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## Retail Business Revolution

**Mr. Yol Phokasub, President of Central Group,**  
**Mr. Alex Ng, Executive Director, Kerry Express (Thailand),**  
**Mr. James Z. Dong, CEO of Lazada Thailand**

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### [First round]

Question: What is your view and vision of retail and logistics industries in the next 3-5 years?

- 1) *Mr. Yol Phokasub (President of Central Group)*
  - **Customers are the key disruptor** – they are being disrupted or spoiled by three main disruptors including fast fashion, technology, and innovation (i.e. Grab services).
  - **Digital or Dead (DOD)**
  - **Offline will be dead if not change**
  - **Synergize online and offline retailers** – to create a central economy of customers' life by offering better customer experience with completed and correlated products and services including physical socialize.
  
- 2) *Mr. James Z. Dong (CEO of Lazada Thailand)*
  - **Customers' requirements** – increasing numbers of smart phone users, especially Thailand with more than 40 million social media users that spend more than 10 hours on mobile phone a day, making requirements for online retail business on how to serve these super digital savvy customers.
  - **Omni-channel (Hybris model)** – as per Alibaba's vision of making the easy to business everywhere in the world, Alibaba is repositioning as providing new experience solutions for retailers and brands with data and technology.
  - **Open collaboration** - launching an online collaboration platform with retailers such as shopping mall, furniture, and beverage. Specifically, the collaboration with the Thai government to create a good ecosystem for supporting EEC and SMEs and promoting Thai brands in China. Aiming to make Thailand a business role model for sharing experience to other countries.
  
- 3) *Mr. Alex Ng, Executive Director (Kerry Express Thailand)*
  - **Going deeper in the market** – being closer to the customers
    - Collaboration with offline delivery companies i.e. partnership with BTS group in the next few months to launch BTS delivery services along BTS lines.
    - Enhance payment system to offer rapid line and cash collector by applying QR code and Rabbit line pay.
    - Attract youngsters to join young talent programs in logistic industries.

### [Second round]

- 1) *Mr. Yol Phokasub (President of Central Group)*

Q1: How to stay relevant and retain a position in the market?

- **Focus on customer experience**
  - Providing difference with technology
  - Serving customers with art and science
  - Adapting 2 tracks transformations: 1) every business units must go online 2) data-driven business
  - Collaborating with banking to enhance payment and financial solutions

Q2: How do you use customers' data to enhance customer experience?

- **Two sides of customers data usage:**

- 1) Provide privacy protection and
  - 2) Behavior analytics - to predict customers' behavior by offering more suitable and personalized products and solutions
  - **Enhance customer experience** – by working with key players i.e. financial sector:
    - 1) To get the best deal for customers
    - 2) To enhance security and trust
    - 3) To offer easy and convenience
- 2) *Mr. James Z. Dong (CEO of Lazada Thailand)*

Q1: How to enhance your retail experience?

- **Data and technology are core pillars:**
  - Customer preferences will be realized to bring the products closer to customers
  - Joint membership program to provide more accurate analysis and indexing
  - Utilize data for offline experience via a single cloud base system
- **Make Thailand as a hub for CLMVT:**
  - Thailand is a very important market as a potential distribution point in the region.

Q2: How do your dealing with customers feedbacks?

- **2 types of merchant segmentation:**
  - 1) Big brands – offer more customers interaction points to get more data and better targeting
  - 2) SMEs – cooperate with the government to give SMEs with store specific data and to help SMEs running a business such as setting up the store, reach out to customers and select products and services.

Q3: Are you also using Thailand to expand your business to Southeast Asia?

- **Yes** - we intend to make Thailand as our showcase for neighbor countries (i.e. Myanmar) by playing a role business model and becoming a hub for the region.

3) *Mr. Alex Ng, Executive Director (Kerry Express Thailand)*

Q1: How to stay relevant and maintain your position in the market?

- **Continue cross-border trading**
- **Formalize fresh food transportation** – between China and Southeast Asia
- **Offer smaller and more diversify packages**
- **Explore individual parcel service** - via airport transportation

Q2: What are your future plan and target position in the market?

- **Aim to be the country's best-delivering company**
  - Set up drop off booths (i.e. BTS partnership)
  - Prepare portfolio to become an international player by changing from B2B to P2P.
  - To stabilize our business, especially retaining 80% general public customers (including Lazada).

## [Q&A]

1) *Mr. Alex Ng, Executive Director (Kerry Express Thailand)*

Q1: Please provide an explanation about your goals and strategy of BTS partnership?

- **Applying aggregated data to derive policy and make decisions on the demand side:**
  - Using VGI to derive our delivery patterns and serving commercial plan
  - Establish Kerry drop-off point on BTS stations and plan to launch the first booth at Phrom Pong station

Q2: What else to speed up online retail business?

- **Offering customers with more choices** – open up Thailand to enjoy more variety of products from China in the next 5-10 years.

2) *Mr. Alex Ng, Executive Director (Kerry Express Thailand)*

Q1: How do you make profits from discounted merchandise?

- **Replicate business model from China** – generate more than 20% growth in revenue and profits

Q2: What are your key challenges in operating in Thailand?

- **No big challenge** – having our own warehouse and the best service provider (i.e. Kerry), making everything possible for our future.

Q3: What else to speed up online retail business?

- **Consumer's experience** – improve the working process for retailers to provide online and offline total solutions.

3) *Mr. Yol Phokasub (President of Central Group)*

Q1: How Central prepare for fast-changing world?

- **Create central economy** – to enhance the human experience with new technology and keep physical transformation to combine with an online business.

Q2: What else to speed up online retail business?

- **Long distance logistic system** – to improve infrastructure for more seamless experience
- **Payment system** – will be totally disrupted and the pain point on cash collector need to be eliminated with safer and more secure system

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