

Frasers Property Thailand recognized for

2021

Competitive Strategy & Innovation Leadership

Thailand Property Development Industry
Excellence in Best Practices



Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the building services and technologies industry: disruptive technologies, new business models, and transformative mega trends. Every company that is competing in the building services and technologies space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of Frasers Property Thailand is a reflection of how well it is performing against the backdrop of these imperatives.



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Frasers Property Thailand excels in many of the criteria in the property development space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Effective Transformational Strategies in Turbulent Times

In 2020, the Thai property development industry experienced turbulence caused by the COVID-19 pandemic. Property sales were sluggish and new projects were delayed or postponed. Generally, property developers registered decline in both revenues and profits, with some experiencing negative growth. Despite these challenges, Frasers Property Thailand (FPT) strategically seized the opportunity to strengthen its position as one of country’s leading property developers.

In 2020, FPT was the first developer in Thailand to create an integrated real estate platform, aptly named One Platform, that consolidates operating strategies (plus products and solutions) for its three asset classes: residential, industrial, and commercial. One Platform is a user-centric solution built to serve various customer segments across the three property classes, all under the operation of a single global brand, Frasers Property. Uniting as one brand helps stabilize FPT’s revenue streams and recurring income from different businesses across the segments. With this industry-leading strategic platform in place, the company aims to become one of the top 3 Thai property developers by 2023.

In particular, FPT’s Home+ app was introduced in the residential class to conveniently provide support services to buyers or tenants, such as maintenance and domestic services and home insurance promotions. For instance, the Home+ app gives potential customers a way to interact with FPT when interested in a home purchase and a place to find answers to general queries. Moreover, the app is open to non-homebuyers who can use the resources provided. These app features set FPT apart from its

competitors' app strategies, which mainly focus on product launches and sales, yet very little attention is given to pre- and post-sale services.

Strategy Implementation Yields Positive Results

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- Viswesh Vancheeshwar, Senior Industry Analyst

Supported by a 1,400 employee-strong workforce in Thailand, FPT works toward becoming a top property developer by fostering collaboration, communication, and training under its *One Team with One Goal* vision. Although this strategy was largely conceptualized in 2020, the integration aspect of it began in 2019 with the complete acquisition of TICON, an industrial property developer with more than 30 years of experience. Then in 2020, FPT acquired Golden Land, a 40-year-old residential and commercial property developer. With these major additions, operations integration anchored by a common strategy, goal, and business culture became crucial, especially in the challenging economic landscape of 2020 and early 2021.

FPT's integration strategy proved successful, with positive results in its financial performance. Although the company recorded revenue decline of 5% in 2020, accounting for THB 20.49 billion, its net profit grew by 55.8% to reach THB 2.79 billion. Notably, FPT's 5% revenue decline was considerably below the average drop of 18% experienced among all public-listed property developers in Thailand. In fact, the company expanded its industrial property business with growth of 7% in total assets under management (AUM) in 2020; so, currently, its industrial AUM floor space stands at more than 3 million square meters. On the commercial front, its Grade A commercial office properties in key business areas such as Ploenchit, Sathorn, Rama IV, and Samyan demonstrated an impressive occupancy rate of more than 90% whereas the occupancy rate of its industrial properties averaged 81%, a commendable figure in a challenging year. In the residential class, the company's presale of properties increased by 3.4%.

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Differentiation from Competitors

In addition to its One Platform strategy for seamless product and solution delivery, FPT understands customers' needs and requirements in each asset class. As an integrated developer in Thailand, the company is well versed in the challenges unique to the residential, commercial, and industrial property segments.

In particular, FPT stands out for its built-to-suit (BTS) warehouse solutions in the industrial property segment. It leverages state-of-art technologies and software in the design of warehouses that are flexible and suited to its industrial customers' requirements. Many competitors offer similar BTS propositions, but FPT is differentiated by integrating two major concepts under its Asset Enhancement Initiatives (AEI) for warehouse development: customer-centric solutions and human-centric solutions. Many competitors focus on customer-centric solutions in developing warehouses to suit customers' business requirements. FPT takes an additional step by integrating warehouse designs with human-centric approaches that cover the needs of customers' value chain partners and employees who run business operations. It is also notable that FPT is the initiator of Thailand's first certified industrial real estate trust, Fraser Property Thailand Industrial Freehold & Leasehold REIT (FTREIT), which is dedicated to industrial and logistics development. In the commercial class, the company has differentiated from its competitors with the opening of Samyan Mitrtown in 2019, a mixed development property of retail, office, residence, and leisure space in the center of Bangkok. Samyan Mitrtown is the first development

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in Thailand to support the concept of 'Place-Making', which promotes occupant well-being, health, and an overall positive community experience. FPT understands the changes occurring in social demographics whereby occupants and visitors desire personal and functional features and experiences at the facility. Frost & Sullivan notes that Samyan Mitrtown is one of the first adopters of a face recognition system as part of its security measures.

In early 2020, FPT launched the Gold Care app for its residential property customers as a way for them to provide feedback. This platform will track the progress of feedback and provide updates on residential developments. Beyond Gold Care, the company has launched similar platforms such as the Mitr App and Fix it Now to promote retail activities (by offering lifestyle promotions and shopping assistance) and maintenance services, respectively.

In 2020, FPT invested in Dashway, a security system that uses artificial intelligence (AI) and machine learning. Dashway incorporates functions such as automatic license plate recognition, automatic vehicle classification, automatic intruder detection, and geo-fencing alerts. When installed at properties, Dashway helps control vehicle traffic seamlessly and enables security measures for building occupants and visitors. Dashway is a highlight of FPT's long-term strategy. The use of intelligent technology is inevitable, and the company leverages the early incorporation of it as part of its competitive differentiation. Beyond providing FPT with an early-mover advantage, the Dashway system achieves high levels of operational cost reduction and significantly improves customer experience, apart from providing avenues for the monetization of data gathered.

FPT remained ahead of its industry peers in 2020 by delivering unique solutions and service excellence, despite the sluggish economic landscape. Frost & Sullivan finds that the company outpaces all other top market competitors for value propositions such as flexible BTS warehouses, proprietary security technology, place-making commercial properties, and various online apps and platforms.

Unique Propositions in Performance Value

In a highly competitive property development market, FPT has outlined several strategic value propositions across its property classes. For instance, Best Value for Money is a key goal when promoting its products and solutions in the residential, commercial, and industrial asset classes. FPT achieves this goal in the following ways:

- **Industrial segment:** Besides offering BTS solutions in the industrial property segment, FPT delivers ready-built factories and warehouses that come in various sizes at different locations in Thailand. With BTS solutions, its ready-built properties complete the company's total solutions in this segment, which caters to many customers from various industries. FPT succeeds in offering the best designs that perfectly address customers' needs while optimizing space utilization and saving on costs at the same time.
- **Commercial segment:** FPT offers unique rental schemes that can be customized according to space utilization demands, from conventional full-time occupancy to flexible occupancy/flexible office space that allows remote working. The adaptable rental plan has resulted in a high occupancy rate at FPT's commercial properties.
- **Residential segment:** The company offers attractive designs in its residential property segment. In general, FPT's homes are designed to promote luxurious space utilization and environmental sustainability. The ability to achieve this while saving costs helps FPT increase its customer base due to the affordability it brings to the table. In fact, FPT's residential properties are generally priced slightly lower than its competitors' properties.

All in all, the company's strategic value propositions are customized for each asset class, based on customer-centric solutions that promote-high performance value for customers in all 3 property segments.

Holistic Customer Experience Strategy

The COVID-19 pandemic in 2020 led to an economic crisis that forced many organizations to tighten expenditure and expansion plans. The unfavorable conditions tested business resilience in terms of customer relationships. Notably, FPT adapted well and reacted quickly to secure its most important stakeholders, its customers.

During the first wave of COVID-19 lockdowns in early 2020, the company was quick to migrate its business interactions from conventional to virtual. Not only were internal meetings for employees moved online, but FPT's virtual platform made room for online interactions and virtual property tours for customers. The online platform enhanced the purchase experience for Thai and domestic customers as well as for international customers in its commercial and industrial property segments. The company's business continuity plan proved essential to sustaining a positive customer purchase experience, which is a key success element in the property development market.

In terms of customer ownership experience, the company gathered feedback not only from existing customers, but also from prospective customers through its online platforms and apps, with an aim of continually improving the quality of its properties. This strategy is particularly pragmatic for its residential property designs that aim to fulfill buyers' unmet needs. Frost & Sullivan notes that FPT was amiable during the pandemic-forced lockdown with its flexible rental plan (facilitating monthly rentals instead of yearly leases) for commercial and industrial customers who were negatively affected. These short-term, flexible properties are the need of the hour considering all-round uncertainties fueled by the COVID-19 pandemic. In addition to customized industrial space solutions and adaptable office spaces, the aforementioned plan created high satisfaction levels and fostered a strong ownership experience among its customers.

As a result of its commitment to customer experience and sustainable engagement, FPT registered growth in its 2020 net profit and minimal decline in revenue. Importantly, customers' confidence in the company continues to prosper as FPT scales to become a leading property developer in Thailand.

Established and Proven Branding Strategy

Most customers remain wary of international or foreign companies that are not able to cater to Thai market development needs. As part of the international Frasers Property Group, FPT employs global best practices in its internal processes and property designs and solutions, integrating them with local objectives and context. As such, FPT's branding strategy is to implement global best practices that are beneficial to the Thai property development market. This approach is reflected in FPT's daily operations and through synergizing with its global operations; the company is able to strengthen growth, diversify its customer segments, and enhance resilience in facing business challenges. As an integration of the local Thai businesses TICON and Golden Land, FPT's consolidation strengthens its vision to be a localized international organization.

In addition, the company was the only property development firm selected for the Carbon Pricing Project that is run by the Thailand Greenhouse Gas Management Organization and World Bank. While the precise project status remains unclear because of disruption caused by the pandemic, the selection of FPT among 5 other companies operating in Thailand's Eastern Economic Corridor in early 2020 has played a role in enhancing its brand image in sustainable environmental, social, and governance (ESG) practices. This accord has proved FPT's commitment to sustainable development and green financing in its industrial projects. Frost & Sullivan is impressed that these strategies and achievements are unique to FPT and position the company as a futuristic, socially responsible, and sustainable developer in Thailand.

Conclusion

Frasers Property Thailand leads the market with its effective strategies in advanced technology deployment, unique solutions in its 3 asset classes, and comprehensive customer engagement approach. In particular, FPT introduced customization to its industrial and commercial properties while its residential property strategy centers on delivering superior and creative customer services and industry-leading ownership experiences. The company's involvement in environmental sustainability projects is a testament to its effective policy of introducing international best practices for domestic market development. Above all, its effective competitive strategies have led FPT to achieve stellar business performance, despite the COVID-19 pandemic in 2020.

With its strong overall performance, Frasers Property Thailand earns Frost & Sullivan's 2021 Competitive Strategy & Innovation Leadership Award.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. [Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

