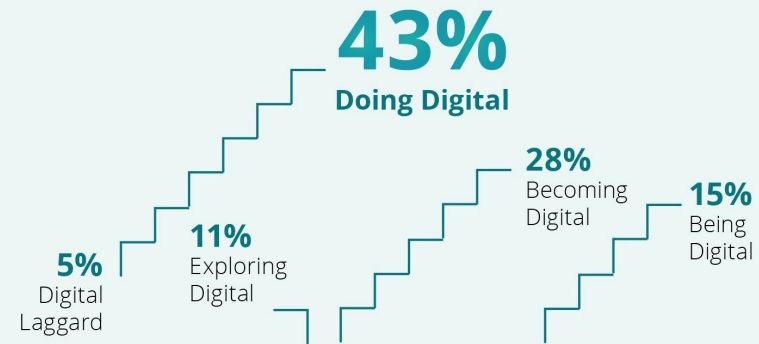




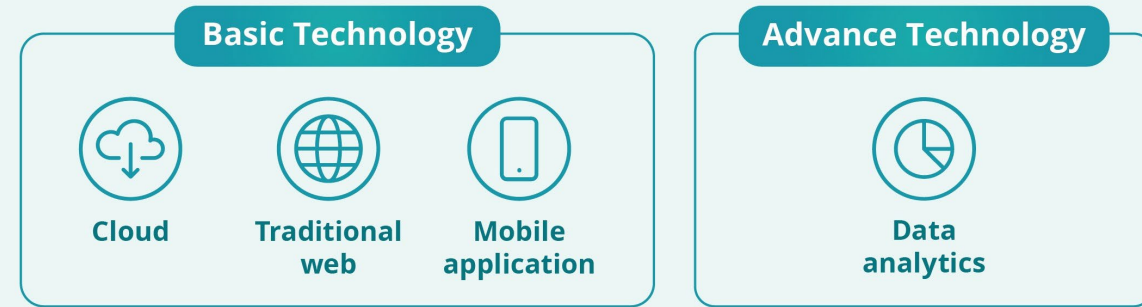
# Thailand Digital Transformation Survey 2023

Deloitte Thailand's 4<sup>th</sup> year annual digital transformation report

## Digital transformation journey



## Top technology implementation



## Top successful results from digital transformation initiatives



## Top challenges to achieve digital transformation implementation







5

Exploring the Age of  
Digital Disruption

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Unlocking Success  
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Industry  
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CEO's  
Leadership Role  
and Ambition

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## Executive summary

Deloitte Thailand's Digital Transformation Survey has been conducted for 4 consecutive years (2020-2023), with the objective to examine the attitudes of digital transformation among companies.

The survey methodology includes both quantitative formats and additional in-depth interviews with C-suite survey respondents, beyond the questionnaire.

It was found that digital implementations varied annually between 2021-2023. Most companies rushed to implement digital initiatives in 2021 or early COVID-19 period. However, some companies cited unsuccessful improvement to business performance due to lack of experience and speed of implementation. Companies became more selective and strategic with the adoption during 2022-2023 with improved success rates from experience gained and better technology selection. The perceived digital transformation impact is moderate throughout 2023.

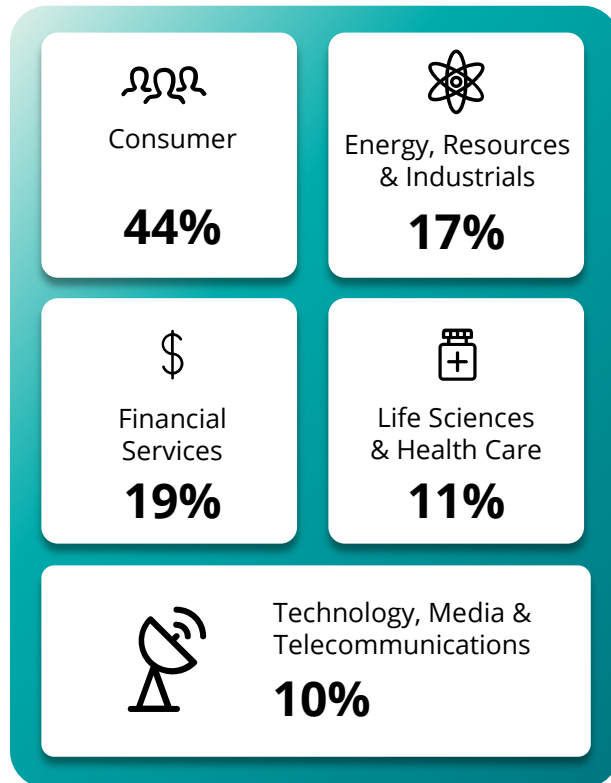
By nature, companies with technology at the core such as Technology, Media & Telecommunications industry along with consumer industry who compete to attract consumers are found to invest in digital transformation more than the others

In addition, when comparing 2023 with 2022, it was found that a higher number of companies already implemented or planned to invest in technology, especially data analytics.

On further examination based on the professional level of respondents, C-suite level also mentioned reduced operational risk as a key successful result whereas non-executive level cited involved customer experience as an important effect, as non-executive level tends to work more closely with customers than C-suite level.

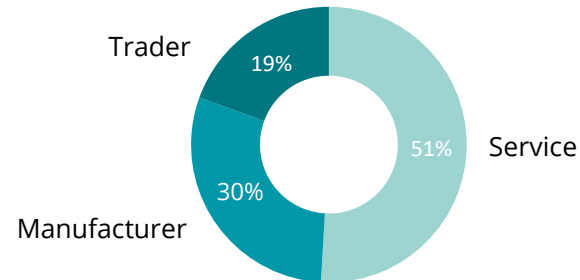
The key challenge moving forwards for digital transformation is a budget reservation from post COVID-19 economic recession, while a possible solution is IT outsourcing with cloud-based platforms for cost reduction. PDPA is also cited as another challenge due to data privacy concerns.

Sample structure and survey analysis have been designed to reflect the perspectives towards digital disruption and transformation in Thailand

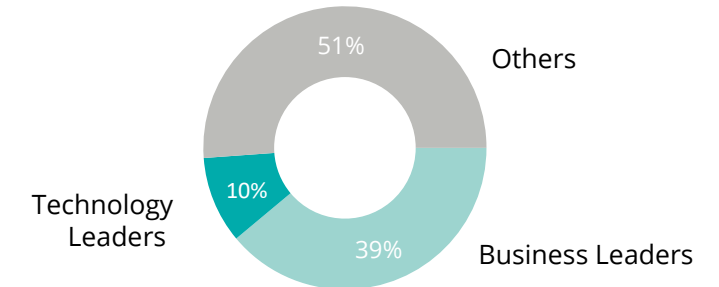


Sample Size n=131

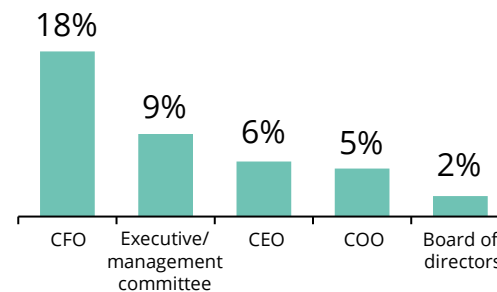
Company type



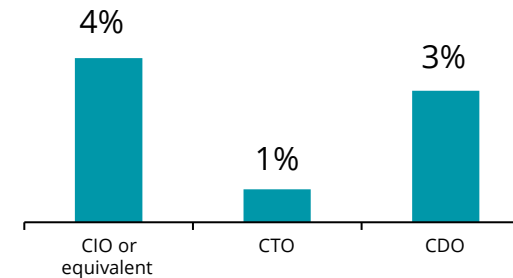
Corporate title



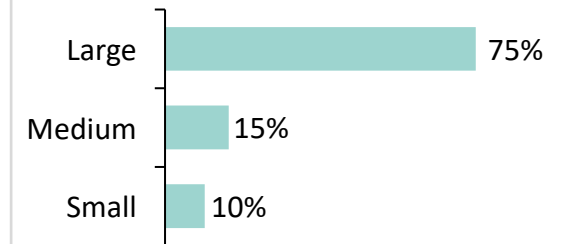
Business Leaders



Technology Leaders



Company size



# Dive into Four Groundbreaking Topics



**How aware are companies**



Exploring the Age of  
Digital Disruption



**How do companies  
implement digital  
transformation initiatives?**



Unlocking Success in Digital  
Transformations



**What is going on in  
each industry?**



Industry Snapshot



**What is CEO's Leadership  
Role and Ambition?**



CEO's Leadership Role  
and Ambition

## Impact of Digital Disruption

The perceived impact as moderate throughout the years. Businesses can essentially be categorized into two main groups based on their relationship with technology. The first group, where technology is central to their operations, doesn't feel significantly affected by digital disruption. This is because they inherently need to keep pace with digital advancements due to the nature of their business. On the other hand, the second group doesn't see the need to adopt a wide range of technologies, believing that enhancements to their internal processes are sufficient to remain competitive in their sector.

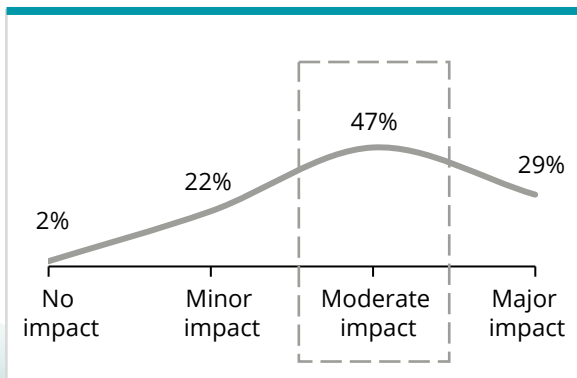
“We are not like traditional industries where when a digital solution comes up, it creates disruption. We are already on track.”

- CFO at a leading Thailand online food and grocery delivery marketplace player

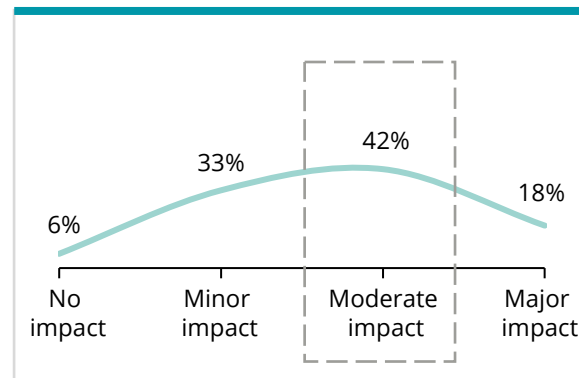


Q: Currently, how significant is the impact of digital disruption on your company? (C-level n= 53)

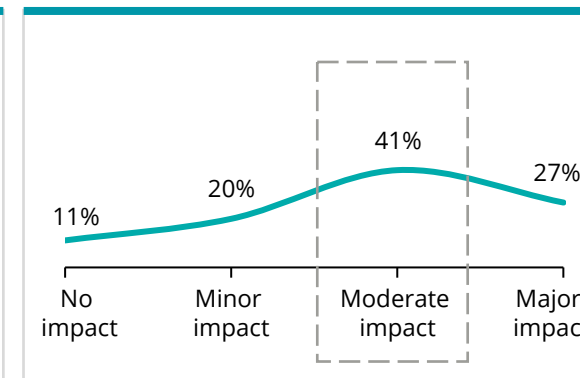
### Before Pandemic



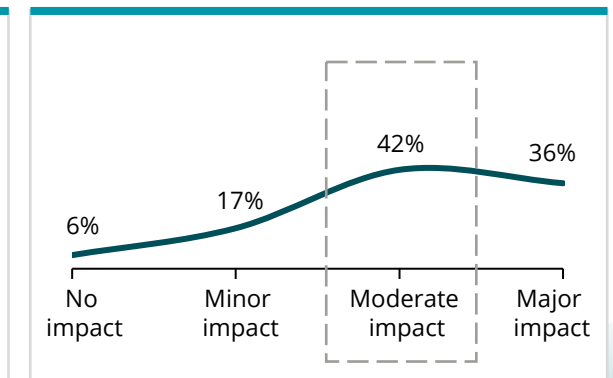
### 2021



### 2022



### 2023

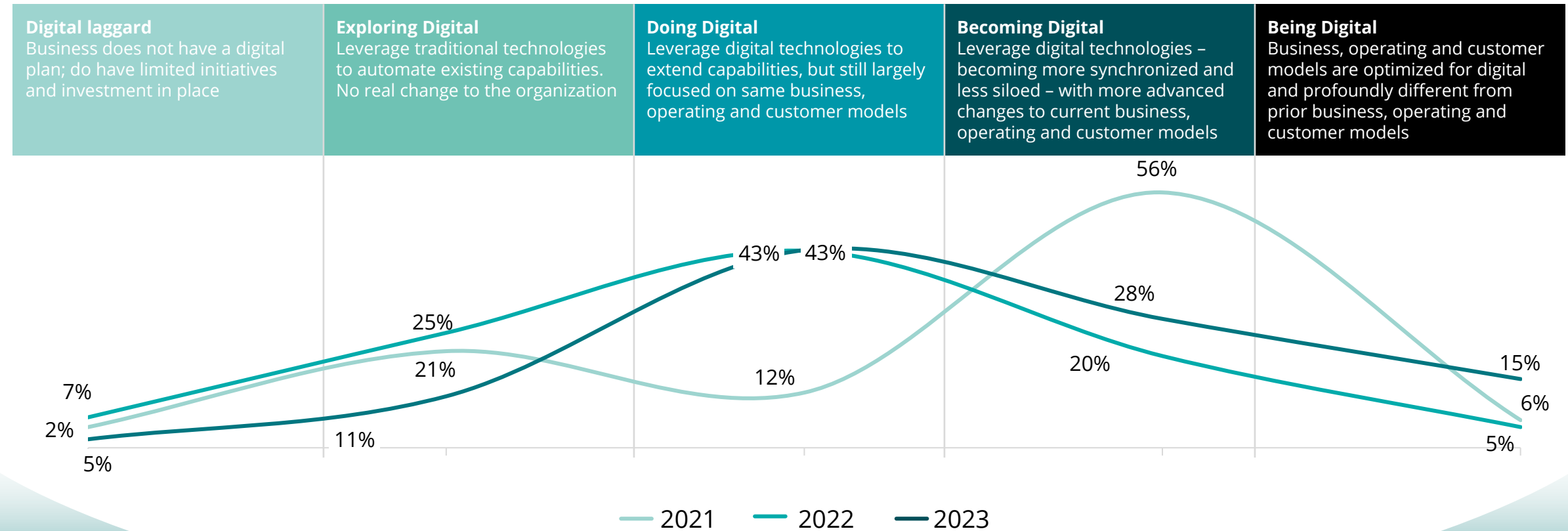




## Digital Transformation Journey

In 2022-2023 companies chose digital implementations that work best for their companies, differing from 2021 during the early Covid-19 period when most companies rushed to implement all the digital initiatives. In 2023, the companies refined their adoption and integration of digitalization into their core even more.

**Q: To what extent do the following statements reflect your company's response to the pace of digital disruption? (C-Level n= 53)**





# Digital Transformation Budget Allocation

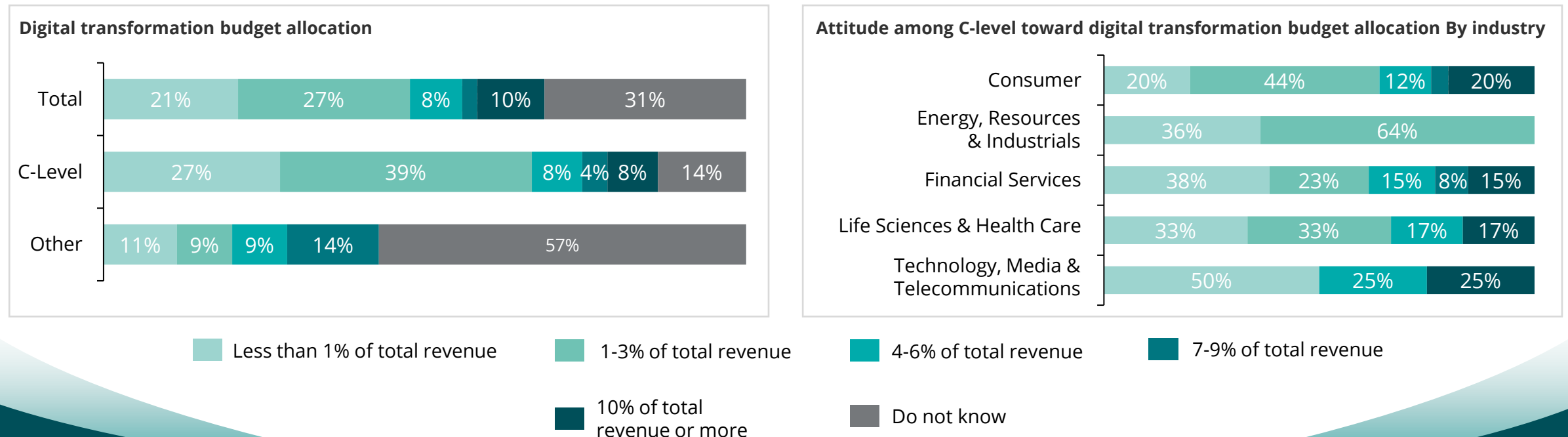
Non-executive level is less aware about the budget allocation for digital transformation. When looking in detail at C-level attitudes, companies with technology at the core of their business, such as those in the TMT industry, invest in digital transformation by nature of their industry, while in the consumer industry with high customer involvement, investment in digital transformation attracts consumers and helps them stay competitive with peers.

“Money will be allocated to the frontend first as it is the main money generator while long-term efficiency will be the key consideration for backend which takes long-term effort and results in cost-efficiency ”

- CFO at a leading Thailand consumer product player



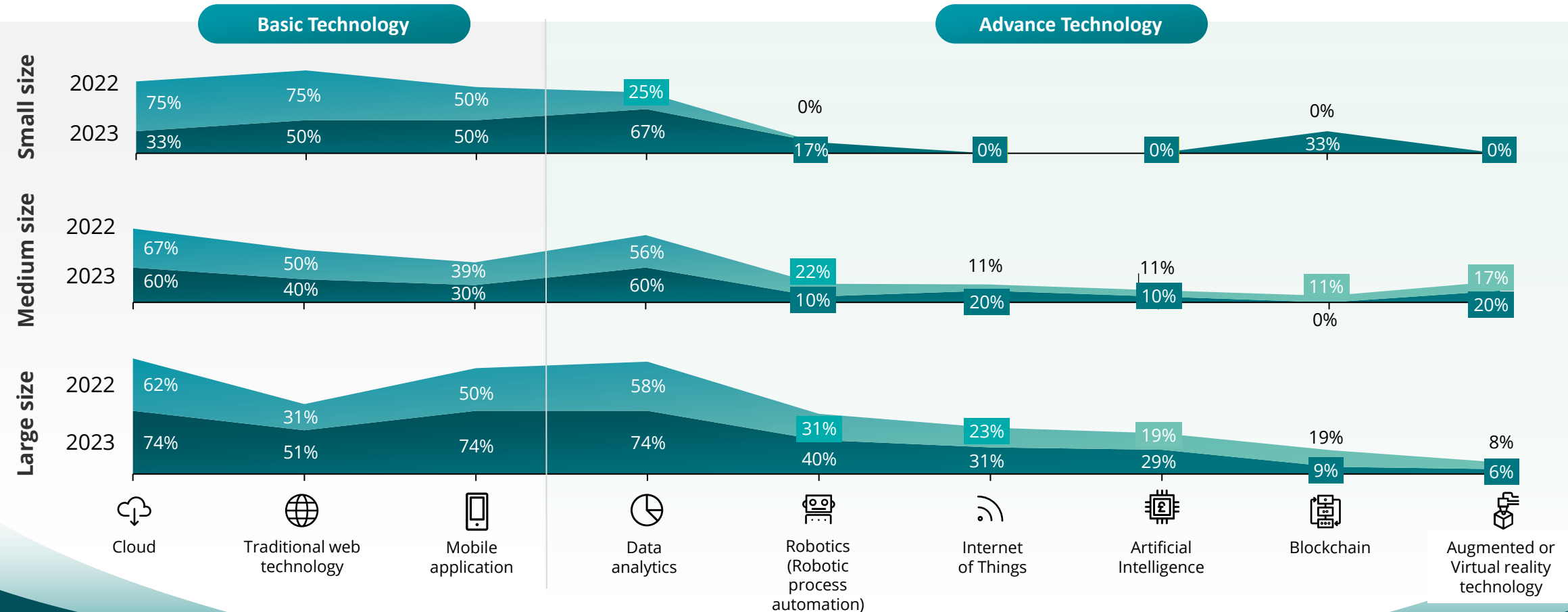
## Q: How do your companies plan to spend budgets on digital transformation initiatives? (n=86)



# Technology Implementation by Company Size

Higher number of those already implemented or planned to invest in technology can be found in 2023 compared to 2022, especially in the data analytics field.

**Q: Please select digital technologies that you already implemented or planned to invest? (C-level n=53)**



# Technology Implementation

## Basic Technology



Technology  
**Cloud**

Example use case  
**Data storage mainly for HR, finance and emails**



Technology  
**Mobile Application**

Example use case  
**Customer use, no applications for internal use as of now**

## Advance Technology



Technology  
**AI**

Example use case  
**Desk research**



Technology  
**Data analytic**

Example use case  
**Data visualization program and analytical tool such as Excel**



Technology  
**RPA**

Example use case  
**Only in accounting and internal use at present**



Technology  
**IOT**

Example use case  
**Production machine sensor for work monitoring**

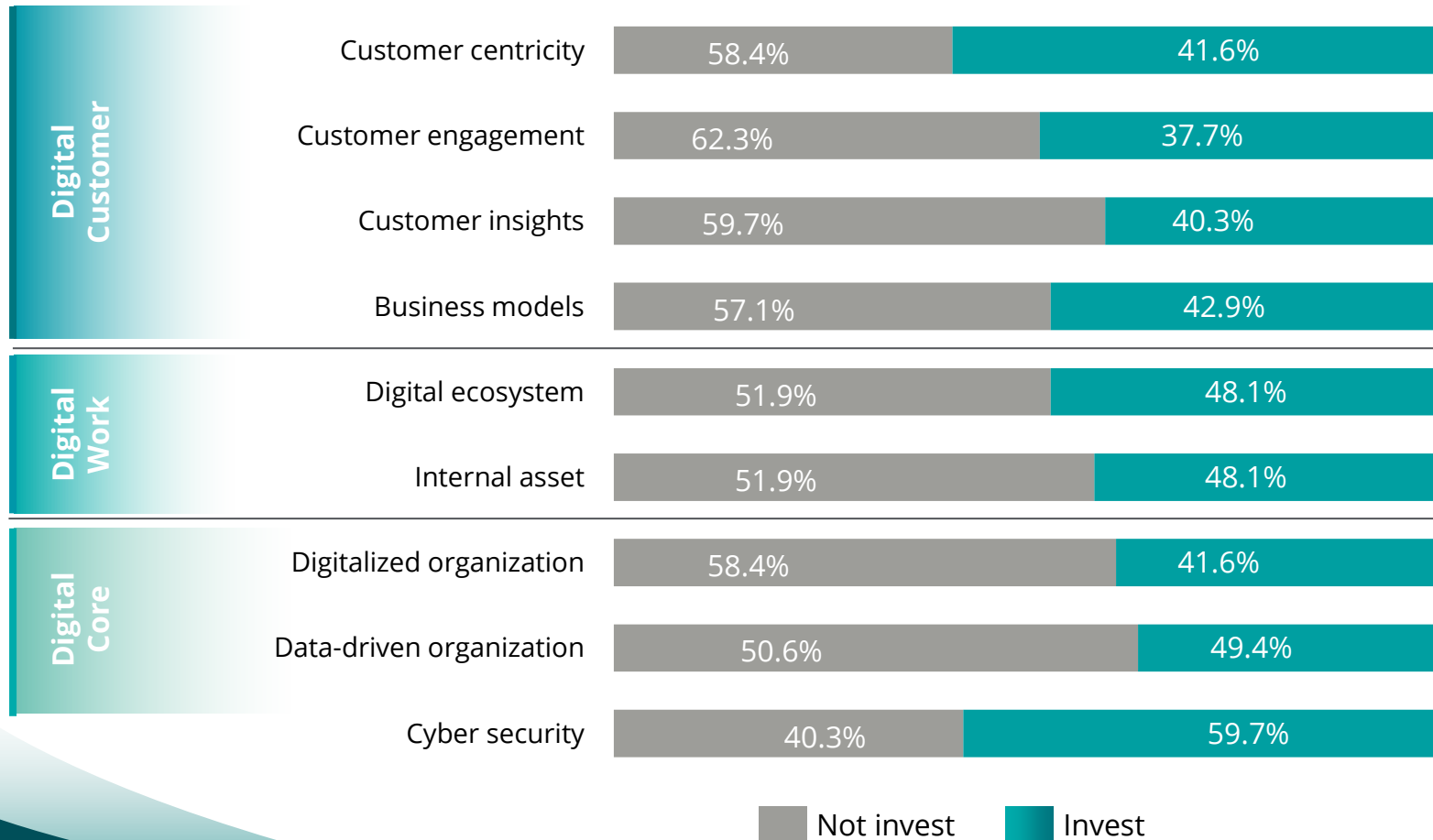
*"New technology has given our company additional benefits. It made some services easier but if we didn't do it, the business can still run efficiently, and not lose anything."*

**- CFA at a leading Thailand insurance player**



# Digital Adaptation

Q: Please select digital adaptations that you already implemented or planned to invest? (n=77)



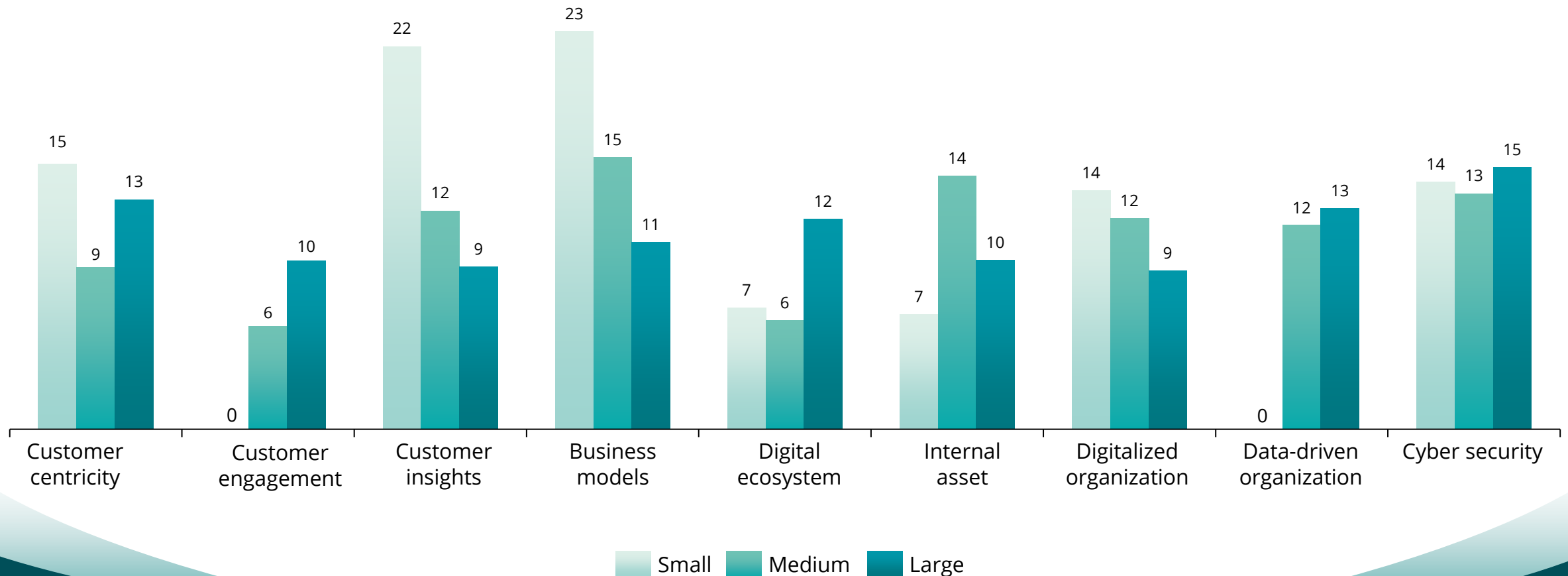
- Most of the companies use mobile applications and websites for customer engagement, while using Chat app/instant messaging for consumer communication.
- In addition, traders invested relatively significantly in business models and customer insights.
- Service providers invested in consumer centricity, cyber security and digital ecosystem.

## Digital Adaptation and Company Size

Smaller firms invest more in customer insights, business strategies, and digital organization, whereas larger corporations diversify their adaptations across various aspects.

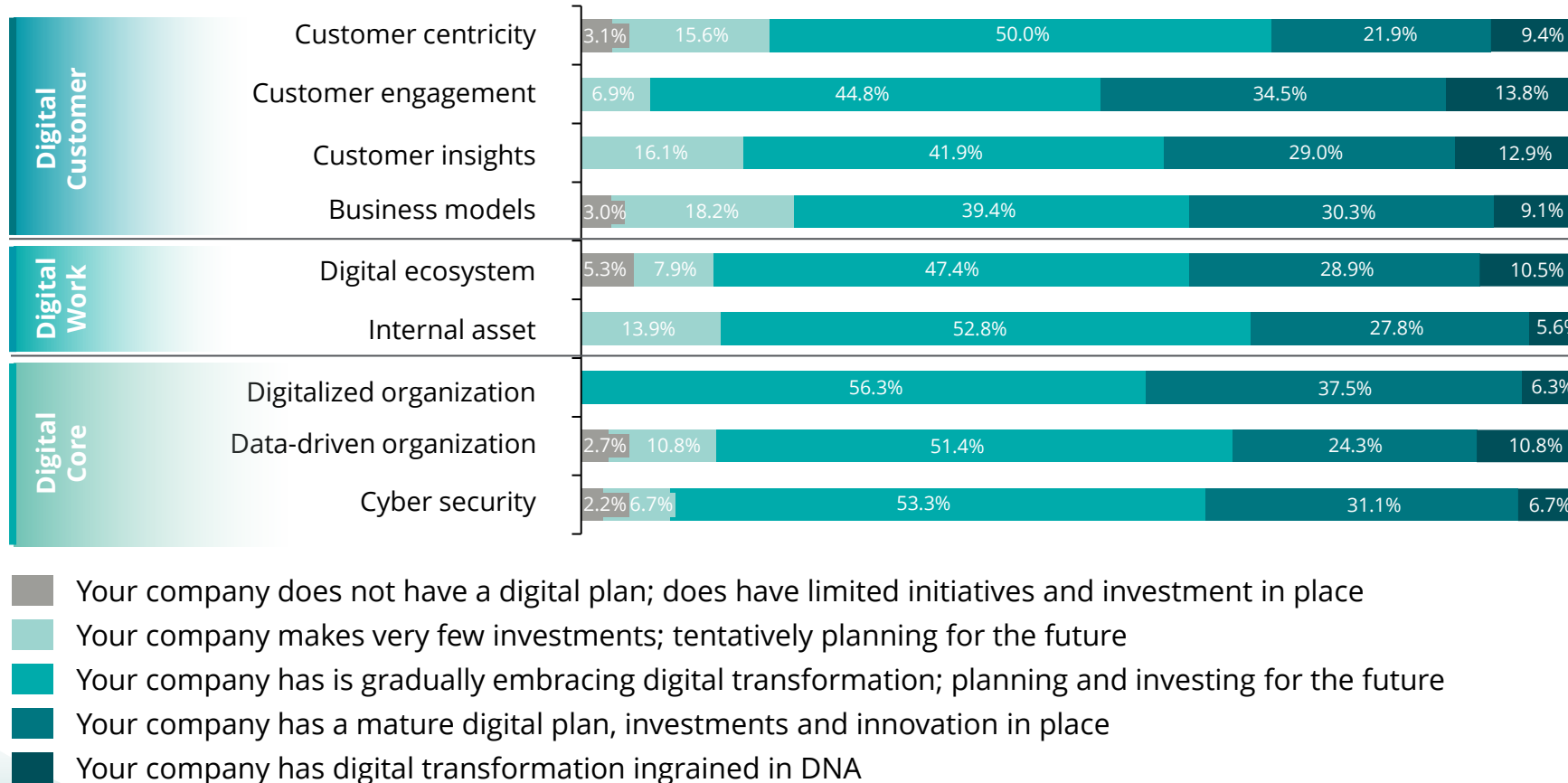
**Q: Please select digital adaptations that you already implemented or planned to invest? (n=77)**

Unit: %



# Digital Adaptation and Digital Journey

**Q: Please select digital adaptations that you already implemented or planned to invest? (n=77)**



- All those integrated customer engagement, digitalized organization, data-driven organization or cyber security in their DNA are large companies
- However, all the small companies invested in digital ecosystem and internal asset in DNA were unsuccessful in improving business performance.



# Dive into Four Groundbreaking Topics



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Unlocking Success in Digital  
Transformations



**What is going on in  
each industry?**



Industry Snapshot



**What is CEO's Leadership  
Role and Ambition?**

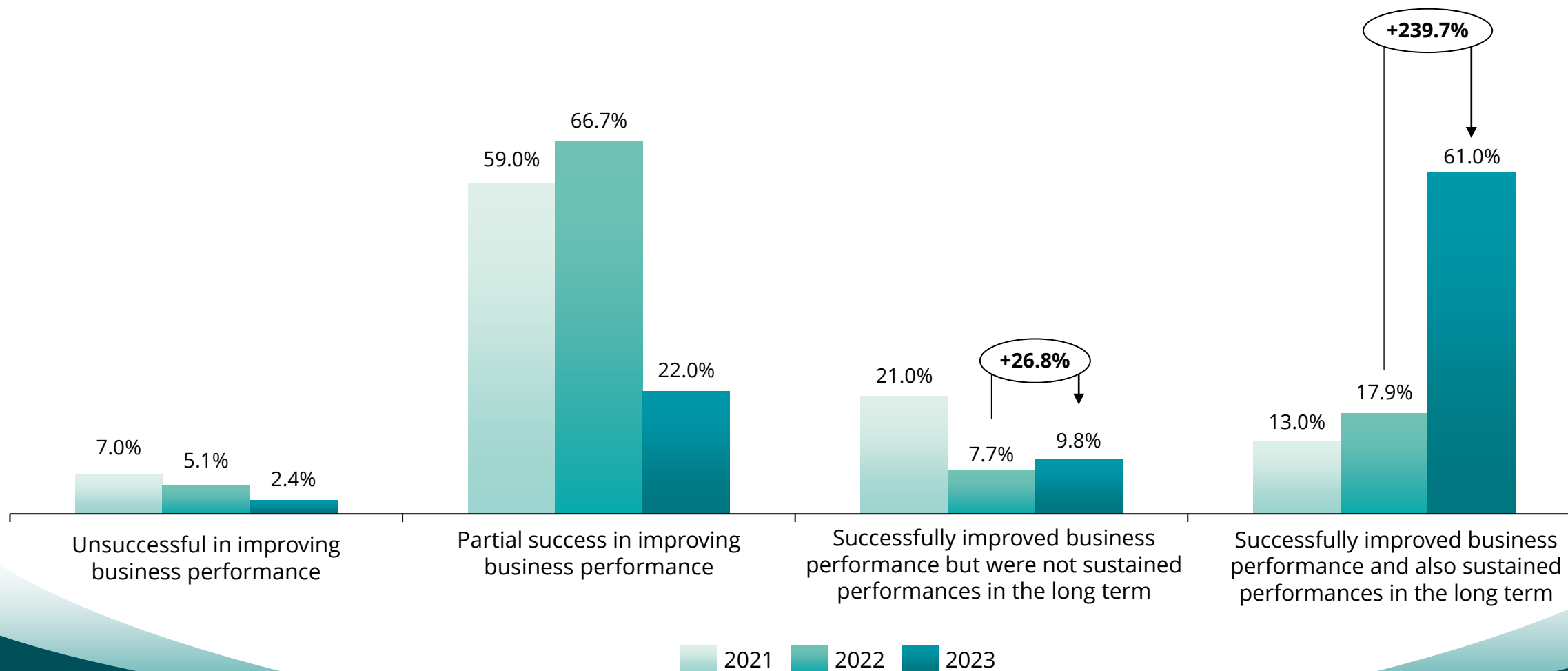


CEO's Leadership Role  
and Ambition



## Perception towards Results of Digital Transformation Initiatives C Level

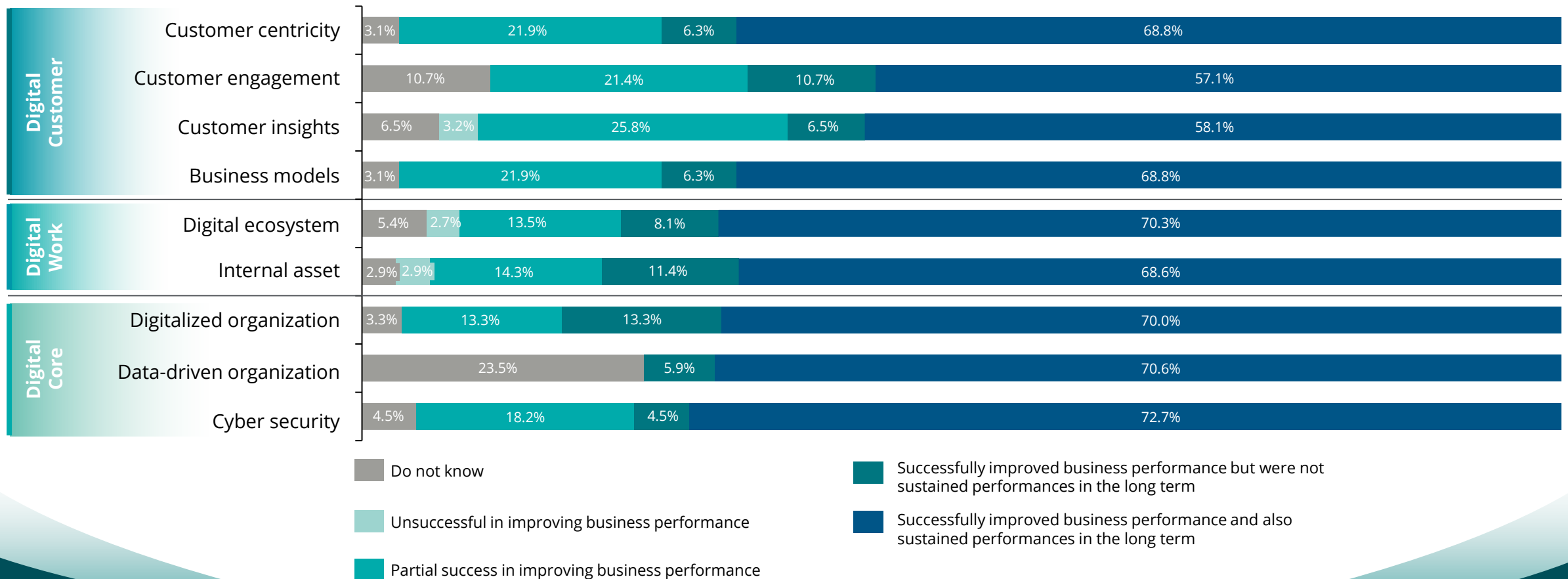
During the peak of the pandemic, (2020-2021) the results of digital transformation for business performance improvements were unsuccessful due to lack of experience and the rapid rate of technology integration. At present, companies have improved their success rate as they gain experience and confidence with better technology selection and realistic digital transformation KPIs.



Note: The value does not add to 100%

# Digital Adoption and Company Success

Customer insights, digital ecosystem and internal asset are digital adoptions that are to be found unsuccessful in improving business, especially for smaller companies



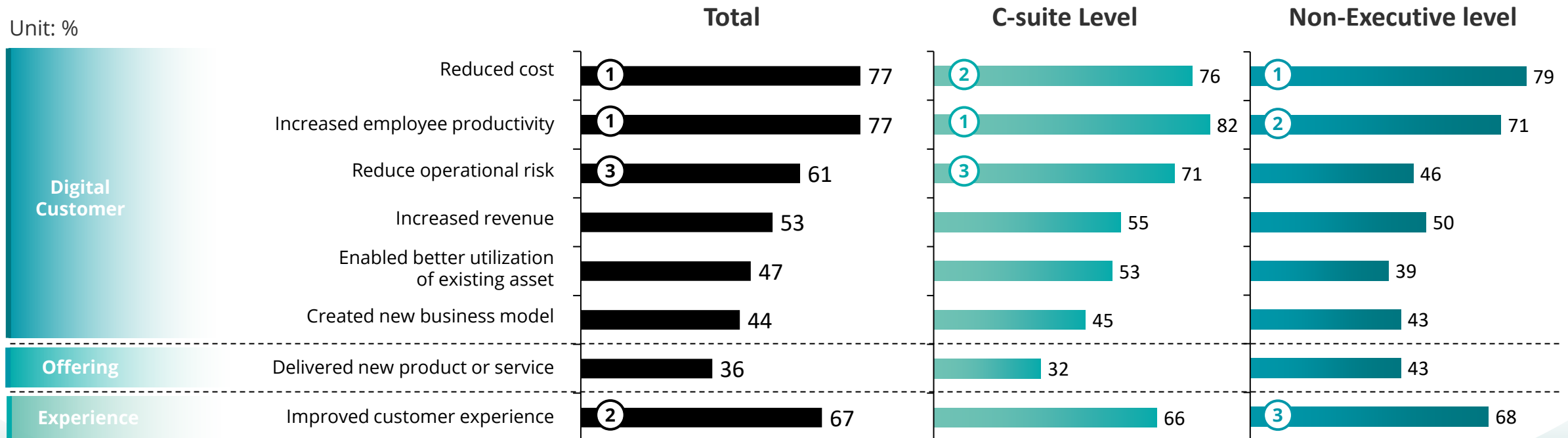


## Successful Result by Position

Cost reduction and increased productivity are the top two successful results for digital transformation implementation. However, there are differing perceptions towards success rates between C-suite level and non-executive level for the remaining.

Reduced operational risk ranked the third among C-suite level, whilst improved customer experience was third for non-executives, as they may have greater touchpoints with customers than C-suite level.

### Q: What were successful results from digital transformation initiatives?

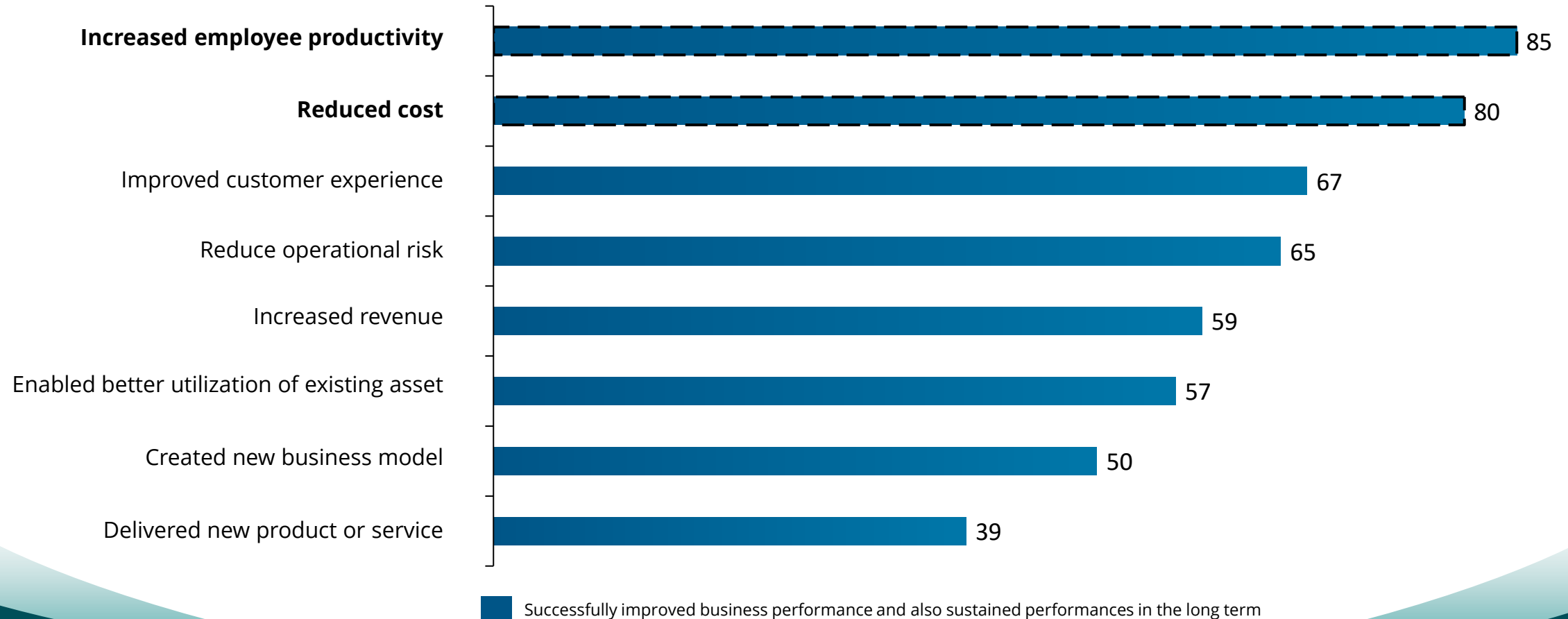


## Successful Results of Digital Transformation Initiatives

Companies that are successful in digital transformation and able to sustain performance in the long term cited increased employee productivity and reduced cost as the top two outcomes.

### Q: What were successful results from digital transformation initiatives?

Unit: %

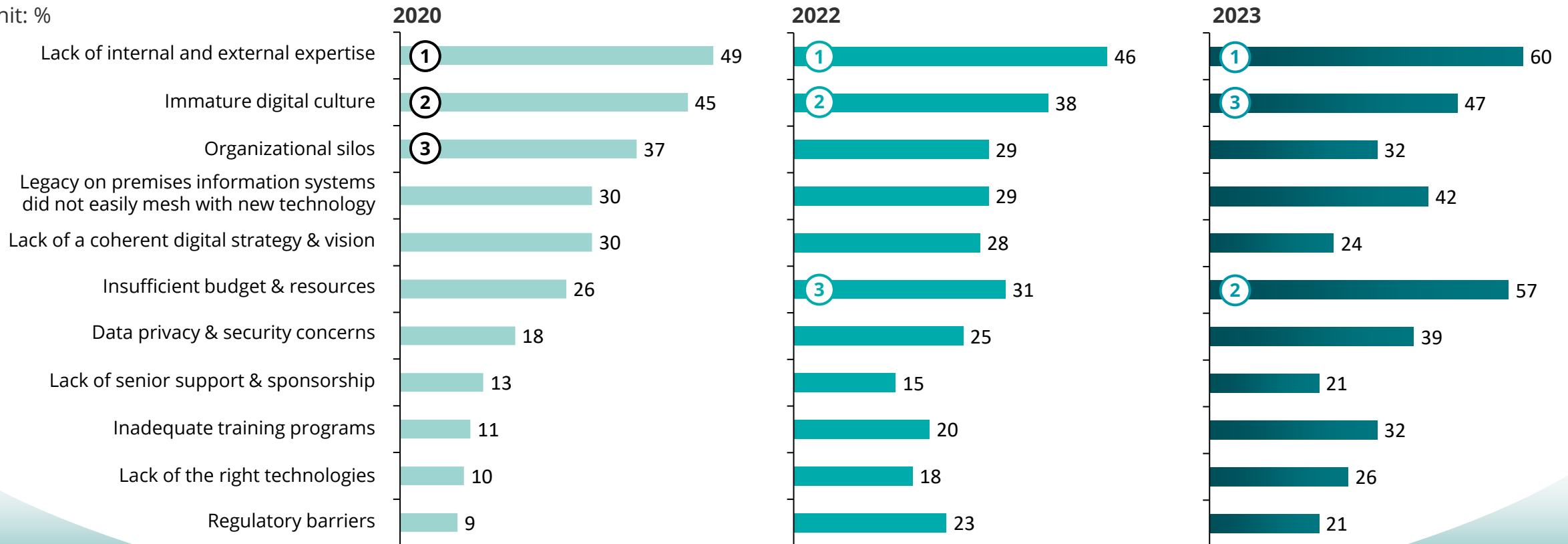


# Challenge of Digital Transformation

The top challenge remains as human resource capability, however, since 2020, post-covid economic recessions have prompted increased budget reservations. IT has been continuously outsourced with cloud-based solutions to solve insufficient budget issues, while PDPA has increased data privacy concerns.

## Q: What are challenges to achieve digital transformation implementation in your company?

Unit: %



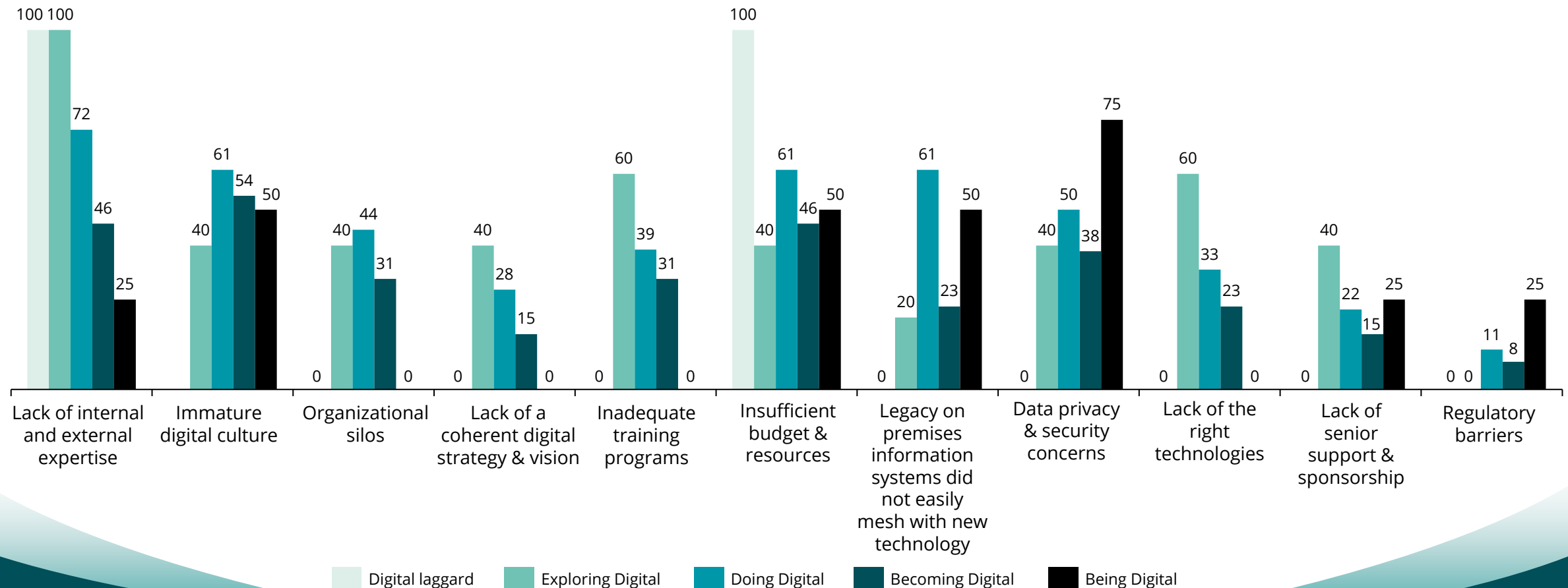


# Challenge and Digital Transformation Journey

Companies in a more mature stage of their digital transformation initiatives were found to face less challenges in managing their resources

## Q: What are challenges to achieve digital transformation implementation in your company? (C-Level n=41)

Unit: %



# Dive into Four Groundbreaking Topics



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Unlocking Success in Digital  
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**What is going on in  
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Industry Snapshot



**What is CEO's Leadership  
Role and Ambition?**



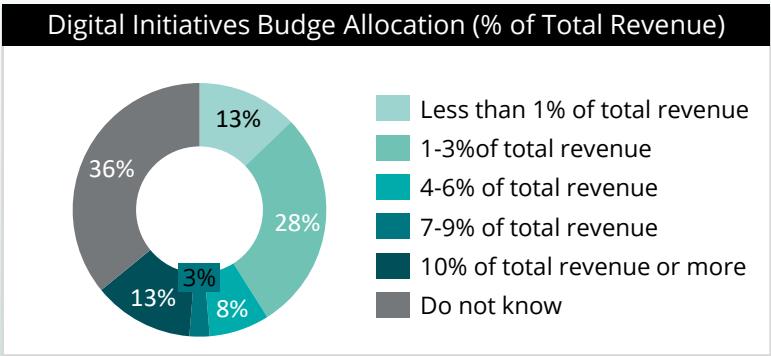
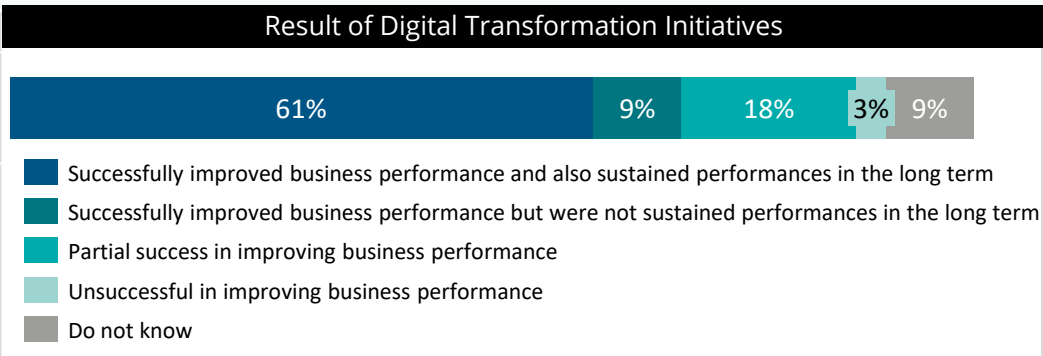
CEO's Leadership Role  
and Ambition



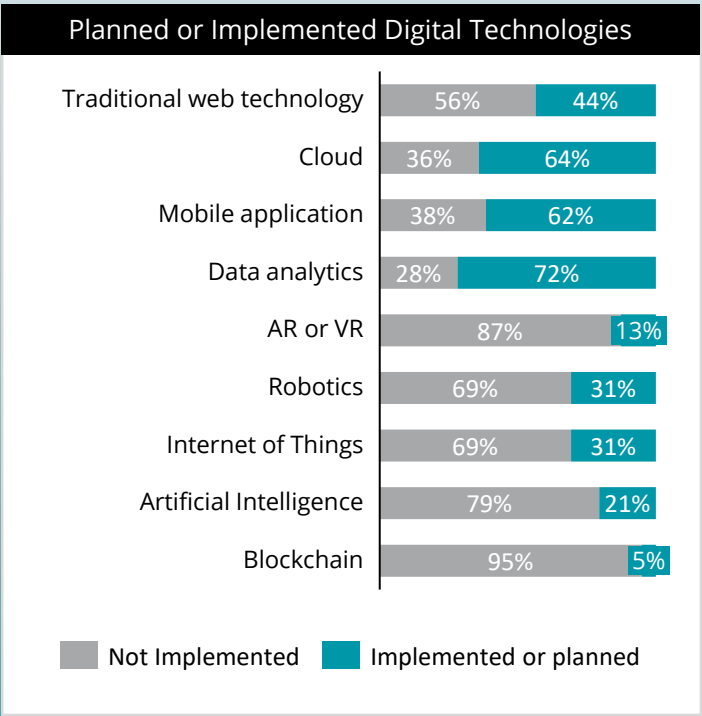
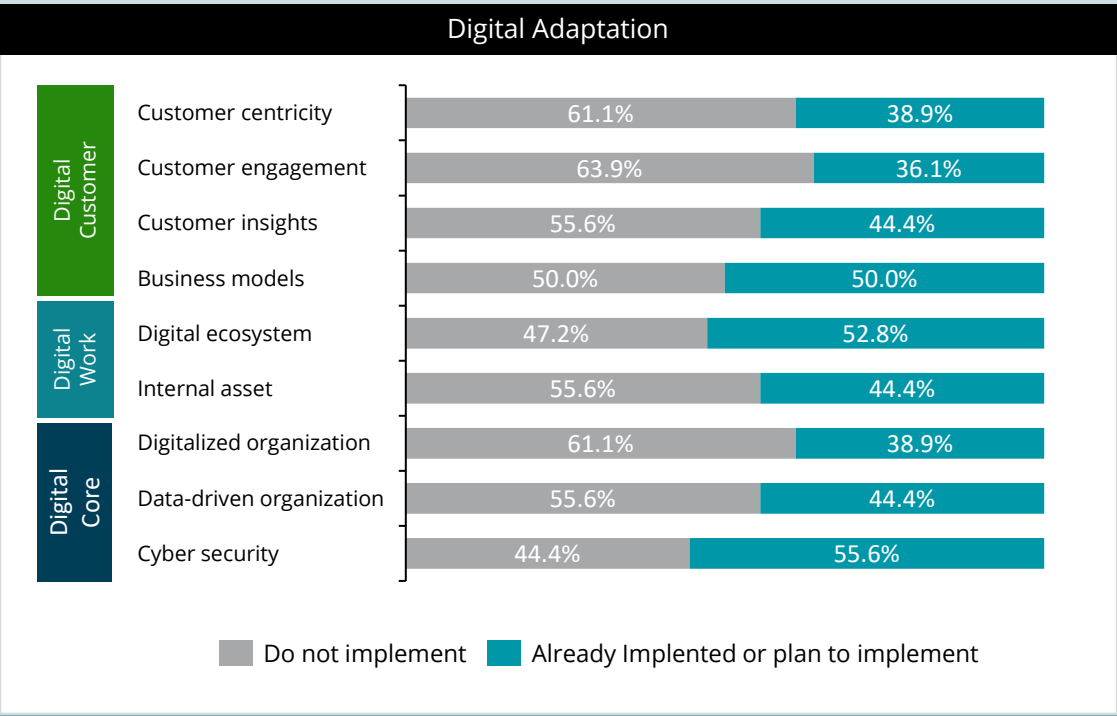
Key Takeaways

- More than 70% of respondents felt digital disruption caused a moderate to major impact.
- Most digital transformation initiatives have had partial success in improving business performance in the past but have now shifted to sustained performance in the long term.
- Digital ecosystem and cyber security have become the most implemented or planned to implement digital initiative surpassing internal assets in the previous year.
- The most implemented technologies in the industry remain in the basic technologies category, similarly with last year's survey, with the focus on cloud, data analytics, traditional web technology and mobile applications.
- Data analytics usage noticeably increased, to gain more understanding of the digital customer.

Digital Transformation Attitude



Digital Implementation





Key Takeaways

- Digital disruption has had a moderate to minor impact in the Energy, Resources & Industrials sector.
- Digital transformation initiatives have had partial success in improving business performance in the previous year while perceived to have sustained performances in the long term this year.
- The industry invested lower than 3% in digital initiatives.
- Data-driven organization and cyber security are key areas since the services are mostly based on controllers and processors.
- The industry does not connect with consumers directly hence the lower focus on the digital consumer area.
- Digital technologies most implemented in the industry are data analytics, mobile application, Cloud, and traditional web technology, as the industry relies on RPA technologies.

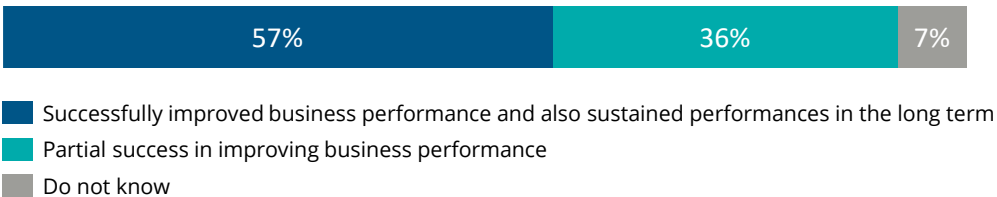
Digital Transformation Attitude

Digital Implementation

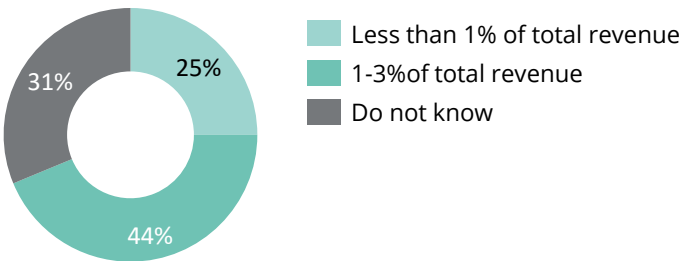
Level of Digital Disruption Impact



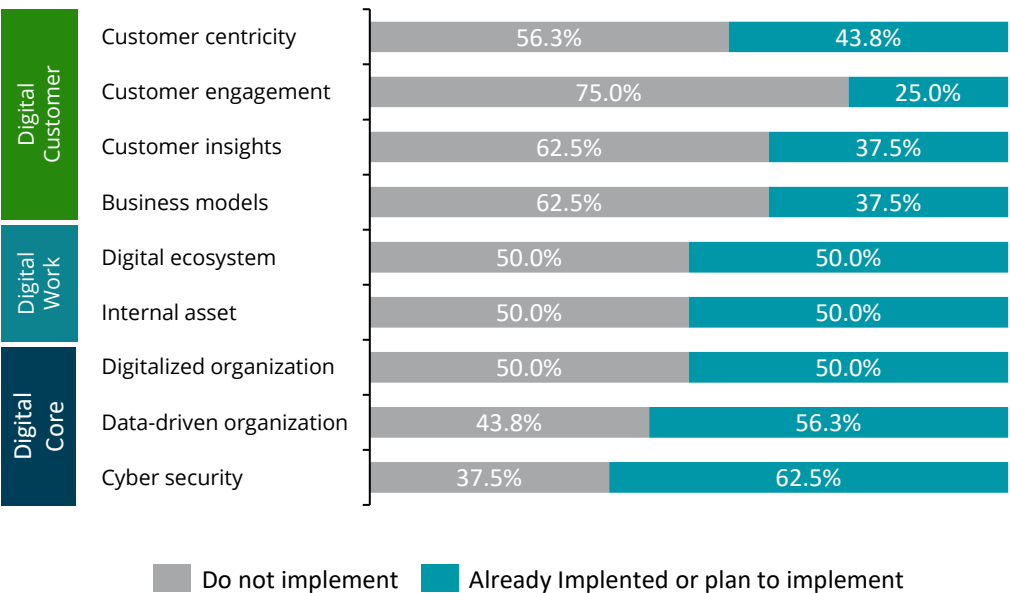
Result of Digital Transformation Initiatives



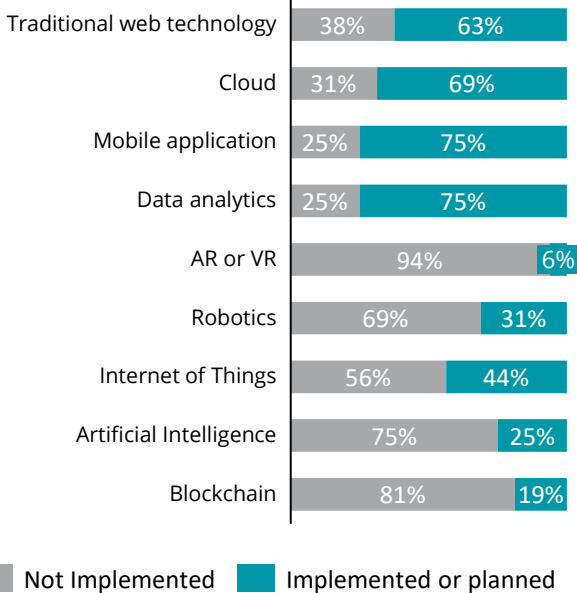
Digital Initiatives Budge Allocation (% of Total Revenue)



Digital Adaptation



Planned or Implemented Digital Technologies

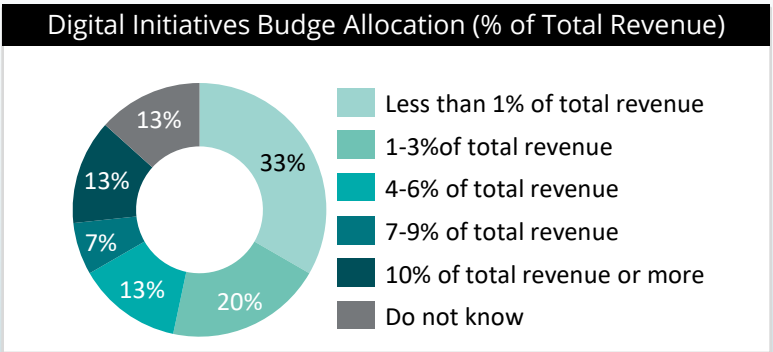
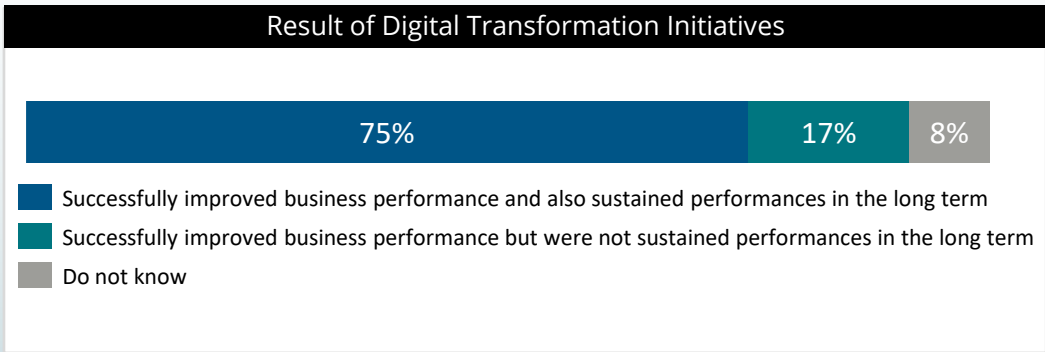
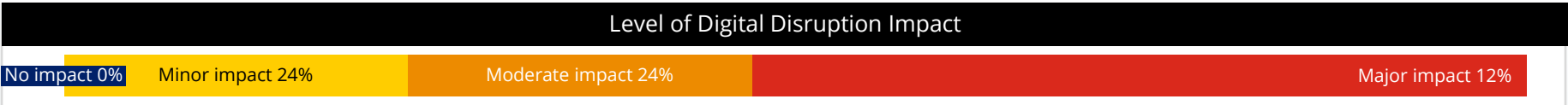




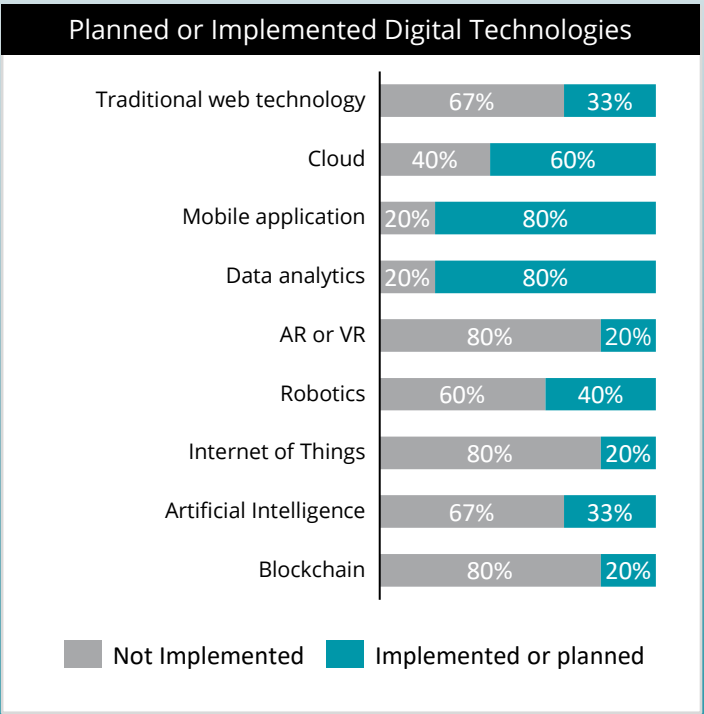
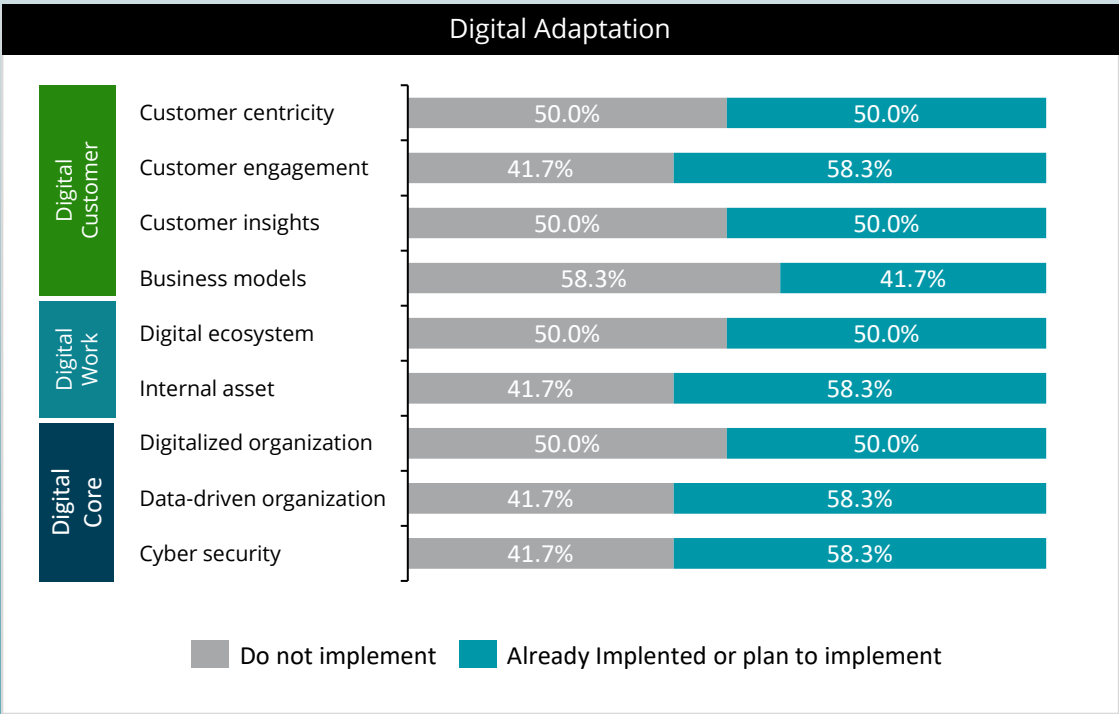
Key Takeaways

- Digital disruption has had major impact in the Financial Services industry while most respondents from the industry believing that digital transformation initiatives have had success in improving business performance and sustained performance in the long term.
- The digital investment is split across the industry with the majority remains lower than 3%
- Data-driven organization, cyber security, internal asset and customer engagement are emphasized in the industry as the industry focuses on internal assets and organization digitalization.
- Basic technologies such as mobile application and data analytics are technologies already implemented or are planned investments, for this industry.

Digital Transformation Attitude



Digital Implementation

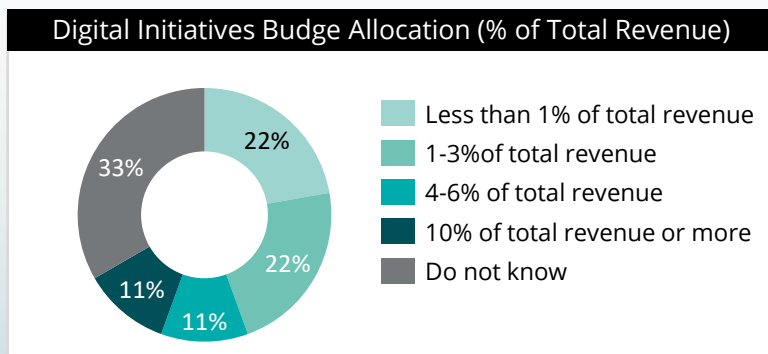
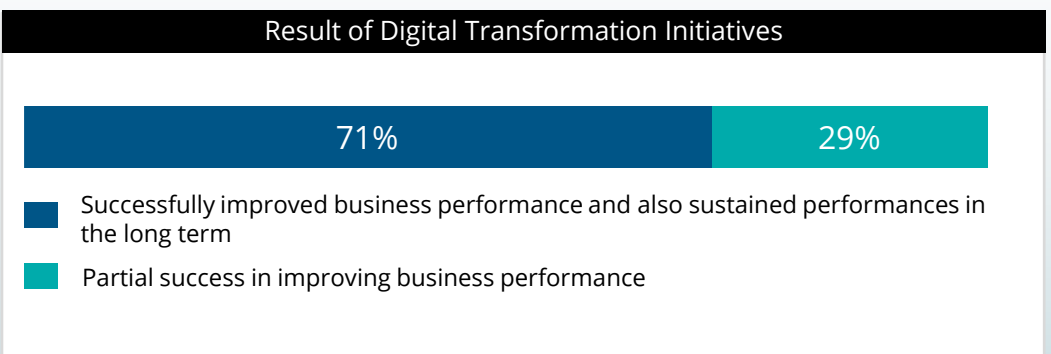




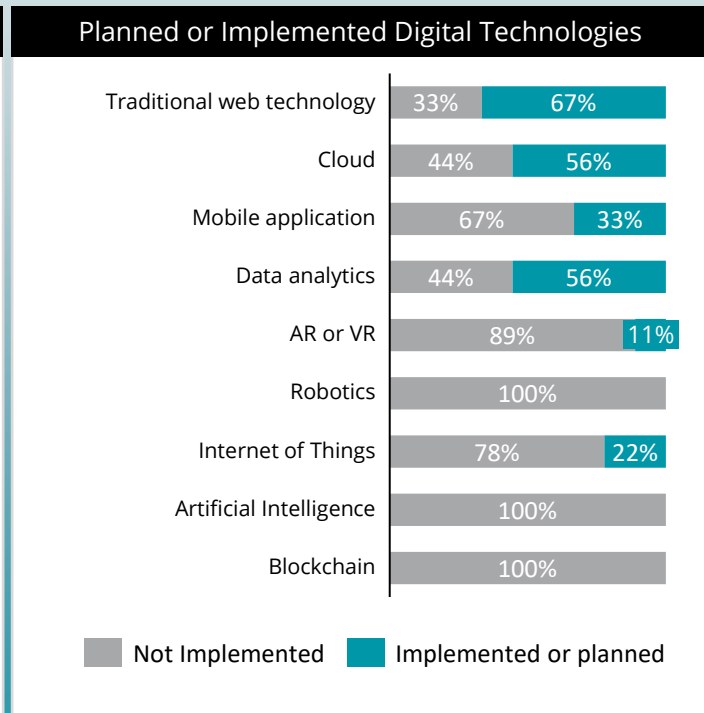
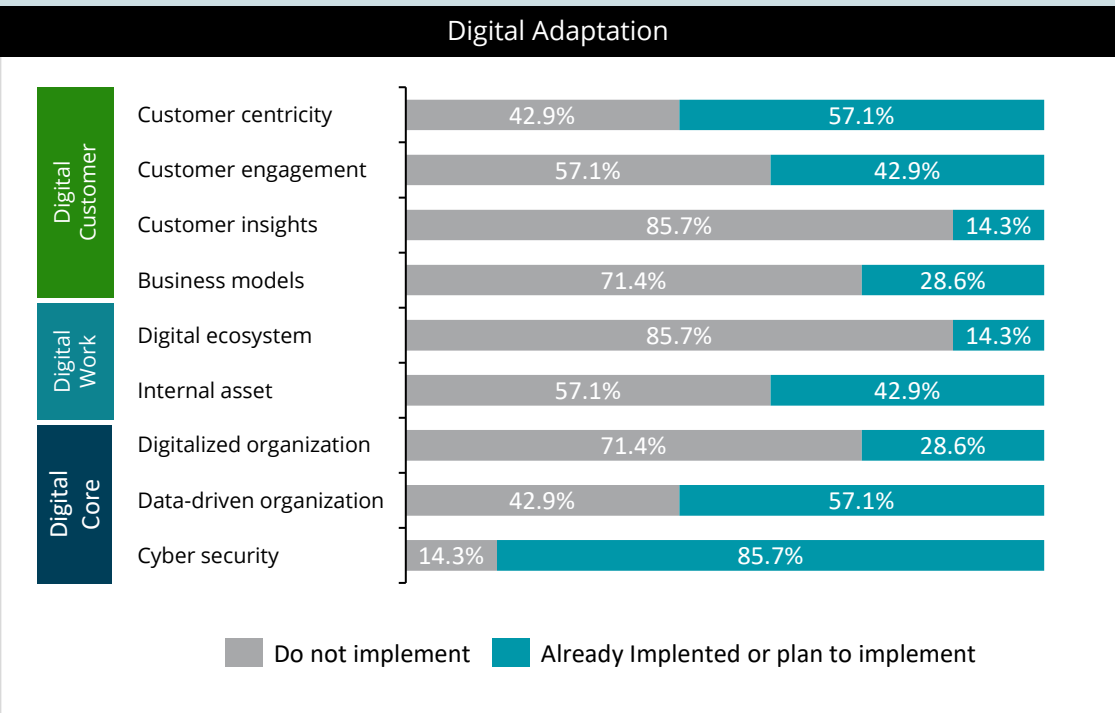
Key Takeaways

- Digital disruption has had a moderate to major impact in the Life Sciences & Health Care industry.
- All respondents from the industry found that digital transformation initiatives successfully or were partially successful in improving business performance.
- The majority of the respondents invested more than 1% of total revenue in digital initiatives.
- Most data implementations have been embraced in the industry already with customer centricity, data-driven organization and cyber security being at the mature stage of investment.
- Traditional web technology, Cloud and data analytics have become the focal points of this industry

Digital Transformation Attitude



Digital Implementation

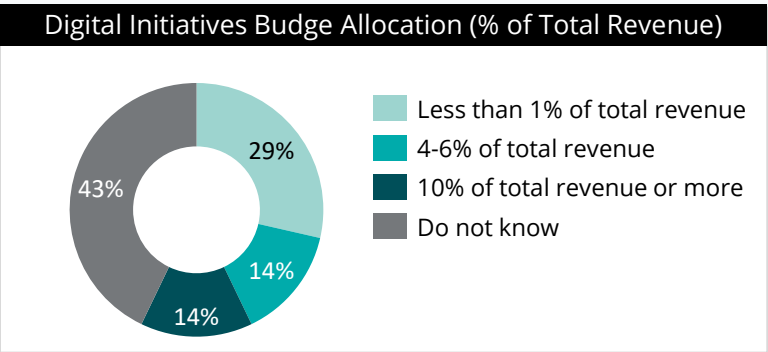
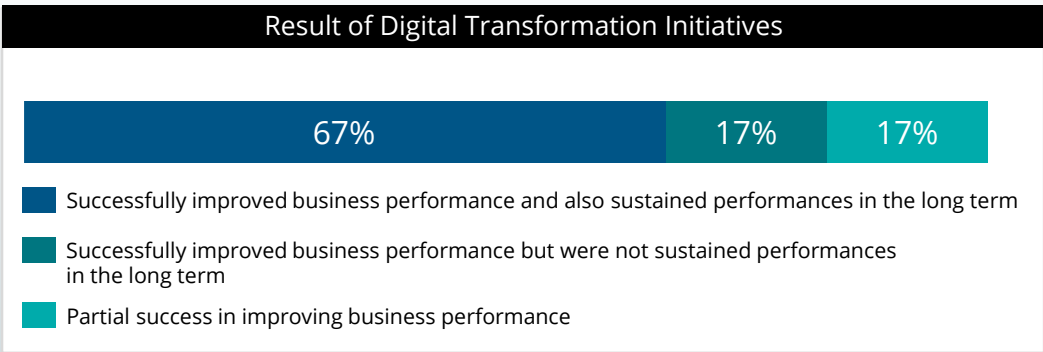
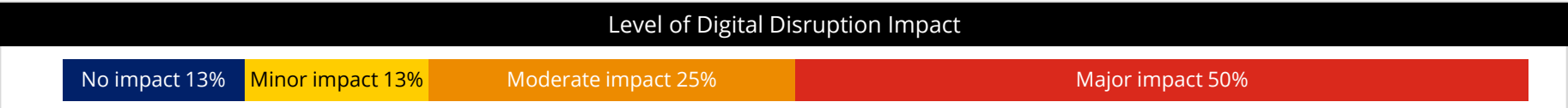




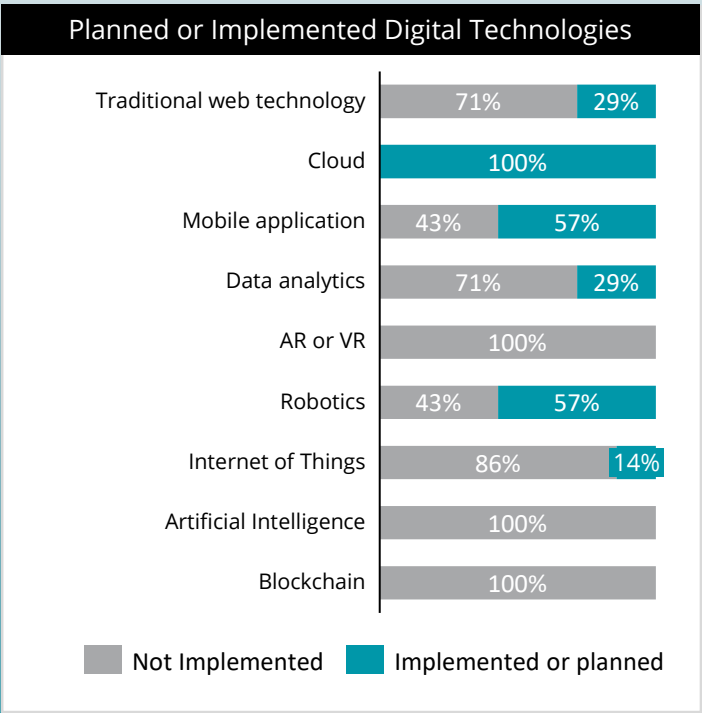
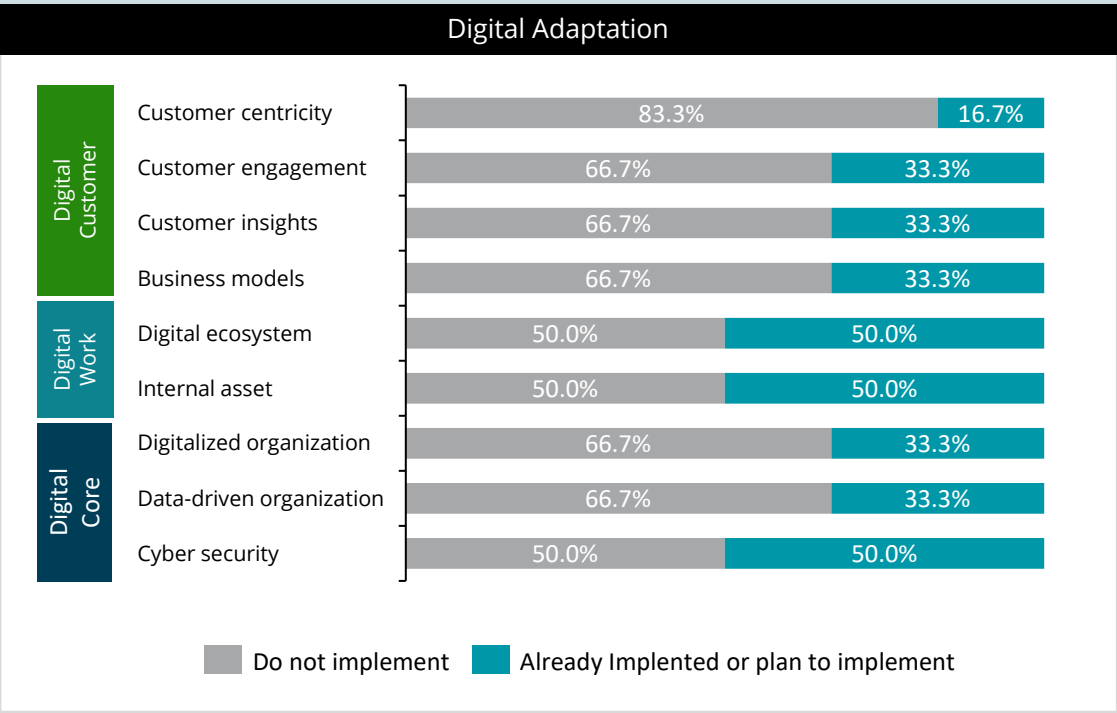
Key Takeaways

- Digital disruption has had a moderate to major impact in the Technology, Media & Telecom industry while most respondents from the industry believed digital transformation initiatives have successfully improved business performance and also sustained performances in the long term.
- Digital work is the most invested in area, with digital ecosystem and internal assets already implemented or planned to.
- All respondents identified Cloud as the unimplemented or planned digital technologies followed by mobile application and robotics.

Digital Transformation Attitude



Digital Implementation



# Dive into Four Groundbreaking Topics



**How aware are companies?**



Exploring the Age of  
Digital Disruption



**How do companies  
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Unlocking Success in Digital  
Transformations



**What is going on in  
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Industry snapshot



**What is CEO's Leadership  
Role and Ambition?**



CEO's Leadership Role  
and Ambition

# CEO's leadership role and ambition - The Key Success of Driving Digital Transformation



## CEO's leadership role and ambition - The Key Success of Driving Digital Transformation

In the face of constant disruption, effective chief executive officers (CEOs) lead by scanning the environment, identifying the dangers that might be lurking or the opportunities that might exist, and determining whether and how to act. Often, those actions involve what's commonly called "digital transformation"—implementing new tools, platforms, and business models to create competitive differentiation.

But while CEOs constantly hear that they should lead any significant digital transformation, it's not always easy to know exactly how to do that. As technology continues to grow in complexity, it is harder for CEOs to take a direct role in leading these transformations.

**Digital transformations come in all shapes and sizes. Savvy CEOs tailor their leadership efforts to suit.**



## Setting the transformation ambition

The goals and objectives of digital transformations vary significantly. The CEO's ambition for the digital transformation should go well beyond implementing new digital tools because they're readily available or trendy. It should encapsulate how the transformation adds real value to the organization. Therefore, the first question for the CEO to answer is, How extensive is my ambition for our digital transformation?



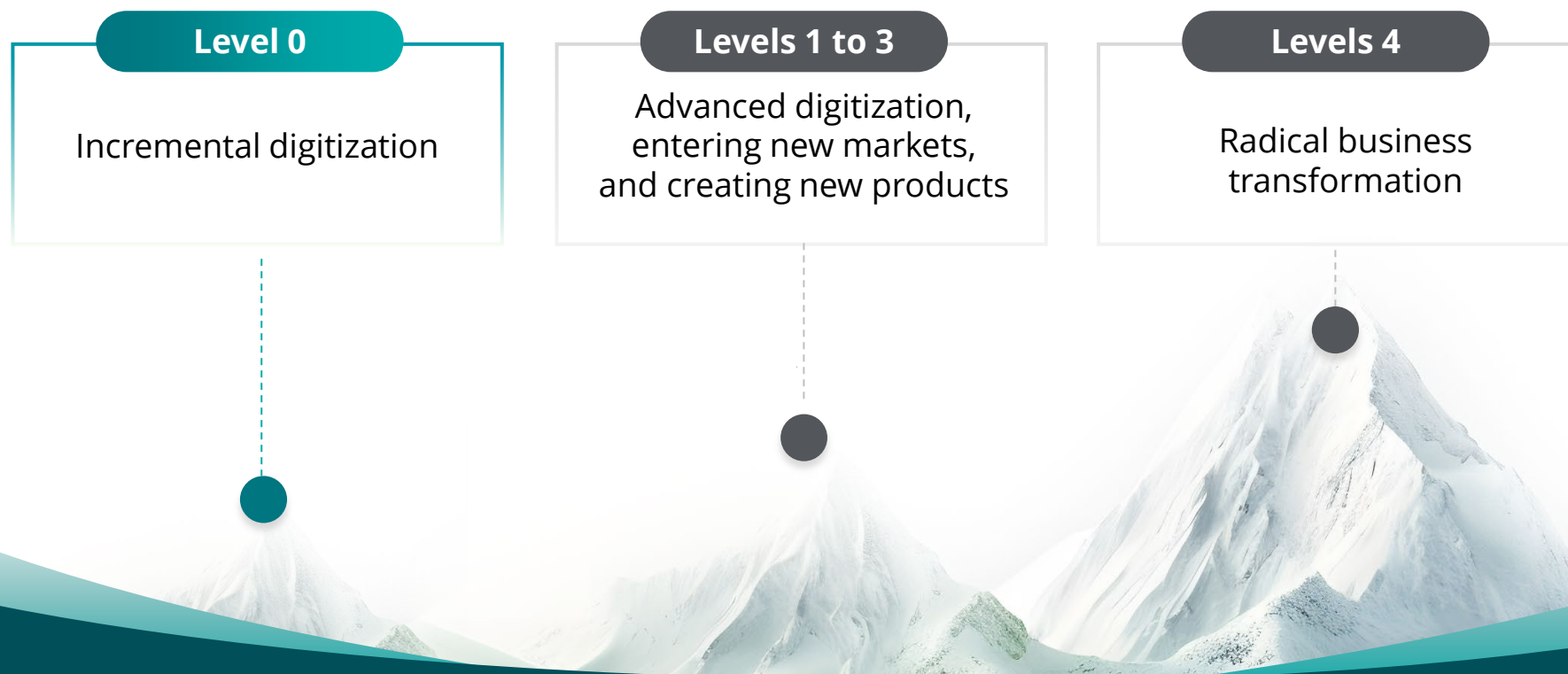
There are five levels of ambition that characterize the digital transformations, this should embody a strong “theory of the case” articulating why to pursue the transformation, as well as a blueprint for how the transformed organization is expected to create value and competitive advantage.



## Incremental digitization

Level 0 transformations are foundational initiatives that digitize existing processes with minimal change in other aspects of the business. Much of the work involves taking analog processes (such as filling out paper forms at a doctor's office) and making them digital (switching to office tablet computers or preregistration online). While these efforts aren't necessarily "transformative" in the most sweeping sense, they're often essential incremental changes that set the underpinning for a more ambitious transformation.

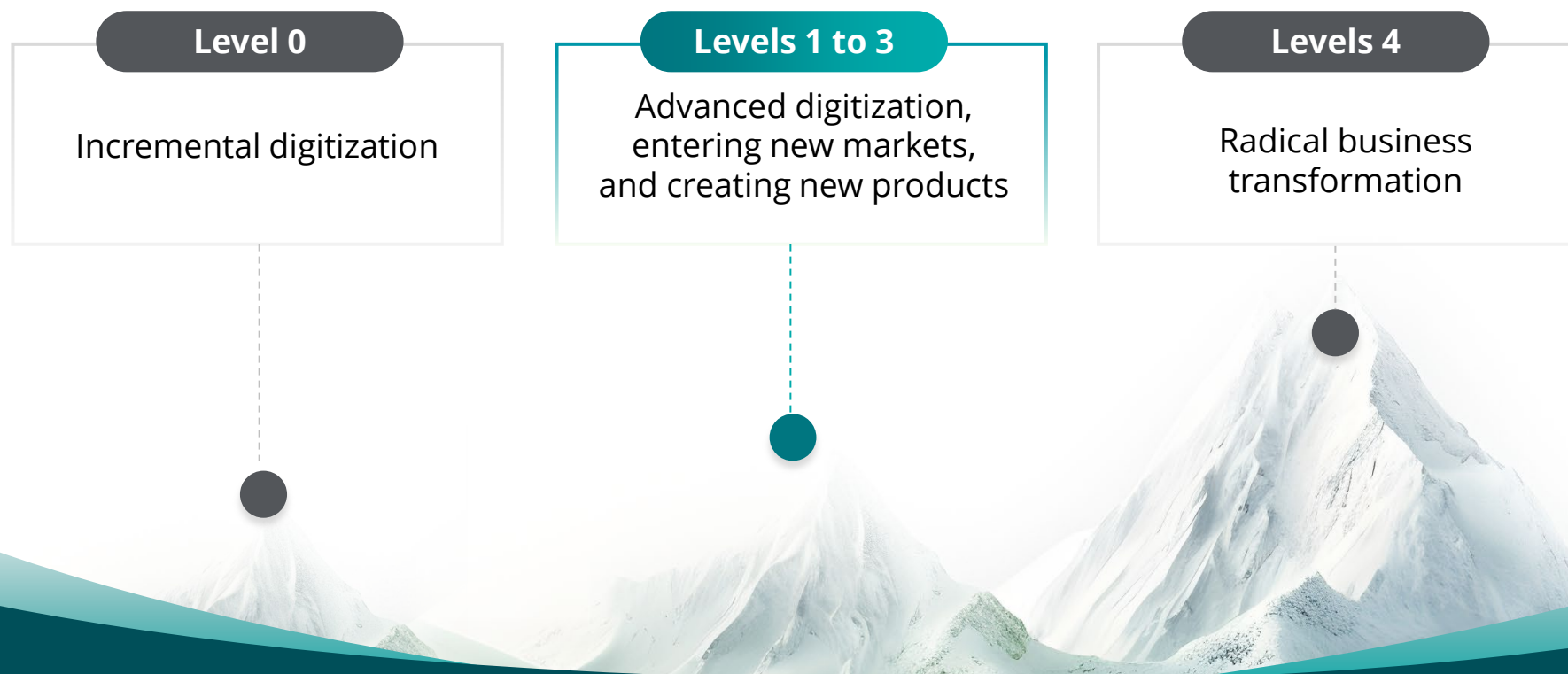
CEOs frequently initiate level 0 transformations, but they usually delegate much of the execution, supporting their team only as needed. That's appropriate considering the transformation's limited scope for change.



## Advanced digitization, entering new markets, and creating new products

Levels 1 to 3 go beyond incremental digitization by aiming to extend the existing business offerings to pursue new sources of revenue and value creation. These transformations affect all parts of the organization and require intense collaboration across the C-suite. Moreover, they often need extensive and ongoing change management throughout the organization.

A transformation within one of these levels will require new mechanisms to track its execution. Sometimes, this can go as far as creating a dedicated group. It will also likely require new ways of communicating and collaborating across organizational boundaries, and the CEO often needs to get involved to put them into effect.



# Radical business transformation

Level 4 transformation fundamentally changes the business model—how an organization operates or makes money. The CEO’s role shifts from merely championing the transformation to embodying it. The CEO’s vision for change becomes the rallying cry around which the organization reconstitutes its structure and culture.

As level 4 involves big changes to the organization, these challenges take greater CEO involvement to address. For example, the CEO may need to redefine or, in extreme cases, even eliminate the role of many executive team members, as well as create new KPIs. Most likely also require a different horizon of measurement (for instance, years versus quarters), giving the CEO the huge job of managing board, investor, employee, and others’ expectations on the duration and concomitant fortitude needed for a level 4 transformation.

One of the CEO’s most crucial roles in leading through disruption is to be ahead of the organization and be more ambitious about realizing “the art of the possible” than everyone else. Leading a successful digital transformation is one way a CEO can get there



# Digital transformation ambitions range from modest to radical

## CEO's Role

### Digital Vision



Incremental digitization



Advanced digitization



New markets



New products



New business models

### What changes?

- Same business model
- Same capability
- Same market
- Digitization of some existing internal data and operating processes
- Incremental cost/operational improvements

- New digital platforms
- Same business model
- Same capability
- Same market
- Radical digitization of processes and/or platform
- Revenue generation alongside radical cost/efficiency improvements

- Same business model
- Same capability
- New market or channel
- Similar operating model (eases change)

- Same business model
- New capability resulting in new products/service offering(s)
- Same market

- New business model
- New, innovative capability resulting in products or services that disrupt and transform industry standard
- Likely involves ecosystem model
- New KPI's likely needed

### Incremental spectrum

These levels build incrementally. The more levels a CEO's vision encompasses, the more likely it is to require enterprise wide transformation, include a new operating model and organizational structure.

*Source: Deloitte Global CEO Program and Center for Integrated Research analysis, 2022.*



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### Thailand Digital Transformation Survey Report 2023



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