TAKING ACTION – THAILAND 4.0

Evolution of Thai industry

Thailand 1.0

Agriculture

Thailand 2.0

Light Industry

Thailand 3.0

Heavy Industry

We are caught in a trap of…

- Middle income country
- Income inequality
- Social imbalance

Escaping the middle-income trap

Thailand 1.0

Agriculture

Thailand 2.0

Light Industry

Thailand 3.0

Heavy Industry

Thailand 4.0

Creativity and Innovation

Towards Thailand 4.0

Stability

Move toward an **inclusive society** with an **equitable distribution** of the assets and productivity

Prosperity

Become a high-income nation by productive **growth engine** and **innovative-driven economy**

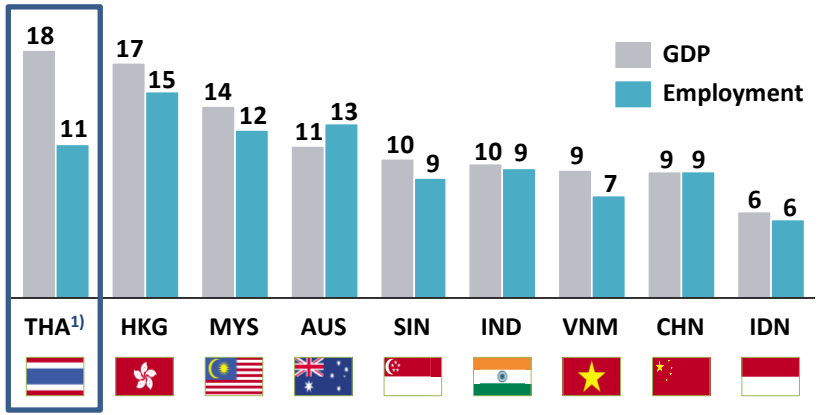
Sustain-ability

Focus upon **sustainable growth and development** between human and nature

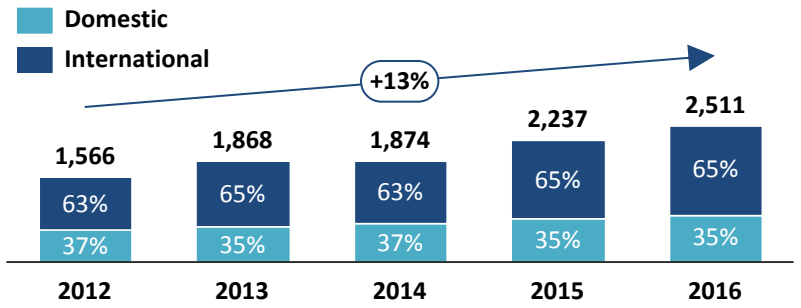
Thailand's Travel & Tourism

– The nation's key engine propelling social and economic growth

Tourism contribution to GDP & employment[1] [%, 2016]



Thailand's total tourism receipts [THB bn, 2012–2016]



Thailand **tourism is of great macroeconomic significance** compared to the region – both in terms of **GDP contribution** and **employment contribution**[1]

Tourism receipts of Thailand shows robust growth over the last 5 years - rebounding after small dip in 2014 and **expected healthy growth** toward 2030, led by international tourists

1) Data for Thailand from Thailand's Dept. of Tourism 2016, Others from WTTC: 17.7% in GDP calculated from 2.51 out of THB 15.12 trillion; 11.4% in Employment calculated from 4,230,00 out of 37,210,000 jobs in 2016

Source: Thailand's Department of Tourism; Thailand's Ministry of Tourism & Sports, Tourism Authority of Thailand, WTTC, Roland Berger

Thailand, a world-class MICE hub

Well equipped across the regions with hotels, venues and MICE facilities

The Queen Sirikit National Convention Center

Bangkok International Trade & Exhibition Centre (BITEC)

IMPACT Arena, Exhibition and Convention Center

Royal Paragon Hall

Bangkok

- > **107** MICE venues
- > **148** hotels with meeting facilities
- > **93,000** rooms

Chiang Mai

- > **21** MICE venues
- > **43** hotels with meeting facilities
- > **39,000** rooms

Chiang Mai International Convention and Exhibition Centre

Khon Kean

- > **8** MICE venues
- > **8** hotels with meeting facilities
- > **1,041** rooms

Khon Kaen International Convention and Exposition (KICE)

Pattaya

- > **68** MICE venues
- > **51** hotels with meeting facilities
- > **49,000** rooms

Pattaya Exhibition And Convention Hall (PEACH)

Phuket

- > **85** MICE venues
- > **74** hotels with meeting facilities
- > **40,000** rooms

Royal Phuket Marina

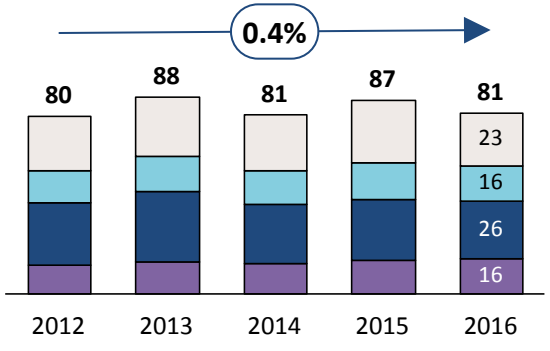
Note: Information as of January 2017
Source: Thailand's Convention & Exhibition Bureau

MICE as major contributor

Steady growth of MICE revenue in Thailand over the last 5 years

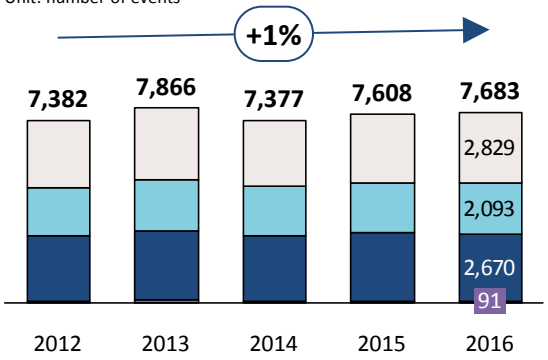
Revenue from Int'l MICE activities is slightly increasing

Unit: Billion Baht



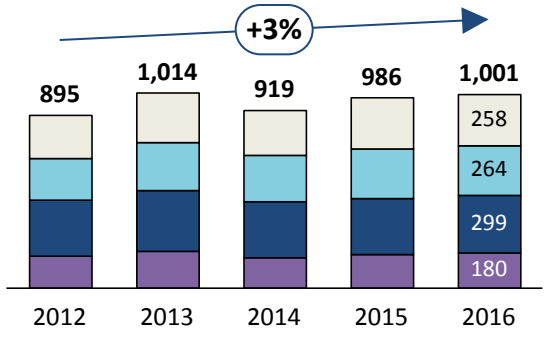
Number of Int'l MICE activities is on the rise

Unit: number of events



Number of int'l MICE visitors is increasing strongly

Unit: Thousand visitors



Meetings Incentives Conventions Exhibitions

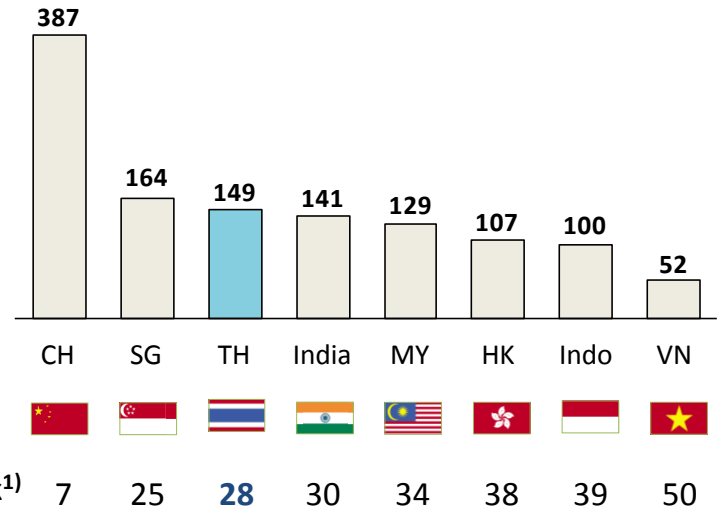
MICE has been a major contributor for Thailand's tourism industry in both total revenues and number of visitors, thanks to its high average spending per visitor ($458/day)

Note: average spending per MICE visitor was USD 505.6 in 2015 and USD 457.8 in 2016
Source: Thailand's Convention & Exhibition Bureau

…yet, competition is fierce

Strong MICE competition mainly from Singapore, Malaysia, India and China

Average number of international association meetings held annually [2014-2016]



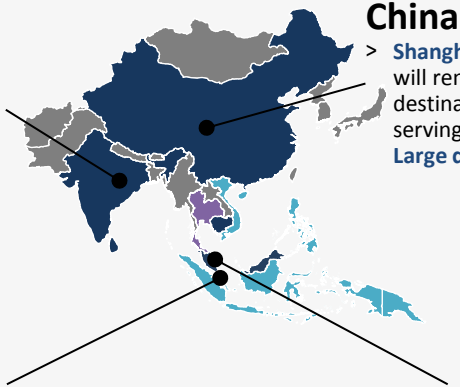
Key MICE focus in the region

India

> **Europe** as the key source markets with target on **Latin America** and **East European** countries

China

> **Shanghai and Beijing** will remain the top two destinations in China serving primarily its **Large domestic market**



Singapore

> Aim to be a **high-tech destination** and **Asia's MICE resource capital** in 5 years
> APAC will remain Singapore's main source market

Malaysia

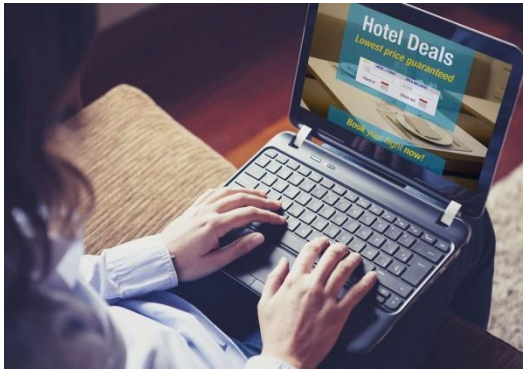
> Aim to be **top 5 Asia Pacific** destination for MICE
> Target **Western and APAC markets**

1) Out of 136 countries surveyed

Source: Thailand's Convention & Exhibition Bureau, press releases, World Economic Forum, Roland Berger analysis

With growing popularity, comes growing challenges

Concentration of corporate travelers in primary cities



Slow adaptation to the shift in corporate travelers' preferences to online & technology

Limited convenience and supporting / value-added infrastructure at destination

Taking action – Thailand 4.0

"Insights on Digitalization of Thailand Industry" – way forward for Tourism 4.0

An **in-depth study on the suitable digital technologies** to help drive 3 main industries of Thailand: Tourism, Healthcare, Agriculture **to the industry 4.0 for the betterment of Thai people**

- Launch date: 1 June 2017
- Chaired by:
  - M. of Science and Technology
  - M. of Digital Economy and Society
- Softcopy available for download

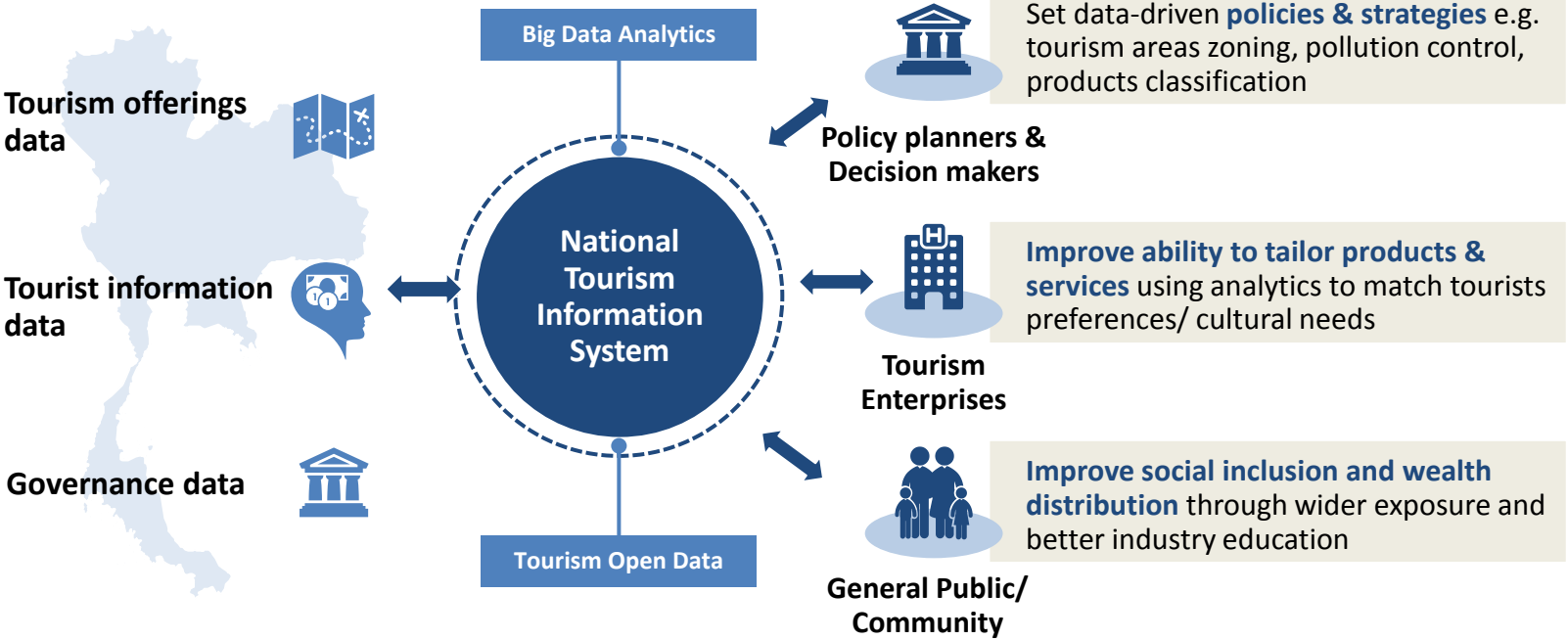
Digitization & Innovation are key

Relevant digital solutions / initiatives for MICE and tourism industry

1	2	3
Big Data "National Tourism Information System"	**Marketing 4.0** "National & Community Platform"	**IoT & Smart City** "Smart Tourism Destination"
Policy making and deriving insights	Attracting quality travelers	Enriching traveler experience

Big Data for National Tourism

Comprehensive nation-wide portal to collect, analyze, and distribute tourism information and insights to all stakeholders



Case Study 1: Global

Using Big Data and technology for MICE events

Background

> **Over 26 million participants** attending Conventions and Exhibitions in Thailand (2016)
> **Laborious registration process** / back office prep.
> **Limited interaction / low engagement** with attendees prior to and during the event
> **Lack of digital footprint and analytics** to identify leads for future marketing
> **Unable to quantify impact** of the events

Solution & Impact

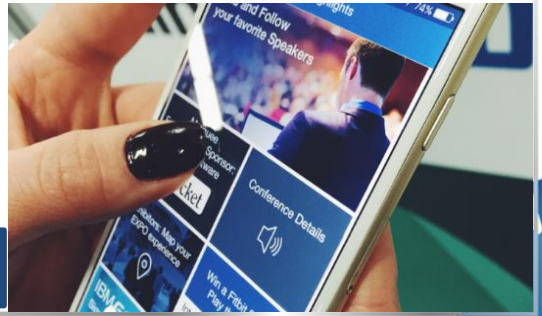
Automated & mobile / online friendly

> **Event registration:** simplified process, link to social media and personal calendar
> **Content management:** event details, agenda, speakers, document sharing platform
> **2-way attendee engagement:** crowd management, live interaction (pool, survey and Q&A), activity feed, direct messaging

Eventbrite
Pigeonhole Live
doubledutch
cvent
Happenn

Maximize event impact

> **Event analytics:** big data to identify insights, customized follow up action and targeted marketing campaigns



Thailand can use Big Data & technology to improve MICE experience & collect insights

(National) Tourism Marketing 4.0

Understand tourist business journeys to inspire potential MICE tourists to come to Thailand

1. Aware & Inspired

> Reach out to potential targeted tourists with the right message
> Be there at the right place where potential tourists are

2. Search & Plan

> Offer greatest ease to search and plan for trip in Thailand
> From transportation to accommodation to traveling around Thailand

5. Revisit & Long-stay

4. Review & Advocate

3. Commute & Experience

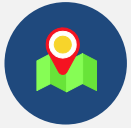
(National) Tourism Marketing 4.0

Anticipate and respond to changes in travelers' demands and expectations by providing personalized and effective tourism information

Aware & Inspired

Tailored & experiential digital marketing

- Targeted tourist group marketing
- Targeted ads placement
- Time-specific ads placement
- Multi-channel marketing



Search & Plan

National online information portal for trip planning

- Real-time and Convenient
- Simple and User-friendly
- Predictive and Personalized
- Device-compatible and Mobile-optimized

Case Study 2: Great Britain

Tailored Digital Marketing to attract Chinese tourists

Background

> China is currently the **world's largest outbound tourism market**
> In Britain, there were **270,000 Chinese visitors** in 2015 spending > **GBP 580 million**
> **'GREAT China Welcome'** is VisitBritain's initiative to make Britain the most welcoming destination in Europe for Chinese visitors

Solution & Key Success Factor

GREAT China Welcome

> Aim of attracting **650,000 Chinese visitors**; target **spending of GBP 1.1 bn by 2020**
> Chinese visitors will be able to identify hotels, attractions, retailers and tour operators that are **'China-ready'** in terms of providing information in Mandarin and adapting their products for the Chinese market and culture
> Over 100 businesses have already signed up to the charter, incl. Harrods, British Airways

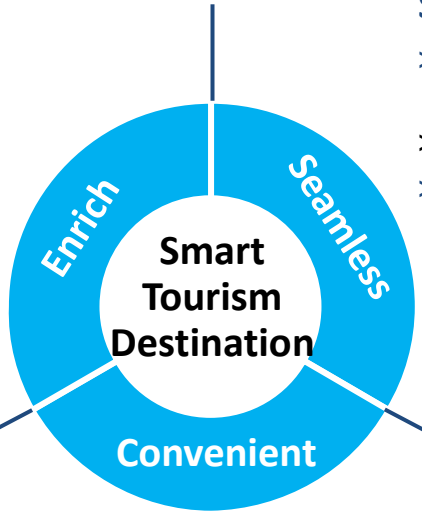
Key Success Factor

> **Involvement in Chinese social media** was a key success factor, with the dedicated web portal "visitbritain.cn" reaching 400,000 users in 1 year.
> **Search Engine Optimization used on Baidu**

Thailand can use targeted, specially developed digital campaigns to attract more MICEs

Smart Tourism Destination

Leverage and embed technology along all touchpoints of a destination



Enhanced Experience

> **Enrich experience** with more information
> Improve satisfaction with more activities
> **Strengthen overall industry** by attract repeat traveler

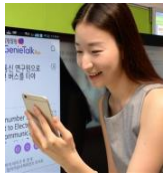
Smart touchscreen wall

Virtual Reality

Seamless Mobility

> **Connect** visitors to the local and one another with real time translation app
> Improved nation-wide **navigation** system
> **Improved convenience and flexibility** throughout the stay

Integrated transport app



Translation app

Convenient Payment

> **Increase spending** with more convenient payment system
> Allow attractions to develop **more chargeable activities**

Digital payment options incl. NFC

Case Study 3: South Korea

Using Technology to break the language barrier

Background

> Korea is looking to be the **host of 2018 Winter Olympic and Paralympics Games**

> More than **80,000 athletes and participants** from **over 100 countries** are expected

> The game is **aimed to be the first language barrier free sport event in the world**

Solution & Impact

Real time translation application

> Smartphone application developed under collaboration of Korean authorities will be able to **translate 8 different languages**

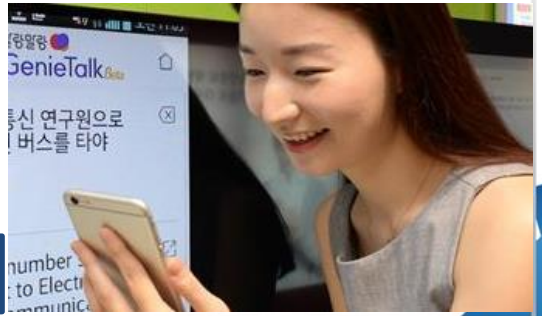
> Application will be **available over 3 platforms**[1)] that can **function with or without internet connection**

> The system has been **tested in 2014 Incheon Asian Games with great success**

Impact

> **Seamless and real-time communication** among international visitors

> **Greater engagement** with international visitors in the event

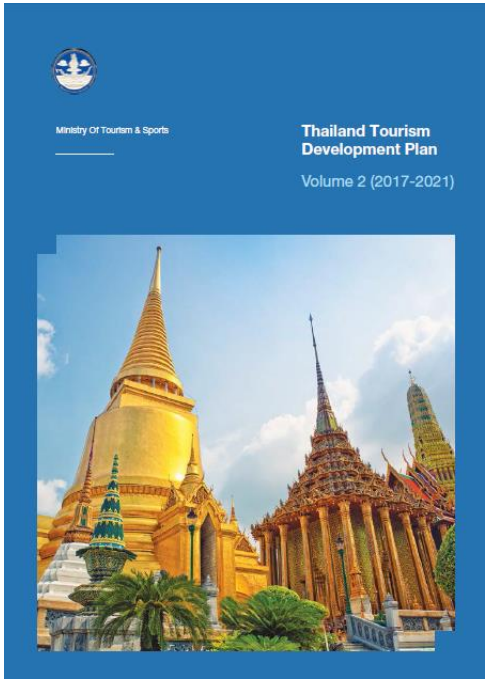


MICE industry can apply translation technology to embrace international visitors

1) Smart phone app, device attached to the phone and standalone device

Alignment with Tourism master plan

Digital solutions highlighted in the 2nd National Tourism Development Plan (2017-2021)



5 Pillars of Thailand's Tourism Master Plan

- **Development of tourism attractions, products and services** including the encouragement of sustainability, environmental friendly, and Thainess integrity of attractions
- **Development and improvement of supporting infrastructure and amenities** without inflicting negative impact to the local communities and environment impact
- **Development of tourism human capital's potential** and the development of tourism consciousness among Thai citizens
- Creation of balance between tourist target groups through **targeted marketing that embraces Thainess and creation of confidence** among tourists
- **Organization of collaboration and integration among public sectors, private sectors and public** in tourism development and management including int'l cooperation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THANK YOU