



How has the pandemic effected consumer behavior in Thailand

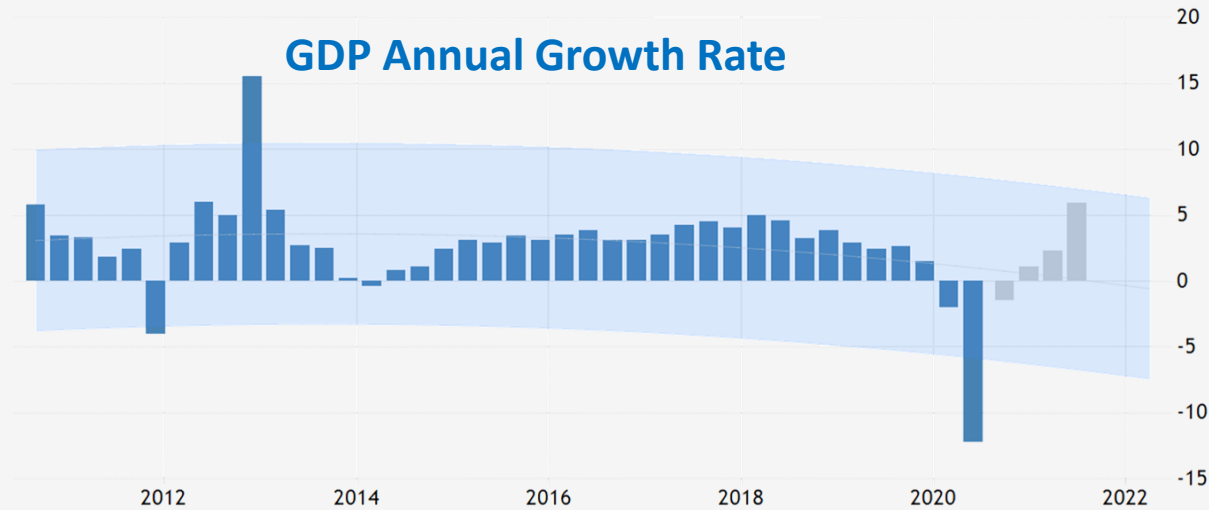


21st September 2019

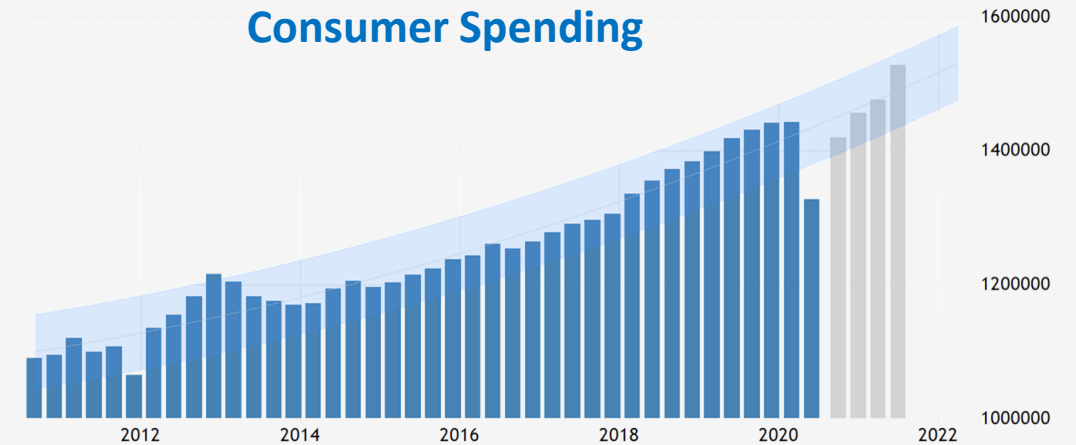
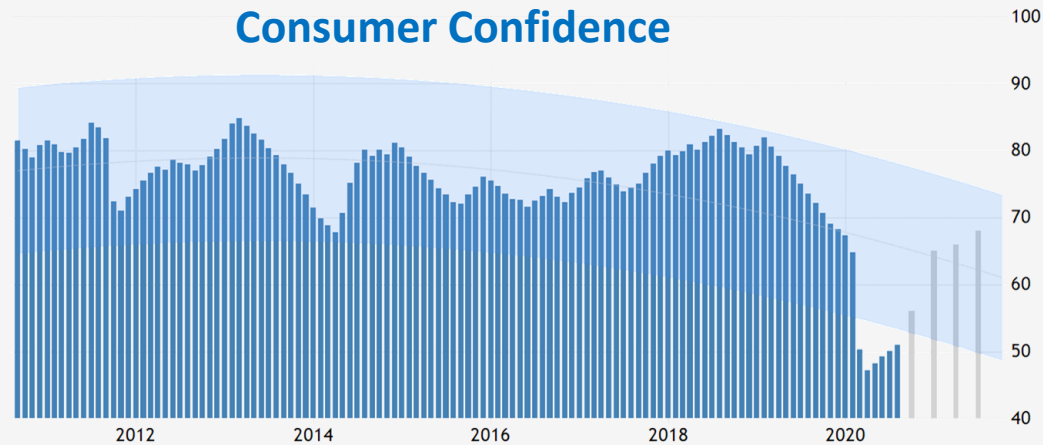
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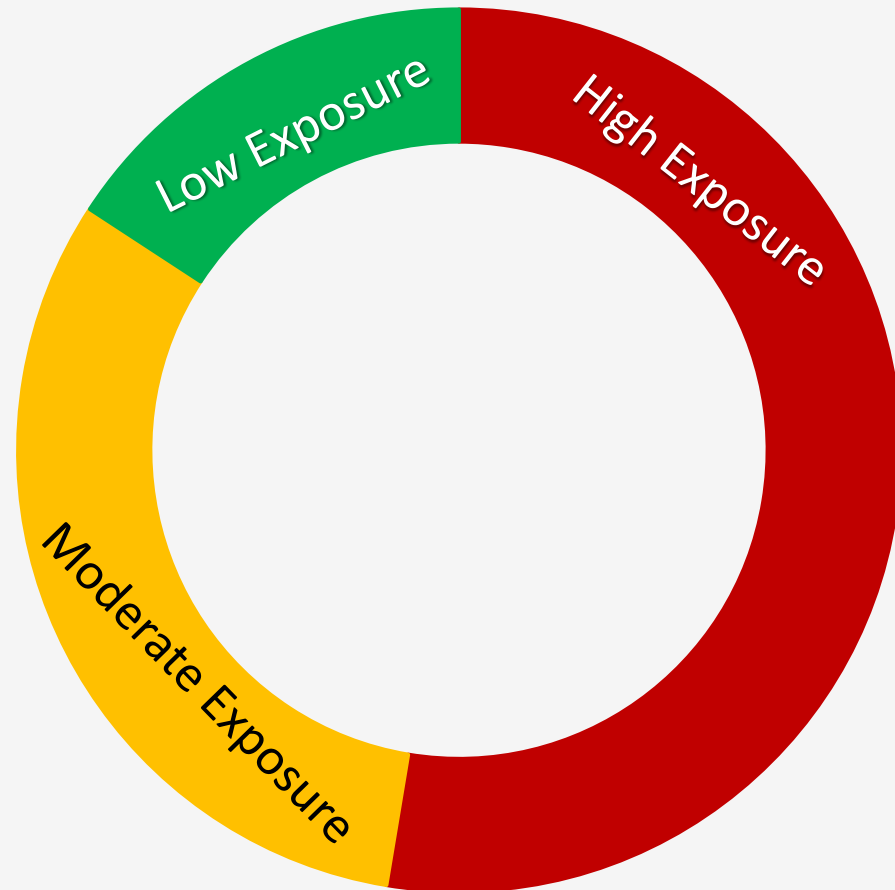
The COVID-19 Impact on Thai Economy



- Thailand has been successful in stemming the tide of COVID-19 infections over the last three months, but the economy is expected to shrink significantly in 2020
- Economic recovery will be gradual and uncertain. The shape of the recovery is subject to considerable downside risks, including weaker global growth, feeble tourism, and continuing trade and supply chain disruptions



Thailand COVID-19 Impact by Industry



- Telecommunication
- Grocery/Retail
- Food & Beverages

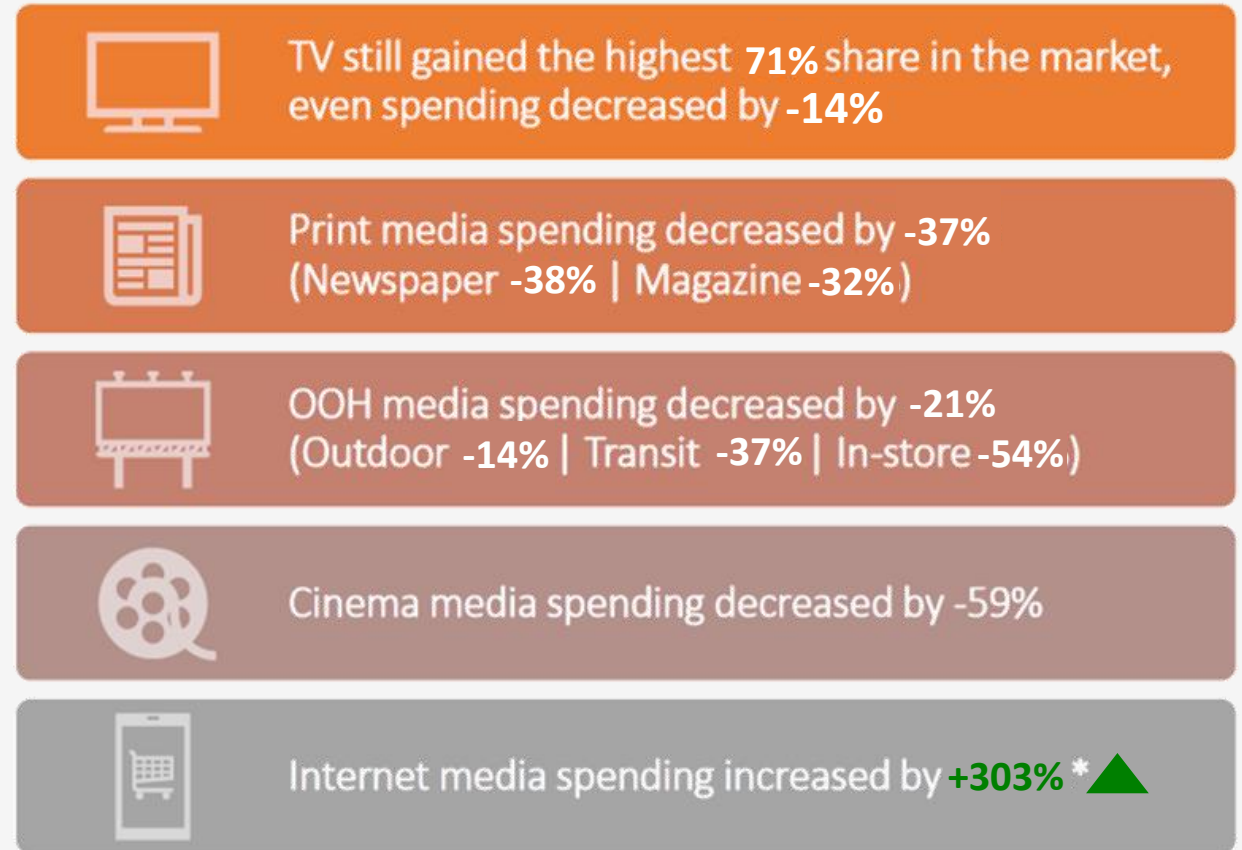
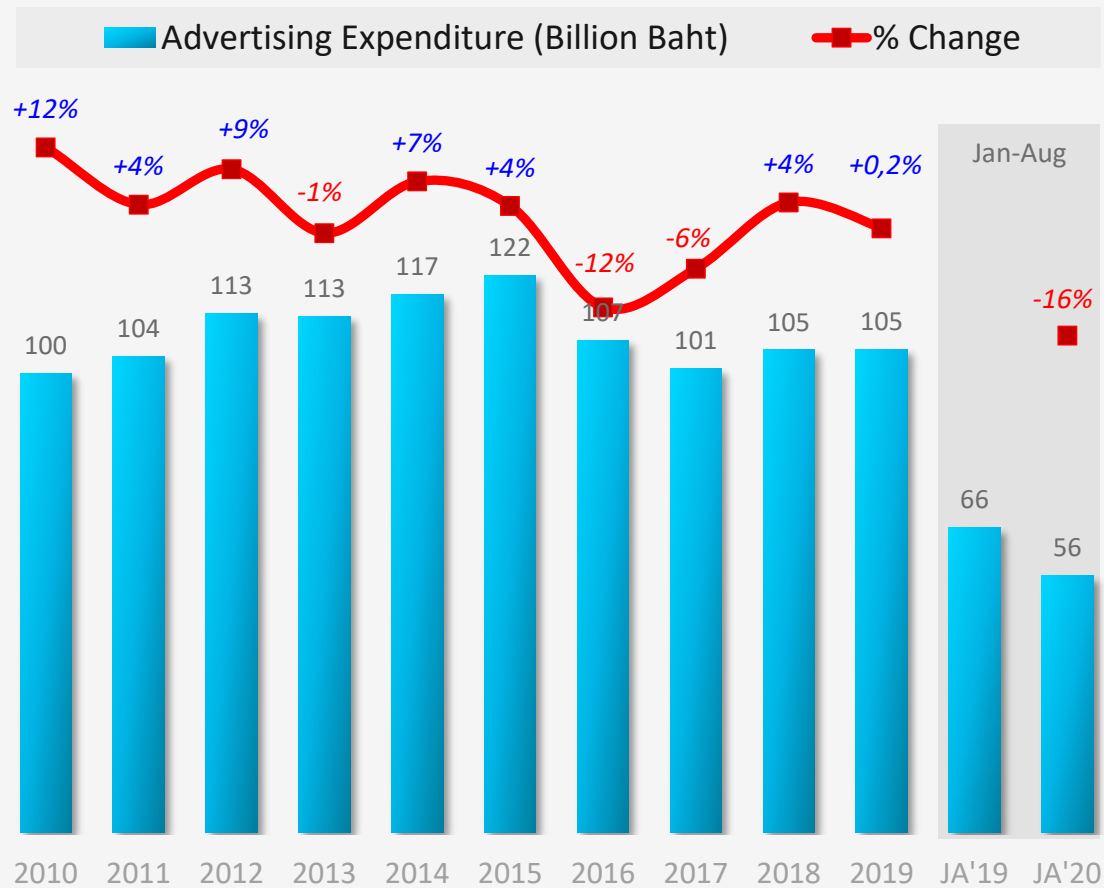
- Petrochemical
- Maritime Shipping
- Trucks
- Construction
- Building Materials
- Consumer appliances & Electronics

- Hotels
- Restaurants
- Airline
- Industrial Estate
- Steel
- Oil
- Automotive

From the economist's perspective, The research found these 3 business groups can grow and are less affected by COVID but suggest to be done both online and offline concurrently since people are getting used to fast and easy online ordering

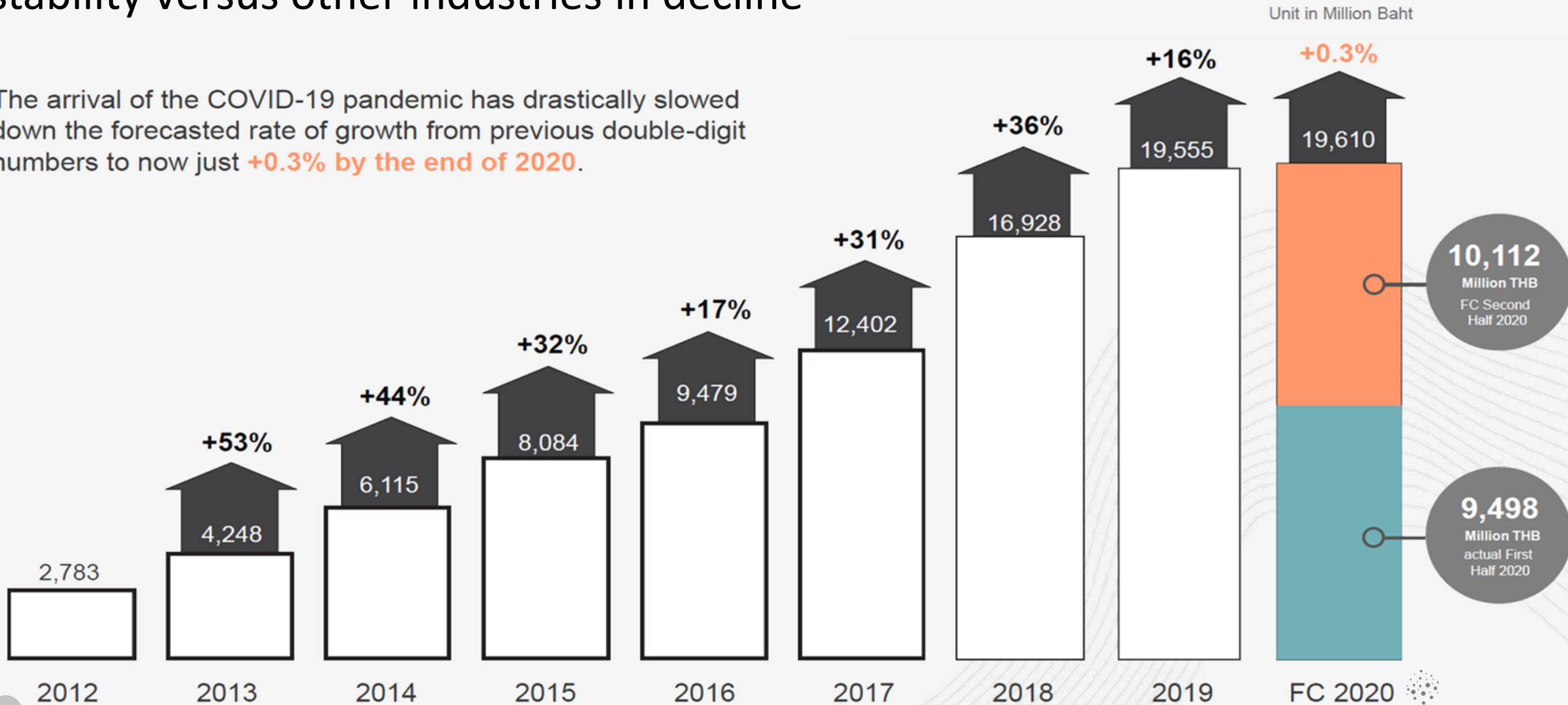
While other businesses should be cautious and wait for the right moment after 4th quarter of 2020 to see a gradual recovery

COVID-19 has disrupted media business resulting in the lowest growth rate























While the impact is apparent, the industry shows **strength** given its relative stability versus other industries in decline

The arrival of the COVID-19 pandemic has drastically slowed down the forecasted rate of growth from previous double-digit numbers to now just **+0.3%** by the end of 2020.



The 5 Highest Spenders

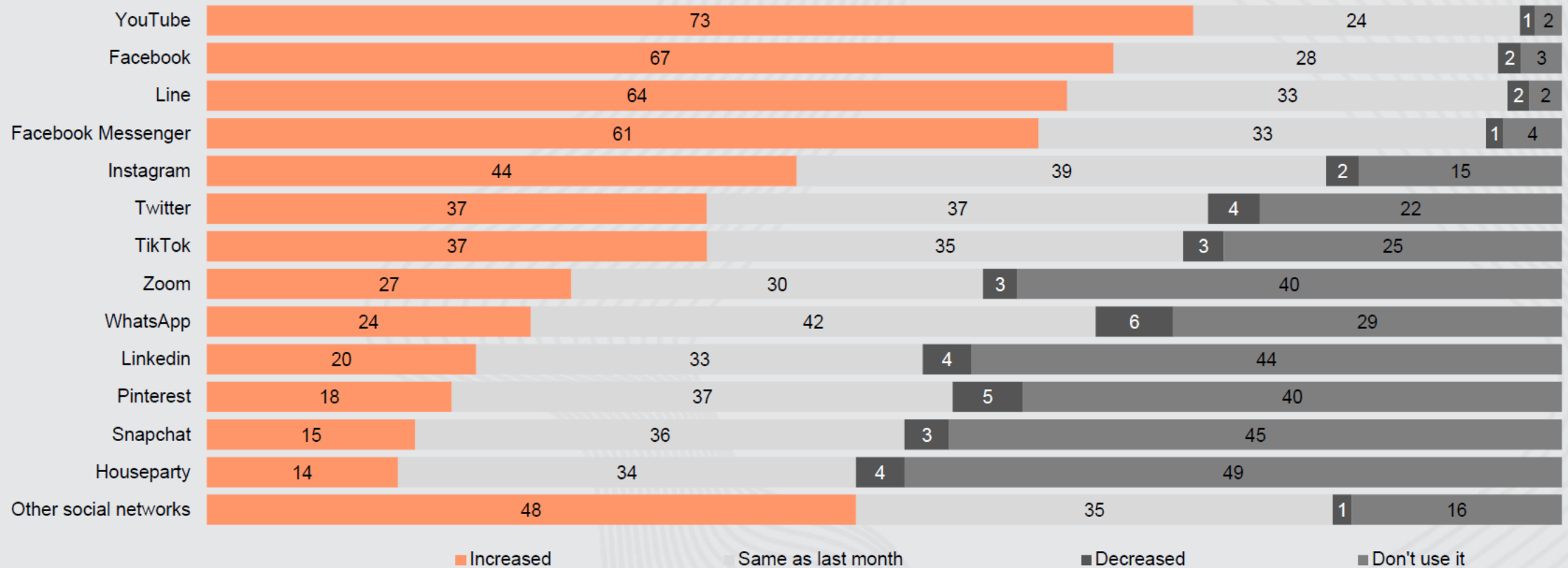
Motor Vehicles has remained the highest spender since 2018, but spending is forecasted to shrink by a considerable **-200M THB** from previous year. **Banks** are also forecasted to shrink by **-350M THB** to be outseated by **Dairy** for the number 5th spot among highest spending industries.

2017	2018	2019	FC 2020
Motor Vehicles  1,289	Motor Vehicles  2,361	Motor Vehicles  2,787	Motor Vehicles  2,577 ▼ -8%
Communications  1,195	Communications  1,925	Skin-care Preparations  1,786	Skin-care Preparations  1,880 ▲ +5%
Banks  847	Skin-care Preparations  1,454	Communications  1,489	Non-Alcoholic Beverages  1,643 ▲ +29%
Skin-care Preparations  723	Non-Alcoholic Beverages  1,148	Non-Alcoholic Beverages  1,273	Communications  1,642 ▲ +10%
Non-Alcoholic Beverages  644	Banks  1,080	Banks  1,212	Dairy Products & Dairy Substitute Product  1,420 ▲ +39%

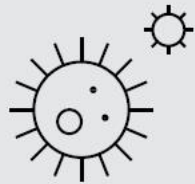
As people stay home, net social media usage has increased across almost all platforms. As advanced as Thai online usage already was, COVID-19 enhanced their digital connectedness even further.



Social media and communication consumption compared to last month (%)



The Thailand COVID-19 situation has improved faster than other countries, but most people remain cautious, especially around financial security and outlook of the future. These concerns are causing major shifts in shopping behavior, seen in this report through the lens of marketing, where adjustments were made to marketing strategies and budgets brought by reduced demand in some categories and increased demand in others.



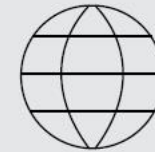
58%

Concerned about Covid-19



62%

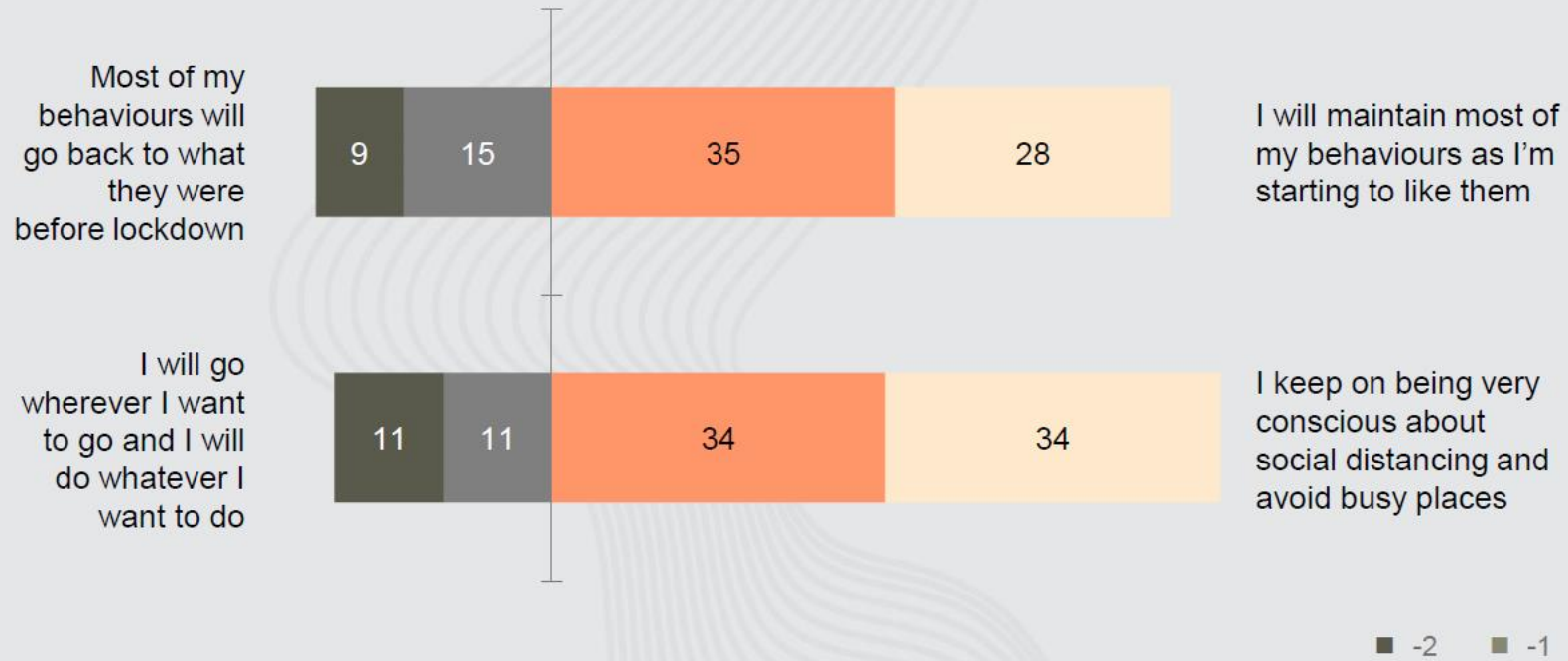
Day-to-day life impacted



53%

Worry about the future

The closure of most establishments during lockdown and continued efforts to socially distance are introducing consumers to new habits such as online shopping, working from home, and increased online media consumption, among others. Consumers claim they are likely to maintain these new habits until long after this current period.



How was digital media/ advertising affected by COVID-19?

COVID's disruption has highlighted the strength of digital, particularly the importance of eCommerce

More expensive products will be severely affected, such as those in motor vehicles, real-estate, and insurance.

This provides great opportunity for eCommerce, but very bad for brands and companies in travel and hospitality.

There is positive impact to some businesses like food delivery and e-commerce

Covid has made digital more important than ever - especially on e-commerce front

Increase spending in digital, lead to more services, create new technology, new channels and new media availability.

COVID-19 is stressing the need for further education and accelerating digital transformation

Even though digital budget is not as high and no big investment given big change on consumer behavior, the digital has less covid-19 effect than other media. Covid-19 accelerate digital transformation and behavior.

Digital education raised faster and wider. Brand and agency have to move fast enough to grab opportunity.

There was a mixed effect on digital media. During covid-19, company came to realise the next generation power of digital media and it gave a glimpse of a 4.0 world and how it can look like. During this time, everyone wanted to get digital however many companies either did not have the funds do it or they did not know how too. Even digital media companies re-evaluate their digital marketing strategy

Presenting opportunities to gain and learn more about consumers' evolving needs and behaviors

Since people spend more time online, we can gain more data and insights on their activities and interests

Rise in consumption of digital media channels in an unprecedented way. Digital media channels are being prioritized for investment.

Consumer behavior has changed and there is further need to understand their needs & motivations in order to build relevance & consideration

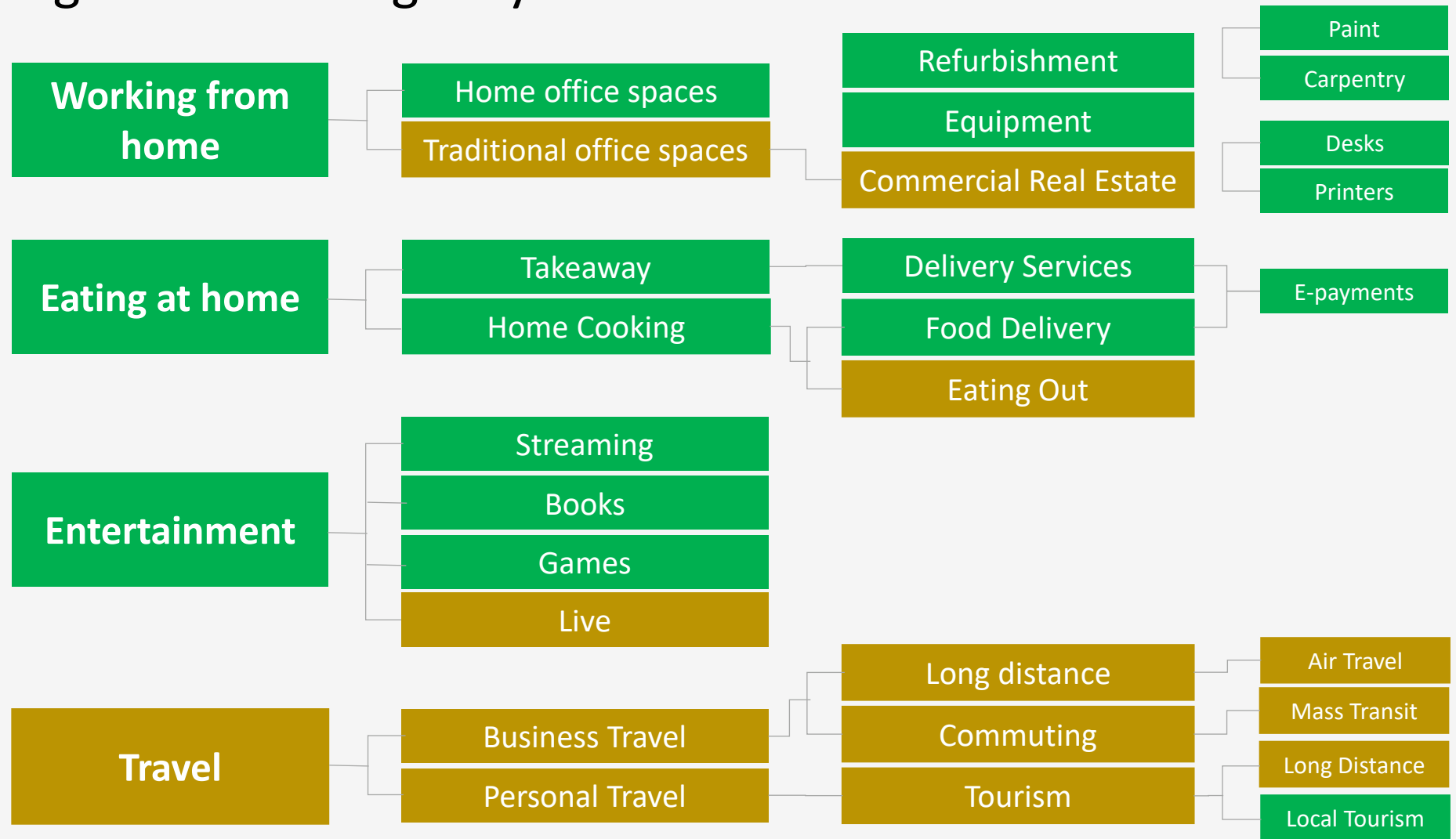
Impact of COVID-19 in daily life are extensive and have far reaching consequences



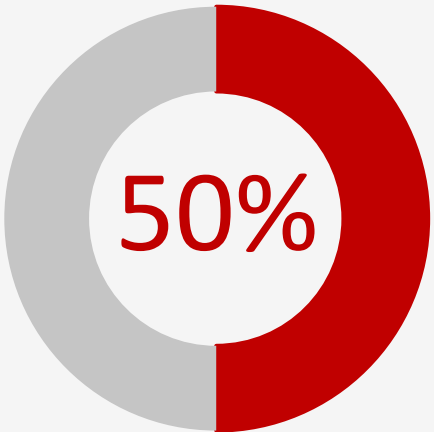
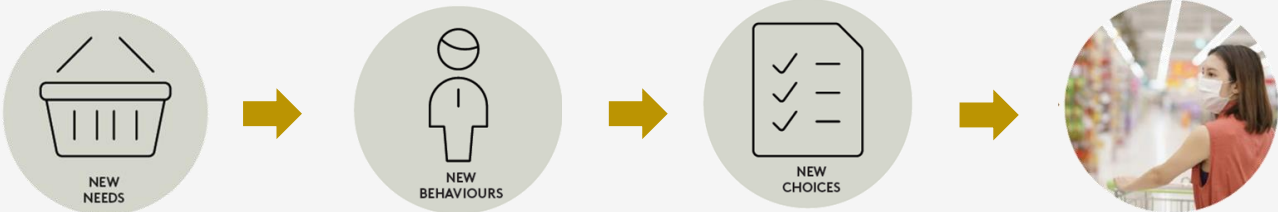
Consumer Spending Trends during Stay At Home



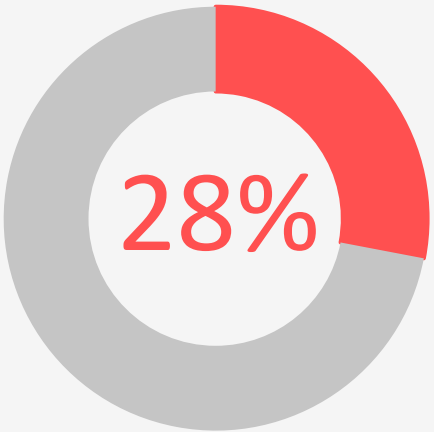
- Potential increase in behavior
- Potential decrease in behavior



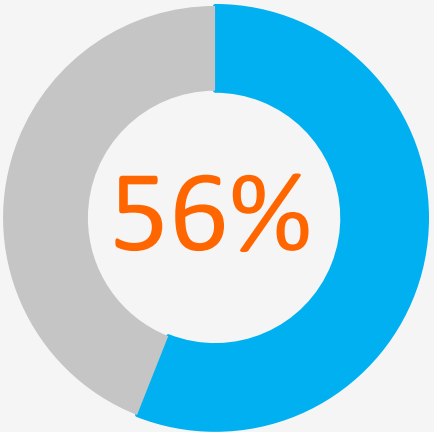
Changing priorities could have long-lasting effects



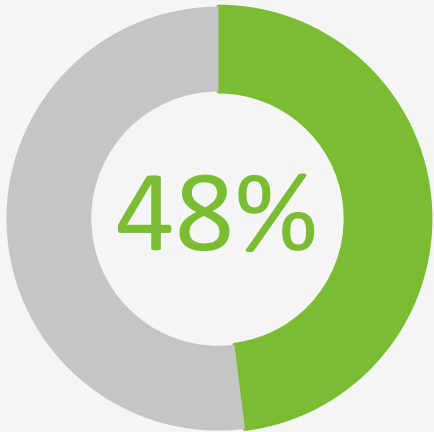
Trying new Brands/products



Picking up new hobbies



More invigorated approach to life



Intend to maintain newly acquired health and wellness habits over the long term

Source : PwC Survey of 1,600+ adult consumers
 Q1 : What we are social distancing are you buying/consuming different grocery brands than you used to?
 Q2 : Please select up to three activities you have increased the most as a result of being more at home?
 Q3 : Overall, has the new situation encourages you to take an invigorated approach to life?
 Q4 : Do you think you will maintain some of these new health and wellness behaviors after social distancing ends?

New and everlasting—shopping habits

The outbreak has pushed consumers out of their normal routines. Consumers are adapting new habits and behaviors that many anticipate will continue in the long term.

The virus has accelerated three long-term trends:



The ever-increasing focus on health

CPG brands should heed this change and make it a priority to support healthy lifestyles for consumers, shoppers and employees. Having a “health strategy” will be a strategic differentiator for the foreseeable future.



A rise in conscious consumption

Consumers are more mindful of what they’re buying. They are striving to limit food waste, shop more cost consciously and buy more sustainable options. Brands will need to make this a key part of their offer (e.g. by exploring new business models).



Growing love for local

The desire to shop local is reflected in both the products consumer buy (e.g. locally sourced, artisanal) and the way they shop (e.g. supporting community stores). CPG brands will need to explore ways to connect locally – be it through highlighting local provenance, customizing for local needs or engaging in locally relevant ways.

Thai Consumers are shifting more towards online activities



+21%

Increased their online shopping activities



+26%

Ordered food delivery more often in the last 2 weeks



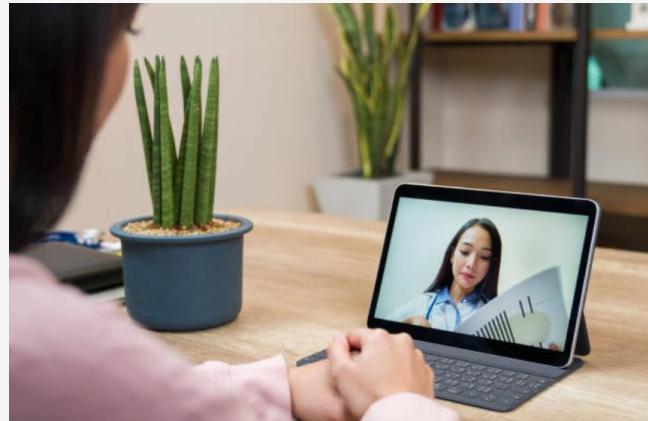
+26%

Spent more time watching online content

Buying patterns have dramatically shifted

Why, what and how consumers buy is changing in the wake of the COVID-19 outbreak. Omnichannel options have seen a boost as new consumers migrate online to shop – a rise that is likely to be sustained post-outbreak.

Consumers have also increased use of omnichannel services such as [home delivery](#), [virtual consultations](#) and [chat features](#) , and are highly likely to continue using these in the future.



E-commerce has seen significant growth, with discerning customers **looking for the quality in the product** and **becoming less price-sensitive**

Consumers desire speed and convenience which they're accustomed to, and they prefer online shops that can deliver quickly because they avoid long-distance or overseas transport. This is an important opportunity for Thai brands to boost domestic sales



outbreak has encouraged people to increase online shopping activities, accelerating demand for digital

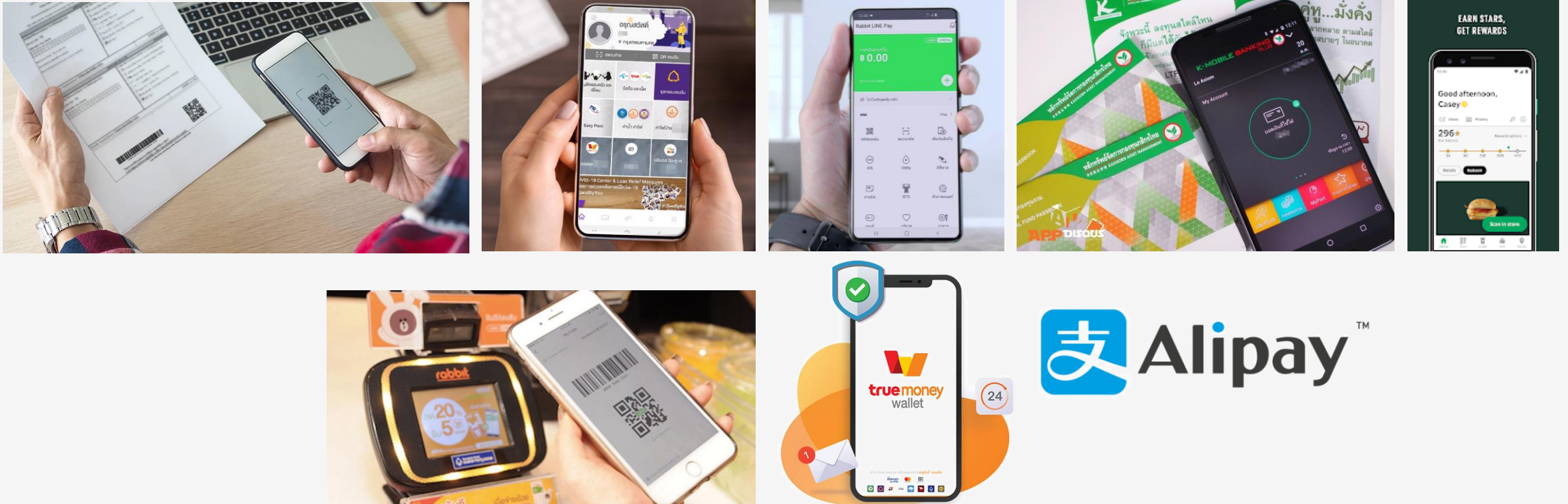


Digital space also serves opportunity to tap on wider age group, beyond only the youngsters



E-commerce and digital technology are trends that entrepreneurs definitely don't want to miss since these will become the new normal even after the COVID-19 period."

Marketers need to adjust their strategies to catch up with the changing eCommerce landscape and facilitate customers who are widely adopting digital payment technology into their everyday life.



Food delivery applications and other apps that provide instant convenience at home such as home exercise will become more important



Rapid growth of Food Delivery during in-home consumption has drive market opportunities for local merchants

Though people could dine out, competition is still intense with new comer and ongoing promotion activities



Staying connected with consumers

COVID-19 is a health and economic crisis that has a sustainable impact on consumer attitudes, behaviors and purchasing habits. CPG companies can adapt to these changes by taking action to respond, reset and renew to be positioned even stronger for the future



Respond

- Stand up a cross-functional command center with KPI tracking
- Create an Elastic Digital Workplace task force
- Reshape your marketing plan around new demand and brand purpose



Reset

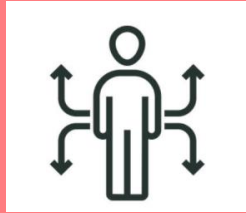
- Redefine relationships with consumers, customers and employees and reimagine your organization and ways of working
- Rethink and redefine relationships with ecosystem partners
- Reconsider your product and service portfolio



Renew

- Accelerate the move to an intelligent data-driven operating model
- Reprioritize enterprise investment plans for post-COVID era
- Scan market for M&A opportunities

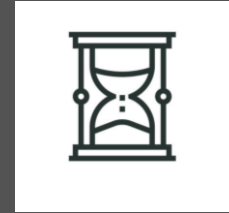
Looking Ahead



In response to a sudden public-health crisis, consumers are having to change how they live



Those changes are profoundly influencing their buying behavior, from what they buy to how they buy it



We have reason to believe certain fundamental shifts will have long-lasting effects



accelerating business growth