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Thailand, your perfect
e-commerce destination

Introduction to Thai e-commerce

Consider the convenience of online shopping from the COVID-19 epidemic (COVID-19) situation in Thailand. This is a driving force for more consumers to shop online. As a result, the e-commerce business tends to grow every year.

Internet usage in Southeast Asia (SEA) continues to grow, with 40 million new users this year alone (400M YTD vs 360M in 2019)¹. Due to the various stages of lockdowns ravaging different regions of Thailand, people have turned to the internet for their shopping needs. A significant number tried new digital services: 30% of all digital service consumers were new, with 95% of these new consumers intending to continue their behaviour post-pandemic¹.

Southeast Asians spent an average of an hour more per day online during lockdowns. Thais spent 3.7 hours online (for personal use) pre-COVID-19. This spiked to 4.6 hours at the height of lockdowns and now rests at 4.3 hours per day¹ with 80% of users expressing that the internet has become an indispensable part of people's daily lives¹.

According to Hootsuite, 74% of users aged 16 to 64 purchased a product on the web in April 2020. Thailand ranked 9th worldwide in e-commerce share of total sales transactions at 10%. During the COVID-19 outbreak, about 47% of people spent more time shopping online². Online shopping became a new trend due to its convenience and its popularity endures among Thailand shoppers even after the pandemic's primary peak.

4.3 hours

Average daily network usage time

10%

Proportion of total e-commerce transactions

74%

users aged 16 to 64 report having purchased a product on the web

No.9

Ranking of global e-commerce transactions

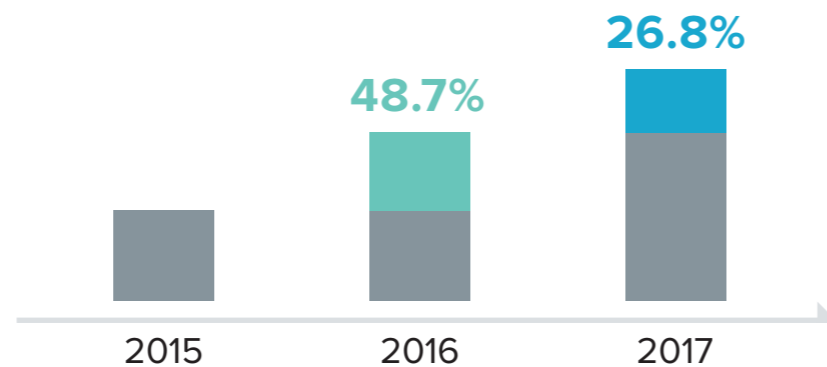


Why should you enter Thailand's e-commerce market?

The value of the online shopping sector in Thailand is \$26.2 billion³. As an emerging e-commerce market, it has expanded prodigiously over the past years. For example, there was an impressive growth of 48.7% in 2016 and 26.8% in 2017³. However, the consensus was that e-commerce was far from overtaking physical retail in the country.

Rapid development of online shopping

\$26.2 billion
Value of online shopping industry in Thailand



In Thailand...

The value of the online shopping sector has grown to

\$10 billion

and is expected to reach

\$15 billion

by 2025



53 million people

had access to the internet and are projected to grow to about

60 million

by 2025

But after the events of recent years, Thailand's e-commerce market has grown faster than expected, from \$8.2 billion last year to \$10 billion this year. It is expected to reach \$15 billion by 2025⁴. In 2020, approximately 53 million people had access to the internet and this is projected to grow close to 60 million in 2025⁴.

E-commerce has driven significant growth in Thailand, with an increase of 81%. This steep uptake has largely offset declines in Travel and Transport. Overall, the 2020 Gross Merchandise Value (GMV) reached a total value of US \$18 billion, having grown at 7% YoY. The overall economy will likely reach US \$53 billion in value by 2025, re-accelerating to +25% CAGR⁵.

+25% CAGR

Looking at 2025, the overall economy will likely reach US \$53 billion dollars in value

\$18 billion

2020 Gross Merchandise Value (GMV)

81%

E-commerce growth

60% 70% 80% 90% 100%

The profile of Thailand's online shoppers

People born between the early 1980s - 2000 and the younger Generation Z spend the most time on the internet⁶ — up to 11.5 hours per week while on holidays. They actively participate in e-commerce, with up to 61.9 % of Generation Y (born from the 1980s to mid-1990s) shopping online, compared to 32.6 % of Generation X (born from the 1960s to early 1980s) and 5.3% of Baby Boomers (born from the mid-1940s to mid-1960s)⁷.

61.9%

Generation Y
(born from 1980s to mid-1990s)

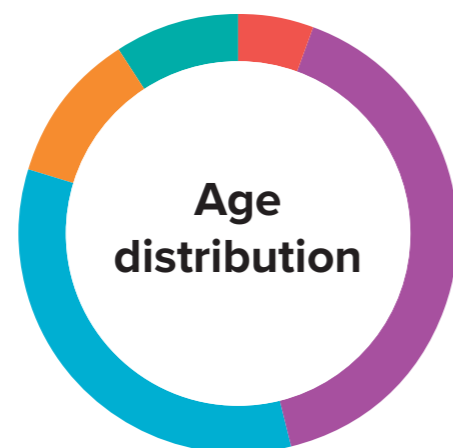
32.6%

Generation X
(born from the 1960s to early 1980s)

5.3%

Baby Boomers
(born from the mid-1940s to mid-1960s)

Men shop more than women, with a percentage of 50.5 % and 49.5 %, respectively. Understandably, young adult users made the highest number of online purchases. 34 % of 18 - 24 years old, 28 % of 25 - 44 years old, 9.4 % of 45 - 54 years old, 7.5 % of 55 - 65+ years old and 4.8 % of 13 - 17 years-old⁸ shopped online.



4.8%

13-17
years old

34%

18-24
years old

28%

25-44
years old

9.4%

45-54
years old

7.5%

55-65+
years old

Most commonly bought products in Thailand

The top products and categories for Thailand's e-shoppers include clothes and accessories, high-tech products and travel, food and drinks. This has no qualms about buying most products online, except medicines, jewellery, and perishable grocery items.

The most popular products bought online are⁹:

20.9%

Apparel & Footwear

16.9%

Consumer electronics

10.8%

Food & Drinks

23%

Media products

28.5%

Other



Thailand's most loved shopping platforms

In the third quarter of 2020, YouTube had the highest share of users among Thailand's popular social media platforms, followed by Facebook and Line[1]. It is worth mentioning that LINE is the most used social messaging app in Japan, Taiwan and Thailand, and originated in Japan. You might have heard about LINE Friends - the mascots and stickers which have spun off to become huge IPs by themselves. LINE Official allowing businesses to manage an official account for promoting the brand, service and product. Instagram and TikTok have also gained popularity among Thai internet users. During the third quarter of 2020, Thais' average time spent on the internet was almost nine hours. Around two and a half hours were spent on social media.

No doubt that social media is a formidable e-commerce channel. Social commerce consists of all digital transactions made via social media channels like Facebook, Instagram. Around 77% of Thailand's total population uses social media, meaning that social platforms are essential for successful commerce.



Top 3 e-commerce platforms in Thailand¹⁰.



Lazada

Monthly Traffic Estimate: 44,900,000

It offers over 5 million items in Thailand from leading brands and merchants across all categories.



Shopee

Monthly Traffic Estimate: 30,100,000

Shopee is an essential player in the region, especially in 'mobile first' countries, offering a diversified mobile and web-based shopping experience.



JIB

Monthly Traffic Estimate: 2,300,000

It is a specialist computer and IT products department store in Thailand. JIB developed its e-commerce website and became a leading online retailer for technology products and gadgets

The platforms listed above are examples of e-marketplaces. An e-marketplace is where buyers can find a variety of goods sold by thousands of sellers online. Typically, the operator of an e-marketplace does not keep any stock and is instead responsible for providing a secure platform for other businesses to sell products to consumers.

Online sales on two types of channels

Standalone website or Brand.com

They allow consumers to purchase an item directly from the brand, enabling the brand to have complete control of the website, ensuring access to customer data, customising the user experience and managing all other platform elements to improve direct conversions.

E-retailers

With expanding online channels, retailers gradually distribute products to their sub-sections so that consumer products can seamlessly get to the customers. Retailing stores, formerly known as Grocery stores, are also well known by the general public. There are limitations in terms of expanding customer base and developing comprehensive customer service. The retail business must have a well-prepared main website that brings together various virtual stores in one place so that customers can buy various products easily, without wasting time searching from website to website.

■ Groceries

Tesco Lotus , Tops Supermarket, Big C, Makro Click

■ Fashion and Beauty

Central Department Store, Super Sports, Watsons, Robinsons Tsuruha

■ IT and electronics

JIB Advice, Banana IT, IT City, PowerBuy

■ Books

Naiin, Se-ed Book Centre

■ Home and Living

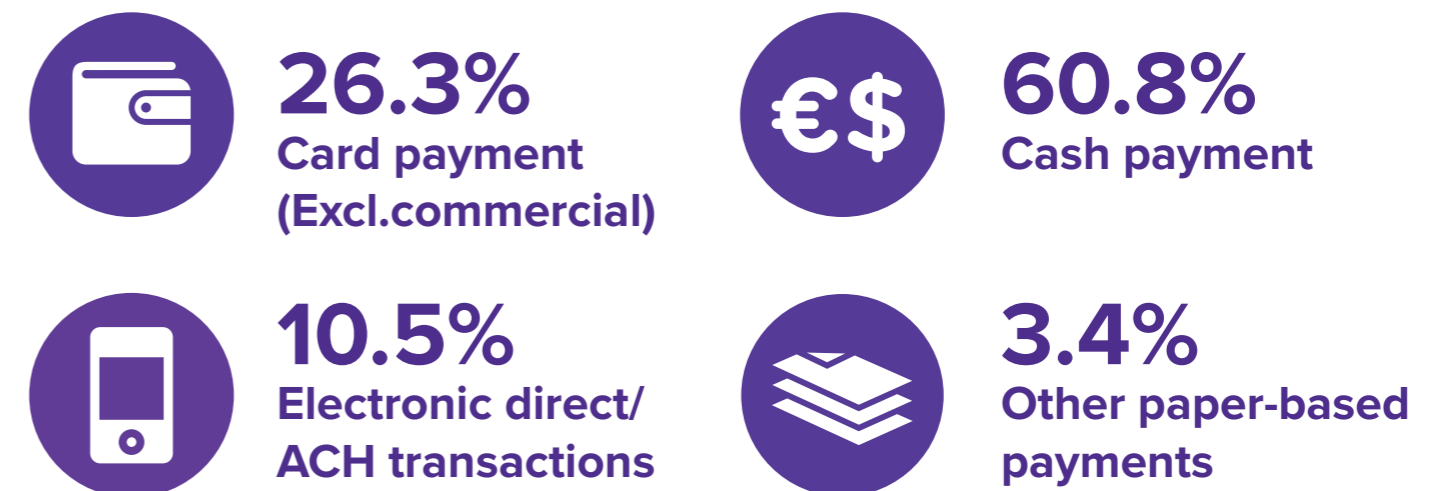
HomePro, Homework, BoonThavon

While opening an official shop-in-shop on a marketplace is appealing, the brand should consider the intense competition from thousands of other merchants offering discounted prices. There is also a lack of control in user experience and access to the complete customer data.



Popular Payment Methods in Thailand

Although the "cash on delivery" option is available in Thailand, Thai people prefer the easy way to pay. Digital payment methods take the lion's share of Thai's payment preferences⁹:



Another research revealed that 26% pay through bank transfers, (e.g., e-wallets,) 60.8% prefer to pay by cash and 10% of all e-commerce transactions are still made on delivery. All other forms of payment constitute 3%⁹.

In short, e-commerce sellers who wish to enter this market may want to consider offering multiple forms of payment to attract more customers.

Reaching Thai consumers

What motivates Thais to spend more than usual is no secret. A little over half (51.4%) of Thai online shoppers are motivated by promotions and discounts⁹. Greater product variety encourages Thais to shop online, as do free and fast delivery and multiple payment options. The following dates are some of the most significant peak shopping periods in Thailand¹¹.

Thai's major online shopping days:

★ **Children's Day (Wan Dek)**
January's Second Saturday

★ **Amazing Thailand Grand Sale**
June 15 – August 15

★ **King's Birthday / Father's Day**
July 28

★ **Lunar New Year**
January / February

★ **Queen's Birthday / Mother's Day**
August 12

★ **Songkran Festival**
April 13 to April 15

Since 2012, online marketplaces in Thailand, such as Lazada and Shopee, have organised "mega-sales" and shopping festivals offering up to 70% discounts. The holidays are similar to Black Friday and Cyber Monday in the West and Alibaba's 11.11 annual campaign. Each year, Lazada rolls out major online sales campaigns. The most popular ones include 11.11 and 12.12 and the Lazada Birthday Festival on April 6. Many e-commerce platforms have promotions and discounts to drive up their circulation.⁷

Other e-commerce events:

★ **9.9**

★ **Singles' Day – 11.11**

★ **12.12**

However, different analysis suggests that companies that go one step further and create dedicated shopping apps that cater to local needs and behaviours are even better positioned to take advantage of Thailand's rapidly expanding e-commerce market.



However, further analysis suggests that companies that go one step further and create dedicated shopping apps that cater to local needs and behaviours are even better positioned to take advantage of Thailand's rapidly expanding e-commerce market.

Like everyone else, Thai people like promotions and discounts, but what should sellers offer them to attract more attention? A pleasant surprise to random lucky customers could be potent. For example, they can give gifts or discount coupons when customers buy some premium products. Sellers can also offer time-limited discount coupons that customers will get if they buy the product on an exact day. Moreover, the digital prize draw is an exciting activity where pre-registered participants groups have the opportunity to draw a prize randomly. These are just a few examples of the events that sellers in Thailand usually offer to their loyal customers.

In summary, this information makes us understand who the Thai end-clients are, how they behave online and the major elements of Thai e-commerce. Since the beginning of the pandemic, we have seen how merchants and consumers have shifted their focus to digital commerce. Thailand remains an attractive market for international and non-international sellers as many Thais admit they'd like to purchase more online products in the future.

Who is Asendia?

A local presence in

17
countries

With over

1,500
experienced
employees

Serving more than

200
destinations

Asendia is an international joint venture with La Poste and Swiss Post. With strategically-placed subsidiaries around the globe, we leverage our European know-how and global partner network to offer efficient, reliable and flexible logistics services worldwide.

With our wealth of international and local expertise all across the world, we can design the most effective solutions to expand your business in new countries, offering you practical international shipping and technology services.



Our team in APAC is ready to help you

- **Market knowledge**

Local presence with 4 offices and support teams in Singapore, Hong Kong, Australia & New Zealand

- **European support**

We have e-commerce experts guiding you throughout your APAC business

- **One stop-shop**

Digital service package available for e-commerce development within the region (set up your local brand.com, visibility on local marketplaces and social commerce ads)

- **Scalability and tailored solution**

according to your requirements & business size

- **Management of physical flow**

Asendia will provide you the best experience in Distribution & Logistics thanks to our Fulfillment Center based in Singapore

- **Regional hub**

Our warehouse located in the Free Trade Zone of Singapore will bring you cost savings, better cashflow and simplified custom procedures benefits

- **Final mile delivery solution**

with our logistics partner Ninja Van - N°1 in ASEAN - over 500+ million consumers within coverage – 900 hubs & stations over 6 countries

- **DDP solutions**

Smooth & easy customs clearance process in the region for better end consumers' experience

Acquisitions and Partnerships

Asendia aiming to support international e-commerce with an all-in-all cross-border experience. Besides partnered with premium postal brands, we also work with the top services providers of technology and logistics in the top regions.

Digital



eShopWorld - acquired in 2021

ESW is the cross-border end-to-end e-commerce leader, empowering the world's best-loved brands and retailers to make global shopping better, safer, simpler and faster, across 200 markets.



Anchanto - minority stakeholders since 2020

Anchanto is the market leader in Asia-Pacific for multichannel e-commerce solutions, with more than 100 employees and operations in 14 countries. Anchanto offers back-end e-commerce operations for businesses of all sizes with innovative & intelligent SaaS platforms.

Asendia offsets 100% of carbon emission related to international transportation, excluding first-mile (pick up) in the country of origin and last-mile delivery in the destination country. We are proud to continue that heritage by taking positive, responsible actions to minimize Asendia's impact on the environment.



Logistics



Ninja Van - strategic partners since 2014

Ninja Van is the fastest growing courier company in Southeast Asia. Ninja Van is a tech-enabled express delivery company providing hassle-free delivery services for businesses of all sizes across Southeast Asia.



Contact Asendia today!

Our team of e-commerce professionals can help you grow your business.

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