

Reaction paper June, 18th 2018

Marketing and Branding Strategies in CLMV

“Brand” is what today's marketers pay more attention than in the past. This is seen in the name as "Brand Age", which is less important than the advertising age. For this reason, the brand seems as to be the property of the product owner. So, marketers will have to cherish and keep this brand as long as the customer recognition.

Nowadays, the market environment changes, widely range of products or even one category has many brands. At the same time, the advertising has increased. Consumers must always receive marketing messages from the advertisers, lead to the market segmentation that has divided into more subsections. Resulting in some markets, consumers have changed their habits and less brand loyalty. For this reason, branding becomes increasingly important in the global marketplace. You can see that during the period of less than one generation has added many more categories. For example, 20 years ago no one has a mobile phone and laptop, but nowadays these things have become necessary. Many things also have added into everyday life. As a result, the of products occurs all the time.

However, branding also have limitation. This lecture makes me rethink about Industrial Economics class, it has studied about how branding related to patents, copyrights and also trademarks. For example, One of Thai coffee shop has created the brand and used the name as “Starbung Coffee”. This brand also used Starbuck coffee company’s logo to be a part of their logo, that is very similar. Simultaneously, in 2013, Starbuck Coffee Company has sued Starbang for using its logo. In this case, Starbung makes Starbucks look distrustful, because Starbucks is considered as a good quality brand and has many branches around the world. This case also shows how important of branding in the marketing. Each brand has its own identity and it is the property of product owner.

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**Logistics and Supply Chain Development in CLMV
: Cross Border Trade and International Logistics**

Cross-border trade is a form of the connection between global and local. The trade, which took place at the international borders often occurs in the form of a trade network collaboration of several groups. At the same time, this trade often occurs between countries with different levels of development. So, cross-border trade is like a bridge which world and localities can meet in different areas and in different ways.

For Thailand, border trade with neighboring countries has grown exponentially. For example, the trade between Thailand and Lao PDR, the representative of Thailand is a world trend of connecting with global capitalism highly, but Laos still has a lot of local characteristics.

For cross-border trade, not only a formal trade but also have an informal trade across countries. I have noticed something that I have seen. Due to my hometown, Maesod, Tak province. There are both formal and informal trade. For formal trade, I have seen the exporting from our country. There are many trucks queue to check the goods with customs department to export the goods to Myanmar. On the other hand, for informal trade, there is a casino located on Myanmar coast, which Thai people can cross the river by boat for using the casino service in Myanmar without any validation.

In addition, by using boat across country without any validation, Myanmar people also can cross the river to Thailand easily, but this is illegal way. For a legal way, they need to be checked for immigration at immigration checkpoint, which is the same entry as export and import goods. In conclusion, cross-border trade is good, but it also has bad consequences. So, in this case, Thailand and Myanmar need to have more stringent laws to protect an illegal and also informal trade across countries.

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Development Economics

In the 18th centuries, there are industrial revolution and also economic growth. According to the evolution of global and per capita GDP in the last 2,000 years, you can see the increasing rate of the graph after 18th centuries. Since we develop in term of technology, the death rate of the infant decrease and we have more vaccine and also medicine that lessen extensive of the disease. So, more people can have instinctive and stay longer, leads to continuously increase of population growth. Moreover, from the graph of economic growth in SEA, most of the countries' GDP growth rate severely drop during 1997 owing to financial crisis in ASEAN, and then increase in later years, instead of Vietnam is relatively stable at 5% -10%.

To maintain high growth rate derives from many reasons, for example, to attract foreign investment because high growth rate can assure that when investors invest in that country, they will receive high return. Moreover, when the industrial policy supports the export product leads to higher demand, so it can increase the revenue of the country. If sell only in domestic, it has limited the number of demand. So, if that country has the growth in all factors of productivity, it can lead to long-term prosperity.

On the other hand, manufacturing and service sector also can generate value added activities to GDP, because of the agricultural share of GDP is decrease nowadays. In terms of the economic growth, not every will receive it. Due to a high income per capita, it's likely to turn agricultural into manufacturing and service sector. The problem is that a lot of people are still in the agricultural sector. Due to the labor movement, there will be some groups left out from the manufacturing sector and stay behind in the agricultural sector.

Due to FDI, I think wage is the important factor that investors choose in foreign investment instead of domestic investment. Since most of investor countries are developing

countries or advanced economies which has higher wages, this led them to invest in countries with lower wages to reduce production costs. So, lower wages countries can attract more FDI. Not only lower wages, but also have many factors such economic growth, which encourage the companies to invest. For example, the automotive industry in Thailand which continuously receive FDI from expanding of domestic market, or weak of exchange rate. This will help the investor company in better exports. There are also non-economic factors such as basic infrastructure, political stability, government investment policy, number of labors, geographic and etc.

The interesting question is that, "*How important of FDI to Thai economy?*". I think it's quite important because Thailand is a small economy, and domestic savings are insufficient to meet the needs of the business that will be used to expand the business. So, foreign investment will reduce the gap between domestic savings and capital requirements as well.