



THAILAND 2020

10 Principles For Marketing Success

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Foreword

Many ideas are born over a beer with a friend and this one was no different. As long term residents of Thailand and with 50 years collective experience of studying people, Dave McCaughan and I share an on-going passion for and curiosity about our adopted home. Like many others, we speculate and wonder how the many global forces shaping business and marketing will play out in Thailand over the coming years.

Thailand's strategic location at the heart of ASEAN provides great opportunity for doing business in Thailand. Our intention is to create an accessible guidebook for marketers, retailers and business people who want to get a quick understanding of some of the key trends and issues that are shaping business and marketing success in Thailand. We have carefully selected leaders in their field to guide us through these key trends, with a focus on practical application.

We start this handbook with two articles that provide a broad overview of the trends shaping the future outlook for Thailand. Jerome Hervio opens by providing a comprehensive review of the freely available demographic data to illustrate the key changes happening in the make-up of the population, and what that means for society and business moving forward. Key themes discussed are the shrinking (and aging) population, changing gender roles and the increasing urbanisation of the population. Next up, Randall Shannon looks at broad societal changes that are occurring, with a key focus on sustainability from a number of perspectives - financial, environmental and the general wellbeing of Thai people. Opportunities are explored for business success and to be a good corporate citizen.

Dave then contributes a report into Thailand's place in the South East Asian market. He has undertaken an original look at the narratives driving various aspects of country branding and then compared Thailand to four of its near neighbours in order to understand just how strong, or weak, the Thailand story really is. In doing so he reveals that the country is perhaps in a stronger and competitive position than many think.

The aging population, a theme touched upon in these opening articles, is explored in much more depth in our second article by Dr. Nash Siamwalla and Dr. Kritinee Pongtanalert. Like other countries in our region, Thailand's elders play a strong influencing role in household decisions and Dr. Nash and Dr. Kritinee give us tips on how to tap into this source of influence using technologies that have been embraced by older age groups. We also learn the opportunities that open up as a society ages and increasingly need products and services that can support active aging.

In our fourth contribution, we change focus from the older to the younger generation. Dangjaitawin Anantachai considers what defines millennials and what it takes to keep them motivated in the workforce. She also discusses the challenge of managing different generations of workers with very different values and suggests more flexible work practices may be an answer. People management is also the focus for our next contributor, John Wigglesworth. He discusses the structural and organisational barriers that can inhibit creativity in Thailand, and through a comprehensive reflection on core Thai values, considers how best to foster the innate creativity of Thai employees. Practical tips are provided on how to structure teams and tasks for best outcomes.

In the final part of the book, we shift focus and look in depth at retailing, e-commerce & media. Firstly, Teeradet Dumrongbhalasitr identifies six global trends that are shaping retail and identifies the extent to which each trend is shaping Thailand's future retail landscape. Trends are broad ranging and cover demographic, societal and technological changes that are impacting the retail environment. Mike Anthony considers how there has been a disruption in how retail formats are evolving. The seemingly inevitable shift towards large retail formats is being challenged and we are seeing a more fragmented retail landscape more intertwined with the technological and societal changes that are taking place in Thailand.

E-commerce has been the next 'big thing' for a number of years but has been slow to take hold in Thailand. Nick Annetts discusses the factors that have inhibited the adoption of e-commerce and identifies the unique way that e-commerce is evolving in Thailand, where cash still is largely the preferred means of payment. He also gives practical tips for developing a successful e-commerce strategy in Thailand. Finally, Paul Spencer reviews the advances in technology and data usage that are driving the seismic shifts occurring in media and provides advice on how to successfully navigate the integration of platform and content.

I should not finish without thanking the people that made this book happen. A big thanks to all our contributors who have given up their evenings and weekends to write for this book. We really appreciate your support. Finally we would like to thank our sponsor Rakuten AIP for helping us fund this publication.

Craig Griffin, FUEL Research & Consulting
4th December 2017

READING THE FUTURE OF THAILAND IN DEMOGRAPHIC STATISTICS

By Jerome Hervio, Founder & Ex MD / Ipsos Thailand

Maybe because we tend to focus increasingly on the short term, we forget that demographic data are one of the most accurate tools to forecast the future of a society - free of charge and available to all.

It enables us to identify some mega trends with broad impact to society, politics, business and marketing strategies

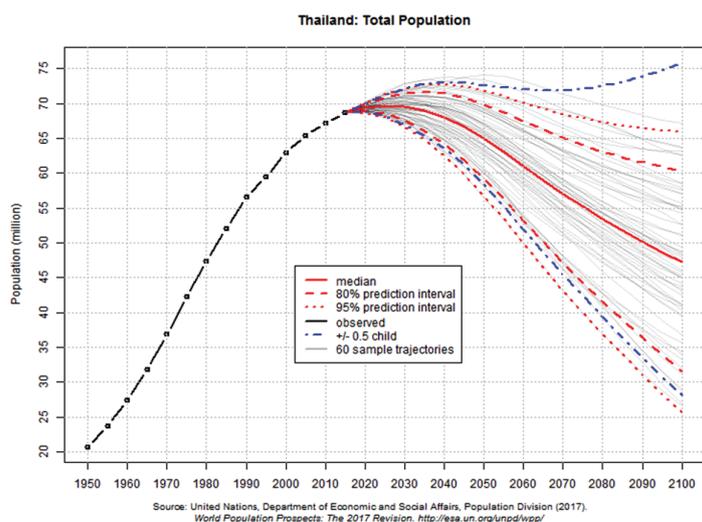
Three examples help to understand some critical constraints and opportunities Thailand will face in the coming years

Getting Ready For A Stagnating, Then Shrinking Population

The impact of population growth and age structure is massive on society and on many product categories

The Department of Economic and Social Affairs of United Nations (Population Division, World Population Prospects) has been collecting data over an extended period and is also providing forecasts for the next 20 years. It is telling us that the country is ageing and that the total population will decline from 2030.

We are getting close to the summit of a bell shaped curve



If we follow the median projection, the total population of the Kingdom has/will evolve as follows:

| 1950 | 2017 | 2030 | 2050 | 2100 |
|--------|--------|--------|--------|--------|
| 20,710 | 69,038 | 69,626 | 65,372 | 47,536 |

The impact of an aging population is analysed in other areas of this book. The prospect of a declining population is less known but equally important.

A declining population may bring some short-term savings as developing education, public transport or housing become lower priorities

The average standard of living in a declining population, at least in terms of material possessions, will tend to rise as the amount of land and resources per person will be higher. The growth of GDP per capita will be higher than the growth of GDP.

However, most of the impact on the economy is likely to be negative. The example of Japan shows that a declining population tends to lead to deflation. A reduced number of tax payers limits the ability to support social welfare.

The young generations will feel increased social and economic pressure. Fewer schools, stores, sport facilities will be built or maintained.

The impact is clear for some industry sectors:

- Mainly negative for FMCG, retail, real estate and any categories targeting younger consumers
- Possibly positive for luxury, health care and tourism.

Bangkok Flying While Rural Areas Will Face Increased Poverty

There were countless headlines when the world crossed the '50 percent urban' milestone in 2008.

However, there were few comments when the same event happened in Thailand in 2015.

This was late: among developing countries Latin America reached this level in 1961 while Asia crossed the threshold in 2009.

The shift from rural to urban societies is having a massive impact on the economic, social, political, and environmental landscape. There is a correlation between urbanisation and economic growth. However, there is also often a link between urbanisation and inequality.

The motivation to move to urban areas is easy to understand: a farmer from Isaan can increase his income by over 50% by taking a job in construction in the same region. If he moves to Bangkok, he can double this income. If he develops enough skills to work in a factory, he can earn about 30% more than he could in construction. He has reached the lower middle class.

From the World Bank 'Changing Urban Landscape: Measuring a Decade of Spatial Growth' World Bank published in 2015 (Urban Development Series) urbanisation in Thailand is dominated by the Bangkok urban area, "which at 96 million people in 2010 almost joined the ranks of the megacities of the region". No other urban area in Thailand has more than even 500,000 people, leaving Bangkok with no close domestic competitors. The Bangkok urban area grew from 1,900 square kilometers to 2,100 between 2000 and 2010, making it the fifth-largest urban area in East Asia in 2010, larger than megacities such as Jakarta, Manila, and Seoul.

Bangkok is playing a disproportionate role in wealth distribution, political influence and spending in most categories in the Thai economy.

This will continue and likely increase in the short and medium term.

The McKinsey Global Institute estimates that Bangkok GDP will rise from US\$ 105 Billion in 2010 to US\$ 300 Billion in 2025. THE GDP per capita will grow from US\$ 28,000 to US\$ 51,000. This is well above the current level of Germany, France or UK. This explains the development of luxury condominiums and malls.

It also indicates a possible prominent role for Bangkok in South East Asia.

Further data from the McKinsey Global Institute - the GDP per capita in Bangkok in 2025 will be 3 times higher than in Manila and Ho Chi Minh City, two times higher than Jakarta and 20% above Kuala Lumpur. Only Singapore will be and is already higher.

The decline of rural areas has a cost: poverty is expected to continue declining, albeit at a slower rate than in the past. Poor households in rural areas are affected by falling agricultural prices. The level of household debt seems to increase year on year.

The change is visible in everyday life as mentioned by Emeritus Pr. Pramut Prasartkul from the Institute for Population and Social Research (IPSR) in an interview in BigChilli magazine in July 2016:

“When you walked around a village 50 years ago you would hear lots of babies crying and children playing, but now you see mostly old people. And there’s another new phenomenon: the old men and women are watching after the children because their parents have migrated to the city to find work. When they have a baby in the city, they send him or her back home to their parents to look after.”

The TDRI (Thailand Development Research Institute) has released several analyses on the inequality in Thailand.

For the TDRI, inequality is a distinctive characteristic of the country: “The rich-and-poor gap in Thailand is bigger than in similar-sized economies such as Colombia, Brazil, Malaysia and Indonesia. In fact, Thailand is the only one of the above to see an increase in inequality in recent years, whereas the others saw a narrowing of the gap. Thailand is among the top countries in the world in terms of income disparity, with money concentrated in the hands of a small, wealthy group”.

The GINI coefficient, a key measure of inequality, is now up to 45 from 39 two decades ago in Thailand.

If the facts are clear the remedies are still being debated among economists and politicians:

Some point to the relatively low ratio between tax and GDP (around 17%) and a bias in government spending favoring Bangkok. Not enough is done for rural populations.

Others criticize the ‘populist policies’ developed by previous governments. Thammasat University economics lecturer Pawin Siriprapanukul agrees, saying Thailand’s spending has not paid off in economic growth as much as it should have.

Though policies such as 30-baht health care and the village fund were effective, the first-car scheme and rice pledging were not, said Mr. Pawin (Source: Bangkok Post, 19th November 2013).

What is the impact for marketing? Inequality combined with slower economic growth has already affected the development of FMCG categories with some categories declining.

While Bangkok has a chance to become a hub for healthcare, luxury and a cultural capital, the rest of Thailand will stick to essential categories.

Boosting domestic demand is needed to escape the middle-income trap, as the export-oriented growth no longer works.

The Irresistible Empowerment Of Women

The third example starts with a statistic that looks perfectly normal: the sex ratio at birth in Thailand is 105 boys for 100 females, which is considered as the ‘biological standard’.

Although normal by global standards, this ratio is quite different from several Asian countries, particularly India, China and Vietnam.

At the last census, in 2011, India had 109 boys aged 0-6 for every 100 girls; in Punjab, a wealthy northern state, the ratio was 118 to 100. China had 119 boys aged 0-4 for every 100 girls in 2010.

The unofficial estimate for Vietnam is around 110 for the years 2000-2010.

This is the result of a ‘boy preference’ among parents in those countries. From the female point of view this preference means sex-selective abortion and infanticide.

From the Indian Nobel Prize-winning economist Amartya Sen more than a hundred million women are missing. This is higher than the number of dead in the second world war.

This impacts fertility patterns, future marriage patterns and the sex ratio in the labor force.

The male skew in India and China has sometimes been explained by the hard physical work required in agriculture. This explanation does not work for the equally rural Thailand.

The social, cultural and religious backgrounds seem to be more convincing. Confucianism in China, tradition and religion in India have defined patriarchal societies.

As analyzed by John Burn-Murdoch in the Nikkei Asia Review (13th April 2017): “from easily quantifiable matters such as dowry payments from the bride’s family to the groom’s, to the custom of a woman caring for her husband’s parents in their old age, many view a son as an investment and a daughter as a cost”.

Thailand, at least in the densely populated Northeast, can be described as matrilineal, if not matriarchal.

Traditionally, property and family authority are translated through the women. The tradition of Sin Sot (a financial gift by the new husband to his wife’s family) is still alive.

Another factor has been the political will to modernize Thailand in the 20th century.

HM King Rama VI was the first Thai monarch to study abroad. On return to his homeland, he launched a campaign to promote Thai women rights. In 1932 Thai women gained the right to vote, the first Asian country to grant suffrage to women.

More recently laws have been enacted safeguarding women's rights that were previously denied only a decade ago: adultery by a husband is now a ground for his wife to seek a divorce; the rape of a wife by her husband is now a criminal act; sexual harassment is a criminal offense

The highest impact of women empowerment is in the labor force participation sex ratio. In India, it stands at 27% female to 80% male. Thailand is in a much better position with 66% for female and 81% for male.

To illustrate this, a couple of quotes taken from the Nikkei Asia Review (William Klausner, 18th May 2017): "Thailand now has one of the highest proportions of female executives in the world, according to surveys and research by consultants including Grant Thornton and Oliver Wyman. Many have broken into the top levels of the civil service, such as Juree Wijitwatakarn, former director of the National Institute of Development Administration, or have risen to senior levels in the business world, such as Chadatip Chutrakul, CEO of Siam Piwat, one of Thailand's top retail and retail property developers, and Supaluck Umpujh, head of The Mall Group, Thailand's second-largest retail chain".

"But the most striking example of the preponderance of women over men in the bureaucratic corridors of power can be found in the Thai Ministry of Commerce. There, women have greatly outnumbered men for some years, and have held the top posts of director-general and permanent secretary, making the top echelons of the ministry an almost exclusive preserve of the not-so-weaker sex."

In 2014, Khun Supattra Paopiamsap became the first Thai female Chairwoman of Unilever, the largest FMCG company in Thailand.

The rise at the top is the result of the domination of female university students in the top universities. Among the 38,368 students of Chulalongkorn, 59 percent are female. 57 percent of PhDs awarded are to females.

This is not to say that a perfect equality has been reached or that Thailand is a paradise for women. Domestic violence is common. From a study conducted in 2006 by Mahidol University ('Multi-country Study on Women's Health and Domestic Violence against Women' by Garcia-Moreno, Jansen, Ellsberg, Heise & Watts), domestic violence takes place in 31 percent of families.

This situation must be considered in company management. There is no role that women are not able to fulfill. Interestingly the better educated, more independent Thai women also play an increasing role in decision making within the family. Beyond food, clothing and household or other FMCG products, women are influencing purchase of durables and equipment. They often choose the car model and in rural areas decide on type of crop and agrochemical products used.

The old Thai saying "The husband is the front legs of the

elephant while the wife is the hind legs" is not true anymore. Today it is more up to the men to catch up!

They often choose the car model and in rural areas decide on type of crop and agrochemical products used.

Three Things You Need To Consider:

1 Alert for FMCG categories: the decline of the Thai population will start in 2020 reducing the market size for mass market categories. The best option is to premiumise or to increase frequency of consumption.

2 Megacity: Bangkok will become the main regional hub for luxury and healthcare in South East Asia with a GDP multiplied by three in the next ten years.

3. Who is the boss? Do not underestimate the role of women even in categories traditionally seen as 'for male' such as cars or consumer durables.

THAI CONSUMERS AND SUSTAINABILITY: WHERE IS THE STORY GOING?

By Randall Shannon, Assistant Professor & Program Director / College of Management / Mahidol University

Introduction

With a population of nearly 70 million, Thailand is a large and attractive market for a wide variety of products and services, and also has more than 30 million tourists visiting per year. With the advent of ASEAN, businesses are poised to reach other member countries more easily, making Thailand an attractive base of operations. This chapter will cover issues related to the aging population and Thai consumer behaviour, and discuss retailing, health, wealth, and living arrangements.

For readers from other countries, one important warning is to be cautious of copying and pasting values from other cultures. While Thailand is number two in the world for the number of 7-Eleven convenience stores, it is not because Thai people are time pressured. Thai culture is collectivist, so people tend to be very social, but there is low time pressure and people are raised to live in the **now**, to enjoy life and not dwell on the past or the future. This means that trying to sell a product or service based on saving time will not be as interesting to consumers compared to offering convenience or showing how saving time allows them to enjoy themselves more or somehow enhance their lives or their image. Products and services positioned for future benefits, such as insurance and concentrates have faced slow acceptance. Like other Asian cultures, there is a high degree of importance on face and status, and conspicuous consumption. Looking good and being in-trend is important.

Dangers of Overconsumption

For marketers, this creates a wonderful scenario: consumers who love to have fun and socialize and who want to 'keep up with the Joneses' by using branded products, seeing and being seen. Being present-oriented and enjoying life makes it easier for consumers to take on debt without thinking through what it may mean for the future, hence there is a very large and increasing problem with **household debt**. For those with low income and education, they very often do not understand the details of debt or how it compounds. Some may try to flee their problems and not realize the debt grows and may end up passing debt to their relatives. Interest rates and fees are often not transparent, and payment plans may utilise a balloon payment to attract consumers without them fully understanding the implications.

Manufacturers, financial service providers, marketers and retailers all need to be cautious and responsible about encouraging moderate consumption and ensure that consumers understand and strive to achieve and maintain **financial self-sufficiency**. There is potentially an opportunity for applications, products or services that help educate and facilitate better savings goals and investments to reach those goals. The majority of Thais are saving too little, too late, and too conservatively, and end up not having enough income for a comfortable retirement.

Overarching sustainability issues: over consumption, lack of awareness and lack of concern.

An Aging Population

Thailand is facing a major demographic shift in terms of the population rapidly moving to older age brackets. This has massive implications – there are fewer births, which means not as many customers, students, or workers. ASEAN is helping fill these jobs, to some extent, but the problem will continue to grow. Products and services will increasingly need to think about the large number of older consumers. For example, biophysical changes such as eyesight – labeling on packages and websites, positioning of products on shelves, ability to hold and open packages, store accessibility and parking. Research in the US shows older consumers are less interested in social benefits (will that be true here?), but are attracted to functional benefits of products or services, such as convenience, ease of use, reliability, quality and personalized service. Older consumers in Thailand may or may not have more money than their younger counterparts, but have more free time. Older consumers often want to be sure before buying and reduce risk, so be careful that salespeople are patient and friendly, not condescending – free samples can also help reduce risk. With fewer children being born, the extended family is becoming smaller, meaning there will be fewer people available to help raise children, but also fewer young people able to help care for aging parents or relatives as they balance their careers and face changing roles due to aging.

Lifestyles Are Changing

Parents and grandparents often helped raise children for those working in the family, but this is becoming less common. There has been a condominium boom, which makes the extended family less feasible, due to lack of space. While this may lead to increased interest in time saving products and services,

consumers are still not time pressured in the way that many other countries are. This presents opportunities in terms of childcare, and convenience oriented products and services, such as ready to eat foods. However, Thais are increasingly facing the challenge of where aging parents and relatives can live. There are increasing numbers of assisted living or retirement communities which are utilising smart home technologies and cater to the elderly. Even those who prefer aging in home, there are increasing opportunities for the Internet of Things – both in terms of helping reduce energy consumption and improving quality of life by helping monitor activity and product consumption, such as smart refrigerators. This is a major ongoing opportunity.

Some questions to consider: Will younger consumers be willing to place older relatives into assisted living facilities and will it be socially acceptable to do so? Who will be the decision maker? Who will pay? There may also be increased opportunities for assisting older consumers – such as helping drive or accompany them to the doctor or hair salon.

Opportunities for assisted living, smart homes, Internet of Things, caregiver services

Lifestyles Need Changing

While young people want to look good, the vast majority of the population does not exercise on a regular basis. Malls are filled with dermatology and anti-aging clinics and supermarkets are filled with products promising young looking skin and slim figures. Supplement consumption is increasing, despite consumers admitting they don't really know if they work. On a more serious note, the main components of life satisfaction involve health and wealth, and many Thais are going to find themselves facing difficulties with both. Thailand is number one in ASEAN and number four in the world for alcohol consumption. If companies can help educate consumers, there is a wide range of opportunities open to promote healthier lifestyles, whether for themselves or their loved ones. Few Thais have a gym membership, despite widespread availability of gyms over the past twenty years. Shopping malls are increasingly offering community spaces for sharing time, and some are offering areas for those who want to exercise. This should be encouraged. As consumers and their relatives age, we can expect to see increasing interest in health enhancing products. Not just foods and beverages, but also likely air purifiers, pillows and products that suggest they will enhance the quality of life. For those with enough savings, there will be more time for travel and leisure.

Opportunities for educating consumers about products and services leading to healthier lifestyles: foods and beverages, supplements, exercise and wellness programmes

Retail Trends

Many companies are pushing financial technologies and e-payment systems, but Thailand has always been a cash based society, typically with small transactions. Debit based cards ensure spending is limited, and there are relatively strict limits about obtaining credit cards. Despite aggressive attempts to get Thais using e-payment and shopping online, acceptance has still been limited. Online retail sales are difficult to track, as many transactions are consumer to consumer through Facebook or Instagram, but they have been estimated to be just

one percent of overall retail sales. Bangkok has the most Facebook users in the world, and social media is now a part of life for most people, young and old. The government is also pushing technology acceptance and e-payments, perhaps hoping to collect taxes, but there is still a general distrust of such systems.

While online shopping is likely to increase, Thai people enjoy hanging out in the malls and being serviced by salespeople. The selling point for online shopping will be convenience, which for younger people may mean avoiding traffic and saving time, but for older people will increasingly involve accessibility. Retailers will have to give more thought as to how to get aging consumers into their stores, their experiences within the stores, and how they will get back home. Several retailers have already begun offering deliveries to homes or condos, or even pick up points, such as at 7-Eleven.

There has been a boom of smartphone adoption, so digital marketing is a must. Bangkok has the most Facebook users in the world and social media is a part of daily life. Smartphones are now all-in-one entertainment devices, used for reading news, watching shows, playing games, listening to music and perhaps the most common of all – chatting with others. Joox has been surprisingly successful in terms of offering a free music service and yet was able to get a large number of consumers to pay subscription fees. As with fast moving consumer goods, when looking at a market with large numbers of people with low income, offering smaller sizes or making transactions affordable is an important consideration in terms of reaching a lot of people.

Opportunities for activities which facilitate social interaction, trying to build trends by utilising digital marketing and social media.

Sustainability Trends

Many large companies are pushing sustainability initiatives, but this is not being driven by consumers. For some companies, they may be following fashion, as CSR became prominent in the news. Some companies do a lot, but say little. Siam Cement has been very active in developing building materials which enhance energy efficiency, and some companies actively utilise and adopt such products to build new or upgrade existing facilities. Tesco Lotus introduced more energy efficient 'green' stores in Thailand, and followed by building zero carbon stores. There is more use of natural lighting, solar, wind and even rainwater collection among companies. All good, but these bring energy saving benefits. We expect to see these initiatives continue to expand and over time, consumers will become more aware and appreciative. For now, we still see extremely widespread use of plastic bags and straws, and even Styrofoam. Sustainability is not at the forefront of consumers' minds, especially those with low incomes. Companies need to continue to educate consumers and likely will need to motivate consumers with rewards or punishments. Recycling and purchasing hybrid cars or energy efficient electronics is mainly driven by economic benefits, not altruism. Change takes time, and unless the government suddenly imposes penalties, this will likely be a gradual shifting of values as the younger children grow up with better role models and higher awareness.

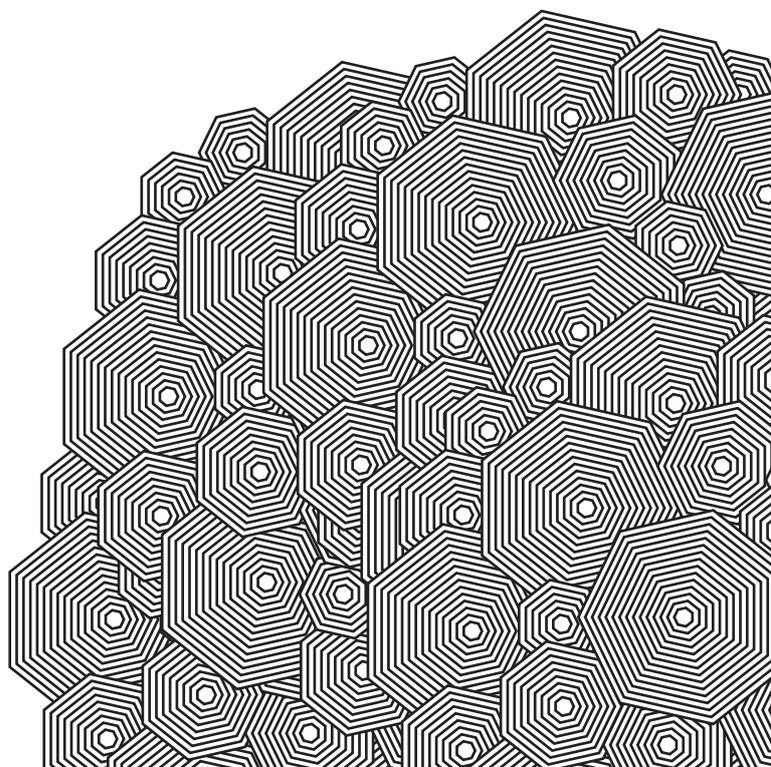
Conclusion

A great many changes are sweeping across Thailand. Huge numbers of the population now have access to the Internet and social media. TV was already present, but now they have an interactive medium and can learn from connections via social media. On the other hand, most consumers have low income and are increasingly taking on debt, which eventually may become unmanageable. The population is becoming older and the established pattern of the extended family helping out seems to be declining. These problems also create opportunities, as younger people who are working will need help with childcare, older people will need help running errands and finding living arrangements catering to the elderly, or perhaps more products and services which allow them to age in home.

Consumers will eventually adopt e-payment systems, but no doubt there will be a massive shake up in terms of which platforms dominate. There is an urgent need for companies to help educate and promote the importance of savings and also preventative health behaviors, such as exercising. Medical services will become increasingly important as the population gets older, but it would be beneficial for the entire country if people took a more proactive and preventative approach. Similarly, increasing awareness and interest in issues related to sustainability will also be beneficial to all.

Three Things You Need To Consider:

1. Raise awareness and urgency about the need for sustainability, try to reduce over consumption and debt, highlight the importance of savings and preventative health behaviours and how these relate to life satisfaction.
2. Online retailing will grow, but perhaps not as quickly as many expect.
3. Digital marketing and use of social media will be essential tools to reach consumers in Thailand, with the growth of ASEAN there will be increasing numbers of non-Thais in the market as well.



NOT BAD, NOT GREAT: THE NARRATIVES DRIVING THAILAND

By Dave McCaughan, Storyteller@Bibliosexual / Chief
Strategy Officer Ai.agency

Thailand like all brands lives in a world of competition. Whether you are a Thai business person doing business internally or for export, a foreign company trying to break into the Thailand market or looking at it as one option, all marketers have to consider what the opposition is doing and where your target market is placed in the competitive framework. As marketers consider what they can and should do in Thailand they need to consider the country as a market and as a brand and how it compares to its near competitors. In order to help a range of clients prioritise what matters about the Thailand brand Ai.agency undertook a new look at the country brand in the context of its South East Asia neighbours.

To undertake the research we use a machine automated research tool from SignificanceSystems. The platform undertakes real time research by searching the whole of the internet around the chosen subject area, reading all relevant content and using computational linguistics and quantitative narrative analysis to understand the structure of information and analyse which are the key narratives driving it. Or in other words : it's a neutral machine reading everything around a subject and telling us what really matters. You can learn more here : <http://significancesystems.com/>

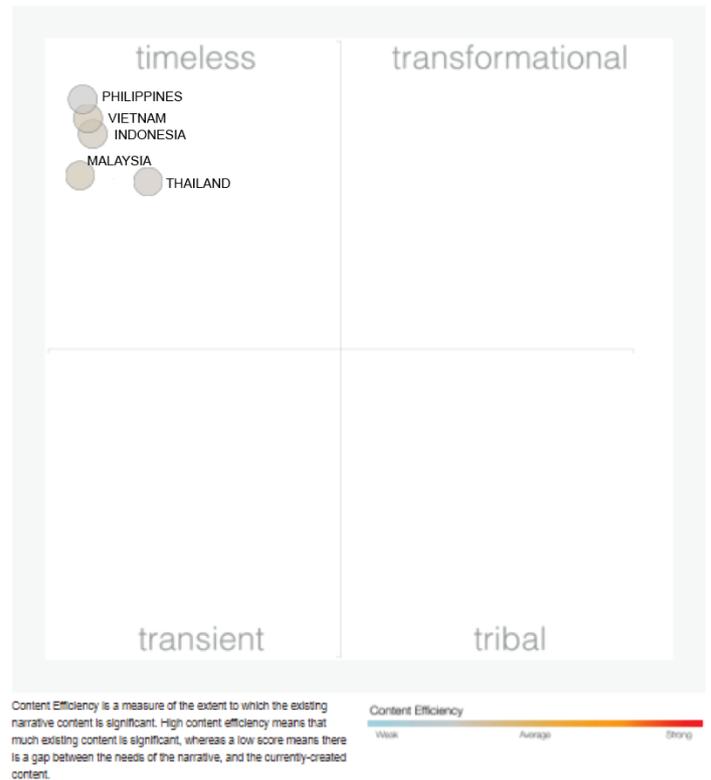
We used the platform to look at Thailand in comparison with Malaysia, Vietnam, the Philippines and Indonesia. The following is a short summary of some of the results with links to fuller reports.

Actually The Thailand Narrative Is Pretty Good

Over the last few years various marketers have mentioned to me that "well, the Thailand business situation is not so good". And yes there are many macro issues, many covered in other essays in this book, that suggest that Thailand has its problems. But in a simple analysis of South East Asian countries the narrative around Thailand is not all that much different from its neighbours.

When we programmed the research platform to look at the overall narrative around the five South East Asian nations we saw that initial analysis says all five are 'timeless'. The platform plots all narratives for any subject researched on a four quadrant landscape that places them as either 'transient' (narratives that exist in the broad subject area but are lacking any real current engagement), 'tribal' (they have a buzz factor now but may not last), 'timeless' (have long term deep engagement and will continue to be important) or 'transformational' (really have the power now or soon to disrupt the market).

Chart 1 Narrative Significance Landscape : ASEAN Markets shows all five measured are Timeless



Source ASEAN Markets <https://goo.gl/E5QmvZ>

All five countries are timeless. Good news as that means they are predicted to continue to grow in importance. As you can see in Chart 1 above all five placed high on the timeless quadrant (note : all charts include links to live reports). Thailand is a little lower than the others, but not bad. Or as the full report indicates Thailand is a market that according to a review across the whole of the internet is positive and it generates a delighted over all affect, it is positive, active and will continue to have momentum. BUT it struggles against its near rivals.

In Chart 2 below the platform has read all content related to the individual country narratives (search engines, websites, social platforms etc) and analysed the emotional responses generated using context analysis. You can read the full report but what the chart shows is the emotions generated for each country. Negative emotions like fear, concern, anger in red. Positive emotions like joy, love in green. Tonal cues like surprise, astonishment, wonder in blue. The richer the colours the stronger the emotional response generated by the narrative. And it is here you can see the difference.

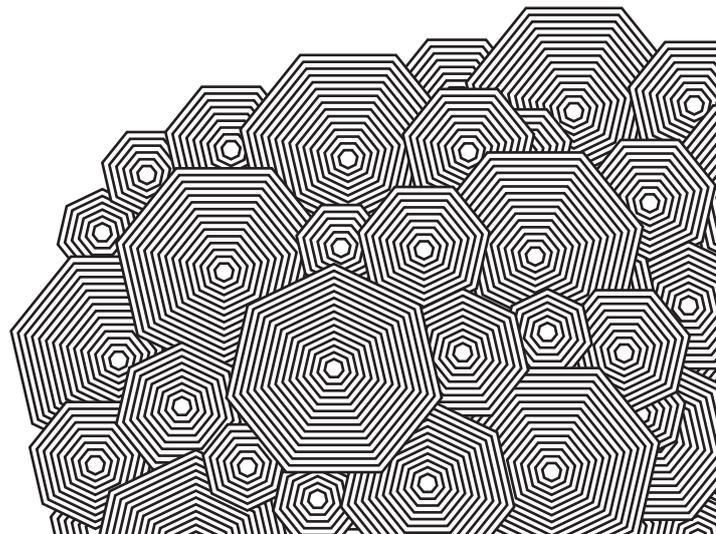
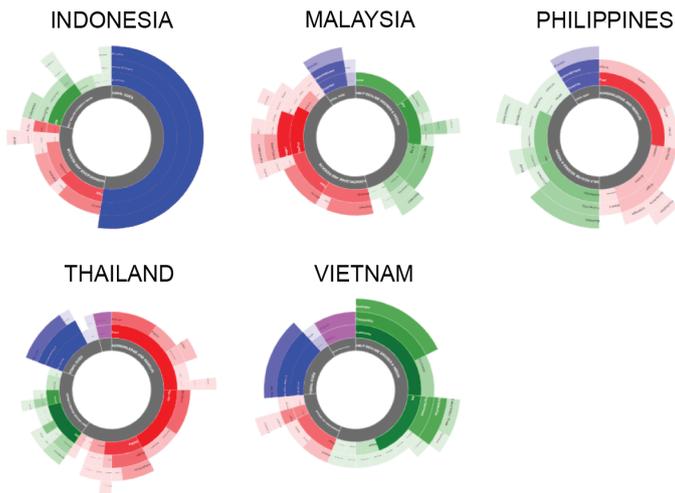


Chart 2 ASEAN Markets narrative emotional response indicates Thailand has a little more to worry about than its neighbours



Source <https://goo.gl/GG8dhv>

Compared to its neighbours/rivals Thailand's narrative has a lot more heavy 'red' cues. More potential negativity, mostly of fear and anxiety over what the near future looks like. There is also of course some deep green joy emotion generated. However looking across the five markets it would seem that others are looking a little brighter.

Malaysia: again a good deal of negative emotion, though not as strong as Thailand and probably centred around internal political frustrations. But also nearly as much positive green joy and love.

Indonesia: is full of surprise and expectation, a narrative that suggests lots of potential is expected and while there is some negative emotion it is not that strong.

Philippines: an even distribution of positive/negative emotion generated though a larger, stronger streak of fear probably related to concerns from outside about the current government. But not little in the way of surprise, meaning the narrative around the Philippines is one where "new" is not expected.

Vietnam: Lots of green calmness and joy. And a good dose of blue surprise and astonishment. In other words this is the narrative that most suggests new discovery and satisfaction with the market situation.

So Thailand is doing ok, not too bad, but perhaps lags its neighbours as an overall story. Partly that comes from the fact it is perhaps the 'best known' in terms of issues, trade, tourism etc. So how then do we decide which issues Thailand does best on and where it needs to focus to improve the narrative about the country?

Attributes Driving Country Perceptions

There are many models used for assessing countries as brands. We ignored them all. Instead we ran a power performance model to rank and score the relative importance of the ten key country attributes as defined by the Significance Systems platform itself. The attributes were derived by the platform reviewing the narratives around countries and countries as brands and deciding on ten. We then had the platform rank the contribution of each attribute to the overall brand performance score of a country as a brand.

Built on a scale of 100 for extremely positive and -100 for extremely negative influence a positive value indicates that engagement with the attribute makes a positive contribution to country brand performance, where as a negative value indicates the opposite.

SOUTH EAST ASIA MARKETS ATTRIBUTE POWER

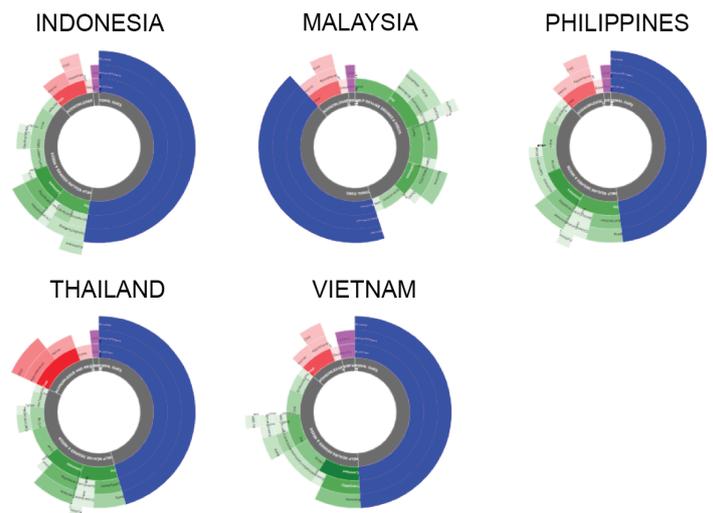
| Attribute | Performance |
|-------------|-------------|
| Destination | 0.96 |
| Shopping | 0.93 |
| Tourism | 0.82 |
| Stability | 0.72 |
| Trade | 0.68 |
| Future | 0.6 |
| Government | 0.54 |
| Economy | 0.47 |
| Reputation | 0.38 |
| Exports | -0.68 |

Clearly across these five South East Asian markets destination, the country as a destination for travel for whatever purposes, is the strongest performing attribute, while the reputation of its 'exports' is the weakest. Or we could suggest exports and knowledge of them is a narrative with little reputation and effect on overall perception of the country. Not surprising really. After all would most people be able to name key exports for these countries?

Also maybe not surprising that the top performing attributes are 'destination', 'shopping', 'tourism', 'stability'. Images and impressions of countries are often defined by our wanting to know about them as safe, friendly, destinations for fun or work. How does Thailand compare in some of these more important attributes?

A Slightly Lesser Destination

Chart 3 Country destination narratives



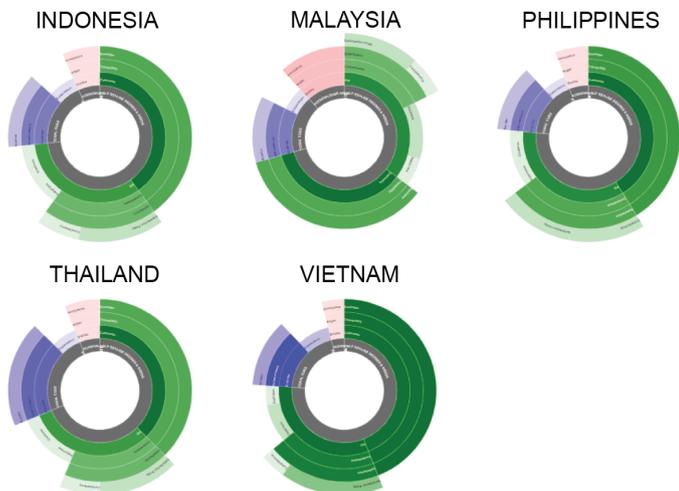
Source <https://goo.gl/uuNLs6>

Look at Chart 3 and you can see that in terms of emotions generated all five markets have a lot of good blue tonalities of surprise, astonishment and wonder. All are markets with near equal emotional responses around their narrative and that suggests they are still being discovered and explored. All have a fairly equal amount of positive green emotions like joy and even love. Only Thailand has a stronger negative red streak of

fear and apprehension. Perhaps the clue as to why Thailand performs as ok and timeless as an overall narrative but not quite as well as its competitors. Too much negative news, too many stories about unrest and perhaps it is too well known already compared to competitors. As a destination it needs new news to separate it from the pack.

Shopping Is Great Everywhere ... But

Chart 4 Shopping narratives

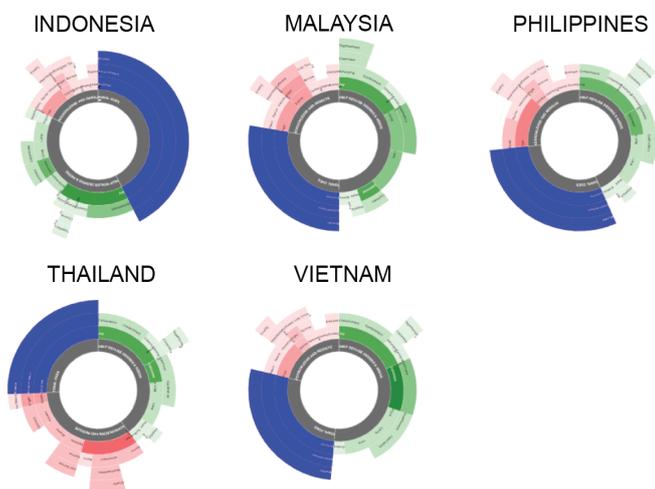


Source <https://goo.gl/uuNLs6>

The narratives around shopping in each country are similarly positive, see Chart 4 above. Lots of rich green emotions like joy, calmness and little negativity. But look at the intensity of the emotion and you can see markets like Vietnam are much richer, indicating a narrative of more interest, more tranquillity and easiness associated with the experience. Of the five markets Thailand, for all its modern malls and hordes of local and foreign shoppers generates the (relatively) weakest emotional experience and narrative. In no way overall negative but less strong than its neighbours, maybe less easy and satisfying because again it is no more than expected and not providing as much tranquillity of experience. More work needed to make shopping even more fun and less stressful?

Tourism Also Not As Exciting?

Chart 5 National tourism narratives

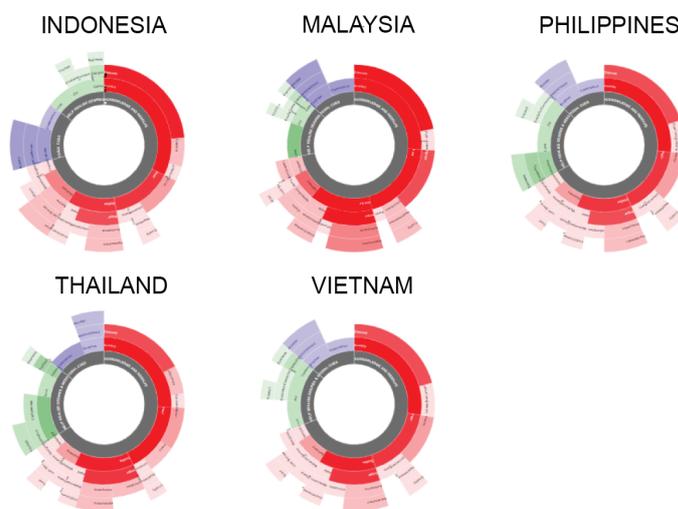


Source <https://goo.gl/uuNLs6>

Is it possible that 'the land of smiles' lacks a little innovation? As is clear in Chart 5 above, all five markets have rich emotional narratives around surprise, astonishment and wonder. Lots of good experiences of discovery. Also lots of green positive emotions, but little of it of a really deep green indicating that while these countries create feelings of joy and calmness (nice places to find a beach) they are not creating a lot of deep love. Some but not a lot. And while there is not a lot of negativity, Thailand perhaps generates more than others (darker red). Again perhaps because it is better known, been around longer and has higher expectations the narrative around Thailand tourism is in good but not great shape and Thailand has to be aware that markets like Vietnam and Indonesia are now creating stronger ongoing narratives.

A Word On Government ... "eh?"

Chart 6 National government narratives



Source <https://goo.gl/uuNLs6>

For those fixated on the future of the Thai government and whether that will effect the country, our research would indicate there are real concerns but actually no more than its four neighbours. As Chart 6 above indicates, all five markets have deeply negative narratives around the state of their government.

In all five countries, the narrative generates fear and anxiety much more than other emotions, but roughly of an equal level across markets, though no doubt for different reasons. So across the key indicators the Thailand narrative suggests it is not much different from its neighbour rivals but perhaps suffering from being a bit better known, less 'of a new thing' and while widely enjoyed it is providing concern and anxiety that any marketer must take on board.

Three Things You Need To Consider:

1 When you look at the Thailand market be aware to consider that the narratives in the international marketplace **around how it is seen as a destination, a tourist location, a place to shop and its perceived stability are the things that matter** in how it will be judged and measured.

2 **Thailand is** actually in a pretty good place compared to its neighbours and perhaps **not as negative as many living inside the country may feel**. Too often residents and long

term market participants judge a market by only looking 'inside' without really considering how it compares to similar markets in a neutral way.

3. Having said that **Thailand suffers from 'anxiety' across a range of key attributes** and perhaps because it is a more 'known' market compared to its neighbours it is in more need of uplifting and new ideas and content feeding its narrative in order to assure those considering it versus other South East Asia markets for business.

CATERING TO ELDERS WHO STILL WANT TO REMAIN RELEVANT

By **Nash Siamwalla, Author / Blogger / Lecturer**

&

Kritinee Pongtanalert, Ph.D. / Author / Lecturer In Marketing At Chulalongkorn Business School.

From Aging to Aged

It may surprise many but as we write this article and looking toward the next two to three years Thailand is steadily shifting from an Aging Society to an Aged Society.

The term Aging Society refers to a society that has a population over 60 years of age equal to or more than 10 percent of the total population or a population over 65 equal to or more than seven percent of the population while the Aged Society refers to the society that has a population over 60 years of age equal to or more than 20 percent of the total population or a population over 65 equal to or more than 14 percent of the population.

According to the United Nations report World Population Ageing, 2017 marked the first time in history that Thailand has more senior citizens than children. At this rate, The Foundation for Older Persons' Development predicts that by the year 2030 the aging population will reach 17.6 million or 26.3 percent of the total population and by 2040 it will reach 20.5 million or 32.1 percent of the total population. However, according to predictions from the Foundation for Research and Development for Thai Senior Citizens Thailand will enter the Aged Society as soon as the year 2021.

This trend has prompted both the government and the private sector to expedite their work on promoting the welfare and well-being to the aging population.

Before we look into the future, it might be a good idea to take a brief look at the senior population in Thailand at present.

Getting to Know Thailand's Silver Population

A 2015 nation-wide survey by the National Institute of Development Administration (NIDA) which studied 1,254 senior Thai citizens aged 60 upward included the following results:

1) Hobbies: reading (54%), sports (41%), traveling (33%), music/dance (14%) and volunteer work (11%)

2) Social Network Use: LINE (21%), Facebook (13%), email (4%) and Twitter (2%)

3) Social Activities: religious group (45%), professional group (18%), sports/ music and cultural group (13%), volunteer group (13%), political group (6%), other groups such as senior citizen group (4%)

4) Self-Reported Health Condition:

a. physical health excellent (18%), good (43%), relatively ok (25%), not so good (12%) and not good at all (0.8%)

b. mental health excellent (22%), good (53%), relatively ok (18%), not so good (5%) and not good at all (0.3%)

Active Aging

Many studies have been done on how one can prepare for the aging society. Emphasis has been put on the quality of life of senior citizens. Many terms have been coined such as "Active Aging", "Productive Aging" and "Successful Aging".

A 2011 study by Watcharaporn Paorohit, titled Living Longer: Living as Active Aging, came up with the following suggestions:

1) Preparation on Physical and Mental Health:

a. consuming nutritious food: less meat and fat, more vegetables, fruits and fish,

b. exercising regularly,

c. sleeping adequately,

d. abstaining from alcohol, tobacco and other toxic substances,

e. taking good care of one's mental health by meditating.

2) Preparation on Finance and Housing: The study suggests that one plans ahead how one would like to spend the senior years. For example, start on a saving plan for housing, health insurance and living expenses. This is especially important for people with no pension or no one to depend on financially.

3) Preparation on Participating in Social Life: This includes social activities with friends and family and participation in activities with organizations of one's own choice.

Analyzing the Trend And Spotting Opportunities

The Office of Knowledge Management and Development (OKMD), a public organization, has done extensive studies on Thailand's Aging Society and came up with the following three crucial factors that will affect the social outlook of Thai society in the long-term are: 1) lower birth rate, with less people planning to marry and start a family; 2) healthier population; and 3) increasing life expectancy.

As for short-term catalysts for socio-economic change, the OKMD has identified the following factors as being important: 1) extended retirement age, meaning increasing income and purchasing power; 2) flexible working condition, meaning senior citizens can work from home; 3) rising need for senior citizens' specially-trained nurses and caretakers; 4) rapid improvement in medical technology; 5) better, more comprehensive welfare system; and 6) an abundance of choices in saving and investment.

To ensure they have quality of life, senior citizens will need: 1) products and services tailored especially for them; 2) the ability to live independently; 3) long-term health security; 4) financial security; 5) the ability to shop conveniently for quality products; 6) the ability to explore new life experiences; 7) the ability to stay in the work force long after retirement age; and 8) the ability to become an entrepreneur.

Naturally, the OKMD discovered that there will be a growing need for the following professions: 1) nurses and caretakers that are specially-trained to take care of senior citizens; 2) fitness trainers; 3) financial advisors specialising in retirement planning; and 4) professionals specialising in customising homes for senior citizens.

Noteworthy Stats Relating To Senior Citizens

A 2015 poll, titled "Behavior and Attitude of Thai Senior Citizens in the Year 2020," which surveyed 378 Thais aging 50 years old upward found that:

- If they have more income, they would like to save it first. Their savings of choice is saving accounts at banks. After saving, they would like to spend their money on traveling.
- A troubling discovery: 19 percent of those surveyed have no savings.
- Seventy percent of those surveyed use cash when they go shopping. Twenty seven percent use credit cards. The latter group is senior citizens that are still in the work force.
- Top three concerns for senior citizens are: health (61%), financial security (30%) and future security of their offspring (29%).

In addition, the OKMD noted that well-to-do senior citizens with high purchasing power are a sizable market in Thailand.

Now that we know that senior citizens are the growing group we should watch for, the question is: How best to reach them and communicate with them?

The Senior Citizens' Social Media Of Choice

It was not only the 2015 NIDA's poll cited above that discovered LINE application is the social media of choice of Thai senior citizens, many other surveys also came up with the same result. LINE is the dominant social platform in Thailand however since it is popular only in certain Asian countries, it may be beneficial to briefly describe the application here.

LINE is a freeware app for instant communications on electronic devices such as smartphones, tablet computers, and personal computers. LINE users exchange texts, images, video and audio, and conduct free VoIP conversations and video conferences. Its popularity took off as a disaster response tool in March 2011 when there was the Tōhoku earthquake in Japan. Since then, it has been hugely popular in Japan, Thailand, Taiwan and Indonesia. As of February 2015, the number of line users has reached 600 million and it was expected to surpass 700 million at the end of that same year.

LINE In Thailand

According to a Nielsen survey, the average time a Thai person spends on his/her smartphone per day is 234 minutes, a third of which or 70 minutes is spent on using the LINE application.

In the beginning of 2016, the number of LINE users in Thailand hit 33 million, second to only Japan's total. Earlier this year (2017), LINE Corporation announced that it has reached 83% of Thailand's population. The latest number of Thailand's population according to Mahidol University's Thailandometers is 66 million. That means LINE users in Thailand has now reached 54 million, and most likely growing.

At present, LINE has moved far beyond its original purpose of texting. Its main income now are from 1) online advertising 2) sticker (stamp) sales 3) content such as game items and 4) loyalty fee from products based on its characters.

Interesting Stats About LINE In Thailand

- There have been more than 500 million downloads of LINE's sticker sets.
- Three million Thais read LINE WEBTOON every month.
- More than two million Thais use Rabbit LINE Pay, an E-Wallet system.
- There have been 12 million downloads for LINE TV, which was first launched in Thailand in October 2014.
- There are more than one million LINE@ users. LINE@ is a business account that one can use to communicate with clients via broadcast messages, 1:1 chat, and Timeline posts. Any LINE users can create an account for free.
- Compared to users in other countries, Thai LINE users send out the most images.
- Another two LINE services that quickly caught on and became number one in the market are LINE MAN (food/messenger/convenience store/post office delivery service) and LINE TODAY (online content).

LINE And Thai Senior Citizens

There are several studies about the use of LINE application among Thai senior citizens. One worth noting here is from NIDA, titled, The Study of Communication Behavior in LINE Application Data Sharing of Elderly People by Kirana Somwatasun and Kultip Sastraruji, Ph.D.

The study, which surveyed 400 Thai senior citizens, found that the majority of elderly LINE application users are females with a Bachelor degree whose career are either in state enterprise or government sector. Their monthly average income is more than 30,000 Baht. They learned how to use LINE application on mobile phone from their off-spring, relatives and siblings.

The senior citizens surveyed use LINE daily to contact with their friends and family for approximately 30 minutes each session. They have been using LINE for more than two years. Their most favorite activity is to send "Morning Greetings" images or stickers to their family and friends. The images could be nature views or mood expression stickers. They are unlikely to send voice message or to shop online. However they are more likely to send news or funny clips in an embedded format, not a video link from YouTube.

The senior citizens surveyed feel that using the LINE application somehow makes them a trendy and updated person.

Another research in 2017 from Khonkaen University titled Elderlies' Experience in Using LINE Application: A

Phenomenological Study, by Witsapat Chaichuay, discovered that Thai senior citizens use the 'Morning Greeting' images to convey their care for others and to communicate that they themselves are still doing well.

Thai Senior Citizens As Influencers

In Thailand, senior citizens are clearly the influencers for the whole family. They love to share what they know to their children, siblings, grandchildren, nieces and nephews. Younger Thais generally respect their elders and try to accommodate their needs as best as they can, the elders always influence restaurant choices, where to go for a family holiday, which hospitals to go to, etc.

The Knorr brand once did a campaign where they published recipes on their Line@ accounts so that mothers and grandmothers could cook for their loved ones. This was paired with a successful YouTube clip that went viral.

With the advent of LINE, especially the use of LINE group chat, Thai families are brought closer together, with the elders at the heart of it. And let's not forget that the elders themselves also belong to many or the same-age group chats: classmates, ex-colleagues, etc. This means many new business opportunities that can be further explored.

Three Things You Need To Consider:

- 1 Brands that target families would benefit from having easy-to-share clips and images that the elders would love to share
- 2 Brands should help make the elders feel that they are still relevant and important to the family by using LINE to provide easier sharing services and reminders to family members to interact with their aging parents and other elderly relatives.
3. Through LINE, brands may try to create a 'hang-out space' for the elders as they still wish to 'remain young'

AI VS. HI, PEOPLE ALWAYS FIRST

By Dangjaitawin Anantachai,
Managing Director / Intage

"We build great people, who then build great products and services"

Many of us have heard about this statement of Jack Welch, the iconic leader of GE group. We all know that employees are the most important asset in the company. The clever management person can establish the great strategy and structure, but he cannot do everything by himself from customer service to new product expansion, he definitely needs the right team members. Regardless of the rapid development of AI (Artificial Intelligence) and ML (Machine Learning) platforms and tools, people are still the most important asset.

The entry of the younger generation into the workforce as well as the emerging digital tools have driven two major trends in relation to human resource management which definitely impact how companies operate and manage their employees: 1) The Rise of Generation Y, the Rise of the Freelancer and 2) Flexibility Policy and the Multi-Generation Workforce Management.

1) The Rise of Gen Y, The Rise Of The Freelancer

Gen Y will soon become the main group of workforce around the globe including Thailand.

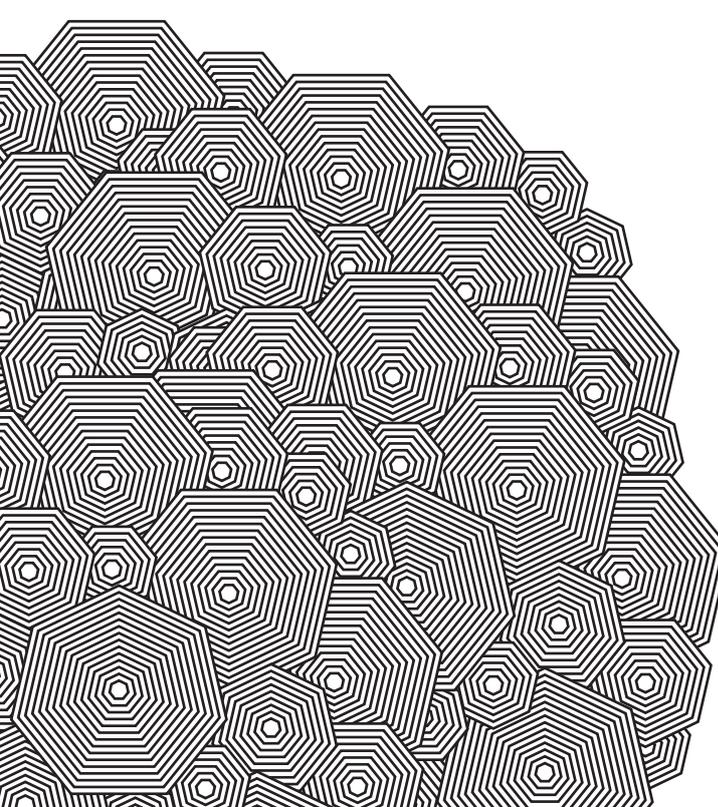
Many academic and commercial papers have addressed the challenges as well as opportunities of the rise of this youngest generation who has been entering the workforce. Their characteristics and attitude are shaped by the fast pace of digital development and social networking life environment. They are perceived to be the most confident generation. They are willing to job hop until they find a purposeful job that suits their purpose of life and lifestyle. They have an inflated sense of self-confidence and have grown up with the belief that they can achieve anything (although they can't).

Based on the study conducted by Thailand Marketing Research Society (TMRS) among 1,000 males/ females aged 18-60 in 2016, the result indicates that the younger generation has a high tendency to job hop with less loyalty to an organization. Being an entrepreneur is one of their common life goals; they don't see the job as a career but rather a means to get money and access to other opportunities in life.

| Your current job is... | 18-29 year old | 30-45 years old | 46-60 years old |
|-------------------------|----------------|-----------------|-----------------|
| A career | 34 | 48 | 63 |
| Just a job to get money | 40 | 26 | 22 |

| Important goal in life | 18-29 year old | 30-45 years old | 46-60 years old |
|------------------------|----------------|-----------------|-----------------|
| Being entrepreneur | 30 | 24 | 9 |

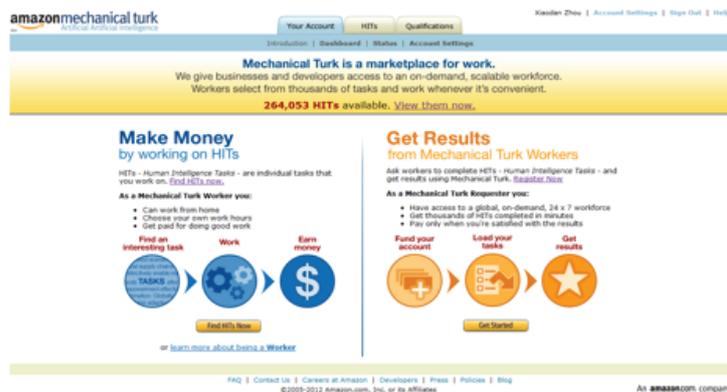
The younger generations are born with digital skills, they are more comfortable with the telecommuting working style. They don't see the need to be present at the workplace. They are not



nine-to-five workers, they are proactive in their life advancement, not their career. They see that freelancing is the way to have their work-life balance lifestyle. As a response to this mindset, we can see the increasing popularity of co-working spaces in Thailand.

At the global level, we start to see the trend of large companies adopting the technology and FMS (Freelance Management System) platforms to manage their extended workforce. There are several players in this field to help companies find suitable freelancers, collaborate with them and pay them on behalf of the companies. Upwork Enterprise and Mechanical Turk are examples of companies serving the increasing demand and supply in freelancing business.

| Company | Labour focus | Number of Freelancers on platform | Service cost |
|-------------------|--|-----------------------------------|--------------------------|
| Mechanical Turk | Photo tagging, data cleansing, content creation, business feedback | 500,000 from 190 countries | 20% from the freelancers |
| Upwork Enterprise | Designer, developers, writers, translators, customer support pros | 10 million in 180 countries | 10% from the freelancers |



Another study conducted by INTAGE Thailand early in 2017 also supports this trend that younger people intend to leave the company before they reach 50 years old to start up their own small business, which they believe will allow them to achieve a better work-life balance.

| Reasons to Retire early | % |
|------------------------------------|----|
| Want to have own business | 28 |
| Want to work on things I love | 11 |
| Want to rest more | 9 |
| Want to travel more | 6 |
| Want to take care of own health | 6 |
| Want to have more time with family | 6 |

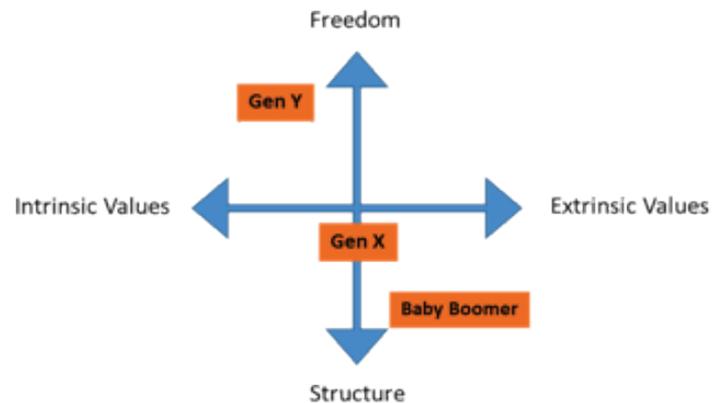
Both Gen Y and freelancers love control over themselves, not being controlled. Companies must give them trust and empowerment that enable them to reach a successful goal without micromanagement. Whether they are full-time or part-time workers, everyone wants to be respected and feel appreciated.

2) Workforce Management

Multi-generation workforce refers to different generations working side by side in the workplace. Each generation, the Baby Boomers, Gen X and Gen Y have their own distinct set of values, attitudes and behaviours. While there is some inconsistency with regards to years of birth, characteristics and values of the generations among previous academic papers can be summarised as follows:

| Generation Label | Years of Birth | Key Work Values |
|------------------|----------------|---|
| Baby Boomers | 1945-1964 | Value power in organization, on-job security and a stable working environment |
| Generation X | 1965-1981 | Value a strong work-life balance while seek out more challenging options, less loyal to the organization than Baby Boomers |
| Generation Y | 1982-2000 | Value skill development and having input into decisions and actions of the organization as well as enjoy the challenge of new opportunities |

Generational differences have become popular and discussed widely. Taking this phenomenon into account, there is an urgent need to review the organization's multi-generation management strategy. Ignoring this urgency, the organization may face the frustrated working environment, reduced productivity, high turnover and consequently a negative bottom-line impact.



Baby Boomers soon will leave the workforce while Gen Y will become the main driver in business. Gen Y looks for meaningful work and seek work-life balance while Boomers generally view work as a means to live.

Recently, there is an increased attention on workplace flexibility and its relation with employee engagement, especially among Gen Y. Several studies have indicated that workplace flexibility has a positive relationship with employee engagement or its components. A 2013 report by Gallup Organization 'State of the American workplace' suggested that a certain amount of remote work corresponds with higher engagement. "Despite working longer hours, working remotely seems to have a slightly positive effect on workers' employee engagement levels".

There is ample evidence that flexibility leads to positive outcomes within the organization including positive feelings towards work-life balance.

Flexibility is a broad term and may be defined differently.

across generations. To the older generation, flexibility may refer to the scope of **what** they have to do while it may be defined as **where** and when among the younger generations who have grown up among the rapid and advanced development of technology and smartphones.

There are different types of workplace flexibility in terms of time, place and compensation options in HR practices. The ones proposed by Boston College in 'Workplace flexibility: Findings from the age and generations study' (2009) are quite practical, including:

1. Flexibility in the number of hours worked
 - a. Input into the amount of overtime hours
 - b. Phased retirement
 - c. Structure job share with another person
 - d. Work part-year
 - e. Work part-time at the same level
2. Flexible schedule
 - a. Make work-shift choices
 - b. Choose a work schedule that varies from the typical schedule
 - c. Compressed work week
 - d. Frequently request changes in starting and quitting times
 - e. Occasionally request changes in starting and quitting times
3. Flexible place
 - a. Work for part of the year at one worksite, and then part of the year at another
 - b. Remote work location
4. Options for Time Off
 - a. Take paid time off to volunteer in the community
 - b. Take sabbaticals or career breaks
 - c. Take paid/ unpaid time for education or training
 - d. Take extra unpaid vacation days
 - e. Take paid leave for care giving or other personal or family responsibilities
5. Other options
 - a. Transfer to a job with reduced responsibilities and reduced pay

However, it appears that most companies in Thailand have yet to adopt a flexible working policy. The flexibility is currently seen as a case-by-case practice for specific groups of persons. From a study conducted by INTAGE Academy in Bangkok among 300 employees, although four percent report that their companies don't have any flexibility practice nor policy, the majority are working in a company that has flexibility as an option. The result highlights that most companies try to be more flexible with their employees, **when** and **where** people work are less important than the **what** they do and contribute to the company.

| Availability of Flexibility Policy | Percent |
|------------------------------------|---------|
| None | 4 |
| As a case-by-case practice | 83 |
| Yes | 13 |

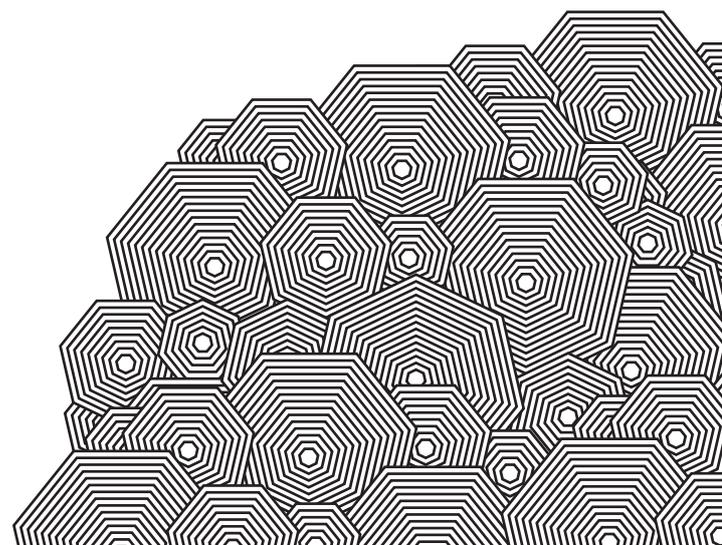
From depth interviews among a group of marketing related employees and top-management persons, the flexibility policy is not yet a priority as most see that Thailand is a high-context culture, personal relationship and teamwork are essential in driving a company's desired culture and outcome. However, the study indicates the high potential that the policy will be more common in Thailand to attract and to retain the young talented workers, especially among Gen Y, who value freedom and individual achievement rather than the team's one.

| Generation | Perceived needs on Flexibility Policy | Values which should have more impact on engagement |
|-----------------|---------------------------------------|---|
| Gen Y | High | Individual achievement Social recognition High compensation |
| Gen X | Medium | Team achievement Career path Competitive compensation |
| Gen Baby Boomer | Low | Organization achievement Career stability Reasonable compensation |

Three Things You Need To Consider:

1. People are an important asset in the company, but having the right people with passion is more important. The changing mindset and diversity in the workplace urge companies to be more sensitive to human emotion, especially with different generations' requirements and working styles.
2. 'Generation Gap', 'Freelancer', 'Gig Economy', and 'Gen Y' have become popular terms in the Thai workforce. With different sets of values and goals in life, companies must understand how to cope with them. The micromanagement style doesn't work for sure.
3. Flexibility is not a new dimension in human resource management, however, it has been given higher attention in recent years in response to the increasing number of Gen Y in the workforce. Companies must have this option available in order to attract and retain talent.

And the last note is that no AI or machine can replace a human's emotion. The new generation of digital tools must work together with the new generation of workforce. Companies must be ready to invest in both AI and HI – Human Intelligence, not one or the other.



JUICING THE BIG MANGO: Addressing Cultural Inhibitors to Creativity in Thailand

By John Wigglesworth, Managing Director /
Asia Research Recruitment

Thai creativity is alive and well. The Cannes Lions Awards in 2017 saw Thailand garner eighteen medals, ranking the Kingdom well above China, Hong Kong, South Korea and others; the insurance sector's oeuvre of emotionally touching short-film TVCs has won global critical acclaim in recent years; Thai designers such as Linda Charoenlab, Nasha Mekraksavanich and Ploypan Theerachai are making waves in Milan, London and New York; and Thailand is increasingly being seen as a potential Silicon Valley of the East, with a plethora of exciting and innovative start-ups launching in the e-commerce space over recent years. With all of this well-publicised creative success, marketing leaders operating in Thailand could be forgiven for thinking it's all rather easy to deliver great campaigns and innovative messaging. However, to do so would be to misunderstand; for there are cultural nuances in Thailand that mean a number of obstacles and challenges need to be identified and overcome to be able to truly harness the innate creativity of Thais.

So what are these cultural nuances, and how can they somehow stifle creativity? While this is a complex subject that has been analysed by academia in considerable depth, there are three distinct factors that we can identify. Each will, to some extent at least, inhibit a company's creative output if left unchecked.

On Harmony:

"Thai concepts of peace and harmony, as well as other values such as happiness, loving-kindness and contentment, are grounded in Buddhism". Valai na Pombejr, UNESCO advisor

Within Thai culture, there is a deep-seated yearning for harmony. This concept is neatly encapsulated via the Thai phrase *Kreng Jai*; while this literally translates as in awe of the heart, a less esoteric translation from a Western perspective might be consideration of others. Irrespective of the semantics, the outcome is the same – conflict avoidance. If a colleague exhibits poor thinking, makes a bad business decision, or proposes an ill thought out creative idea, then to highlight this to them would be fundamentally at odds with the idea of *Kreng Jai*.

The impact of this vis-à-vis the creative process should not be underestimated. Conflict – i.e. the critical evaluation, appraisal and rejection / acceptance of ideas (and by definition the necessary pushback against those promulgating the wrong ideas) – engenders an almost Darwinian ecosystem where only the fittest and strongest creative thinking survives. The rest is killed off. It is a vital component for any business that wishes to identify and promote the best ideas of the staff they employ; yet the concept of *Kreng Jai* means that this process is at best diluted, and at worst avoided entirely, in Thailand. The result of this is, of course, an overall weakening of the standard of creative outputs.

Neutering *Kreng Jai*'s impact within the workplace is a genuine challenge; while many multinationals hold training sessions on educating staff on the benefits of conflict in the workplace, avoidance of confrontation is so deeply embedded in the Thai psyche that one might venture to argue that no amount of training is likely to change this. Another approach is to actually finesse the organisational dynamics so that adherence to the philosophy of *Kreng Jai* is much harder to maintain. This is achieved by trying to inculcate the idea of shared values and collective responsibility and accountability as strongly as possible into both the business decision-making process and the framework of creative idea and campaign development within a company. By driving home the importance of a collaborative effort where each individual's contribution is vital to a successful outcome, team members are much more likely to challenge others' thinking if they feel it weakens the overall project. Of course while this approach is really a mechanism through which a business can try and foster a more egalitarian way of working, it can – partially at least – ameliorate the impact of *Kreng Jai* and conflict avoidance in the workplace.

On Authoritarianism And Hierarchical Decision Making:

"In Western companies, the staff want to stand out and be seen. In Thai companies, the nail that stands out gets hammered down". SVP, Marketing (Thailand), Major Corporate

Even as we head towards 2020, Thailand very much remains a hierarchical society; that is, age (and also workplace seniority) is extremely important in dictating how Thais interact with one another on a day-to-day basis. Put simply, within Thai culture there exists a deeply ingrained deferment to one's superiors. The concept of a hierarchical society and patron-client relationships dates back as far as the 13th century (the Sukhothai period), and has since then been reinforced through a patriarchal monarchy system (the most recent and potent of which spanned the last seven decades). This has very much infused patriarchalism and authoritarianism into the social and business culture – senior male figureheads continue to be held in great esteem in Thailand.

Authoritarianism can seem like an alien concept to those used to working in Western companies, where delegated decision-making is embraced and encouraged. Senior staff look to empower their teams – to equip and enable them with the right knowledge, processes & tools, and thus set them free to make decisions with independence. By contrast, in the Thai workplace environment, the concepts of hierarchy, patriarchy and authority strongly flavour the process by which decisions are made. A senior manager in a Thai company will often be accustomed to making all of the decisions for his or her team, with an expectation that the team will merely execute the instructions. And the result of operating in this highly autocratic and hierarchical structure can be profound; staff become accustomed not to proactively solving issues and sending ideas upwards, but quite the reverse – they will automatically turn to their boss to solve a problem, and will seek validation for any decision they are asked to make. Junior members of a team will even leave creative ideation to their seniors – staff can be left to feel that their creative expression would be wasted energy if an autocratic manager is likely to impose his or her thinking over the challenge at hand, regardless of the inputs of subordinates.

In addition, hierarchical and authoritarian management stifles not only creativity, but also its bedfellow – collaboration. Where clear lines of business exist, ideas are often created in a silo and validated vertically to the manager, rather than through horizontal idea sharing.

An example of this is neatly demonstrated in an anecdote from a Marketing Director who had recently moved from a Western FMCG company to a Thai corporation:

“Three teams – digital, out-of-home and in-store – had been asked to deliver an integrated campaign, covering those touchpoints. The idea was to deliver a consistent message across the campaign touchpoints. But each team went away and developed their individual campaigns – they didn’t talk to each other at all. They just validated their own work with their different department heads, as they had always done. It was a mess, just three totally different campaigns.”

The solution, while perhaps not particularly edifying, is to be found in staffing and recruitment policies; bringing in managers who have had exposure to working in Western companies will help drive top-down changes in leadership styles; conversely, appointing managers coming from traditional Thai organisations (including, it has to be said, many of the major Thai corporations) is likely only to harden existing hierarchical leadership structures in an organisation. This is not to say a traditional Thai management style is right or wrong – as an aside, it is of interest to note there is a reciprocal responsibility for the status that comes with being a ‘boss’ in Thailand, which is an expectation that you take an interest in the personal life and well-being of your staff, offering advice and counselling on private matters where required. Partly as a function of this, but for other reasons as well, a traditional Thai management style foments much higher levels of staff loyalty than the Western version (and, indeed, Western companies can be utterly ruthless in shedding staff, much more so than their Thai counterparts). Either way, companies need to take a great deal of care in their hiring decisions, and be very sure that management-level hires possess the right leadership philosophy for their particular business need.

On Face:

“Brainstorming sessions were always a big challenge for me. You really need to coax and push people to express their ideas – I think they’re just afraid of making a suggestion, and me [Head of Marketing] saying ‘no’ to it. It really took me a long time to get my team to a place where they felt comfortable throwing ideas around”. Head of Marketing, Western MNC

In recent years, there has been a growing movement within the business community that sees ‘failure’ not only as an unavoidable by-product of a corporation’s development and growth, but also as a positive experience that generates extremely valuable learning and wisdom. Google’s ‘moon-shots’ are a well-known example of a company (expensively) supporting innovative ideas in the knowledge most will fail, and Silicon Valley venture capital companies are increasingly recognising prior entrepreneurial failure as a desirable attribute in the entrepreneurs they invest in (“they won’t make the same mistake twice”). From a marketing perspective, experimentation, innovation and risk-taking (simply trying things that haven’t

been done before) can really push creative boundaries and effect ground-breaking work.

However in Thai culture, failure (real or perceived) brings with it loss of face. And while this doesn’t affect an individual’s creativity or innovativeness per se, it can have a profound impact on their propensity to share or propagate ideas due to an innate fear they might be received negatively by others. As the leading management consultant, Peter Sheehan, observes: “The secret killer of innovation is shame. You can’t measure it, but it’s there. Every time someone holds back on a new idea ... you can be sure shame played a part”. In Thailand, the concept of losing face very much amplifies this issue, and this is perhaps the single most important constraint on creative output – however great an idea might be, it is irrelevant if it never sees the light of day.

When considering issues of face, and how to address them, it helps to be cognisant of the underlying architecture of how business is done. Meetings, presentations, brainstorming sessions or even town-halls are largely formal events by their nature; for Thais, such situations reinforce the sense that they must follow formal and conventional patterns of behaviour (including, of course, avoiding making a contribution that could result in a loss of face). Additionally, a well-attended meeting will tend to run along largely hierarchical lines (with the most senior attendees leading and dominating the discussion), providing a further disincentive for more junior staff to speak up and express ideas. And, of course, the more people that are present (and the more senior they are), the greater the potential for loss of face.

Two solutions for ensuring creative ideas are shared and not hidden are commonly used; the commonality of both is a need to break down conventional business structures. The first approach is to do away with the concept of large group meetings, and make creative sessions much more intimate (three or four attendees). This of course means there is far less hierarchy in the room; there are less people to potentially lose face in front of, and it’s easier to engender familiarity (which helps dissolve formality) in smaller groups.

The second approach is to take the whole process of creative ideation out of the office. In a social and informal setting, Thais are much more likely to ‘be themselves’ and speak their minds (and share their creative thoughts) once freed from the yoke of a formal environment where they are used to donning their cultural camouflage. A social setting again helps staff to create those bonds of friendship and familiarity that are so powerful in knocking down the walls of formality. Making play – rather than business – a focal point can genuinely make Thai people more expressive and open in terms of sharing their creative thoughts.

Conclusions:

A key component of doing business successfully in Thailand is not only to understand Thai cultural values and embrace them, but also to look at ways in which the business environment can be optimised to accommodate them. The relevance of hierarchical structures, the importance of face, and the desire for harmony in Thai culture remain largely undiminished as we head towards 2020, despite the ever-increasing influence of globalisation. Yet Thais are a highly creative and free-thinking people, full of ideas and energy. The trick to fully unleashing

this creative potential is to understand and address those cultural and structural factors that inhibit it.

Three Things You Need To Consider:

1. Look to break down conventional business structures, and shift the focus from 'work' to 'fun' – this fosters a more informal environment that helps Thais express themselves more freely.
2. Drive the concept of shared values and ownership into the end-to-end creative process – this will give all levels of staff the reassurance that their voice will be heard, and that their opinion matters, regardless of seniority or age.
3. Be highly selective in your choice of managers – understand that those who have developed their management philosophy outside of the traditional large Thai corporations will have a very different mind-set, and will embrace more Western concepts of team empowerment and trust. While this can help creativity to flourish in a business, it is important to be sensitive to the fact that a Western approach to management is not some panacea – it can also bring a far more impersonal paradigm to team leadership that can be unsettling to staff.

THE SIX GLOBAL CONSUMER TRENDS SHAPING RETAILING IN THAILAND

By **Teeradet Dumrongbhalasitr, Head Of Retail Media / Dunnhumby**

Every year marketers always look back and attempt to fast forward the future by looking at the 'hottest trends'. But for trends to be useful and form a basis for strategy, retailers and brands should be looking at a multi-year time horizon, rather than just 'what's hot' here and now.

I believe there are six global consumer-centric trends that will shape the future of retail and consumer packaged goods (CPG) in the years to come in Thailand – and as we shall see some are already having an impact and for some we will see the impact in the coming years. These are the trends we believe retailers & CPG companies simply cannot, and should not, ignore. Regardless of the time horizon, the imperative is to maintain focus on the consumer; big data may be an important technology trend, but applying a 'customer lens' to this force will demonstrate how it makes its presence felt in consumer behaviour. Our consumer trends are the result of people responding en masse to the social, political, economic, technological and environmental forces that they face.

The fundamental drivers and motivations behind consumer behaviour are actually very constant. It's the context in which

we live that shapes change and drives trends. Focusing on human needs and wants are a useful mechanism to filter out fads and fleeting phases, and concentrate on the true trends that will drive and shape the future retail and product landscape.

1 Yourself Become Younique

Thai consumers have become more expressive, especially through online and social media platforms. They share who they are, what they are thinking and start to express their opinions about everything more openly. We have seen some relatively simple personalisation of products in Thailand (eg. personalised M&Ms and Coke names) to more sophisticated flavour mixes, eg. Whiskey mixed with juice or green tea, and there are increasing numbers of personalised products in the market. Consumers will increasingly favour targeted communications and services.

We all want to express ourselves and be recognised as individuals, and brands have a part to play here. Our choices say something about who we are. Increasingly consumers want products and services that are tailored to them personally, and communications that target them directly.

Several environmental factors are responsible for the shift from mass production and mass-marketing to tailored, targeted and personalised. Small-scale production is increasingly becoming economically viable, particularly with the rise of technologies like 3D printing. And peer-to-peer aggregators have enabled individual artists to reach a mass audience.

Brands and retailers have for a while offered consumers the opportunity to tailor their products, ranges, and promotions but now it is time to make them become part of the brand.

2 New Value Defined

The effects of the *Tom Yum Kung*' crisis of 1997 and the subprime mortgage crash and recession of 2008–2009 is still being felt a decade on, with unemployment levels predicted to remain higher than pre-crash in many countries. Events of the latter part of the 'noughties' will continue to influence consumers for years to come.

Income in many countries is continuing to diverge. In Thailand, an increment in the minimum wage in 2013 from THB180 to THB300 has changed salary structures despite a low inflation rate of approximately 2%. Yet, people are looking to save money, but don't want to compromise on quality. The success of the discounters can, in part be attributed to the desire to get more for less. Intermarché's inglorious fruit & vegetables is another example of this. Why pay a premium for fruit and veg that just look nice?

An entire generation has seen their attitudes towards spending shaped over a decade. In the West, it is now not only socially acceptable to be frugal; it's a way to gain social status among peers (think **maker movement** and **upcycling**). Thriftiness becomes a form of self-expression and a value by which individuals define themselves.

In Thailand, we are yet to see a big shift towards frugality as a form of social expression. However, consumers are increasingly able to compare prices and brands. There has been a change in behaviour from comparing the price from

store leaflets to prices between online and offline. The resulting trend sees consumers continuing to seek the greatest value from every purchase. This doesn't however mean everything will become bargain-basement. As we saw during the last recession when consumers swapped eating out for high-end ready meals, people will always look for ways to bring little touches of luxury into their lives. So consider value and also affordable luxury.

3. Families, Reformed

As the baby boomer generation enters its silver years, most nations around the world are dealing with ageing populations and we also see this in Thailand. At the same time however the concept of what it is to be 'old' is changing.

To be 70 now is very different from what it meant a generation ago and traditional notions of demographics are being broken. For example, in the UK women now account for the majority of video game players and there are more gamers aged over 44 than under 18. Twitter's fastest growing demographic in 2013 was 55-64 year olds. We see the wide usage of LINE in Thailand among the older age groups.

Death is not the only life event we are delaying. Through a combination of financial and time pressures, along with changing social norms, most major life events are happening later.

We are marrying later (if at all), having children later, and making major life decisions such as buying a home later. As a consequence, children live with their parents for longer, and socially, we are seeing the increase of single-parent families, more women in the workforce and many men taking a more active role in childrearing.

There are now several good case studies globally of how brands and retailers are reflecting these changes in their communications. For example, in the US, Graham cracker biscuit company, Honey Maid released a commercial celebrating a loving family life post-divorce in their 'NotBroken' campaign. Recognising the increased strain relationships often suffer due to professional demands, Airtel launched a campaign showing smartphones transcend their role of being a mere communicating device, and can 'play cupid'. The ad featured a man and his (female) boss at work. The boss returns home to prepare dinner for her partner, while the man continues to work. The man receives a call from his wife, who turns out to be the female boss. Again in the US, The Olive Garden ran a promotion offering free childcare for parents on 'date night'.

Whilst no doubt we see some similar structural changes in Thailand, Thais are still proud and brands communicate about our traditional family values. For example, there is a life insurance advert in Thailand showing family bonding between generations, how the grandmother raised a new born baby with a flashback showing how she was looked after by her grandfather. It will be interesting to see how many Thai brands are brave enough to reflect the newer emerging global changes in families.

4. Connect, All The Time

In Thailand, smartphone users are online approximately 234 minutes daily (Source: LINE Thailand); this does not include

their connection through their work machines, tablets, and other devices. It seems odd now to think of a time when people consciously 'went online' to 'surf the internet.' The era of the smartphone has seen us live online in the here and now, as we do offline. There are a multitude of networks where we connect with others, and use apps to manage our lives.

Increasingly, even during our 'downtime' we're connected. For example when watching TV, chances are we're talking about what we're watching on social networks or browsing on our phones while we do so. Mobile technology will continue to shape retail, both as a commercial channel and a communication medium.

The physical and virtual will become increasingly intertwined, and channel convergence increasingly complex. Fixed technology in stores will add to the number of ways a consumer can interact with a retailer in a virtual world, even within a retailer's physical estate.

On the flipside, we can see the constant barrage of information consumers are subject to is leading to digital burn-out.

In the US, Target updated its free mobile app to include a mapping feature which pinpoints the location of any products consumers have added to the app's shopping list. Once in-store, shoppers navigate from item to item, crossing off products as they travel around the store. ShopDrop is a free app in the US allowing shoppers to opt-in to be notified of sales and offers at stores they like, when they're nearby.

A good example in Thailand is Tesco Lotus, who offered its first in-store interaction with customers using iBeacon technology together with its mobile application. Customers are reminded on promotional items with coupon offers, which automatically redeem at the end of their shopping journey.

5. Frictionless

Thai consumers feel increasingly stretched and pressured by their own desires and expectations, so look for short-cuts or other ways to save time. The opportunity for retailers is to make the entire shopping experience from planning through to use as simple, easy and quick as possible.

There are more women in the workplace than ever before, juggling family and career, but men have yet to truly pick up their fair share of the load. Technology saves us time but also devours it, with the days of the office based 9-5 eroding to make way for an 'always-on' workforce checking and responding to messages on a 24/7, 365 basis.

So, consumers are looking for quick, easy and simple more than ever before. The frictionless trend is largely driven by increasing pressures on our time.

If we consider the human need for control over our own lives in this context, we can see anything that brings qualities like speed, ease and simplicity to our lives will be welcomed. The humble ready meal or 'food-to-go' are the forefather of this trend, but consumers are now looking for convenience at all levels and across all stages of the shopping journey. The food to go solution is expected to grow +10% globally (Source: Dunnhumby Thailand). In Thailand we continue to see the on-going development of the ready to cook (RTC) category, including the cooking service offer in the fresh food zone of

most of hypermarkets and supermarkets nationwide. The RTC category in Thailand has developed to become cleaner, presented in a better way, with more choice including luxury options.

6. Ethical Consumption

Social responsibility is hardly a new concept in the business world. The 'in process' social responsibility and White Ocean have become hot topics in the business world, starting from the introduction of anti-money laundering legislation in the Banking and Financial sector in Thailand. Since the dawn of the industrial revolution there has been a rich history of organisations that have looked to tread gently rather than exploit resources both natural and human.

Over the last 30 years there have been many high profile examples of activist consumers boycotting products and brands for unethical behaviour, and thanks to consumer research there is a body of evidence that shows that we are inclined to look more favourably on products and companies with solid CSR credentials, rewarding them with greater loyalty and likelihood to pay more. Equally we are inclined to punish brands that are seen as unethical. What is more questionable is whether there is a real consumer trend in social conscience, or whether it is more that brands are increasingly recognising the value of being seen as socially responsible.

What is clear is that brands cannot trade on ethics alone. Getting the basics right is a must, with social responsibility giving customers another reason to buy a product from you.

In summary, Spanning the technological, economic, social and environmental spheres, these six consumer-centric trends pose the greatest opportunities for retailers and brands to grow sales, increase customer loyalty and improve the shopping experience. As consumers' day-to-day lives continue to be impacted by changes to their environment, brought about by technology, big data and scientific developments, it is important to always come back to the starting premise "what does the customer need?".

Putting a customer lens on any trends-based strategy will set up the best opportunities for success.

Three Things You Need To Consider:

- 1) **Assess:** make sure that the trend is relevant to your existing customers and appeals to your new customer groups.
- 2) **Action:** adopt trends and make changes very quickly; most importantly inform your customer.
- 3) **Appraise:** always look for ways to improve the changes you make better.

DISRUPTION IN SHOPPING AND RETAIL – HOW TO HANDLE THE BIGGEST CHANGE IN SHOPPING IN A GENERATION?

By Mike Anthony, CEO Engage

Go back 15 years and retail in Thailand was simple. And predicting the future of retail seemed simple too. Big box retailers were the dominant force: Tesco, Casino (Big C) and Carrefour vied for market share using the same strategies that were working so well for them elsewhere in the world. Big stores, great locations, sharp price. The magic mantra of curation, convenience and price was working in Thailand: surely it was only a matter of time before all retail competition was crushed under the steamroller of 'progress'. And this wasn't just Thailand. Around the world the hypermarket/superstore was seen to be the pre-eminent retail model, because that was the way people wanted to shop **Or so people believed.** Then a few years ago, in Thailand as around the world, something strange started to happen. Retail began to change.

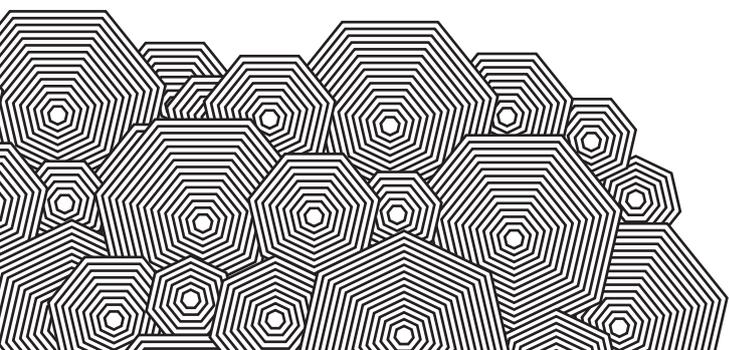
The One-Stop-Shop Juggernaut

Around the world there has arguably been one major trend in retail: the tendency towards fewer and bigger shops. One-stop shopping grew at different rates in different places. In parts of Europe and the states, the trend towards first supermarkets, then superstores, gathered real pace in the seventies. Consolidated grocery baskets saw new things added to them: music, newspapers, greetings cards, flowers. Here in Thailand the hypermarket model came to us fully-formed. Giant boxes appeared across the country at a startling rate: the one-stop shop revolution was here and the only question on anyone's mind was how fast would they grow?

But while Asian shoppers loved many things about the hypermarket shop, the one-stop shop wasn't adopted quite as fast or as completely as elsewhere. Traditions such as wet-market shopping were stubbornly maintained. Small homes, tight budgets, and a focus on fresh and eating out meant that convenience stores also found a place in the shoppers' lexicon. But still, Thais flocked to hypermarkets in their millions: enjoying the range, the space, the parking and the air conditioning. For some it was merely shopping; for many a trip to the hypermarket was a day out.

The Biggest Shift In Shopping Behaviour In A Generation

But around the world we've seen this trend towards one stop shop slow: we've seen it stop and actually reverse. Shoppers are finding a new-found freedom in shopping a wider variety of stores. Shoppers are finding that, actually, the hypermarket isn't the ultimate shop for curation, convenience and price. Shopping behaviour is changing.



.Shopping behaviour is fragmenting, and that is driving significant changes in global retail. Shoppers are discovering that the hypermarket is far from being the perfect shopping experience. It offers a good range of most categories, but, sometimes that is too much, sometimes not enough. The shopping experience is fine, but it is rather dull. The hypermarket shopping experience was OK when there was little choice, but now shoppers have more choice than ever before.

In most markets, online shopping is growing, and growing quite fast. As shoppers discover that online can offer more choice, more convenience, and often better prices, the core tenets of the hypermarket proposition begin to crumble. Shoppers are discovering discounters, where reasonable quality products at great prices can be bought quickly and conveniently, as long as you are OK with a limited range. As shoppers become increasingly time poor, convenience stores are growing around the world. Specialists, both on and offline, are growing too in certain categories, where some shoppers are recognizing that quality curation is worth the extra time and effort.

Shoppers globally now have more choice than ever about what to buy and where to buy it, and because all shoppers are different, they are making different decisions, in different categories. One shopper may buy coffee from a specialist online, because they really love their coffee. Another is happy to buy a private label product from a discounter. Another still buys from the hypermarket. The same shoppers, however, might have a different perspective in another category. Our coffee connoisseur might be less interested in shampoo, and might be happy to pick that up in a discounter. It's all got a little messy!

These changes are having a profound impact on retailers and brand manufacturers globally, and will begin to do so in Thailand in the coming years.

The Likely Trends In Thailand Online Is Coming

Online retail is still relatively under-developed in Thailand, but there is no reason to suggest that this will continue. Thailand has been a lower priority for global players, but the main grocers now offer online ordering, and following purchase by Alibaba, expect Lazada to continue to develop. With low labour costs for picking and delivery, and companies such as Line gearing up their payment systems, it is likely that online in Thailand will grow fast. Chinese online giant JD.com has announced a partnership with Central Group. Alibaba is also developing close government ties to support the development of e-commerce in the kingdom.

And online isn't just one channel. There are online specialists as well as generalists. There are online-only retailers, and increasingly those with online and offline plays. There are online stores, online brokers, and online market places and malls. There are subscription services too.

And beware. Elsewhere, growth in online shopping has not been linear. Growth can be slow and then explode within a couple of years. E-commerce is most definitely coming; the only question is exactly when and how fast.

More Convenience Stores?

Convenience stores will continue to multiply. While it sometimes seems (at least in Bangkok) that there are more convenience stores than shoppers, growth in store number is likely to continue. All the major players are talking new store openings, and the concentration of stores is still below that which you might find in cities such as Taipei. Family Mart have suggested that they will double the number of stores in Thailand over the coming five years, and 7-11 store growth shows no signs of slowing.

Convenience Stores Will Evolve Their Offer

While there will be more convenience stores, they will evolve as the definition of convenience changes. Picking up packaged goods quickly from a store used to be the definition of convenience, but in the age of online, going to a store is far from convenient. Convenience stores will evolve to offer new definitions of convenience: more and more of the range will be ready to eat and ready to drink. Additional services such as laundry, dry cleaning, anything that cannot be easily done from a computer terminal, will be trialled in a convenience store near you soon. Expect many new convenience stores to increase in size: not to offer more product, but to offer space for air-conditioned dining.

Discounters? Probably Not

It is less likely that the major discount retailers, either Aldi, Lidl or both, will trial in Thailand in the next few years. The high prevalence of convenience stores may make it difficult for them to find a meaningful place in the Thai shopper's lexicon. Further, both players seem fully committed to an expensive battle in the US and in Europe, and there are no obvious acquisition opportunities here.

Hypermarkets Will Struggle

This next part is tricky. We've already seen tactical moves by some players to reflect the problem that some of their stores are simply too big. Some Tesco stores have now ceded large areas of floor space to Decathlon, for example. Some Tesco stores have now ceded large areas of floor space to Decathlon, for example.

Hypermarkets have long played with being wholesalers, selling direct to small retailers. Expect this to become more overt, as the need to push volume and cash through these mega stores becomes ever more pressing.

And the same time see wholesales such as Makro develop a more overt consumer offer. The need for membership was abolished long ago, expect more and more consumer promotions and niceties to be added to their stores. Ironically, as retail and shopping is fragmenting, see both these big box players making a grab to pull in as many customers as possible: once you have the store, you have to fill it.

And – don't expect many new hypermarkets in the next few years.



Shopping Malls Will Continue Their Growth

Defying predictions and trends elsewhere, shopping malls in Thailand continue to sprout up on a regular basis. In other parts of the world the shopping mall model has come under pressure as e-commerce kicks in. Those same pressures will exist in Thailand, however here the mall is insulated, at least in Bangkok. Malls are often very well located, and (especially in Bangkok) benefit from a slew of tourists, especially from China. Malls here are seen very much as a leisure activity and the appeal of air-conditioning is high, and therefore trips to the mall will continue. However, if online spending grows, then spend per trip is likely to decline, so expect malls to continue to build non-retail revenue sources (restaurants, cinemas, bars, and other leisure or service related offers).

The Implications Of Shopper And Retail Disruption

Complexity is hard to manage: sudden change is hard to manage too. Both manufacturers and retailers find themselves faced with a rapidly changing environment that is much harder to predict than before.

For retailers, more competition, both online and offline, will put profits and sales under pressure. Retailers operate on relatively thin margins and a relatively small drop in sales has a disproportionate impact on profit. Retailers will look for ways to offload space (eg. Tesco and Decathlon) to make the numbers work. A retailer has two prime weapons: location and price. When the location advantage no longer works (store location is little use against an online competitor or a convenience store) expect the big retailers to double-down on price.

Expect the big convenience store retailers to do the same, as retailers perceive price comparison to be of utmost importance to shoppers.

And price means pressure on brands. Manufacturers will find themselves in a tough place. With new customers asking for more investment, and existing customers also doing the same. Sales teams will need new strategies to more nimbly navigate the trade investment game.

Winning In The World Of Retail Disruption

To win both brands and retailers will need to recognize that things are going to change, and it could happen rapidly. Shoppers in Thailand are already changing their behaviour, and many of the global trends in shopping and retail can already be seen here. E-commerce is growing, but doesn't necessarily grow markets (do you clean your teeth more frequently just because you buy toothpaste online? Of course not). E-commerce will hit the profitability of all bricks and mortar stores. The ripples of those pressures will be felt across the market by brands and retailers alike.

And how do you cope when shoppers switch channels? Or when a channel decides to no longer focus on your category? How can brands continue to support and invest in their current retail partners, as well as invest in new, upcoming channels? New insights and skill sets will certainly be required.

At the heart of 'winning at retail' is understanding shoppers. In a world where shopping behaviour was more homogenous, perhaps understanding shoppers and shopping could be seen

as a luxury. But in a disruptive retail future, all bets are off. Different shoppers will use different channels for different missions and different categories. Shops and shopping will become more heterogenous. And that creates opportunities for shopper marketing, and using shopper understanding to drive marketing, and customer investment strategies. Both brands and retailers need to focus on their target shoppers: understand the value that they can bring to those shoppers, and deliver that.

Three Things You Need To Consider:

- 1 Shopping malls remain central to Thailand retail ... as a show piece for brands, as a magnet for tourists and as a place of entertainment. This will not change, the struggle will be retaining interest.
- 2 E-shopping will continue to boom ... the problem is that it does not necessarily grow markets so understanding how to leverage it as part of an overall strategy is key.
- 3 Convenience stores will grow but as convenient living posts rather than quick pick up of goods.

E-COMMERCE 'THAI STYLE'

By Nick Annetts, Managing Director /
Wunderman Thailand

Unless you've been living under a rock, or maybe have kicked back on a remote Thai island the over the last couple of years, then you can't have missed the advance of e-commerce in the world. When I go back to my native UK, this 'advance' is all too evident in the boarded up high street shops, the abundance of charity outlets aided by low demand and an oversupply of coffee shops, where presumably everybody sits down to do their e-shopping.

The headlines keep coming about booming e-commerce figures out of Europe, the US and China. You've probably already used the Amazons eBays, or Ocados of this world – **slick, quick, click**, sites that will help you max out a credit card in a few frenzied 'mouse' minutes. The one thing these companies have in common, is that they operate in countries with excellent support infrastructures and eco-systems, where goods are traced and guaranteed to arrive undamaged in 24-48 hours. And the main enabler of this e-commerce, the credit card is ubiquitous among the adult population, being almost thrust upon consumers the minute they reach a supposedly legally responsible age.

However, this march to the future has not been quite so simple in Thailand, where huge cultural and infrastructure challenges need to be overcome before seamless 'slick, quick, click' e-commerce is possible.

There is little doubt e-commerce in Thailand is rising and an incredibly fast rate of somewhere between 15 percent and 20

percent year on year. So it would seem that anyone wanting to make their boss, the investors or the bean counters in head office happy, e-commerce is where you need to focus your attention. But before jumping headfirst into an all-out assault on this 'low hanging-revenue', there are a few things to consider.

While these growth figures sound and look impressive on paper, e-commerce growth comes from a pretty low base of less than one percent of total retail sales. And this is where it's worth looking a little harder at Thailand's specific challenges. There are a number of intertwined cultural and ecosystem related issues that have stopped, and may well stop Thailand from moving to double digit e-commerce penetration anytime soon.

No Credit Card? No Problem.

One of the main barriers to overcome is the lack of credit card penetration. Thailand is way behind more advanced economies in terms of its take up of credit cards, and also their usage. With current credit card penetration hovering around the six percent mark compared to the UK for example, at over 50 percent (and with multiple cards per individual). Lower levels of average monthly household income (well below \$4000), particularly outside Bangkok, and an ingrained cash culture, mean that e-commerce should barely get a look in at all. All of these factors coupled with the less than cohesive banking ecosystem, and very limited postal delivery options shouldn't make Thailand a fertile e-commerce market.

But it's not all doom and gloom. Anyone who has lived in Thailand for any length of time and experienced its quirks, or has faced the challenge of driving new innovation, will also know that Thais always find a way. In fact the old adage "necessity is the mother of invention" could well have been the national tagline.

No credit card, no problem, simply use good old-fashioned cash. Cash still dominates in Thailand and the presence of ATMs seems to exceed even that of 7-11s, (yes, most 7-11s also have multiple ATMs). Unlike in my own country, where you will find yourself walking the Proclaimers "500 miles" in order to spot an ATM - in Thailand ATMs are literally everywhere.



This universal cash availability is one of the things that helps enable Thailand's divergence from the e-shopping 'norm'. Thais can still do all their standard browsing, choosing and basket filling, but it's then that the experience differs. No credit card needed, it's all cash on delivery or 'COD'. The guy on the motorbike turns up, finds his customer, does the transaction and is away. This improbable, but effective solution, actually

seems to **work**. These 'last mile' delivery operations, are obviously manpower intensive, but in a market where labour is one of the lowest line cost items, it helps paper over the cracks of an un-integrated ecosystem.

This type of quick manual fix doesn't necessarily mean set up is a simple, or cost effective exercise. Dependent on product and marketing muscle, going it alone is probably a far more troublesome route than plugging into an existing third party e-tailer, such as Lazada. Going with an established e-commerce provider will give many advantages:

- Logistics from warehouse to door, with inventory control.
- Speed to market, plug in online solutions, including "shop in shop" options
- Shared marketing power
- 'Halo effect' on-site product search, 'consideration' benefits from other brands
- Consumer trust - not to be underestimated, through a known e-commerce partner

However, this type of plug in operation does also come at a cost. As a brand owner, there are several things to consider, as the e-tailer has complete control over several key touch-points and experiences with the end customer.

Inevitably, the last section of the customer journey is down to the e-tailer. Poor customer service, a bad handover or unboxing experience is out of the brand's control, and can lead to negative perceptions or even poor online reviews.

Tracking a customer can also be problematic. Customers will have several journey to purchase paths, from own brand websites or social media assets, paid for media, or email etc. But once a customer is on an e-commerce site owned by a third party, tracking becomes more difficult; you are very much at the mercy of the retail partner. It becomes down to making a deal with the e-tailer to 'share' consumer data. When doing this, even with Thailand's lack of data protection laws, it's a good idea to respect the established permission based marketing rules adhered to in more developed territories. Without this actual sales data, ongoing analysis, and more importantly, re-marketing to known existing customers is greatly hindered.

Other areas you should consider if striking up a deal with an e-commerce partner:

- Get your products/brands prioritised in the search function of the site, this can be adjusted within most systems. Think of it like an in-shop Google: if you are not in the first few lines of a crowded category, then you are nowhere
- If you can't do a deal to push your product to the top, then use classic search tactics. Find out what consumers are searching for (if not for specific brands). For example "dry skin cure" for moisturisers. Then use exactly the same terminology in your on-site product descriptions: eg "Brand X a perfect dry skin cure for those hot summer days"
- Offer extra incentives to consumers when your brand is purchased. Consider using the e-tailer's existing loyalty points, if they already have a program. You will of course have to pay a price.

Just like any other area of business, e-commerce is multi-faceted, and it's changing fast. So we've seen the lack of

infrastructure and credit card can be overcome, but there are other areas to pay attention to

The call to action. It's an obvious one, but when a consumer is online, they are potentially only seconds away from making a purchase. The "Buy Now" button should never be too far from the product.

SKU availability and price – 3rd Party organisations such as local logistics player A-commerce or WPP's Fuse Pump, can offer a range of services that allow consumers to see exactly what SKUs are available and at what price from multiple e-tailers. This can be a powerful tool, when embedded in media as a **BUY NOW** option. Fuse Pump for example 'scrape' updated stock and price data every hour.

So that's a look at what is here, from a Thai perspective, but here's a look at what I think is coming over the next 3 years:

The Chinese Are Coming!

Thailand already has a limited e-commerce ecosystem, with a few big players and not so many smaller ones, for all of the reasons we have discussed above. This may have been seen as an opportunity to get into a market that still has much room for growth, by the Chinese goliath, Alibaba group, who earlier in 2017, snapped up South East Asia player Lazada for more than a billion dollars. It sounds a lot for a company still making a loss and reliant on manual processes like COD. But with Thailand's growth potential, maybe Alibaba are looking at replicating their Chinese model. This would allow consumers to link online social media and messaging apps, with a Thai style 'Alipay' model that would allow Thai consumers to buy from Lazada **without** the need for credit cards or COD. Consumers simply use a direct link to their bank accounts. This however would require a **huge** amount of bargaining with Thailand's privately controlled banks, a big undertaking, but it's certainly not out of the question.

Don't 'Serve' Me That Again!

At the top and tail of e-commerce, comes the advertising, the media that pushes us to buy and then recognises us as purchasers. But what really happens once you've bought something?

If your experience is anything like mine, you keep getting offered the same thing, again and again. "No thank you, I already have a pair of blue Hush Puppies", and "I only went to Koh Samui last week, why would I want to go again?". So we know the re-targeting capability is here, because we keep getting offered the same or similar products that we have just browsed.



Source: www.brightbazaarblog.com

But what if we actually bought? We shouldn't be offered another hotel in Samui or another pair of shoes straight away, that does not make any sense. But in the next few years, with an increased link up of data and understanding, together with more advanced learning algorithms, we should be able to make a connection between an e-commerce **purchase** and what we are served up with as our next offer. "Ah ok, you bought the blue Hush Puppies, they go really well with these new Levi Chinos". So be prepared to be slightly spooked as more insightful behaviour based offers start coming your way, after a purchase.

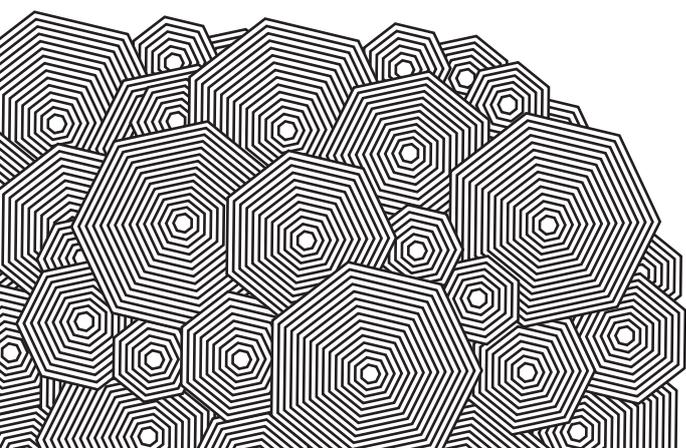
I Like Speaking To A Sales Assistant

Yes, we all enjoy the personal touch, and that's exactly what e-commerce has been missing. But with advancements in artificial intelligence or AI, expected in the next few years, every e-commerce experience should have the capability of delivering that very personal, human 'like' engagement when choosing products or asking questions.

With stored transactions and searches that define our areas of interests, linked with personal data about likes and habits from Facebook or other social media profiles, AI driven text and voice enabled chatbots will make e-shopping less of an impersonal, lonely venture. Our unique e-shopping personal assistants will know more about us than our mothers.

Service Sector E-Commerce

Although further down the line and perhaps requiring more trust, it's not just chatbot enabled shopping help that is coming our way. Full service professional advisory services will soon be AI powered and e-commerce driven. Imagine getting a 30 minute consultation with an online AI doctor, with the knowledge that tens of thousands of hours experience, and a memory that never fails, have gone into the output. Symptoms,



and even images, can be uploaded and matched to an ever-growing database of cases, delivering back quicker, and more accurate initial diagnosis, than any human could. Watch out doctors, lawyers, and accountants!

But hang on, before we get too excited, let's come back to Thailand, and what's happening here

The reality is, we are still far away from the promised Silicon Valley scenario of e-commerce. So if I had to give some solid advice, on moving forward with e-commerce in Thailand:

Three Things You Need To Consider:

1 Focus on the whole business, do not get overly distracted by the e-wing of the operation; this is an occurrence that is all too common at the moment.

2 Remember that only about one percent of purchases currently happen online in Thailand, so **allocate budget and resources accordingly**.

3. But when the time is right, **employ someone to champion the cause**, because the ecosystem is ever changing and somebody in the organisation needs to be at least 'with the curve', if not ahead of it.

A final warning: Do not do like a client of ours recently did; market an e-commerce app to a miniscule segment, delivering a product to the heart of Bangkok, from over four hours drive away, with no minimum spend. That is e-suicide

And no we didn't take the project.

First let's agree that as of today all media have become multi-media. When we talk about television we really mean a transferable video content piece that could appear on many different screens. We don't so much talk about advertising but marketing and media and delivery of appropriate messaging on appropriate surfaces to influence people and their choices.

Let's also be clear that Thailand shares a familiar trendscape as compared to other larger economies – the continued growth of mobile and its attendant impact on brand messaging, the continued rise of video and virtual reality, the need for brands to work on a timeline that matches local culture, the shrinking of the product development cycle, data collection/usage/implementation and the place of technology in the marketing continuum.

With all that considered, change is now just part of the Thai continuum. Forecasting is less about 'change will happen' and more focused on which platforms will prove most likely to have an effect by 2020.

Technology Facilitated Co-Creation... Killed The Video Star

Increasingly more successful advertisers in Thailand are working harder to mitigate the fatigue people now feel when they see hackneyed brand mascots embedded in 'shouty' one-way communications. Meeting the expectations of the new and growing creative class is mission critical and as such we are seeing the value of open-source creativity.

We increasingly see progressive agency teams working closely with their clients to set up more agile creative and production labs where communications are inspired by insights obtained from social analytic software and populated by copy-writers.

One case of a run-away phenomenon masterfully re-directed to harness the power of influence is that of TV Show *The Mask Singer* and the unpredictable impact that it had upon gynecology wards around the country. The Mask Pap Smear Initiative was inspired by the popular *The Mask Singer* program, where contestants hid their identities using all manner of masks, including Thai fruits. Although patients still had to provide IDs in order to get the free pap smear test, the mere fact that they could hide their faces from the doctors and nurses during the procedure, apparently made it much less awkward for them, fed the Thai sense of fun and created a format that was easily shared and promoted individual creativity. All the seeming secrets of media success today: give people a chance to go on LINE or Facebook and share a funny picture



Source: WorkPoint Entertainment, 2017

MEDIA IN THAILAND = INEVITABLE CHANGE

By Paul Spencer, Managing Director / OMD Thailand

"The ripe apple falls, it doesn't know what else to do" **Marty Rubin**

Thailand and its media scene is going through the same revolutions we are seeing everywhere : technological, regulatory and economic

The complexity of modern marketing as Thailand transforms from an analogue era of comparative restricted expression to the one we are currently seeing evolving has been rapid and will only get faster. As with many parts of the world these forces contribute to a new market reality and sense of living in a retail and cityscape similar to those foretold in 2002 film noir, *Minority Report*.

The modernisations in local media and marketing that are observable from the years 2013-2017 eclipse those in the 12 years preceding. As an active observer of the local media ecosystem it would seem we can expect technological, regulatory and economic development in the next short years running up to 2020 will bring about five years of change!



Source: Photo courtesy of Phaythai Hospital, 2017

Photos of the masked Thai women waiting to get their pap smear test at a hospital.

What Will The Mobile Wand Bring Next? Thailand Does Not Mean Bangkok

The applied consumer interactivity that mobility offers has enabled more personal interactions between brands and people in recent years especially among those living outside of Thailand's main cities



Source: Google, 2017

We can be sure consumer affordability and accessibility to immersive mobile experiences is here to stay and since the provincial markets represent significant scale, the bottom of the mobile pyramid will instigate seismic change on an economic level. As a consequence of this rapid local adoption of 3 and 4-G mobile packages a multitude of new mobile ad-tech companies are being attracted to Thailand and this will continue to re-define e-commerce routes to market.

Since the way people all over the country look at content has shifted to the small screen, successful brands will need to both create a more personalized experience with consumers and re-new user experience through the use of more dynamic technologies embedded into devices. Significantly, technologies serving this evolutionary experience will hit the Thai market in 2018 with enhanced capabilities held particularly relevant in the different domestic markets. For example, Thais are very visual communicators, with a much higher propensity than in other markets to communicate only through photos, video, emoji and stamps rather than text. The new significantly improved and frictionless search experiences that are being launched through enhanced camera functionality provide a new dimensionality to the way Thais will be able to apply personalized emoji for example to their daily lives. Thailand may indeed lead the

world in the evolution of communication based solely on emoji and stamps (no words at all) in both business communications, social media and direct interactions

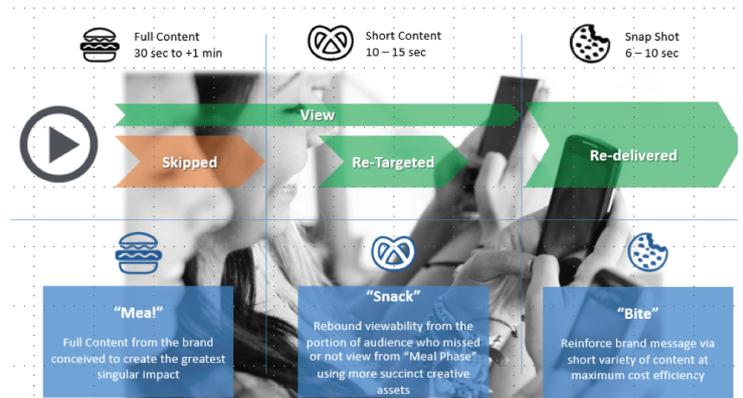
We will see the launch of new tools to track and analyse these visual only conversations that will allow brands to track individual consumer behavior in real-time from mobile devices using local, tribal, geographic and individual literacies

Replacing What We Thought We Knew

All this will allow better data informed messaging creation and management. The Thais have evolved to a state where :

- 70% of their time on-line they are on the go and 'not ready to consumer long form'
- 20% of their time they are sitting down looking at their screen
- 10% of their time wanting to search for more information

Consequently, the Thai media industry is heeding the call to re-tool in order to create a mobile platform-first story-telling approach to best catch the people in these modes and micro-moments.



Source: OMD, 2017

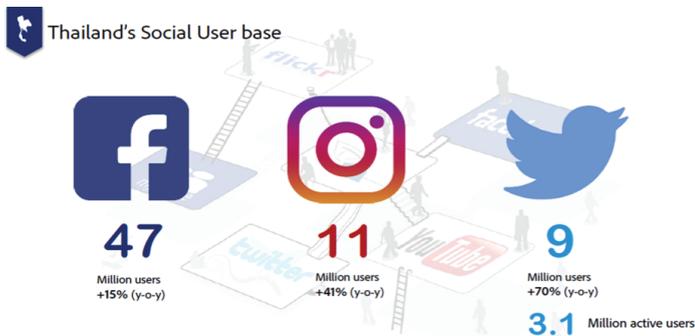
More Addressable Media, Disruption And Opportunity

Addressability - driven by the twin forces of data and technology - is transforming the media and marketing business adding new layers of complexity, and opportunity. The opportunity lies in challenging some accepted wisdoms of the industry and reimagining everything from foundational planning principles, to the common industry perspective on data.

In the addressable age, agile brands have the ability to communicate with a mass of known individuals and adapt more quickly to evolving consumer behaviors. This dramatically changes how businesses can grow through addressing more market needs, more often, more flexibly, at lower costs of entry and lower costs per sale.

Social media platforms and chat apps form the backbone of mass media reach combined with addressable media elements which are lacking with linear television.

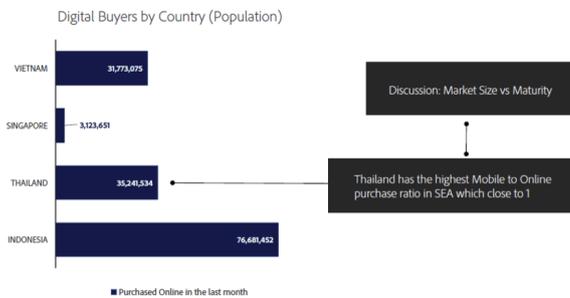




Source: OMD, assorted sources 2017

Clients' industries are being turned upside down by more agile brands built on this other reality. Brands that are experiencing accelerated growth and threatening the incremental growth long accepted by more established brands. See how Uber Eats is challenging fast-food services in Bangkok and Airbnb have challenged the established hotel chains and resorts.

eCommerce in Thailand – The Opportunity



Source: Google, 2017

In Data We Trust

By 2020 in Thailand all channels will be 'programmatic'. The core idea of marketing channels being accessible via an input like an API is a really important concept. Right now that's true of the social channels, and increasingly the rest of the digital marketing channels, but over the next two years we will also see traditional channels like outdoor screens, television and radio open themselves up to receive marketing assets programmatically.

Technology moves upstream. If you look at how technology has moved through marketing, it started at the edge (distribution of marketing assets) and has continued to move closer and closer to the actual planning and development of marketing itself. Over the next couple of years we will see technology complete this transition and become a part of the core fabric of marketing itself. No more search and social. As counterintuitive as it sounds, we will have witnessed these elements such as LINE having succeeded in fully embedding themselves into mainstream media and we will not feel the need to talk about it anymore. Walk around Bangkok or other towns today and no one mentions going 'online' because they are all always connected.

More reliable end-to-end attribution (or knowing exactly what messages and actions led someone to buy a product) will not only be a preserve for large multinationals with global tie-up with Google analytics but will emerge as affordable to a longer tail of mid-sized marketers. We have been talking about attribution for at least 80 years in marketing. New technology has given us much better data in some places, for instance, end-to-end attribution in search is a current reality. But for the

majority of companies who sell goods in stores end-to-end attribution has remained elusive. Mobile wallet platforms that are taking off in Thailand now offer some compelling possibilities for solving this problem. Expect to see fast growth of mobile wallet services.

Big data becomes ever more personal: The potential value of well-collected, well-interpreted metadata is near limitless. Real-time updates of almost everything based on signals from mobile phones. Faster and more accurate public health measurement. Supply chain optimization. Metadata will make more people's lives in Thailand better and many companies in Thailand are currently invested in the convergence agenda.

That said, Thailand's central 'Digital Transformation' agenda has received criticism for slow progress, but it will form a backbone scheme aimed at developing a more value-based economy as we approach the 2020 milestone. The key for marketers is to participate in this government led agenda productively and respectfully. Those who over-reach will get shut out.

Don't Call Me HAL

AI devices, however they are named (incidentally it's believed today generating the right name for an AI robot or system will be as critical as the functionality itself, since it will be the everyday interface between the brand and the Thai user) will be increasingly commonplace. AI will undoubtedly generate tremendous change in people's lives. And as AI becomes more commonplace - promising to ease and improve user experiences - it also opens new frontiers for brands to better connect with consumers, using technology to build a new kind of human relationship or 'brand butler'. Big name brands introducing personalised 'talking AI speakers' systems like Alexa will need to rethink simple things like naming and the Thai preference for visual description in order to prosper.

The 2020 Media - Agency

The media agency is already evolving towards a new future that will look very different from today's advertising, branding, demand generation, field marketing, product marketing, partner marketing, and communications teams.

Instead, you will see the 2020 organisation centre on these pillars:

- **Data:** emanating from all those digital and offline consumer touchpoints
- **Content:** to attract, engage and retain current and future customers
- **Channels:** managing the ever-shifting landscape of options to reach their audience
- **Technology:** to manage all that data and content flowing across channels

Teams will need to be organised by 2020 to deliver data-driven audience planning, personalisation of content, strategic partnerships and a measurement approach defined in business outcome terms.

What will these companies make? For a start programmatically curated storytelling of a brand story that is worth following and will create chapters that evolve over hours / channels / micro-audiences.

This goal will become a byword for achieving success in an increasingly cluttered stack of proprietary technology and optimized trading environment with hundreds of thousands of publishers

Marketers, emboldened often by their own direct relationships with the big technology companies (fostered at vast effort and expense by the likes of Facebook, Google, and Twitter) are beginning to suspect that in some cases they are driving the marketing innovation agenda, not their agencies

The explosion of channels, the emergence of new technologies like wearables, and the connectedness happening with the 'internet of things' will combine all that content with data and technology to truly deliver on the promise of a seamless consumer experience

What About The CMO Of 2020?

Well, he or she will be focused on driving the kind of culture that delivers consumer centricity and agile data-solutions. The 2020 CMO will have a background or good understanding of data-science, ad and marketing technology, API connectors and be a technologist and a brand steward.

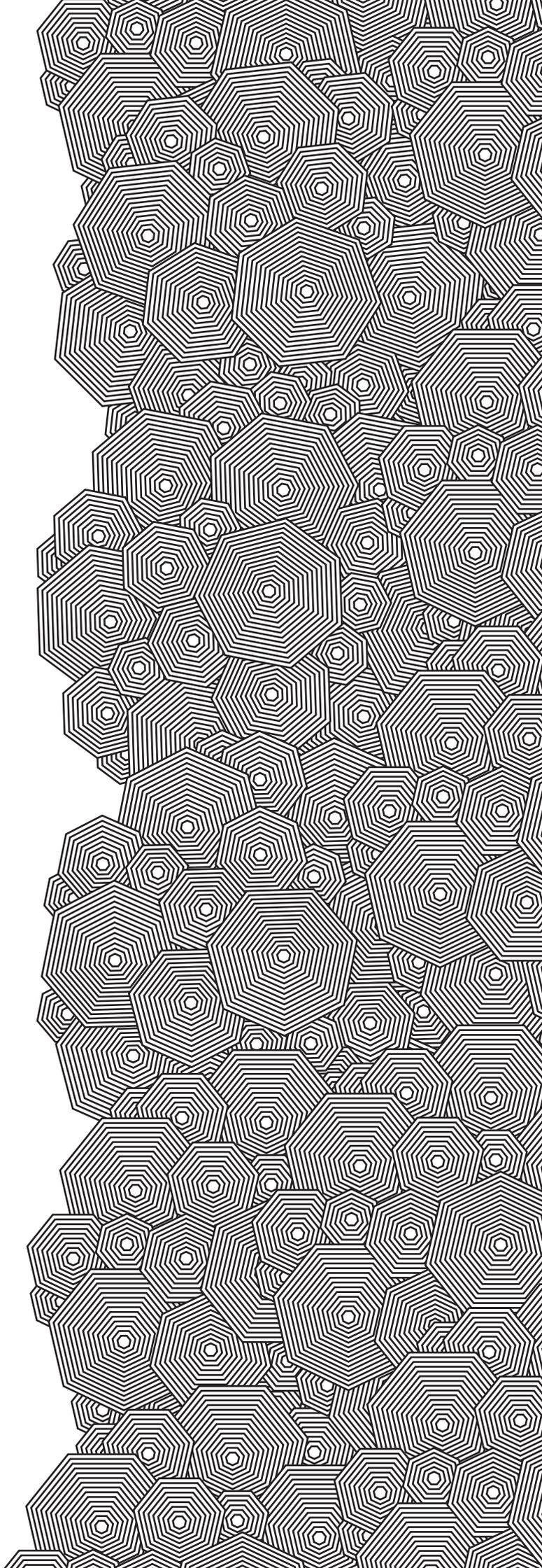
To ape the well-known Canadian professor, philosopher, and public intellectual.

"There are no passengers on spaceship earth (Thailand). We are all crew"

- Marshall McLuhan

Three Things You Need To Consider:

- 1** Develop partnerships that produce mobile and social media platform-first story-telling experiences
- 2** Be as agile as you feel possible – find the social hooks with which to amplify messaging throughout social community vectors
- 3** Acknowledge there is no on-line and offline, only bottom line and finishing line



Craig Griffin

Chief Insight Officer | FUEL Research & Consulting

Craig is a veteran of the market research industry, having spent the last twenty years working for leading agencies in the UK, Australia, Singapore and for the last twelve years in Thailand. His last corporate role was Managing Director of GfK Thailand.

In 2016, he founded FUEL Research & Consulting, a strategic and creative market research consultancy that combines the science and structure of market research, the understanding of the human condition from the social sciences and the art of identifying opportunities that create growth for brands, businesses and people. Since its inception, clients from Thailand, Singapore, China, Japan, Korea, UK, US and Germany have trusted FUEL to deliver leading edge insights and training to help FUEL their business.

Craig has always loved being a researcher and in recent years has embraced the opportunities offered by new technology (and new thinking) and can therefore offer clients both traditional 'tried and trusted' approaches and newer, more innovative (and often technology based) solutions. He also loves running training and workshops for clients. His passion for research has led him to take on additional roles as ESOMAR Representative for Thailand (ESOMAR is the global voice of the data, research and insights community) and as a Board Director for the Thailand Market Research Society (with responsibility for education and training). He speaks regularly at Conferences and writes and blogs about market research.

Craig holds an MSc in Social Anthropology from London School of Economics, a BA (Hons) in Retail Marketing from Manchester Metropolitan University and a Post Graduate Diploma in Market Research from De Montfort University, Leicester. He is also a qualified Practitioner of Neuro Linguistic Programming.



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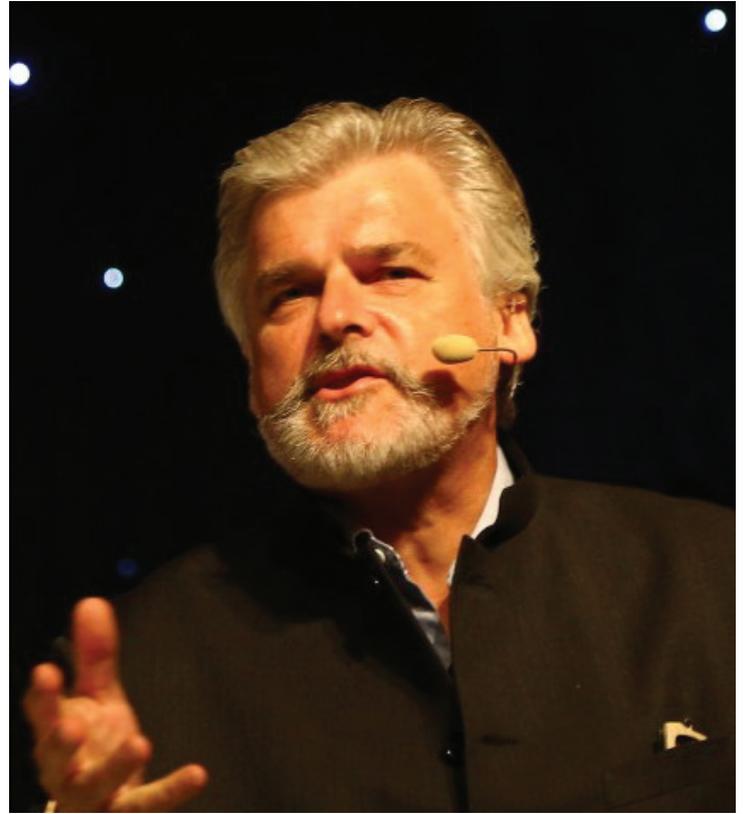
Storyteller@Bibliosexual | Chief Strategy Officer Ai.Agency

Dave has spent over three decades in the advertising industry starting in his native Sydney and since late 1995 living in Bangkok, Hong Kong, Tokyo, Hong Kong and now back in Bangkok. In that time he has worked extensively on projects in just about every country from Pakistan to Korea and down to New Zealand (well not North Korea or Bhutan).

For most of that time Dave held roles as the Head of Strategy and Insights for McCann Worldgroup. While at McCann, Dave also managed the development of McCann PULSE, a continuous qualitative research monitor that ran across Asia for 17 years. Later he led the conversion of that program into the global McCann Truth series. Since leaving McCann in early 2015 Dave founded Bibliosexual, a Hong Kong based consultancy that looks at the intersection between brands, people, and their often irrational attraction to particular media. He also does a lot of workshops and public speaking about the relationship we have with mediums using strange examples like mens' underwear, toilets and toothbrushes.

In early 2016 Dave also became the Chief Strategy Officer for Ai.agency, a 'virtual' company of partners in various cities who use the SignificanceSystems platform to discover, explore and track the narratives around brands, companies and categories. That role has meant using AI based tools to help brands understand what narratives really matter to their business. In 2016 Dave also began co-hosting the MR Realities podcast series, where he and Kevin Gray interview market research experts from around the world on the issues and changes affecting MR and its marketing clients.

While living in Bangkok from 1995–2000 Dave co-founded the Thailand Market Research Society and was granted its first life membership. His fascination with Thailand, its people and the business culture continues. Dave has also served for a decade on the editorial board of Research World, guest edited Research World Connect and been a speaker and program committee member at dozens of industry events.



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