

SIAM COMMERCIAL BANK

WITH YOU EVERY STEP OF THE WAY

EVA CONSULTING



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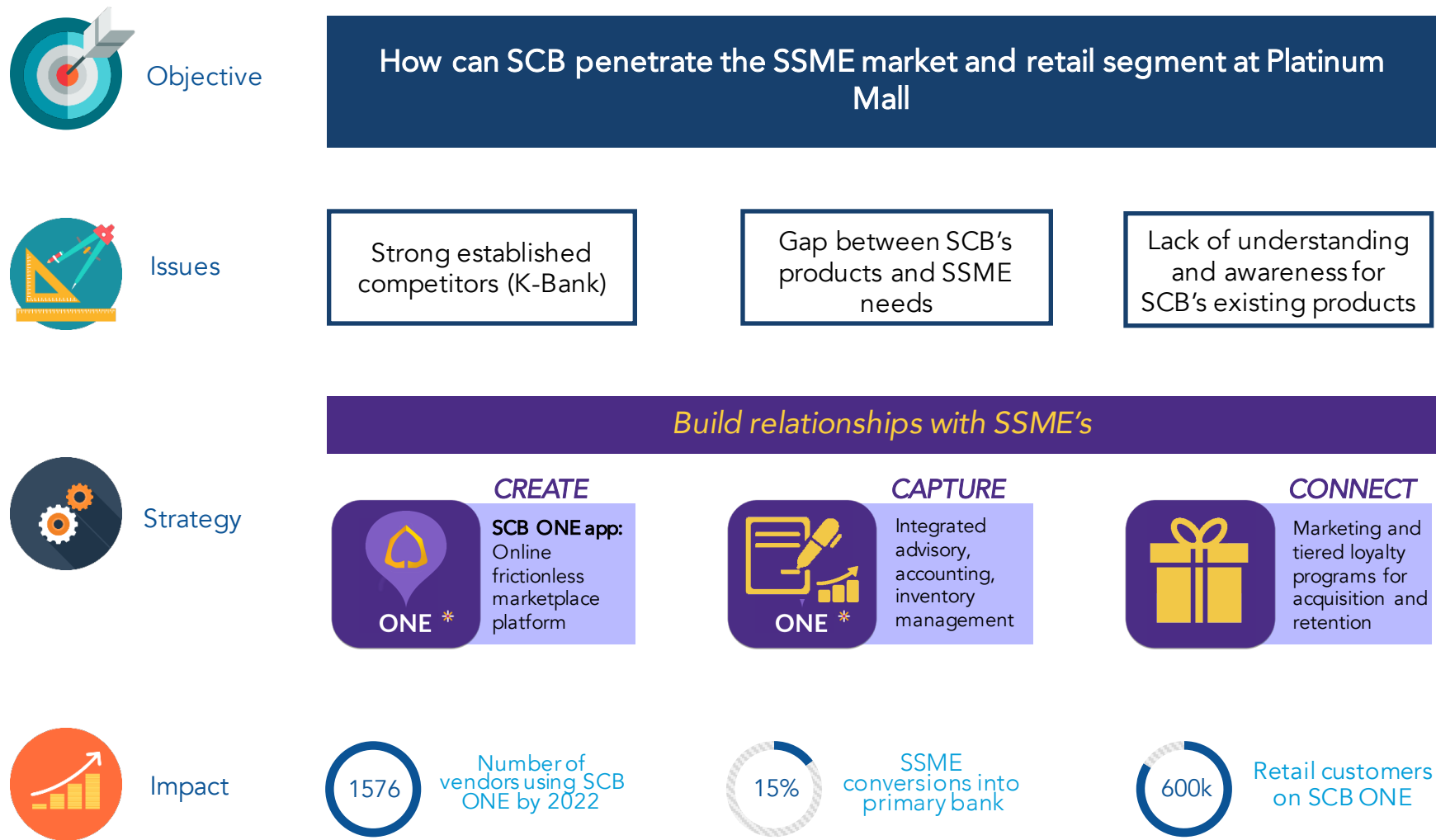
Edward Ren



Tom Du

Executive Summary

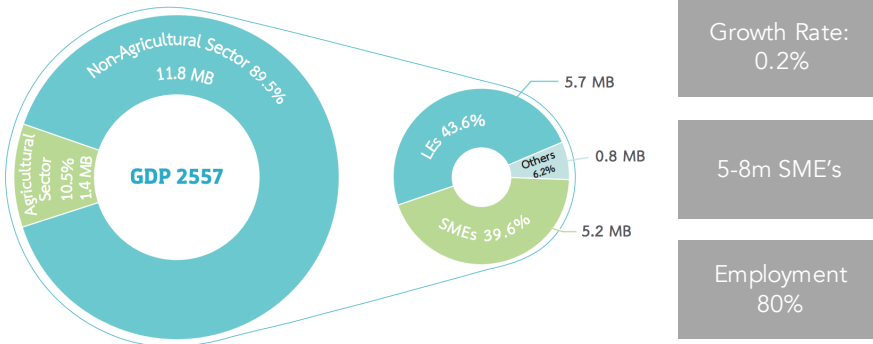
The Siam Commercial Bank (ธนาคารไทยพาณิชย์)



SSME market analysis

SCB must **quickly** capitalise on the growing SSME market

The SSME Market contributes **40%** to GDP



... with **fashion** and **toys** experiencing the biggest growth

SSME Segment	% Change in Revenue 2016-2021
Electronics & Media	+10%
Toys, Hobbies & DIY	+21%
Furniture & Appliance	+17%
Fashion	+27%
Food & Personal Care	+17%

Large SSME growth potential, especially within fashion segment

New Government SME Tax Scheme - **one** bank account



"Some people think it's fine to take a risk because they believe they can negotiate with officials, but they don't know we have an upgraded IT programme to reduce human interaction in tax calculation and collection"
– Revenue Department

- 40% of Thailand's 2.6 SMEs have entered this scheme
 - **Adopt one single bank account to track and pay taxes**
- Fail to register single financial bank account
 - **Heightened tax scrutiny, evasion, auditing penalties**

SCB must act now to be the selected bank for SSME's

White Paper on Small and Medium Enterprises of Thailand in 2015, HKTDC Research, Bangkok Post

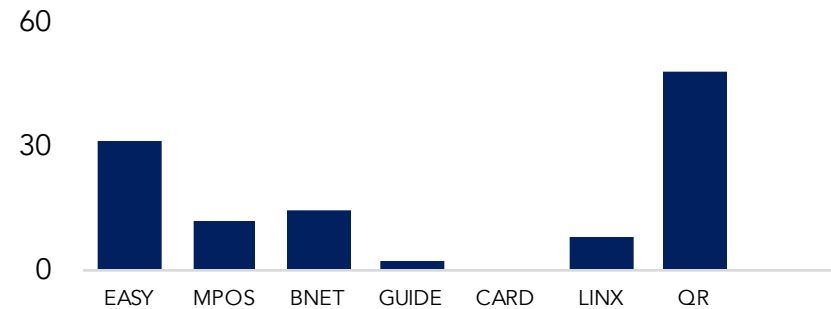
SCB company analysis

SCB has lacked strong uptake of its products in the SSME market

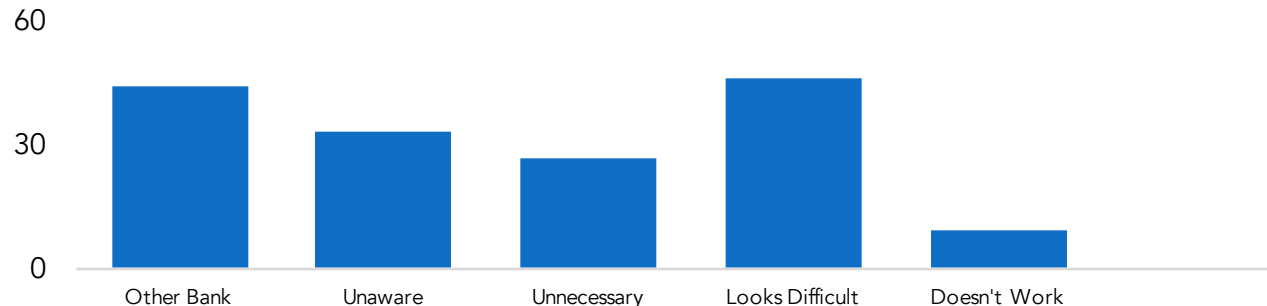
SCB offers a variety of products for the SSME market



... however, has little uptake by vendors



Reasons for lack of uptake include...



SCB's late entry into this market makes it difficult to increase customer adoption as their needs are being met

EVA Market Research – 70 interviewees in 3 locations

Competitor analysis

KASIKORN bank has positioned itself as specialists in SME banking

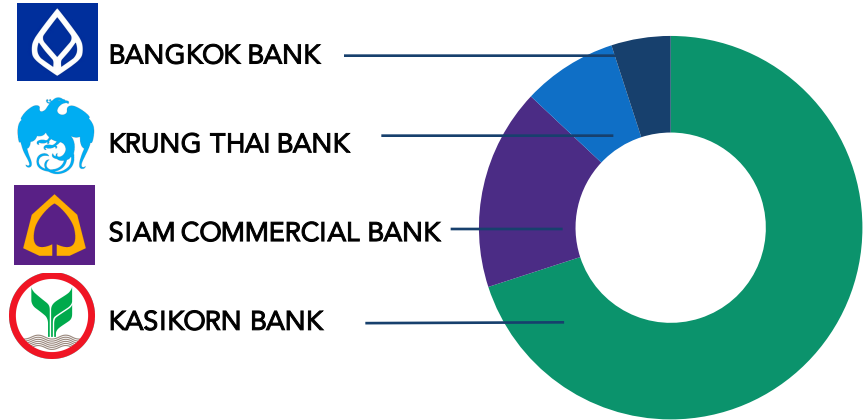
Kasikorn bank is a leader in the SME market...



SME Bank of the Year

- Kbank's business operations
- K PLUS application (strong UI)
- Strong data and analytics

... which is evident in their high SSME marketshare



Their tailored products meet a wide range of needs



K-Cyber

Financial Services K-Cyber Banking offers 4 services in one place.

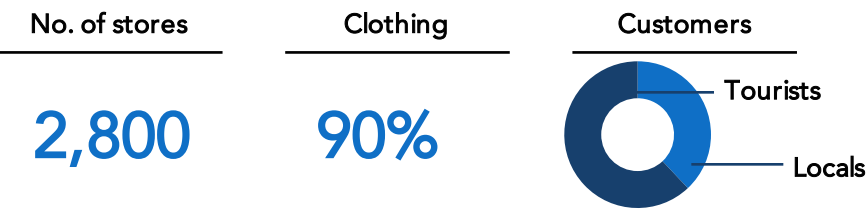
K-Cyber Banking K-Cyber Trade K-Cyber Invest
K-Expert MyPort

SCB must find an unmet needs gap to penetrate the SSME market

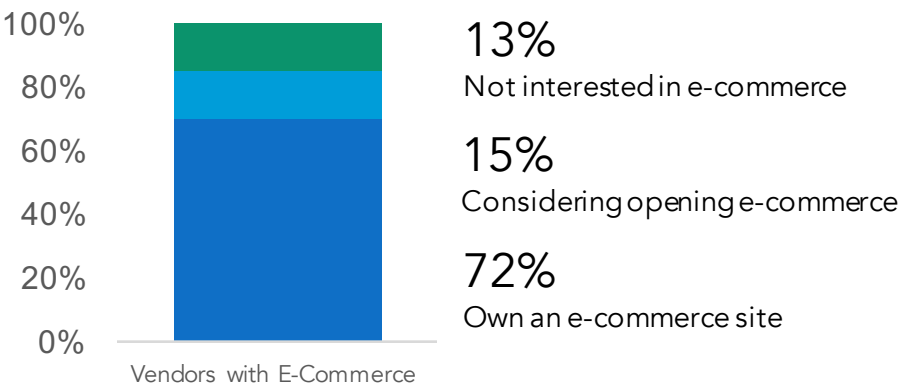
Platinum mall insights

There are unique insights and trends in this micro-market that SCB must focus on...

Platinum mall is extremely popular for low priced fashion

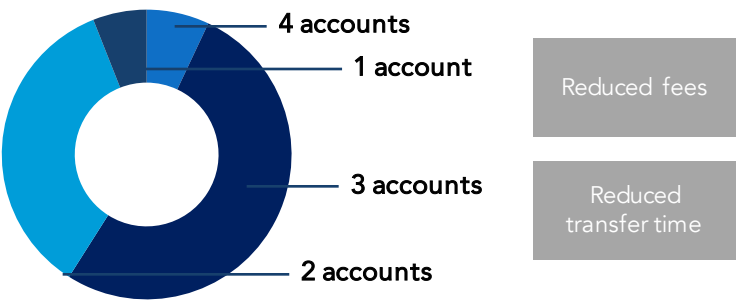


Most vendors own an e-commerce store to increase revenue

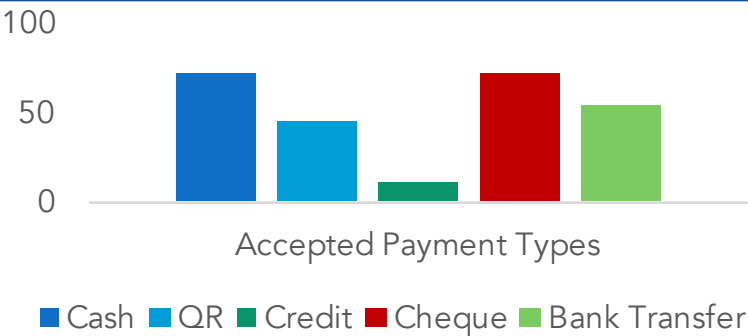


Vendors are extremely accommodating to their customers...

They open multiple bank accounts for payments...



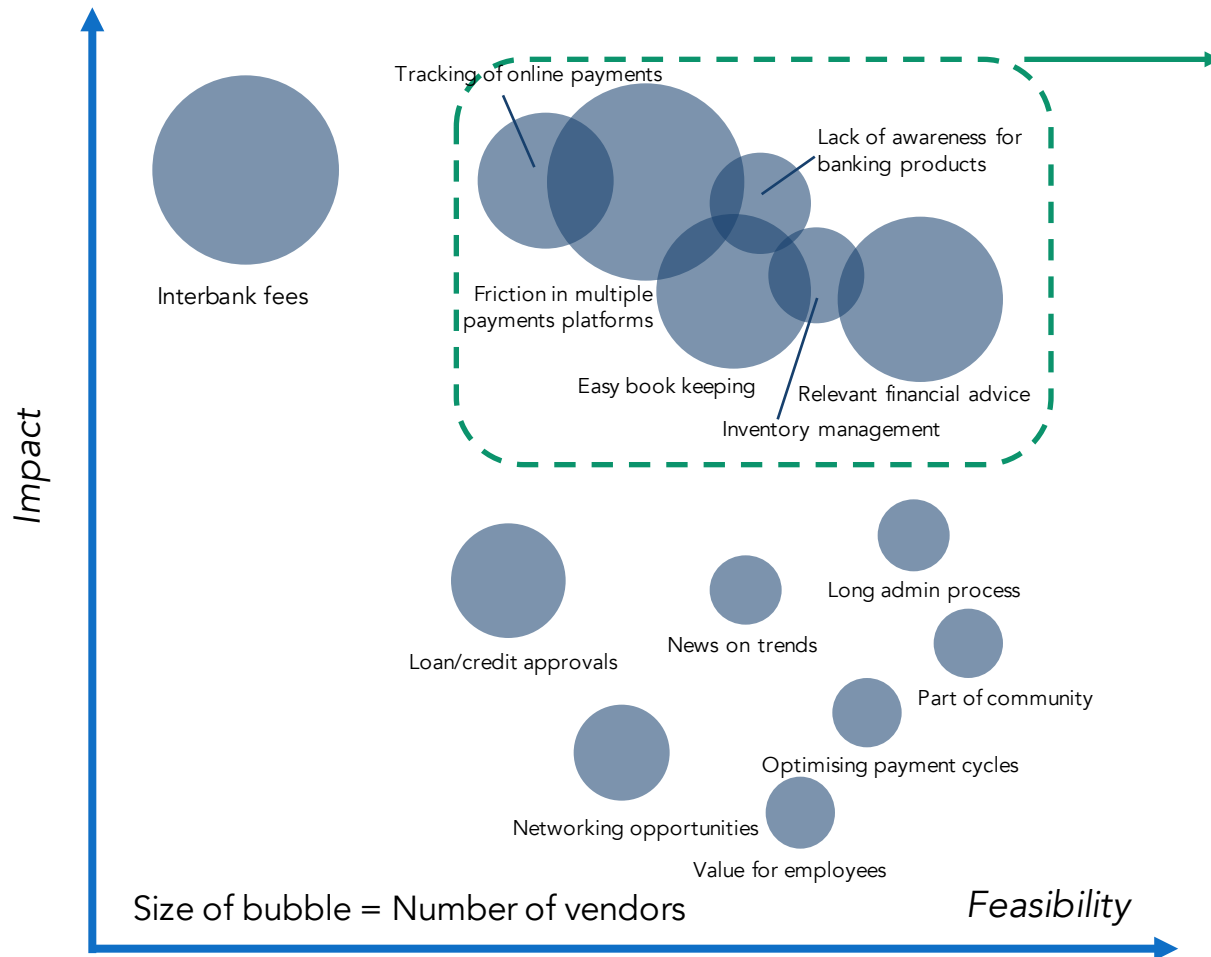
... and also accept many forms of payment



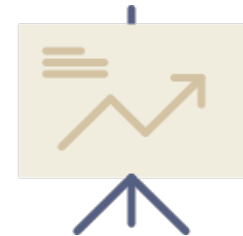
Vendors are very focused on growing their businesses evident in their adaption to customer needs

Vendor issue analysis

... that create opportunities to support and grow SSME's businesses



Summary of unmet needs



Lack of financial literacy

- Easy book keeping
- Inventory management
- Relevant financial advice
- Awareness for banking products



Ease of payments

- Friction with multiple payments platforms
- Tracking of online payments

To build a relationship with these SSME's, SCB must focus on meeting their unmet needs

Strategy summary

Our scalable strategies will enable SCB to successfully penetrate the SSME market in the long-term

GOAL	QUESTIONS	RECOMMENDATIONS	IMPACT	
How can SCB penetrate the SSME market and retail segment at Platinum Mall	How can SCB reduce friction in multiple payment platforms and tracking ?	<div>CREATE</div> <div>1 platform, 1 bank</div> <div>SCB ONE Marketplace</div> <div>ONE *</div>	1576 vendors using SCB ONE by 2022	
	How can SCB improve SSME's financial literacy and awareness of banking products?	<div>CAPTURE</div> <div>Integrated & tailored accounting, inventory and financial advice</div> <div></div>	15% SSME conversions into primary bank	
	How to acquire and retain SSME and retail customers ?	<div>CONNECT</div> <div>Omni-channel marketing Loyalty programs – MYSSME & UP2ME</div> <div></div>	600k retail customers on SCB ONE	
<div>ANALYSIS</div> <div>CREATE</div> <div>CAPTURE</div> <div>CONNECT</div> <div>IMPACT</div>				

CREATE

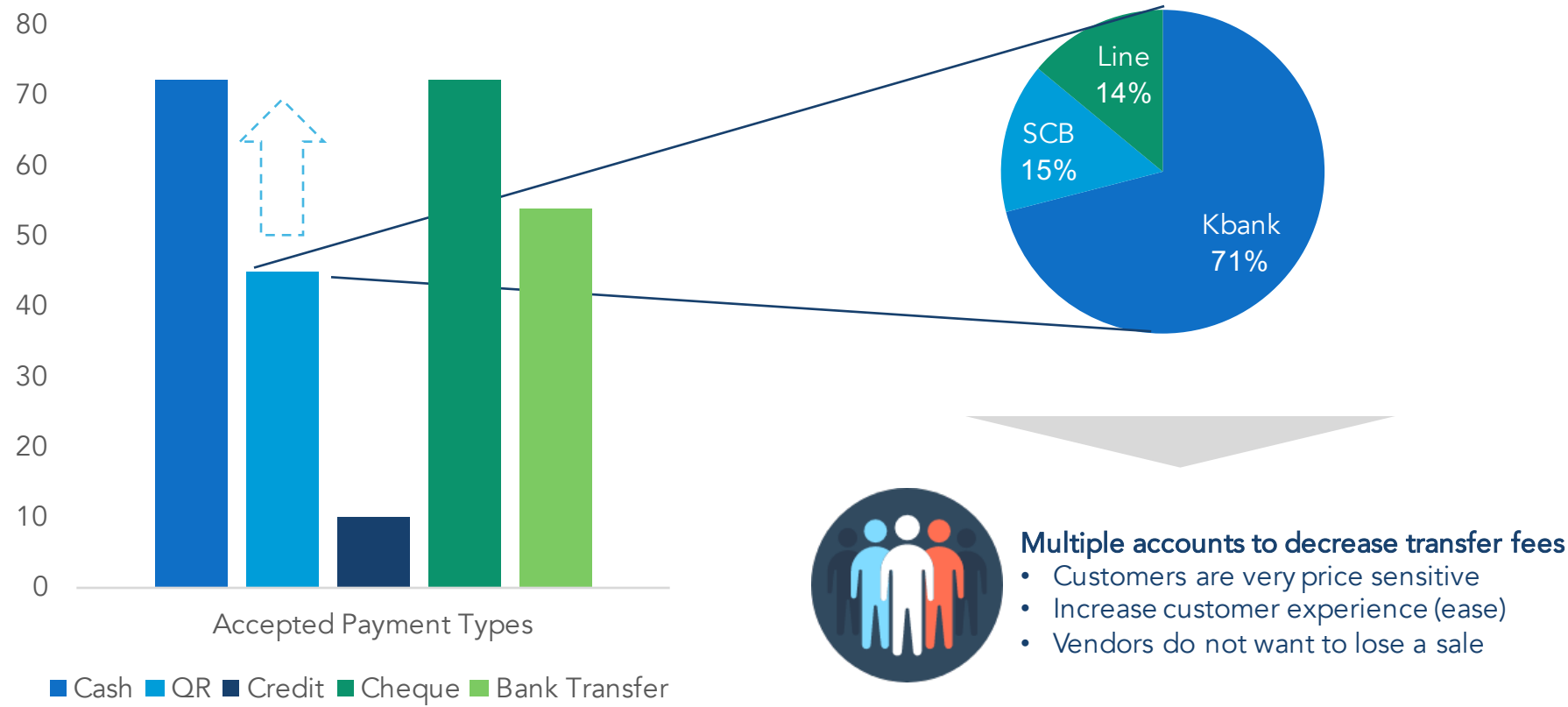


Strategy rationale

There are high levels of friction and inconvenience due to the number of payment platforms

There are numerous payment types vendors accept

... this reflects their customer preferences



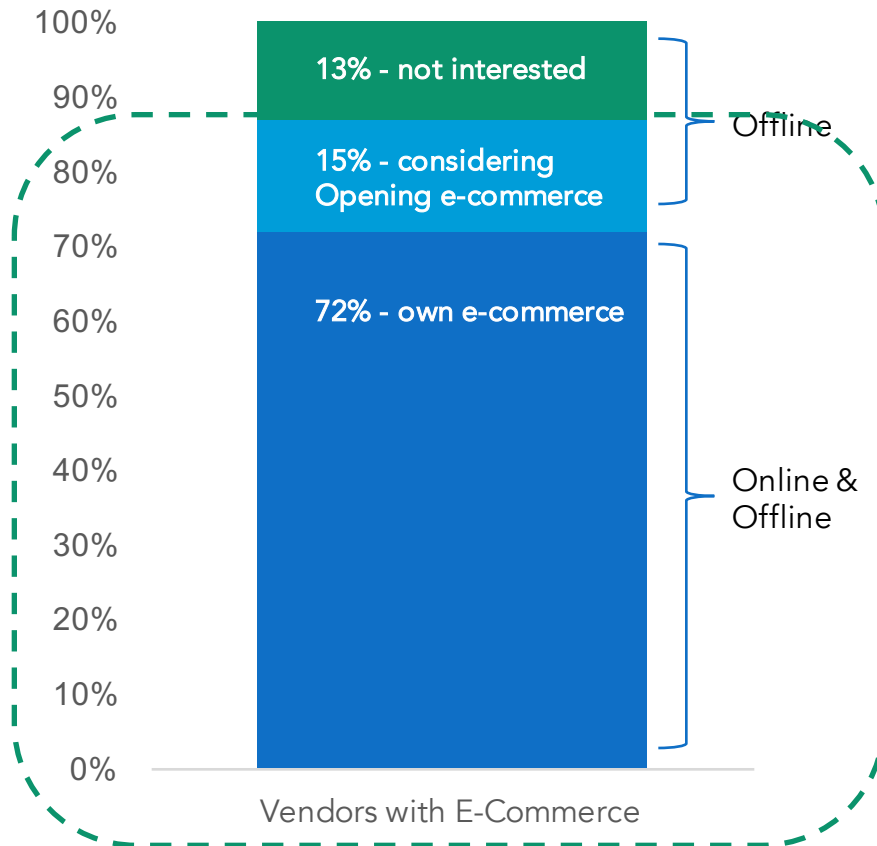
Opportunity to streamline payments for vendors

Source: EVA Market Research

Strategy rationale

Additionally many e-commerce owners face issues when managing their site

The majority of vendors own an e-commerce site



... however owners face a few pain points in management



Not interested vendors

- Want to incentivize customers to feel material
- Content with current operations



Considering e-commerce vendors

- Perception that it is high effort
- Unsure of the process
- Not digitally competent



E-commerce vendors

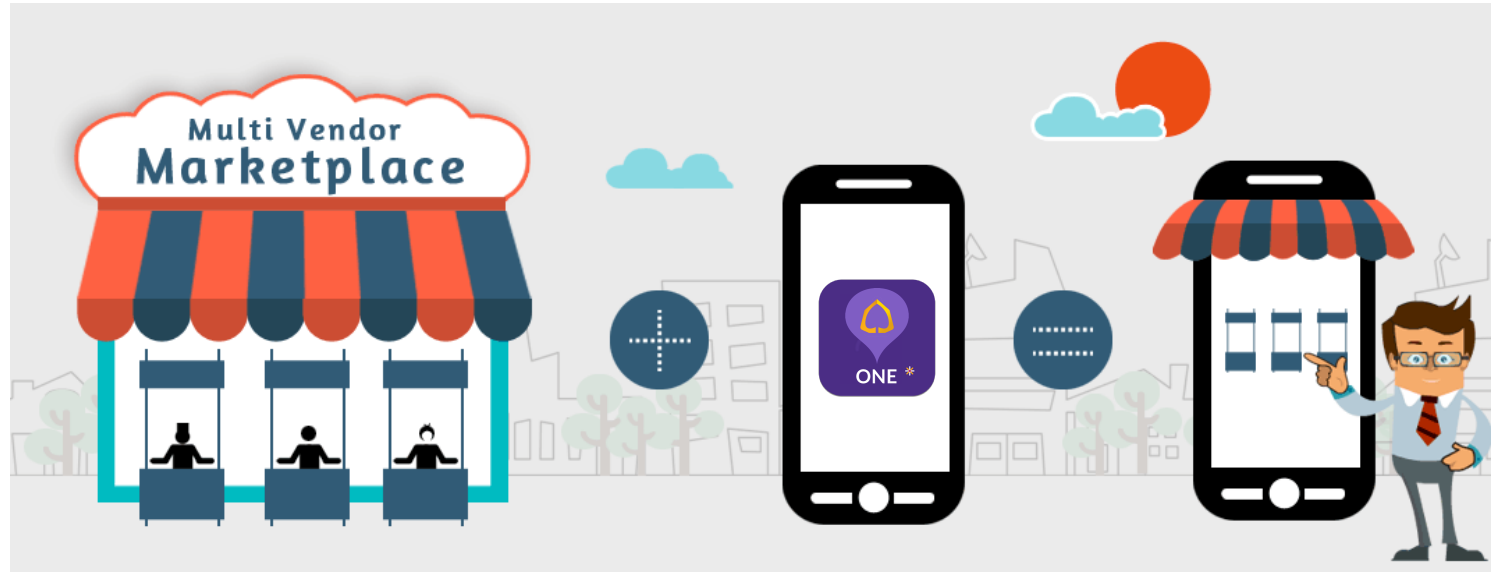
- High marketing effort for multiple platforms and channels
- Difficult to keep track of all payments and bank transfers
- Hard to manage all communication – messaging and stages of delivery

There is an untapped market that provides an opportunity for SCB to connect with SSME's

Source: Market Research

Introducing: SCB ONE

SCB ONE is the integration of Platinum Mall into an online multi vendor marketplace



Provides
accessibility and
convenience for
SSME's



0 set-up fees for
vendors in
Platinum Mall



Network effect as
more SSME
vendors join

Source: Fatbit Technologies

Step 1: Setting-up

Set-up of a vendor's page is simple with the aid of an SCB sales team member

Location

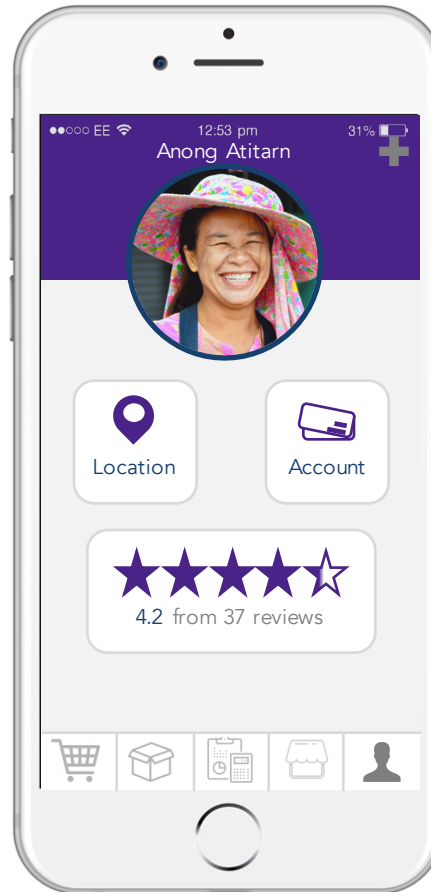
Will allow vendors to mark on a map where exactly they are in the mall

Customise

This page can be customized and can have additional information added

Ratings

Allows vendors to gauge their performance with customers and read their reviews



Account

Vendors input their SCB details into the app for streamlined payment and to interact with other SCB applications

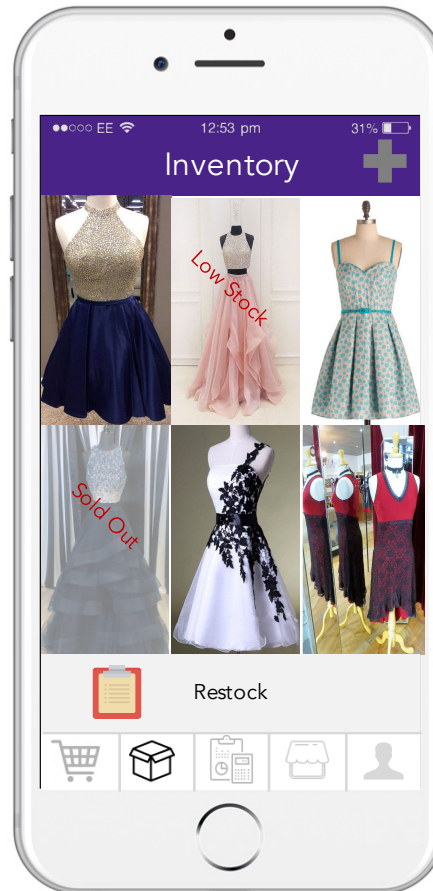
Step 2: Stock input

Interface has been designed for easy inventory management

Review

Vendors can click onto any item to review basic information such as price and quantity remaining

Utilises technology from Merchant mPOS such as stock management



Add

Vendors can take photos of new products and add them onto the platform

Restock

Instantly process orders per previous purchase history to suppliers for ease of stock management

Step 2: Stock input

Vendors can easily add new stock to the marketplace themselves

Photo

Vendors will upload a photo of the item they wish to sell for display purposes

Description

An optional paragraph to help consumers understand the goods they are purchasing, and if there are any damages to the product

The image shows a smartphone screen with a 'New Stock' form. The form has a purple header with a back arrow, the title 'New Stock', and a checkmark icon. Below the header is a photo of a dress. To the right of the photo are input fields for 'Name' (with a placeholder 'Insert Name'), 'Price' (with a placeholder 'Insert price'), and 'Quantity' (with checkboxes for size selection and a note 'In the format XS/S/M/L'). Below these is a 'Description' field with a placeholder 'Describe product here'. At the bottom is an 'Additional Information' field with a placeholder 'Damage etc.'. A bottom navigation bar contains icons for a shopping cart, a box, a calculator, a storefront, and a user profile.

Price

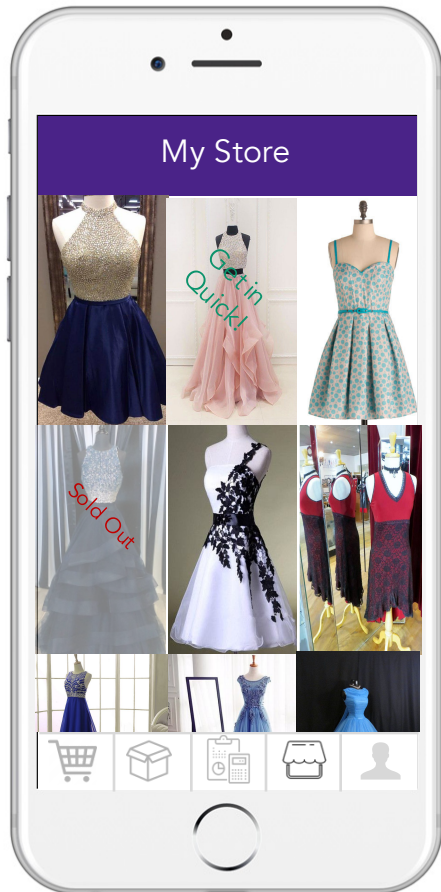
Can be altered at the Vendor's discretion

Quantity

Quantity of each size inputted so that they can be tracked throughout transactions

Step 4: View My Store

These steps will enable the SSME vendor to generate increased sales



Creates a new revenue stream for SSME's via an online platform



Streamlines all E-commerce payments to go through SCB with 0 fees charged for SCB to SCB transfers



Provides free marketing to all SSME's on the platform, creating a network effect for all vendors on the platform



Introduces SSMEs to the SCB ecosystem of products and to build relationships with the bank itself

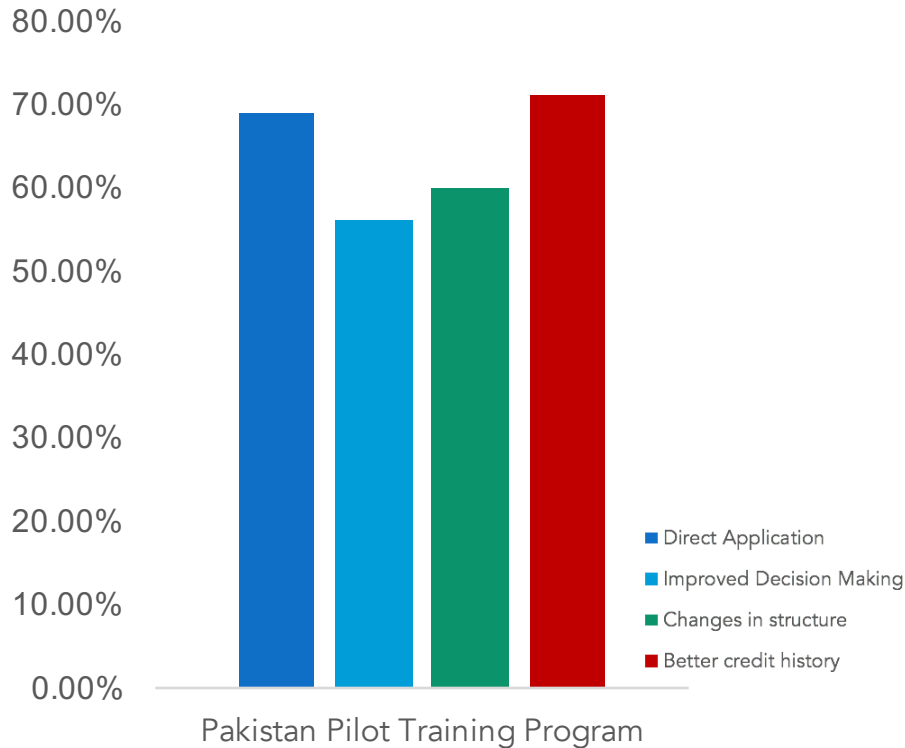
CAPTURE



Strategy rationale

There is a lack of financial literacy within SSME's that is not being met

There are strong positive benefits to financial literacy



... however SSME's in Platinum Mall lack this acumen



“ My knowledge of accounting is limited...



“ ...would love a bank's help...



“ I want things to be as simple as possible

95%

Do not want complex bank products

87%

Would be open to improved accounting system if shown benefits

SME's are receptive to improving their financial literacy and accounting skills

Improving the financial literacy of these SSME's provides an opportunity for SCB to form long-term relationships

Feature 1: Simple, integrated, automated accounting

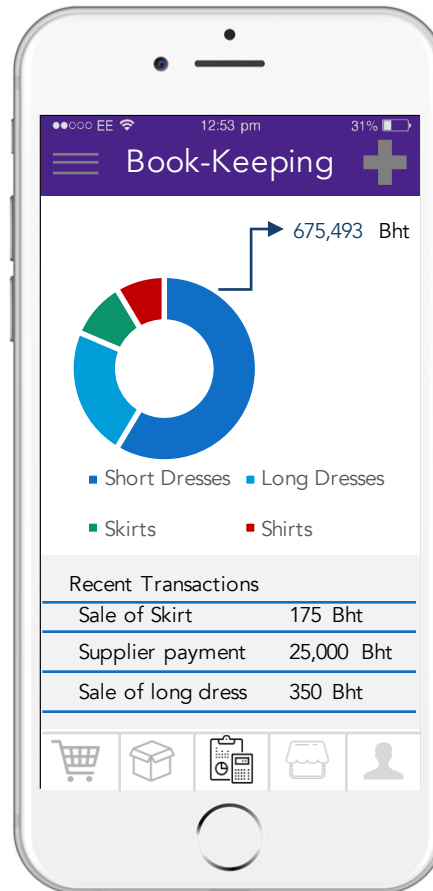
SCB ONE's accounting feature will easily track revenues and expenses

Reports

Basic reports can be generated via this app

Transactions

Monthly revenue displayed on chart as well as recent transactions



Manual

Manually add offline transactions to this platform

Automatic

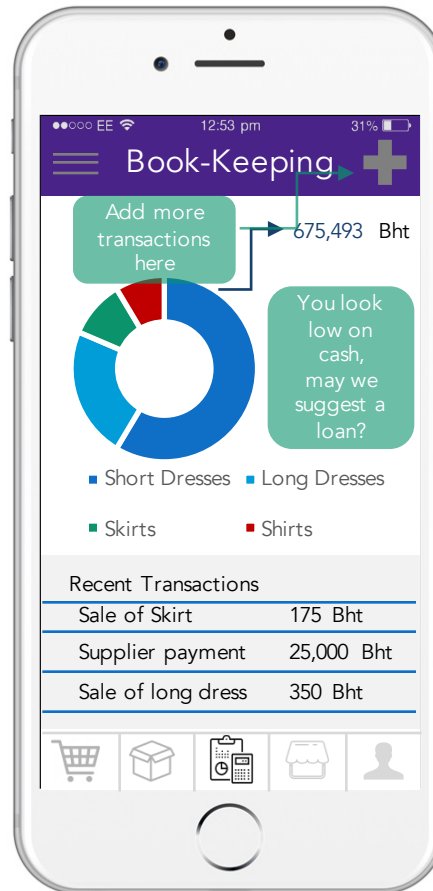
Online payments automatically recorded onto system

Feature 2: Co-browsing to enable independent learning

Seamless co-browsing application will also be included to guide the user

Advice

Provides basic advice on how to utilise SCB One better



Insights

Insights generated through the leverage of SCB Abacus to analyze client data

Feature 3: Timely, relevant and insightful financial advisory

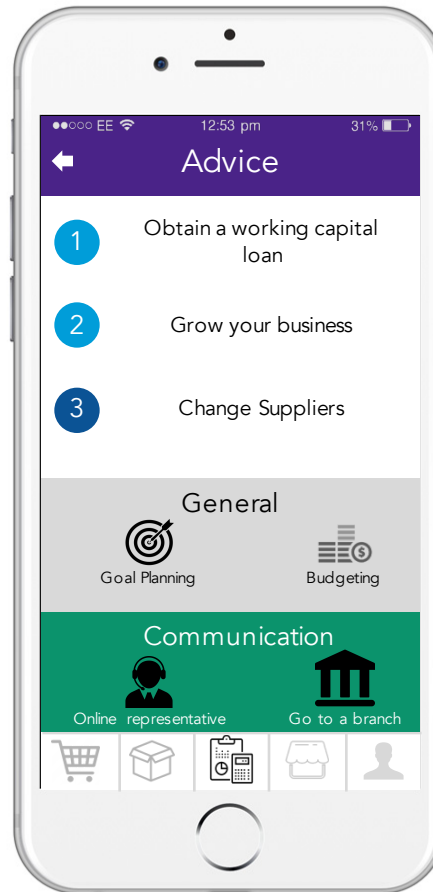
Advisory will leverage data from user inputs to provide tailored insights

Tailored

All advice provided is powered by SCB Abacus using AI Technology

Communication

Communicate with SCB directly for the top 3 advice areas identified for you



General

Provides tailored goal planning and budgeting services via application

Additional features: Goal planning

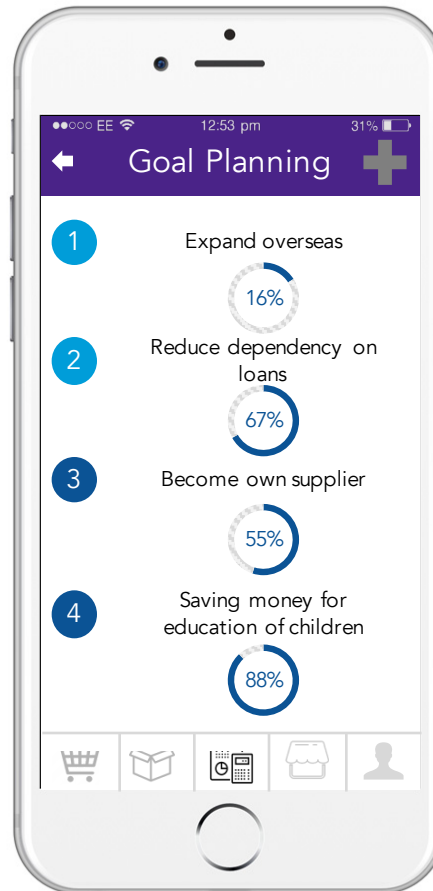
The goal planning feature will allow vendors to set goals, which will be reflected in budgeting

Ordered

Order your goals in order of priority

Advice

Goals considered in the AI system and considered in all advice provided



Customisable

Set your own personal goals with KPIs you would like to reach

Records

Records an SSME owner's progress towards a goal

Strategy summary

Create and Capture will be able to achieve 1576 vendors on SCB ONE

Next Steps

- 1 Assign project to Transformation team
- 2 Train SCB representatives in on-boarding SSME's
- 3 Recruit and train dedicated SSME Branch representatives

Impact



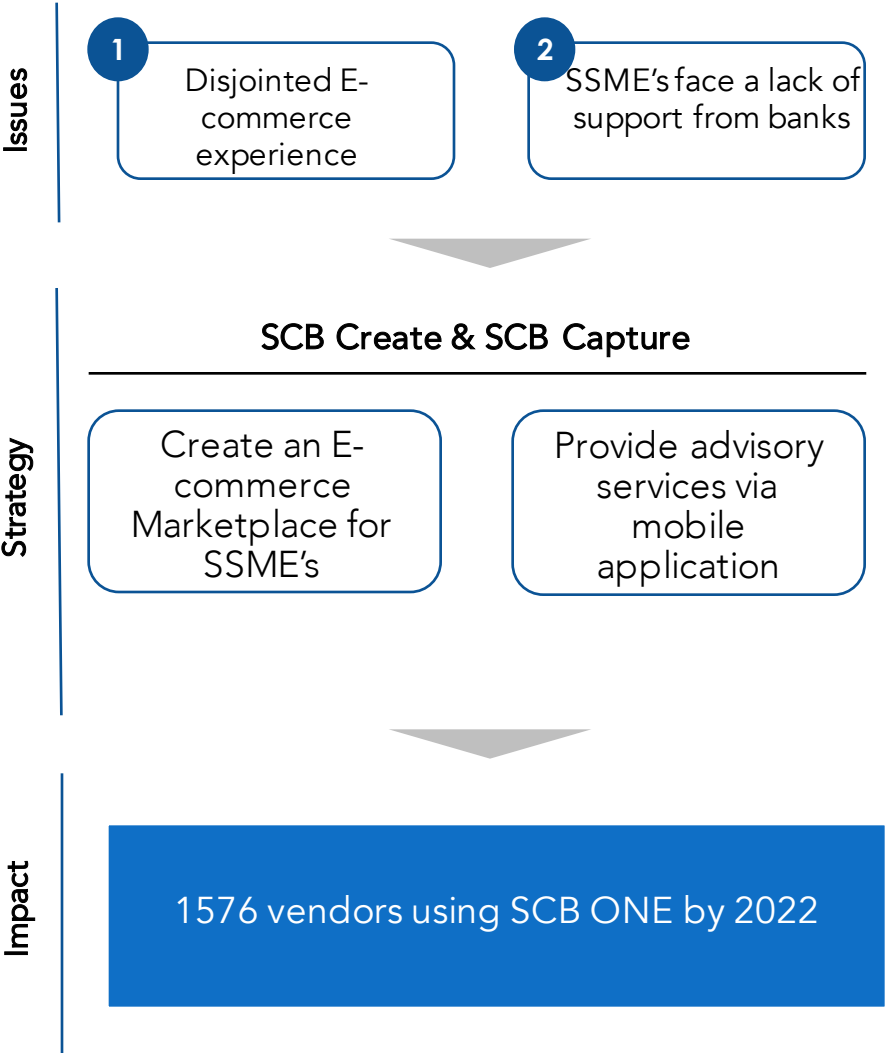
Increased awareness of SCB products



Stronger relationships with SSME owners



More information on SSME's



CONNECT



Connect: Acquisition and retention strategy

SCB must focus on connecting SCB ONE to the SSMEs

Phase 1: SSME Vendors

Acquisition



How can SCB increase the awareness of SCB One to vendors?

Retention



How can SCB integrate vendors within the greater ecosystem?

Phase 2: Retail Customers

Acquisition



How does SCB attract customers onto the platform?

Retention



What does SCB need to do for customer to stay on platform?

Connect: Acquisition and retention strategy

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Acquisition



How can SCB increase the awareness of SCB One to vendors?

Retention



How can SCB integrate vendors within the greater ecosystem?

Phase 2: Retail Customers

Acquisition



How does SCB attract customers onto the platform?

Retention



What does SCB need to do for customer to stay on platform?

Phase 1: Marketing to SSME vendors

Vendor attraction should be executed through offline and more direct marketing

Building strong, on-the-ground relationships with vendors through offline marketing initiatives

SCB Branches

Leverage the walk-in traffic of branches



Flyer Distribution
Update digital display
Staff recommendations

Sales Representatives

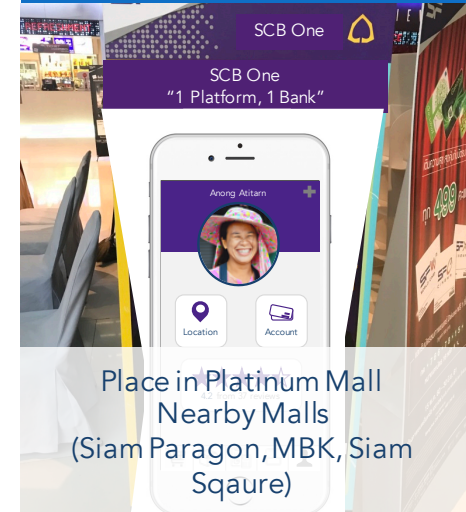
Create personalised experience



Directly interact with vendors
Onboard them if possible
Refer for more information

Out of Homes (OOHs)

Promote in nearby shopping malls and micro markets



Place in Platinum Mall
Nearby Malls
(Siam Paragon, MBK, Siam Sqaure)

Allows SCB to connect directly to the vendors, informing them of the SCB ONE benefits

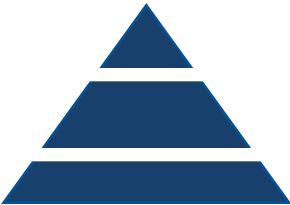
Phase 1: Vendor loyalty

There is a lack of current loyalty offerings for SSME merchants

Current portfolio of loyalty products



Lack of loyalty program that targets SSME Merchants



Tiered Loyalty Program



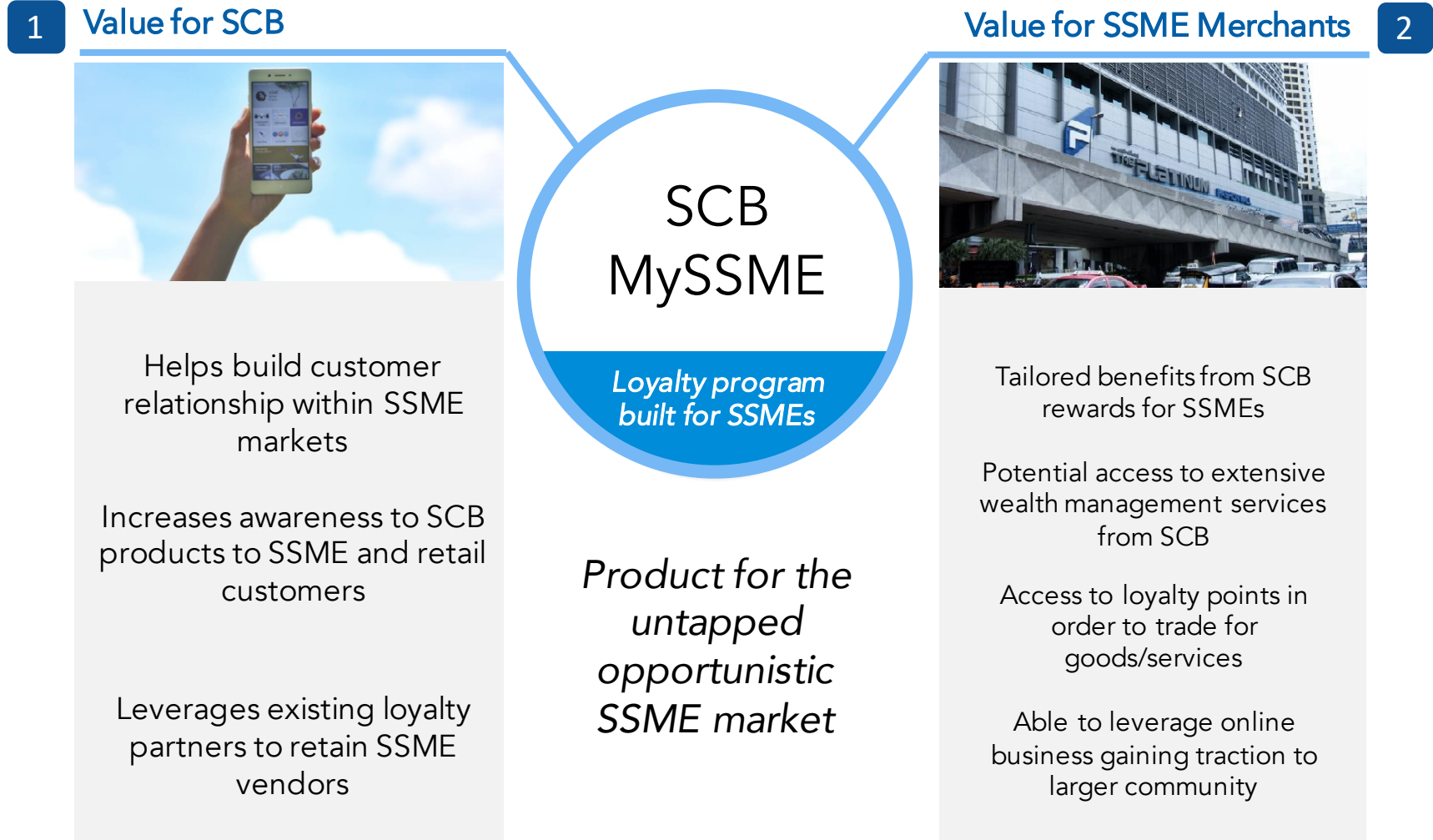
Integrated within SCB Current Rewards



SCB Rewards

Phase 1: SCB MySSME

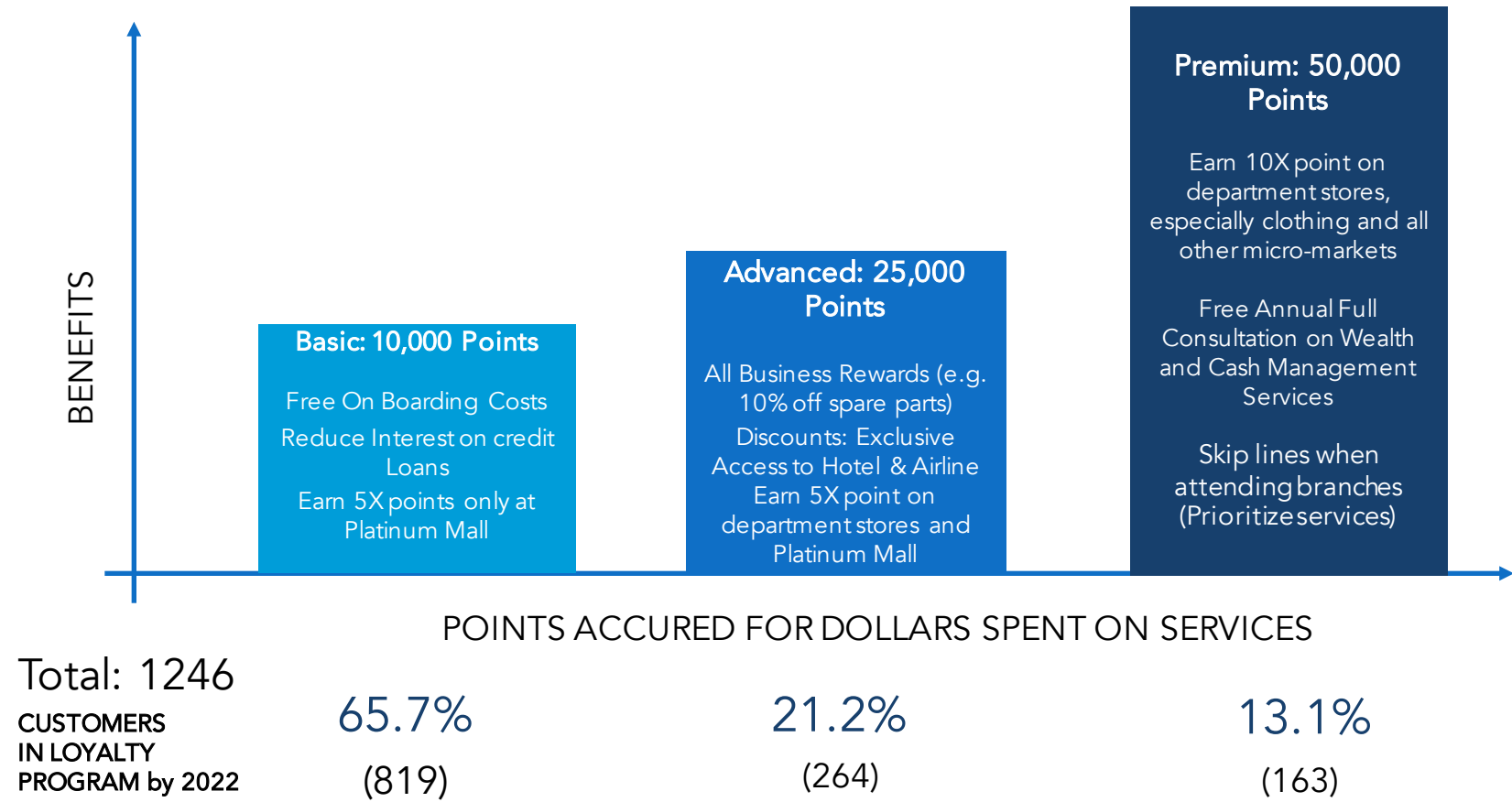
SCB MySSME Loyalty program dedicated to the SSME segment of SCB Customers



Case Analysis

Phase 1: SCB MySSME

Tiered Loyalty System allows for greater retention of customers



The tiered system allows SCB to capture the SSME market and promote its current financial services

Phase 2: Marketing to retail customers

SCB also needs to gain attraction of the retail customers

Target Customer Profiles



Bua
Retail customer



Trustworthiness

Ability to trust the vendor



Convenience

Ability to execute and verify purchases in a timely manner



Central Platform

Conduct transactions on a singular platform



Minnie
Tourist



Reliability

Further transparency of information and verification



Convenience

Ability to utilise other e-payment methods



Central Platform

Ability to track order and see shipping costs

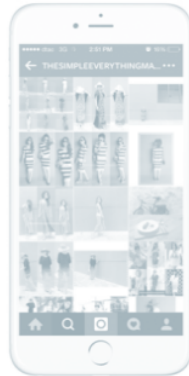
EVA Analysis

Phase 2: Current customer journey

Visiting the shop



Bua



Limited marketing from SSMEs

Visit shop due to innate need/interest

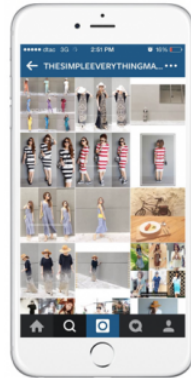
No Real Verification System of Vendors

Phase 2: Current customer journey

Inconvenience when browsing products



Bua



Does not offer an efficient customizable search option for the product itself

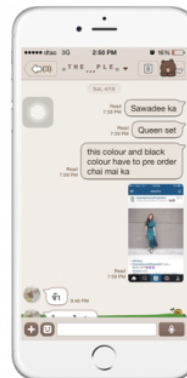
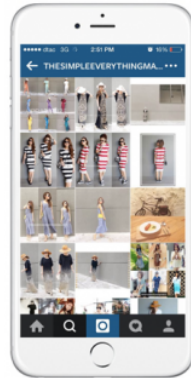
Time Consuming Process

Phase 2: Current customer journey

Hard to verify vendor when inquiring about products



Bua



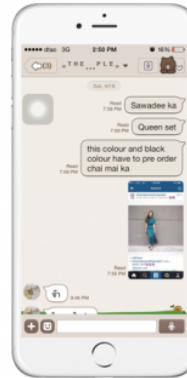
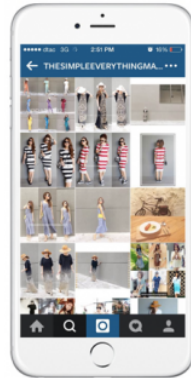
Has to switch to a messenger platform in order to contact the vendor directly
(e.g. Add vendor on LINE)

Phase 2: Current customer journey

Limited payment methods with the vendors



Bua



Payment Methods are Limited

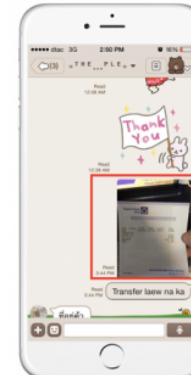
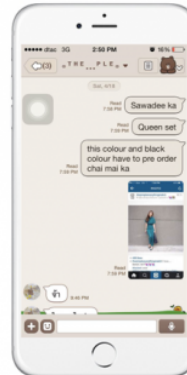
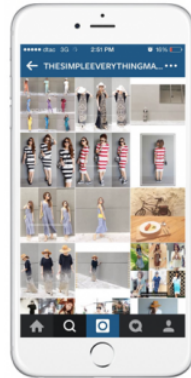
- Most through Bank Transfers
- Incurs interbank transaction fees
- Lack of e-payment systems for tourists

Phase 2: Current customer journey

Payment Confirmation is an extremely manual process at the moment



Bua



Bua has to take photo of the receipt and send photo to Vendor

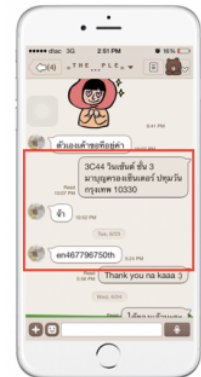
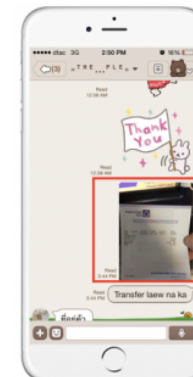
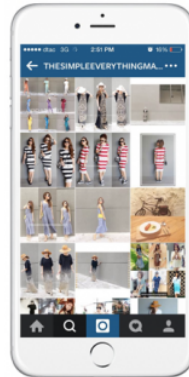
- Very Manual Process
- Inconvenient

Phase 2: Current customer journey

Ship & track order is inefficient



Bua



Vendor manually sends back a photo of the post office tracking number for the customer

Phase 2: Customer Journey with SCB One

The new journey embodies many shortcuts in the previous transaction process



Bua



Limited marketing from SSMEs

Visit shop due to innate need/interest

No Real Verification System of Vendors

Does not offer an efficient customizable search option for the product itself

Time Consuming Process

Has to switch to a messenger platform in order to contact the vendor directly

Payment Methods are Limited

Bua has to take photo of the receipt and send photo to Vendor

Sends back a photo of the post office tracking number for the customer



Bua



Customizable search bar where stores are on a centralized platform

Contact the vendor directly on the SCB One Application

Reviews of the vendors

Payment can be sent via the SCB ONE platform 0% transaction fees

Other e-payments and interbank fees will still exist (e.g Wechat and Alipay)

No photo of verification of payment

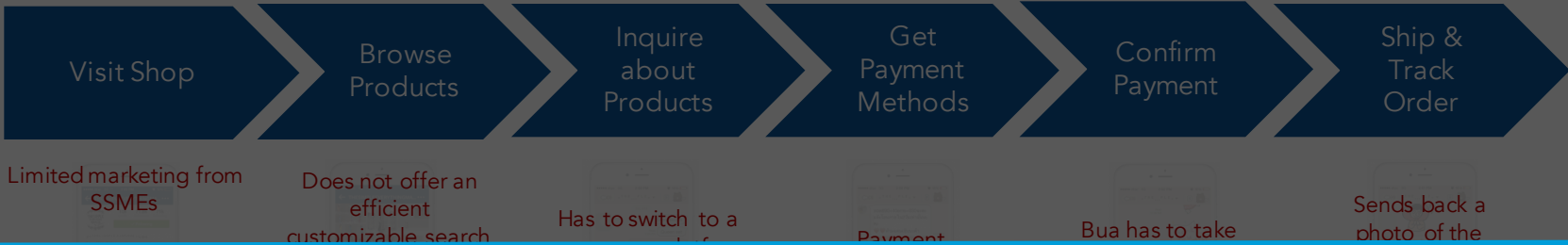
Scanning QR/ Technology is implemented in the App

Vendor will directly send the verification

Tracking number to customer on the SCB ONE platform

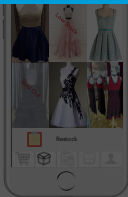
Phase 2: Customer Journey with SCB One

New Customer Journey with SCB One

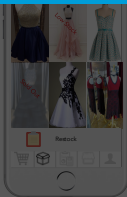


Creates an efficient platform for vendors and customers to experience online shopping

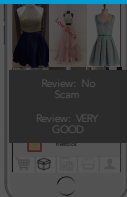
Bua



Customizable search bar where stores are on a centralized platform



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ONE platform
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No photo of verification of payment

Scanning QR/ Technology is implemented in the App

Vendor will directly send the verification

Tracking number to customer on the SCB ONE platform

Phase 2: Introducing: "SCB One" Campaign

Aggressive marketing campaign targeting Platinum Mall retail customers



Phase 2: Marketing campaign and loyalty integration

"SCB One" integrates online and offline marketing channels to attract customers for loyalty purposes

Online (Facebook, LINE, Weibo, Instagram)

e.g. Instagram



Notification

- ▶ Generic Awareness Posts
- ▶ When user posts about SCB ONE after product bought from App



Post video/photo

- ▶ #SCBONE
- ▶ Earn loyalty points from purchase



User Interaction

- ▶ Generate hype and Social commentary with SCB ONE
- ▶ Earn 10X points on UP2ME Card or existing SCB Rewards Points

SCB needs to focus on interaction rather than awareness on social media

Offline

1 TV Commercial



Great Avenue for Mass Marketing

General Awareness of the App

2 Billboards



1. Creating your own SCB ONE moment
2. Win prizes with SCB ONE
3. Accumulate loyalty points



Integration allows SCB to increase awareness and consumer engagement with their loyal programs

SCB Rewards, SCB Up2ME

Phase 2: Launch event at the Platinum Mall

Launch Event will allow SCB to build upon hype and dedication



- ▶ Location: Platinum Mall and Surrounding Areas (e.g. Siam Paragon, MBK, Siam Square, SIAM BTS STATION)
- ▶ Target Capacity: 10,000

Promotion of Launch Event

- 1 Launch Social Media Campaign to integrate with offline services
- 2 Offline: Place billboards in Platinum Mall and Surrounding Areas (e.g. Siam BTS, Paragon)
- 3 Offline: Establish a SCB tent for signups – writing down email and signups as you go.



Consumer engagement and hype around product

Creating additional touchpoint with customers

- 1 Branches
- 2 Sales Representatives



Place SCB ONE App flyers instore to generate interest as well hang stickers on ATMs surrounding areas



Directly inform both Customers and Vendors of the App

Number of App Downloads: 468

Strategy summary

Connect will allow SCB to increase its SSME presence and retail customers on SCB ONE

Next Steps

Key micro markets in Bangkok



1 Scale into potential other markets

MBK Center
Siam Square



Due to similar products and customer profiles

2 Integrate Alipay and Wepay for tourists

3 Build partnership for delivery services on marketplace

Issues

1 Lack of understanding of SCB Services

2 Integration of retail customers into SCB Ecosystem

SCB Connect

Strategy

Loyalty Program targeted towards SSMEs

Marketing Campaign targeted towards Retail Customers

Impact

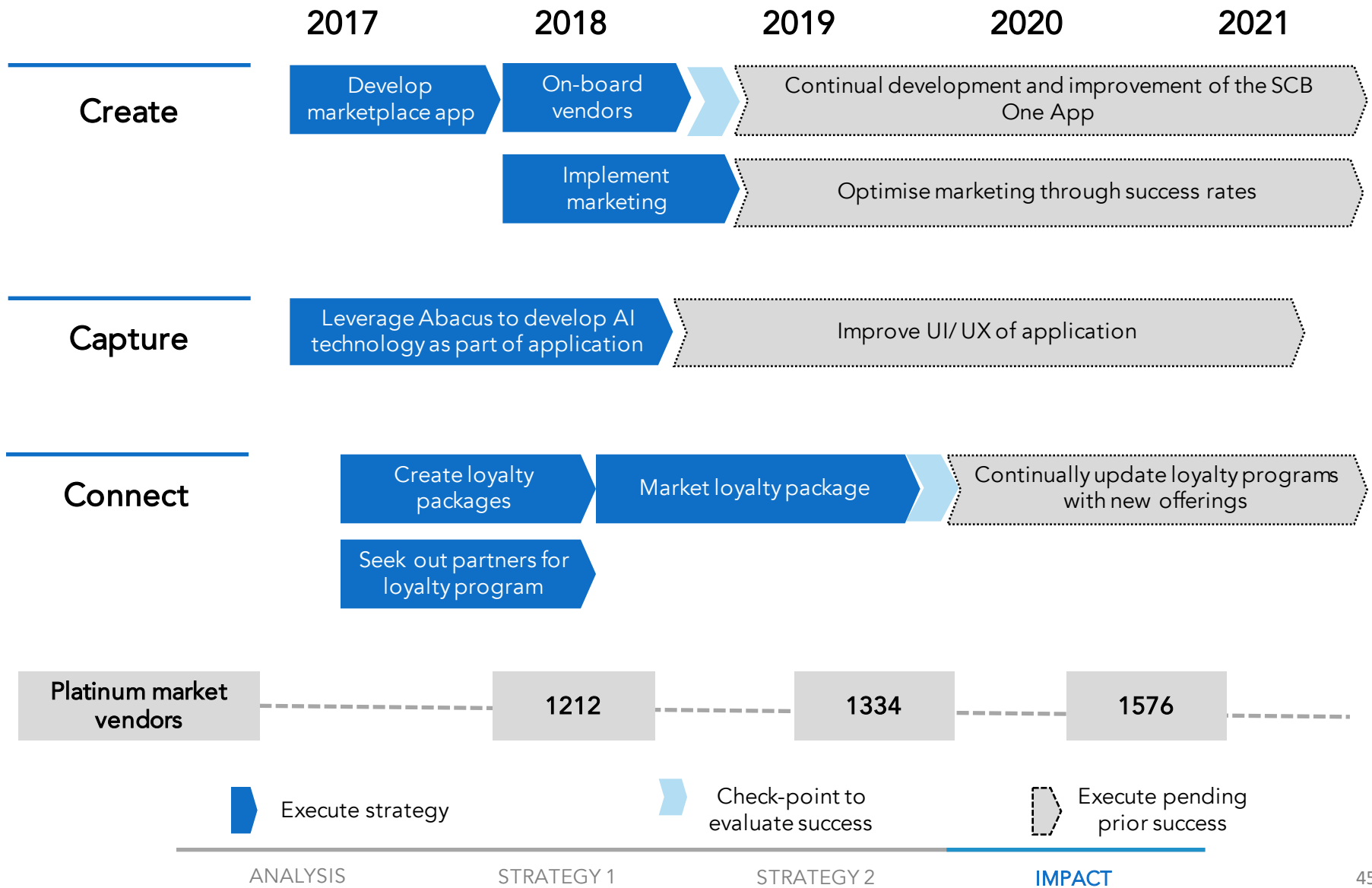
Incremental SSMEs on board SCB ONE: 1,261

Number of retail customers: 677,000

IMPLEMENTATION



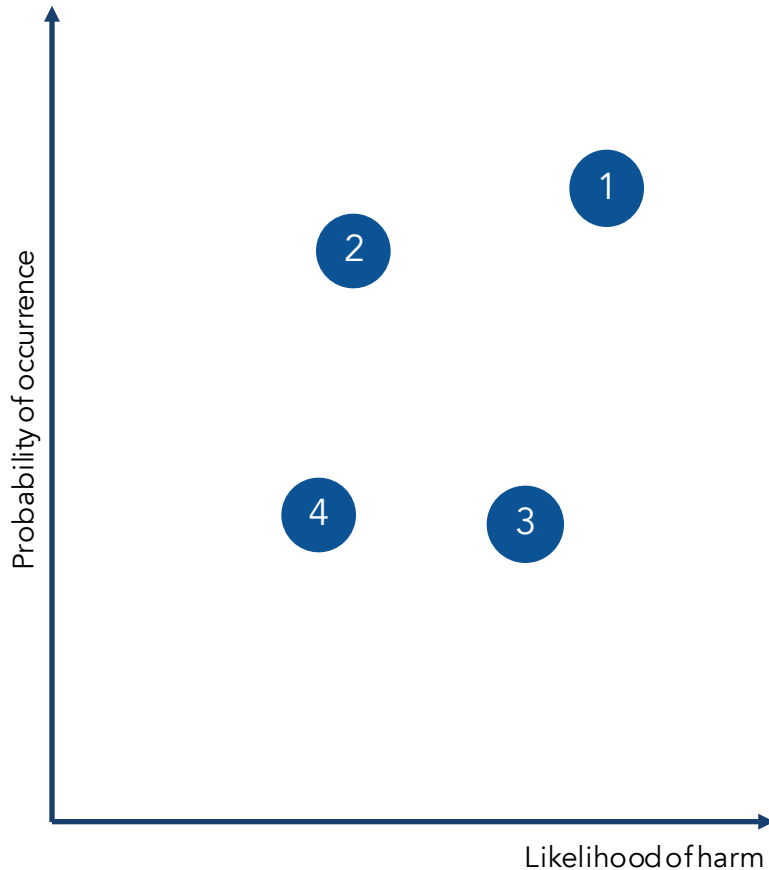
5 Year implementation timeline



Risk and mitigation

Key risks and mitigation actions have been identified

Risk Matrix



Risks & Mitigation

- 1 Lack of traction in onboarding vendors to the marketplace
Provide further incentives for vendors to onboard the application
- 2 Low uptake of advisory services
Program updates via application to increase frequency of pop-ups
- 3 Failure of vendors to regularly update website
Identify problem vendors and provide personalised advice over how to manage the platform
- 4 Lack of uptake by retail consumers
Create more incentive programs following launch in forms of discounts or cash backs

Impact generated

Our strategies will allow SCB to build relationships with SMEs

SCB Marketplace



Uptake of vendors on the SCB marketplace platforms

Additional revenue stream for vendors

Impact: Increased SME users

SCB marketplace drives an initial traction into the SCB ecosystem

Financial advisory and loyalty services



Advisory services provided to SMEs

Business planning services

Personalised relationship management

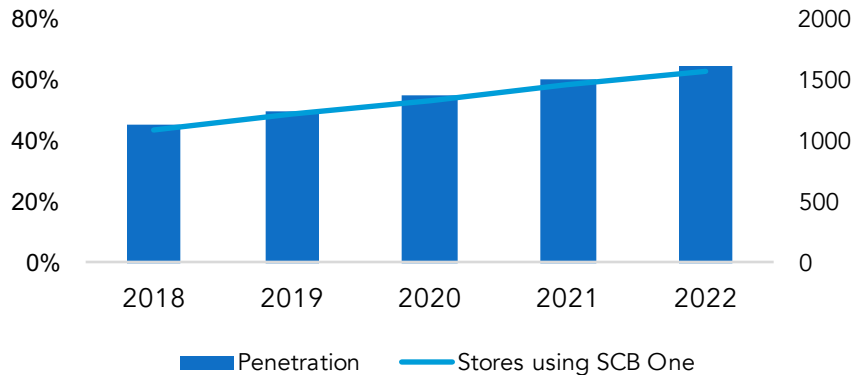
Impact: Build relationships with SMEs

SME clients will have personal needs addressed by SCB, building customer loyalty

Impact achieved in the Platinum Mall market

Create and capture will drive an increase in number of SMEs using SCB services

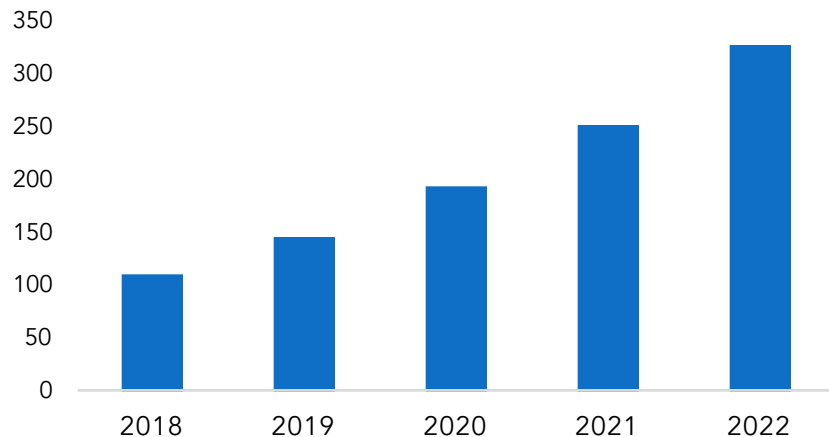
Number of vendors using SCB One



Commentary

- 72% surveyed vendors already using e-commerce platforms
- 65% of vendors assumed to use SCB marketplace by 2022

Increased use of financial advisory services

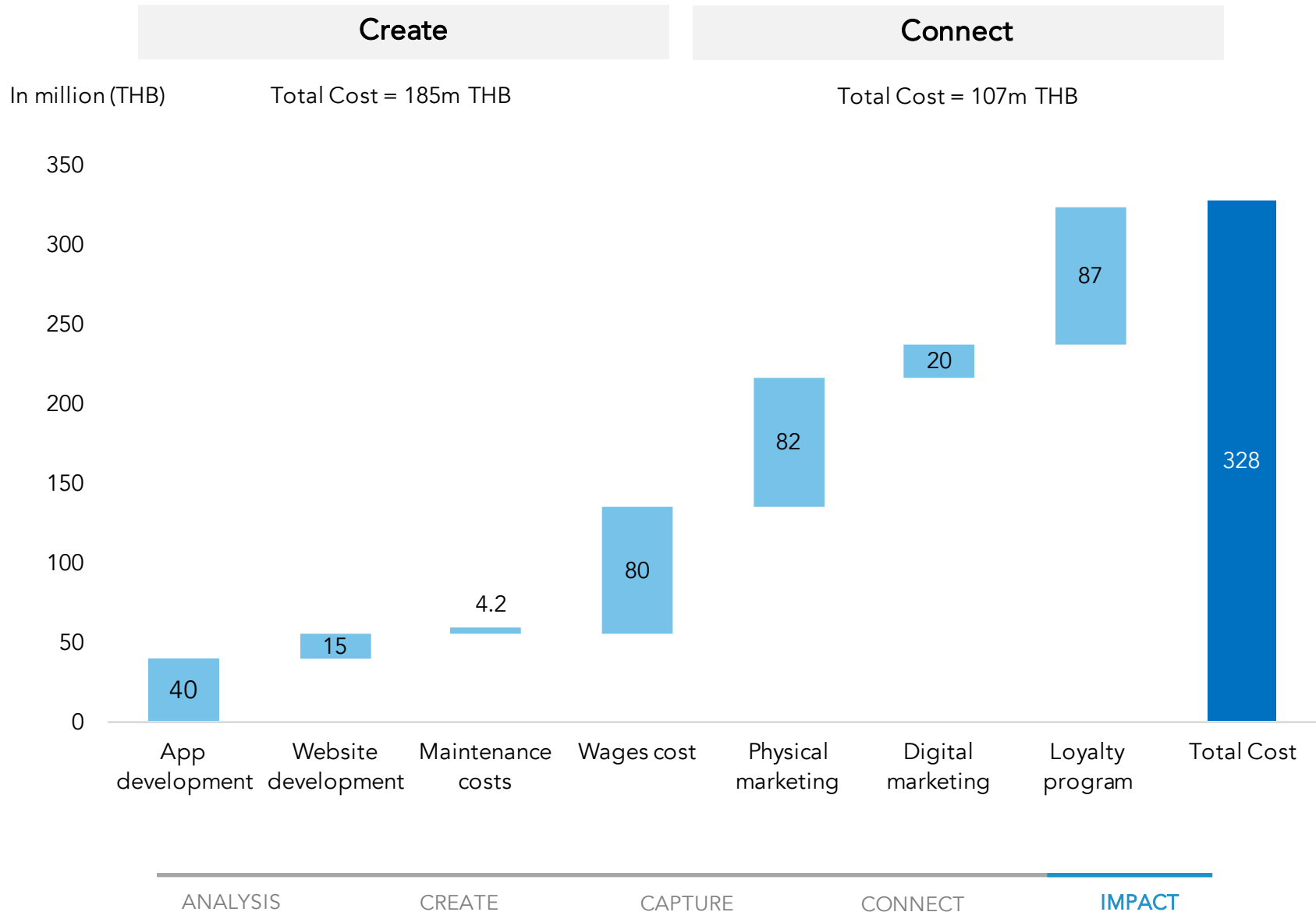


Commentary

- 327 Platinum market vendors expected to use financial advisory services by 2022
- Assumption of 15% vendors using marketplace feature using financial advisory, increasing to 25% by 2022

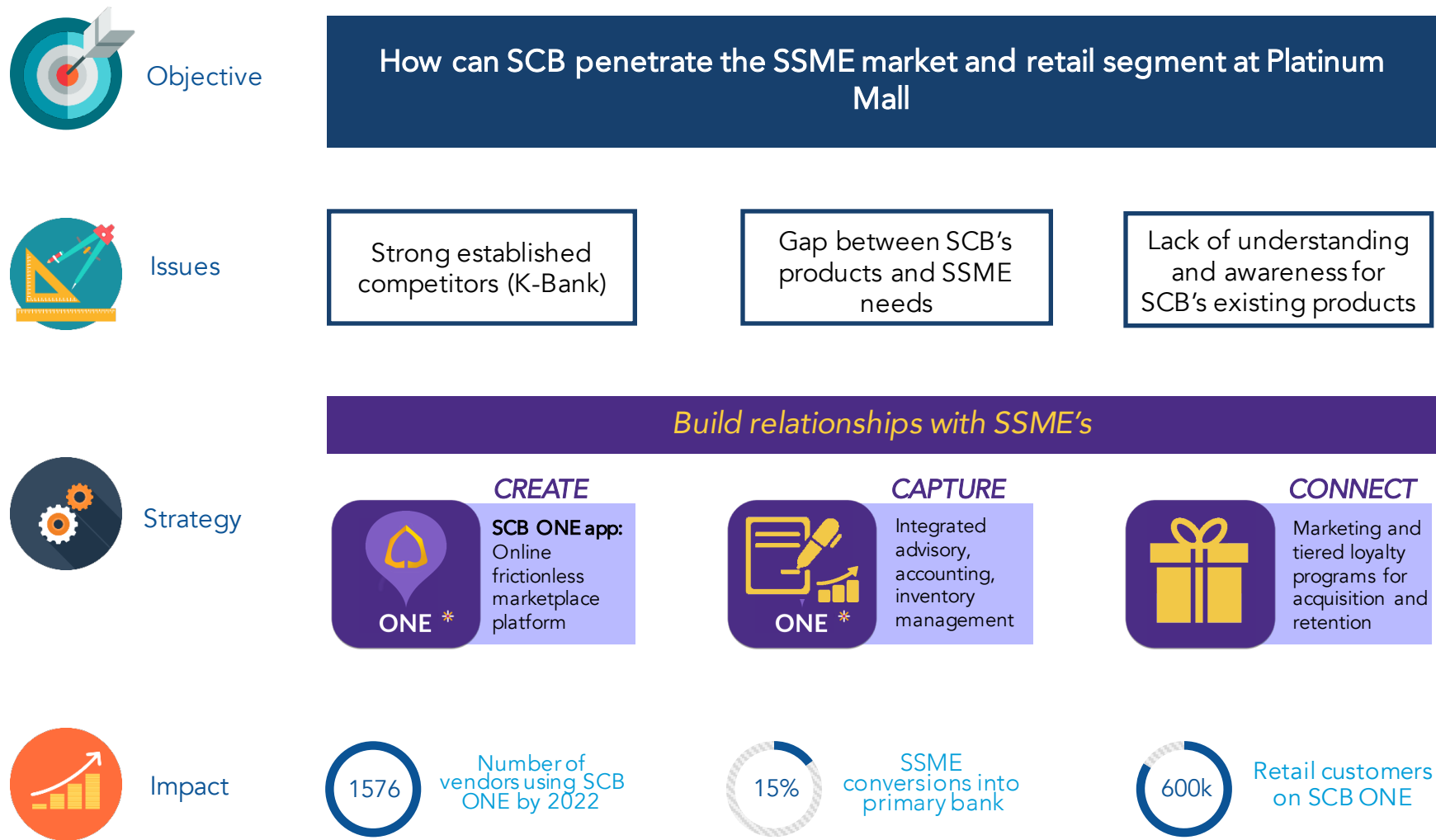
Cost breakdown

Our strategies are expected to cost a total of 328m THB



Executive Summary

The Siam Commercial Bank (ธนาคารไทยพาณิชย์)



Appendix Network

1. Overview

2. Title
3. Executive Summary

Analysis

4. SSME market analysis
5. SCB must quickly capitalise on the growing SSME market
6. SCB company analysis
7. Competitor analysis
8. EVA Market Research
9. Vendor issue analysis
10. Strategy summary

Strategy

11. Strategy rationale
12. Strategy rationale
13. Introducing SCB One
14. Step 1: Setting up
15. Step 2: Stock Input
16. View my store
17. Strategy rationale
18. Feature 1
19. Feature 2
20. Feature 3
21. Goal planning
22. Strategy summary
23. Connect: Acquisition and retention
24. Connect: Acquisition and retention
25. Phase 1: Marketing to vendors
26. Phase 1: Loyalty for vendors
27. Phase 1: SCB MySSME
28. Phase 2: Marketing to retail

- customers
29. Phase 2: Current customer journey
30. Phase 2: Current customer journey
31. Phase 2: Current customer journey
32. Phase 2: Current Customer Journey
33. Inconvenience when Browsing Products
34. Phase 2: Current Customer Journey
35. Phase 2: Current Customer Journey
36. Limited Payment Methods with the vendors
37. Phase 2: Current Customer Journey
38. Phase 2: Current Customer Journey
39. Phase 2: Customer Journey with SCB One
40. Aggressive marketing campaign targeting Platinum Mall retail customers
41. Phase 2: Marketing Campaign and Loyalty Integration
42. SCB Rewards, SCB Up2ME
43. Strategy Summary
44. 5 Year implementation timeline
45. Risk and mitigation
46. Impact generated
47. Our strategies will allow SCB to build relationships with SMEs
48. Impact achieved in the Platinum Mall market
49. Cost breakdown
50. Executive summary
51. Appendix Network

52. Create financials
53. Capture financials
54. Costs
55. Connect financials
56. Case study loyalty
57. Current portfolio loyalty
58. Feature
59. Marketing
60. Impact
61. Impact
62. Impact scale
63. Merchant mPOS
64. Abacus
65. Location design
66. Application generated
67. Case studies vendor
68. Survey data
69. Survey
70. Survey
71. Survey
72. Survey
73. Survey
74. Example survey
75. Ali pay we chat
76. Issue prioritisation
77. Roll out plan
78. Management team
79. Management team
80. Management team

Create financials

Create - Marketplace							
	<i>Units</i>	2017	2018	2019	2020	2021	2022
Population of Thailand	m	68.9	69.1	69.3	69.5	69.7	69.9
Number of SMEs in Thailand	m	3	3	3	3	3	3
Number of SSMEs in Thailand	m	7.5	7.5	7.5	7.5	7.5	7.5
Contribution of SMEs to GDP in Thailand	m	1200	1200	1200	1200	1200	1200
Platinum market number of SSMEs		2800	2800	2800	2800	2800	2800
% not online	%	13%	13%	13%	13%	13%	13%
Number of offline only shops	#	375	375	375	375	375	375
% online	%	87%	87%	87%	87%	87%	87%
Number of online shops	#	2425	2425	2425	2425	2425	2425
Penetration	%		45%	50%	55%	60%	65%
Stores using SCB One	#		1091	1212	1334	1455	1576
Number using advisory services			109	145	192	251	327
Number using services			10%	12%	14%	17%	21%

Capture - Providing financial literacy services

All figures in THB m

	Commentary					
	2017	2018	2019	2020	2021	2022
Number of stores using SCB One		1091	1212	1334	1455	1576
SSME market size in Thailand	7.5	7.5	7.5	7.5	7.5	7.5
SCB as of SSME market penetration	8%	10%	10%	10%	10%	10%
Platinum market number of SSMEs	2800	2800	2800	2800	2800	2800
Number of stores adopting SCB One app		1091	1212	1334	1455	1576
Percentage converted to long term customer		15%	15%	15%	15%	15%
		163.67	181.86	200.05	218.23	236.42
Scalability of SCB Application						
% of market post strategies		11%	12%	13%	15%	16%
Number of SSMEs Targeted by SCB	0.6	0.8	0.8	0.8	0.8	0.8
Uptake of SCB One application		20%	22%	24%	27%	29%
Number of SSMEs using SCB One application	0.0	0.2	0.2	0.2	0.2	0.2

Key cost assumptions

Cost breakdown						
Website development and maintenance	15	2	2	2	2	2
Capture						
Mobile Application						
Cost of app development	40					
App maintenance	2.4	2.4	2.4	2.4	2.4	2.4
Source: CBA, Standard Chartered Bank						
Salaries						
Relationship managers	30	32	33	35	36	38
Average wage cost	0.366	0.288	0.288	0.288	0.288	0.288
Source: Average wage in Thailand						
Marketing	15	10	10	10	10	10
Capture Total Costs	69	22	22	23	23	24
Connect						
Offline Marketing						
Television costs	75	125	125	125	125	125
Cost of 30 second TV advertisement	0.05	0.05	0.05	0.05	0.05	0.05
Number of ads	2500	2500	2500	2500	2500	2500
Cost of flyers and billboards	24.5	24.5	24.5	24.5	24.5	24.5
Cost per billboard	35	35	35	35	35	35
Number of billboards	0.7	0.7	0.7	0.7	0.7	0.7
Total Costs	99.5	149.5	149.5	149.5	149.5	149.5
Online Marketing						
Cost per click	0%	0%	0%	0%	0%	0%
Reach	300000	300000	300000	300000	300000	300000
Total cost	5.7	5.7	5.7	5.7	5.7	5.7

Connect						
	2017	2018	2019	2020	2021	2022
Shoppers at Platinum market per year	10950000	11169000	11392380	11620228	11852632	12089685
Percentage foreign visitors	30%	30%	30%	30%	30%	30%
Number of foreign visitors	3285000	3350700	3417714	3486068	3555790	3626905
SSMEs using loyalty from Platinum mall		873	970	1067	1164	1261
% in Tier 1		100%	86%	79%	72%	65%
% in Tier 2		5%	9%	13%	17%	21%
% in Tier 3			5%	8%	11%	14%
SSMEs using loyalty overall		7.5	7.5	7.5	7.5	7.5
Market penetration of SCB app		0.02%	0.02%	0.03%	0.03%	0.04%
Incremental SSMEs Targeted		1500	1800	2160	2592	3110.4
Number of retail customers	7665000.0	7818300.0	7974666.0	8134159.3	8296842.5	8462779.4
SCB App market share		0.0	0.1	0.1	0.1	0.1
Number of customers using SCB One loyalty program		312732	398733	488050	580779	677022

Case Study on Loyalty for SMEs

Loyalty programs have previously been successfully implemented for SMEs

Case Study: KrungSri Bank



- Krungsri Yellow Points system allows for SMEs to trade points in for gifts or cash
- Points accumulated by spending on an O/D account
- Led to an increase in loans by Baht 3.3 billion in just three months

Features



Easy Ways to Earn Points

The more services you access, the more rewards you will enjoy.



Easy Rewards Redemption

You can choose to redeem points for mileage, merchandise or cash. Via our online "360° Rewards Catalogue".









Hassle-Free Spending

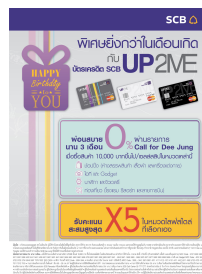
Spend with your Standard Chartered UnionPay ATM Card in Hong Kong and China, you can enjoy maximum shopping and payment convenience and earn 360° Rewards Points for extra rewards and privileges.

Standard
Chartered
Bank

Current portfolio of loyalty products

						
	MYTravel	BEYOND	PLATINUM	FAMILY PLUS	UP2ME	SSME?
Card highlights	Every 15 Bht = 1 AirAsia BIG POINT	Get X7 points in department store, fashion, watch and jewelry	X5 points on daily spending. 10% discount on spare parts	Get up to 1% off every time you spend	No annual fee	Earn X5 points in the category
Privilege	10% off hotel 8% off Car Rental Access to Airport Lounge Special Rate Swap	Every 20 Baht spent on X2 Card. Car park reservation at leading department store.	0% up to 10 months for participating products and services.	All SCB LIFE tuition and fees are available for Call for Dee Jung.	Earn x3 points in selected spend categories.	
Terms and Fees	•Minimum income 50,000 Baht / month for SCB MY TRAVEL	20 years - 70 years Minimum income 70,000 Baht / month for SCB BEYOND Card				Minimum income 70,000 Baht / month for SCB SME Card
Card Promotion		Voucher worth 5,000 Baht when spending over 90,000 Baht *				

Promotion Card Only



Loyalty Program MySSME

Loyalty programs have previously been successfully implemented for SMEs

Case Study: Krungsri Bank

Features



Easy Ways to Earn Points

The more services you access, the more rewards you will enjoy.



Easy Rewards Redemption

You can choose to redeem points for mileage, merchandise or cash. Via our online "360° Rewards Catalogue".



Hassle-Free Spending

Spend with your Standard Chartered UnionPay ATM Card in Hong Kong and China, you can enjoy maximum shopping and payment convenience and earn 360° Rewards Points for extra rewards and privileges.

Future Consideration for Scalability

ACOMMERCE SHIPPING PLATFORM ALLOWS SAME DAY DELIVERY IN MULTIPLE CITIES

The screenshot displays the aCommerce shipping platform interface. On the left, there are input fields for 'Partner' (Smartship Kiosk), 'Order ID', 'Package No.', 'VM Weight' (0.00 Kg), and 'Actual Weight' (0.00 Kg). Below these are fields for 'COD Amount', 'Boxes', 'Partner Name', 'Channel Name', 'aCom Shipping ID', 'Scan ID', 'Tracking ID', 'Payment Type', 'Shipping Address', and 'Shipping Addressee'. On the right, there is a 'Select Provider' section with a grid of shipping providers including aCommerce TH, Kerry, Thailand Post EMS, Sky box, D-Packet, Sendit, DHL eCommerce, 11Street Kerry, LEX, Kerry SCS, aCommerce, Customer Pick Up, Kerry PHCG, KEXPRESS, and Thai Parcel's company. At the bottom, there are 'DONE' and 'DONE & PRINT' buttons.

The platform updated to offer a wider range of shipping services such as **shipping** from multiple locations offering different service levels at each city.

aCommerce shipping platform is able to handle up to a million of packages each day and applicable to various fulfillment models including:

- first mile pickups
- counter and locker package drop off
- The technology can also choose the most cost-effective 3PL for clients through its auto-selector. Through 25 API Integrations with carriers in Thailand, Indonesia, Singapore and the Philippines, the technology allows tracking and shipping status updates from the carriers to be processed in real-time. These updates are shared with end customers and clients via API, reports or on tracking.acommerce.asia.

Offline and online integrated marketing campaigns

myCalvin Campaign

- ▶ Why: Debuted to promote underwear and expansion into the denim market
- ▶ Online: influencers on Instagram using social celebrities (e.g. Justin bieber) -> 3.6m additional followers on Social media Channel (#mycalvin)
- ▶ Offline: Billboards with social celebrities

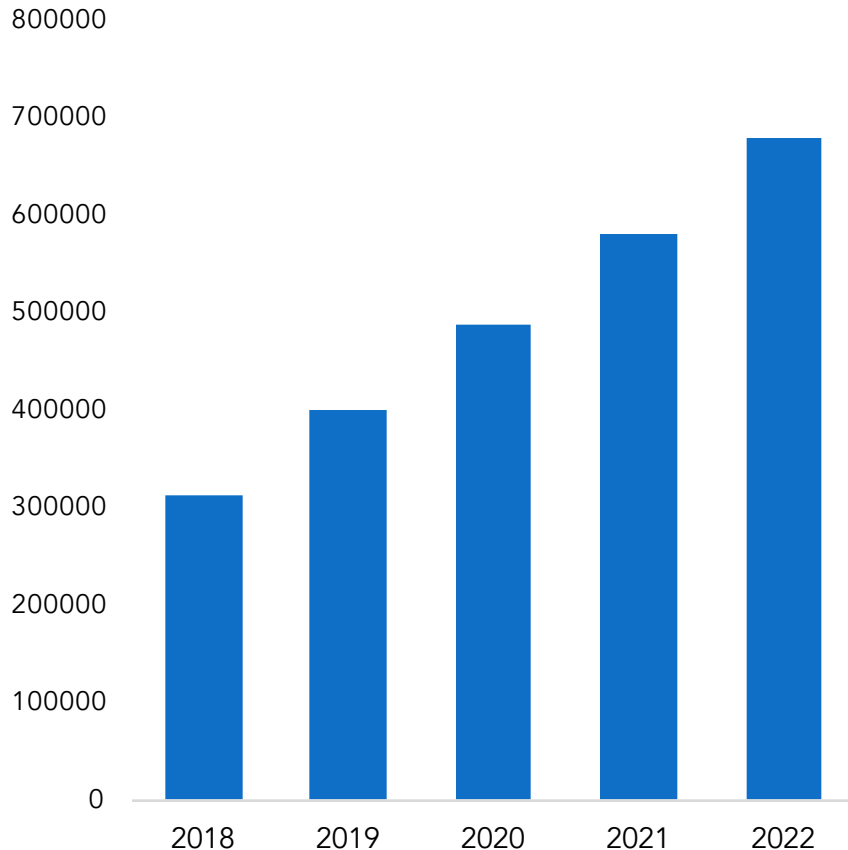


Starbucks Rewards Program

- ▶ Offline: Introduce the "red cup" to match consumer emotions with seasonal drinks.
- Runs contests to post a new poster or ad. Integrating website and social media addresses in print marketing, encourages consumers to interact online continually.
- ▶ Online: Twitter (follows followers back),
- Tweet-A-Coffee program: Connecting Starbucks gift cards with Twitter account, tweet gift card to someone

Impact of SCB Loyalty program

Drivers of retail customers

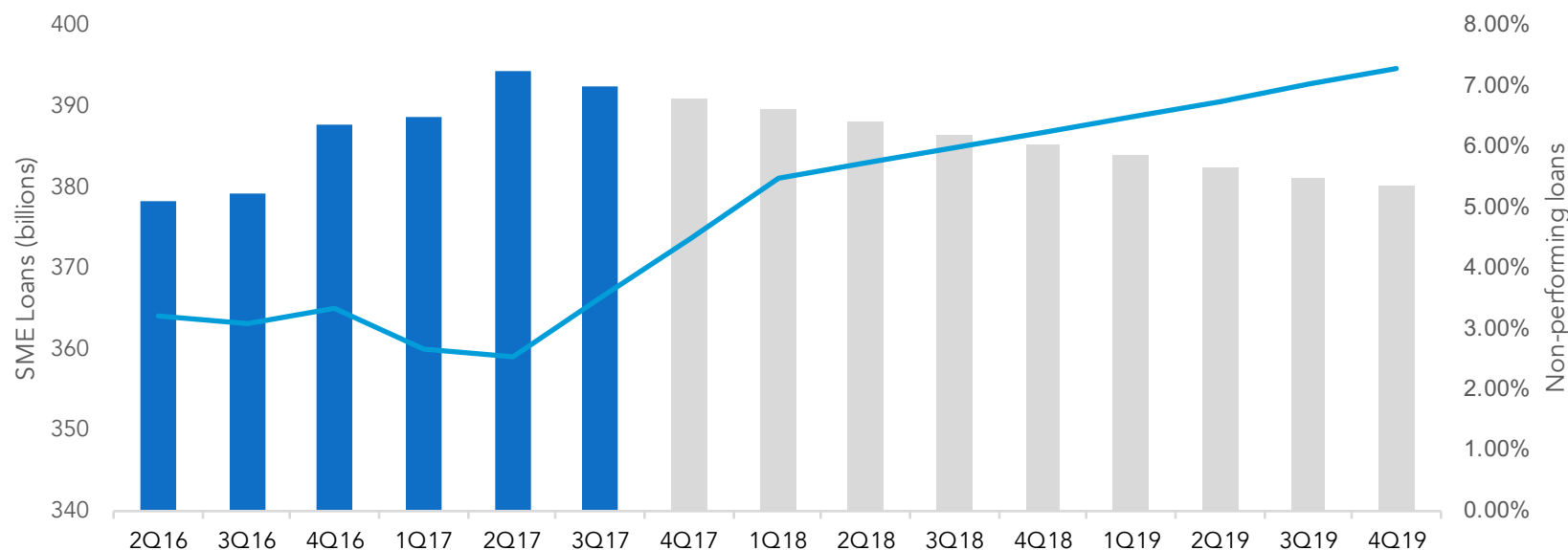


Key assumptions

- Assumed 30,000 visitors to Platinum Market per day
- SCB app achieves market share of 8% by 2019 (Based on current SCB easy app)

Impact of scaling services on SCB's NPLs and SME Loans

Increase in SME loans and reduction in non-performing loans



Key assumptions

- SCB can also scale services to other micromarkets over 5 year period
- Reduction in NPLs driven by increased financial literacy and increase loyalty programs

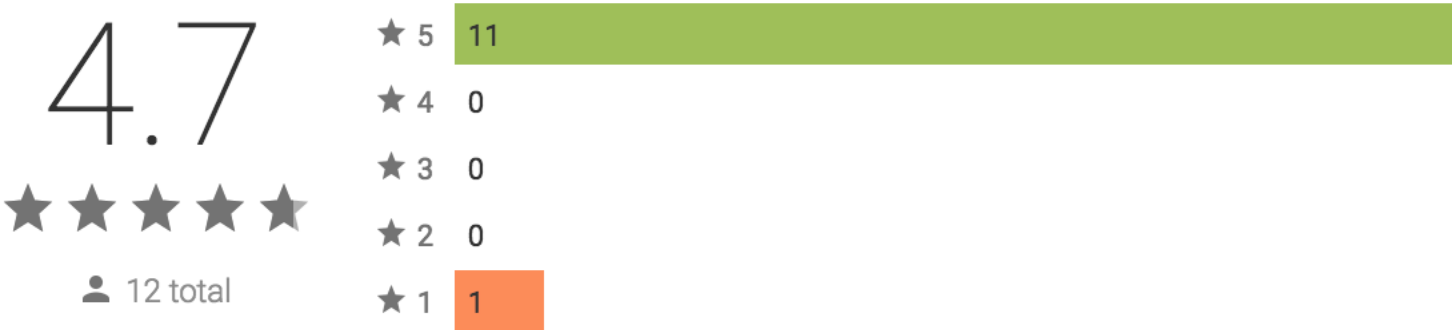
Merchant mPOS

SCB's latest application for Businesses



- Houses general management, product management, and sales report features
- Monitors inventory levels and optimises the best selling products at the store
- Payment through PromptPay for security

REVIEWS



SCB Abacus



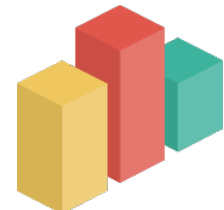
- Goal to pioneer AI to leverage data in order to advance SCB's core product offerings



Uses Big Data and Machine learning in order to power actionable business insights



Conducts research into new and exiting tools in order to improve services of SCB and its partners

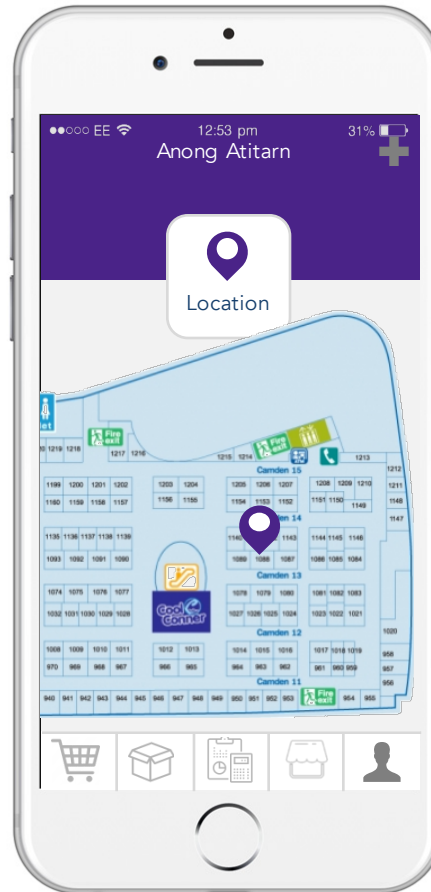


Allows businesses to access data driven decision making at all levels of a business

Location Design on application

Customers

Allows physical consumers to also find your store



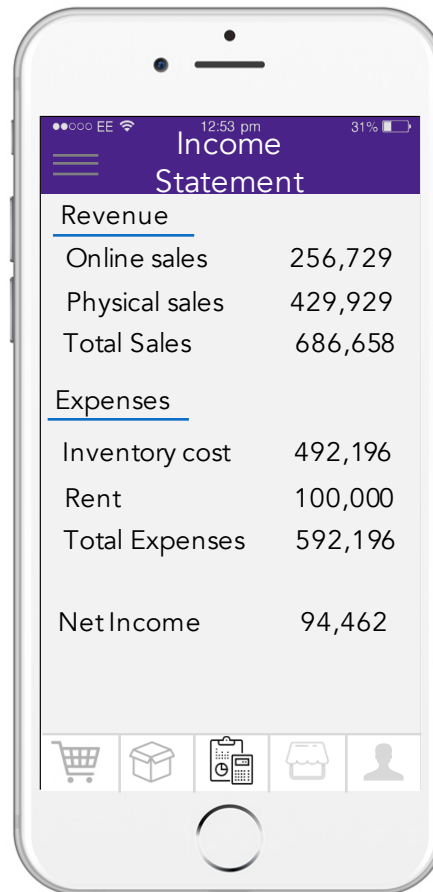
Location

Using a drop menu, a vendor can set the location of their store

How reports of Application are generated

Net Income

Shows net income of business on a weekly, monthly of yearly scale



Income Statement	
<u>Revenue</u>	
Online sales	256,729
Physical sales	429,929
Total Sales	686,658
<u>Expenses</u>	
Inventory cost	492,196
Rent	100,000
Total Expenses	592,196
Net Income	94,462

Data

Revenue and expenses data integrated into data analytics machine

Case studies into successful multi-vendor market places

Case Study: Ebay



- Founded in 1995 and has been profitable ever since in every individual quarter
- Allows vendors to list items at a very low cost, which made them unique amongst e-commerce marketplaces
- Achieved net profits of \$2,156 m USD in 2016

Case Study: Alibaba



- Mainly provides online services to small enterprises and individuals
- Allows a larger variety of goods to be made available to a wide audience
- Platform in 2014 had a total of \$340m USD in transaction value

Case Study: Shopee



- Started in 2015 in the Philippines
- An online marketplace that operates through a mobile application
- Has achieved a Gross Merchandise Volume of \$3billion USD and more than 40 million downloads

72 SSME owners interviewed

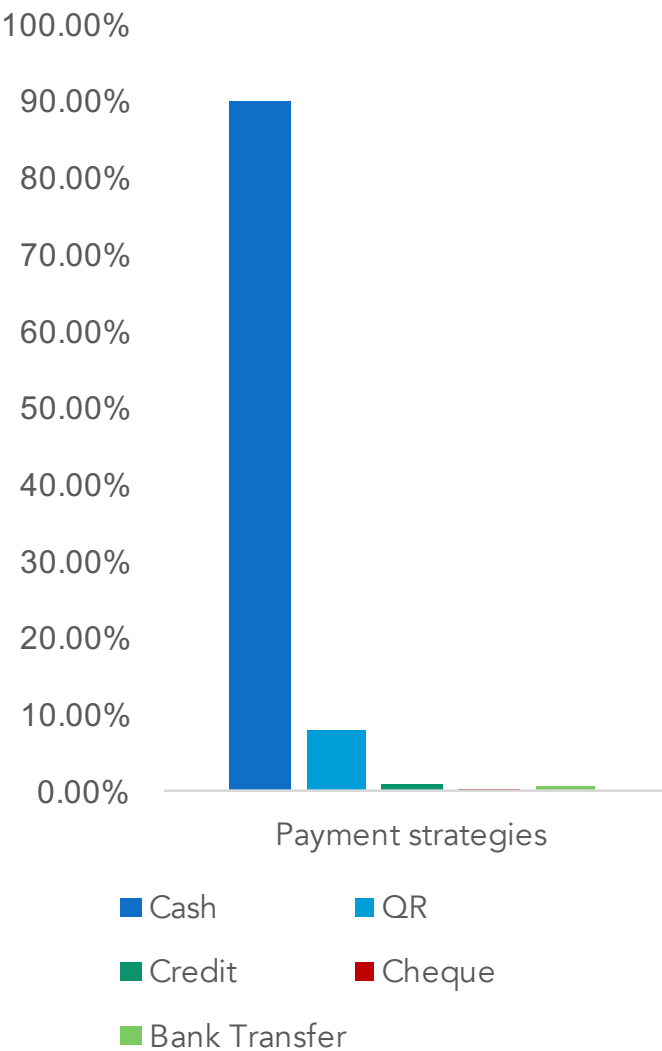
50 from Platinum
Mall

12 from MBK

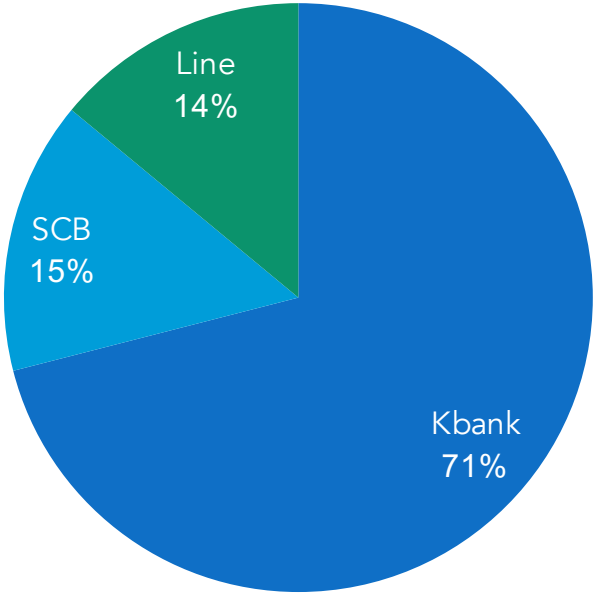
10 from Siam
Square

Survey Data

What payment type do customers use?

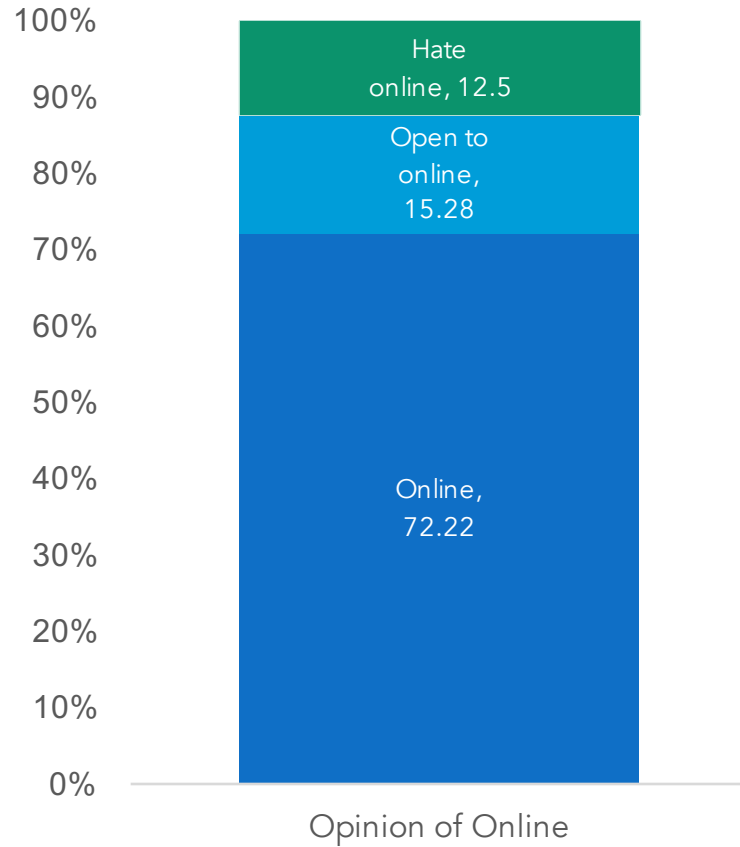


What QR payment code do you use most?

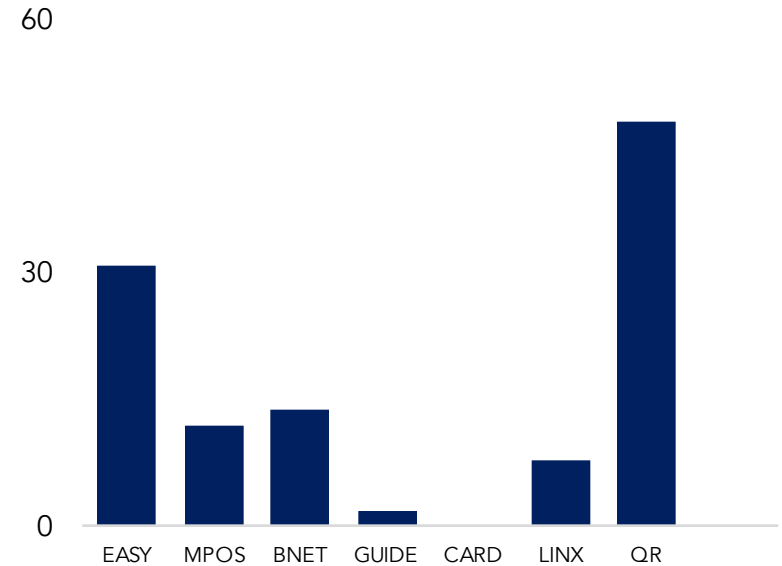


Survey Data

Do you have an online presence?



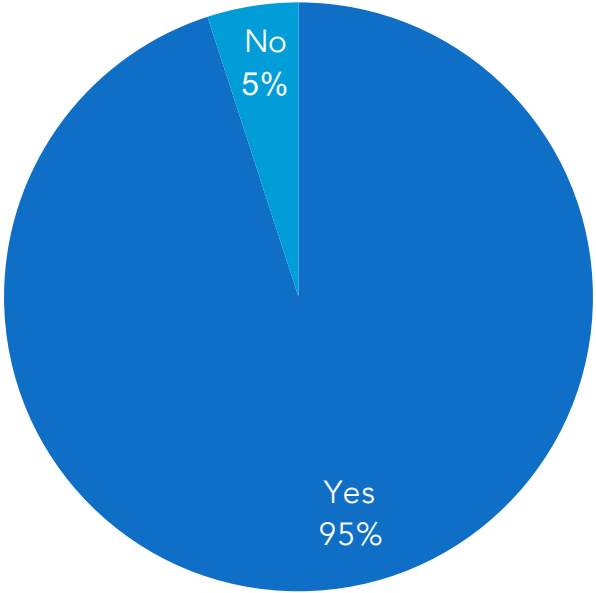
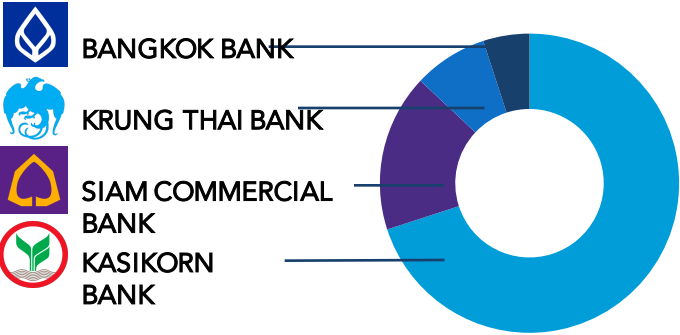
What cash alternative system do you have?



Survey Data

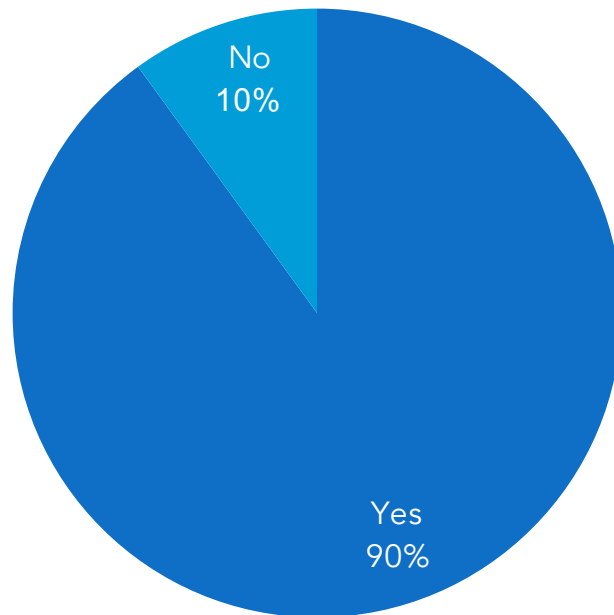
What bank do you use?

Do you want any complex loan products?



Survey Data

Would you use a new accounting system if offered?



Example Survey

Do you have an online store?

I have both a physical and online store.

Would you want a customised accounting system?

Yes if I could clearly see the benefits of using this product. I don't really understand much of this new technology so I would like it to be simple to use and customisable.

What banks do you have accounts with?

I have an account with both Kbank and SCB

How do consumers pay?

They usually pay by cash, but sometimes if they don't have the cash they pay via QR code

What bank do you use the most?

I use Kbank the most because it's the easiest for my consumers to pay through the QR code.

Do you use loans or any wealth management?

No I do not use either. I don't need loans because I am a small business and that is also why I don't want wealth management right now. It would be too expensive

AliPay and WeChat partnerships



Is free for smaller users but as monthly transactions increase so does the price charged.



**More Social.
More Fun.**

2.9% plus 30 cents on all credit card transactions and 1% plus 30 cents for every bank payment

Both of these companies offer a payment system that is widely used by Chinese people



Chinese Tourism on the rise in Platinum Mall

Provides WePay and AliPay a fertile consumer hub

Additional fees can be levered by them on consumers even when they are overseas

Issue Prioritization Table

Unmet Needs	N (n=72)	Feasibility	Impact		Weight
Tracking of online payments	51	2	3	Impact	50%
Lack of awareness for banking products	37	2	3	Financial impact	25%
Interbank fees	65	1	3	Non- Financial impact	25%
Friction in multiple payments platforms	70	2	3		
Easy book keeping	57	2	2	Feasibility	50%
Relevant financial advice	66	3	2	Relevance to SCB	10%
Inventory management	36	3	3	Amount of Risk	20%
Long admin process	15	3	1	Ability for execution	5%
News on trends	16	2	1	Customer Sensitivity	5%
Loan/credit approvals	29	1	1	Relevance to Platinum Mall	10%
Part of community	19	3	1		
Optimising payment cycles	20	3	1		
Networking opportunities	22	2	1		
Value for employees	12	2	1		

Appendix

Roll Out Plan – Next Steps for SCB

Pilot: Penetrate Platinum Mall

Extend: Nearby Micro Markets

Adopt: Micromarkets in Bangkok and beyond

Utilising the SCB ONE app, we have built both a vendor and consumer interface

Utilising Platinum mall as the poster child we look to increase presence in micromarkets

Look to adapt and adopt the model into Bangkok and beyond with the help of Transformation team at SCB

Penetrated Platinum Mall

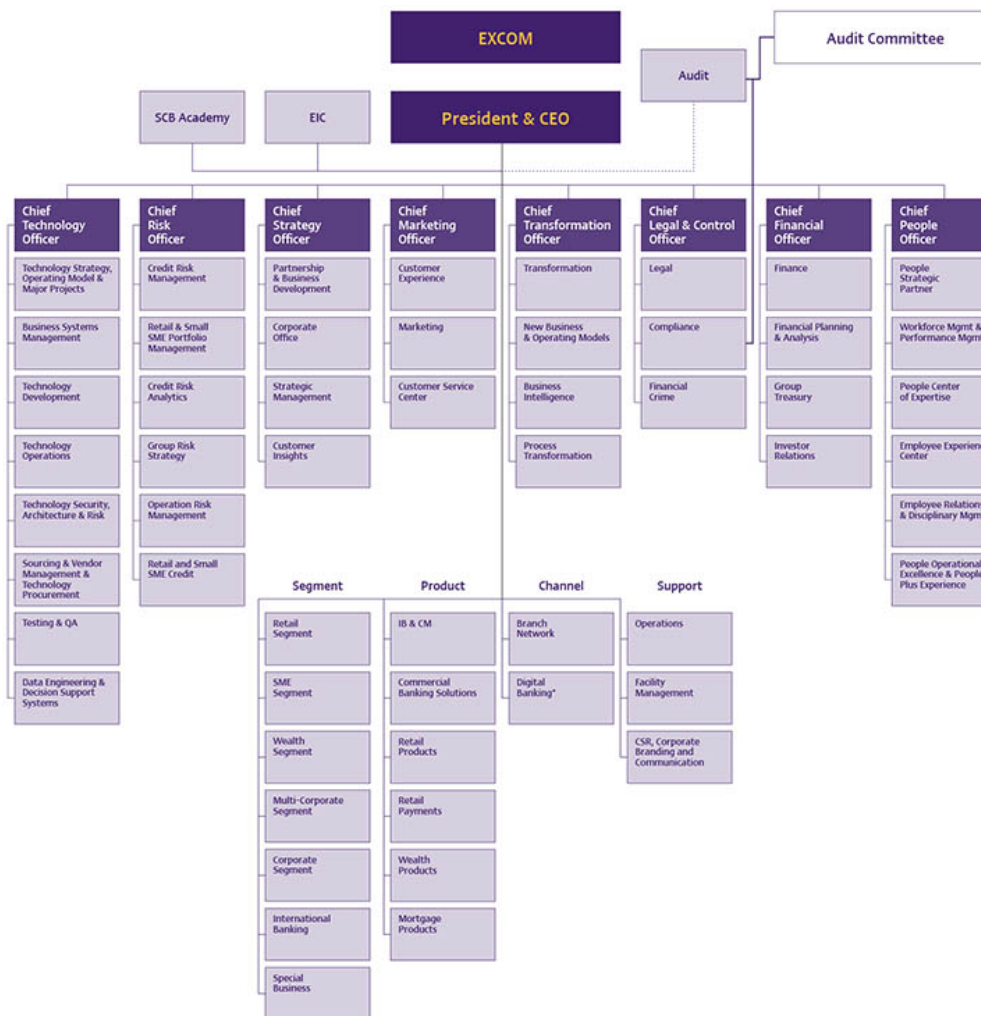
- MBK
- Siam Square

Reasons for Success”
Similar customers and Businesses

Scalable idea for SCB



Management Team



Effective Date : 1 August 2017

Management Team



Dr Vichit Suraphongchai

Chairman of the Executive Committee



Mr. Arthid Nanthawithaya

President & CEO,
Member of the Executive Committee,
and Member of the Corporate Social Responsibility Committee



Mrs. Wallaya Kaewrungruang

Senior Executive Vice President,
Chief Legal and Control Officer



Mr. Anucha Laokwansatit

Senior Executive Vice President,
Chief Risk Officer



Mr. Jens Lottner

Senior Executive Vice President,
Chief Transformation Officer



Mr. Colin Richard Dinn

Senior Executive Vice President,
Chief Technology Officer



Mrs. Kittiya Todhanakasem

Senior Executive Vice President,
Chief Financial Officer



Mr. Sarunthorn Chutima

Senior Executive Vice President,
Head of Special Business



Mrs. Pimolpa Suntichok

Senior Executive Vice President,
Head of Commercial Banking Solutions



Phanporn Kongyingyong

Senior Executive Vice President,
Chief People Officer



Mrs. Pikun Srimahunt
Senior Executive Vice President,
Head of SME Segment and
Small SME Segment



Mr. Narong Srichukrin
Senior Executive Vice President,
Head of Wealth Segment, Wealth Products,
Retail Banking & sSME Solutions



Mrs. Apiphan Charoenanusorn
Senior Executive Vice President,
Head of Operations



Mr. Arak Sutivong
Senior Executive Vice President,
Chief Strategy Officer



Mr. Wasin Saiyawan
Senior Executive Vice President,
Head of Multi-Corporate Segment
and Corporate Segment



Mr. Sarut Ruttanaporn
Senior Executive Vice President
Head of Retail Segment
and Branch Network

