

THAILAND

A LAND OF DIGITAL POSSIBILITIES

Although Thailand today records a Digital Consumer Index score below the regional average, the signs are positive for improved future digital performance. By 2022, 63 percent of the population are expected to be internet-connected, an increase of 15.3 percent on today's proportion of just under half the country's population of 69.0 million. Digital buyers make up just 17 percent of the population today. But we expect that to rise to 27 percent by 2022, an overall increase of 10 percent. Per capita digital spend will also surge, nearly doubling by 2022 to reach USD 470.40.

Thai consumers are the world's most social shoppers, with 51%, saying they bought products by interacting with merchants on social media (compared with 32% in India and 27% in China)⁴³

These growth prospects are already attracting interest from global players. For example, in 2016, DHL launched its eCommerce platform in Thailand, bringing domestic end-to-end delivery to the market. At the time of the launch, DHL said Thailand is key to its eCommerce strategy and expects the market to triple by 2020.

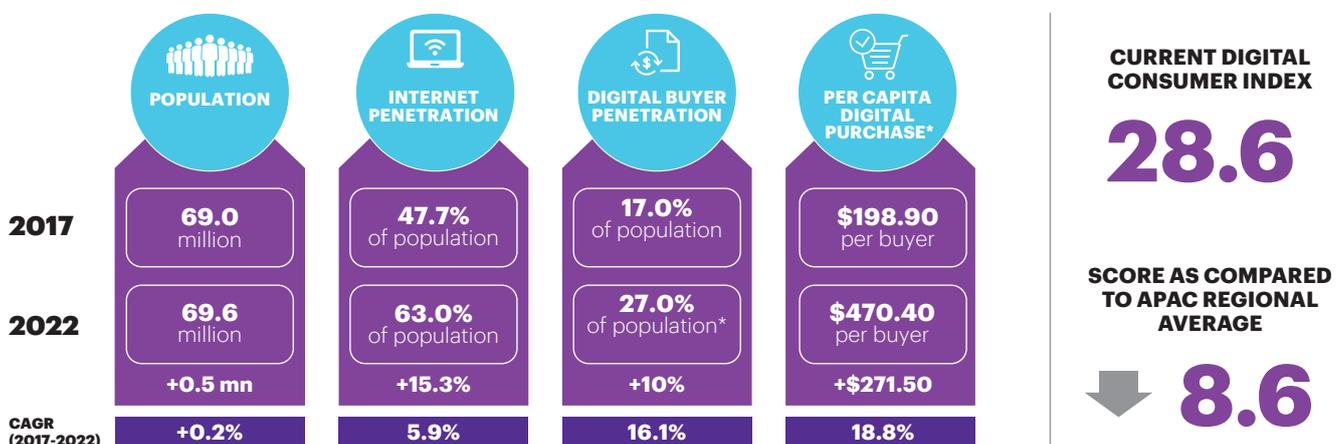
The drivers of digital commerce in Thailand are in line with broader social trends, particularly rapid urbanization. Currently, half the population lives in cities. Internet use is set to increase substantially, a trend that will partly be driven by increasing smartphone penetration: by 2021, smartphones will be used by 76.4 percent of the population, up by more than 10 percent of today's rate. Thailand's cashless payments, which grew by 20 percent on average during 2010 to 2015, the fourth fastest growth behind China, India and Indonesia, are expected to increase further with the launch of national e-payment systems.

50% of all online purchases in Thailand are made through mobile devices⁴⁴

Thai digital shoppers are focused on value for money, with nearly half of them searching out the best special offers and good deals online before they commit. But they're also loyal to brands and stores that are prepared to recognize and reward their commitment: 78 percent of them find store-based loyalty apps appealing. What's more, they express a desire for a better multichannel experience, with 41 percent of them saying they are frustrated when products they saw online are not unavailable in-store.

THAILAND'S RAPID URBANIZATION AND SMARTPHONE PENETRATION IS EXPECTED TO DRIVE ITS DIGITAL PERFORMANCE IN FUTURE

Over 6 million new digital buyer opportunity in Thailand's digital commerce ecosystem, by 2022



* based on Accenture Research estimates



TRENDS

Consumers moving towards premium, multi-channel experiences, not afraid to switch between brands

VALUE FOR MONEY

46%

of digital buyers look for special price offers/good deals before shopping with digital retailers

LOYALTY PRONE

78%

of consumers find store based loyalty apps appealing

MULTI-CHANNEL EXPERIENCE

41%

of Thai consumers dislike the fact that they cannot find the product they saw online, when in-store



DRIVERS

of digital commerce in THAILAND

43.8 mn
INTERNET USERS
2022

35 mn
RAPID
URBANIZATION
2017

15% CAGR
LAUNCH OF NATIONAL
E-PAYMENT SYSTEM
2015-20

~32 mn
RISING MOBILE
USERS
2022



THAILAND IS INCREASINGLY RELYING ON ONLINE SEARCH AND VIDEOS FOR AN INFORMED LIFESTYLE AND PURCHASE DECISIONS, HOWEVER ARE SKEPTICAL OF ONLINE PAYMENTS

Thailand purchase journey is a balanced mix of online and offline channels

51%

purchased a product or service online*

46%

of Thai consumers select stores for shopping that have a wide product portfolio

78%

of Thai consumers find store specific loyalty apps appealing & encourage use of it

39%

of Thai digital consumers prefer shopping at stores where the sales executive answers all questions

54%

of Thai internet users tend to search & discover for products digitally, but occasionally buy online

42%

of Thai mobile owners state video ads & SMS tie, trigger product interest for purchase

51%

Thai consumers purchased products directly via social media

79%

of online purchases are made through Cash on Delivery**

* pertains to January 2017; ** pertains to February 2017