

FROST & SULLIVAN



2022 COMPETITIVE STRATEGY LEADER

*THAILAND
DATA CENTER COLOCATION
SERVICES INDUSTRY*

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. ST Telemedia Global Data Centres Thailand (STT GDC Thailand) excels in many of the criteria in the data center colocation services 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

Hyperscale and Retail Segments Drive Data Center Colocation Service Demand in Thailand

The data center colocation services market in Thailand continues to expand. Hyperscale cloud vendors, content and digital media, and enterprise segments (e.g., banking, financial services, and insurance) are the primary growth drivers. Underpinning the expansion are migrating hyperscale cloud providers and over-the-top (OTT)/communication service providers, along with increased information technology (IT) spending by local enterprises looking to develop their digital infrastructure. Also, government initiatives to promote technology, creativity, and innovation (such as Thailand 4.0 and Digital Transformation projects) on top of enterprise investments in digital technologies adoption during the pandemic will further accelerate data center colocation services demand in the country. Notwithstanding the high

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**- Nishchal Khorana,
Vice President & Global Program Leader, ICT**

growth potential, the market also faces particular restraints, for example, fierce competition driving the need to differentiate, enterprises’ security concerns, and the lack of a skilled workforce to effectively lead data center operations.

Even though Thailand currently experiences slow gross domestic product growth, Frost & Sullivan expects the data center colocation services

market to reach \$665.9 million by 2027, growing at a compound annual growth rate of 23.5% from 2020 to 2027.¹ Frost & Sullivan analysts anticipate that third-party data center expansions, enhancing service provider capabilities, and focusing on best practices will enable greater outsourcing of digital infrastructure services to third-party colocation services providers. Notably, forward-looking data center service providers are keen on focusing on sustainability through improved energy efficiency in both data center design and operations.

Strategy Innovation and Customer Impact of STT GDC Thailand

The ST Telemedia Global Data Centers (STT GDC) Group offers an integrated data center platform in key economic hubs (Singapore, the UK, India, China, Thailand, South Korea, Indonesia, Japan and the Philippines) that enables customers to rapidly deploy a scalable footprint via its extensive network of data centers. Founded in October 2019, STT GDC Thailand (a joint venture between STT GDC and Frasers Property, a leading integrated real estate platform in Thailand) recently developed Bangkok's largest hyperscale data center to deliver industry-leading uptime and secure, scalable solutions. With this world-class infrastructure, the enterprise helps clients implement their digital strategies eco-responsibly. Moreover, this state-of-the-art facility integrates with STT GDC's global data center platform, comprising more than 160 data centers across 20 major business markets in Asia-Pacific and Europe. The company's positioning within STT GDC's global network offers a compelling value proposition, allowing customers to engage with a single provider as they expand globally or across the fast-growing markets of the Asia-Pacific region.

State-of-the-art Infrastructure Drives Competitive Differentiation

Located strategically in Hua Mak, close to a large enterprise customer base in the Bangkok region, STT GDC Thailand's hyperscale data center serves media/content providers, OTT companies, and the government. Uniquely developed on land the data center provider owns, the campus comprises two facilities with a 20 MW IT load capacity each. The first unit started operating in 2021, and the construction of the second building will kick off soon. The company's product portfolio range from rack colocation services to fully customized single-tenant built-to-suit solutions. From a technical design perspective, the two seven-floor data centers, reinforced with a concrete superstructure, are vertically orientated.

Each floor designates a data hall, generator set, and uninterruptible power supply to a specific client, enhancing security and bringing peace of mind. Other features include diverse communication routes with two building entry points to multiple carrier-neutral partners and internet exchange points. Connectivity to all submarine cables, backhaul connections, and fiber connections to other data centers are also available. From a security standpoint, elements such as anti-climb fencing, comprehensive intrusion detection, and K12-rated vehicle crash barriers offer protection. Also, around-the-clock surveillance, on-site manned guards, and controlled site access with two-factor authentication by pre-authorization keep the 7,600 square meter area safe. A high-sensitive smoke detector system, a decentralized fire alarm monitoring system, and sophisticated cooling and power systems are some of the features that ensure the data center campus meets all business requirements. Furthermore, STT

¹ *High Competitive Intensity Observed in Thailand Data Center Colocation Services Market* (Frost & Sullivan, April 2021)

GDC Thailand leverages best practices regarding international certifications, like LEED Gold (Leadership in Energy and Environmental Design, a rating system for energy-efficient buildings overseen by the United States Green Building Council), TIA 942 Rated-3 (conformity to the requirements of the globally-recognized ANSI/TIA-942 standard), Uptime Institute Tier III Design (verifying data center reliability and overall performance), TVRA (Threat, Vulnerability And Risk Assessment to analyze risks associated with attacks against the identified critical assets of a building), ISO 27001 (an information security management system specification), and PCI DSS (security standards designed to ensure that enterprises that accept, process, store, or transmit credit card information maintain a secure environment and protect cardholders against misuse of their personal data).

Competitive Edge through Unique Strategies

STT GDC Thailand taps into available growth opportunities by leveraging disruptive technologies. Its artificial intelligence (AI)-enabled data center creates a strong value proposition around improved performance. It innovatively fulfills growing customer demands by deploying AI-based applications such as the auto counting of visitors entering the building, social distance detection, mask-wearing compliance, and profile detection to strengthen customer value. Leveraging emerging technologies and focusing on scalable growth enable strategic differentiation. Furthermore, STT GDC Thailand commits itself to inspiring continued trust by serving high-growth markets responsibly and sustainably. The

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**- Riana Barnard,
Best Practice Research Analyst**

company embarked on an environmental, social, and governance (ESG) strategy development journey in 2020. After completing the earlier steps, it is now in the implementation phase. The three high-level ESG goals are to be carbon neutral in 2030, create a safe workplace where employees and contractors can thrive, and demonstrate effective control, ethical

conduct, and sector leadership in all circumstances. From a procurement and supply chain point of view, STT GDC Thailand’s prices are very competitive in the market due to its long-standing relationships with partners, enabling strategic pricing on equipment. Also, the company’s position within the STT GDC group allows them access to a master service agreement carefully crafted over the years by feedback from clients across the globe. Confirmed by a recent customer survey, STT GDC provides a seamless journey that meets and exceeds expectations.

A Promising Outlook for 2022 and Beyond

STT GDC Thailand continuously builds upon its competitive edge and relentlessly pursues new opportunities to ensure steady growth over the long run. For example, the company meets with potential clients to assess their specific needs when entering the Thailand market and develop tailored solutions with roadmaps for seamless execution. This foundational approach establishes ongoing trust with customers (such as international banks and e-commerce companies), building long-lasting relationships throughout the service lifecycle. This strategy has resulted in exceptional growth. Frost & Sullivan believes STT GDC Thailand is uniquely prepared for today’s demands and exceptionally positioned for tomorrow’s needs. Its clear strategic vision and execution underpin its partner of choice status and sustainable growth for years to come.

Conclusion

Frost & Sullivan believes that innovation and growth opportunities drive future success; many factors contribute, yet having a competitive strategy is critical. STT GDC Thailand understands this core concept and has demonstrated a focused approach on cutting-edge infrastructure that helps create a strong competitive strategy. The company is at the front, combining location strategy with technical design, and leverages its position within the STT GDC Group to offer its customers competitive pricing, faster time-to-market, and sustainable growth while delivering a frictionless experience that exceeds expectations. Overall, STT GDC Thailand develops and implements its data center service capabilities with its customers in mind, securing its position as a trusted partner and market leader. With its strong overall performance, STT GDC Thailand earns Frost & Sullivan's 2022 Thailand Competitive Strategy Leadership Award in the data center colocation services market.

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

About Frost & Sullivan

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The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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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 6 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)

