

## **Mobile Market**

### **Market Structure**

The mobile, and their subsidiaries, as well as the two state enterprises, CAT and TOT. The AIS group consists of Advanced Info Service (AIS), Digital Phone (DPC) and Advanced Wireless Network (AWN). The Dtac group consists of Dtac and DtacTrinet (DTN). The True Mobile group consists of True Move, True Move H Universal Communication (TUC) and Real Move, which is an mobile virtual network operator (MVNO) utilizing CAT's network. Other than these, several MVNOs are also active in the market under arrangement with CAT and TOT

### **Subscribers and Penetration Rates**

The mobile market has been growing continuously over the year. As of Q1/2015, there are 93,299,705 mobile subscriptions. Of these, 85.8% or 80,091,132 million are prepaid subscription, and 14.2% or 13,208,573 million are postpaid subscriptions. The penetration rate of mobile services is 139% of population. (Note: Operators in the AIS group revised their definition of active subscribers, leading to a slight fall in the total number of subscriptions in Q1/2015.)

### **Market Share and Market Competiton**

The Mobile market is led by three main players which together have a combined market share of 98.4% based on subscribers. As of Q1/2015, the AIS group, which consists of AIS, DPC and AWN, is the clear market leader with a market share of 45.0%, followed by DTAC group, which consists of DTAC and DTN, with a share of 30.5%, and True Mobile Group (True, Real Move and True Move H), with a share of 23.1% CAT and TOT have market shares of 0.9% and 0.7% respectively)

## **Revenue Breakdown**

Revenue in the mobile market can be categorized as revenues from voice, non-voice and other services. In the last four years, the share of non-voice revenues has been growing continuously. As of Q1/2015, voice revenue makes up 44% of total revenue, followed by non-voice revenue with a share of 40%, and other services account for the last 15%

## **Average Revenue Per User (ARPU)**

Average Revenue Per User (ARPU) has a slight declining trend. As of Q1/2015, ARPU of the mobile market is 198 THB per month. ARPU of prepaid subscriptions is 139 THB per month and ARPU of postpaid subscriptions is 552 THB per month.

## **Market Performance**

The mobile market as a whole has seen strong growth in revenue since 2011, although margins have generally fallen in line with a downturn in economic activity. Expectations for sector growth are generally positive, underpinned by an improvement in the Thai economy and lower regulatory costs associated with the 3G licensing regime and the broader regulatory environment. Earnings momentum is expected to continue as operators continue to migrate customers from the concession networks to their own licensed networks, with leads to significant cost savings

However, competition is expected to remain strong due to factor such as latent demand in broadband services and recent cuts in termination rates. Furthermore, the expires of concession contracts mean that operators will have to migrate customers to their new networks under the license system, so competition is expected to remain strong.

## **Bandwidth Demands**

According to Analysis Mason, in most developed economic, the volume of public Wi-Fi traffic has grown much faster than mobile data during the past two years. This has been driven mainly by fixed and cable operators rather than operator offload strategies, but small cells will have enabled operators to stabilize and begin to reverse the handset offloading to Wi-Fi by the end of the 2018 forecast period indicated below in figure 2.8

Analysis mason's analysis forecast suggests that public Wi-Fi will primarily carry mid- and large-screen traffic (and handsets' share of public Wi-Fi traffic will decline), and many fixed or cable provided public Wi-Fi services will evolve into hybrid MVNO, small-cell and Wi-Fi networks. Also, from observing Figure 2.8, it is interesting to note that the highest annual growth rate corresponds to the emerging APAC region, within which Thailand is expected to be impacted also in terms of increased traffic demand.

The above overall regional growth in datatraffic represents a clear sign that spectrum holdings assigned for the mobile service in Thailand will experience a dramatic shift in terms of the efficiency (to be expected from a more intensive spectrum use for mobile broadband). Today's mobile broadband market in Thailand is beginning a transformation: moving from a vast 2G based market towards 4G and beyond.

As of Q1/2015, according to NBTC's data, the number of 3G subscriptions stands at approximate 85.6 million or about 91.7% of the total mobile subscriptions. Such numbers indicate that there is plenty of room for operators to grow the 3G/4G and beyond markets in the coming years. Such growth requires planning and assigning the available spectrum holdings in the most efficient and future proof way possible.