

# The Thai Startup Ecosystem Survey

2017



THAILAND  
TECH **STARTUP**  
ASSOCIATION

**STARTUP**  
THAILAND

# In collaboration with



สำนักงานส่งเสริมเศรษฐกิจดิจิทัล  
Digital Economy Promotion Agency



# Methodology



## Questionnaire design



Profile and performance of Thai startups



Founders' Opinion Survey



## Frame

437 startup enterprises



## Data collection

Web survey



## Responses

205 responses  
(response rate = 47%)



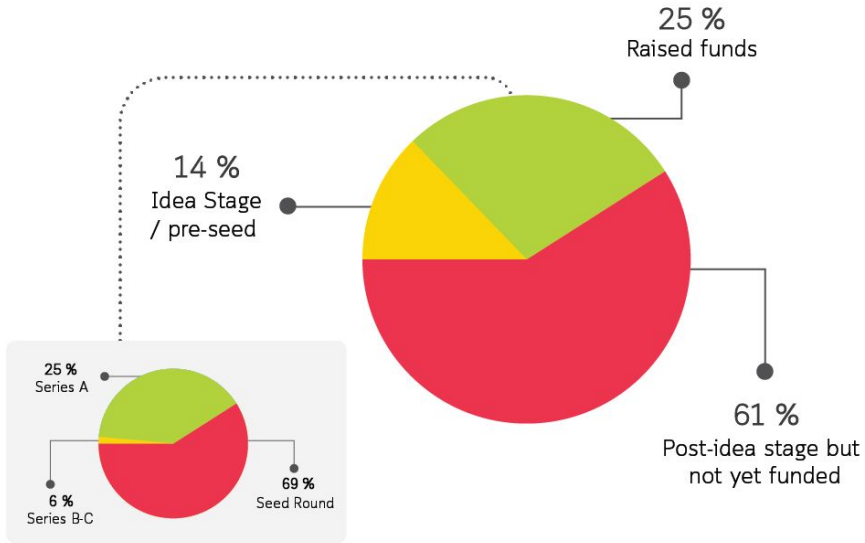
## Timeframe

May - August  
2017

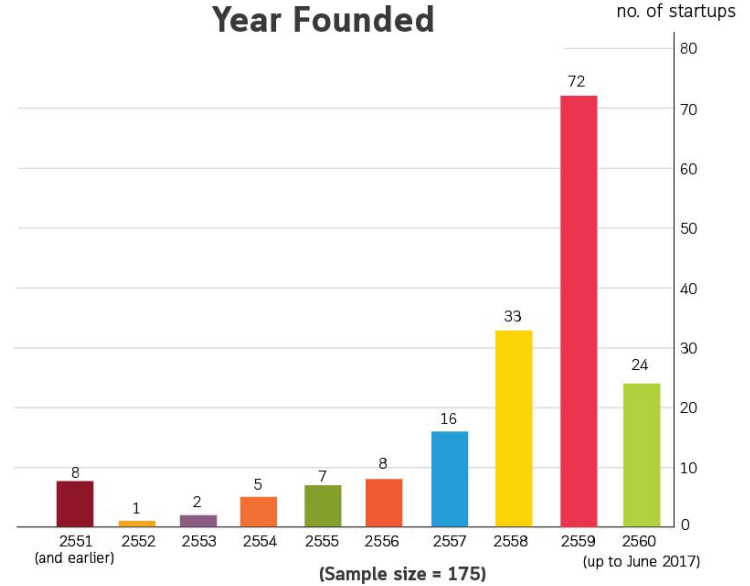
# Profile and Performance of Thai Startups

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# General Information



## Year Founded



## Top 5 Industries



Lifestyle



Transportation and Logistics / FinTech



Marketing Technology



Travel & Tourism



E-commerce

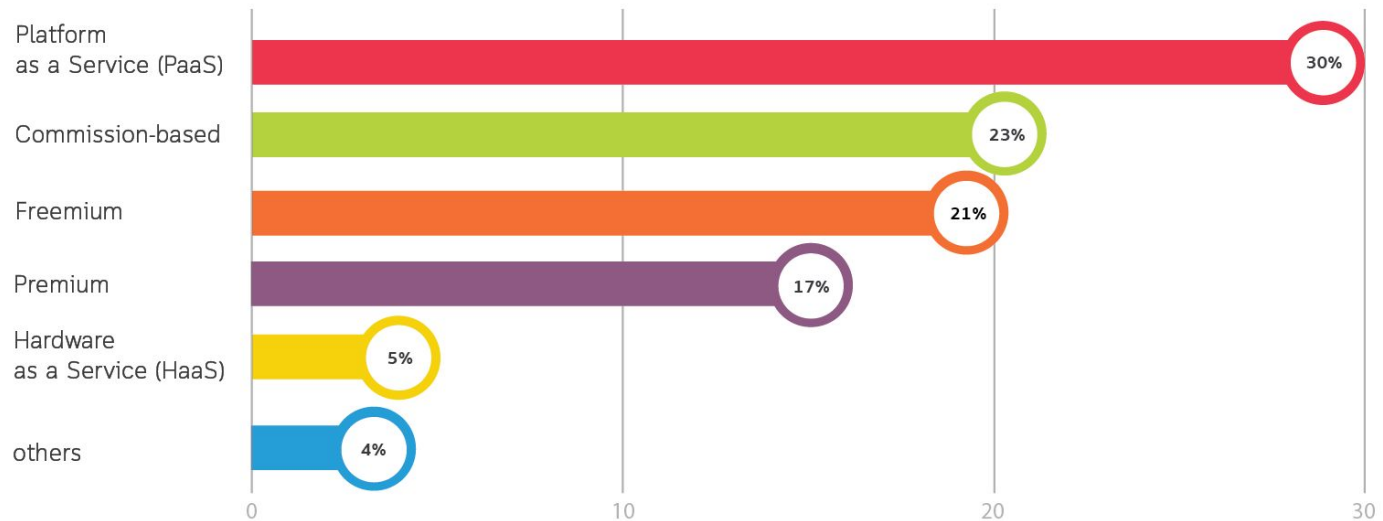
# Nature of Services by Thai Startups

% of startups providing software - related services

89%



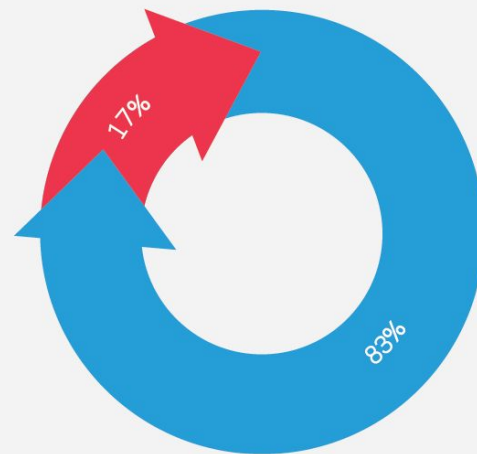
## Type of services



# Profile of Startup Founders



Thai startups have  
**3 founders on average.**

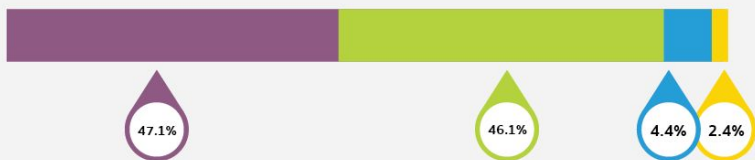






Female 17% ■

■ Male 83%

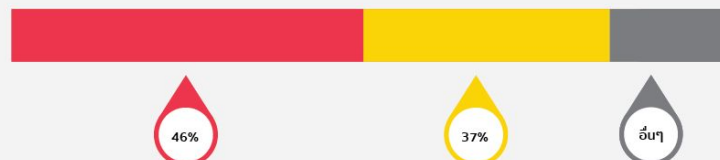
Average age when starting business = 32



## Level of Education



1.  47.1% Master's Degree
2.  46.1% Bachelor's Degree (or equivalent)
3.  4.4% Doctoral Degree
4.  2.4% High School Diploma

## Top 3 Fields of Study



1.  46% Science & Engineering
2.  37% Business
3.  17% Others (E.g. Communication arts, Graphic Design)



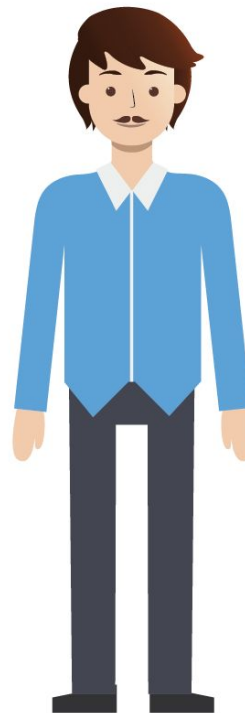
# Before becoming startup founders

## 3 most important reasons to become startup founders

-  1. Saw an opportunity to commercialize and gain profits from a product / service
-  2. Observed people's unmet needs or pain points
-  3. Sought to start a business from own skills and aptitudes.

Former **startup** employees

Former **startup** founders/owners



**Yes**  
16%

**No**  
84%



**Yes**  
31%

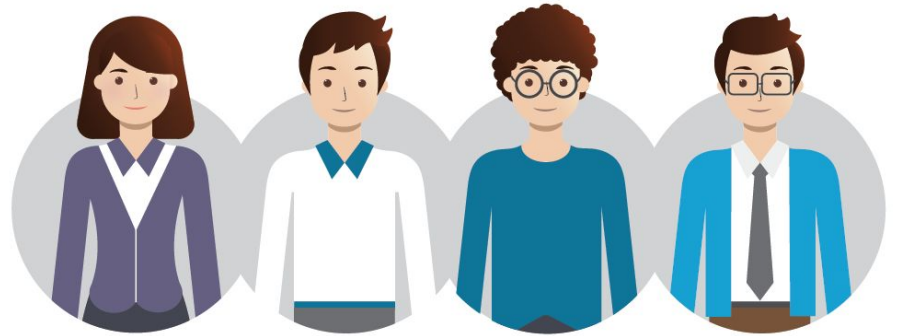
**No**  
69%

# Startup Employee

Average number of employees per startup at launch : 2



Average number of employees after 2 years of operation : 4



On average, the number of employees doubled from 2 to 4 after 2 years of operation.

Gender distribution of startup employees

**Female**



**57%**

**Male**



**43%**

\*In general, 75% of Thai startups have no foreign employee.

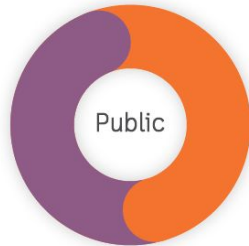
# Participation in Startup Incubator & Accelerator Programs

Yes  
64%



No  
36%

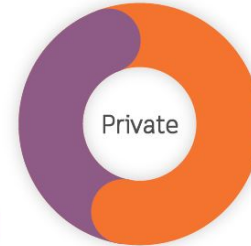
Participation in Public Incubators/Accelerators



Yes 47%

No 53%

Participation in Private Incubators/Accelerators



Yes 39%

No 61%

\*40% participated in public programs only / 27% participated in private programs only  
33% participated in both public and private programs

# Average amount of funding when founded : 1 Million Baht/startup

## Sources of funding during pre-seed and seed stages (% share of total capital raised)

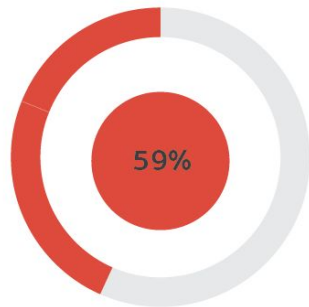


31%

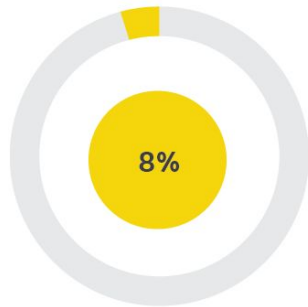
made at least 1 major change to their business plan (pivot).

\*55% of enterprises who have not yet pivoted also have not raised funding.

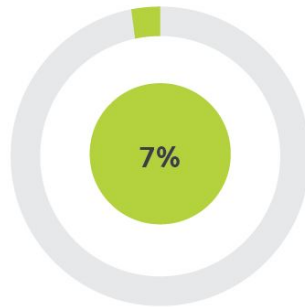
# Key Technologies Used by Startups



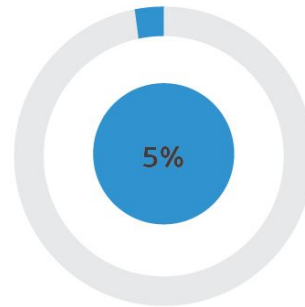
Software,  
Application,Website



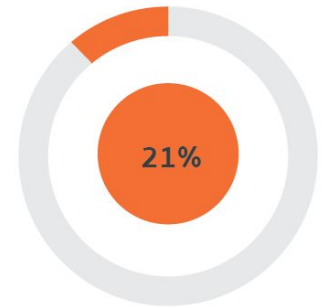
Big Data



AI



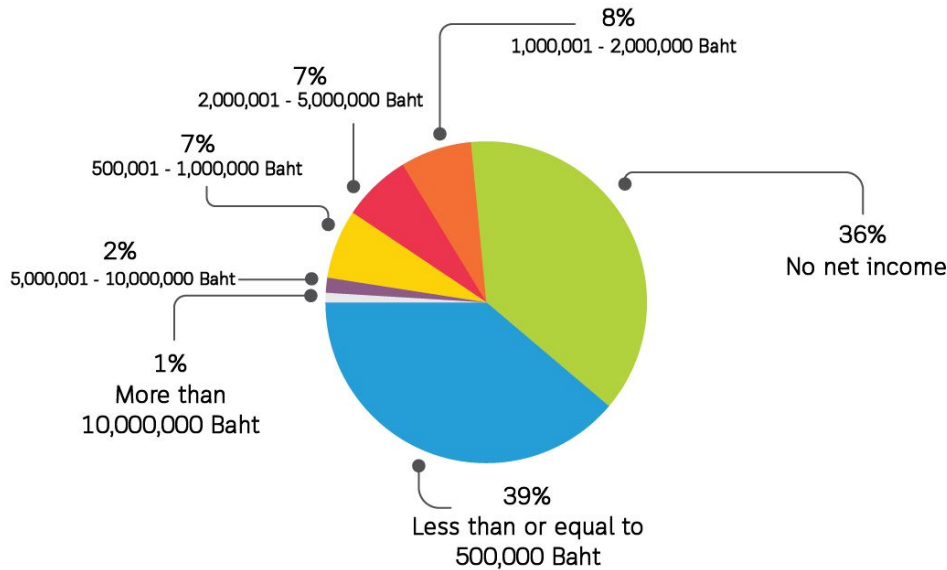
Hardware



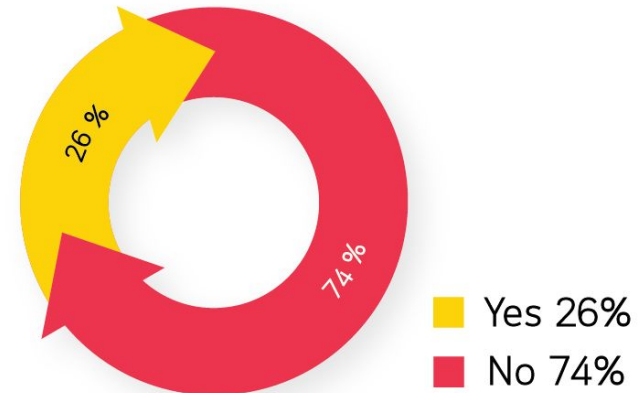
Others e.g. Location-based,  
Chatbot, Credit Scoring

# Startup Performance

64% of startups earn net income after 1 year of operation on average.



26% of startups earn income from international market



The share of income from international market is approximately 5%.

24% of startups have been making operational profits.

## Patents & Petty Patents

### • Patent Owner



### • Petty Patent Owner



## Top 5 Expenses

- 1 Technology expenses
- 2 Employee salaries
- 3 Marketing expenses
- 4 Cost of hiring specialists
- 5 Employee benefits

Startups spend 500,000 Baht on average on technology when starting a business.

# Founders' Opinion Survey

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# Key Factors Affecting Startups

## Obstacles



1. Government laws and regulations



2. Lack of access to human resources & talents



3. Lack of access to capital and channels of funding

## Facilitating Factors



1. Support and mentorship from successful entrepreneurs



2. Readiness and credibility of payment systems

# Key Strong Points of Thai Startup Founders

1

Courageous and ready  
to handle risks

2

Determined to follow  
their own dreams

3

Able to deal with  
failures

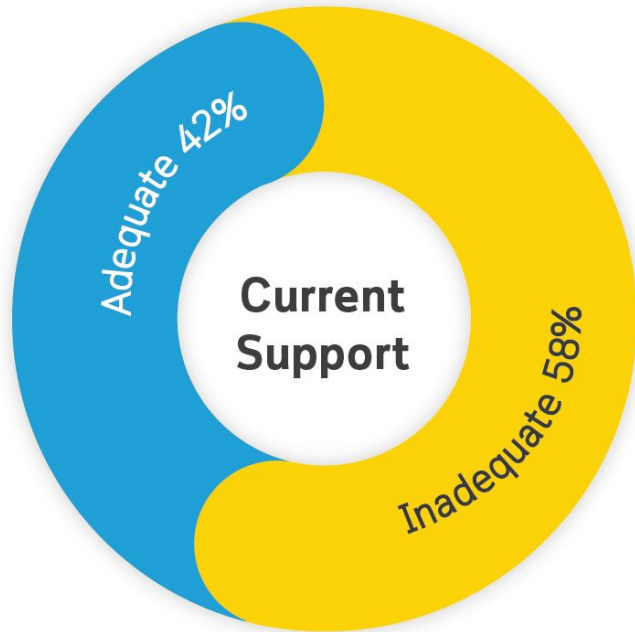
4

Develop solid plans  
before starting business

5

Mistakes are considered  
part of their learning  
process.

# Support for Startups



Startup founders' views on the adequacy of supports in the Thai startup ecosystem

## Expectations for Additional Supports

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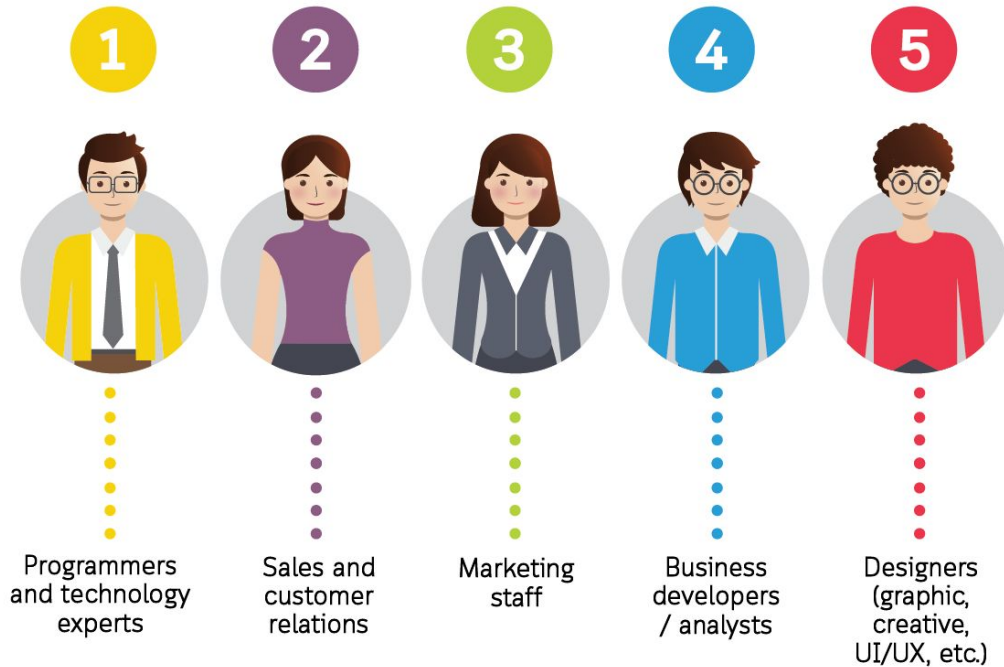
1  
Networking
- 

2  
Client acquisition
- 

3  
Knowledge sharing
- 

4  
Trade shows

# Top 5 Talent Shortages

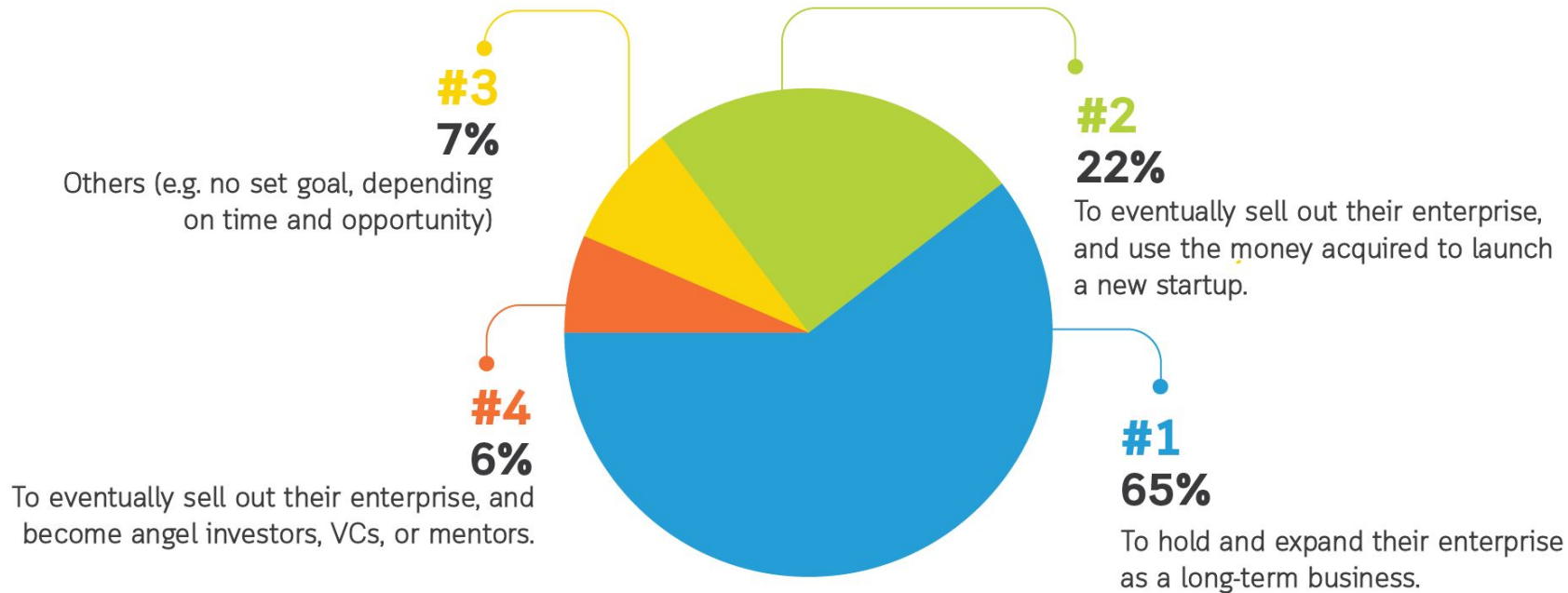


# Most-Needed Financing Tools

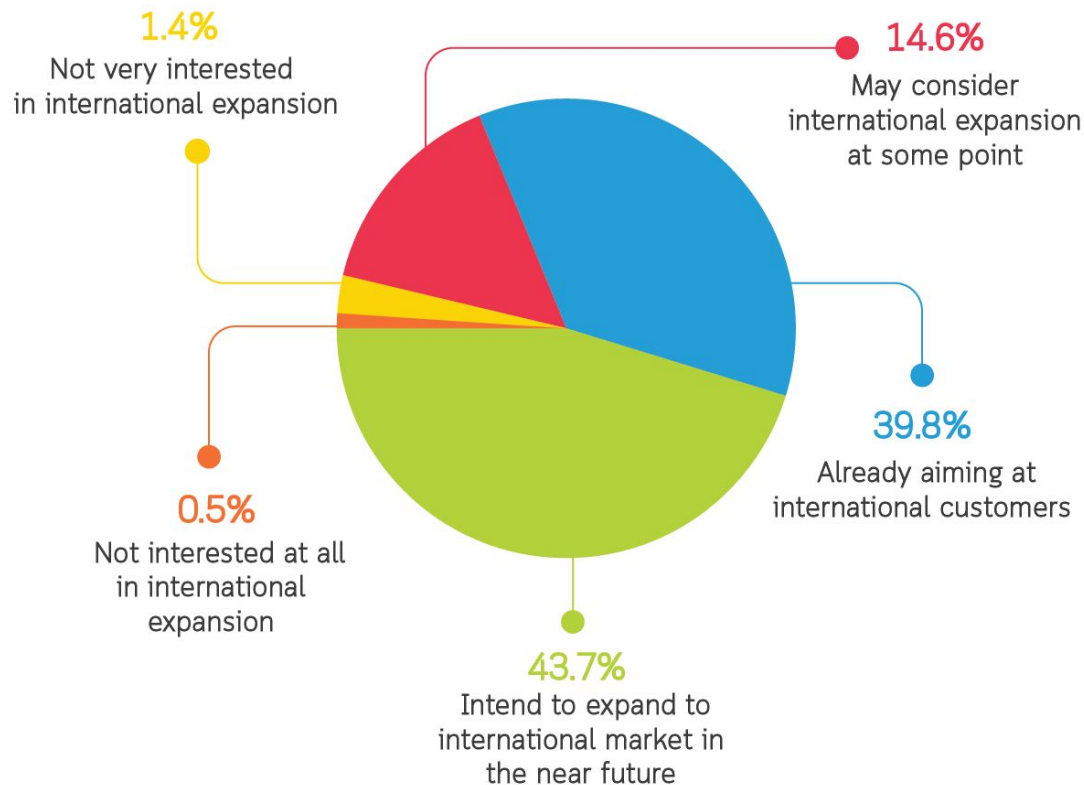
51% of Thai startup founders expect more availability of several financial instruments.



# Goals of Thai Startup Founders ↗



# International Expansion Plans

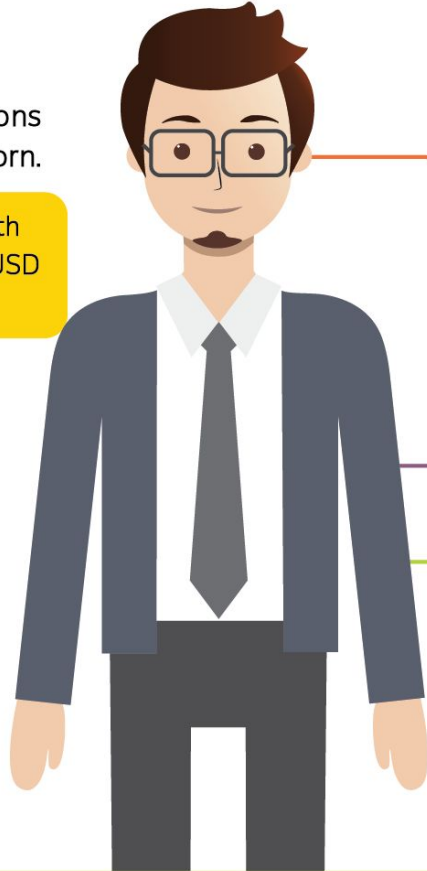


# Future Expectation

57%

have high expectations of becoming a unicorn.

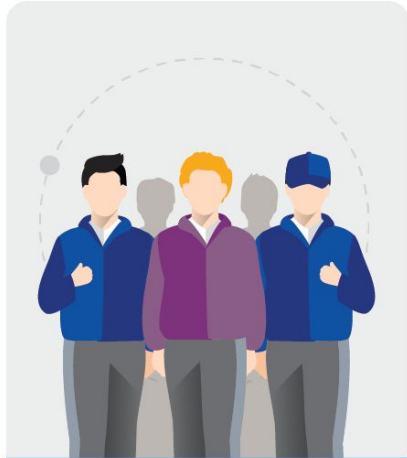
(startup company with valuation of 1 billion USD or more)



## Other expectations

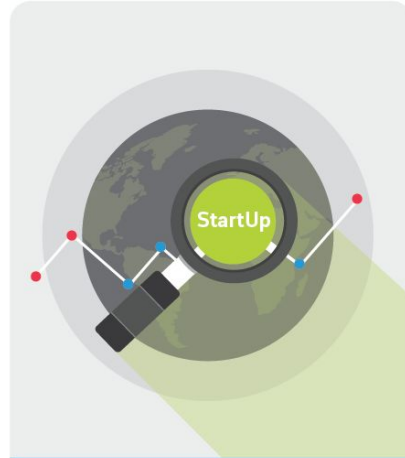
1. Wish to make a difference to the industry.
2. Wish to contribute to economic growth of the country.
3. Intend to become mentors for next generations of startups.

## 4 Courses of Action for The Thai Startup Ecosystem Development



Promote the creation of talent and high-quality human resources

... to allow and encourage highly skilled employees, both Thai citizens and foreign nationals (through the Smart Visa), to join startups.



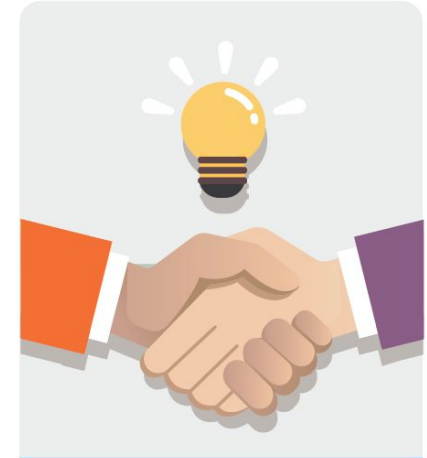
Draw lessons from leading regional and global startup ecosystems

... as benchmarks for improving the Thai startup ecosystem to become one of leading regional hubs.



Promote cooperation between large corporates and startups

... coupled with facilitating policies and more open regulatory frameworks, to support the growth of startup enterprises.



Encourage specialists and experts to participate as advisors & coaches for startups

...to enhance startups' operational and expansion capabilities.