



**Deloitte.**

Thailand Digital Transformation  
Survey Report 2022



## Executive Summary

Digital Transformation Survey has been conducted during the past 3 years (2020-2022) with the objective to examine the attitudes towards digital transformation among companies. In 2020 and 2021, quantitative methodology was adopted with the survey questionnaires while we perceived 2022 as a critical stage of the digital transformation hence additional in-depth interviews with c-suite level respondents were applied on top of a questionnaire.

After the analysis for 2022, we found that digital transformation has a moderate impact for businesses. The digital transformation adopted during the COVID-19 pandemic was a survival mechanic in response to the situation and as a tool for future differentiation.

The rapid adoption during the early COVID-19 period with most companies entering 'Becoming Digital' phase was a reactive adoption while in 2022 most companies shifted back to the 'Doing Digital' phase as they realized that not all technologies are applicable to the situation and are more selective in the implementation process across digital for customers, internal assets, and backend processes. Cyber security and customer centricity are the two aspects most companies found important and prioritized. In terms of technology, basic technology which are Cloud, traditional web technology and mobile application the most popular across all sizes of companies since before COVID-19 while data analytics, categorized as advance technology, has gained popularity of late. The correlation between the bigger companies and the wider range of technologies invested can be found.

Moreover, since 2020 human resource and digital mindset challenges as in lack of internal and external expertise, immature digital culture and organization silo have been the main digital transformation challenges. It is further found that most people still perceive that digital disruption concerns the IT improvements and IT personnel only more than the overall corporate responsibility.










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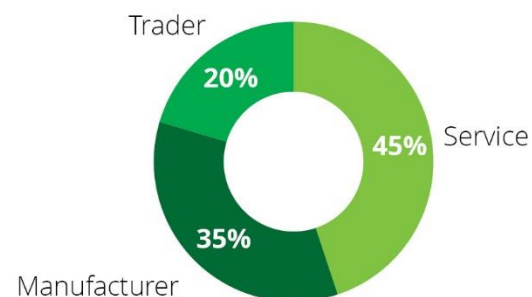


## Sample structure and survey analysis has been designed to reflect the perspective about digital disruption and transformation in Thailand

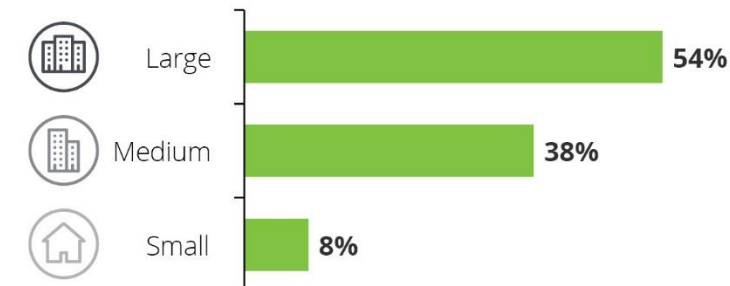
Industries		Percentage
	Consumer	43%
	Energy, Resources & Industrials	18%
	Financial Services	19%
	Technology, Media & Telecommunications	14%
	Life Sciences & Health Care	6%

Sample Size n=51

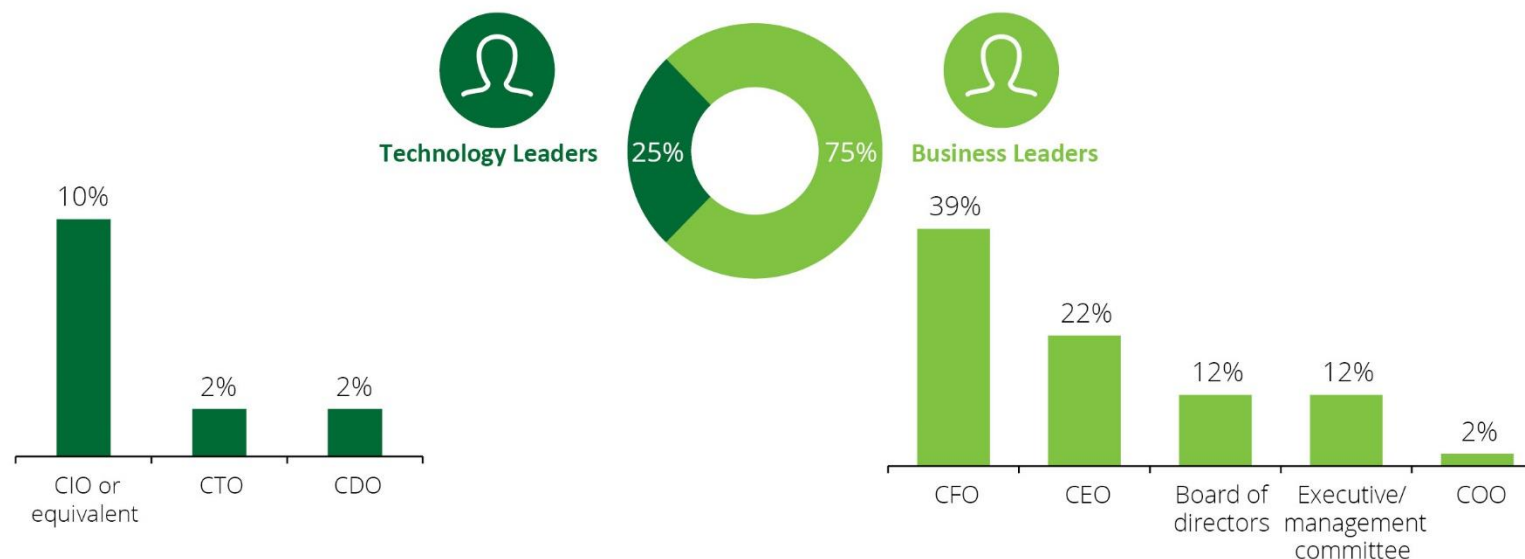
### Company type



### Company size



### Corporate title





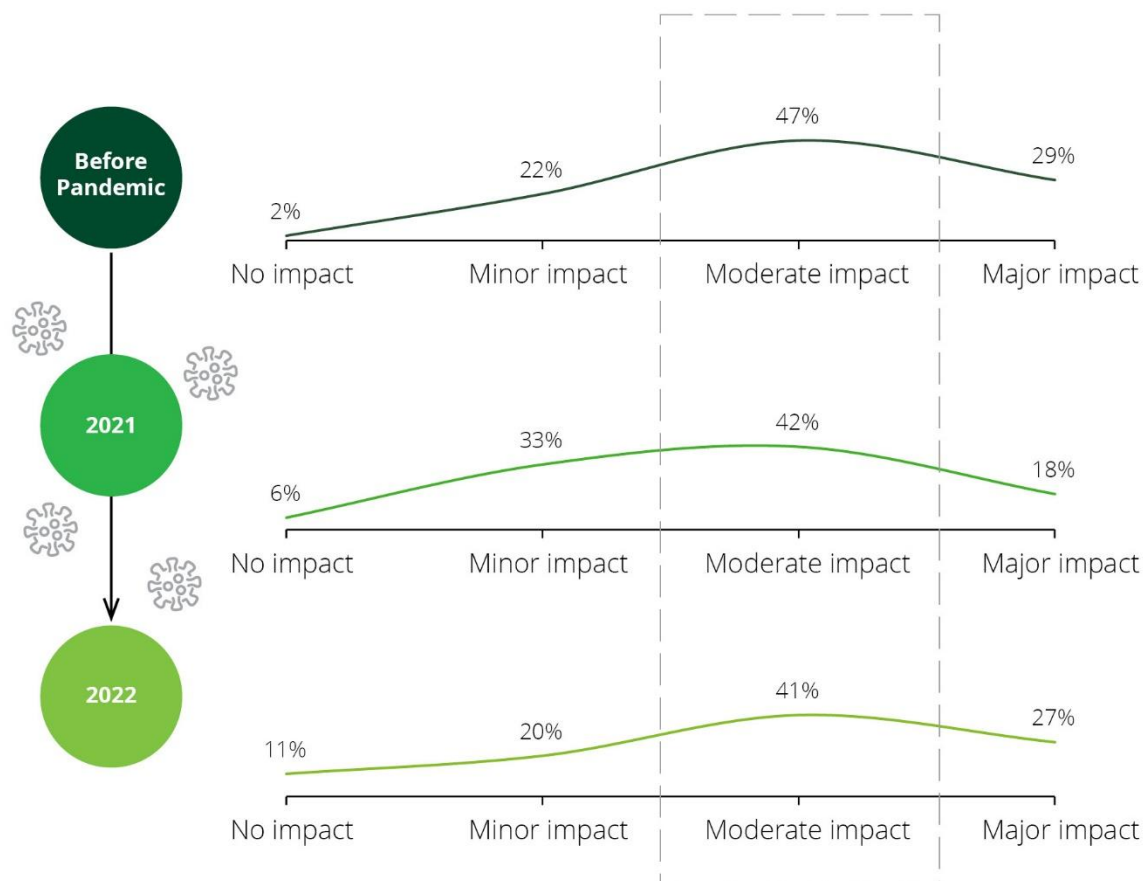
## There are 3 key topics in the study





# Digital Disruption Impact

## Digital Disruption Impact



- Businesses adopted digital implementation during the COVID-19 pandemic as a survival mechanic in response to the situation.
- In 2022, digital disruption was still perceived to have moderate impacts on businesses, but as a tool to thrive and differentiate themselves from competitors going forwards.
- On the other hand, businesses who were early adopters in integrating digital implementation within their organisations are now accustomed to the digitalization and no longer feel the impact (11%).
- Certain companies also perceive the impact as positive as they can gain more consumer data and deeper understanding.

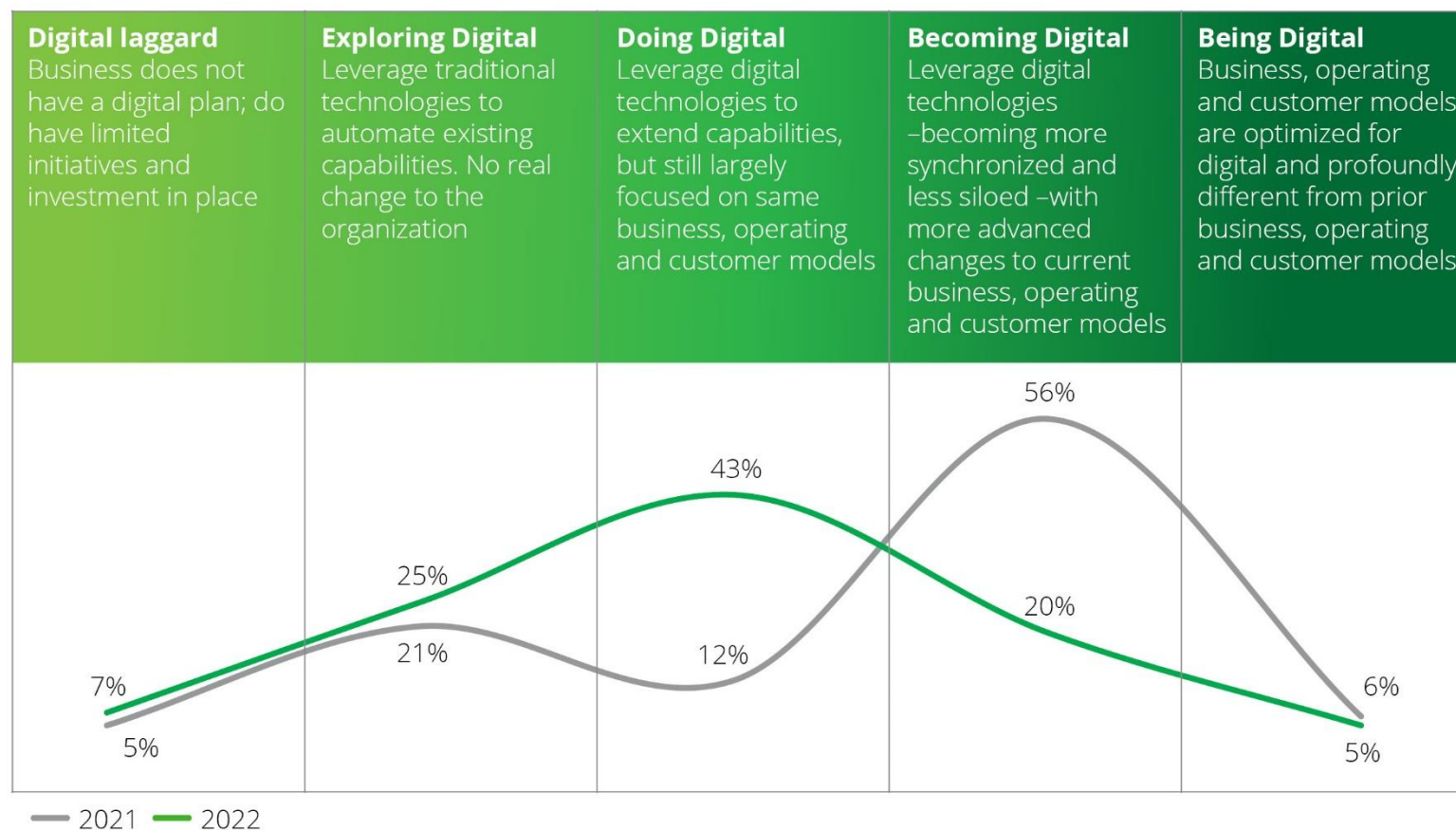
“Digital disruption will be with us for a long time, but people are becoming less apprehensive towards the situation. This is the second year already, so people are used to and are more prepared.”

**- Deloitte interview with a top executive**

Q: Currently, how significant is the impact of digital disruption on your company? (n=45)



## Digital Transformation Journey



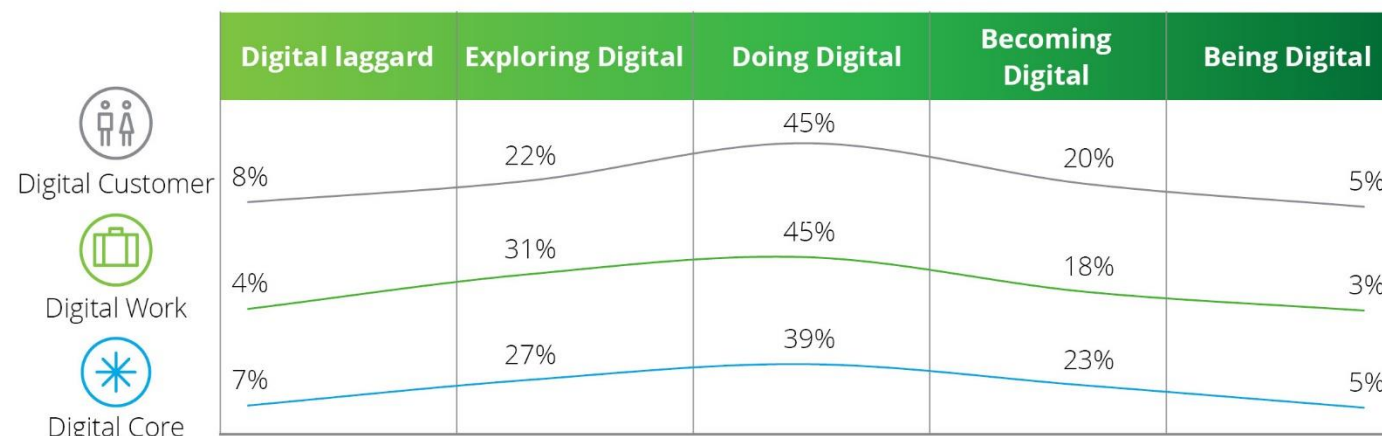
- At the initial stages of the COVID-19 pandemic, the uncertainty and change put companies into a state of shock, creating a rapid push in their transformation towards the 'Becoming Digital' phase.
- In 2022, companies have now realized that not all technologies are applicable to the situation and are more selective in the implementation process, resulting in the shift back to the 'Doing Digital' phase.

"Early on, everyone felt pressure to change everything because of COVID-19. However, after one year had passed, it was found that only half of all the brainstormed and implemented ideas were truly useful and applicable. The other half was actually not any better than the original methods used. Digitalization cannot replace everything. We have to choose whichever works best."

- Deloitte interview with a top executive



## Digital Transformation Journey



"Our company focusses on branding and local consumer insights. We aim for improved digitization with in-house data gathering and analytics for each market."

- Deloitte interview with a top executive

- A combination of all three domains are required in constructing the path to future readiness, to achieve business growth, increase operating margins, and create agility and adaptability.
- Based on the survey results, most companies show readiness for the future, as for all three domains, a large proportion of respondents are in the 'Exploring Digital' and 'Doing Digital' stage.
- In the 'Doing Digital' stage, Digital Customer means seeking ways to anticipate customer's needs, Digital Work refers to having internal digital experts and Digital Core means applying digitalization across all work processes.
- Results show that the Digital Customer domain had the most responses in the 'Doing Digital' and 'Becoming Digital' stage, at 65%, compared to the other two domains. This indicates that companies are placing focus on optimizing growth, market share and net promotor scores over optimizing operating margin costs and business adaptability.

### Note

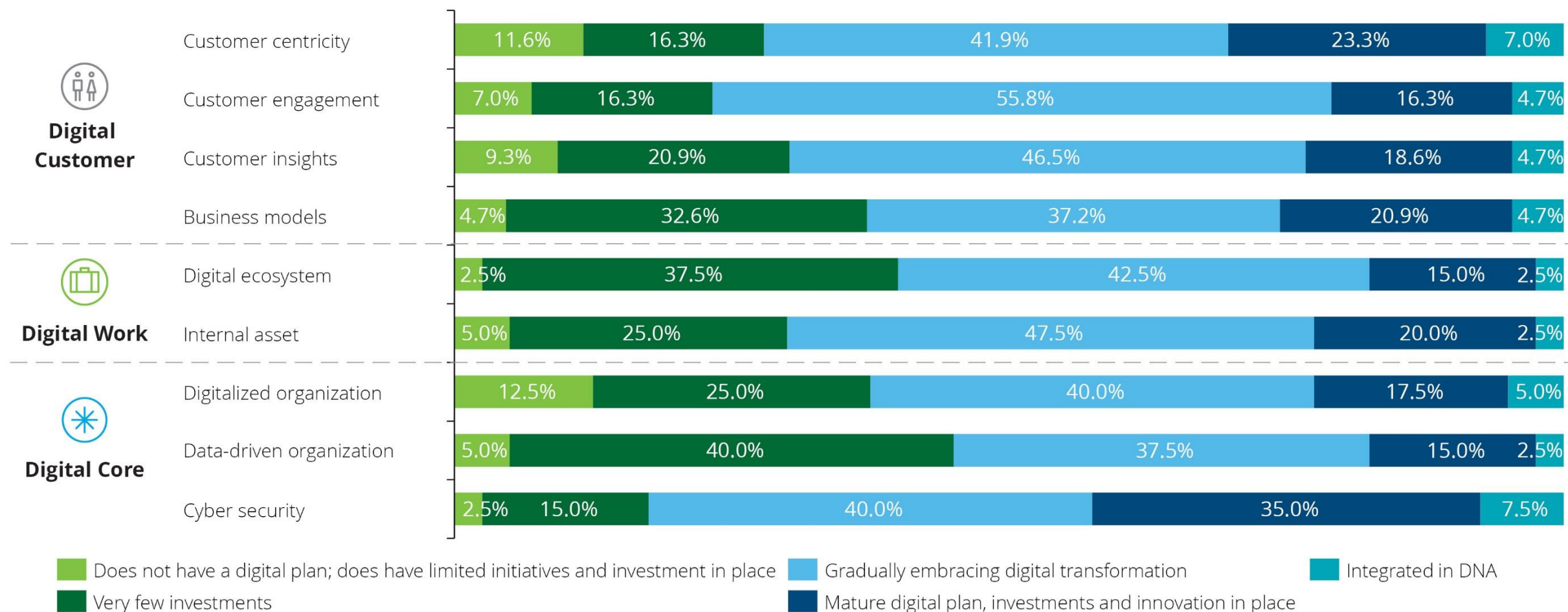
**Digital Customer:** Constantly reinventing customer value propositions by adding new digital offerings and services, extending the reach to new customer segments, and delighting customers through a seamless omni-channel customer journey.

**Digital Core:** Enable efficient, predictable, low-cost, effective operations by digitalising processes, automating work, instilling discipline for business processes and leveraging data to make faster and better decisions. Break down organisational silos and move to a flexible, cloud-based infrastructure.

**Digital Work:** Underpinning both Digital Customer and Digital Core, this domain illustrates that digital success is all about humans and radical changes to how work is led, organized and done.



## Domain of change



- Deep diving into individual aspects of the three domains shows that most companies are gradually embracing digital transformation.
- Cyber security in particular is the area most companies are focusing on, with a high proportion of companies in the mature digital plan, investments and innovation stage compared to others.

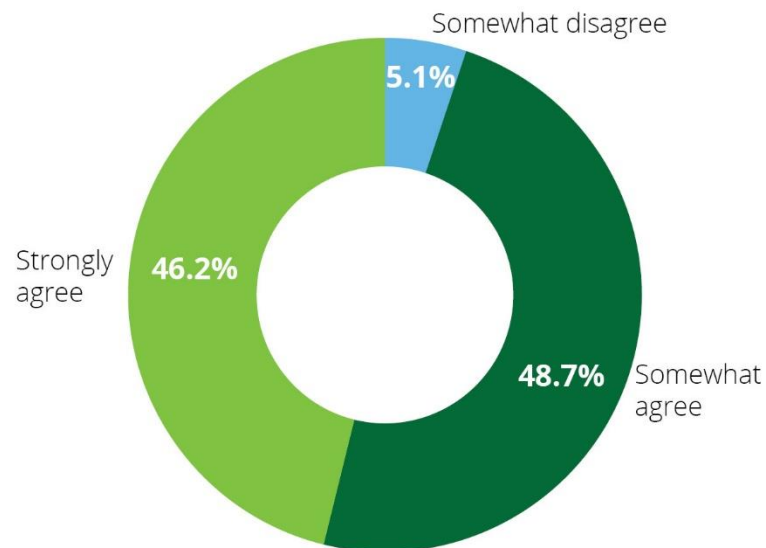


## There are 3 key topics in the study





## Perception towards digital transformation being an essential component for competitiveness



Q: Has digital transformation been essential for your company to remain competitive? (N=39)

- 95% of respondents agree that digital transformation can enable the company to be competitive.
- Financial Services and Life Sciences & Health Care lagged behind in digital transformation pre COVID-19 but accelerated their transformation during the COVID-19 period.<sup>1</sup>
- However, some companies in these two sectors somewhat disagreed to the digital transformation for competitiveness sentiment, as they believed that majority of companies in the sectors had little differentiation in the implementation processes.

"I strongly agree that digital tools create competitiveness and minimize the amount of work time."

**- Deloitte interview with a top executive**

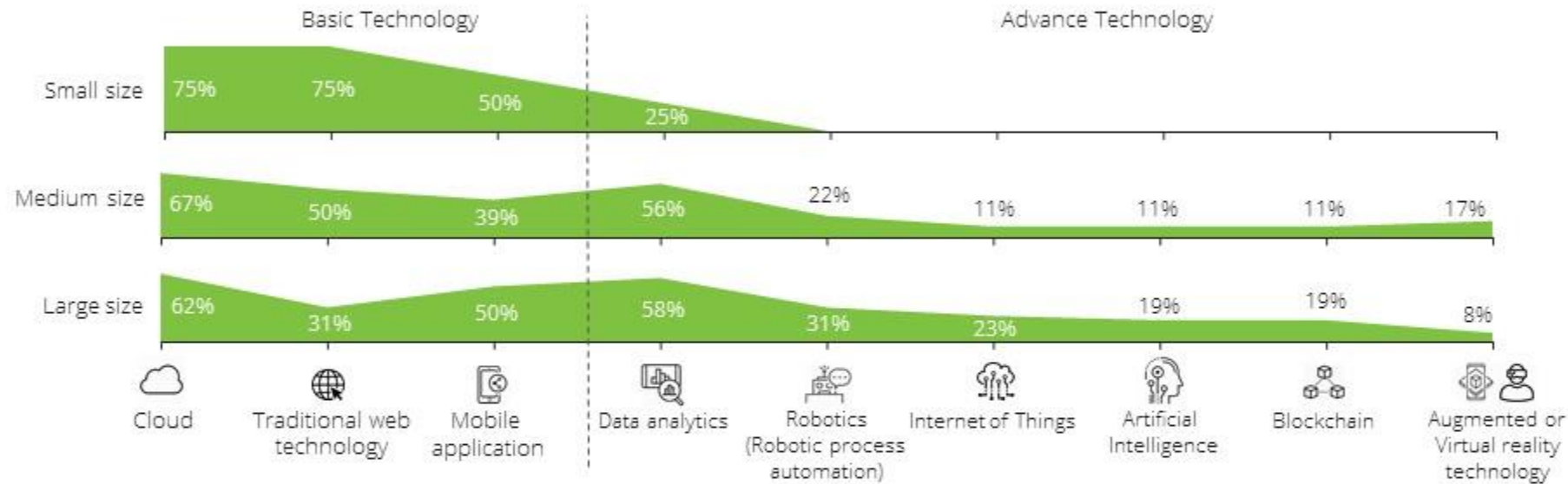
Note: Click for the reference

<sup>1</sup> Deloitte: Digital Transformation Survey Report 2021: Impact of COVID-19



## Technology Implementation

### Technology Implementation



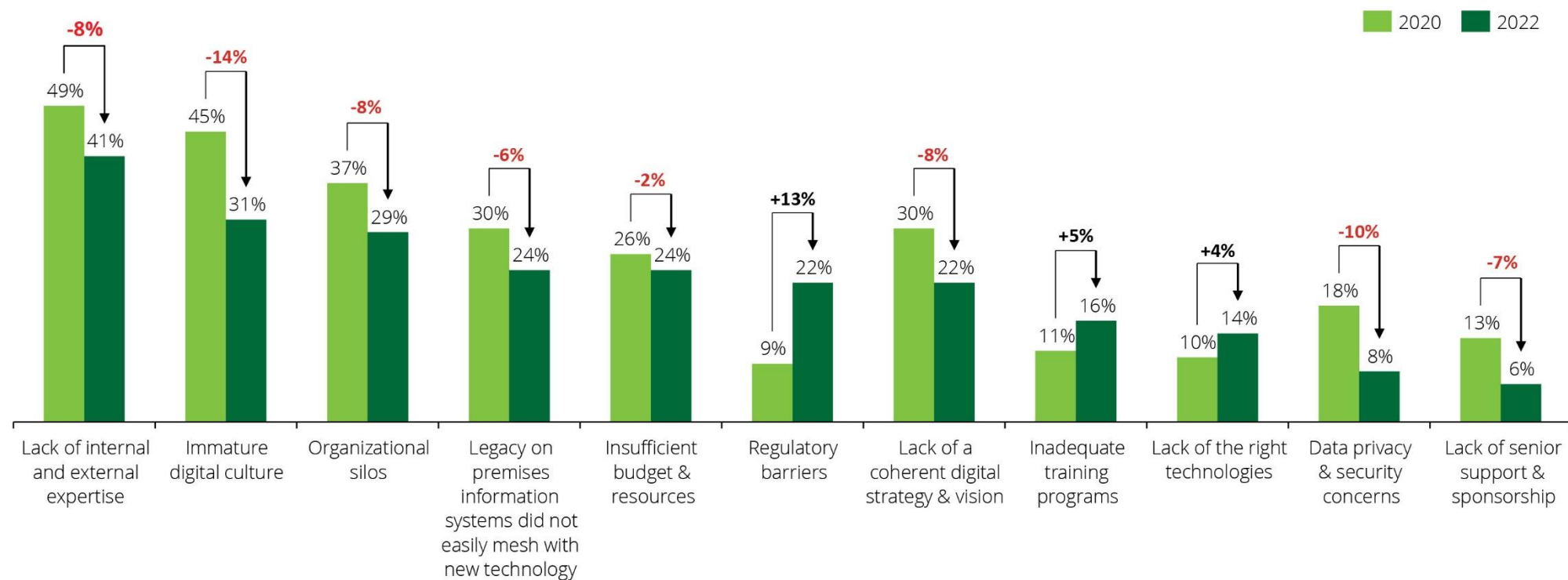
"Our company uses AI technology instead of humans to minimize errors during the working process. Digital should be adopted and takeover 50% of the existing work time so that employees can have more time to come up with new initiatives or new perspectives for higher value work."

- Deloitte interview with a top executive

- The results show the correlation between company size and technology implementation distribution.
- The larger the size of the company, the wider the distribution in technology implementation.
- Basic technology together with data analytics are popular among every company size.
- Larger companies are more likely to adopt a vast variety of technology implementation due to their complex working processes and supply chains. Technology is adopted to help in their working processes and to reduce working time and errors.
- Also, large companies have higher budget for investment than smaller size companies.



## Challenges to achieve digital transformation implementation

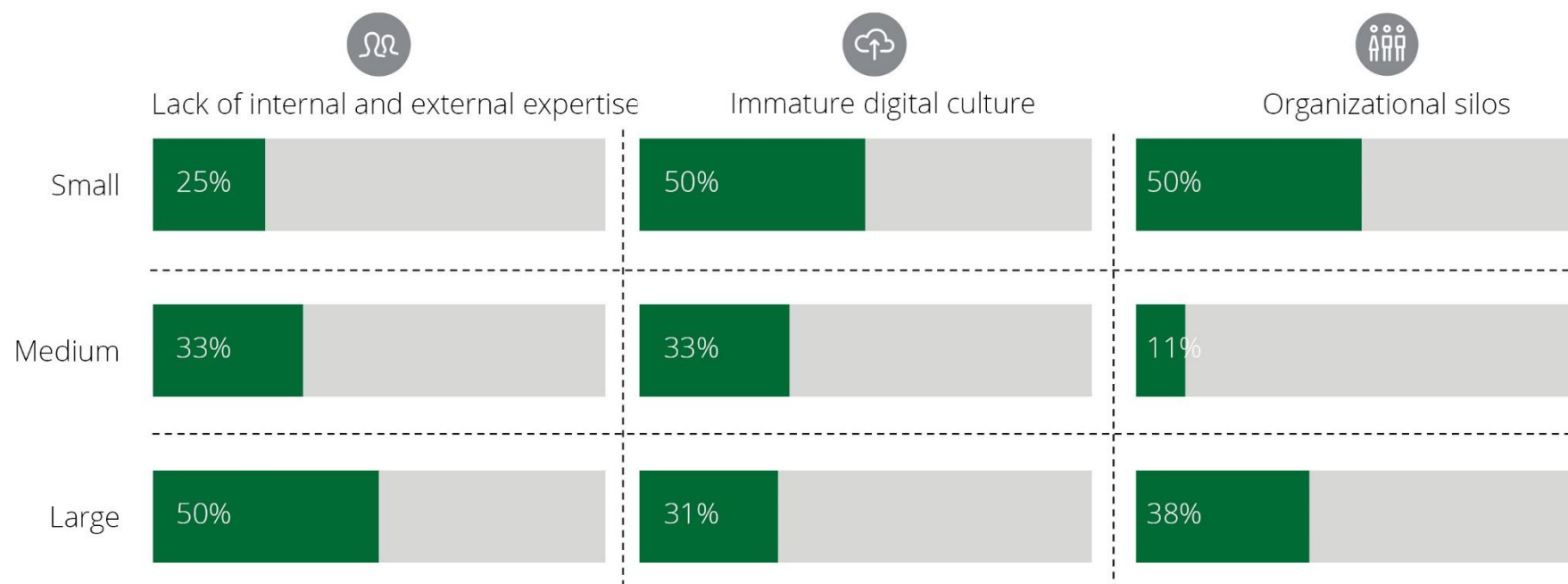


- Notably, technology itself is not a major challenge in implementing digital transformation.
- Rather, challenges arise from a lack of internal and external expertise in the relevant fields. Thai corporates reveal the three main challenges they are facing include talent gap, digital culture, and organization silo.

Q: What are challenges to achieve digital transformation implementation in your company? (n=51)

## Technology Implementation Challenges

- There is no correlation between company size and challenges faced.
- Most companies still have the mindset that separate digital and IT, resulting in more emphasis on IT and technological changes rather than digital expertise development, which should be developed in conjunction.

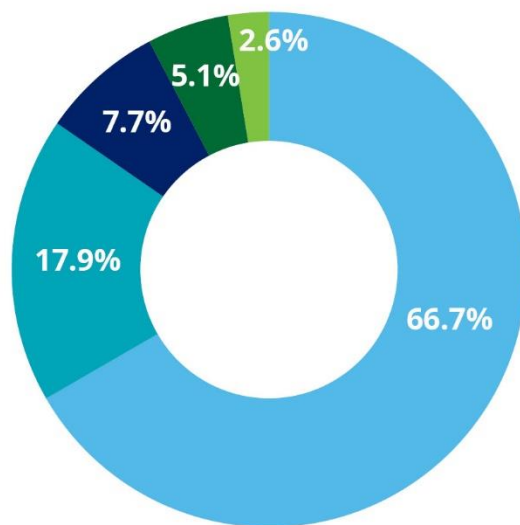


"I predict that the top 3 challenges will remain for 4-5 years into the future. When talking about "disruption", people will think of IT which is not the direct challenge. The direct challenge should be the digital mindset."

**- Deloitte interview with a top executive**



## Perception towards results of digital transformation initiatives



- Successfully improved business performance and also sustained performances in the long term
- Successfully improved business performance but were not sustained performances in the long term
- Partial success in improving business performance
- Unsuccessful in improving business performance
- Do not know

Q: What was the result of your company's digital transformation initiatives? (n=39)

- After a year with COVID-19, companies realized not all digital technologies are beneficial to business.
- Companies are accustomed to the situation and are not as keen on digital transformation compared to the early days of COVID-19 when people rushed to adopt as many technologies as possible.
- The number of successful (25.6%), compared to our first survey in 2020 (34.0%)<sup>1</sup> decreased due to rush implementation and projects that failed to meet the initial expectation.

"An online platform is beneficial for marketing and sales but may not lead to efficiency and productivity in on-site factory discussions or work processes"

**- Deloitte interview with a top executive**

Note: Click for the reference

<sup>1</sup> Deloitte: Digital Transformation Survey Report 2020

## There are 3 key topics in the study





# Consumer Industry

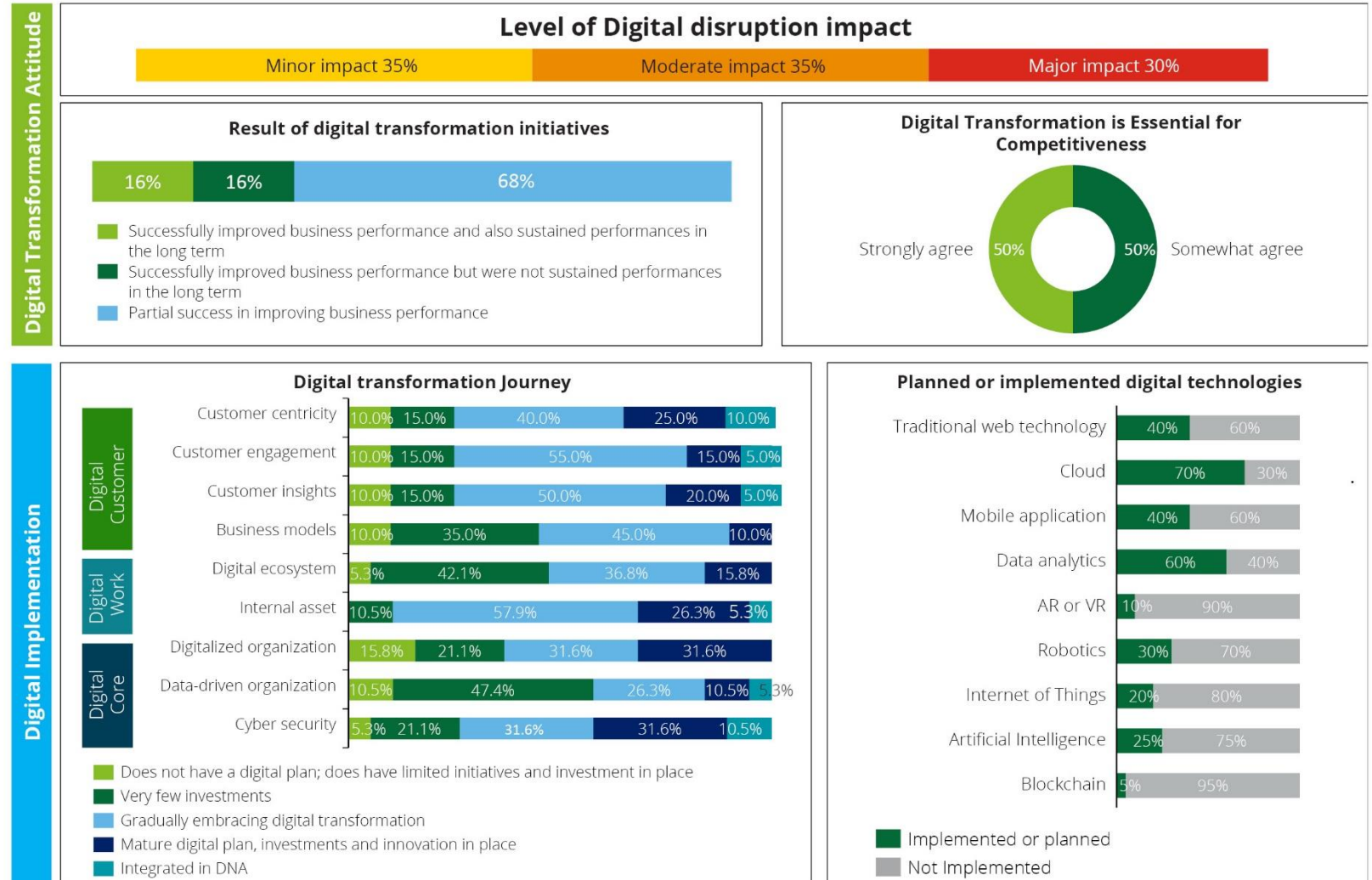
## Key Takeaways

- Digital disruption caused the most major impact in the Consumer industry compared to others, especially among consumer products and services.
- Most digital transformation initiatives have had partial success in improving business performance. All respondents from the Consumer industry agree that digital transformation is essential for competitiveness.
- The most invested area for data implementation is internal assets in terms of team performance and rewards, and empowerment, particularly in the automotive industry.
- This is followed by the digital ecosystem and cyber security especially in the service industry due to the large amount of consumer data.
- The most implemented technologies in the industry remain in the basic technologies category, similar with last year's survey, with the focus on cloud, data analytics, traditional web technology and mobile applications.
- Data analytics usage noticeably increased, for digital customer understanding.

Note:

Consumer industry includes Automotive, Consumer Products, Retail, Wholesale & Distribution and Transportation, Hospitality & Service

## Consumer Industry

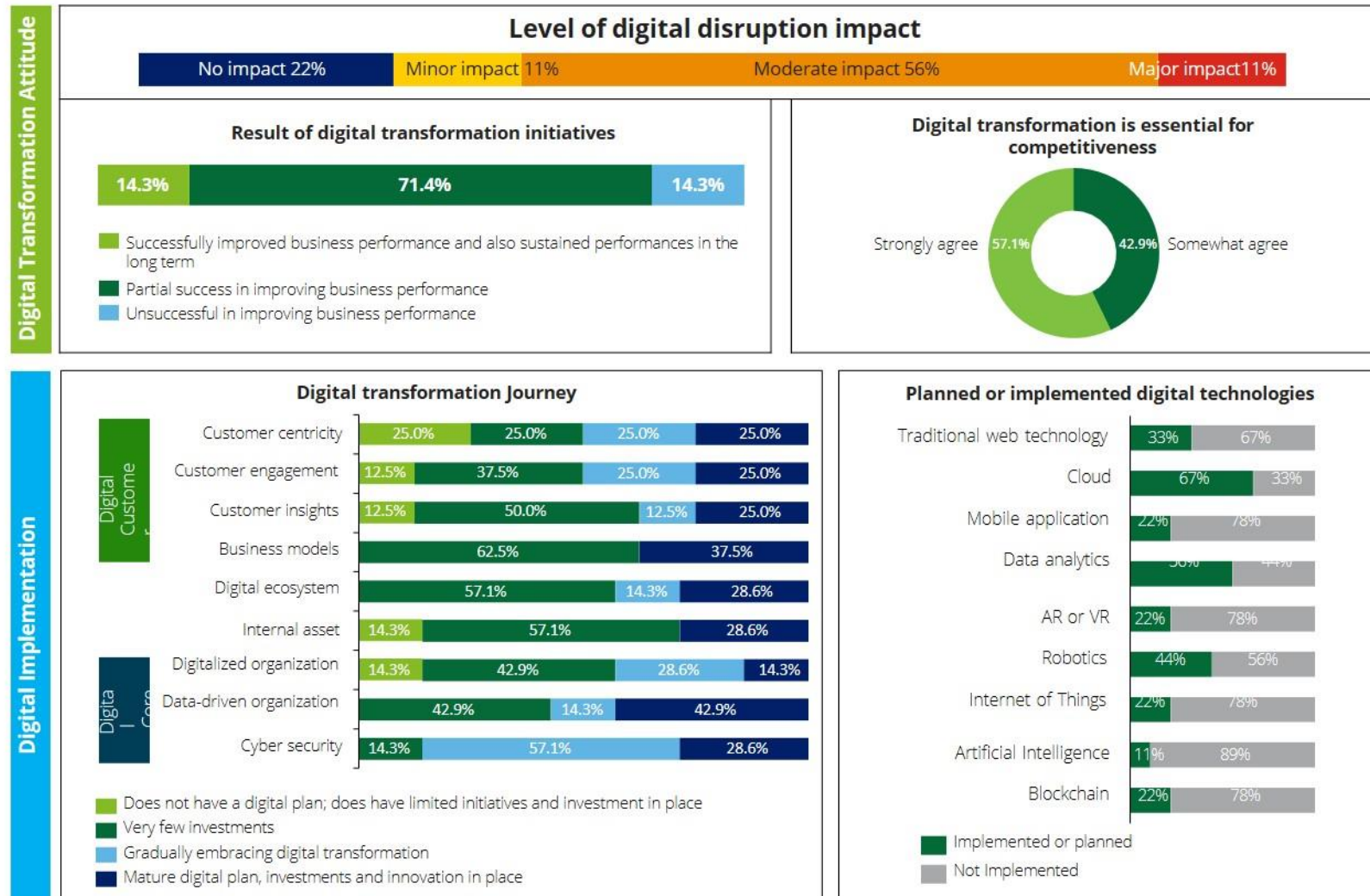


## Energy, Resources & Industrials Industry

### Key Takeaways

- Digital disruption has had a moderate to lower impact in Energy, Resources & Industrials.
- Digital transformation initiatives have had partial success in improving business performance. Most respondents strongly agree that digital transformation is essential for competitiveness.
- Data implementations that are most integrated in the DNA are mainly those of the digital backbone such as data-driven organization, business models, cyber security, digital ecosystem and internal assets.
- 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 cloud, data analytics and robotics as the Energy, Resources & Industrials industry rely on RPA technologies.

### Energy, Resources & Industrials Industry





# Financial Services Industry

## Key Takeaways

- Digital disruption has had major impact in the Financial Services Industry with all respondents from the industry believing that digital transformation initiatives have had success in improving business performance and agreeing that digital transformation is essential for competitiveness.
- Most data implementations have been embraced in the industry already with customer centricity, customer insights and cyber security being in the mature stage of investments.
- Digitalized organization, cyber security, business models and digital ecosystem are emphasized in the industry as the industry focuses on internal assets and organization digitalization.
- Basic technologies such as cloud, followed by traditional web technology, mobile application and data analytics are technologies already implemented or are planned investments, for this industry.



## Financial Services Industry

Digital Transformation Attitude

### Level of digital disruption impact

No impact 29%

Moderate impact 29%

Major impact 43%

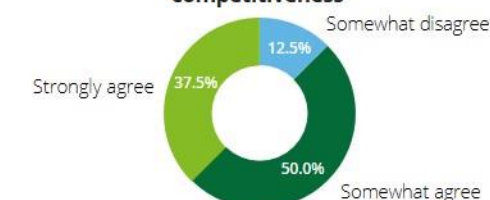
### Result of digital transformation initiatives

43%

57%

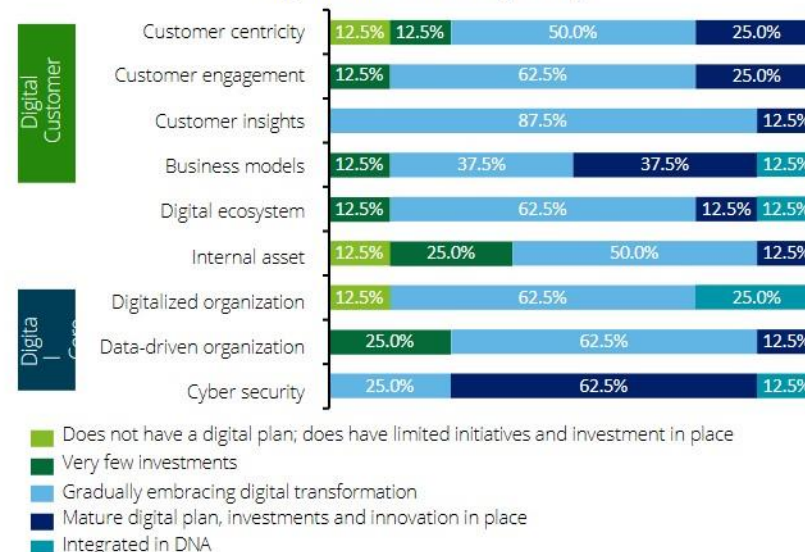
- Successfully improved business performance and also sustained performances in the long term
- Partial success in improving business performance

### Digital transformation is essential for competitiveness

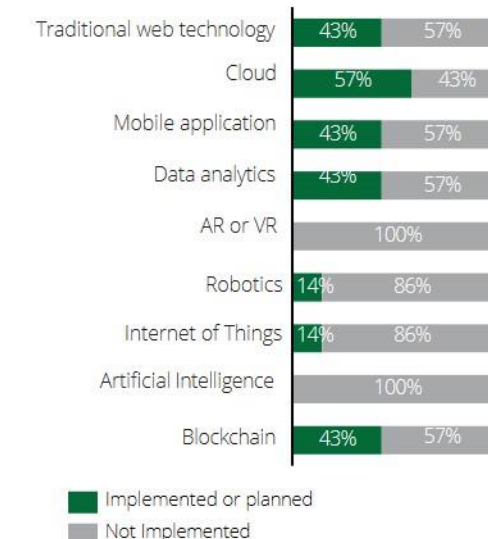


Digital Implementation

### Digital transformation journey



### Planned or implemented digital technologies



# Life Sciences & Health Care Industry

## Key Takeaways

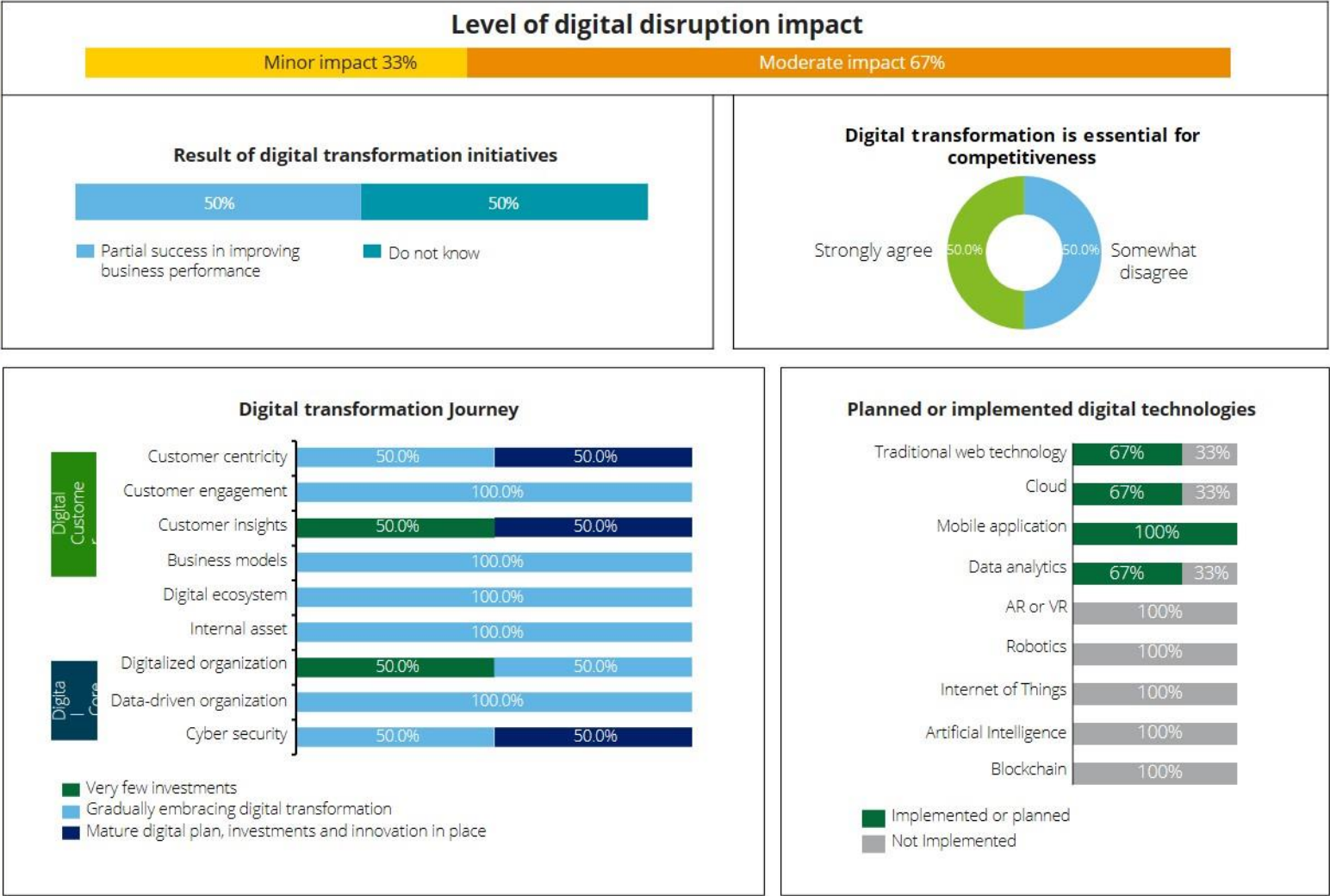
- Digital disruption has had moderate to lower impact in the Life Sciences & Health Care industry.
- Respondents from the industry are uncertain whether digital transformation initiatives have contributed to improved business performance or not, since half of the respondents believe it to be partially successful while the others are uncertain, similarly with whether digital transformation is essential for competitiveness or not.
- Most data implementations have been embraced in the industry already with customer centricity, customer insights and cyber security being at the mature stage of investment.
- Mobile application is the focal point of this industry with traditional web technology, cloud and data analytics already implemented or with planned investments.



## Life Sciences & Health Care Industry

Digital Transformation Attitude

Digital Implementation





## Technology, Media & Telecom Industry

### Key Takeaways

- Digital disruption has had moderate to major impact in the Technology, Media & Telecom Industry while most respondents from the industry believed digital transformation initiatives have had partial success in improving business performance and all agree that digital transformation is essential for competitiveness.
- Digital consumer is the most invested area and integrated within the business as customer centricity, customer engagement, customer insights and business model, all being embraced in the corporate DNA.
- Mobile application and data analytics followed by cloud technology and traditional web technology are the technologies most implemented in the industry in order to understand their large amount of consumer data.



### Technology, Media & Telecom Industry

Digital Transformation Attitude

#### Level of digital disruption impact

No impact 17%

Moderate impact 50%

Major impact 33%

#### Result of digital transformation initiatives

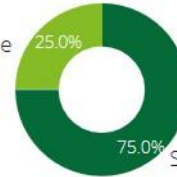
75%

25%

- Partial success in improving business performance
- Unsuccessful in improving business performance

#### Digital transformation is essential for competitiveness

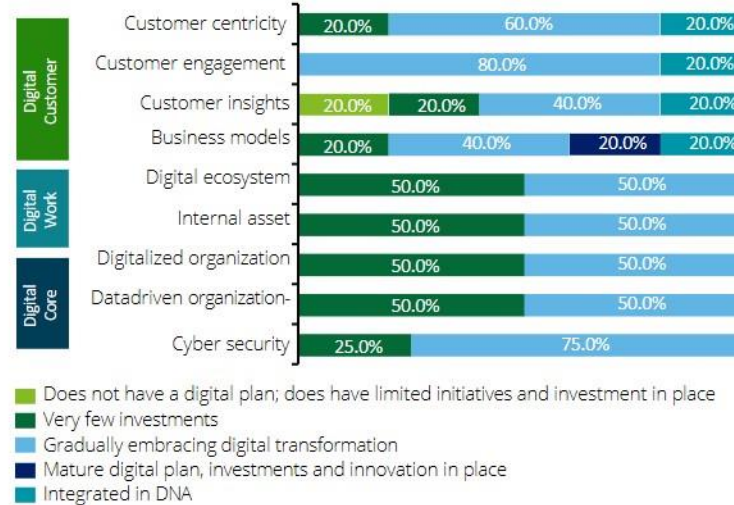
Strongly agree



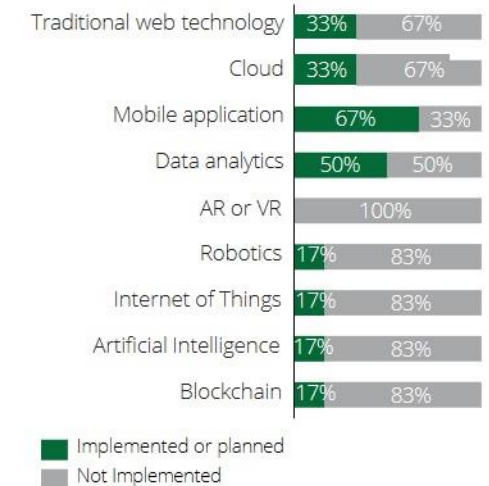
Somewhat agree

Digital Implementation

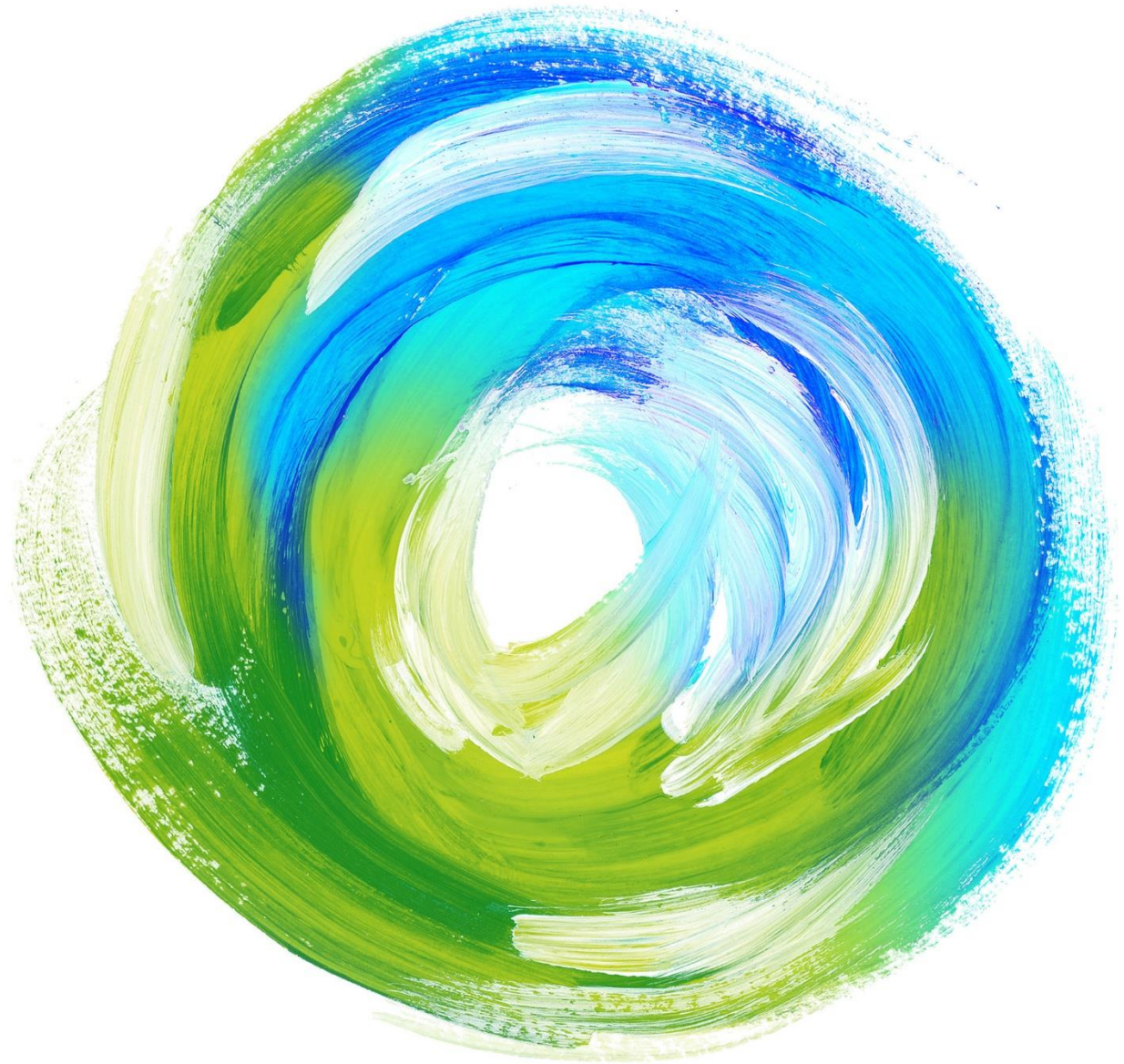
#### Digital transformation journey



#### Planned or implemented digital technologies



## Deloitte's Point of View





## The game has changed

For many enterprises, whatever pre-COVID digitalisation strategy they had, it needs to be reimagined. The key word here is accelerated transformation.

Deloitte predicts that successful companies will permanently shift their mindset and ways of working and avoid returning to normal. Now, they are acknowledging the COVID-19-accelerated changes taking place and looking forward, reacting with interventions that will last well beyond the pandemic. Consider the following observations we've been making.

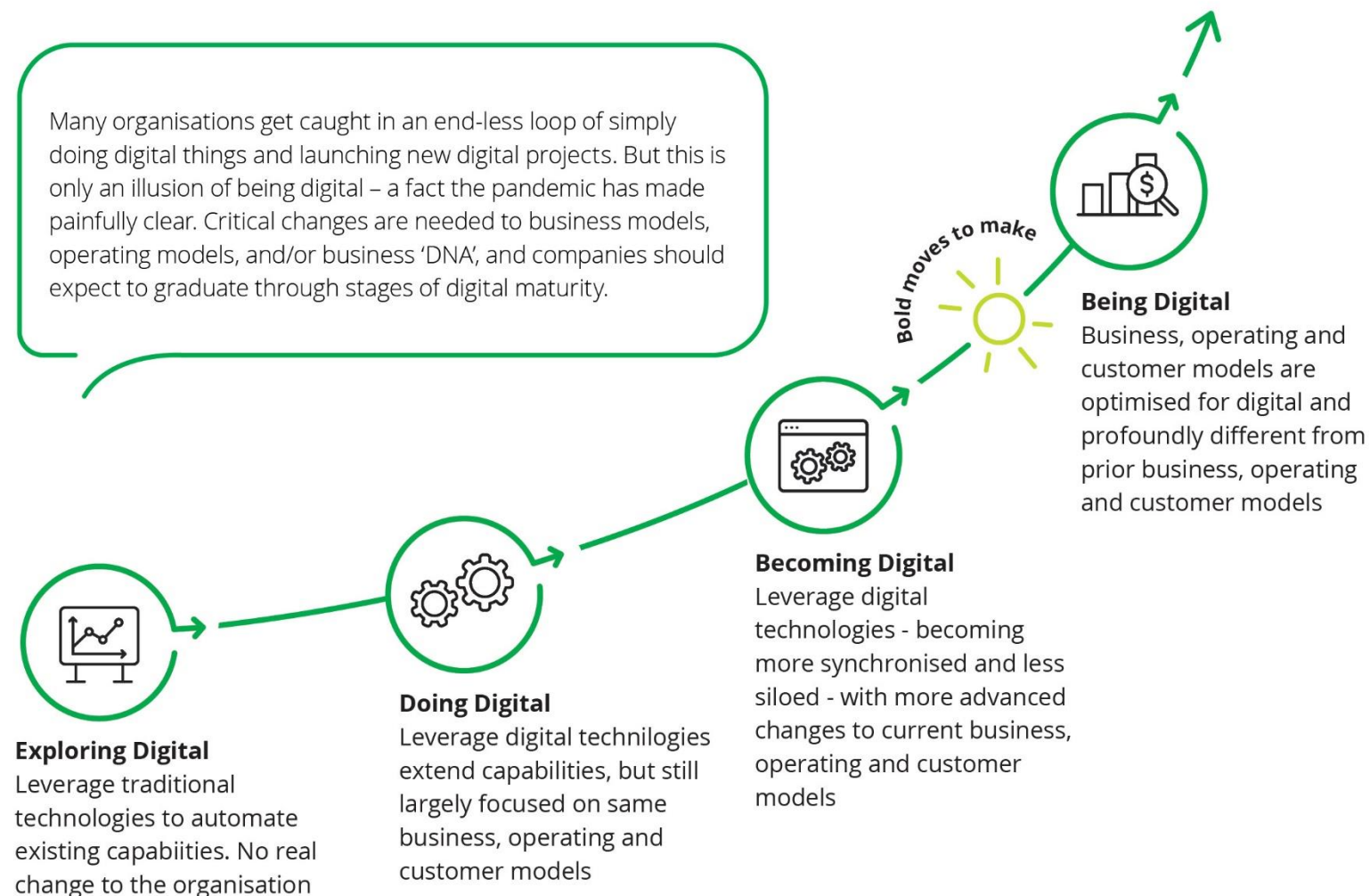
- Many shifts in consumer behaviour that emerged overnight will prove to be permanent, justifying an accelerated shift to digital customer engagement.
- Actionable intelligence, based on real-time visibility into financial and operational data, was key during the crisis and will remain of strategic importance.
- Disruptions in global logistics demanded the ability to quickly reconfigure supply chains; forward-looking enterprises will retain this ability in preparation for future disruptions.
- Working from remote locations will continue, and offices will be used in different ways. This made the 'future of work' an imminent reality.





## The journey of digital transformation

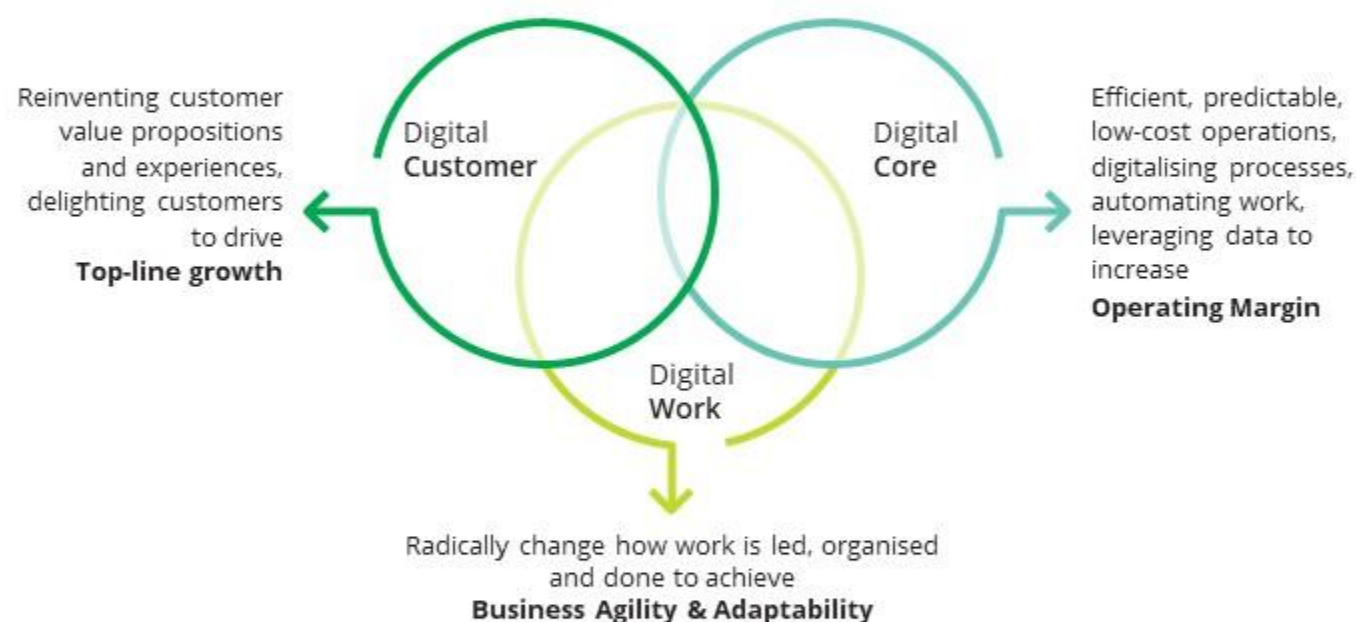
In the early stage of maturity, those companies 'doing digital': launching digital initiatives and leveraging digital technologies to extend capabilities, but still largely focused on their existing business models. At the end of the maturity spectrum we find companies 'being digital': with reimagined business, operating and customer models that show profound differences from prior models. The latter stage will bring not only fundamental changes to the ways of working, but, inevitably, a fundamentally different culture and company DNA.





## Domains of digital change

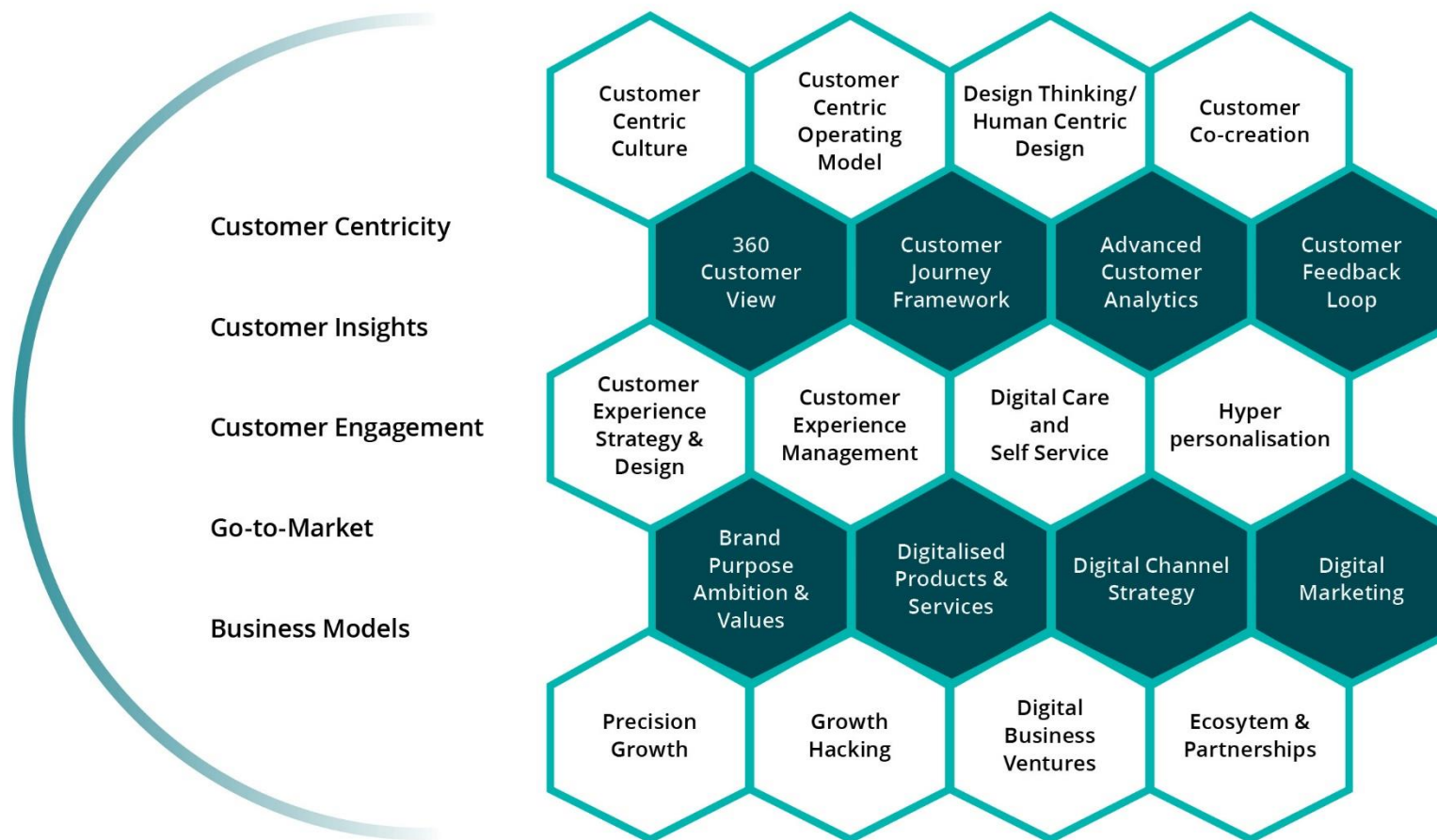
The challenge now is for business leaders to retool their digitalisation strategies to match the pace of acceleration, and tailor them to new insights. Enterprises that have achieved a mature and fit-for-future state of 'being digital' have mastered three domains of change:



A holistic approach is required. The path to future readiness requires a strategy in which Digital Customer, Digital Core and Digital Work are considered together and not in isolation, aiming at the three objectives: top-line growth, operating margin and business agility and adaptability. Rather than having multiple leaders that each focus on one domain of digital transformation, there is a need for Digital/IT leadership that has a broad view on all domains.

- **Digital Customer:** constantly reinventing customer value propositions and service models by adding new digital offerings, extending the reach to new customer segments, and delighting customers through a seamless customer journey experience. Optimises: top-line growth, market share and net promoter score (NPS).
- **Digital Core:** to enable efficient, predictable, low-cost, effective operations – by digitalising processes, automating work, and leveraging data to make faster and better decisions. Critical to all these actions is a platform mindset and the dedication to break down organisational silos, driving the move to a flexible, cloud-based infrastructure. Optimises: operating margin and cost-to-income ratio.
- **Digital Work:** Underpinning both Digital Customer and Digital Core, digital success is all about humans and radical changes to how work is done. Relevant actions include evolving leadership capabilities and appointing new leaders, changing man-dates and budgets, evolving ways of working, and redesigning the structure. Optimises: business agility & adaptability.

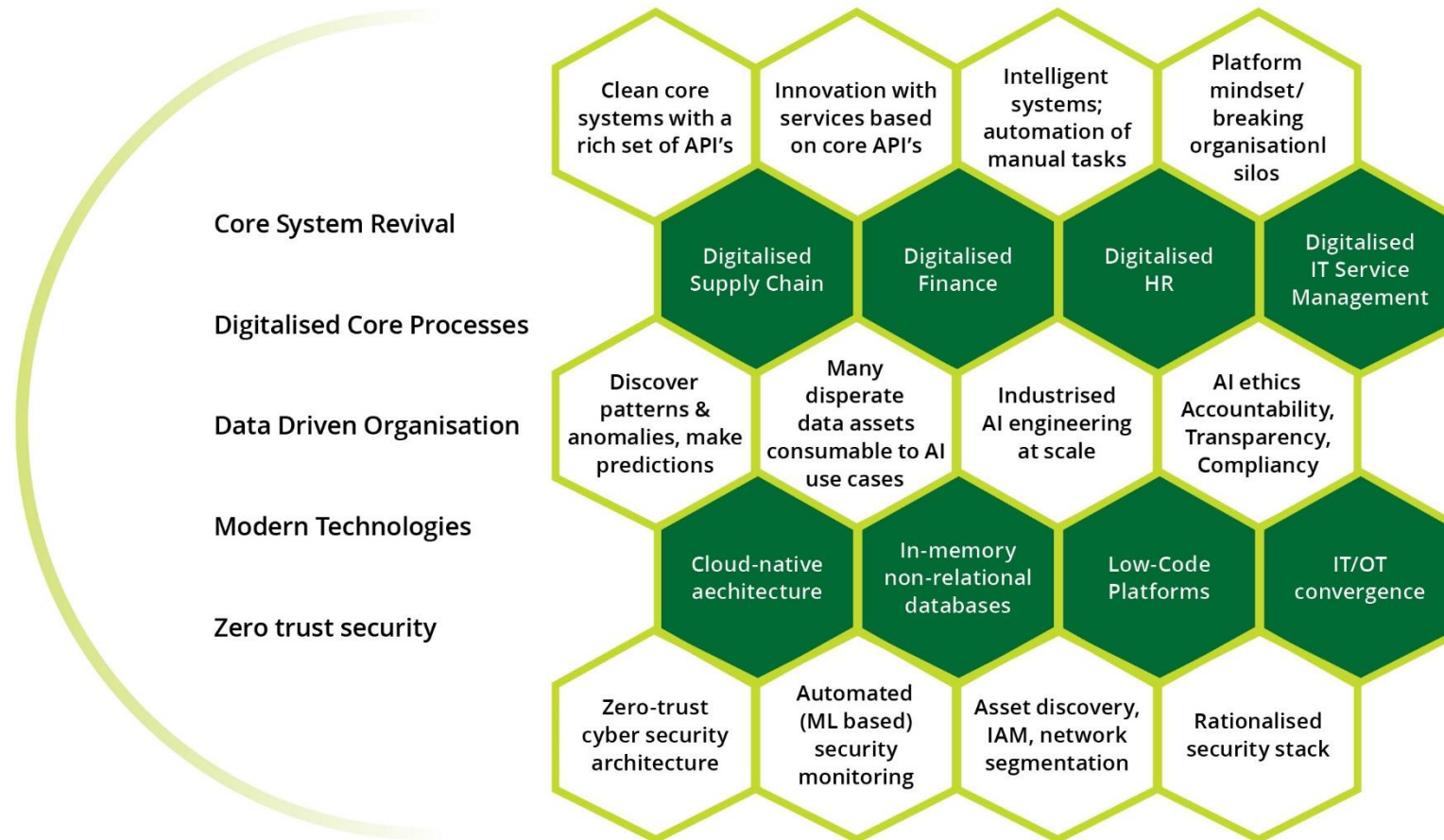
## Digital Customer



Constantly reinventing customer value propositions by adding new digital offerings and services, extending the reach to new customer segments, and delighting customers through a seamless omni-channel customer journey.

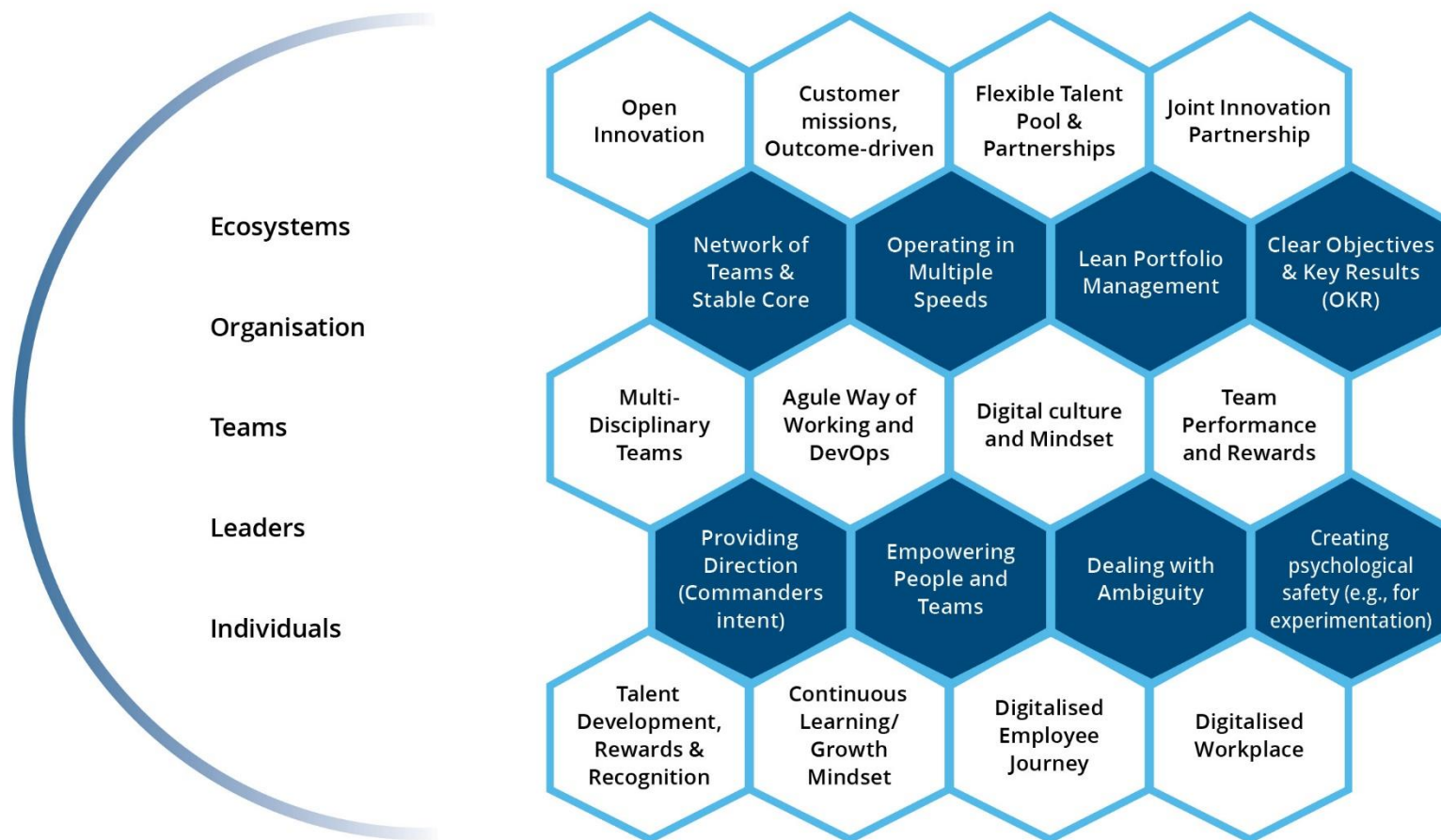


# Digital Core



Enable efficient, predictable, low-cost, effective operations by digitalising processes, automating work, instilling discipline for business processes and leveraging data to make faster and better decisions. Break down organisational silos and move to a flexible, cloud-based infrastructure

# Digital Work

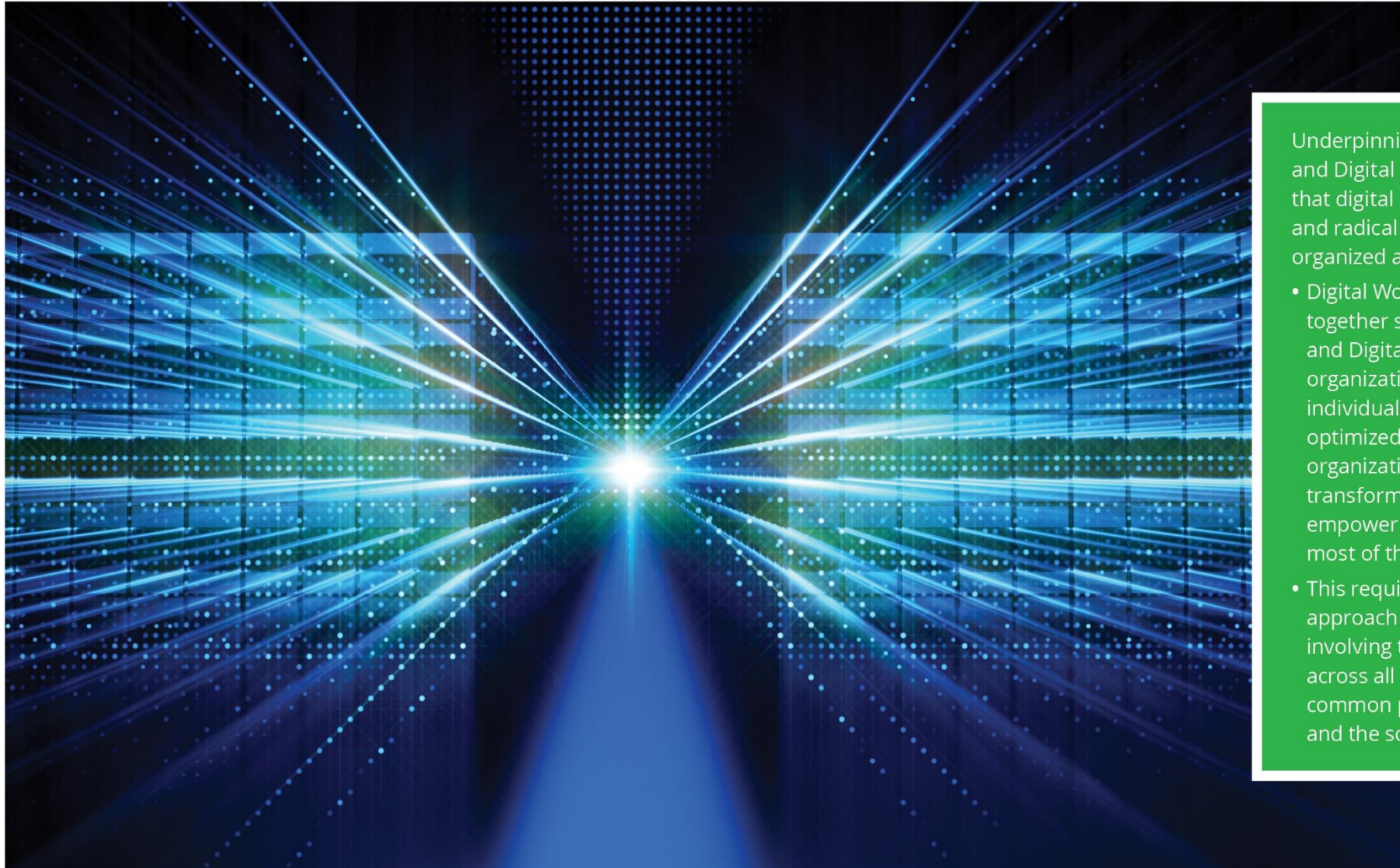


Digital Work is an enabler for Digital Customer and Digital Core, but in slightly different ways. Most parts, like digital leadership, cross-functional teams, agile, DevOps and continuous learning are relevant for both. There are, however, also parts that are more relevant for Customer or for Core:

- An outside-in mindset and a culture of experimentation and risk taking is more required Digital Customer. The same is true for skills like Customer centricity, Design thinking, Hypothesis generation, Storytelling, etc.
- A platform mindset, part of a sound engineering culture, will be required more by large complex systems that have in general.
- Hence, Digital Core will need more of it than Digital Customer. Platforms will need to be designed and maintained with an outside-in view, ultimately driving customer delight.



## Contribution to Digital Customer and Core

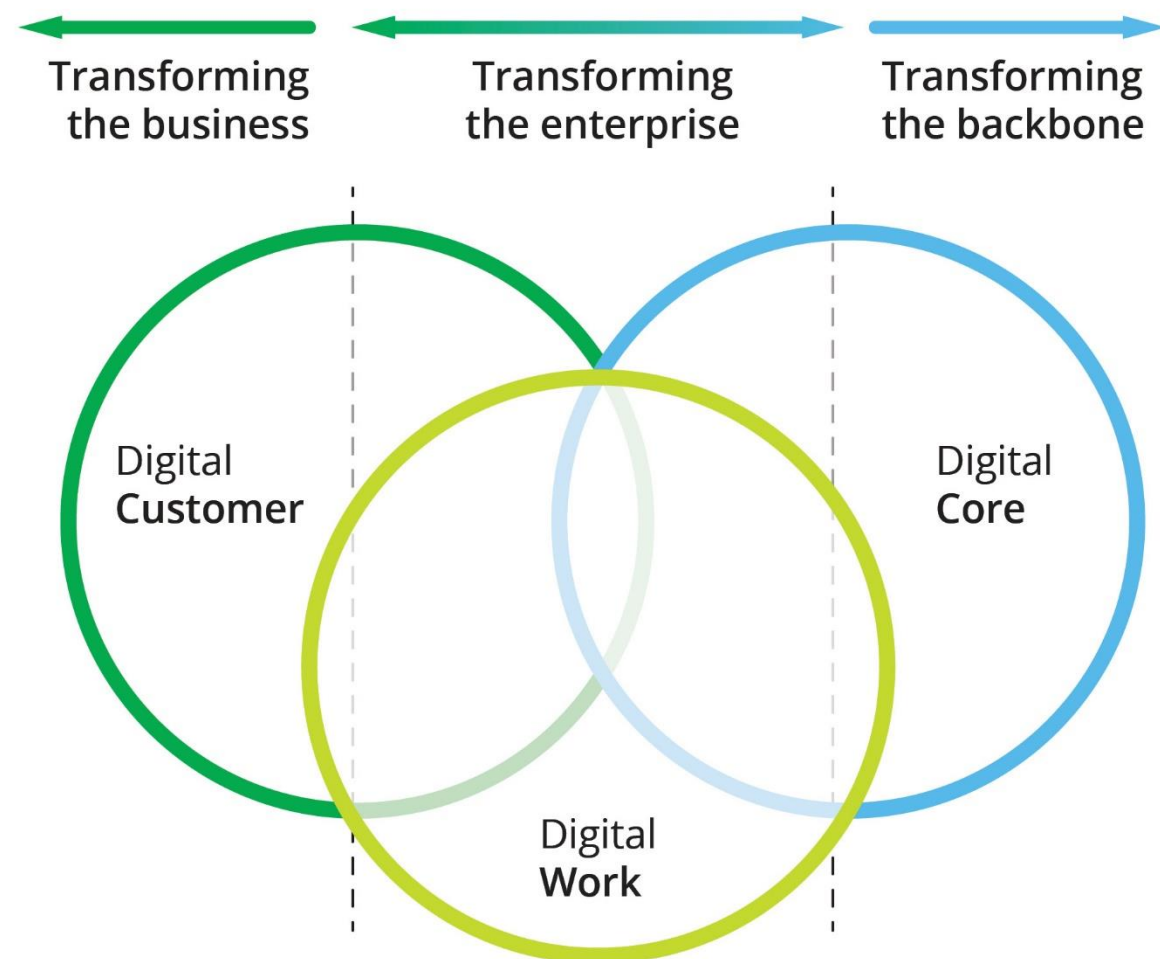


Underpinning both Digital Customer and Digital Core, this domain illustrates that digital success is all about humans and radical changes to how work is led, organized and done.

- Digital Work consists of five areas, that together shore up Digital Customer and Digital Core; the ecosystem, organization, team, leader and individual. When Digital Work is optimized along these five areas, organizations can accelerate digital transformations, as these interventions empower and support people to make most of their work.
- This requires a human-centred approach to digital transformations, involving the whole organization, across all levels, aligned around a common purpose for its customers and the society it operates in.

## Navigating the journey

There is no such thing as a one-size-fits-all journey to future readiness. Multiple pathways are possible, and executives should carefully choose the one that fits their company best.



A spectrum of interventions, considering the three domains: Customer, Core and Work, we see three major archetypes of interventions that companies can take.



# Navigating the journey

## Transforming the Enterprise

In the middle, interventions that combine many elements of Customer, Core and Work, especially where the three domains intersect and where the dependencies are.

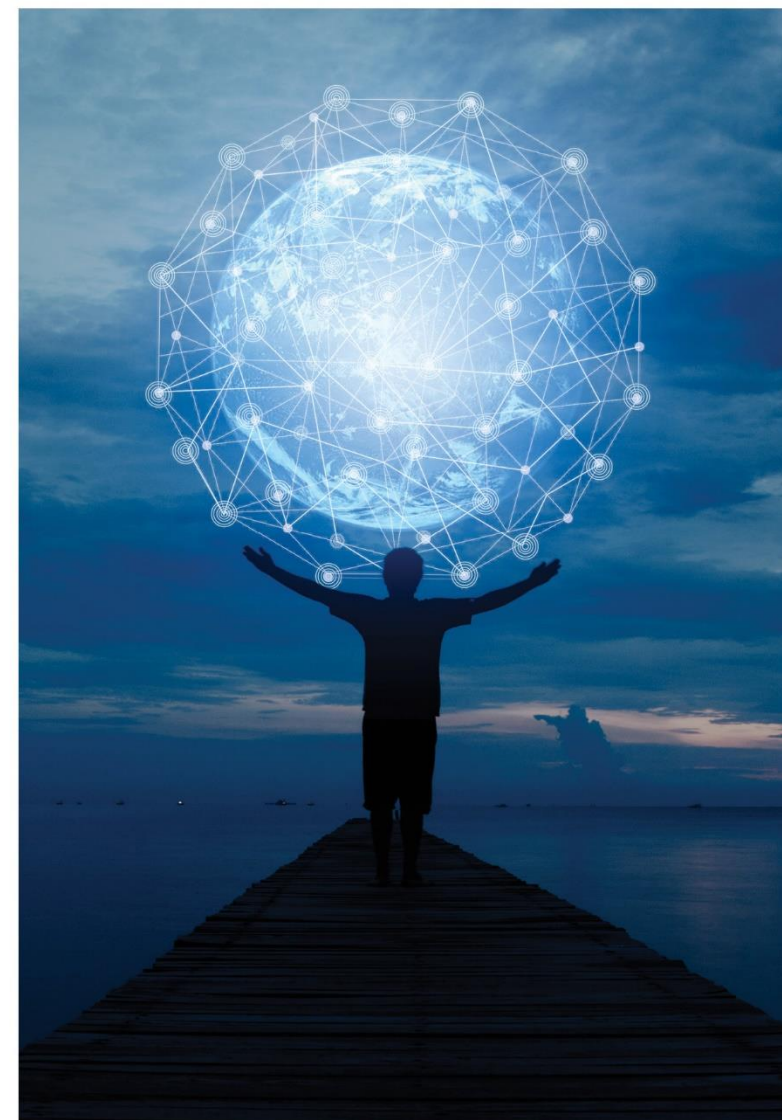
- The part of Digital Customer related to reimagining the digital engagement model, brand ambition and values, customer journeys, customer experience and leveraging customer data.
- The majority of Digital Work including operating model, organization redesign based on loosely coupled autonomous multi-disciplinary teams, agile way of working and DevOps, digital skills and competences of individuals, optimizing the 'employee experience', culture and mindset, rewards, and digital leadership.
- The part of Digital Core that is enabling which includes setting the first steps towards a cloud-based infrastructure, moving to an API architecture with containerization, introducing platform thinking, and setting up a data infrastructure and advanced analytics tooling.

## Transforming the Business

A second approach focuses entirely on growth and encompasses all elements of Digital Customer at the far-left side of the diagram. It starts with anticipating what customer needs will look like in the future, and how the company can respond. What are the most attractive opportunities for growth, and gauge their desirability, feasibility and viability to assign priorities and define way forward? Embrace speed to deliver a growth proposition to the market as quickly as possible.

## Transforming the Backbone

A third set of interventions focuses entirely on the digital core, and on the type of 'open heart surgery' that comes with digitalizing core processes. It is about applying digital technology across an expansive range of business processes, including finance, HR, IT and supply chains.



## Planning your Next Steps

- Does your digital strategy address Digital Customer, Digital Core and Digital work in an integral way, or still in a siloed approach?

- Superior Net performance can only be achieved by combining Digital Customer, Digital Core and Digital Work, which blind spots still exist in your digital roadmap and should be addressed?

- In terms of making future-ready choices, how do you prioritise top-line growth and operating margin? Which goal will you focus on first?



- Is your organisation and governance to manage Digital Customer, Digital Core and Digital Work fragmented and siloed, or are the three do-mains managed as one?

- Which leadership team is best equipped in terms of vision to turn this into clear actionable priorities for teams? Which leaders have enough risk-taking appetite, an ability to cope with ambiguity and ability to bring focus for teams to continue to collaborate effectively through volatile times?

- Are you ready to invest time in rethinking traditional practices for performance management, succession planning, compensation and reward and learning?



## Contributors

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