

CHAPTER 4

RESULTS OF THE DATA COLLECTION

4.1 Historical Analysis

4.1.1 Case study 1: The Mandarin Oriental Hotel, Bangkok

The Mandarin Oriental, Bangkok is a 5-star hotel located in Bangkok and owned in part and managed by the Mandarin Oriental Hotel Group. It is located on the banks of the Chao Phraya River, and the original structure was the first hotel built in the Kingdom of Siam when it first opened as The Oriental in 1879. As part of its innovative spirit, some rooms were inspired by and named after famous people who over the years stayed at the Oriental, offering guests the chance to get in touch with their favorite celebrity. It is widely regarded as one of the best global luxury hotels, providing 21st century luxury with Asian charm. The Mandarin Oriental Bangkok Hotel, occasionally identified as the “grand old dame,” has featured over 130 years of royal class service. The hotel has often been described as the world class masterpiece of Bangkok. Many legendary personalities have lodged there. The staff, the service system, and the surroundings recreate an amazing and unforgettable experience for every vacation tourist and business traveler who chooses to stay there.

The Mandarin Oriental Hotel Group is probably best defined as a family of individual hotels and resorts, each with their own distinct personality, yet inherently linked to their exotic oriental roots. The hotel’s luxury brand strives to “delight” their guests by providing service that is gracious and sincere, and steeped in the values of the orient. Over the years, the Mandarin Oriental Hotel Group has been consistently recognized by influential global publications as an outstanding hotel company. The Mandarin Oriental Bangkok Hotel has been presented with many awards (http://en.wikipedia.org/wiki/Oriental_Bangkok#Awards), of which the following are just a few selections :

- It was named “Best City Hotel in Asia” and one of the “Top 20 Hotels Worldwide” (*Travel & Leisure's* annual World Best Awards, 2009).
- Best City Center Hotel Spa Worldwide (*Luxury Travel Advisor*, December 2008 - Awards of Excellence)
- Urban Spa of the Year (*AsiaSpa Magazine*, November 2008 - *AsiaSpa Awards*)
- Named one of the 400 Best Hotels (*Forbes Traveler*, November 2008)
- No. 8 in Overseas Leisure Hotels - Asia & the Indian Subcontinent (*Condé Nast Traveller*, October 2008 - Readers' Travel Awards)
- No. 13 in Spas in Overseas Hotel (*Condé Nast Traveller*, October 2008 - Readers' Travel Awards)
- No. 3 in Top 20 International City Hotels (*Andrew Harper's Hideaway Report*, September 2008 – “The World's Best Hotel, Resorts & Hideaways”).

Mandarin Oriental Hotel Group is an international hotel investment and management group with deluxe and first class hotels, resorts and residences in sought-after destinations around the world. The Oriental, built in 1876, was already a legendary property and acknowledged as one of the world's great hotels. Through the management of both The Mandarin in Hong Kong and The Oriental, Bangkok, the Group was in an unusual position of having two "flagship" hotels whose names represented the best in hospitality.

The Group began with the opening of its flagship property, The Mandarin, in Hong Kong in 1963, which soon built up a reputation for luxurious service. In 1974, Mandarin International Hotels Limited was formed as a hotel management company. The Group's intention was to expand into Asia and operate hotels that would reflect the standard of service synonymous with their property in Hong Kong. In the same year, the company's hotel interests expanded further through the acquisition of a 49% interest in The Oriental, Bangkok. In 1985, the Company rationalized its corporate structure by combining these two renowned properties under a common name, Mandarin Oriental Hotel Group. In 2006, The Oriental, Bangkok celebrated its 130th anniversary. In September 2008, the hotel formally changed its name from The Oriental, Bangkok to Mandarin Oriental, Bangkok.

The Group now operates, or has under development, 42 hotels representing over 10,000 rooms in 27 countries, with 18 hotels in Asia, 12 in the Americas and 12 in Europe, the Middle East and North Africa. In addition, the Group operates 13 residences at Mandarin Oriental connected to its properties. The Group has equity interests in a number of its properties and net assets of approximately 2.3 billion USD as of December 2010. The other deluxe hotels are located in prime destinations, including London, New York, San Francisco, and Singapore. (http://www.mandarinoriental.com/about_mo/our_company).

There are a number of interesting facts about the Mandarin Oriental Bangkok Hotel that make it especially unique. For example, literary legends such as Somerset Maugham, Joseph Conrad, James Michener, and Noel Coward have all stayed at the hotel. Louis Thomas Leonowens, son of Anna Leonowens, governess to King Rama IV and the inspiration of the movies *The King and I* and *Anna and the King of Siam*, was once the hotel's proprietor. The legendary Thai silk tycoon, Jim Thompson, was once a business partner in the ownership of the hotel. The hotel was voted "Best Hotel in the World" by the *Institutional Investor* for a record ten years in a row, from 1981 to 1990. In addition, the hotel has one of the highest staff-to-guest ratios in the global hotel industry, with 3 staff members for each guest room. All hotel guests are presented with a traditional Thai flower hand garland upon their arrival, and the hotel provides inspirational quotations from famous authors on their pillow cards as part of their famous turn down service. Furthermore, all suites are individually decorated; no two suites are alike. Even the flower arrangements, such as the decorative items and Thai silk bath robes, are unique to each suite. Finally, during the Christmas holiday season, each suite has its own live Christmas tree complete with ornaments that match the décor of the suite.

4.1.1.1 Mandarin Oriental Hotel Cognitive Tools and Branding

Vision. The vision of the Mandarin Oriental Hotel Group is to be widely recognized as the best luxury hotel group in the world, providing exceptional customer satisfaction in each of their hotels.

Mission. Their mission is to completely delight and satisfy their guests. They are committed to making a difference every day, to continually get better to

keep themselves the best. They intend to achieve this by investing in the Group's exceptional facilities and their people, while maximizing profitability and long-term shareholder value.

The Mandarin Oriental Hotel Group guiding principles:

1. Delighting the guest. They delight them by understanding their clients and guests' needs by listening to their requirements and responding in a competent, accurate and timely fashion. They will design and deliver their services and products to address their client's needs. They will remain committed to exceeding their client's expectations by surprising them with the ability to anticipate and fulfill their wishes.
2. Working together as colleagues. They emphasize the sharing of responsibility, accountability and recognition through a climate of teamwork. They work together as colleagues and treat each other with mutual respect and trust; they contribute to the Group's overall success.
3. Promoting a climate of enthusiasm, by being committed to everyone at Mandarin Oriental by providing a caring, motivating, and rewarding environment. As an industry leader, they are committed to the best in their people through effective training and meaningful career and personal development, and by encouraging individuality and initiative.
4. Being the best: the Group will be an innovative leader in the hotel industry and will continually improve our products and services, they will seek our suppliers from the highest quality products and services
5. Delivering shareholder value. They are committed to being a growing company. Our successes will result in investment returns which are consistently among the best in the hotel industry.
6. Playing by the rules. They will maintain integrity, fairness and honesty in both their internal and external relationships, and will consistently live up to their commitments.
7. Acting with responsibility. They will actively participate in the improvement of the environment, just as they will be responsible members of their communities and industry organizations.

4.1.1.2 Mandarin Oriental Hotel Logo and Brand Image: Award Winning Logo

When Mandarin Oriental Hotel Group publicly launched the company on the Hong Kong Stock Exchange in the mid-1980's, there was a desire to create a symbol that embodied the hotel group's luxurious and elegant image, yet was still reflective of each hotel's local charm. The company name evolved from the bringing together of the Group's original flagships, The Mandarin in Hong Kong and The Oriental in Bangkok, two award-winning properties that were considered synonymous with quality. It was felt that it would be a profoundly meaningful symbol of oriental culture and would strike a delicate balance—one that had a certain Oriental essence without being overly ethnic. After a great deal of consultation with an internationally recognized design house, and research into symbols that embodied luxury, elegance and comfort, the Fan logo was born. Classically simple, visually elegant and indisputably a part of the Orient, the eleven-bladed fan ties together each hotel into the single identity of their luxury hotel group. The logo is a registered trademark internationally, and is regarded within the tourism industry as one of the world's most highly recognized logos.



Figure 17 The Mandarin Oriental, Bangkok and Mandarin Oriental Hotel Group registered logos

In addition to the registered trademark logo for the Group, all Mandarin Oriental hotels are encouraged to find their own unique fan to reflect the individuality of their property. Each hotel's fan is sensitively linked to the environment in which it resides, taking into account the exclusive attributes of the culture in each location.

Colors, designs and prints are carefully chosen in collaboration with local artists, historians and graphics experts. Originality also plays a key role in determining the desired fan for each hotel. The designated fan for Mandarin Oriental, Bangkok is an antique Ramayana fan depicting life by the river and dates back to 1810. It aptly connects the hotel to its historical roots as well as its prime location on the banks of the Chao Phraya River.



Figure 18 The Mandarin Oriental, Bangkok designated fan, dating back to 1810

4.1.2 Case study 2: Thai Airways International

Thai Airways International Public Company Limited is the national carrier of the Kingdom of Thailand. It operates domestic, regional, and intercontinental flights radiating from its home base in Bangkok to key destinations around the world and within Thailand. The company's fully paid up share capital amounts to 16,988,765,500 Thai Baht (THB) as of May 2005 and is 53.77% owned by the Thai Government Ministry of Finance. At the end of September 2004, its consolidated total assets amounted to 193.2 billion THB. In its operations, THAI has achieved profitability every year for the last 40 consecutive years.

Thai Airways International was founded in 1960 as a joint venture between Thailand's domestic carrier, Thai Airways Company (TAC) and Scandinavian Airlines System (SAS) with the Scandinavian carrier initially providing a 30% share capital of two million Baht. SAS also provided operations, managerial and marketing expertise, with training assistance aiming at building a fully independent national airline within the shortest possible time. Thai nationals, through training and experience, were gradually able to assume full managerial responsibility and the number of expatriate staff duly reduced until, in 1987, expatriates accounted for less than one percent of staff based in Thailand. On April 1, 1977, after a 17 year capital

participation partnership with SAS, the Thai Government bought out SAS remaining 15% holding. and THAI became fully owned by the Thai people.

In 1960, flights were inaugurated from Bangkok to nine overseas destinations, all within the Asian region. Intercontinental service was launched in 1971 to Australia, followed by flights to Europe in 1972, and to North America in 1980. Thai Airways International growth was greatly accelerated on April 1, 1988 as a result of its merger with Thai Airways Company (TAC), the domestic airline, which raised the Company's share capital from 1.4 billion THB to 2.23 billion THB. Under the Cabinet policy, as authorized by General Prem Tinsulanonda, Prime Minister at that time, Thai Airways International would be responsible for both international and domestic commercial aviation. On June 25, 1991, Thailand's Cabinet approved a resolution enabling THAI to list its shares on the Stock Exchange of Thailand (SET). The resolution authorized THAI to convert 10.77 billion THB of retained earnings into capital, and increase its capital by an additional 3 billion THB with a first issue of 100 million shares. Of those 100 million shares, five million shares were reserved for THAI employees at par Baht 10, and 95 million shares were offered to the public.

The listing of THAI shares commenced on July 19, 1991. By converting retained earnings into capital and increased its share capital upon the Cabinet approval, THAI registered share capital has risen from 2.2 billion THB to a total of 14.0 billion THB. This has made the total value of THAI share listing to be the largest in the history of the SET. Moreover, THAI public offering of shares was the single largest ever undertaken in Thailand.

The main purposes in listing on the SET and offering shares to the public were to obtain the additional funds needed to keep the airline's competitive edge in the international market, and to allow the general public and THAI employees to become shareholders in this national flag carrier of Thailand. On November 20-21, 2003 THAI offered for sale the Company's 442.75 million ordinary shares, comprising 285 million capital increase ordinary shares and 157.75 million existing ordinary shares held by the Ministry of Finance upon the Cabinet approval. Proceeds generated by the sales were invested in the Suvarnabhumi Airport project, and for upgrading in-flight services ranging from passenger seats to other amenities.

Since September 2004, the company has sold THAI shares to its employees through the Employee Securities Option Plan (ESOP) a total of 13,896,150 shares at 15 Baht per share. The company continued to sell its shares to those employees who were holding warrants until the end of the plan in April 2007. In September 2010, THAI announced its plan to make a public offering of no more than 1,000 million newly issued shares. The offering proceeds will strengthen the Company's financial status and support its business expansion projects, as well as products and service improvement that will elevate THAI to consistently rank among the top three airlines in Asia, and the top five in the world.

For 40 years, Thai Airways International Public Company Limited (THAI) has earned a worldwide reputation for offering high standard products and customer services. This success is apparent through numerous customer surveys that have been conducted by well-known institutions both within and outside Thailand. Furthermore, THAI has been entrusted by international carriers operating to and from Bangkok International Airport to provide ground handling, aircraft maintenance, and catering services. With a worldwide reputation for delicious Thai cuisine, THAI's catering services has developed its service standard to provide high quality meals on board and become one of the best airline caterers in the world. THAI in-flight *Sawasdee* magazine also offers passengers traveling on all THAI international routes up-to-date information on THAI and premium quality travel articles and facts, which has proved widely popular among passengers. With over 24,000 qualified staff worldwide, THAI has continued to introduce advanced technology and effective training courses to further enhance their human resource quality and development.

4.1.2.1 Thai Airways International Cognitive Tools and Branding

Vision. The vision of Thai Airways International is to be the first choice carrier with touches of Thai.

Mission mandates. The mission mandates of Thai Airways International are: 1. to offer domestic and international air travel and related services that are safe, convenient, and of quality to ensure customer satisfaction and trust; 2. to be committed to international standards of management efficiency, transparency, and integrity, and to achieve satisfactory operating results in order to maximize benefits for our shareholders; 3. to create a suitable working environment and offer

appropriate salaries and wages as an incentive for staff to learn and work to the fullest of their potential and to take pride in their contribution to the company's success; 4. to be socially responsible, as the national airline of Thailand.

Policies. As the national airline, the company represents the Kingdom of Thailand in protecting and augmenting the country's aviation rights and participates in promoting and developing the tourism industry as the means of generating additional income both in Thai baht and foreign currencies. The company also encourages its human resources to acquire new skills and attain international standards of professionalism. Thai Airways contributes to the advancement of all types of technology related to the world's commercial aviation industry. Finally, the company aims to play a part in spreading awareness around the world of the uniqueness of Thai culture, its customs, and traditions.

Ethics. The company pledges to operate fairly and ethically protecting its rightfully- earned profits and appreciating the importance of its staff as valuable resources and representatives of the company. All of our employees have a role to play in contributing to the company's success. To achieve the goals above, the company has the following set of general business ethics as well as instructions and warnings specific to the various employee positions throughout the organization: 1. To treat all clients and business associates fairly and honestly and protect the interests of all their customers. 2. To be politically impartial for the sake of the nation and society. 3. To run the business on the basis of fair competition. 4. To support the efficient use of domestic resources, while preserving natural resources and the environment.

4.1.2.2 Thai Airways International Branding and Logo

Branding establishes a company's distinctive identity. THAI's 'brand' sums up not only the way the airline and its activities are presented to the world, but it also reflects the way the world perceives the company and their declared values. The airline strives to be modern, innovative, and progressive, yet at the same time attempts to celebrate everything that makes Thailand unique: its culture, traditions, and above all, its warm hospitality. The overall stated objective of THAI's branding process is to enhance the corporate philosophy of being world class, with a high trustworthiness and Thai touch.

The total image of THAI, as projected through their corporate branding policy, goes beyond the functional aspects of destinations, scheduling, and safety standards, to fulfilling the customers' highest expectations in terms of comfort, service, and well-being. The values of THAI are supposed to reflect the values of Thailand, inspiring not only its outward appearance, but also its gracious hospitality, in the air and on the ground.

Elements of THAI's Brand. THAI's registered brand consists of a number of inter-related elements which, together, make up its visual identity and project their desired corporate image at all points of contact with customers. The basic elements include a 'brand signature', consisting of the colorful symbol and associated logotype. THAI's long established and widely recognized tagline "smooth as silk" is often used in conjunction with the brand signature to highlight their philosophy of service. The connection between THAI and Thai silk has been close since the airline was founded, for instance, in the use of lustrous Thai silk for the cabin attendants' in-flight uniforms. Another linking element, seen in THAI's advertising and printed material, is the specially designed 'curve graphic', which is symbolic of the traditional 'Thai Wai' gesture of greeting.



Figure 19 THAI logo with the "curve graphic"

As a focal feature and major pictorial element for THAI's brand, a large-scale mural was commissioned to become a key art graphic in projecting the image of THAI. This graphic, entitled 'Ayatana', meaning 'senses', expresses, in stylized classical terms, the six senses of sight, taste, smell, hearing, touch and feeling from

the heart. Parts of the *Ayatana* appear widely, in office décor, and all media of communication. The use of typography and color are also vital aspects of THAI's branding, with great care being taken to maintain consistency in all applications: advertising, ticket office décor, airport signage, in print and promotional situations. The colors used for THAI's corporate identity feature a deep, rich purple, magenta, and modified yellow/gold (<http://www.thaiairways.com/about-thai/company-profile/en/element-thais-brand.htm>)

THAI's Brand Journey. The presentation of THAI's brand to customers begins at the first point of contact, on either their website, through media advertising and brochures, or when visiting one of their ticketing offices. The brand is the face of THAI that customers can see and recognize throughout their travel experience. Having made the decision to fly THAI, their customers' next direct point of contact is likely to be at the airport, where they check in and, if flying in premium class, use the facilities of their luxurious airport lounges. The company believes that the clear presence of THAI's identity in airport signage is a vitally important aspect in informing passengers, so every service point must accurately apply THAI's identity, to maintain continuity. THAI's greatest opportunity to impress passengers is during their flights. Here, as well, THAI's branding and distinct identity is maintained, in the cabin décor, furnishings, equipment and every aspect of the catering and entertainment systems; THAI's brand is presented consistently to passengers, assuring them of the airline's image for superior service.

4.1.3 Case Study 3: Jim Thompson

Silk weaving was an ancient handicraft in Thailand. Building a Thai silk industry required combining human creativity with traditional wisdom to maintain the quality of the handmade material, which Jim Thompson saw as its principal attraction. In addition, the company's current executives believe that the Thais hard work and creativity were critical elements in making the company a success.

Jim Thompson, working at the Oriental Hotel, began offering the hotel customers a variety of creative Thai silk products. In 1948, the Thai Silk Company, Ltd. was launched, and since then Thai silk has become one of Asia's best-known products. Luckily, the costumes for the film version of *The King and I* were seen by a

movie audience of millions worldwide. The company achieved its first coup in 1951 when designer Irene Sharaff made use of Thai silk fabrics for the Rogers and Hammerstein musical, *The King and I*. From then on, the company has prospered. In the process, Thompson himself became famous in magazines and newspapers throughout the world, creating the legend of exotic Thai silk.

Jim Thompson silks come in a variety of styles to suit the international customer from different cultural backgrounds and preferences. Its Thai silk and cotton come in many forms, from clothing, decorative items, to home furnishings, following both traditional and contemporary designs. Many styles of their home furnishings and decorative items are made from silk such as upholstery and brightly accent cushions, which making a dramatic fashion statement. The high quality of Jim Thompson Silk Company products and crafting methods are recognized and treasured in every production processes.

However, silk is not the only achievement for which Jim Thompson is recognized. Countless visitors to Bangkok visit a beautiful Thai style house where he lived and displayed his precious collection of Asian art. As stated by the author, friend, and long-term Bangkok resident, William Warren, “Jim Thompson was the most famous host of his time; he served quite awful food but no-one ever remembers it that way because the setting of his house was so spectacular.” The visitors also come for the story of his mysterious disappearance, and to find out more about the mystery and the man. Selling the concept of the mystery of his disappearance is one of the brilliant marketing concepts that have stimulated the demand for his products by customers around the world.

The Jim Thompson company provides a truly Thai lifestyle shopping experience, emphasizing Thainess in their service delivery. The Thai materials craft an artistic design together with value creation production technology as the industry base, which guarantee their high quality products.

4.1.3.1 Cognitive tools as key success factors at Jim Thompson

Jim Thompson’s formula for success was not as complex as what one would imagine. It hinged on two factors. “In the first instance,” he said, “we run a dependable operation. Whenever we come up with a pattern or color that sells well,

we make sure we stick to its exact formula. That way, our customers can rest assured that when they re-order, they will get a consistent product.” “Equally important,” he mentioned, “is that the cottage industry in this part of the world is more significant than what most people realize. Most of the weavers in this area either don’t care or don’t need to know who are buying their products. But it is necessary for us to know what our customers’ tastes and requirements are.” (Jim Thompson, [http://en.wikipedia.org/wiki/Jim_Thompson_\(designer\)](http://en.wikipedia.org/wiki/Jim_Thompson_(designer))). From farm to factory, building a Thai silk industry required human creativity with traditional wisdom to maintain the quality of the handmade material.

4.1.4 Case study 4: Chiva-Som

As Thailand’s leading international health resort, Chiva-Som has been rated the number one “Overseas Destination Spa” and has positioned itself at number five in the world’s Top 100 ‘Best of the Best’ list by readers of *CondéNast Traveller* magazine. Chiva-Som, meaning “haven of life”, is dedicated to helping guests revitalize the mind, body and spirit. Chiva-Som provides extensive spa and holistic health facilities to help customers achieve well-being and vitality.

4.1.4.1 Cognitive tools as key success factors at Chiva-Som

Every element of Chiva-Som is a blend of the world’s best: from the architecture combining Southeast Asian and Western designs, through to ensuring that guests experience the highest level of Thai hospitality in an environment where reliability and precision are the heart of service delivery. World-class architecture combines with Southeast Asian and Western designs throughout; the service maintains a best-practice commitment, which is a balance of international standards and Thai spiritual values. Thainess capital at Chiva-Som utilizes Buddhism’s middle-path philosophy to enhance its self-fulfilling prophecy and ones self-esteem.

Chiva-Som’s founder, Mr. Boonchu Rojanastien, attributes Chiva-Som’s top position to a unique blend of Thai Buddhist philosophy, his own life experiences, and years of visiting spas around the world. The holistic self-development approach starts from self (*atta*) to non-self (*anatta*) in a positive but non-invasive way to incorporate the mind, body and spirit. Western scientific methods are employed objectively, as the bases for medical results, risk management, and standard practices.

Balance, symmetry, and compatibility with natural beauty create the younger and better looks required for the image improvement approach. Staffs are experienced in delivering their service-mindedness with a delicate touch that encourages their customer's natural harmony.

The service delivery is uniquely Thai at Chiva-Som. Everyone works hard to maintain the service quality. At the same time, they utilize western innovations, because they also rely on modern equipment that can help better serve customers. In summary, the knowledge management of Chiva-Som combine the world's best elements of old-new, inside-outside, and East-West model (kao-mai, nai-nok, and aok-tok). The paradigm shift of the treatment is to create total wellbeing of humankind, to enhance best possible quality of life.

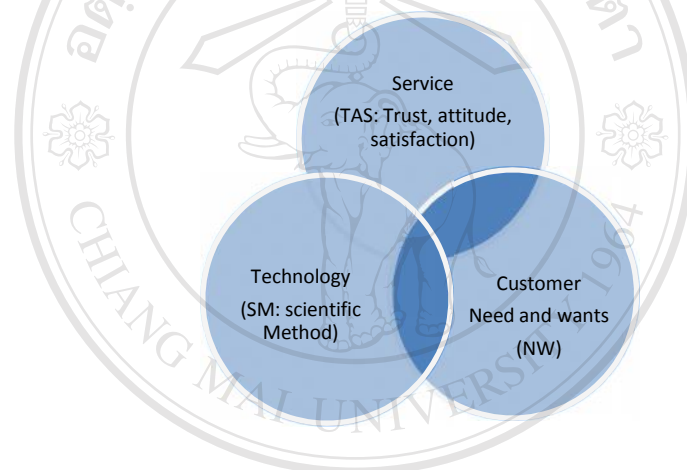


Figure 20 Venn diagram showing Chiva-Som's key attributes

Brand Positioning. Chiva-Som truly represents the best of both world: the science of physical treatment as practiced in the west and the spirituality of the east by balancing of mind-body and soul- physical and spiritual. With this in mind, we are able to treat out customers with a deeper understanding of their needs.

Value Proposition. Relationships: the importance on going relationships (with repeated guest).

- Acceptance: acceptance of each person as they are, and work with them in their expectations.
- Openness: constant change of need to learn and grow.
- Flexibility: response to change of the environment and the industry.

- Honesty: consistency in delivering the promises and never making unrealistic claims.
- Culture and Tradition: integration of Thai culture respectfully throughout everything we do.

Brand Personality. Warm, gentle and nurturing; Quietly strong and confident; positive, reliable and consistent. These are truly distinctive character of Chiva-Som.

The Chiva-Som logo has been carefully designed to represent the luxurious and elegant history and reputation of Chiva-Som. The Tri-part logo represents the mind-body and spirit, of which combined health is the key to personal fulfillment. Chiva-Som has chosen three main colors to build its personality: Green (fresh, lush and tranquility -- communicate softness, balance and warmth), Bronze (Rich, premium and timeless -- demonstrates the confidence in the products and services) and white (Contemporary and neutral—adds clarity, brightness and supports the green and bronze by helping them stand out.



Figure 21 The Chiva-Som logo carefully represents the mind-body and spirit, of which combined health is the key to personal fulfillment

4.1.5 Case study 5: Blue Elephant Restaurant

Blue Elephant has been building its success on a strong Thai food competence coincident with Thai cultural references. Its success can also be attributed to Western quality and managerial standards. Its geographical expansion strategy might be

described as ‘outside-in’: after 22 years of business. They have spread their outlets from Europe to Thailand.

Blue Elephant international started in 1980 in Brussels with three Thai partners and one Belgian husband, Khun Nooror Somany, a Thai living with her Belgian husband, Mr. Karl Steppe, opened the first restaurants and today the chain is among the leading upmarket Thai restaurants in the world. With a passion for Thai cooking, Khun Nooror with the support of her husband and other partners quickly established what one of the Europe’s leading Asian restaurants became. The company expanded into London in 1986, then Copenhagen in 1990, followed in 1990, followed by Paris in 1991. In 1997, the company opened two more branches, one in Dubai and the other in New Delhi. Beirut followed in 1998, Lyon in 1999, Malta in 2000, Bangkok in 2002, Kuwait in 2003, Bahrain in 2004, Moscow in 2005, with Jeddah and Jakarta to come in 2008 and 2009. Today there are 12 Blue Elephant restaurants serving the best Thai Royal cuisine throughout Europe and the Middle East. The Blue Elephant Cooking school was opened in 2002 under the guidance of Khun Nooror Somany Steppe, the founder of Blue Elephant Group. The Blue Elephant Cooking School has fully equipped facilities offering the chance to practicing Thai cuisine.

One of the top Thai cuisine restaurants chains in the world, Blue Elephant is known by food lovers the world over for its authentic Thai taste, its consistently high standards of quality, and its prominent of the best in Thai culture. A recipient of numerous awards, Blue Elephant has been at the forefront of bringing Royal Thai cuisine and the beauty of Thai culture to people around the world while striving to benefit Thailand and the Thai people.

“To run a restaurant successfully it needs care, control and standardization. Our head office is based in the UK and our in Belgium. If we would expand our business to other regions link the USA or Australia, we will need competent local partners first. However, we are expanding our business to the USA in the form of products like curry pastes and cooking ingredients,” said Ms Fong from Blue Elephant. Their non-European market entry strategy, like that used with the USA, is the polar opposite to that used in UK, where the company opened a restaurant first and started selling curry pates and cooking ingredients later. An interesting

coincidence, as a topic of speculation, is that it took Blue Elephant 22 years to enter the Thai restaurant market, and the same amount of time from opening the London branch to selling cooking ingredients to a UK supermarket chain, Waitrose, which was in 2008.

A vast majority of the Blue Elephant workforce is made up of Thai nationals and the Blue Elephant restaurants are beautifully decorated in an array of authentic Thai handicrafts and creativity. Given that Bangkok is a hub on food and the local cuisine is so popular that it has become part of our national identity. Launched first in 1980 in Brussels, Belgium by a group of Thai proprietors, Blue Elephant is not only one of the most famous Thai restaurants in Europe and the Middle East—with 12 outlets including one in London, Paris, Copenhagen, Beirut, Moscow, and Dubai.

The overall company philosophy is to create a “totally Thai dining experience”. Accordingly, the ambience in all restaurants is exotic: fish swimming around little ponds, including wooden bridges with paths through the restaurant. Thai palm trees decorate the interior waiting areas, all providing a foretaste of the experience of a restaurant in Thailand. All ingredients, apart from the seafood, are flown in from Thailand. Managers and chefs must be Thai. The restaurant has its own standard recipes: a Thai dish in London is prepared the same way in Paris or Bangkok, and chefs receive extensive training before they can start working. Nonetheless, all restaurants enjoy high traffic and the company is set for further expansion as a result of its financial strength.

Blue Elephant managed to put Thai cuisine on the global stage by stressing its Thai heritage as its uncompromising quality. The image of Thailand as a culinary distinguished country helps in selling its products abroad. In contrast, its Bangkok brand is not as successful; offerings of genuine Thai food in traditional settings are abundant. The strength of country brand “Thailand” is not a point of differentiation in the home market. Alternatively, associating their own product range of cooking ingredients and cooking schools with Thailand’s food competence has proved to be a successful strategic recipe. Blue Elephant, although originating from Belgium, has successfully managed to make the brand “Thailand” part of its culinary experience.

In summary, Blue Elephant, bringing the best of ‘Thainess’ that is Thai culture and culinary experiences to the world.

4.1.5.1 Cognitive tools as key success factors at Blue Elephant

Logo and Brand Image. The name is Blue Elephant, which has two important Thai attributes: blue is the royal color of the Thai flag, and elephant is the national animal of Thailand.



Figure 22 Blue Elephant logo emphasizes Thai themes

Sensory Experiences. Walking into a Blue Elephant restaurant refreshes and enhances all the six sensory channels. It starts with the best service-mindedness of workforce, with smiling, hospitable personalities and competent service manners. The scent of tropical flowers mingles with the aroma of exotic Thai herbal recipe and spices, combining with the Thai classical music. Restaurants are decorated with orchids and lotus flower in for a fresh sensory experience from the East. Blue Elephant is a total sensory experience based on the very best of traditional Thai beauty, charm and courtesy. Superb Royal Thai cuisine sets the standard of dining excellence.

Guiding Principles. The guiding principles are authenticity, tradition, innovation, and presentation. Authenticity includes having accomplished Thai chefs preparing the dishes with ingredients of the highest quality. Tradition means that most recipes are centuries old, and faithfully handed down through the generations. Some are new, creative and unique variations on traditional themes which brings in the innovation. Presentation means having visually stunning dishes that are artistically presented with carved fruits and vegetables.

4.2 Case study Summary of In-depth Interviews

4.2.1 Summary of In-depth Interviews: Mandarin Oriental Hotel

Mandarin Oriental Hotel has two main courses, one for hospitality training and one for Thai kitchen management. In addition, they have an academic training course that focuses on service work and team building. It also helps them improve their personalities and first impression management. They are mentored, and have an advisor for the five practical days of training that follow the one day of theory. They observe how the senior advisor makes impressions with guests, and are expected to absorb guest service requirements.

They have changed their manners instruction since they first began their course on hospitality training. They teach them the different ways to *wai* properly: how to *wai* to equals, seniors, and high ranking VIPs. This training is in addition to the training they receive in proper welcoming and using correct language with guests.

In addition to the *wai*, the training focuses on how to smile beautifully. They are taught to make a true, sincere welcoming smile, not a cheeky or tricky smile. The welcoming smile should convey kindness and humbleness, and it must be combined with the right expression of the eyes. Facial expressions should be ingratiating, and staff should smile at all guests with respect.

The staffs are also trained in cultural and societal differences. They are trained to treat high society guests with special attention, and how to respond differently to foreign guests from different parts of the world depending upon how these guests prefer to be treated. For instance, Japanese, American, and Chinese guests behave differently and have different requirements. The training is only a foundation of one year, so it is difficult to train them to respond to every different culture and society. They are, however, taught to be sensitive to the beliefs of their guests, and apply them in practice. Attention is given to small details. They are expected to be attentive and not just to respond to requests by the senior advisors.

Service process capital development includes service body language training, as mentioned above, but is more than that. It involves performing acts of kindness and helpfulness as well. They should be smiling, welcoming, attentive, and caring, with a strong attention to detail. The belief is Thais are naturally service minded, but sometimes need to be motivated. Service is considered to be much more than attention

to detail, but should involve caring and empathy. They should make the guests feel like a part of their hotel family.

Human capital development is based on Thainess. Some of the characteristics of Thainess are compromise and conflict avoidance. Basically, it is felt that Thais do not like to have problems with others, and will go further to resolve difficulties. The motto is, “the customer is always right even if you are not in the wrong.”

First impression management is given a rating of 10 out of 10. It is the most important aspect of customer service. They even teach students to think of a guest as they would a lover whom they have only been in love with for the first four months: they should want to do everything for that person. “Human capital should always be the most important key success factor for any job in the service industry,” and other factors cannot replace it.

Six sense awareness is emphasized. What is seen should be of the highest value. What is heard is also important, especially those sounds emanating from the humans they serve. Tastes involve Thai food and local fruit, but with the recognition that Thai cuisine does not always satisfy everyone. Smells associated with the Mandarin Oriental hotel are lime and lemon grass. Touching has a three-fold dimension of Thainess: the traditional Thai spa, Thai traditional massage, and the feel of Thai silk.

The interviewees emphasized the belief that Thais are the most service-minded people in the world. Although other Asian cultures possess service-mindedness, Thais excel at it because it is a part of the Thai character, which includes courtesy and humbleness. Thais are generally more flexible than other cultures. Thainess is also reflected in paying respect.

Etiquette is also reflected in traditional Thai costumes and dress code. The Mandarin Oriental Hotel has a dress code that reflects Thai style and the uniqueness of Thai national culture. They use Thai fabrics, but have substituted some other fabrics in Thai style to increase comfort. Dress code includes hair style, dress length, flesh colored stockings, and makeup. Emphasis is on being neat and presentable. They teach them the difference between OHAP and global styles, so that they can more easily adapt if they go to work somewhere else. Finally, students are given training in

basic English language skills, and have to follow guidelines for using language and body language.

4.2.1.1 The results of the analysis relating to the creation of service process capital and ratings of the importance of the six senses and Thainess capital are summarized in Table 4 below.

Table 4 Cognitive knowledge creation using six senses for first-impression as service process capital value creation in Mandarin Oriental Bangkok Hotel

Six Senses	Service Process Capital	Rating of Importance (High-Medium-Low)	Thainess Capital Aspects
Sight	Craft, cultural tourism, visual arts, cultural tourism, design, fashion, architect, advertising	High	Lobby, flower decoration, menu, uniform, architecture, design objects
Hearing	Music and performing arts	Medium	Music
Taste	Food and Fruit	Medium	Decoration Fruits
Smell	Thai Traditional Medicine: Herbal, flowers	Medium	Oriental Scent: Lemongrass/orange/peppermint /herb Candle/Burner Jasmine/Lotus/Orchid/Roses
Touch	Thai Traditional Medicine: traditional massage and Buddhism	Medium	Thai Touch- People/Practices
Intuition	Expression through body language	High	Service-mindedness is highly important.

4.2.2 Summary of In-depth Interviews: Chiva-Som

The founder of Chiva-Som recognized that Thainess collective values contribute to human and organizational capital. Thai manners and hospitality are well known and acknowledged internationally. He desired to develop a rehabilitation and health care services center for the country's benefit, so he registered the Spa Facility as a hospital and not a hotel. The model is synthesized from both western and eastern principles of body and mind, but the key variable to Chiva-Som is Thainess, i.e., Thai authenticity that creates an outstanding competitive advantage in the service industry. The focus is on Thainess, but with a touch of both western and eastern principles.

To become a staff member at Chiva-Som, one must possess both knowledge and understanding. Therefore, a training institute was established for training people in the spa division followed by training in one of the other divisions before joining the Chiva-Som organization as a staff member. The HR policy emphasizes their philosophy and standards of service to the new staff to make them fully ready to serve.

The belief was expressed that Thainess and Buddhism are unchangeably linked. Because of the influence of Buddhism, Thais have a greater sense of service-mindedness and gentleness. Thainess service language includes gentleness, delicacy, and care which are all imperative to first impression management. They should always wear a friendly smile with no argument.

4.2.2.1 The results of the analysis relating to the creation of service process capital and ratings of the importance of the six senses and Thainess capital are summarized in Table 5 below.

Table 5 Cognitive knowledge creation using six senses for first-impression as service process capital value creation in Chiva-Som

Six Senses	Service Process Capital	Rating of Importance (High-Medium-Low)
Sight	Sala Thai, Thai people, Thai decorations and decor, Thai silk	High
Hearing	Thai Music	Medium-High
Taste	Thai silk, Thai food and fruit	High
Smell	Herbal, aroma	High
Touch	Thai traditional massage, exotic, wellness	High
Intuition	Meditation, natural therapy, healing, holistic health, inner tranquility	High

4.2.3 Summary of In-depth Interviews: Blue Elephant Restaurant

The Blue Elephant Restaurants are known for their Royal Thai cuisine. All of the materials used in each restaurant—the rattan floor tables, the furniture, and even the wooden floors—have been carefully selected to represent Thainess. The Thainess factor that most impresses foreign customers is the presentation of an orchid to each female customer. The décor is also very representative of Thai style. There is a lotus room in every restaurant with antique paintings, a pond, and a vase with a lotus growing in it. The uniforms are also made from Thai silk.

As for first impression management, when customers enter, their employees will *wai* and greet them with *Sawasdee ka* or *Sawasdee krub*. In addition, they will be

met with a Thai smile. The belief was expressed that the smile was the most distinguishing characteristic of Thai people.

However, the Blue Elephant restaurant manager also expressed the belief that it wasn't necessary for the service to be 100 percent Thai. They want to have their service at the level of a 5-star international hotel. Although it is not possible for their wait staff to be entirely Thai in the restaurants operating in Europe, they will only recruit employees who look Asian.

In the past there were only a few Thai restaurants overseas, so they were able to capitalize on the distinct character of Thai food. They maintain a strict quality control through their "Bible", their manual of knowledge. They have maintained an excellent reputation for over 30 years, and they use only the best raw materials. The curries and spices are unique and support Thai local farmers. Color, smell, and taste are all authentic Thai because all of the materials used come from Royal Projects. When comparing sensory perceptions to service mindedness, the restaurant manager expressed the opinion that sensory perception was more important, because the customers are most interested in eating delicious food. The service mindedness only makes the food look more delicious.

4.2.3.1 The results of the analysis relating to the creation of service process capital and ratings of the importance of the six senses and Thainess capital are summarized in Table 5 below.

4.2.3.2 The results of the analysis relating to the creation of service process capital and ratings of the importance of the six senses and Thainess capital for Blue Elephant Restaurant are summarized in Table 6 below.

Table 6 Cognitive knowledge creation using six senses for first-impression as service process capital value creation in Blue Elephant Restaurant

Six Senses	Service Process Capital	Rating of Importance (High-Medium-Low)
Sight	Thai dressings, Thai ways, Thai heritage, Thai recipe, Thai decoration and design, Thai architect	High
Hearing	Contemporary Thai music, Thai musical	Medium
Taste	Thai food and fruit	High
Smell	Thai herbal, Thai flowers (Lotus and orchids)	High
Touch	Thai decoration and serving accessories	Low
Intuition	Service-mindedness	High
Etiquette	Standard of service East meet West	High

4.2.4 Summary of In-depth Interviews: Jim Thompson Thai Silk

Company

The shop manager of Jim Thompson's Surawong branch reported that he completely acknowledged the importance of first impression management for creating service product capital. He felt it stems from the very nature of Thainess capital, and comes naturally. It is a widely shared belief that Thai people are humble and cheerful; they are good at showing a lot of caring and extra attention, and are exceptionally good at being patient. The quality of patience is important because it takes time to close the sale.

To communicate these values and create the right first impression, the first thing that staff do when a customer enters the shop is to make the *wai* greeting, with the *Sawaddi* welcome. First impression is of the highest importance, and it was explicitly defined as an important form of human capital.

Jim Thompson Company do not rely entirely on innately occurring Thai service values; they train their staff to effectively take care of the customer, and to provide the best quality service. Although Thainess service values definitely create human capital, excellent service is not exclusively Thai. Any nationality can develop it, not only the Thai people, so Jim Thompson must emphasize Thainess etiquette style to gain a competitive advantage. It is also in the presentation of the six senses for the creation of service process capital: the shop decorations must be exquisitely displayed and arranged. In addition to décor, they employ Thai music for relaxing the customers and appealing to their auditory sense, a refreshing orange citrus smell to transmit the sensation of cleanliness and a refreshing and reinvigorating environment, and of course the touch and feel of Thai silk and other Thai fabrics. Their standards for taste are also the highest in the coffee shop. The staff dress in an appropriate Thai style to make them appear attractive, and they are taught the proper way to stand: with hands at their sides or holding them together in front, ready to serve the customer. Grooming includes wearing the long hair in a bun and with a bow, as well as the proper use of make-up. Tone of voice is also emphasized and should be soft and gentle, with no pressure on it.

The training also relies on factory trips and tours to educate and develop their staff to become familiar with the process of silk production. They see how difficult it is to make a piece of silk and will become proud of the Thai national know-how. This will help them better know the worth of the products and better motivate them to sell them at the prices offered. It convinces them of the value of their products and pride in providing a fine service. They also show historical videos to provide a background to Mr. Jim Thompson, the history of the company, the importance of Thai silk, and how Thai silk production was made popular. They attempt to train the staff on the organization's big picture, with story telling being the key success factor.

It is believed that Thainess itself comes from the inner self of the Thai people, and does not necessarily have to be trained. Training focuses on excellent service and

taking good care of the customer, as is their duty. Thai culture is the image that is projected. Staff are also given on-the-job training by learning and mentoring from the senior staff.

4.2.4.1 The results of the analysis relating to the creation of service process capital and ratings of the importance of the six senses and Thainess capital at Jim Thompson Silk Company are summarized in Table 7 below.

Table 7 Cognitive knowledge creation using six senses for first-impression as service process capital value creation in Jim Thompson Silk Company

Six Senses	Service Process Capital	Rating of Importance (High-Medium-Low)
Sight	Shop decoration, design, architect, product quality, greeting and courtesy with Thai ways	High
Hearing	Music	Medium-High
Taste	Silk as Thai Taste and Thai food	High
Smell	Scent, cleanliness	High
Touch	Hospitalized service (as family)	High
Mind	Expression Thainess service-mindedness through body language	High
Etiquette	Thainess	High

4.2.5 Summary of In-depth Interviews: Thai Airways International

Thai Airways International places a strong emphasis on six senses and etiquette for first impression management as service process capital value creation. To quote the Learning Development Section Manager, “Thai Airways is always making the image, of taste, smell, sound, touch, and mind which we intend to have like in all cultures.” Thai Airways train their staff to serve from the heart. Their personnel development courses emphasize to everyone that they are part of an energetic organization, always ready to provide the best level of service.

The training focuses on more than simply the Thai smile; it involves the proper voice, language of the eyes, dress and grooming, such as wearing the correct hair style and makeup.

Thai capital includes the Thai collective values based upon the religion, language, and culture. This includes belief in karma and the Buddhist principle summarized by the notion that “what goes around comes around.” Commonalities in beliefs translate into common religious and ceremonial practices. The terminal values of importance are temple, faith, family, and love. The operational values that are most outstanding are practicing kindness, humility, and submissiveness, along with the understanding that service work that is done with pleasure can be successful.

4.2.5.1 The results of the analysis relating to the creation of service process capital and ratings of the importance of the six senses and Thainess capital for Thai Airways International are summarized in Table 8 below.

Table 8 Cognitive knowledge creation using six senses for first-impression as service process capital value creation in Thai Airways International

Six Senses & Etiquette	Service Process Capital	Ranking (High-Medium-Low)	Thainess Capital Aspects
Sight	Craft, cultural tourism, visual arts, cultural tourism, design, fashion	High	Manner of People, uniform design, airplane design, the attention to detail, the richness of color symbolize, the diverse and noble heritage, aesthetic pleasing qualities, design pleasure
Hearing	Music and performing arts	Medium	The sound of language from the six regions of Thailand. In-flight music from around the globe that will soothe and satisfy the senses
Taste	Food and Fruit	Medium	The sense of taste in a meal that is sensory delight. THAI is gourmet restaurant in the sky.
Smell	Thai Traditional Medicine: Herbal, flowers	Medium	The divinely pleasant floral experience and herbal scents to be found in the tropical paradise.
Touch	Thai Traditional Medicine: traditional massage and Buddhism	Medium	The Touch of THAI. The warmth of our onboard services and experiences new sensations.
Intuition	Expression Thainess service-mindedness through body language	High	Service-mindedness. The sixth sense in that of the mind is reflected in the polite, hospitable, caring and charitable nature of Thai people. A THAI welcome is a welcome from the heart.

Table 8 (continued)

Six Senses & Etiquette	Service Process Capital	Ranking (High-Medium-Low)	Thainess Capital Aspects
Etiquette	East meets west	High	Use the best of both world. And Thainess capital.



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