



**MARKET ANALYSIS TOWARD ONLINE PAYMENT
PLATFORM IN THAILAND**

BY

MR. SAKPON GUNLAYATUVANON

**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF SCIENCE PROGRAM IN MARKETING
(INTERNATIONAL PROGRAM)
FACULTY OF COMMERCE AND ACCOUNTANCY
THAMMASAT UNIVERSITY
ACADEMIC YEAR 2017
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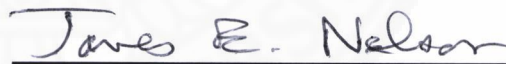
ENTITLED

MARKET ANALYSIS TOWARD ONLINE PAYMENT PLATFORM
IN THAILAND

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on..... 10 MAY 2018

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ABSTRACT

Thailand is ranked as seventh out of ten Asian countries in Asian FinTech Competitiveness Index. Thailand scores high in terms of regulatory advancement, Thai regulators offer a regulatory sandbox for testing and learning new features and services. They have forged international FinTech collaboration between the Bank of Thailand and the Monetary Authority of Singapore.

The Thailand 4.0 policy lays out a solid foundation for the country's financial technology (FinTech) development. Thailand has the potential to leapfrog its early-stage digital banking services into integrated digital commerce or value-added FinTech services, such as fast and convenient cross-border transfers and real-time consumer purchases. Bank and FinTech startups are increasing their capability of bringing new services to the market whereby transaction data is analysed from their

customer including customer profiles and behaviours. FinTech, including online payment platform, has the potential to stimulate innovation across other adjacent industries such as commerce and healthcare. Besides, an increase of online payment platform adoption in Thailand would enable FinTech startups in Thailand, not only to enhance the number of products and services available to existing customers, but to serve the country's unbanked consumers as well.

This independent study of "Market analysis toward online payment platform in Thailand market" was selected as a contemporary topic in Applied Marketing to understand customers' behaviour towards online payment platform and to identify the factors that influence customers to try and use online payment platform. To achieve objectives, both exploratory and qualitative researches were conducted. The sampling of the research was selected as non-probability sampling due to the convenience of the data collected. Secondary research was first gathered online and from local libraries. The data from in-depth interviews was collected as primary data to develop conclusion and recommendation.

From a managerial perspective, this study could help to provide better understanding of Thai consumer perception toward online payment platform and recognise crucial factors including features and marketing strategies impacted upon the adoption of online payment platform in Thailand's market. The result of this study could be utilized to improve consumers' online payment experience in order to leverage online payment ecosystem in Thailand.

Keywords: Online payment platform, Digital payment, Digital banking

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TABLE OF CONTENTS

	Page
ABSTRACT	(1)
ACKNOWLEDGEMENTS	(3)
LIST OF TABLES	(9)
LIST OF FIGURES	(10)
CHAPTER 1 INTRODUCTION	1
1.1 Introduction and research purpose	1
1.2 Objectives	2
1.3 Project scope	3
CHAPTER 2 REVIEW OF LITERATURE	5
2.1 Review of National e-payment leading Thailand become cashless society	5
2.2 Review of The current behavior of Thai people on online payment.	5
2.3 Review of Future of payment	6
2.4 Review of National e-Payment economy	6
2.5 Review of Top 10 Fintech Companies Thailand	8
2.6 Review of Payment Gateways in Thailand in 2017	10
2.7 Review of Payment system report 2015	11

2.8 Review of E-Commerce Landscape 2017	12
2.9 Review of Thailand's national e-payment system	13
CHAPTER 3 RESEARCH METHODOLOGY	15
3.1 Research design	15
3.1.1 Primary research: qualitative research	15
3.1.1.1 Supplier side	15
3.1.1.2 Customer side	15
3.1.2 Secondary research: exploratory research	15
3.2 Identification of key research variables	16
3.2.1 Dependent variables	16
3.2.2 Independent variables	16
3.3 Target population	17
3.4 Sampling Procedure	17
3.4.1 User side	17
3.4.2 Supplier side	17
3.5 Data collection plan	18
3.6 Data analysis plan	19
CHAPTER 4 RESULTS AND DISCUSSION	20
4.1 Key Findings from secondary research	20
4.1.1 Local-bank payment platform	20
4.1.2 FinTech startup payment platform	20
4.2 Key Findings from primary research	21

4.2.1 Respondents' demographic profile	21
4.2.2 Respondent's criterion and category	21
4.2.2.1 Product type	21
4.2.2.2 Product adoption	22
4.2.2.3 Product usage	22
4.2.3 Result of respondent by Demographic	22
4.2.3.1 Age	22
4.2.3.2 Education	23
4.2.3.3 Income	23
4.2.3.4 Occupation	24
4.2.4 Result of respondent by Behaviour	24
4.2.4.1 Product usage and product type	24
4.2.4.2 Product adoption	28
4.2.4.3 The feature(s) that consumers currently use in online payment platform	28
4.2.4.4 The feature(s) that consumers expect from online payment platform in customer's point of view	30
4.2.4.5 The benefit or value gained from online payment platforms comparing to the other payment channels	32
4.2.4.6 The marketing campaign or advertising that influences consumer to try or use online payment platforms	32
4.2.5. In-depth interview with leading payment platforms in Thailand	34
4.2.5.1 The feature(s) that consumer currently uses in online payment platform	34
4.5.2.2 Current marketing strategy of each payment platform	35

4.5.2.3 The key desired feature(s) in the payment platform that customer expect by comparing to the existing feature and their roadmap in online payment platform	39
4.5.2.4 Upcoming feature(s) which banks and local FinTech startups are going to implement in very near future	40
CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS	42
5.1 Conclusion	42
5.1.1 Perception toward online payment platform	42
5.1.2 The key feature affecting adoption of online payment platform	42
5.1.3 The key marketing campaign which influences consumer to try and use online payment platforms	43
5.1.4 The characteristics of potential online payment platform users	44
5.2 Recommendations	44
5.2.1 Strategy planning for feature and service which are available on platform	45
5.2.2 Communicating and educating customer on the benefit gaining from the platform	45
5.2.3 Implementing sales promotion aggressively	46
5.2.4 Expanding partnership program immensely	46
5.3 Limitation of study	47
5.3.1 Demographic	47
5.3.2 Time	47
5.3.3 Type of customer	47
5.4 Further studies	47
5.4.1 Primary research on online payment platform	47

5.4.2 Qualitative research on supplier internationally	47
REFERENCE	48
APPENDICES	50
APPENDIX A IN-DEPTH INTERVIEW QUESTIONS GUIDE	51
APPENDIX B SUMMARY OF RESPONDANT PROFILE	53
APPENDIX C ADDITIONAL INFORMATION	55
BIOGRAPHY	61



LIST OF TABLES

Tables	Page
4.1 Respondent age	22
4.2 Respondent education	23
4.3 Respondent income	23
4.4 Respondent occupation	24
4.5 Product usage of respondent	25
4.6 Product life cycle	28
4.7 The feature that respondent currently uses	29
4.8 Desired feature of respondent	30
4.9 The benefit of online payment platform	32
4.10 The marketing strategy of online payment platform from customer aspect	33
4.11 Online payment platform working team	34
4.12 Top frequent feature of each online payment platform	34
4.13 The current marketing strategy of each online payment platform	35
4.14 The key desired feature comparing to payment platform roadmap	39
4.15 Upcoming feature(s) of each online payment platform	40
5.1 The comparison of marketing strategies in term of platform and customer aspect.	43

LIST OF FIGURES

Figures	Page
2.1 Use of e-payment in Thailand	11
2.2 e-Payment growth rate by volume	12
2.3 Payment & e-wallet landscape	13



CHAPTER 1

INTRODUCTION

1.1 Introduction and research purpose

There are almost 6 out of 10 Thai people would prefer to pay with electronic or online payment (Thailand Thumbsup, 2017), especially mobile payment rather than cash or traditional payment since 2016. Furthermore, the value of online payment or ePayment in Thailand captures roughly 327,733 billion THB (Bank of Thailand, 2017) which is the highest value of all payment channels. In addition, it is the largest proportion among payment channels including payment via ATMs, counter services and convenience stores which are mainly paid by using cash. Moreover, the value has dramatically grown around 15 percent yearly since 2015. On the supply side, payment platforms are also increasing sharply from 2015 as well. Apart from that, Thai government has fully supported and encouraged Thai people to use online payment platforms. Therefore, they launched Thai standard payment platform since 2016 as a part of Thailand 4.0 roadmap. There are two main categories in Thai market which are local banking players and FinTech startup players (both local and global). In this study, we are focusing on key players in Thailand with respective categories as follows. Firstly, local banking players which are Kasikornbank (KBank), Siam commercial Bank (SCB). Second, FinTech startup players which are Rabbit LINE pay and Airpay. To identify opportunities and challenges of FinTech, the Ministry of Finance has been at the forefront of promoting an integrated system for national electronic payment in Thailand. This particular initiative is called “National E-

Payment Master Plan.” This initiative will help to create a conducive environment for digital economy to flourish in Thailand.

In summary, this National E-Payment Master Plan contributes positively to the development along the line of both Thailand 4.0 growth model and the digital economy. Hence, the objectives of this study are to investigate factors leading Thai consumers to try and use online payment application, and find key success features and services affecting the adoption of online payment platform. From a managerial perspective, this study could help businesses to better understand Thai consumer perception toward online payment platforms and recognise what critical factors affecting the adoption of online payment platform. The result of this study could be utilized to improve consumer payment experience in order to expand target markets

1.2 Objectives

This research had been conducted to understand Thai consumer insight about the current online payment platform in Thailand. In order to provide useful findings for marketing managers to better understand the critical factors that affect the adoption of online payment platform and be able to develop new payment experiences for their customers. The study of Thai consumer perceptions toward online payment platforms is relevant to the subject area of technology. The research investigated a contemporary topic in Applied Marketing. The goal of this research is to study the market analysis of online payment platform in Thailand and related topics. The research objectives are identified as follows:

- To explore who are current key players of the online payment platform in Thailand's market, both in banking and FinTech industry
- To understand what benefits gained from online payment platforms are offering on customer perspective.
- To identify and evaluate the key existing feature(s) that influences customers to try and use online payment platforms in daily life.
- To discover the key desired feature(s) on the payment platform that customers expect from online payment platforms.
- To assess the effective marketing activity to expose and influence to the target customer.

1.3 Project scope

The online payment platform in this study focuses on the leading payment platform in Thailand that allows users to make payments with merchants. Data sources in this study are exploratory and qualitative researches. The qualitative research was conducted by in-depth interview techniques with both user and supplier sides which are online payment platform working teams. The key variables of this study are: (1) demographics—age, gender, level of income and occupation; (2) behaviours—perception and adoption toward online payment platforms in Thailand; and payment behaviours and which feature or service they are using nowadays. Questions resulted from this study would answer: (1) What is the feature(s) consumers currently use in online payment platforms? (2) What is the feature(s) consumers expect from online payment platforms in customers' point of view? (3) What is the benefit or value

gained from online payment platforms comparing to other payment channels? and (4) What is the marketing campaign or advertisement that influences consumers to try or use online payment platforms?



CHAPTER 2

REVIEW OF LITERATURE

2.1 Review of National e-payment

According to (ForbsThailand, 2016). In 2016, Thailand launched the first national payment standard named “Prompt Pay” as the first step to begin “Cashless Society”. The trend of online payment is growing dramatically. There are 7.4 billion Thai baht (THB) spent via online payment channels. On the other hand, the volume usage on ATMs and branches is declining within the last two years. Thai E-Payment Master Plan is the ultimate goal of Thai government by building strong digital infrastructure. The proposed study will demonstrate one of the ways that Thai government builds the digital infrastructure and creates more understanding on the factors bringing about the “Cashless society” in Thailand.

2.2 Review of The current behavior of Thai people in online payment

Thai people are used to pay online by biometrics authentication, such as Face ID/Touch ID, which is currently increasing to 75 percent (Thailand Thumbsup, 2017). The three key players that have an influence on Thai people in using online payment are: transportation, food delivery, and hotel booking. Thai people are not concerned much about security and hence they are willing to make payments online. The proposed study will leverage more on cases that Thai people mainly make their payments via online payment platforms. Moreover, we would like to identify what the key main concern on online payment platform is.

2.3 Review of Future of payment

According to (Bank of Thailand, Future of payment, 2016), the three key eras of digital finance technology are bitcoins, blockchains and mobile payments. The changing Financial landscape are due to these two factors: FinTech startups and bank business models. There are 4 milestones that the Bank of Thailand planned for Thailand's financial landscape which are: (1) digitization—adding value by shifting traditional ways to online; (2) Access-allowing Thai people to access the created value; (3) Connect-integrating financial startups with the public fund and private sector investment; and (4) Enabler—leveraging Thai FinTech startup players to join and be internationalized rather than limiting themselves to Thailand. The proposed study will display FinTech players in Thailand and how Thai people adopt a digital-like online payment platform which plays an important role in FinTech era nowadays.

2.4 Review of National e-Payment: opening doors to Thailand 4.0 and digital economy

According to (Techbullion.com, 2017), a recent technological progress has made technology an inseparable part of our lives. Disruptive technologies have been integrated into financial systems resulting in various innovative financial products. Financial technology or “FinTech” will transform financial landscapes and financial services in Thailand. Financial transactions will be shifted from traditional cash-based payments to electronic payments. The dramatic shift toward “cashless society” is to be witnessed in the coming years. Dr. Somchai Sujjapongse, Permanent Secretary in the

Ministry of Finance, said in order to address opportunities and challenges of FinTech, the Ministry of Finance has been at the forefront of promoting an integrated system for national electronic payment in Thailand. This particular initiative is called “National e-Payment Master Plan” which will help create a conducive environment for digital economy to flourish in Thailand. This master plan comprises 4 main schemes as follows. First, PromptPay scheme which aims to facilitate financial transactions and reduce cost of fund transfers. Under this new scheme, national identification and mobile phone numbers can be used as fund transfer code. The next step is PromptPay system for fund transfers by institutions and corporations. Second, debit card usage expansion scheme that aims to promote usage of debit cards instead of cash. This program will facilitate more shops and vendors to have Electronic Data Capture (EDC) machines required to accept payments through debit cards. Third, e-Tax system aims to create an integrated electronic tax system. During the initial phase of this scheme, the government is reforming rules and regulations to enable an electronic submission of tax documents, particularly e-Tax invoice and e-Receipt. In the near future, tax refunds can also be processed through PromptPay system which will be faster and more convenient comparing to the traditional method of paying through cheque. Later, other types of taxes will gradually be moved to electronic platforms. Ideally, each taxpayer should ultimately have a tax account in which tax payments and refunds could be debited and credited, as well as settled payments in this individual account. Fourth, social welfare e-Payment system aims to upgrade government’s financial transactions from traditional cash method to electronic form. The government is upgrading its payment system so that social welfare payments will be made through

electronic means. In sum, Dr. Sujjapongse assured this “National E-Payment Master Plan” contributes positively to the development along the line of both Thailand 4.0 growth model and digital economy policy. Economic activities could be processed faster and safer at a lower cost. National competitiveness will be improved and the overall economic environment of the country will be more conducive to growth in this digital era for Thailand. The proposed research indicates the current player in the online payment platform and explores competitive features that meet real customer needs.

2.5 Review of Top 10 Fintech Companies Thailand

Based on the latest United Nations estimates, the current population of Thailand is over 68 million (National e-Payment, 2017). Out of the total population, more than 28 million are social media users and over 29 million are internet users. The country also boasts about 84.8 million mobile cellular subscriptions. This data clearly provides a good opportunity for FinTech ventures such as e-payment system and mobile money. According to Statista, the transaction value in the FinTech market amounted to 9,083 million US dollars in 2017. Ten popular FinTech companies in Thailand that maintain a significant percentage of the industry’s market share are

- Piggipo is a popular finance management mobile application that enables users to manage their budget and credit cards in a unified platform. In 2014, there were about 35,000 users in its Android platform. Currently, there are around 100,000 downloads on the Google Play Store for this mobile application.

- StockRadars is a professional trading platform that lists high-profile stocks from stock markets in Asia, presenting complex statistics in a simplistic and easy-to-use design. The startup currently covers public markets in Singapore and Thailand, where it claims 150,000 users.
- PeakEngine is a leading startup that provides an easy-to-use online accounting software that helps business owners to prepare accounting and tax documents automatically.
- FlowAccount provides an easy cloud-based accounting system, customized for small businesses in Thailand. In 2015, the company had over 3,000 registrations. Its accounting system is used widely by the country's local merchants and businesses.
- Finnomena is a rapidly growing enterprise whose mission is to unlock individuals' investment potential.
- Jitta, launched in 2014, is a value investing platform that simplifies financial analysis for financial advisors and individual investors. The platform provides actionable advices to help users streamline their decision-making and generate good returns.
- Omise is a leading online payment gateway that offers a wide range of processing solutions for any business needs. The company's aim is to offer the best online payment experience that works well on both mobile and website. Last year, the company raised a 17.5-million-US-dollar series B round to expand its business across Southeast Asia.
- SETScope offers a daily analysis of the entire stock market to bring out the best quality stocks. The company claims that 80 percent of their stock recommendations

have outperformed the index, resulting in a 26-percent capital gain return. The company has more than 52,000 users in Thailand.

2.6 Review of Payment Gateways in Thailand in 2017

According to (Analyzo.com, 2017), each payment solution is listed along with transaction fees, set up costs, maintenance requirements, recurring payment supports, developer libraries and more. Consumers can use filters on the left to narrow down on services based on their requirements. A payment gateway is a payment solution for websites and mobile applications. It enables websites to charge credit cards. “Analyzo” has listed the best payment gateways specifically for Thai market for consumers to choose based on their requirements which are

- Thaipay offers a simple yet an efficient system for accepting payments online. It accepts payments via credit cards. It is quick and easy to install and is highly customisable. System Control Panel provides a summary of all revenues.
- PayPal is an international digital wallet-based e-commerce business allowing payments and money transfers to be made through the internet. PayPal operates in 203 countries, over 152 million active registered accounts. It allows customers to send, receive and hold funds in 26 currencies worldwide.
- SiamPay is a subsidiary of AsiaPay, paying via credit cards, internet banking, cash, or PayPal and connecting seamlessly with online payments via mobile phones or call centers. Page Transaction Manager offers support for multiple languages. There are a wide range of currency selections.

2.7 Review of Payment system report 2015

According to (Bank of Thailand, Payment system report, 2015), Bank of Thailand shares the use of e-Payment. First is e-Money which is e-Wallet, for instance. The Second and third are card payments and fund transfers as shown in the following figure.

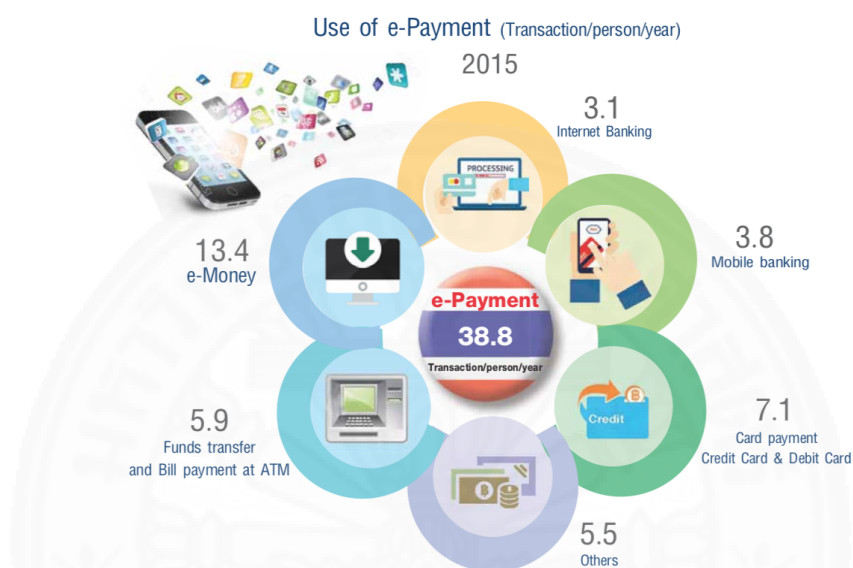


Figure 2.1 use of e-payment in Thailand

The following figure demonstrates that the growth rate of mobile banking is the highest, followed by debit cards (shopping and payment) and e-Wallet / e-Money such as True Money and Rabbit LINE pay (See Appendix C: additional information)

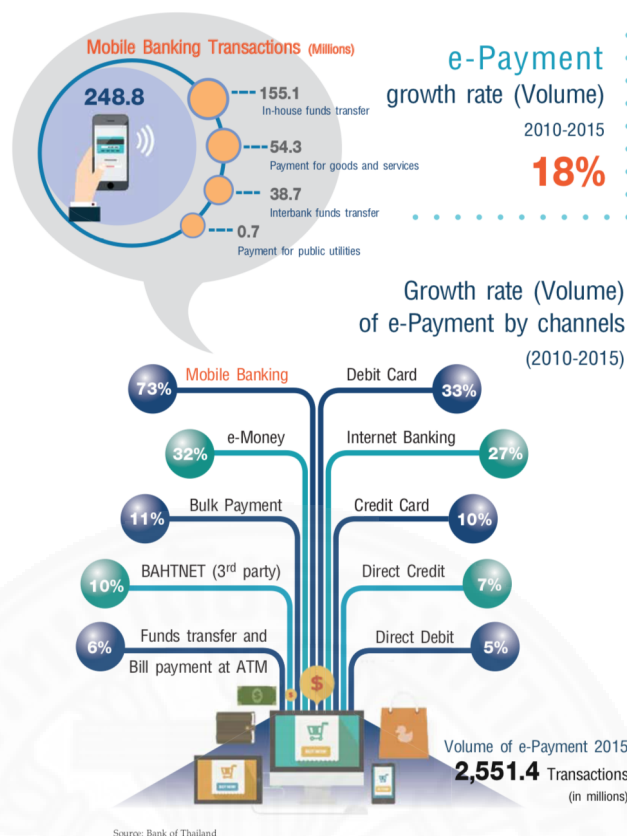


Figure 2.2 e-Payment growth rate by volume

2.8 Review of E-Commerce Landscape 2017

(Businessinsider, 2017) conducted research about FinTech competition which is quite competitive since there are many players in this area. Outstanding global startups are Omise and OmiseGo which are in the blockchain industry. Moreover, it acquired Paysbay who is one of the most largest payment gateway in Thailand. Alipay is a partner of TrueMoney or True-wallet with the aim of having offline and online payment points up to at least 100,000 points. The proposed study will help to identify and understand the online payment player in the market.



Figure 2.3 Payment & e-wallet landscape

2.9 Review of Thailand's national e-payment system should bolster e-commerce,

According to (Techsauce, 2017), Thailand is set to launch a government-sponsored e-payment system this fall, and experts believe it will propel the country's e-commerce industry. The national e-payment system will be deployed in two phases with the goal of transforming the country into the cashless society. The first phase will involve launching an electronic money transfer service at all major Thai banks called PromptPay for peer-to-peer transfers, while the second phase will allow electronic payments for goods and services, personal income tax returns, as well as subsidies and welfare services, according to the Bangkok Post. There are an estimated 11-million online consumers in Thailand, noted Sebastien Lamy, a partner at Bain & Company. The country's entire e-commerce market is expected to have reached 58.4 billion US dollars in 2015, a 3.65-percent year-over-year (YoY) increase, according to Thai government's Electronics Transactions Development Agency (EDTA). Furthermore, Lamy predicts the number of online consumers in Thailand to double

within the next three to five years, spurred on by the country's push to go cashless and invest in the digital economy. The national e-payment system will have a huge impact on social commerce in Thailand. Thai shoppers are already high on the list of consumers who purchase directly through social media. A survey from PwC finding that 51 percent of online consumers in Thailand have purchased via social media. Shifting toward the cashless model, more global companies may try to develop their social media presence in Thailand to increase online sales. This study would be a useful research to provide an overview of the online payment ecosystem in Thailand.

Summary of the literature

As the summary of the literature: customer perceived value, customer behavior, product life cycle and product adoption were applied as a framework to understand the behavior and perception toward online payment platforms. Likewise, it is used as guideline for defining the factors that lead to the adoption of online payment platform.

The literature review provides an overview of the online payment platform with different frameworks that had been used to study online payment platforms, and was used to develop the research methodology for this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research design

In order to identify the key effective factor(s) and feature(s) of online payments platform appeal in terms of persuasiveness and understanding the attitude towards the target audience, as well as obtaining insightful information, the study requires both exploratory and descriptive researches to be complimented as follow,

3.1.1 Primary research: qualitative research,

3.1.1.1 Supplier side

In-depth interviews were conducted with the working team who is working for online payment platforms to gather registered users and active users on each platform, and key features or factors triggering target customers to try and become active users on their platform

3.1.1.2 Customer side

In-depth interviews with target customers who usually use online payment platforms to see the attribute that influence them to use the platform.

3.1.2 Secondary research: exploratory research,

The exploratory research was conducted on online journey and researchers to explore an overview of the market with the players who are potential key players. This research searches for the factor influencing customer to try and stay on the

platform. Furthermore, the marketing campaign and media channels that they are using nowadays and recently are to be searched as well.

3.2 Identification of key research variables

To explore key existing factors and desired functions which are influencing customers to try and use the online payment platform along with effective marketing activities. Consequently, they would register the platform and become active customers on such payment platform. As a result, there will be a leading way to make those payment platforms a leader of the market.

The dependent and independent variables that we apply for this research are as following list,

3.2.1 Dependent variables:

- Registered users

3.2.2 Independent variables:

- Key features which is offering on payment platform
- Marketing campaign or promotion
- Security
- Transfer time
- Transaction fee
- Accepted source of fund
- Support process
- System performance
- Channels such as Web-based

3.3 Target population

Regarding the customer side, collecting data from those who have experienced in online payment platforms, both light and heavy users. Light users are customers who have an online payment experience but are not a regular user. They would use around 1 - 2 times per month. On the other hand, heavy users are the ones who usually pay via online payment platforms at least once a week. These includes paying a utility bill or shopping online such as Lazada and 11street.

On the provider side, the data from product managers or people who are currently working for key players of online payment platforms in Thailand closely will be collected.

3.4 Sampling Procedure

Qualification of respondent for in-depth interview The qualification of the respondents are stated below:

3.4.1 User side

- They need to have an experience of online payment platform in Thailand at least one platform.
- They have an experience of the other channels to compare the experience and benefit with online payment platform.

3.4.2 Supplier side

- Work for online payment platform in Thailand at least 3 years.
- Aware of the roadmap and direction of their online payment platform.

- Ability to communicate related information and details of the online payment platform.

The interviews were conducted under the conditions below:

- Approximately 60 minutes per interview session
- Telephone and face-to-face interview were used, as requested by the respondents.
- If the face-to-face interview was used, it will take place at a convenient location as requested by respondents.

3.5 Data collection plan

In terms of frequency, All the information during December 2017 to March 2018 was collected due to the fact that this period of time is a peak time of online payment platforms in Thailand (multiple festivals are happening, including New Year festival and Songkran festival).

Regarding the screening process, Screening questions were used to classify between light and heavy users. Moreover, the screening question will include the category of the online payment platform that user is using. Consequently, the set of the questions was reviewed to understand the behaviour of each group depending on the online platform they are using.

For the display of information, the information from in-depth interviews was summarised and concluded into infographics—summary tables—to create a simple conclusion of this analysis. The report will be divided into user categories which are mentioned earlier and will clarify the research objective respectively.

3.6 Data analysis plan

With reference to the exploratory research, the background and the overview of the industry were gathered. Consequently, potential key players in the Thailand market, both in banks and FinTech startups will be identified by comparing the number of registered users to identify key findings and the interpretation of analysis according to research objectives.

According to the descriptive research, the qualitative research will be included in 15-20 in-depth interviews and both supplier side (who is working for an online payment platform) and customer side (who have an experience(s) with online payment platforms) will be interviewed. The interview is based on a one-on-one interview at the place wherever is convenient for the participant. On average, an interview took approximately a couple of hours. In addition, the question asking about the platform that comes to their mind when talking about online payments and following questions will be interpreted by exploring their desired factor(s) or feature(s) on individuals' payment behaviours. At the end of each interview, the interviewer gave compliments to the respondent.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Key Findings from secondary research

Industry overview

Thailand has an enormous diversity of innovative FinTech startups. They, along with traditional Thai banks, help to leverage the ecosystem of online payment platforms leading to new services and experiences to Thai consumers. Furthermore, Thai government has also encouraged the use of online payments, such as PromptPay and QR code payment, by kicking off the digital sandbox standard for further related FinTech initiatives and development.

There are two main categories in the online payment platform market in Thailand which are local banking players and FinTech startup players in Thailand. Key leading players in Thailand as the following list are focused by registered user measurement:

4.1.1 Local-bank payment platform:

- Kasikornbank (KBANK) - 4,200,000 registered users
- Siam Commercial Bank (SCB) - 4,000,000 registered users

4.1.2 FinTech startup payment platform:

- Rabbit LINE pay - 2,000,000 registered users
- Airpay - 1,400,000 registered users

4.2 Key Findings from primary research,

4.2.1 Respondents' demographic profile

The total number of 20 respondents met the qualifications of being online payment users and aware of mobile payment applications. The gender of all respondents is well distributed: 45 percent are male and 55 percent are female. All respondents, 30 percent are between 26 to 30 years old and 35 percent are between 31 to 25 years old. A large proportion of the respondents has the personal monthly income from 50,000 THB to 85,000 THB, which are classified to the upper middle class. For the highest education level, 30 percent obtain a bachelor's degree, following by 70 percent obtain a master's degree. All respondents live in Bangkok. All respondents have an experience of using online payments via either websites or smartphones. The respondents are classified as heavy and light users based on their behaviour of using online payment platforms, either of the local bank or the FinTech startup.

4.2.2 Respondent's criterion and category

In-depth interviews were conducted by face-to-face. All respondents own a bank account or a registered account of online payment platforms and are aware of online payment applications. 20 people are aligned with the following criteria:

4.2.2.1 Product type

- Local bank payment platform (KBank and SCB Bank)
- Fintech startup payment platform (Rabbit LINE pay and Airpay)

4.2.2.2 Product life cycle, there are two types of users as follows:

- Innovator and Early adopter, the customer who tries new features or services within 90 days
- Early majority, late majority and laggards, the customer who tries new features or services after 90 days

4.2.2.3 Product usage, there are two types of users which are as follows:

- Heavy user, the customer who uses payment platforms more than once a month.(for the last 3 months)
- Light user, the customer who uses payment platforms equal to once a month or less than.(for the last 3 months)

4.2.3 Result of respondent by Demographic

4.2.3.1 Age

Table 4.1 Respondent age

Age	Heavy user	Percentage
Less than 18 years old	0	0%
18-25 years old	2	10%
26-30 years old	6	30%
31-35 years old	7	35%
More than 35 years old	5	25%

Total	20	100%
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4.2.3.2 Education

Table 4.2 Respondent education

Education	Respondent	Percentage
High school	0	0%
Bachelor's degree	6	30%
Master's degree	14	70%
Doctoral degree	0	0%
Total	20	100%

4.2.3.3 Income

Table 4.3 Respondent income

Income	Respondent	Percentage
Less than 35,000 THB	3	15%
35,000-49,000 THB	5	25%
50,000-85,000 THB	7	35%
More than 85,000 THB	5	25%

Total	20	100%
-------	----	------

4.2.3.4 Occupation

Table 4.4 Respondent occupation

Occupation	Respondent	Percentage
Employee	14	70%
Entrepreneur	4	20%
Unemployed	1	5%
Other	1	5%
Total	20	100%

4.2.4 Result of respondent by Behaviour

4.2.4.1 Product usage and product type

Regarding the following table, 100 percent of respondents are heavy users of online payments from the local bank which are dramatically higher in numbers comparing to heavy users of tech startups which are only 18 percent. Furthermore, over 60 percent use both KBank and SCB online payment platforms heavily.

Table 4.5 Product usage of respondent

Payment platform user				
Respondent	Local Bank		Tech startup	
	KBank	SCB	Rabbit LINE	Airpay
Khun Rachavin/ Early adopter	Heavy user	Heavy user		Light user
Khun Vichai/ Innovator	Heavy user	Light user		Light user
Khun Chayanid/ Early adopter	Heavy user	Light user		
Khun Anyarin/ Late adopter	Heavy user	Heavy user	Heavy user	
Khun Pareena Late adopter	Heavy user	Heavy user	Light user	Heavy user
Khun Jakrit/ Early adopter	Heavy user	Heavy user		Light user
Khun Kanyarat/ Late adopter	Heavy user			
Khun	Heavy user			

Payment platform user				
Respondent	Local Bank		Tech startup	
	KBank	SCB	Rabbit LINE	Airpay
Watcharane/ Early adopter				
Khun Jeerapat/ Early adopter	Heavy user	Heavy user	Heavy user	
Khun Nantawan/ Late adopter	Heavy user	Heavy user		
Khun Somtanut/ Early adopter	Heavy user	Heavy user		
Khun Alin/ Early adopter	Heavy user	Heavy user		
Khun Akarawuth/ Late adopter	Heavy user	Heavy user		
Khun Supachai/ Late adopter	Light user	Heavy user		

Payment platform user				
Respondent	Local Bank		Tech startup	
	KBank	SCB	Rabbit LINE	Airpay
Khun Apirat/ Late adopter	Heavy user	Heavy user		
Khun Thanyarat/ Early adopter	Heavy user	Heavy user		
Khun Warunee/ Early adopter	Heavy user	Heavy user		
Khun Krit/ Early adopter	Heavy user	Heavy user	Heavy user	
Khun Thanyathorn/ Early adopter	Heavy user			
Khun Teerada/ Late adopter	Heavy user	Light user		

4.2.4.2 Product adoption,

Regarding the interview result, over 60 percent of respondents who are heavy users of online payments from local banks are innovators and early adopters. This means they are willing to try new services or features that are available on the platform. Likewise, 75 percent of heavy users of local FinTech startups are ready to try.

Table 4.6 Product life cycle

Product life cycle	Local bank Heavy user	Local bank Light user	Local startup Heavy user	Local startup Light user
Try within 90 days Innovator and Early adopter	12	2	2	3
Try after 90 days Early majority, late majority and laggards	8	1	1	1

Remark : Each respondent can be more than one type

4.2.4.3. The feature(s) that consumers currently use in online payment platform

According to the research result, 100 percent of heavy users in the local bank platform use online fund transfers, utility bill payments and account

inquiries as frequent features via online platforms, followed by prompt pay transfers and investment-related features.

Table 4.7 The feature that respondent currently uses

Feature	Respondent(s)	Percentage
Local bank (SCB, KBank)		
Online fund transfer	20	22%
Utility bill payment (Credit card, electricity bill)	20	22%
Account inquiry (Review saving and credit card balance)	20	22%
Prompt pay (Prompt pay transfer)	17	18%
Investment (Mutual fund, fx rate)	10	11%
Top-up (Mobile, Easypass)	5	5%
Total	92	100%
FinTech Startup (Rabbit LINE pay, Airpay)		
Movie ticket payment	15	64%
LINE Ads payment (LINE advertising fee payment)	3	12%
LINE sticker (LINE sticker purchase)	3	12%

Bill payment	3	12%
Total	24	100%

Remark : Each respondent can answer more than one feature per one person

4.2.4.4 The feature(s) that consumers expect from online payment platform in customer's point of view

The top 3 desired features are completely related to the prompt pay payment with LINE account, recurring payments and utility bill payments by using prompt pay which are not available in online payment platforms currently. The fourth and fifth desired features are related to personalized menu and personalized marketing offers.

Table 4.8 Desired feature of respondent

Feature(s)	Respondent(s)	Percentage
Prompt pay via LINE account (Transfer fund by using LINE account)	3	13%
Recurring payment via prompt pay account (Setting recurring transfer/payment with prompt pay account)	2	9%
Utility bill payment via prompt pay (Making utility bill payment via prompt pay account)	2	9%
User interface personalisation	2	9%

Feature(s)	Respondent(s)	Percentage
(Personalise their own feature and user interface in online payment platform)		
Special offer by location	2	9%
QR code payment via credit card as source of fund (Merchant payment by using QR code)	1	5%
Virtual wallet on saving account (Managing their fund within single saving account)	1	5%
ATM cardless (withdraw money without card at ATM)	1	5%
Request to pay (Sending the SMS or link to get fund from destination)	1	5%
Insurance monitoring	1	5%
Nothing to add	6	26%
Total	22	100%

Remark : Each respondent can answer more than one feature per one person

4.2.4.5 The benefit or value gained from online payment platforms comparing to the other payment channels?

Apparently, most of the respondents mentioned that the factors that influence them to try and use online payment platforms are convenience, followed by the transaction time which is less than other channels and the social status/trend since everyone starts using online payment platforms.

Table 4.9 The benefit of online payment platform

Factor(s)	Respondent(s)	Percentage
Convenience	20	25%
Transaction time	20	25%
Social status/trendy	14	17%
Security	12	15%
Transaction fee	10	12%
Transaction traceability	3	3%
Total	79	100%

Remark : Each respondent can answer more than one factor per one person

4.2.4.6 The marketing campaign or advertising that influences consumer to try or use online payment platforms?

The most effective marketing campaign is awareness communication, especially in online payment platforms and its features. Besides, sales promotion is

considered as an important marketing strategy influencing customer to try and use payment platforms. Furthermore, payment platforms need to ensure that they have a wide merchant network support facilitating customers to pay any bills or merchants that they want.

Table 4.10 The marketing strategy of online payment platform from customer aspect





Strategy(s)	Respondent(s)	Percentage
Awareness communication	15	33%
Sale promotion	12	26%
Merchant network support	8	17%
Educational communication	8	17%
Partnership program (Get discounts on partner's site)	3	7%
Total	46	100%

Remark : Each respondent can answer more than one strategy per one person

4.2.5 In-depth interview with leading payment platforms in Thailand

which are KBank, SCB, Rabbit LINE pay and Airpay.

Table 4.11 Online payment platform working team

Working team of payment platform in Thailand				
Platform				
Position	Vice President SCB Bank	Vice president Kasikorn Business Technology Group	Operation Head Rabbit LINE Pay	Country Manager Airpay Thailand

4.2.5.1 The feature(s) that consumer currently uses in online payment platform

Top frequent features or services that customers usually use in each of platform are summarized in the following features.

Table 4.12 Top frequent features on each online payment platform

Feature
Account inquiry
Online fund transfer
Utility bill payment (credit card, electricity bill)


Prompt pay transfer
Loan Booking
Others (loyalty program, reward redemption)
Game card/gift card top-up
Movie ticket purchase(Major, SF Cinema)
LINE Sticker purchase
LINE Advertising fee payment
Utility bill payment
Merchant payment
Online fund transfer


4.5.2.2 Current marketing strategy of each payment platform


There are several marketing strategies that online payment platforms currently use. All of the strategies help platforms increase the number of their registered users from existing customers and acquire users from other platforms.

Table 4.13 The current marketing strategy of each online payment platform

Strategy	implementation	Target group
	 SCB ไทยพาณิชย์	
Feature/	Revamping a whole mobile banking experience	SCB existing

Strategy	implementation	Target group
Engagement	by enhancing new features such as allowing customers to book a movie ticket on SCB mobile application.	customers.
Marketing campaign/ Awareness	Establishing new campaigns and publishing “SCB will be everything for you” across offline and online media.	Both SCB existing customers and non-customers.
Marketing/ communication	Introducing “EASY Buddy” program to be an assistance by helping SCB customers who are over 50 years old and have never had online experiences to try SCB online banking.	SCB existing customers
Sales Promotion/ Engagement	Increasing the number of partners such as JOOX, the biggest music streaming in Thailand, to provide sales promotion to JOOX customers who is also a SCB customer.	SCB existing customers
		
Feature/ Engagement	Introducing “Quick pay” to facilitate customer in have a shortcut of the most frequent feature	KBank existing customers.

Strategy	implementation	Target group
	such as online transfer and prompt pay transfer.	
Feature/ Engagement	Launching “eLending” feature which allows the bank to provide loans to customers based on data analytics and online behaviours.	KBank existing customers.
Feature/ Engagement	Launching a new campaign called “KPlus is the lifestyle platform” to encourage young people to try and use their mobile banking more often.	KBank existing customers.
Marketing campaign/ Communication	Launching a new campaign called “KPlus is the lifestyle platform” to encourage young people to try and use their mobile banking more often.	Both KBank existing customers and non-customers.
Sales promotion/ Engagement	Allowing customers to pay for their utility bills without fees in short period of time (3 months) to increase their active users.	KBank existing customers.
		
Feature/ Engagement	Revamping their LINE pay mobile application by making more friendly with a new user interface and experience.	LINE pay existing customers

Strategy	implementation	Target group
Merchant network/ Engagement and awareness	Increasing their merchant network such as online/offline bookstores and shopping malls by having them accept rabbit LINE pay customers.	Both LINE pay existing customers and non-customers.
Sales promotion/ Engagement	Offering LINE customers a sales promotion such as 10-percent discount for those who use other LINE services such as LINE store or LINE advertising.	LINE pay existing customers
		
Sales promotion/ Engagement	Offering a sales promotion to customers who pay for other Garena services and its marketplace. Strengthening partnership with SF and Major Cineplex who are the leader of Thailand's cinema industry to have them offer exclusive discounts to Airpay customers.	AirPay existing customers
Partnership program/ Engagement	Facilitating SMEs who sell their products on Shopee which is their marketplace in both online and offline by allowing for no transaction fees.	Both of AirPay existing customers and non-customers.

Strategy	implementation	Target group
Feature, Engagement	Focusing on eWallet feature by introducing “Airpay card” which customers can use as debit and credit cards to shop online and buy airline tickets.	Both of AirPay existing customers and non-customers.

4.5.2.3 The key desired feature(s) in the payment platform that customer expect by comparing to the existing feature and their roadmap in online payment platform.

Table 4.14 The key desired feature comparing to payment platform roadmap

Feature(s)	Respondent(s)	Platform
Prompt pay via LINE account	3	N/A
Recurring payment via prompt pay account	2	N/A
Utility bill payment via prompt pay	2	KBank and SCB will launch in 2018
User interface personalisation (Personalise their own feature and user interface in online payment platform)	2	SCB launched since late 2017

Feature(s)	Respondent(s)	Platform
Special offer by location	2	N/A
ATM cardless (withdraw money without card)	1	SCB has launched in late of 2017
Virtual wallet on saving account	1	Airpay launched in mid of 2017
QR code payment via credit card as a source of fund	1	KBank and SCB will launch in 2018
Request to pay with prompt pay account	1	KBank and SCB will launch in 2018
Insurance monitoring	1	N/A
Nothing to add	6	N/A

4.5.2.4 Upcoming feature(s) which banks and local FinTech startups are going to implement in very near future (by 2018).

Table 4.15 Upcoming feature(s) of each online payment platform

Platform	Feature
SCB and KBank	Utility bill payment via prompt pay QR code.

SCB and KBank	“Request to pay” via prompt pay.
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CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

5.1.1 Perception toward online payment platform

Overall respondents strongly perceive the usefulness of online payment platforms. Moreover, the factors influencing customers to prefer using online payment platforms to other channels are convenience, transaction times and social status respectively. These are the factors that respondents all agree as both heavy and light users for local bank and FinTech startup platforms.

5.1.2 The key feature affecting adoption of online payment platform.

Most respondents use account inquiries, online payments, utility bill payments as the most frequent feature via online payment platforms. On the other hand, the FinTech startups which are Rabbit LINE pay and Airpay have no capacity to implement some mentioned features like banks. Consequently, they have less heavy and light users comparing to banks. However, Rabbit LINE pay and Airpay have their own ecosystems which are other services such as LINE messenger and Shopee marketplace. They have fully served those specific customer segment in order to maintain their market share.

5.1.3 The key marketing campaign which influences consumer to try and use online payment platforms.

The result from customer's interview reflects that factors which influence customers to try and use online payment platforms are quite similar to the information that working teams have shared earlier in the following table,

Table 5.1 The comparison of marketing strategies in term of platform and customer aspect.

Marketing strategy	Platform aspect	Customer aspect
Strategy 1	Introducing new features to increase the engagement rate of existing active users.	Communication would help consumers to be aware and understand of online payment platform benefits.
Strategy 2	Marketing promotion and sales promotion to increase the number of active users.	Sales promotion such as cash rebates for using some features and utility bill payments with discounts.
Strategy 3	To establish marketing communication with customers in order to grow the number of registered users.	Partnership such as accepting a wide range of bills and wallets.

Apparently, most online payment platforms focus on developing impressive features to increase the engagement rate of existing customers, followed by

sales promotion and marketing communication to acquire new customers into using their platform. On the contrary, the customer is likely to demand the payment platform to communicate and educate them more in order to create a better understanding of the real benefit and how to use features which are available in the online payment platform. Likewise, the research finds that communication on awareness and education are two out of top-three most effective marketing strategies that influence customers to try and use online payment platforms, followed by sales promotion which encourages them to use those online payment platforms regularly.

5.1.4 The characteristics of potential online payment platform users

- Age: 26 to 35 years old
- Personal monthly income: more than 35,000 THB
- Education level: bachelor's degree and master's degree
- Occupation: employee and entrepreneur

5.2 Recommendations

Due to an increase of the online payment platform adoption rate in Thailand, the research results demonstrate that the leading online payment platforms in Thailand are KBank, SCB, Rabbit LINE pay and Airpay. There are multiple factors required to make online payment platform attractive. Moreover, the objective of this study is to understand customers' behaviours towards online payment platforms with an aim of identifying the factor influencing customer to try and use online payment platforms in Thailand. The recommendations are listed as follows.

5.2.1 Strategy planning for feature and service which are available on platform

The most important factor of online payment platforms would be the feature itself. The online payment platform would be able to increase their registered and active users by implementing desired features to serve customer needs in which making their customers feel seamless and easy in daily life. For instance, utility bill payments are paid via prompt pay since the utility bill payment is the one of the most frequent features that influence customers to use online payment platforms frequently. In addition, the customised menu allows customers to adjust their favorite features and personalise by having the platform memorised which features are mostly used.

5.2.2 Communicating and educating customer on the benefit gaining from the platform

The most effective tool helping payment platforms to increase the number of registered users is to communicate and educate customers to understand and be aware of available features and benefits that customers could gain from those features such as convenience, security and speed, comparing to other channels.

For example, platforms would promote that the customer is able to activate or deactivate their card instantly rather than calling to a bank call centre. Completing the transaction through social media would take only 15 minutes. By doing so, customers who are never aware of this feature will try. Moreover, customers who usually use this kind of service on other channels. For instance, a bank branch will try to complete the transaction via online platform as well. As a result, it would enhance

the performance of the platform and increase the number of registered users in its platform.

5.2.3 Implementing sales promotion aggressively

Almost 100 percent of heavy users are completely driven by the recurring transaction which makes them complete the transaction via online platform repeatedly such as utility bill payments. Consequently, the platform needs to ensure that they fully facilitate the customer to pay a bill with less cost and effort comparing to other platforms.

One of the effective sales promotion is to provide discounts to customers or let customer pay without fee for utility bill payments through online channels exclusively. This strategy would help to keep existing users and to acquire new users to try and use online platforms regularly.

5.2.4 Expanding partnership program immensely

Partnership is playing an important role in influencing customers to try the platform. Online payment platforms need to be sure that the platform allow customers to pay whatever bills or merchants that customers want. One of the potential partners would be online marketplaces such as Lazada and Shopee according to e-commerce usage trend in Thailand.

Consequently, it would be helpful to implement partnership programs with the popular online marketplace and allow customers to try paying by using their platform with special offers or discounts. Likewise, this strategy would benefit both online marketplaces and payment platforms.

5.3 Limitation of study

5.3.1 Demographic

Since the researcher is based in Thailand, conducting the primary research particularly from Bangkok, Thailand. Therefore, both primary and secondary researches were conducted only in Bangkok, Thailand.

5.3.2 Time

This research was limited to be conducted over the course of five months. To shorten the overall process to fit within this timeframe, the report only reflects qualitative and exploratory researches.

5.3.3 Type of customer

According to the research scope, this research focuses on consumer products. Enterprises, small-sized and medium-sized businesses are not addressed in this research scope.

5.4 Further studies

5.4.1 Primary research on online payment platform

To increase the scope of research to the enterprise scale would be more valuable. As some of the aspects would help online payment platforms to scale up their target customer segment and target market.

5.4.2 Qualitative research on supplier internationally

The quantitative research is suggested to be conducted in the future in other markets such as APAC countries with an aim of understanding the landscape of those platforms and foreseeing the growing trend of the online payment platform.

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APPENDICES



APPENDIX A

IN-DEPTH INTERVIEW QUESTIONS GUIDE

1. Demographic (Age, Education, Income)

2. Behavior

2.1 Product type,

- Could you tell some of the online payment platform you are aware of?
- What is the online payment platform that you are using currently?
- Where do you go to do finance transaction?
- How you know those online payment platform?

2.2 Product life cycle,

- Are you willing to try first If online payment platform is launching new product/service ?
- If you prefer to wait, How long you will wait until you are willing to try?

2.3 Product usage,

- How many time that you have used online payment per month in last 3 months in each platform?
- What is the most frequent activity you do through online payment platform?
- If you can create your own platform, what is the feature that you will built into it?

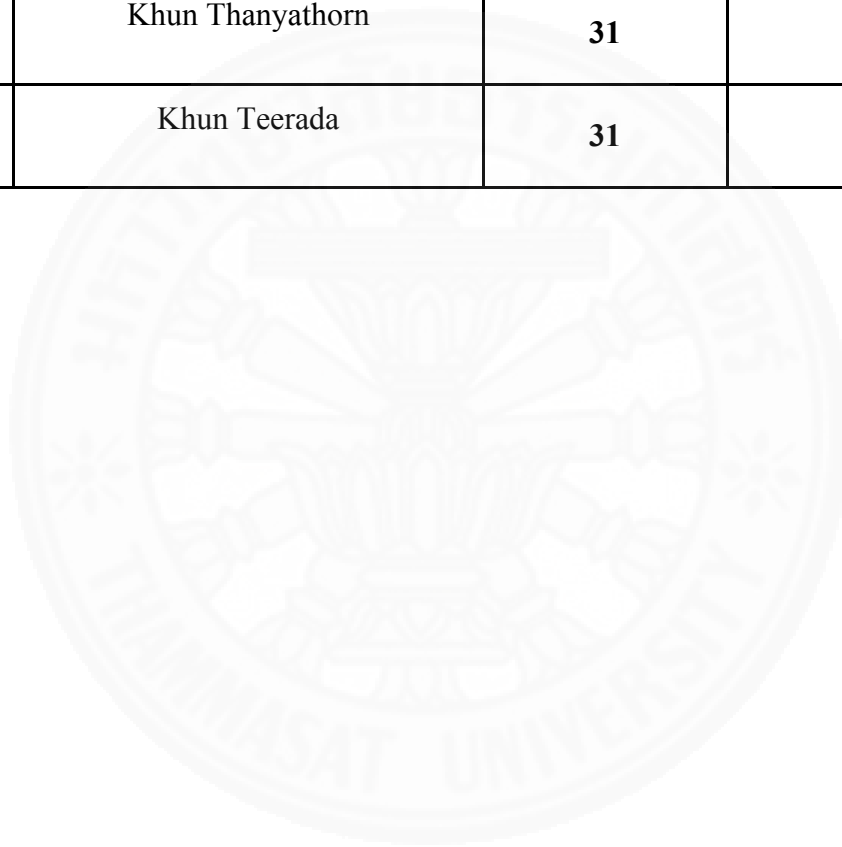
- Why you decide to do financial transaction through online payment platform rather than the other channels?
- Do you prefer to do financial transaction through online payment platform comparing to ATM branch or the others and why?



APPENDIX B**SUMMARY OF RESPONDANT PROFILE**

No	Name	Age	Occupation
1	Khun Rachavin	27	Employee
2	Khun Vichai	28	Employee
3	Khun Chayanid	32	Employee
4	Khun Anyarin	31	Unemployed
5	Khun Pareena	32	Employee
6	Khun Jakrit	25	Employee
7	Khun Kanyarat	29	Employee
8	Khun Watcharane	38	Employee
9	Khun Jeerapat	24	Entrepreneur
10	Khun Nantawan	33	Entrepreneur
11	Khun Somtanut	27	Others
12	Khun Alin	28	Employee
13	Khun Akarawuth	45	Entrepreneur
14	Khun Supachai	41	Employee

No	Name	Age	Occupation
15	Khun Apirat	36	Employee
16	Khun Thanyarat	37	Employee
17	Khun Warunee	35	Employee
18	Khun Krit	29	Employee
19	Khun Thanyathorn	31	Employee
20	Khun Teerada	31	Employee



APPENDIX C

ADDITIONAL INFORMATION

Implementation of the National e-Payment Master Plan encompasses five projects as follows.

Project 1: PromptPay– Development of Thailand’s centralized payment systems infrastructure to cater for interbank funds transfer using mobile phone number, national ID number, bank account number, e-Wallet ID or e-mail address as the receiver’s identifier. This project would enable people to access financial services more conveniently. The project also serves as a foundation for future financial services such as bill payments, e-Payment with tax information, and common ticket top-up etc.

Project 2: Card usage expansion – Promotion of electronic card usage in the replacement of cash and as a means to transfer welfare to recipients more efficiently. This project would also support the expansion of card acceptance points to allow greater accessibility.

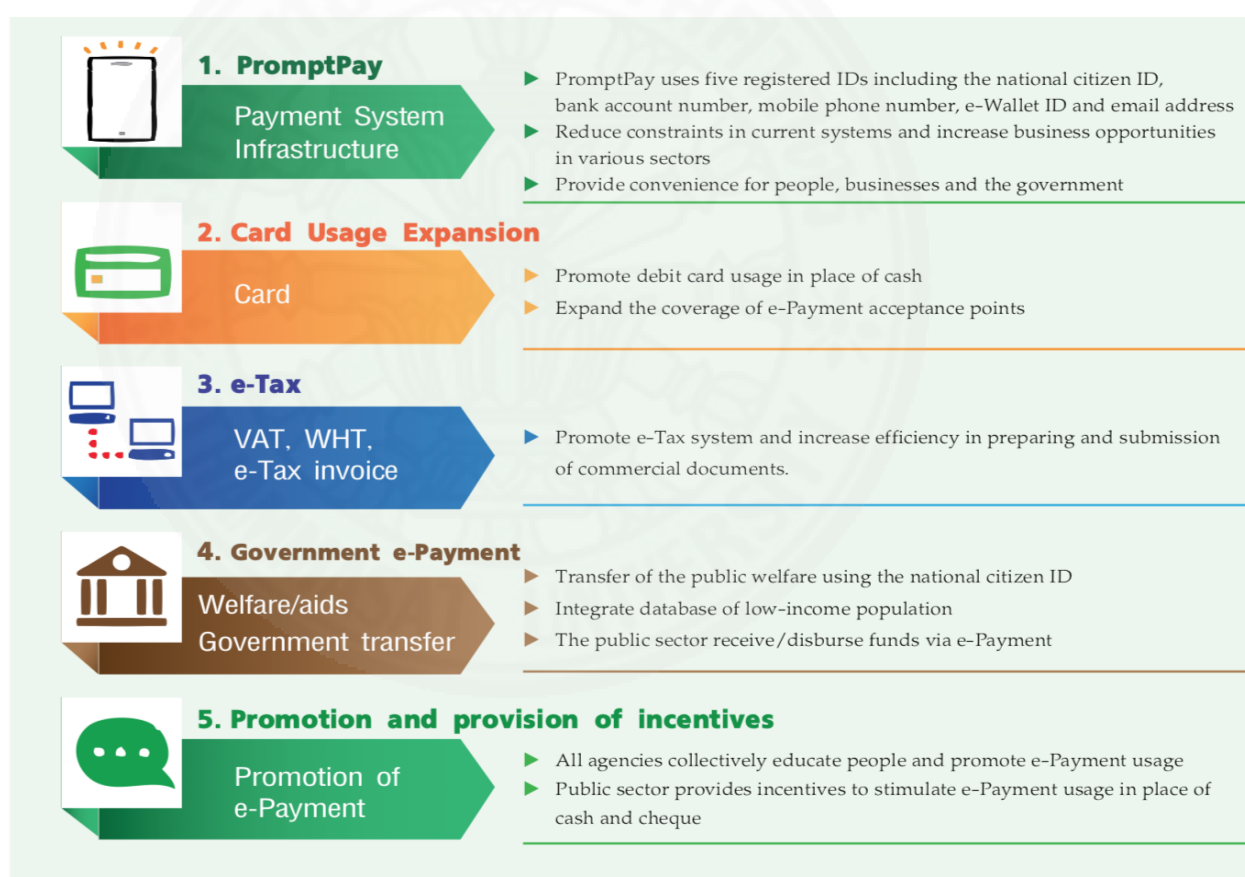
Project 3: e-Tax and e-Document systems – Development of an e-Tax invoice system to offer convenience and streamline the process of preparing e-Tax invoices. This project also extends to development of e-Tax system to handle electronic transfer of Value Added Tax (VAT) information, sending withholding tax payment, as well as submitting related documents electronically.

Project 4: Government e-Payment – Integration of social security information and develop a centralized database on public welfare that cater for direct payment of welfares to recipients into electronic cards or national ID cards in an

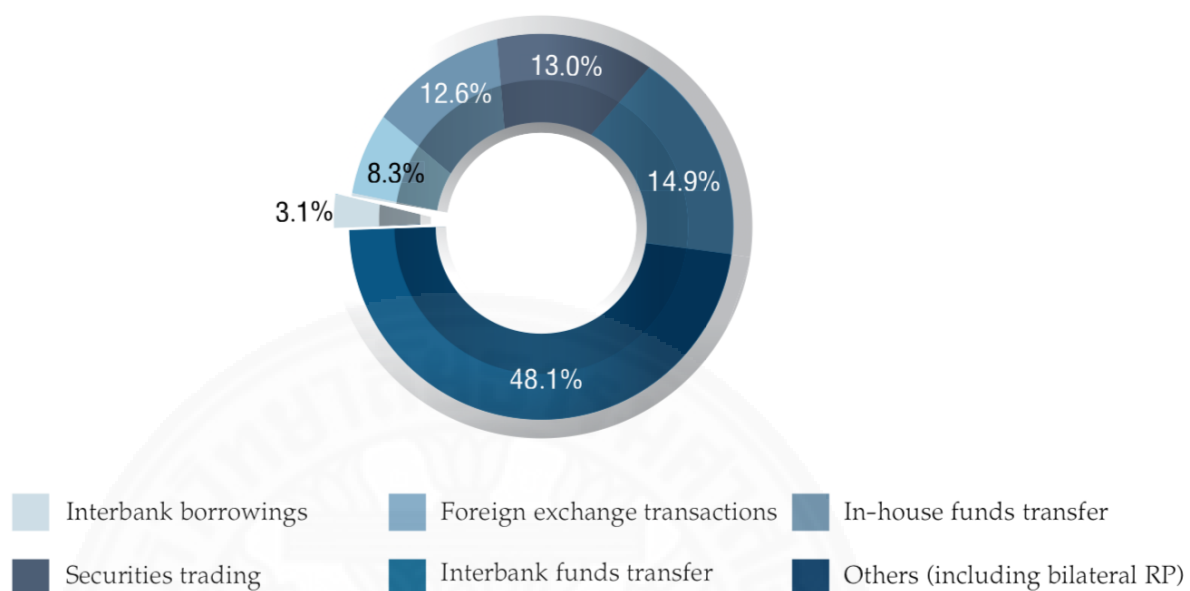
efficient and targeted manner. The project also aims to increase efficiency and support electronic fund transfers by government agencies instead of using cash or cheque for payment, for instance, collecting and submitting funds to the Treasury or disbursing funds by the public sector.

Project 5: e-Transaction literacy and promotion – Promotion of e-Payment using adequate and appropriate measures to stimulate e-Payment take-up in all sectors, as well as reduce costs for concerned stakeholders, and provide knowledge and understanding continually.

Implementation of the National e-Payment Master Plan.

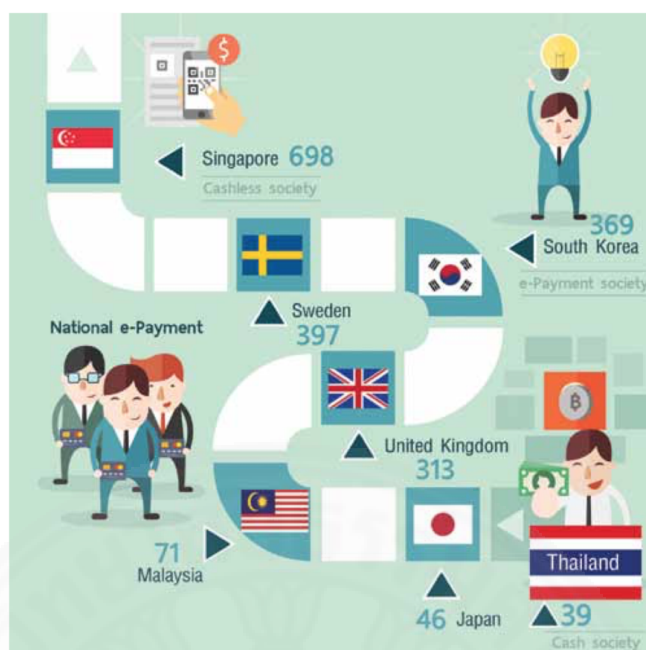


Proportion of funds transfer through BAHTNET categorized by transaction types



Source: Bank of Thailand

Volumes of e-Payment per capita of various countries



Unit: (times/person/year)

Sources: BIS (2015) Statistics on payment and settlement systems in the CPSS countries, Bank of Negara Malaysia and Bank of Thailand

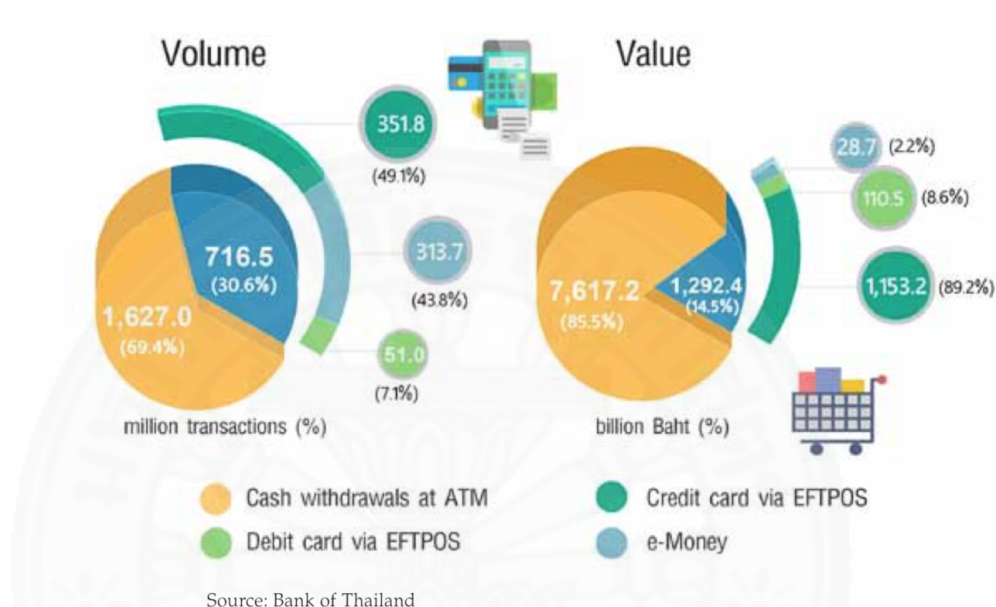
* 2014 data for foreign countries and 2015 data for Thailand

There are transactions on a daily basis, with usage registering at more than 200 times/person/year. The reason behind limited usage of electronic cards by Thais stemmed from the habit of using cash to purchase goods and services and inadequate distribution of EDC which were mostly concentrated in business districts or tourist destinations.

Promotion of wider usage of e-Payment would yield benefits in many dimensions for individuals, businesses and the country, for example, more convenient access to e-Payment via various channels, cost reduction for processes relating to cash management, lower probability of error and fraud from cash usage and enhanced business efficiency which would help increase competitiveness of the business sector to be in line with international competitors. Furthermore, for the public sector, benefits

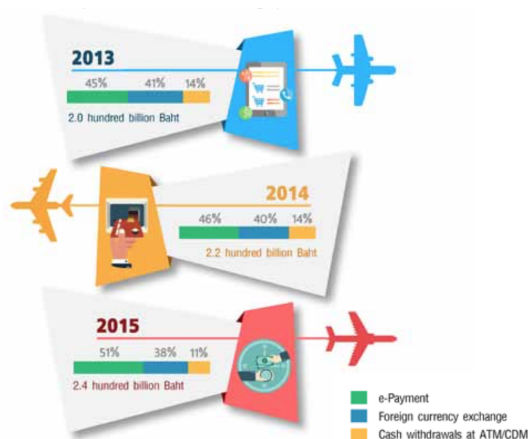
included direct and quick benefit payment to people and reduction in duplication and error, which would contribute towards lowering the country's overall economic burden.

Volumes and values of payment at points of sale in 2015



Considering only payment via electronic cards at points of sale (via EFTPOS), credit cards remained the most popular choice for payment of goods, amounting to a significant proportion of 89.2 percent of the total payment via EFTPOS in value terms, followed by debit cards and e-Money. However, in terms of volume and frequency, credit cards and e-Money were the popular choices for Thais, as reflected by a combined proportion of 92.9 percent of the total volume of payment via points of sale.

Value of Thais payment abroad



Source: Bank of Thailand

In 2015, Thais preferred to transfer money via electronic channels, as reflected by the high proportion of 87 percent of total funds transfer volume. Transfers via mobile banking and e-Money almost doubled compared to the previous year. Meanwhile, other transfer channels such as electronic card, internet banking and over the counter grew only slightly. However, transfers via electronic card at ATM/CDM remained the most popular channel with the average transaction value of 12,294.3 Baht/transaction, followed by mobile banking at 12,753.4 Baht/transaction. These two transfer channels were mainly used for small transfers by individuals. In contrast, transfer via internet banking was dominated by the business sector. As a result, the average transaction value of the business sector stood at 840,000 Baht/transaction. For high-value funds transfer, Thais preferred to conduct the transaction over the counter due to familiarity and confidence in transacting with bank officers.

BIOGRAPHY

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