the outcome of a crossing of two plants or species. This term serves as a metaphor for describing the combination of two or more cultural forms.<sup>5</sup> In Thai society, cultural hybridity can be easily found. For example, a packet of snack food such as *Frito Lay's*

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<sup>4</sup> Lockwood quoted in Melissa Cooper. 2003. "*Starbucks Globalization*".

<sup>5</sup> Brah and Coombes quoted in Siripom Phakdeephassook. 2005. "*Cultural Hybridity and Dynamics in Hanuman Chansamon*". *MANUSYA* special issue No. 9: 44

*Ridged Potato Chips* spicy sweet-basil flavour and *Calbee's Kappa* spicy tom yam flavour illustrate the hybridization of Western / Japanese snacks and the taste of local cuisines. In case of the popular music, *Morlam Sing*, which is the blend of traditional Northeastern folk music and Western string music, represents an instance of cultural hybridity in Thai music.<sup>6</sup>

As for the relation between globalization and hybridization, the processes of globalization can be described as processes of hybridization<sup>7</sup>. Cultures have been hybrid all along, hybridization is in effect a tautology: contemporary accelerated globalization means the hybridization of hybrid cultures.<sup>8</sup>

### ***Glocalization***

Robertson describes the global-local hybridization process by using the term “glocalization”.

*There is a widespread tendency to regard the global-local problematic as straightforwardly involving a polarity, which assumes its most acute form in the claim that we live in a world of local assertions against globalizing trends, a world in which the very idea of locality is sometimes cast as a form of opposition or resistance to the hegemonically global.*<sup>9</sup>

Therefore, glocalization is a sort of forms of hybridization. Contemporary conceptions of locality are largely produced in something like global terms. There is an increasingly globe-wide discourse of locality, community, home and the like.<sup>10</sup>

In the case of the late 1990s in Thailand, despite the 1997 Asian economic crisis, the

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<sup>6</sup> Phakdeephassook. 2005

<sup>7</sup> Nederveen Pieterse, Jan. 1995. “Globalization as Hybridization”. In M. Featherstone; S. Lash; and R. Robertson (eds.), *Global Modernities*. pp.45-68. UK: Sage

<sup>8</sup> *ibid.*, p64

<sup>9</sup> Robertson, Roland.1995. “Glocalization: Time-Space and Homogeneity-Heterogeneity”. In M. Featherstone; S. Lash; and R. Robertson (eds.), *Global Modernities*. p29. UK: Sage

<sup>10</sup> *ibid.*, p31

favourable business environment involving international and local coffee operations resulted in severe competition in the market. Moreover, Starbucks, which is a leader within corporate globalization and considers itself to be a global company, brought significant impact that influenced society in Thailand not only economically but also culturally.

## 1.2 Scope

The 'coffee culture' that will be investigated in this thesis pertains to the business style and service introduced to the market as well as the consumption style that can be seen in the coffee houses. There are various types of coffees: instant, ready-to-go and freshly brewed, consumed at the many different places. However, the reason why the coffee houses and coffee stands are considered to be some of the most suitable places for studying the coffee culture in Thailand is that social and economic activities such as 'sale', 'buy', 'services', 'consumers/customers', 'consumption' and 'gathering' can be seen. The 'coffee house' is defined as the shop offering coffee with consumption space for customers, and also calls itself 'coffee house', 'coffee shop' or 'café'. The 'coffee stand' is defined as a stand offering coffee and some have a consumption space such as stools and a drinking counter but some do not. The scope of the research focuses more on coffee culture in Bangkok, therefore the scope of the investigation is limited to mainly the coffee houses in Bangkok, and the time period is set from the late 1990s to the present because the number of newly opened coffee house outlets started to increase from the late 1990s.

## 1.3 Research questions and hypothesis

This thesis aims to investigate the emergence and development of a new coffee culture in Thailand during the investigating period in order to answer the following two research questions. First, what style of coffee houses has emerged in Thailand? Second,

what is the new style of coffee consumption?

It is hypothesized that the advent of modern and global coffee culture has played a significant role in the emergence of the new coffee culture in Thailand. Since Starbucks Coffee opened the its first outlet in Thailand in 1998, there have been two significant impacts, in terms of culture and business style. The emergence of new coffee houses provides not only a new style of coffee consumption, but also a new concept of coffee consuming in Thai Society. Moreover, the emergence of new coffee houses stimulated the Thai market directly and indirectly according to growing demand in coffee consumption in Thailand. In the dynamic coffee business in Thailand, there are many strategies to promote new coffee houses.

#### 1.4 Research methodology

It was found that there are few academic studies pertaining to coffee culture in Thailand because it is still a relatively new field of study. There are many books about coffee but most of them merely contain cooking recipes. Therefore, field research was selected as the main source of information in this thesis. During the three months, July to September 2005, main field work at Ea Sae Plus, Makro supermarket branch, Charan Sanitwong Road in Bangkok, was conducted. Three months fieldworks included a working as volunteer, interviewing staff, customers and shop manager, and observing the way of serving and consumption. Also, the data from secondary sources including academic papers, newspapers, magazines and VCDs were gathered. Last, a questionnaire research was conducted in order to collect information from 'coffee house users' about their consumption styles.

Interviews were considered one of the most efficient and important ways to collect data. Many people related to the coffee business, such as coffee house owners, employees of coffee houses, managers of coffee factories, farmers of coffee plantations and customers of coffee houses, were interviewed. To examine consumption style at coffee

houses, personal observation of the operation and the regular customers at the shop were noted.

Concerning published documents, it was necessary to review not only books but also the magazines especially featuring a food and beverage business and newspapers because of the nature of this thesis's topic, which needs the latest market information. In order to obtain the information from customers to study consumption style, questionnaires were distributed in Chulalongkorn University's campus and Sukhumvit Road area. Both are located among the busiest commercial areas in Bangkok, where there are many coffee houses. These locations were chosen, because people in these areas potentially go to coffee houses.

There are a couple of research limitations. One among these is my inability to communicate well in the Thai language, although most of the people who were interviewed could speak English well. I received some assistance from native Thai speakers with translating some aspects of the interviews from Thai. Also, some Thai documents written about coffee and coffee houses had to be translated into English. Additionally, there were only 82 respondents to my questionnaire relating to the new style coffee houses because of the time limitation, thus more data could have been collected to get more accurate results.

Regarding the English spelling of Thai proper names, this thesis follows the method determined by published documentation, pertaining to the proper rendering of Thai names into the English language. In the case of differences, the more 'popular' name-rendition was chosen.

## 1.5 Literature review

The subject of coffee, coffee houses and Starbucks has been researched in some sociological studies. Ratjaroenkhajom focuses on Thai consumption culture which studies Starbucks Coffee as an example of identity commodity.<sup>11</sup> She reveals that, in consumerism

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<sup>11</sup> Sarinthom Ratjaroenkhajom. 2001. *Coffeehouse: Meaning in the cultural sphere of Thai*

culture, a man and commodities are related through signs containing social value and meanings. The middle class people consume the sign value of Starbucks, to emphasize both their personal and their social identities. Roseberry notes that the expansion of specialty coffees marks a distinct break with a past characterized by mass production and consumption of the instant (powdery) coffee in the US.<sup>12</sup> He points out that there is a complex relationship between class and food consumption, first in the obvious sense that particular groups occupy differential market situations in terms of their ability to purchase certain foods, and second in the ways various groups make use of foods and food preferences in marking themselves as distinctive from or in some sense like other groups.

As for media studies, Fry takes up the Starbucks' advertisement, which featured Papua New Guinea, one of the countries from which Starbucks purchases its specialty coffee beans. The advertisement is featured in a regional lifestyle magazine published and distributed in the western regions of the US.<sup>13</sup> The photo of this advertisement is an extreme close-up of a native Papua New Guinea man and it portrays to readers a human being vastly different from themselves. Fry explains that Starbucks promises an opportunity to travel to exotic worlds of specialty coffee without having to leave comfortable surroundings. Starbucks, the postmodern brew, is an image and it tends to delude customers, but no more than it deludes itself.

As to the perspective of glocalization, Thompson and Arsel introduce the concept of the hegemonic brandscape to analyze a particular nexus of marketplace dynamics in the US.<sup>14</sup>

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*consumerism*. Thailand: Thammasart University

<sup>12</sup> Roseberry, William. 1996. "The Rise of Yuppie Coffees and the Reimagination of Class in the United States". *American Anthropologist* New Series 98, No. 4: 762-775

<sup>13</sup> Fry, Katherine G. 2000. "Starbucks Coffee: Cultivating and Selling the Postmodern Brew". In R. Anderson; and L. Strate (eds.), *Critical Studies in Media Commercialism*, pp.173-185, USA: Oxford University Press

<sup>14</sup> Thompson, Craig J. and Arsel, Zeynep, 2004. "The Starbucks Brandscape and Consumers" (*Anti-corporate*) *Experience of Glocalization*". *Journal of Consumer Research* 31: 631-642



Starbucks motivates oppositional brand loyalty among local coffee house enthusiasts. However, their opposition hails from not only a sense of direct threat to their preferred local coffee houses but also the iconic status of Starbucks in broader cultural criticism of global capitalism. The anti-Starbucks discourse is a multi-faceted one that generates different kinds and degrees of opposition toward the brand.

In terms of glocalization features, the local absorbing global can be seen in consumption style. Watson indicates that the new definition of ‘fast food restaurants’ was invented by the customers of McDonald’s in East Asian countries.<sup>15</sup> In the US, ‘fast food’ is food that can be consumed quickly. However, the outlets of McDonald’s in Beijing, Seoul and Taipei are used as the leisure centre where customers can escape from urban life stress. Therefore, it shows that the global advent does not always dominate over local meanings.

Currently there are a few studies can be found about coffee, especially focuses on Starbucks and its branding or advertising effected on society. My study focuses on the dynamics of local coffee houses and the cultural phenomena surrounding coffee houses in Thailand, which reveals the impact of globalization. This study contributes to expand the field of Thai cultural studies.

## 1.6 Outline

This thesis consists of five chapters, including this introduction. The second chapter provides a short history of the coffee and the coffee houses in Thailand including a very brief explanation of two major types of coffee beans used, Arabica and Robusta, since this will be important for understanding one aspect of the newly emerged coffee culture in Thailand. Furthermore, the operation of Starbucks in Thailand will be described in this chapter.

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<sup>15</sup> Watson, James L. (ed.) 2003. *Golden Arches East, McDonald's in East Asia*. Translated by K. Maegawa, Y. Takeuchi, and Y. Okabe. Japan: Shinyosha

Chapter 3 describes investigation of the newly emerged new coffee houses which can be categorized into five types: the modern style, Starbucks-like coffee houses, the coffee stands offering fresh machine brewed coffee, the independent coffee houses, the coffee houses established by restaurant chains, and the new business style of coffee houses. Chapter 4 sets forth an analysis of the new coffee consumption in Thailand, along with the co-existence of traditional and modern coffee cultures, hybridization of coffee and coffee houses and causes of such hybridization. Chapter 5 provides a conclusion and discussion.

To provide understanding of the 'coffee culture', this thesis provides two points of view: business impact and cultural impact. As for the business impact, the new types of coffee houses as well as their operating styles and locations will be investigated. As for the cultural impact, the coffee items, their manner of serving at the coffee houses and the consumption styles of the customers including the customers' behaviour can be seen at the coffee house will be examined in order to study the various styles of consumption.

The example to show a modern adoption of traditional coffee house for this thesis is *Ea Sae Coffee*, one of the oldest coffee houses in Thailand. The purpose of studying *Ea Sae Coffee* is to understand the traditional style of preparing and serving coffee and their traditional coffee houses and how *Ea Sae Coffee* has responded to the competitive coffee house business. The significant role that *Ea Sae Coffee* has been playing in the coffee business is its efforts to preserve the traditional style and method of brewing coffee along with the traditional way of serving coffee; while at the same time they have established a new coffee house serving international and the traditional coffee items in a modern style outlet. Studying *Ea Sae Coffee* helps to understand the strategy that one traditional local coffee house uses to survive against the international coffee businesses of today. Moreover, *Ea Sae Coffee* comprises most of the elements which can be found in the contemporary coffee culture in Thailand. In a word, it can be said that *Ea Sae Coffee* is the epitome of the coffee culture in Thailand today.