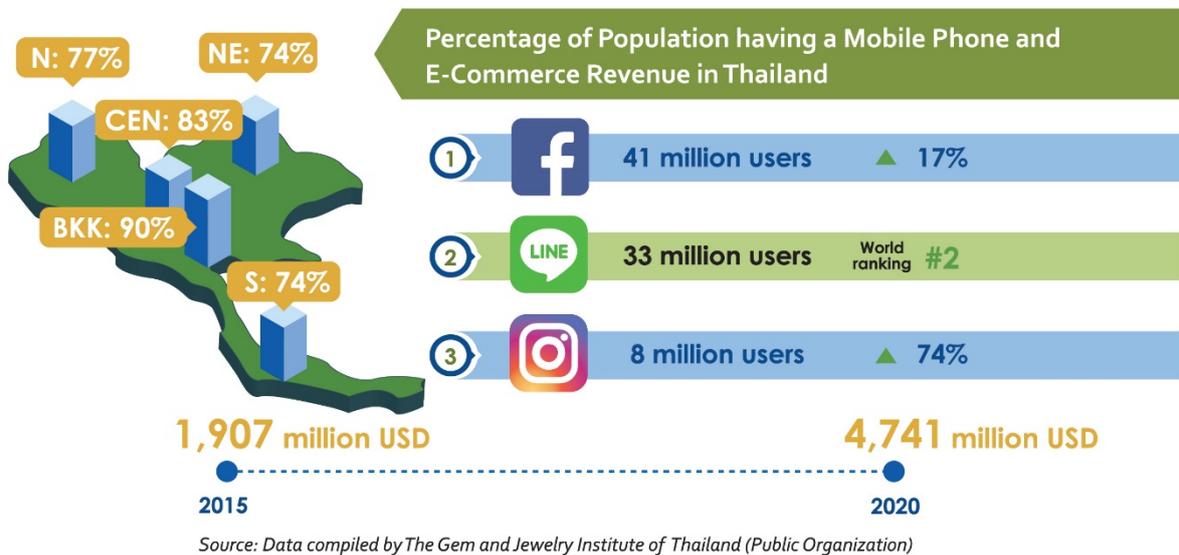




From 2016 onwards has seen so many big news in e-commerce industry, including the Bank of Thailand’s launch of PromptPay system to boost E-Payment; Alibaba’s acquisition of Lazada, which was once dubbed the ‘Amazon of Asia’; Amazon founder Jeff Bezos stepping up as the world’s wealthiest person; the introduction of Rabbit LINE Pay to combine online and offline payment platforms; Central Online’s acquisition of Zalora in Thailand and Vietnam; and Ensogo’s end of operation in Southeast Asia. These movements reflect competitions in the e-commerce industry to support increasing purchase power in the future, as well as adaptations for business survival in the age of digital economy.

“Shop Anywhere, Buy Anything” is not an overstatement in the trading industry of Economy 4.0, when transactions are not dependent on physical shops and opening times. Buyers and sellers can connect anytime and anywhere, resulting in the exceedingly high value of global e-commerce in 2016 at 1.92 trillion US dollars. This number is expected to increase approximately 17% per year (CAGR%) and will reach 4.1 trillion US dollars in 2020. Meanwhile, Thailand has the e-commerce value of 2.45 billion US dollars, increasing around 30% from the previous year, and will grow more than double in the next five years.



## ASEAN: Business Opportunities in E-Commerce

It is estimated that by 2020 ASEAN countries, including Singapore, Malaysia, Thailand, Indonesia and Vietnam will have as much as 290 million people in the middle class<sup>1</sup> from the overall population of around 470 million. This trend, combined with the development of IT infrastructure in these countries, helps to promote ASEAN as the next e-commerce destination with high growth potential, having Lazada as an example of success story in the Southeast Asia. Furthermore, internet accessibility, which is the basic foundation of online shopping, has been steadily increasing among ASEAN population, with around 40% having access to the internet. Although the number is not as high as in developed countries, it is on the increase. Singapore has the highest accessibility at 100% of the population. In Brunei, Malaysia and Vietnam, over half of the population have access to the internet, followed by the Philippines and Thailand with similar percentage at around 40%. As a result, both new and existing entrepreneurs have expanded their activities into the online world, advertising their products through official websites, as well as social media like Facebook, and another popular platform for small retailers, Instagram.

**Buying with Just One Click on Smartphone** The growth of online trading does not only depend on internet access from computers, the access from smartphone is equally important. In Thailand, smartphone owners account for 80% of the population, while mobile service providers are entering in a fierce competition for the highest market share. Smartphone has become another important channel in online shopping, leading to the term “M (mobile) – Commerce.” According to a survey by Nielsen, Thai smartphone users spend approximately 230 minutes or around 4 hours per day on smartphone. The most active period is from 8 pm to 11 pm, which is the golden time for online sellers to boost their sale.

Online shopping for gemstones and fine jewelry is not quite popular since buyers still lack confidence in paying before receiving these high-priced products. Therefore, to alleviate this reluctance, the seller should provide complete product information, including photographs in a correct scale, product price, and accurate material specifications. Product guarantee should also be offered in case that the customer is not satisfied with the product. If confidence is built, the online channel can be a chance of survival and steady growth for small enterprises, without high cost or any risks from opening oversea branches.

Gem and Jewelry Information Center  
The Gem and Jewelry Institute of Thailand (Public Organization)

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<sup>1</sup> The middle class consists of households with the income of 5,000-35,000 US dollars per year.