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.

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

<table>
<thead>
<tr>
<th>2017</th>
<th>2022</th>
<th>CAGR (2017-2022)</th>
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<tbody>
<tr>
<td>POPULATION</td>
<td>69.0 million</td>
<td>+0.5 mn +0.2%</td>
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<tr>
<td>INTERNET PENETRATION</td>
<td>47.7% of population</td>
<td>+15.3% 5.9%</td>
</tr>
<tr>
<td>DIGITAL BUYER PENETRATION</td>
<td>17.0% of population</td>
<td>+10% 16.1%</td>
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<tr>
<td>PER CAPITA DIGITAL PURCHASE*</td>
<td>$198.90 per buyer</td>
<td>+$271.50 18.8%</td>
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CURRENT DIGITAL CONSUMER INDEX
28.6

SCORE AS COMPARED TO APAC REGIONAL AVERAGE
8.6

* based on Accenture Research estimates
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

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

**DRIVERS**
of digital commerce in THAILAND

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**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

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- 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

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- 51% of Thai consumers 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
- 79% of online purchases are made through Cash on Delivery**
- 78% of Thai consumers purchased products directly via social media

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