

# Digital Economy:

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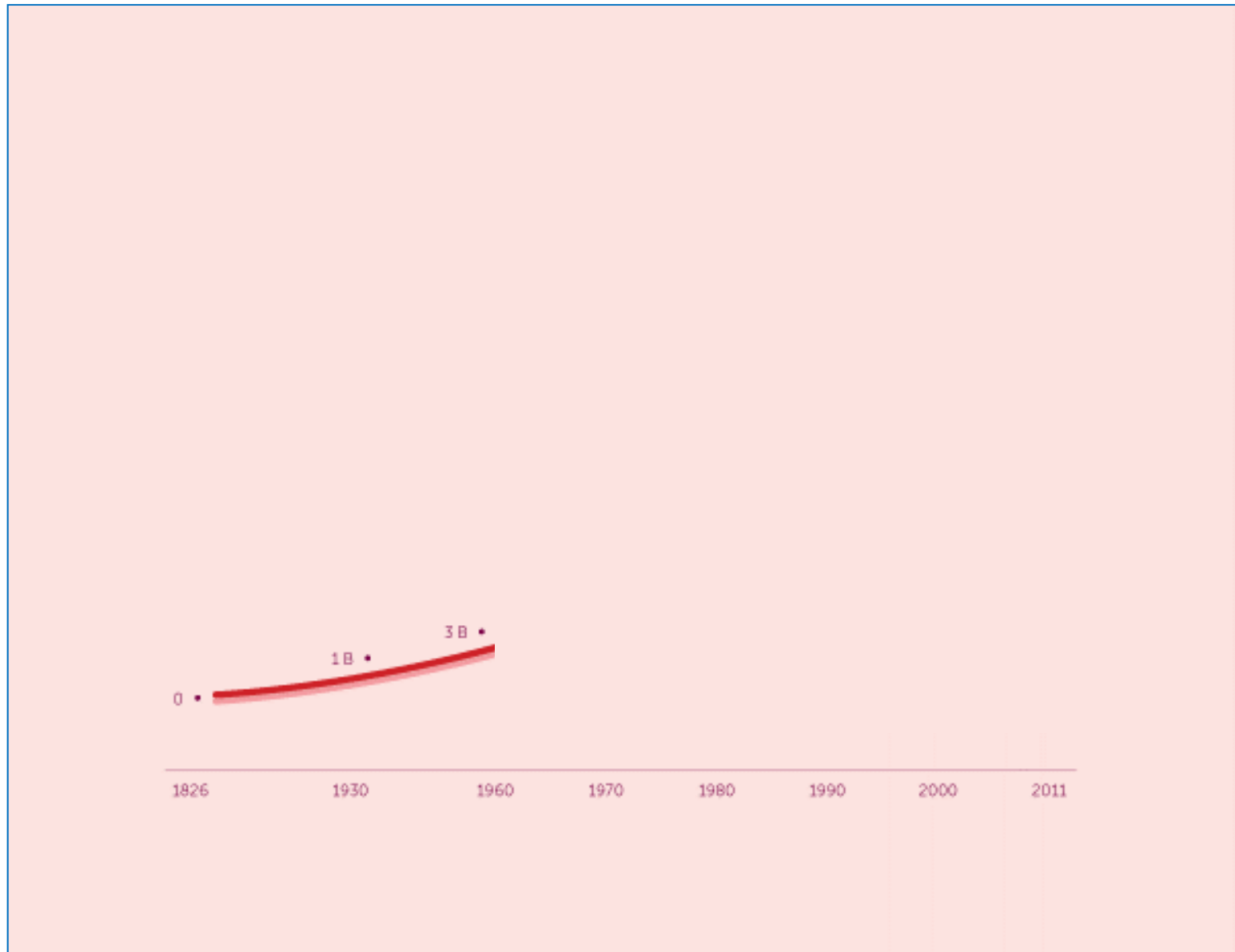
*Future is now.*

Prepared by TMB Analytics  
Date: 7 Feb 2017

**Example**

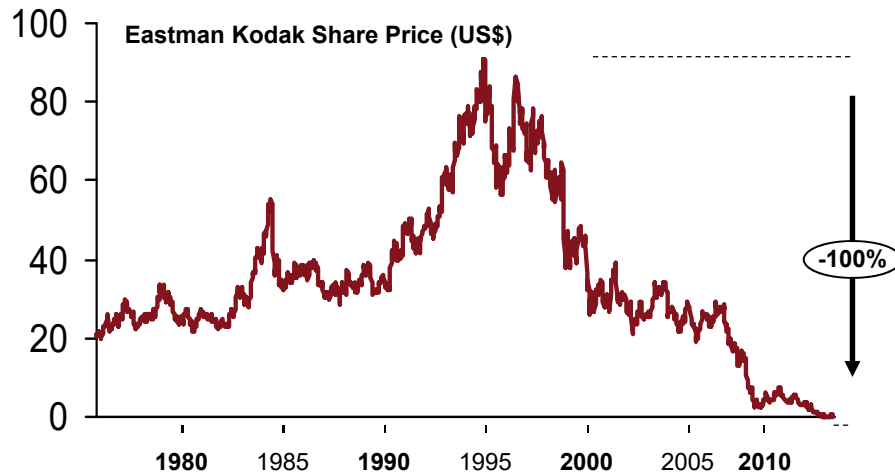
# **HOW DIGITAL TRANSFORMED AN INDUSTRY**

# What did they see?



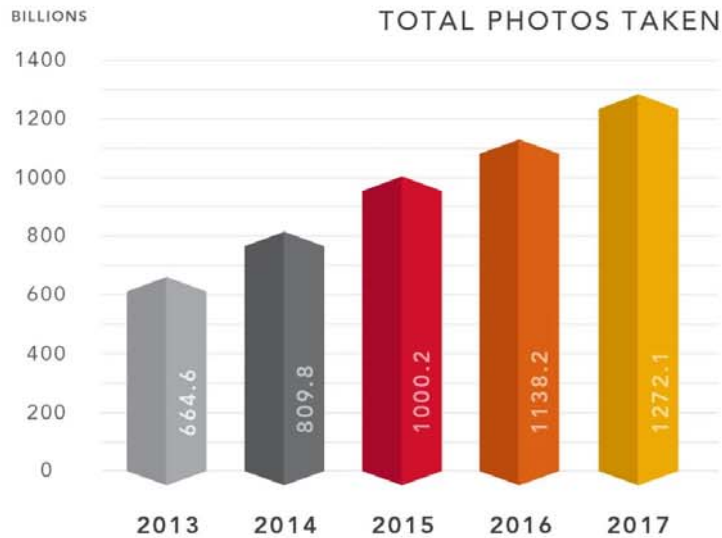


*“That’s cute – but don’t tell anyone about it.”*



*“Kodak executives couldn’t foresee a future in which film had no role in image capture at all, nor come to grips with the lower profit margins or faster competitive pace of high-tech industries”  
(LA Times, December 2011)*

- For nearly a century, no company commercialised the camera as successfully as Kodak
- The advent of digital photography led to 2 distinct but related disruptions – commoditisation of digital cameras and dramatically reduced physical printing
- The company filed for chapter 11 in January 2012



## One Trillion

photos will be taken in 2015



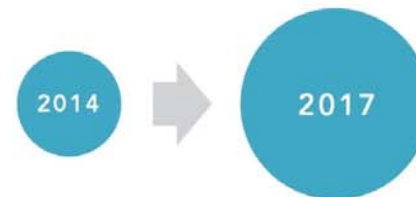
People are taking more photos than ever before, mainly due to the increase in usage and ownership of mobile phones with cameras.



## 78.8%

By 2017, nearly 80% of all photos will be taken with mobile phones.

## 4.9 Trillion Photos Stored

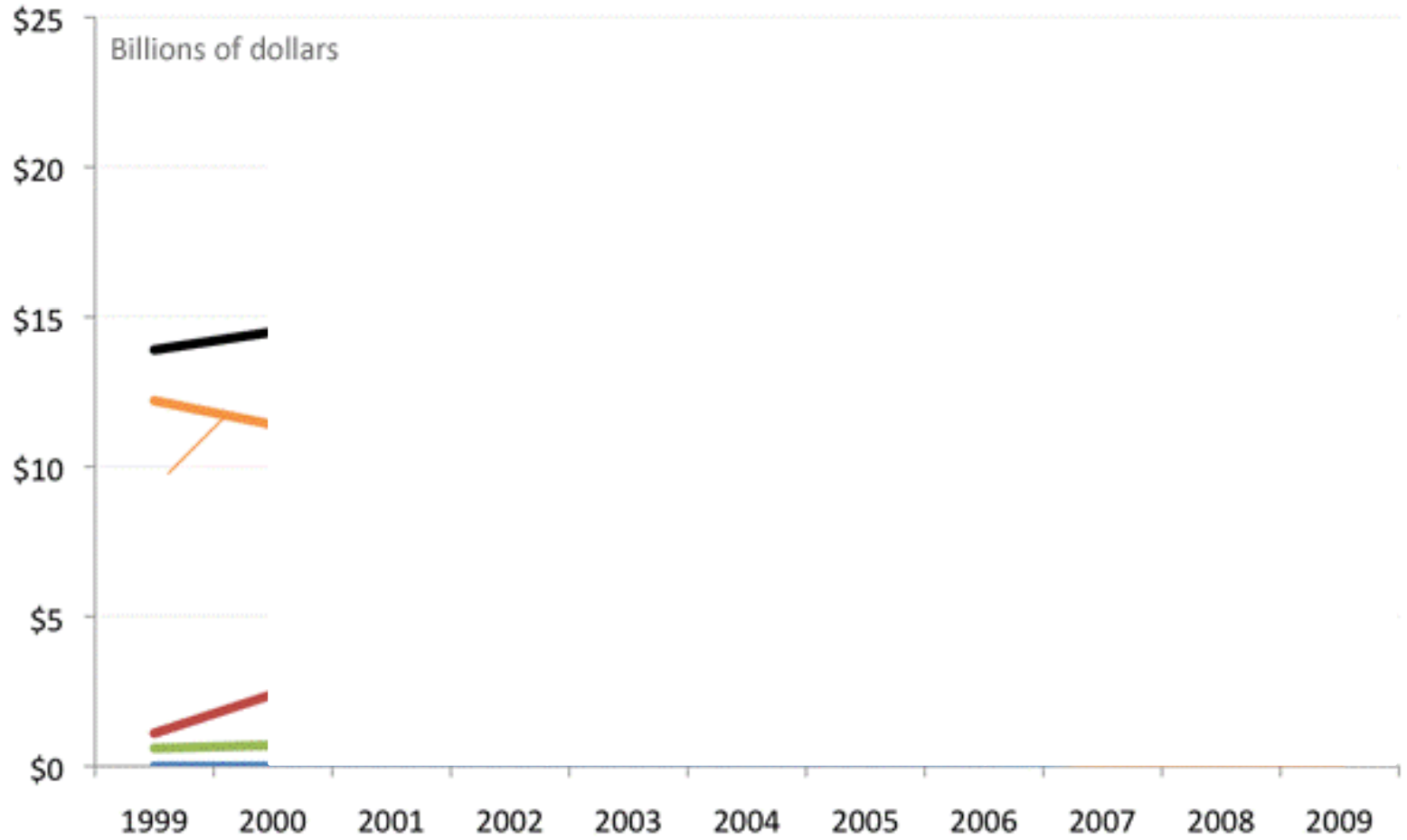


The total number of photos stored is expected to grow from 2.7 trillion in 2014 to 4.9 trillion in 2017.

## Example 2

# HOW DIGITAL TRANSFORMED ANOTHER INDUSTRY

# What did they see?

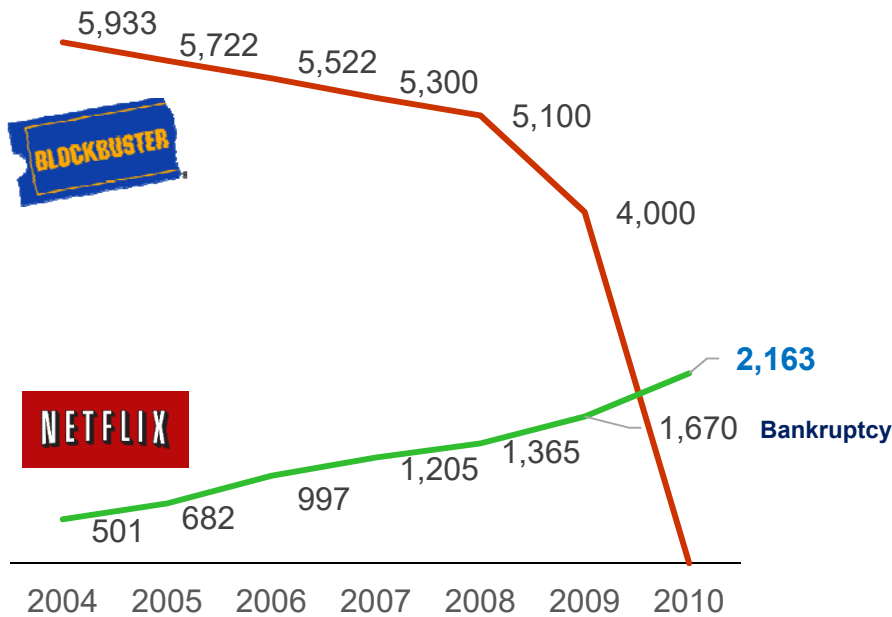


Data: The Digital Entertainment Group



*“ We have not seen a business model that’s financially viable long-term in this arena. Online rental services are ‘serving a niche market.’”*

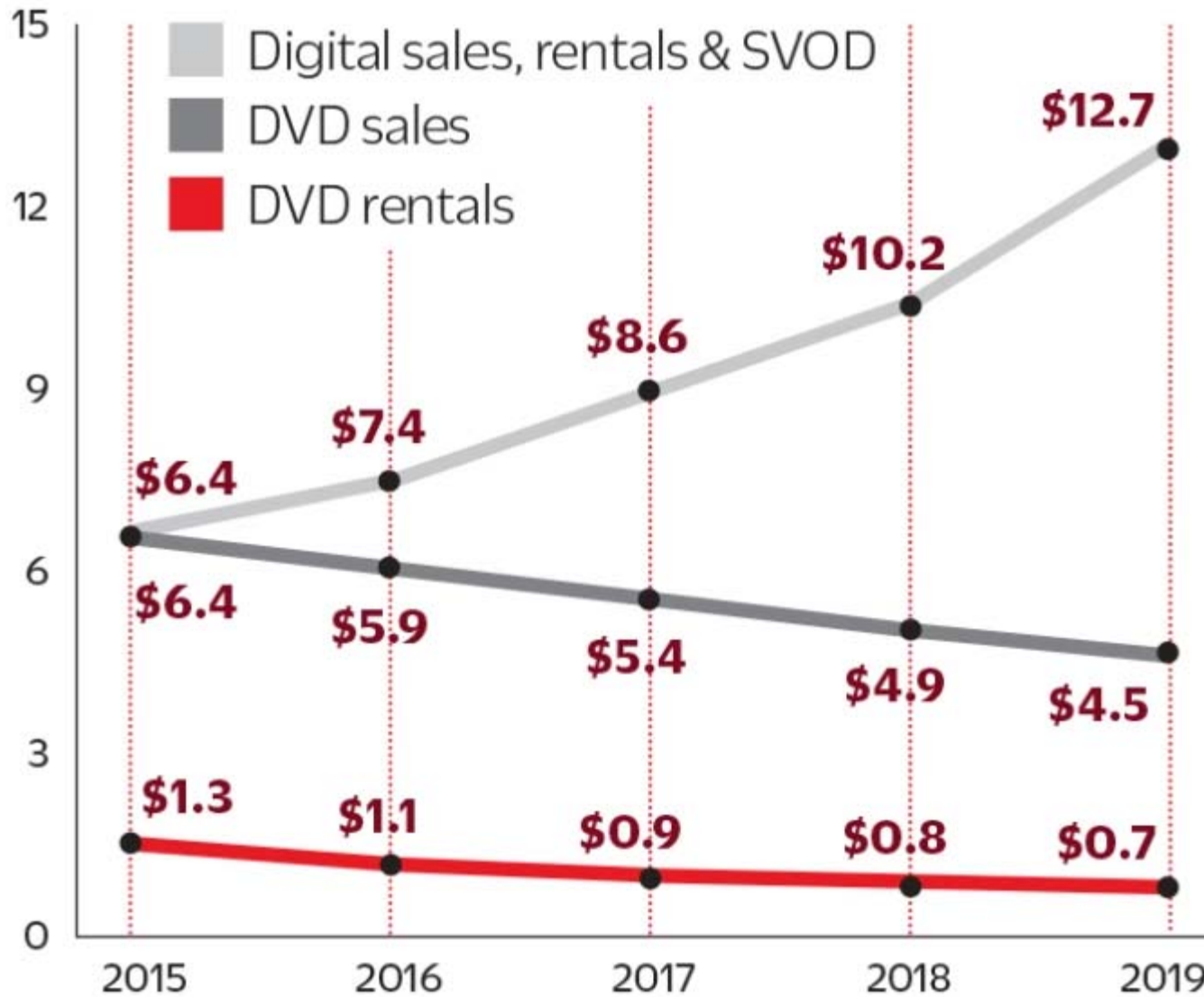
2004-2010 (USD\$ Mn)



## Blockbuster refused to cannibalise...

- Blockbuster was the largest provider of video rentals in America, with a company value of **\$8.4 Bn** 1990s
- Availability of on-demand movie / TV content from players, including Netflix, significantly reduced the need to endure trips to brick and mortar video rentals stores
  - 2000: Blockbuster turned down a chance to acquire Netflix for only \$50 Mn
  - 2010: Blockbuster filed for bankruptcy, with a company valuation of only **\$24 Mn**

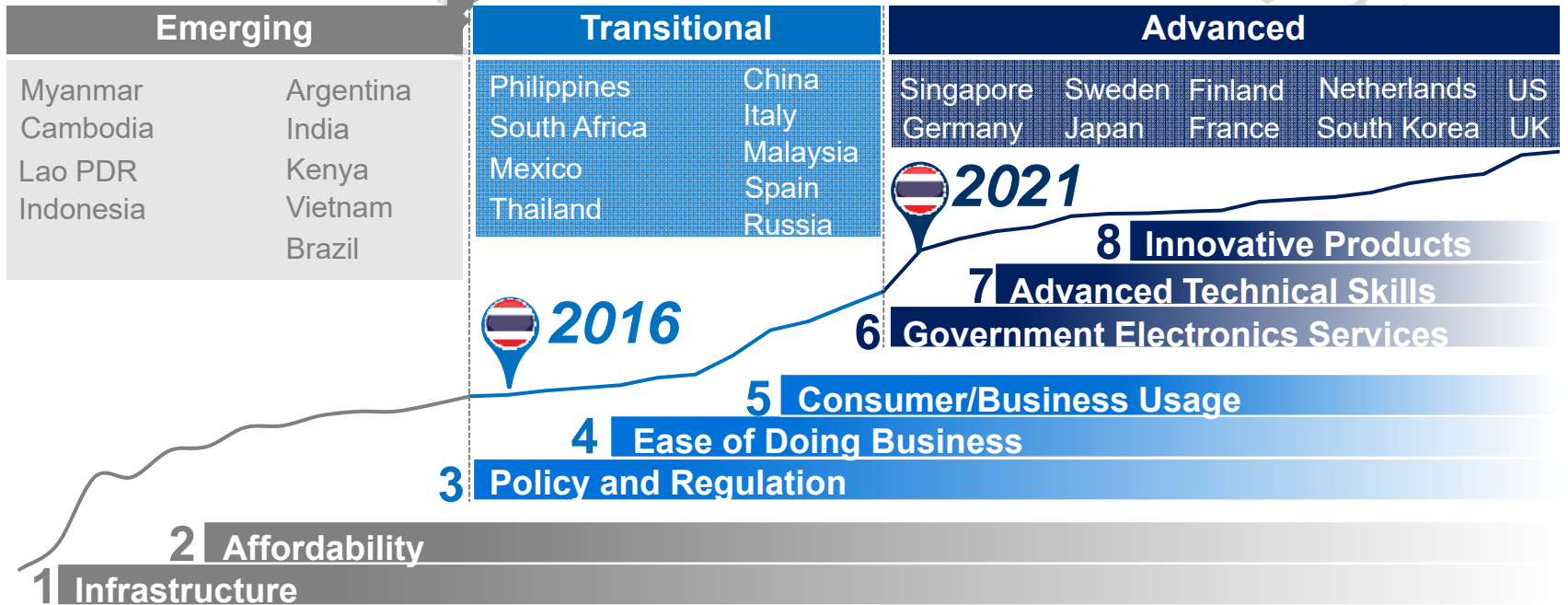
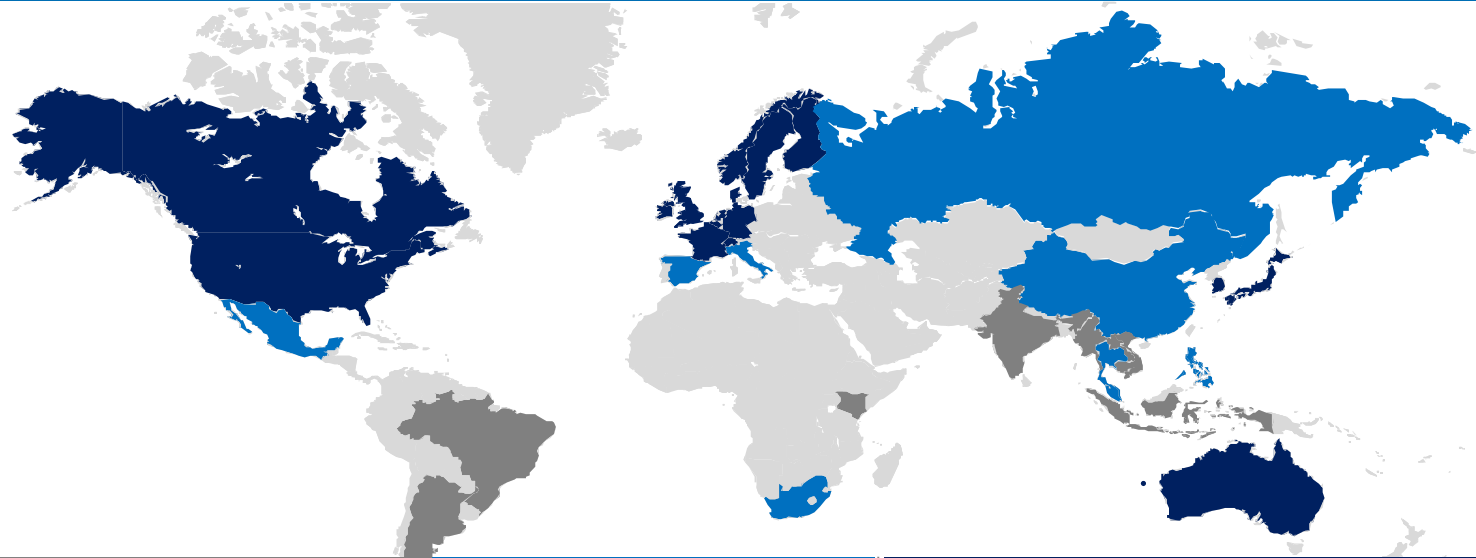




**Ask not what Digital Economy can do for you...**

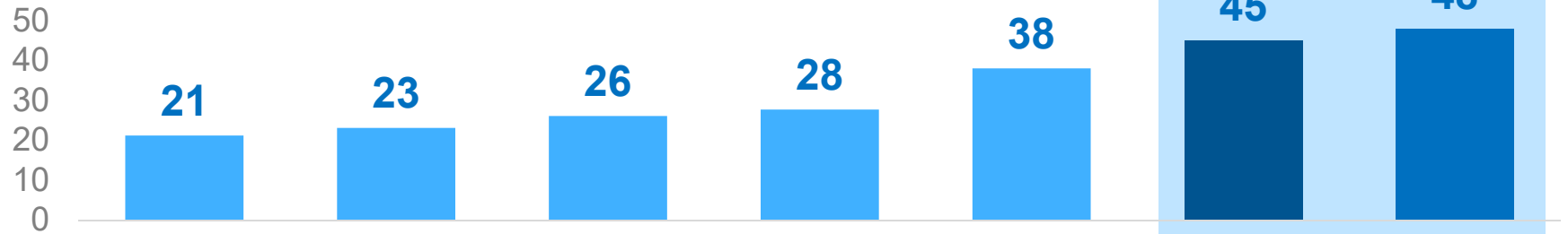
**ASK WHAT YOU CAN DO IN  
DIGITAL ECONOMY**

# 8 Success Factors to Digital Economy

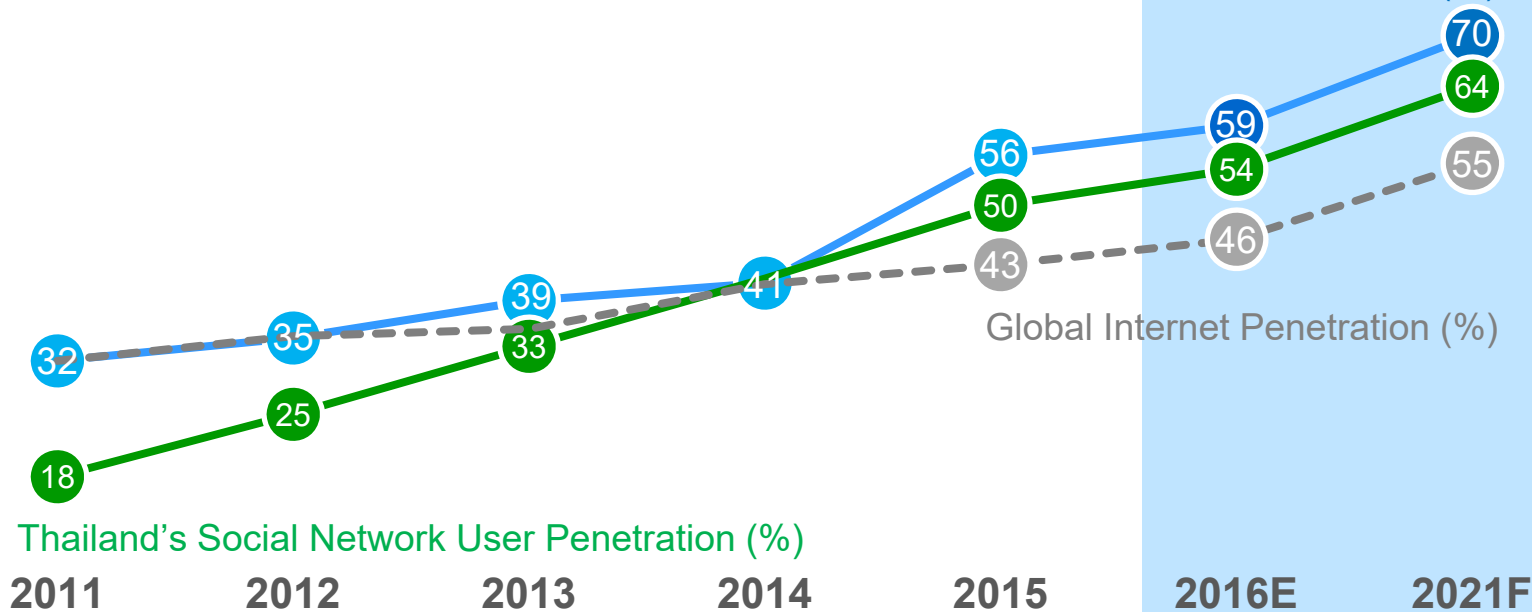


## Internet and Social Network Will Soon Become Key Channels to Economy

Thailand's Internet Users (million)

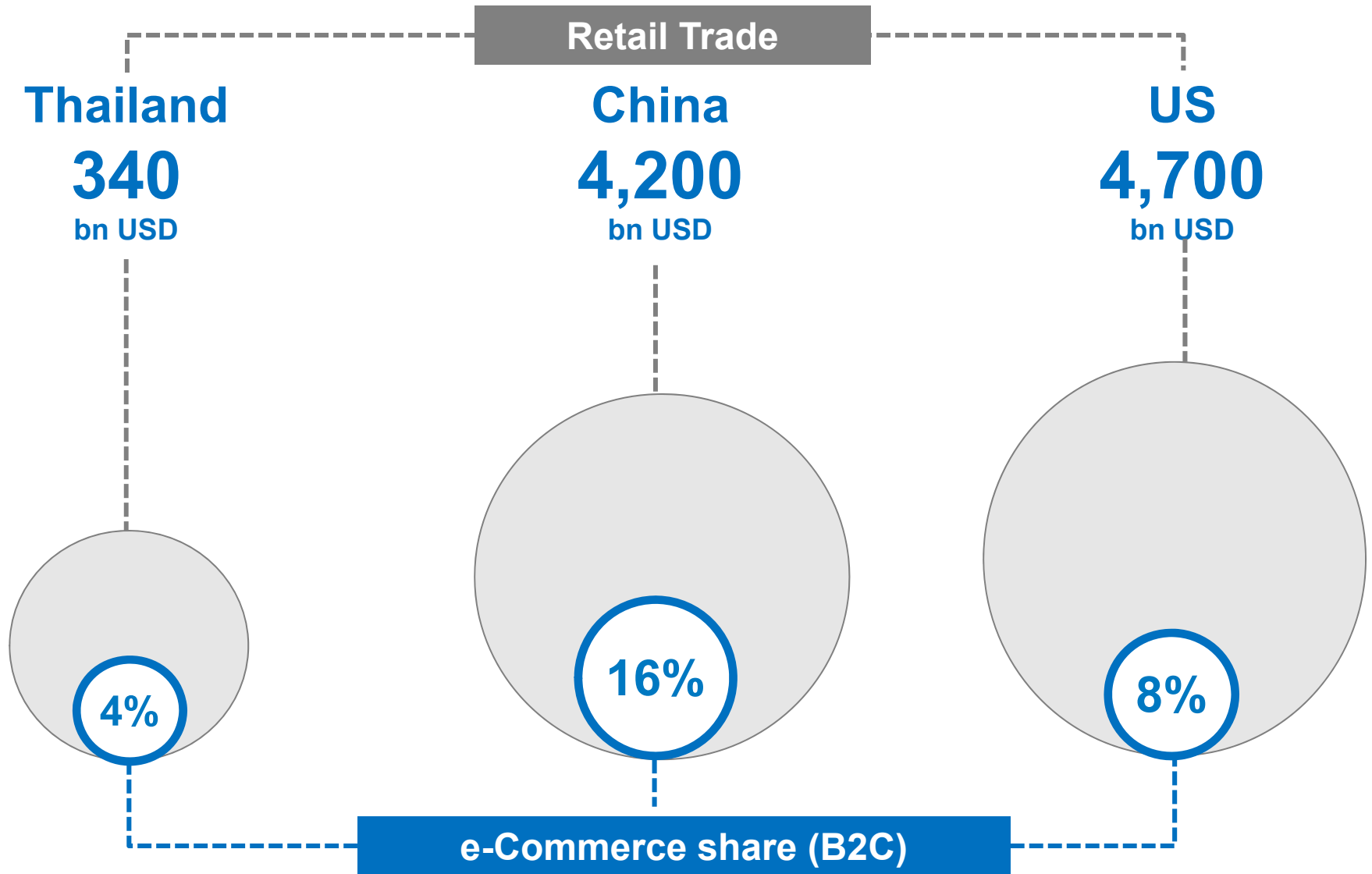


Thailand's Internet Penetration (%)

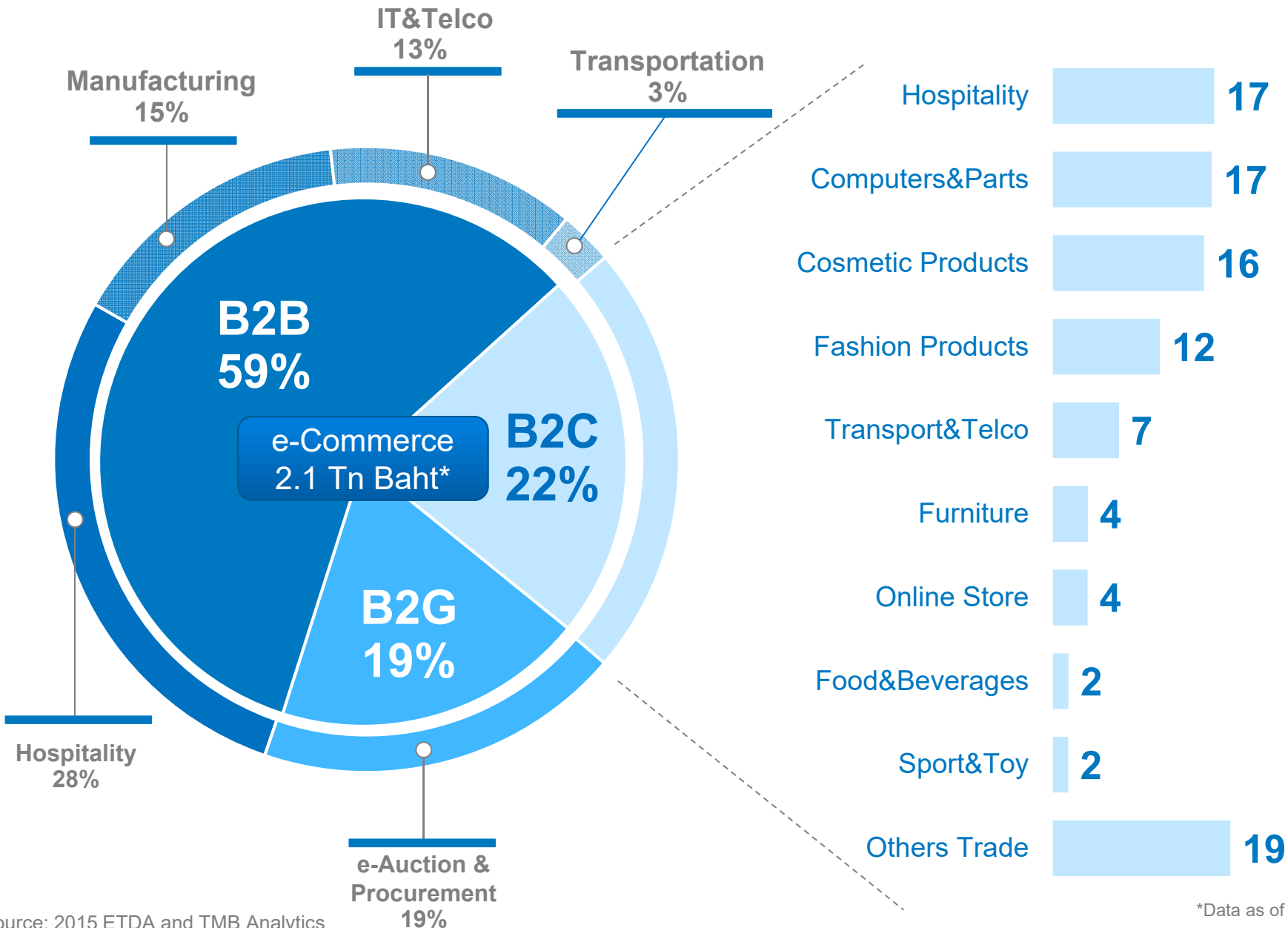


Thailand's Social Network User Penetration (%)

Global Internet Penetration (%)

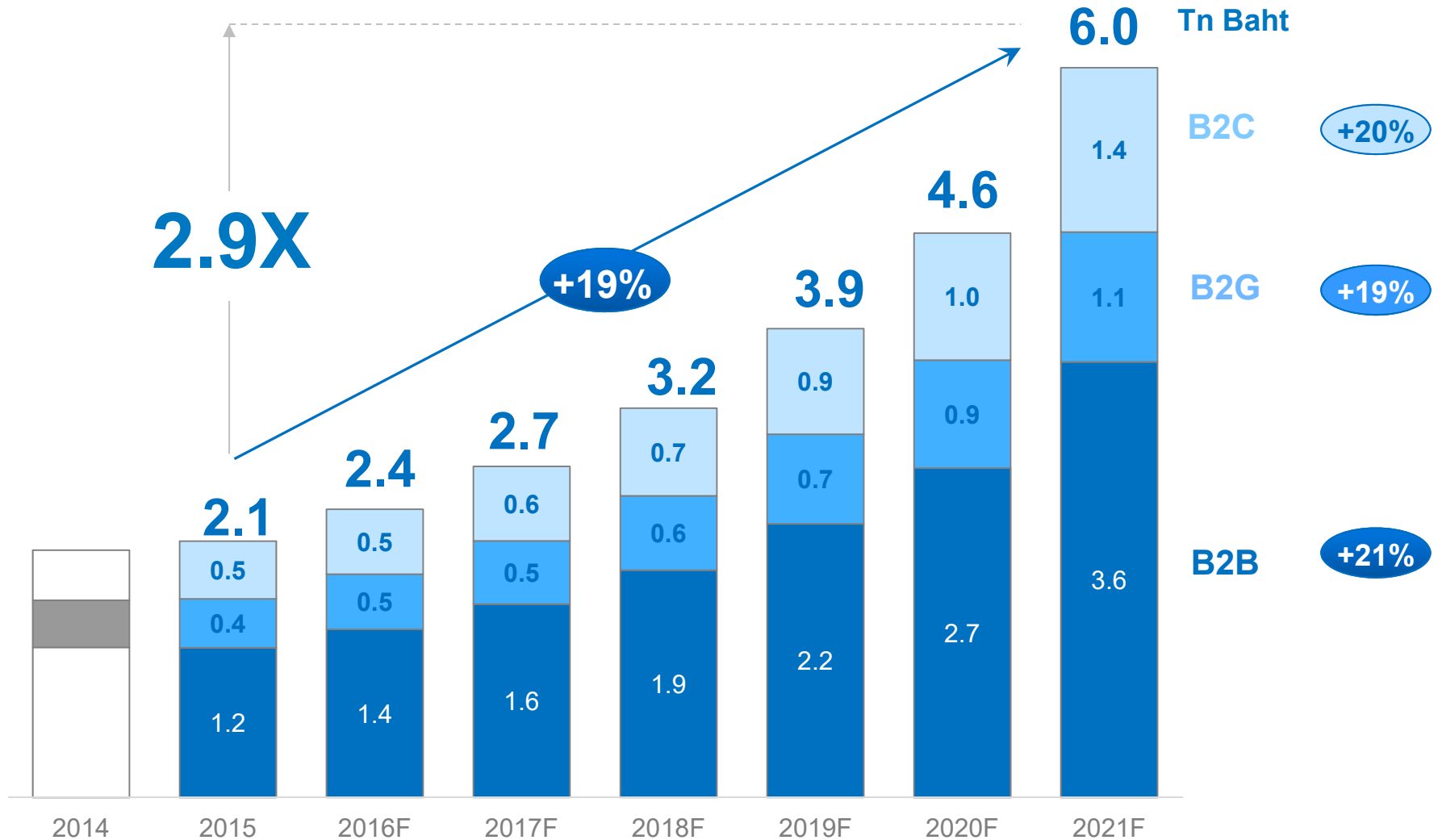


# Thailand e-Commerce Sales by sectors



\*Data as of 2015

# e-Commerce Will Expand 2.9X in 6 Years

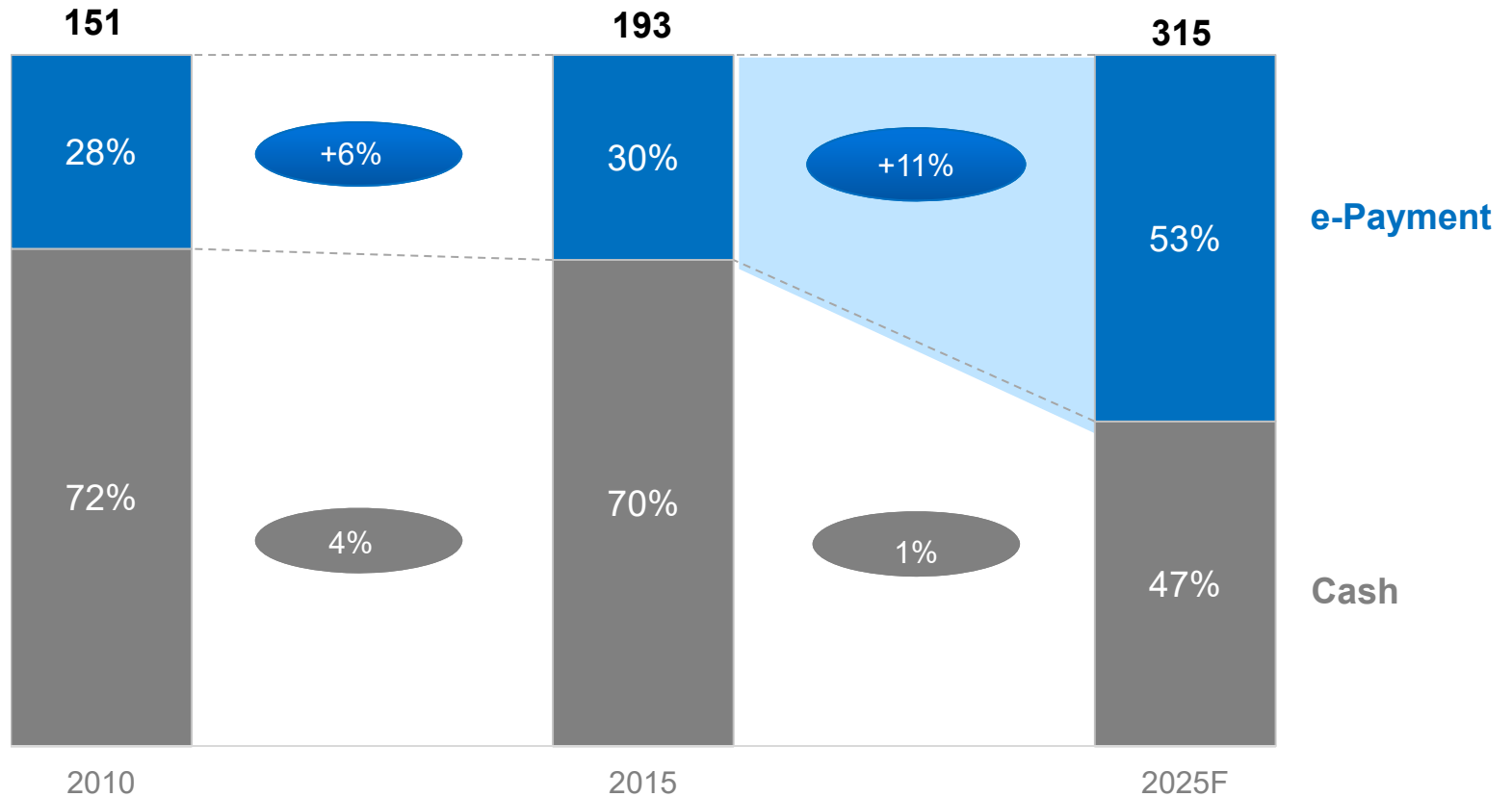


\*Note

○ represents compound annual growth rate (CAGR)

# e-Commerce Will Boost e-Payment, Reduced Cash Usage

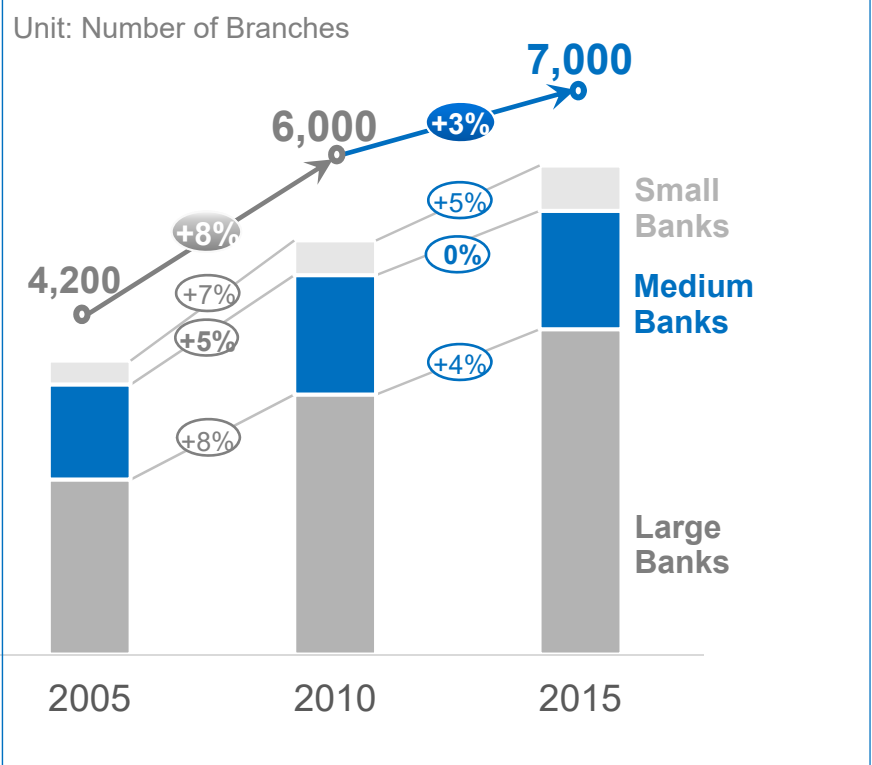
Value of Thailand's Payments (Tn Baht)



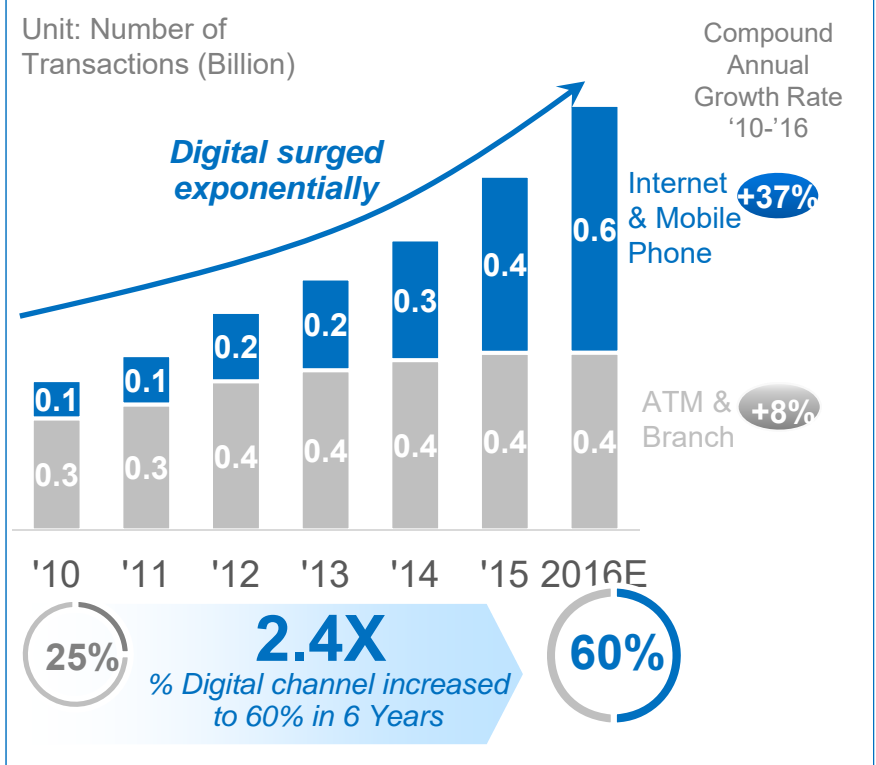


# Brick-and-Mortar Channel Will Soon Be Replaced by Digital, Even Banks

## 1 Branches Grew at A Slower Pace, Especially in Medium-sized Banks...



## 2 ... While Transactions via Internet & Mobile Phone Surged Up

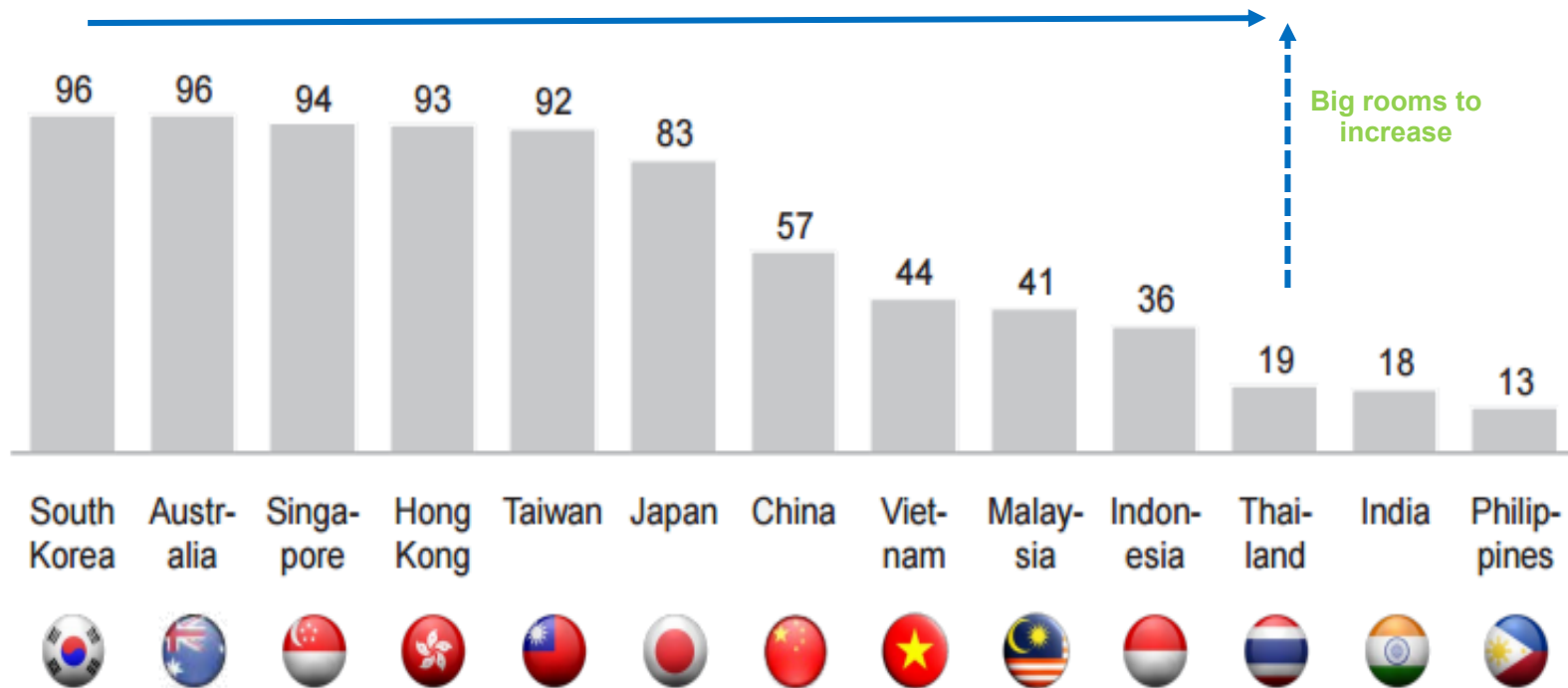


**Banks are trying to embrace changes given recent disruptive technology**

Digital consumers represent more than 700 million customers across Asia

## Digital banking in Asia<sup>(1)</sup> (2014)

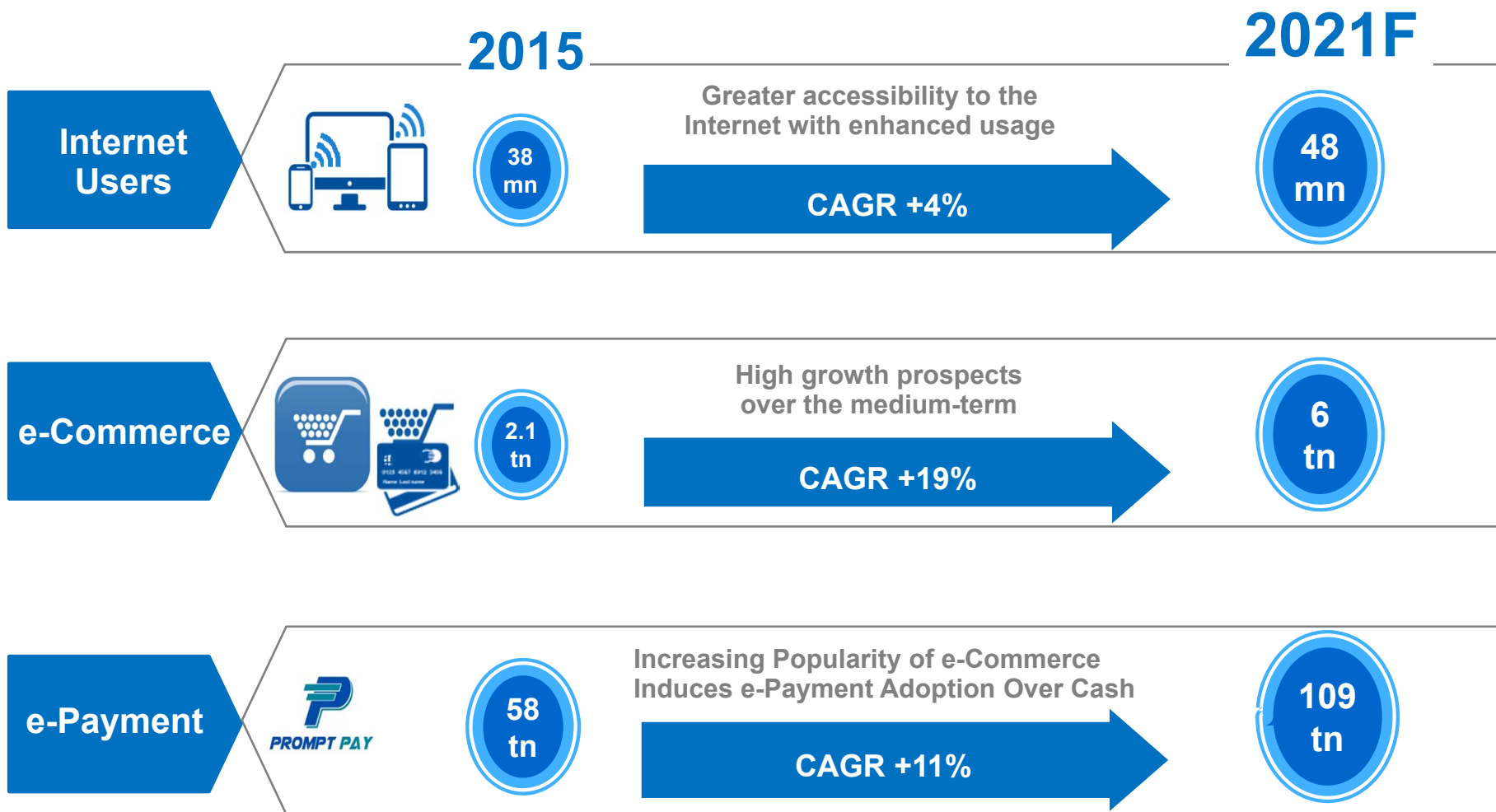
Percent (%)



(1) "Digital banking" penetration is defined as the number of users of internet or smartphone banking divided by total banking consumers in each country; only urban consumers are included

SOURCE: McKinsey Asia Personal Financial Services Survey, 2014

# Accessibility, e-Commerce, e-Payment Are Key Factors Driving Digitization Forward



\*Note: CAGR represents compound annual growth rate

# Physical to Digital: Are You Ready for Disruption?

## Digitization reshapes industries to the Better Customer Satisfaction

Industry	Physical	Technology	Digital	Customer Benefits	
Taxi/ Motorbike					<ul style="list-style-type: none"> <li>▪ Integrated Payment System</li> <li>▪ Driver Tracking</li> <li>▪ Rating System</li> <li>▪ <b>Lower Average Waiting Time</b></li> </ul>
Retail Shop					<ul style="list-style-type: none"> <li>▪ Integrated Payment System</li> <li>▪ <b>Various Products</b></li> <li>▪ Merchant Tracking</li> <li>▪ Rating System</li> </ul>
Hotel					<ul style="list-style-type: none"> <li>▪ Integrated Payment System</li> <li>▪ <b>More Space with Affordable Prices</b></li> <li>▪ Rating System</li> </ul>
Bank					<ul style="list-style-type: none"> <li>▪ Convenience</li> <li>▪ <b>Better Rates</b></li> <li>▪ Mobility</li> </ul>

**“When change is imminent, the best way to change is to  
Lead the change ourselves.”**

**“เมื่อเราไม่อาจหลีกเลี่ยงการเปลี่ยนแปลง การนำการ  
เปลี่ยนแปลงด้วยตัวตัวเองเป็นวิธีเปลี่ยนแปลงที่ดีที่สุด”**