URBANIZING

Six-nificant

6 SIGNIFICANT PROVINCES OF THAILAND.
THE KEY TO THE NATION'S GROWTH.

**HAKUHODO Institute of
Life and Living ASEAN**

Let's focus more on "Provincial Cities" in Thailand

Up until now, many of us have set the main marketing targets to be Sei-katsu-sha in Bangkok and other big cities. But in the near future, the focus in ASEAN might not be those big cities anymore.

Trade in country border areas have become more active after AEC, infrastructure is developing in upcountry areas, and other aspects are causing the Provincial Cities – even cities that were rarely focused on before, to have opportunities for rapid growth.
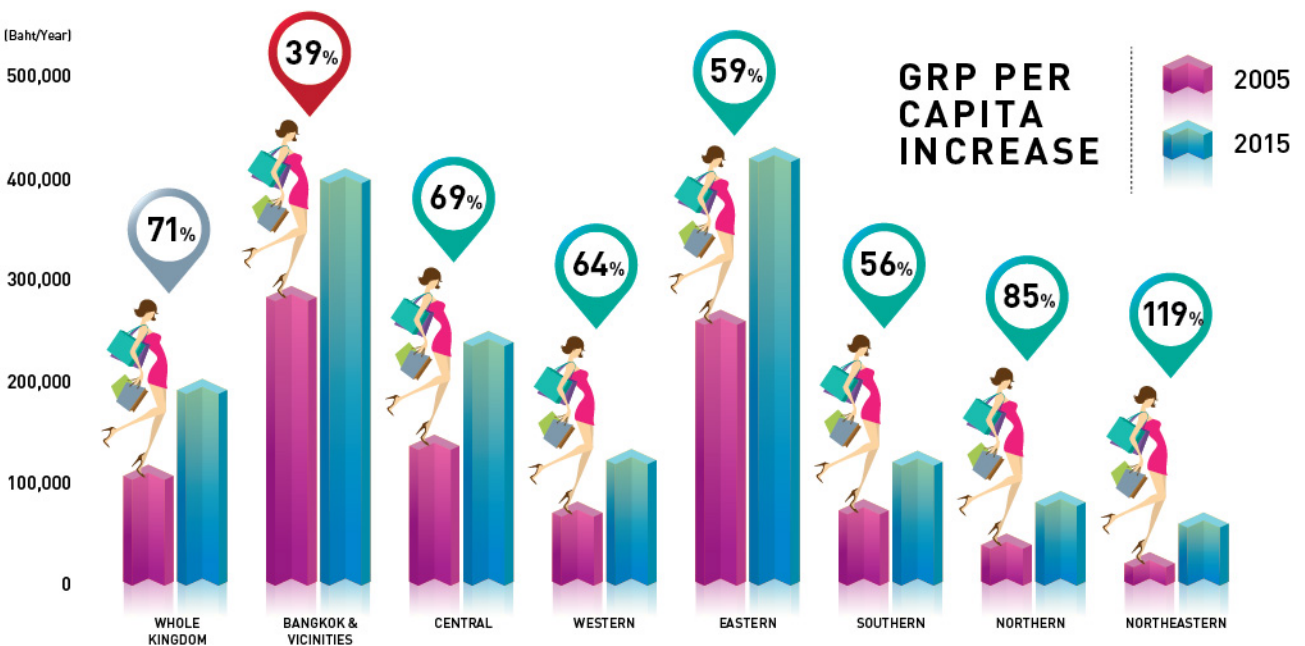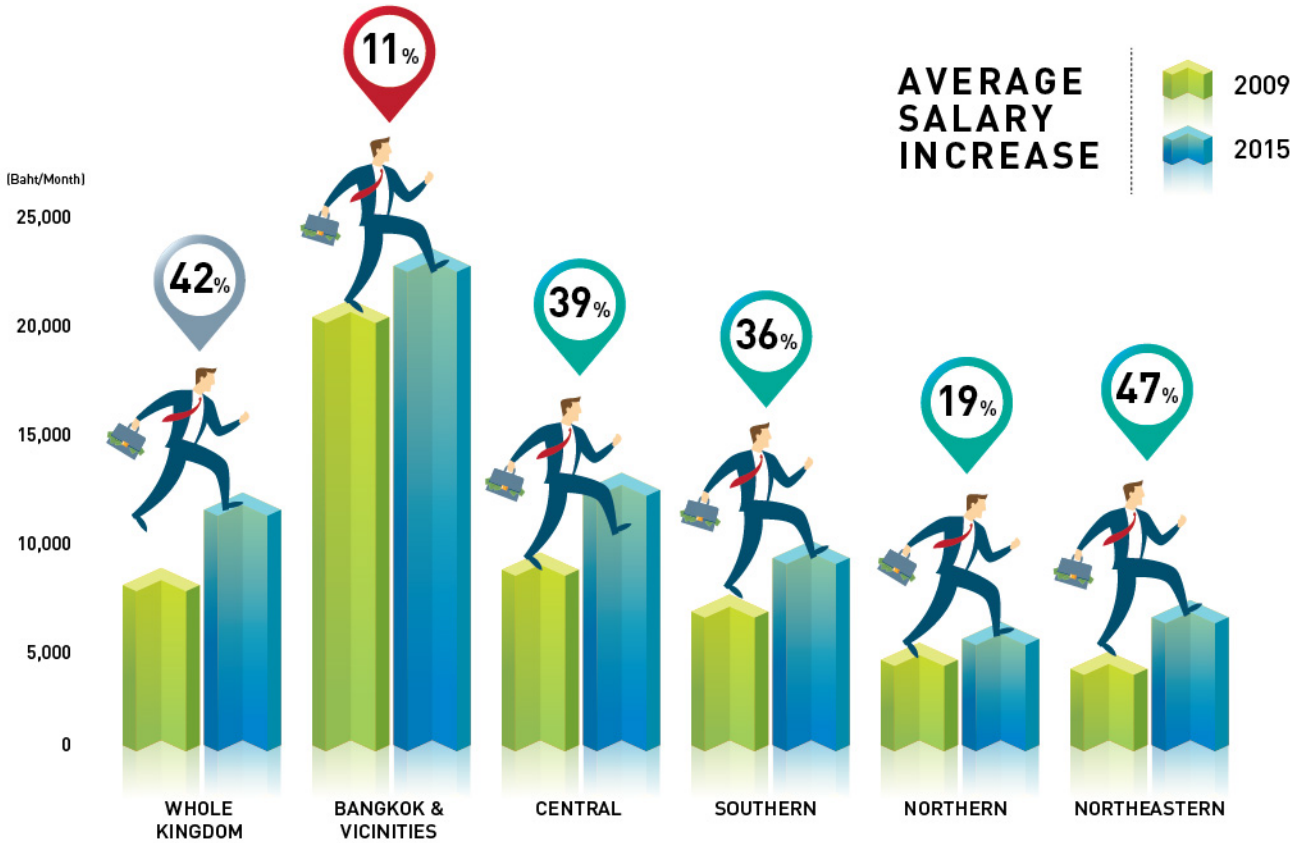
Bangkok and the big cities are a Red Ocean, where established brands predominate the market. But the Provincial Cities are a Blue Ocean, where the market share is still flexible.

If we look at the history of China, the main markets shifted from 1st class cities on the coast to the 2nd and 3rd class cities further inland, along with the economic growth of the nation.

Provincial Cities have chances for big growth.

When we look into average salary and GRP per capita in Thailand, the percent change in other regions are higher than in Bangkok and vicinities.

AVERAGE SALARY INCREASE

2009
2015

(Baht/Month)

25,000
20,000
15,000
10,000
5,000
0

11%
42%
39%
36%
19%
47%

WHOLE KINGDOM | BANGKOK & VICINITIES | CENTRAL | SOUTHERN | NORTHERN | NORTHEASTERN

GRP PER CAPITA INCREASE

2005
2015

(Baht/Year)

500,000
400,000
300,000
200,000
100,000
0

71%
39%
69%
64%
59%
56%
85%
119%

WHOLE KINGDOM | BANGKOK & VICINITIES | CENTRAL | WESTERN | EASTERN | SOUTHERN | NORTHERN | NORTHEASTERN
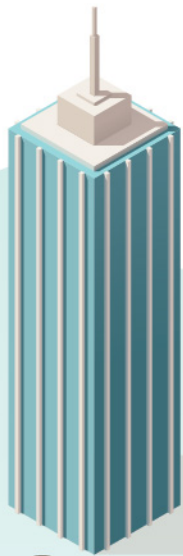
*GRP - GROSS REGIONAL PRODUCT

Source: Office of the National Economic and Social Development Board

Urbanizing provinces could be the next business opportunity.

Therefore; in this study we'd like to define the emerging market as **"URBANIZING"**.

1

METRO
The developed provinces or major cities

2

URBAN
The developing provinces or the big cities

3

URBANIZING
There are urbanizing provinces in the overlapping area between the urban and rural areas

4

RURAL
Small provinces with a small number of people and still lacking some basic infrastructure
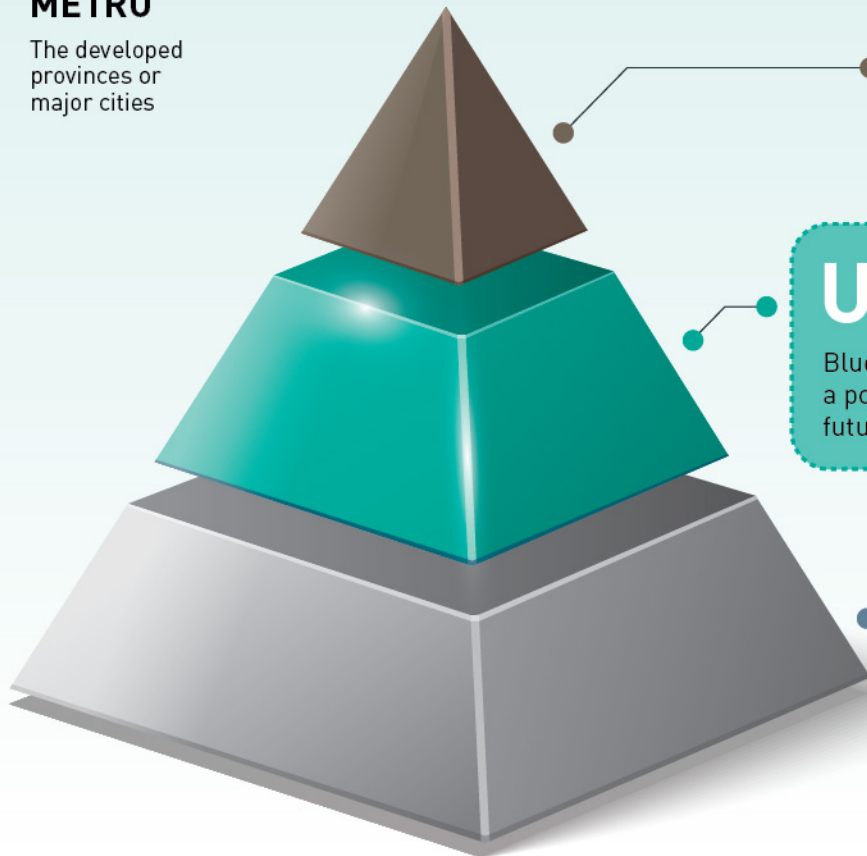
Bangkok Metro/Urban
Many businesses focus on this area but it's already a red ocean

Urbanizing
Blue ocean expected to turn into a potential market in the near future

Rural

How to identify urbanizing provinces?

1

2

3

4

Score of all the provinces based on 8 factors

1. GPP (Gross provincial product)
2. Doctor per Population
3. Average income per month
4. Number of cars
5. Education – Vocational graduate and higher
6. Number of department stores
7. Population size
8. Internet usage

Consider population and GPP growth as additional factors

Group the provinces into metro, urban, urbanizing and rural

Select one urbanizing province to represent each of the six regions

(Total 6 provinces)

*GPP - GROSS PROVINCIAL PRODUCT "

Firstly, score all the provinces from high to low scores based on 8 factors.

		GPP Gross provincial product	Doctor per Population	Average income per month	Number of cars	Vocational graduate and higher	Number of department stores	Pop' Size	Internet Usage	Total 616	% to total 100.00
1	Bangkok	77	77	77	77	77	77	77	77	616	100.00
2	Chonburi	75	75	61	75	73	76	69	74	578	93.83
3	Songkla	66	68	63	73	71	73	67	70	551	89.45
4	Nakhon Rachasima	67	39	58	74	70	75	76	75	534	86.69
5	Nonthaburi	68	67	74	46	74	70	62	73	534	86.69
6	Nakhon Pathom	69	66	75	63	68	64	53	64	522	84.74
7	Khon Khaen	61	73	33	72	69	68	74	69	519	84.25
8	Pathumthani	71	69	76	21	76	73	59	72	517	83.93
9	Surathani	62	61	73	68	60	73	57	61	515	83.60
10	Chiang Mai	65	71	2	76	75	74	73	71	507	82.31
11	Rayong	76	58	69	71	36	65	40	66	481	78.08
12	Nakhon Sri Thammarat	58	25	54	66	63	67	70	68	471	76.46
13	Ayuthaya	73	34	64	59	62	61	48	65	466	75.65
14	Ubon Ratchathani	56	36	27	69	64	64	75	67	458	74.35
15	Udon Thani	54	32	42	67	65	64	71	62	457	74.19
16	Samut Prakarn	74	54	56	8	51	69	64	76	452	73.38
17	Phuket	59	74	71	61	47	66	14	54	446	72.40
18	Nakhon Sawan	53	53	36	65	54	58	58	58	435	70.62
19	Chachoengsao	70	56	62	49	50	53	42	52	434	70.45
20	Phitsanulok	48	70	16	64	67	58	50	60	433	70.29
21	Chiang Rai	51	55	1	70	66	58	63	59	423	68.67
22	Saraburi	63	64	68	55	34	47	38	53	422	68.51
23	Chanthaburi	57	65	72	56	49	39	29	41	408	66.23
24	Ratchaburi	60	62	20	58	45	50	51	55	401	65.10
25	Lampang	41	63	28	62	56	60	45	44	399	64.77
26	Lopburi	55	48	44	57	44	50	46	49	393	63.80
27	Samut Sakhon	72	72	67	2	15	50	33	63	374	60.71
28	Surin	42	17	26	47	55	53	66	56	362	58.77
29	Buriram	43	18	12	50	58	47	72	57	357	57.95
30	Prachinburi	64	57	53	35	24	53	23	38	347	56.33
31	Mahasarakaam	34	26	13	41	72	58	54	48	346	56.17
32	Phetchaboon	49	6	32	54	40	47	56	51	335	54.38
33	Trang	39	50	46	44	33	39	39	40	330	53.57
34	Chaiyapoom	35	11	51	37	38	47	60	46	325	52.76
35	Si Sa Ket	37	2	14	48	52	58	68	45	324	52.60
36	Roi-Ed	40	13	22	51	42	39	65	50	322	52.27
37	Supanburi	45	40	6	60	30	47	49	43	320	51.95
38	Prachuap Khiri Khan	46	37	48	38	29	60	30	29	317	51.46
39	Sakorn Nakhon	31	7	18	53	61	47	61	37	315	51.14
40	Chumphon	44	35	66	45	27	39	24	32	312	50.65
41	Phetchaburi	38	31	59	40	59	28	22	33	310	50.32
42	Kanchanaburi	50	30	15	52	19	39	52	42	299	48.54
43	Kampaengphet	52	10	25	43	46	28	44	47	295	47.89
44	Krabi	47	27	70	39	12	28	19	27	269	43.67
45	Tak	29	43	23	22	35	47	36	28	263	42.69
46	Kalasin	32	12	4	42	39	39	55	39	262	42.53
47	Lampoon	36	42	52	34	21	28	15	25	253	41.07
48	Sakaew	21	9	60	26	25	39	34	35	249	40.42
49	Uttaradit	17	59	17	28	43	39	18	21	242	39.29
50	Loei	28	14	29	36	48	28	37	16	236	38.31
51	Sukhothai	22	21	40	33	23	16	35	36	226	36.69
52	Phrae	13	38	35	32	31	28	17	26	220	35.71
53	Pattani	30	16	8	20	53	16	41	34	218	35.39
54	Nongkai	20	29	31	23	26	47	26	15	217	35.23
55	Phayao	19	33	9	31	57	28	20	20	217	35.23
56	Phichit	23	41	39	30	10	9	32	31	215	34.90
57	Nan	15	46	10	27	28	39	21	19	205	33.28
58	Nakhon Nayok	14	76	49	13	20	16	5	9	202	32.79
59	Phattalung	16	20	34	29	17	28	28	30	202	32.79
60	Yala	27	44	5	25	41	0	27	23	192	31.17
61	Nakhon Panom	25	3	7	16	37	39	43	22	192	31.17
62	Trat	26	49	55	10	4	28	4	14	190	30.84
63	Singhburi	8	60	57	11	7	28	3	4	178	28.90
64	Pangna	33	52	65	6	2	0	6	12	176	28.57
65	Narathiwas	24	15	21	12	32	0	47	24	175	28.41
66	Angthong	7	51	47	17	18	9	8	10	167	27.11
67	Mukdahan	6	23	43	15	15	39	12	6	159	25.81
68	Yasothorn	9	8	19	24	22	16	31	17	146	23.70
69	Satoon	18	19	45	7	1	28	9	13	140	22.73
70	Nong Bua Lamp Phu	3	4	41	14	16	16	25	18	137	22.24
71	Ranong	10	45	37	5	5	28	1	5	136	22.08
72	Chainat	12	22	38	18	13	9	11	11	134	21.75
73	Uthai thani	11	24	24	19	11	0	10	8	107	17.37
74	Buengkan	5	1	50	4	8	16	16	7	107	17.37
75	Samut Songkram	4	47	11	3	6	16	2	2	91	14.77
76	Amanard Charoen	2	5	30	9	9	9	13	3	80	12.99
77	Maehongsorn	1	28	3	1	3	9	7	1	53	8.60

Source: By collecting data from National Statistical Office of Thailand, 2015

*Scores given are based on province ranking

Then, consider population and GPP (Gross Provincial Product) growth as additional factors in order to group the provinces into metro, urban, urbanizing and rural areas.

METRO : 100 – 90

(Millions of baht)

No	100-90	Score	Pop	11-'16 Pop chg	2015 GPP	10-'15 GPP chg
1	Bangkok	100.00	5,686,646	0.21%	4,437,405	42.97%
2	Chonburi	93.83	1,483,049	10.79%	809,480	30.46%

URBAN : 89 – 80

(Millions of baht)

No	89-80	Score	Pop	11-'16 Pop chg	2015 GPP	10-'15 GPP chg
3	Songkla	89.45	1,417,440	3.69%	234,911	15.63%
4	Nonthaburi	86.69	1,211,924	7.95%	287,685	62.15%
5	Nakhon Rachasima	86.69	2,631,435	1.78%	264,964	39.36%
6	Nakhon Pathom	84.74	905,008	4.50%	300,221	74.87%
7	Khon Khaen	84.25	1,801,753	2.02%	187,271	23.22%
8	Pathumthani	83.93	1,111,376	9.94%	341,817	-2.62%
9	Surathani	83.60	1,050,913	3.84%	191,177	24.42%
10	Chiang Mai	82.31	1,735,762	5.44%	217,951	44.74%

URBAN : 79 – 70

(Millions of baht)

No	79-70	Score	Pop	11-'16 Pop chg	2015 GPP	10-'15 GPP chg
11	Rayong	78.08	700,223	9.80%	862,613	20.47%
12	Nakhon Sri Thammarat	76.46	1,554,432	1.86%	138,737	-7.04%
13	Ayuthaya	75.65	810,320	2.88%	413,158	10.75%
14	Ubon Ratchathani	74.35	1,862,965	2.58%	112,621	40.82%
15	Udon Thani	74.19	1,578,783	1.98%	98,757	26.25%
16	Samut Prakarn	73.38	1,293,553	7.51%	685,392	3.49%
17	Phuket	72.40	394,169	11.40%	164,099	67.44%
18	Nakhon Sawan	70.62	1,066,455	-0.49%	97,724	18.13%
19	Chachoengsao	70.45	704,399	3.68%	309,336	24.93%
20	Phitsanulok	70.29	865,75	1.69%	82,417	32.90%

URBANIZING : 69 – 60

(Millions of baht)

No	69-60	Score	Pop	11-'16 Pop chg	2015 GPP	10-'15 GPP chg
21	Chiang Rai	68.67	1,282,544	7.00%	94,410	35.57%
22	Saraburi	68.51	640,065	3.16%	203,801	11.60%
23	Chanthaburi	66.23	532,466	3.02%	115,169	30.82%
24	Ratchaburi	65.10	869,823	3.22%	164,337	23.12%
25	Lampang	64.77	748,850	-1.15%	62,214	8.31%
26	Lopburi	63.80	757,321	0.16%	100,839	49.02%
27	Samut Sakhon	60.71	556,719	11.55%	344,552	-1.84%

URBANIZING : 59 – 50

(Millions of baht)

No	59-50	Score	Pop	11-'16 Pop chg	2015 GPP	10-'15 GPP chg
28	Surin	58.77	1,395,567	1.10%	62,498	19.45%
29	Buriram	57.95	1,587,897	1.85%	73,471	19.03%
30	Prachinburi	56.33	484,829	3.23%	205,011	-3.35%
31	Mahasarakaam	56.17	963,484	2.53%	47,355	16.84%
32	Phetchabun	54.38	995,223	0.45%	84,912	43.59%
33	Trang	53.57	641,684	2.39	60,124	-18.21%
34	Chaiyapoom	52.76	1,138,199	0.96%	53,278	22.79%
35	Si Sa Ket	52.60	1,470,341	1.25%	58,407	14.34%
36	Roi-Ed	52.27	1,307,982	0.22%	60,150	6.38%
37	Supan Buri	51.95	848,567	0.42%	77,667	27.12%
38	Prachuap Khiri Khan	51.46	539,534	5.26%	79,783	25.79%
39	Sakorn Nakhon	51.14	1,145,949	2.01%	46,837	16.96%
40	Chumphon	50.65	507,604	3.13%	73,616	17.17%
41	Phetchaburi	50.32	480,652	3.13%	59,016	14.53%

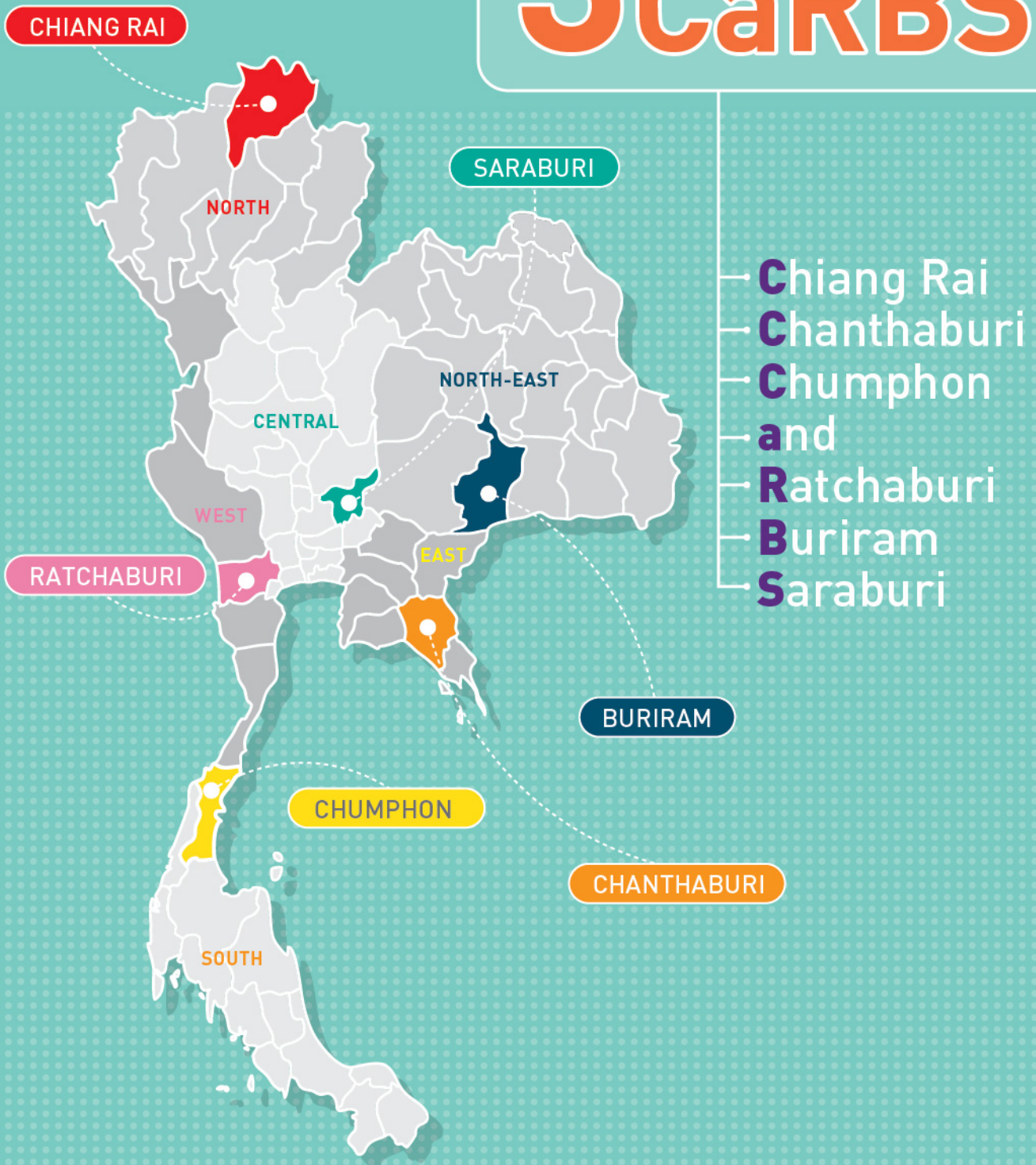| Metro	100 – 90
Urban	89 – 70
Urbanizing	69 – 50
Rural	< 50

Source:
Office of the National Economic and Social Development Board

Finally, we selected one urbanizing province to represent each of the six regions in Thailand (total 6 provinces). They are Chiang Rai, Chanthaburi, Chumphon, Ratchaburi, Buriram and Saraburi.

6 Urbanizing Provinces

3CaRBS

CHIANG RAI

SARABURI

NORTH

CENTRAL

NORTH-EAST

WEST

RATCHABURI

EAST

BURIRAM

CHUMPHON

CHANTHABURI

SOUTH

Chiang Rai
Chanthaburi
Chumphon
and
Ratchaburi
Buriram
Saraburi

CHIANG RAI

GOLDEN TRIANGLE CORRIDORS

- **Size** : 11,678.369 km²
- **Population** : 1,164,137
- **Economy** : Tea, Coffee and Logistic hub
- **Tourism** : Nature (Mountain and Forest)
- **Future plan** : New railway to Laos
- **Location** : The northernmost province of Thailand, connecting to Myanmar and Laos

CHANTHABURI

BIGGEST THAI FRUITS CITY

- **Size** : 6,338.000 km²
- **Population** : 529,945
- **Economy** : Fruits and Gemstones
- **Tourism** : Beaches and Fruit gardens
- **Future plan** : Fruit export center to Cambodia and Vietnam, R1 southern economic corridor
- **Location** : Close to Cambodia and Rayong port

CHUMPHON

GATEWAY TO THE SOUTH

- **Size** : 6,009.008 km²
- **Population** : 503,554
- **Economy** : No.1 Robusta coffee and Palm oil
- **Tourism** : Beach, Islands and Sustainable tourism
- **Future plan** : New double-track railway from Prachuap Kirikhan to Chumphon (168 km)
- **Location** : Gateway to the south and Myanmar

RATCHABURI

DOORWAY TO MYANMAR

- **Size** : 5,196.462 km²
- **Population** : 845,880
- **Economy** : Fruits, Sugarcane, Cultural tourism, Glazed water jar and Ceramics
- **Tourism** : Floating markets and Relaxing resorts
- **Future plan** : New electricity plant and Malls
- **Location** : Border to Myanmar and the west region

BURIRAM

NEW SPORTS HUB CITY

- **Size** : 10,321.885 km²
- **Population** : 1,586,343
- **Economy** : Agriculture (Tapioca & Sugarcane) and Sport facilities (Football and Motorsport)
- **Tourism** : Sport and Ancient khmer ruins
- **Future plan** : Real estates and Restaurants
- **Location** : Border to Cambodia in south of Isan

SARABURI

EXPRESSWAY TO ISAN

- **Size** : 3,576.486 km²
- **Population** : 633,941
- **Economy** : Rice and Dairy farms
- **Tourism** : Farms and Waterfalls
- **Future plan** : New motorway from BKK to Korat
- **Location** : Next to Ayudhya industrial zone and the doorway to the northeast region

Source: Bureau of Registration Administration, Ministry of Interior, 2016

We conducted a Hakuhodo original survey in order to uncover the insights, lifestyles and behaviors of people in the urbanizing areas. We wanted to find out the commonalities and differences when compared to metro and urban people. The research design is briefly summarized below.

Total Sample	N=800 (100 respondents per province)
Areas Covered	Representing Metro: Bangkok
	Representing Urban: Khon Kaen
Urbanizing	Chiang Rai, Ratchaburi, Saraburi, Buriram, Chanthaburi and Chumphon
Target	Gender: Male (50%) , Female (50%)
	SES : A(33%), B (33%) C (33%)
	Age : 21-30 (50%) , 31-40 (50%)
Method	Quantitative survey
Fieldwork	October 2017

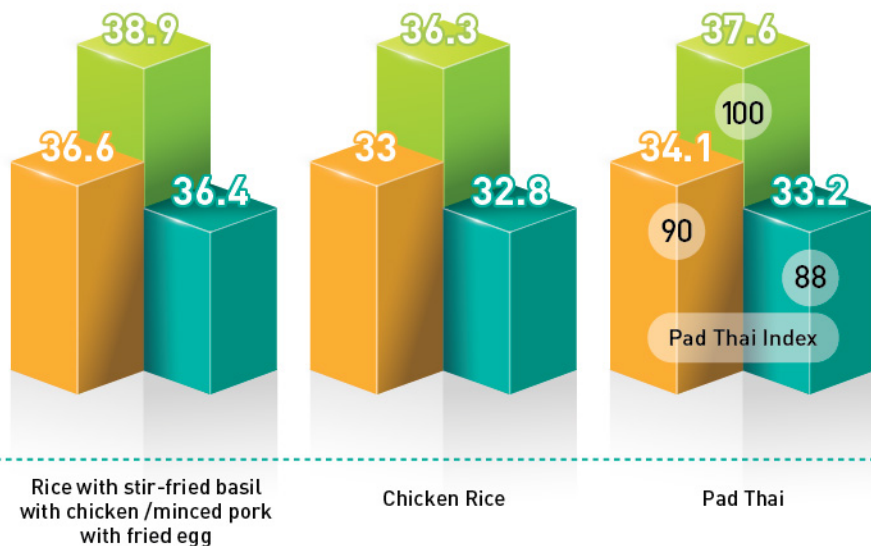**Based on this study, here's a snapshot of 3 surprising insights about the urbanizing Thai.**

1

Pad Thai Index shows that prices in Urbanizing is 88% of Metro price.

STREET FOOD
PAD THAI

PRICE PAID FOR STREET FOOD ITEM

While it's unsurprising that people in the metro area pay the highest amount of money for street food – what is surprising is that people in Urban and Urbanizing areas pay nearly the same price for commonly found street food.

Metro
Urban
Urbanizing

All figures in THB

	Rice with stir-fried basil with chicken /minced pork with fried egg	Chicken Rice	Pad Thai
Metro	38.9	36.3	37.6 (100)
Urban	36.6	33	34.1 (90)
Urbanizing	36.4	32.8	33.2 (88)

Pad Thai Index

2

Social media consumption by Urbanizing Thais is just as high as those living in Urban and Metro areas.
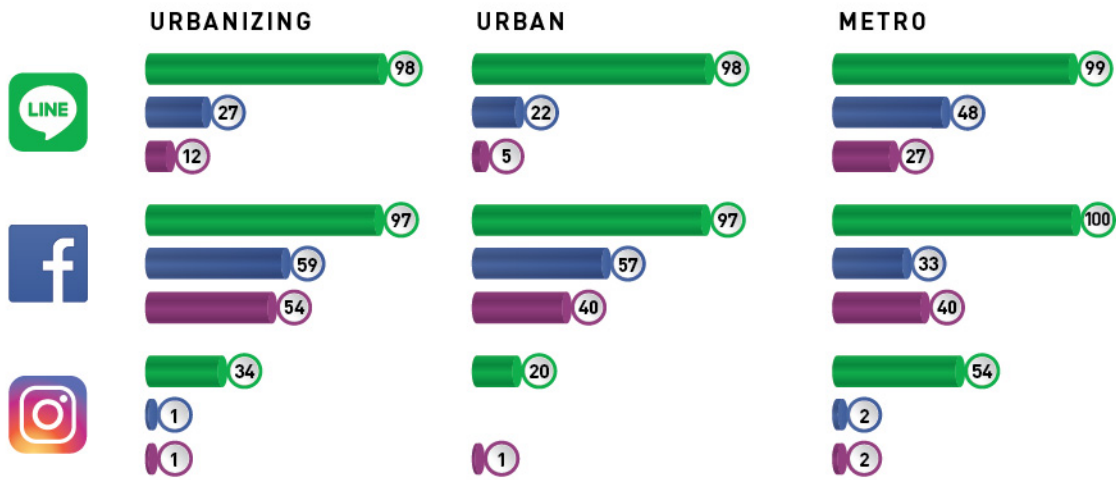
People in Urbanizing regions use Line and Facebook at nearly an equal percentage to those in Urban and Metro areas, with their use of Instagram even surpasses those in Urban. In addition, Facebook is their most often and most enjoyed social media source – again, surpassing Metro and Urban people

SOCIAL MEDIA APPLICATION USAGE

- 🟢 Use
- 🔵 Most often
- 🟣 Most enjoyed

All figures in %

|	URBANIZING	URBAN	METRO
LINE	Use 98	Use 98	Use 99
	Most often 27	Most often 22	Most often 48
	Most enjoyed 12	Most enjoyed 5	Most enjoyed 27
Facebook	Use 97	Use 97	Use 100
	Most often 59	Most often 57	Most often 33
	Most enjoyed 54	Most enjoyed 40	Most enjoyed 40
Instagram	Use 34	Use 20	Use 54
	Most often 1		Most often 2
	Most enjoyed 1	Most enjoyed 1	Most enjoyed 2

3

Online shopping may be the Urbanizing Thais' solution to purchasing items that are unavailable in their region.

Compared to both Metro and Urban, shopping via websites is on par while shopping via social media is notably higher for Urbanizing areas.

ACTIVITIES DONE ON ANY DEVICE

- 🟩 Metro
- 🟧 Urban
- 🟦 Urbanizing

All figures in %

Online shopping via website: Urban 37, Metro 38, Urbanizing 36

Online shopping via social media: Urban 30, Metro 34, Urbanizing 25
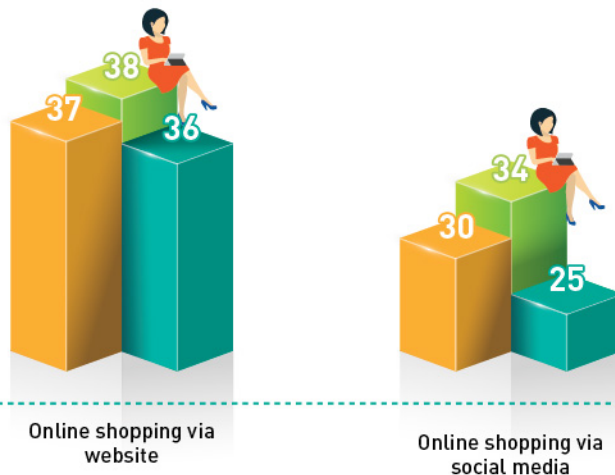
NEW MAGAZINE ISSUE COMING SOON

To learn more about the insights, behavior and lifestyles of the 6 significant Urbanizing Provinces, catch us in the next issue of ASEAN Sei-katsu-sha Magazine Vol.4, where we will delve deeper into details.

Area to Investigate

Income and Expense

Consumer Lifestyle

Media and Contents