

Daily Thai News Summary: 4 May 2016

1. Sponsorship deal a win-win relationship

Source: **The Nation** ([Link](#))

It has proved to be a particularly worthwhile investment being a sponsor of English football club Leicester City, who have taken just two years since being promoted to the Premier League to be crowned champions, as the deals made with Thai brands have turned out to be win-win relationships - and now look set to be even more so. King Power Group chairman Vichai Srivaddhanaprabha announced the acquisition of Leicester City FC in August 2010. One of Vichai's key ambitions has been to develop Leicester City's fan base internationally and particularly in Asia, while boosting Thailand's global reputation and capabilities through the management of the club. Through training with the club's soon-to-be-implemented local education and coaching programme, he also hopes to put Thai footballers on the world map. Sugree Sithivanich, deputy governor for marketing communications at the Tourism Authority of Thailand (TAT), said the agency had begun sponsoring Leicester City four years ago, when the team were in the second-tier Championship. The club has, however, since moved up rapidly, clinching the Premier League crown earlier this week. *"The TAT decided to sponsor this team because we were confident that they would help raise Thailand's tourism awareness among their fans in Europe. Moreover, Leicester is a big city, from which the TAT should be able to claim more potential tourists,"* he said. The authority has spent millions of baht on sponsoring the team since the inception of the deal, with the rate paid remaining the same throughout the period.

Even now, despite the rapid growth in the club's popularity during its fairy-tale success season, there are still no negotiations being held on a new sponsorship rate, he added. Sugree said the TAT was continuing to gain high marketing value from its sponsorship, because the team allowed it to organise events outside the King Power Stadium, as well facilitating its marquee Thai tourism campaign, "Amazing Thailand", inside the stadium. *"Each year, Thailand is promoted about 20 times during the team's home matches,"* he said. The deputy governor also said the TAT had for years been pushing sports as a key tool to drive tourism and help build tourism awareness in both overseas and domestic markets.

2. New CEO at SCG seeks surge in region

Source: **The Nation** ([Link](#))

The New chief executive of SCG, Roongrote Rangsiyopash, wants his industrial group to match or surpass the market growth rate in Asean countries outside Thailand, where the chemical-building materials-packaging group has underperformed in the past. While maintaining the two main strategies that his predecessor, Kan Trakulhoon, announced a decade ago - to "go Asean" and "go for higher value-added products" - the Harvard-graduate CEO spoke of the need for SCG to hasten the conglomerate's speed of execution and enlarge its businesses fivefold in Asean markets outside Thailand. *"[SCG] hopes to grow faster than or at least equal to the market, and with quality growth. By [sales] volume, last year we grew by 3-5 per cent, [but] if considering the Asean economies, they expanded by about 5 per cent,"* he said. While Thailand accounts for about 10 per cent of the Asean population, and about 20 per cent in terms of gross domestic product, only 10-12 per cent of SCG's sales are derived from other Asean markets outside the Kingdom, he added. *"This [contribution from other Asean markets] must become 70-80 per cent. [This means] we have to grow five times [in these Asean markets],"* the chief executive said.

In his first formal media interview since taking the helm at the start of this year, Roongrote admitted he was worried about the end of the uptrend cycle for the petrochemical industry, which is expected to come in the next two to three years. SCG's chemicals business contributed Bt9.1 billion out of a total Bt13.6-billion net profit that the group reported for the first three months of the year. *"This [the end of the petrochemicals uptrend] is something we should be worried about,"* he stressed. Roongrote said he believed, however, that SCG's cement and building-materials business could find large room for further growth in the region, which is massively expanding its infrastructure investments. Moreover, SCG's packaging business could also grow well in the next five years, thanks to its recent decision to shift focus to end-packaging products and to unlock its material usage from pure paper-based packaging, he said.

3. SCB mulls partnership to boost units

Source: **The Nation** ([Link](#))

SIAM COMMERCIAL BANK (SCB) is exploring partnership solutions to help strengthen its subsidiaries as it acknowledges doing business alone is not the way to meet the increasingly intense requirements of customers, Arthid Nanthawithaya, chief executive officer and deputy chairman of the executive committee, said yesterday. The bank has four subsidiaries under the SCB Group umbrella: SCB Securities, SCB Asset Management, SCB Life Assurance and Digital Venture - the latter being its venture-capital arm and laboratory for start-ups and financial technology (fintech). Arthid stressed, however, that the partnership solution did not

mean the bank would walk away from these businesses, but SCB's policy was to focus on delivering the financial services that customers want. He raised the example of wealth-management business, in which he said SCB should have a global partnership in order to provide know-how and world-class investment products. *"SME [small and medium-sized enterprise] customers with a lot of money may want to invest in world-class products, and we should not leave them to move their wealth out of our portfolio, but should help them [to invest]. Doing business by ourselves in the future is not the way to go. We should integrate platforms from partnerships in all businesses, by finding solutions via partners, acquisitions or our own development - and making the right combinations,"* the CEO explained.

4. E-commerce site says exciting times have arrived in SE Asia

Source: **The Nation** ([Link](#))

WEARYOUWANT, a Thai online fashion and beauty marketplace, is advising start-ups to have a clear strategy towards profitability, as investors are now demanding it, and that the e-commerce space in Southeast Asia is experiencing an exciting time. At the "Last Mile Fulfilment Asia Conference and Exhibition" (LMFAsia) held in Singapore last month, Martin Toft Sorensen, chief executive and co-founder of WearYouWant, said there was considerable discussion on how start-ups should focus beyond just team, product and market to become successful. *"Start-ups should have a clear path and strategy towards achieving profitability by scaling the business without forgetting the lifetime value of the customer versus cost per acquisition,"* he said. *"If e-commerce businesses simply follow a desire to climb user-acquisition heights quickly without keeping an eye on the ROI [return on investment], there is a higher risk of a greater fall. Penetration from online platforms can go far, wide and deep, but the trajectory needs to be based on running a business that brings money for investors, shareholders and other stakeholders in the near future."* Echoing this advice was Thai e-commerce guru Pawoot Pongvitayapanu, CEO and founder at estructure inc and managing director and founder of Tarad.com, who also attended the business-platform event. LMF Asia brought together professionals from the retail, e-commerce, logistics and parcel industries. Sorensen advised that in addition to creating a viable business model that balances the cost of acquiring customers with the ability to monetise the lifetime value of a customer, start-ups should be creative in how they attract and keep customers.

5. Kinetic: Digital Screen is the hottest Out-of-Home (OOH) Media

Source: **The Nation** ([Link](#))

With extensive expertise in strategic planning for out-of-home media together with various media partners and innovative tools, Kinetic Worldwide (Thailand) remains the leading OOH media agency. Witsuwat Amkaphet, manager of Kinetic Worldwide (Thailand), the world's leading OOH media agency, said yesterday that due to people's lifestyle of spending over 12 hours a day outside on average, OOH media has become more important and popular, leading many brands to choose OOH media increasingly each year. Excluding in-store media, OOH media growth in Thailand was 12 per cent to Bt8 billion last year, driven by digital OOH. There are many OOH platforms that can match with a consumer's journey, covering all lifestyles of the target group, particularly digital screens, which have become more popular due to a combination of multimedia technologies. By year-end, over 500 digital screens will be added nationwide, with 60 per cent located in Bangkok and 40 per cent in the provinces, boosting the use of OOH media.



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