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# 01

## INTRODUCTION

Small and medium-sized businesses (SMBs) are major engines of growth across Southeast Asia. Thai SMBs are no exception, contributing more than a third of the country's GDP.<sup>1</sup>

Though digital adoption especially in the banking and payments segments has flourished in Thailand, there are still many hurdles to overcome.

To better understand the challenges and opportunities for Thai SMBs as they enter the next phase of their digital transformation, this paper explores the habits, preferences, and pain points of merchants in Thailand. The paper draws from a recent Visa survey of over 800 Thai SMBs, secondary desk research, and insights from in-house experts.



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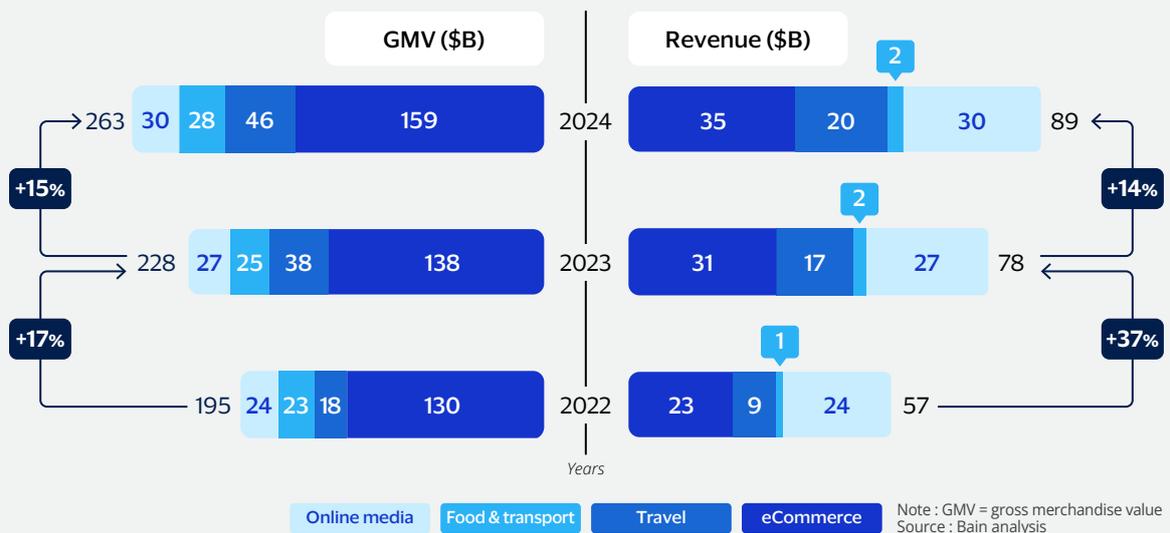
<sup>1</sup> Thailand Economic Monitor, The World Bank, February 2025, <https://documents1.worldbank.org/curated/en/099021125051038392/pdf/P5080791f9e0bc03b1ab8019753dc6998d3.pdf>

# 02

## SOUTHEAST ASIA'S DIGITAL TRAJECTORY

Southeast Asia's 700 million<sup>2</sup> people are among the most digitally-savvy populations in the world, with around 80% of the region accessing the internet every day for work, play, education, and more.<sup>3</sup> High adoption rates have propelled Southeast Asia's digital economy to outpace mature markets such as the US and China,<sup>4</sup> with a valuation of US\$263 billion in 2024.<sup>5</sup>

### Southeast Asia has consistently delivered double-digit growth in GMV and revenue



Source: e-Economy SEA 2024

Digitalisation in Southeast Asia is transforming not just consumers but businesses of all sizes. Initially focused on process efficiency, digital tools now increasingly embed financial and payment services using data and cash flow insights.

As a result, tech adoption has become a top priority for regional executives. Despite economic uncertainty, SMBs are projected to invest US\$173.6 billion in digital technology over the next three years a 70% increase<sup>6</sup> (IDC).

<sup>2</sup> Southeast Asia, World Population Review, <https://worldpopulationreview.com/continents/southeast-asia>  
<sup>3</sup> Building an Internet for the future of Southeast Asia, Kearney, June 5, 2023, <https://www.kearney.com/service/digital-analytics/article/-/insights/building-an-internet-for-the-future-of-southeast-asia>  
<sup>4</sup> Ibid  
<sup>5</sup> e-Economy SEA 2024, Google, Temasek and Bain & Co., 2024, [https://services.google.com/fh/files/misc/e\\_economy\\_sea\\_2024\\_report.pdf](https://services.google.com/fh/files/misc/e_economy_sea_2024_report.pdf)  
<sup>6</sup> Spore SMEs lead S-E Asia in tech spending; Asean to invest \$173.6 billion in the next three years, The Straits Times, Nov. 22, 2024, <https://www.straitstimes.com/business/economy/local-smes-lead-se-asia-in-tech-spending-asean-to-invest-1736-billion-in-the-next-three-years>

## Southeast Asia heads towards a cashless future

Payments remain a standout area in Southeast Asia's digital transformation, fueled by the rapid adoption of mobile wallets, digital banking, and embedded finance solutions. In 2025, digital payment penetration across the region has surged beyond 80%, with consumers using an average of 2.4 e-wallets each. Contactless card usage and real-time payment systems are gaining momentum, reflecting a strong preference for "cashless first" transactions. This shift underscores a fundamental change in consumer behavior, positioning Southeast Asia as one of the fastest-moving regions toward a fully digital payment ecosystem.<sup>7</sup>

### Cashless momentum in SEA



# 72%

of consumers have attempted to go cashless



# 11 days

average number of days consumer has not used cash



# 46%

are carrying less cash in their wallets vs. 1 year ago

This momentum is supported by growing merchant acceptance, especially in SMB-heavy sectors like retail, tourism, and F&B. Much of the progress stems from national and regional efforts to develop digital banking ecosystems. Countries like Vietnam, Thailand, and the Philippines are joining leaders like Singapore and Malaysia in issuing digital banking regulations, while digital-first banks continue to gain traction.<sup>8</sup>

**Cross-border collaboration is also improving payment infrastructure through initiatives including:**

#### The ASEAN Banking Integration Framework (ABIF)

Developed in 2014, the ABIF is a set of guidelines designed to enable regional interoperability between each country's banking systems.<sup>9</sup> In doing so, the ABIF provides banks with greater market access and operational flexibility, thus opening the door to more cross-border commerce.

#### The Regional Payment Connectivity (RPC) Initiative

Cross-border payments in Southeast Asia have been slow, costly, and fragmented. However, since 2022, leaders in ASEAN have been cooperating on integrating their national payment rails. The RPC enables consumers and small businesses to initiate real-time currency conversions via banking apps, to enable seamless and cheap cross-border QR payments.<sup>10</sup>

Internet infrastructure is key to successful digital payments and ASEAN economies are investing heavily in 5G connectivity, with the region expected to have around 620 million 5G subscriptions by 2028.<sup>11</sup>

<sup>7</sup> Visa's Green Shoot Radar Report, Visa, <https://www.visa.com.vn/partner-with-us/research-insights.html#3>

<sup>8</sup> Digital banks: lessons from South East Asia (part 2), Thoughtworks, May 18, 2023, <https://www.thoughtworks.com/insights/blog/digital-transformation/digital-banks-sea-part-2>

<sup>9</sup> ASEAN Banking Integration Framework, IMF, March 3-4, 2016, <https://www.imf.org/external/np/seminars/eng/2016/hit2016/pdf/2-2.pdf>

<sup>10</sup> Enhancing Regional Payment Connectivity Across ASEAN+3 Economies, AMRO, April 17, 2025, <https://amro-asia.org/enhancing-regional-payment-connectivity-across-asean3-economies>

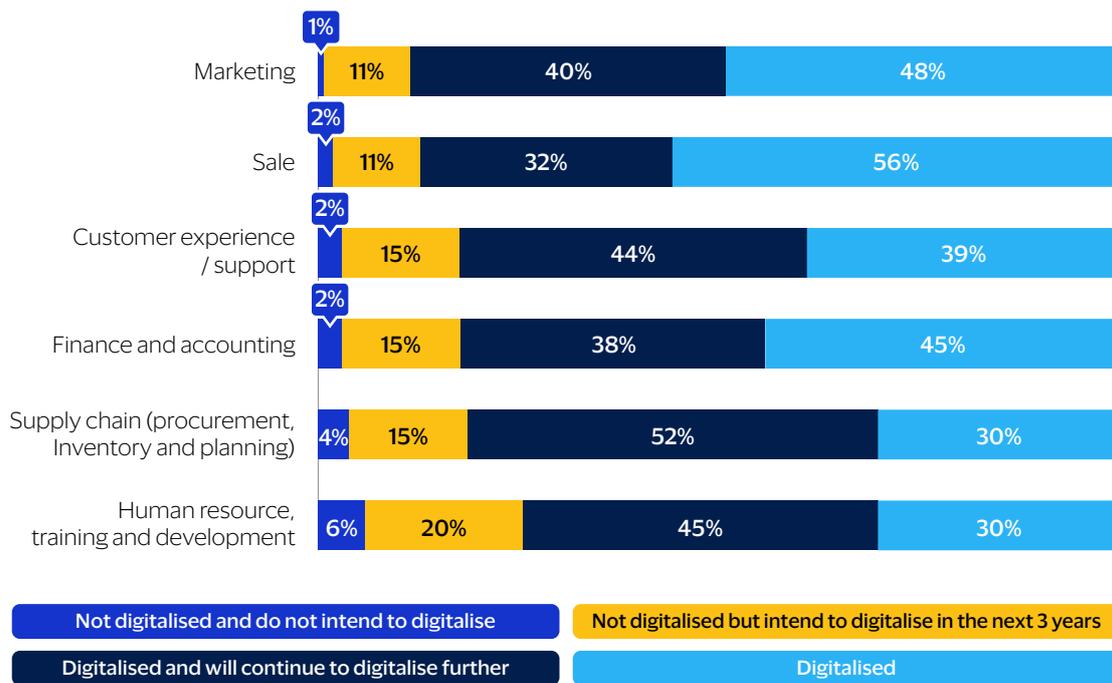
<sup>11</sup> 5G in South East Asia and Oceania: A closer look, Ericsson, <https://www.ericsson.com/en/reports-and-papers/mobility-report/closer-look/south-east-asia-and-oceania>

# 03

## DIGITALISATION JOURNEY FOR THAI SMBS

SMBs make up 99.5% of Thai businesses and contribute over a third of the country’s GDP<sup>12</sup>, playing key roles in sectors like retail, manufacturing, and tourism.<sup>13</sup> Recognising their importance, both the public and private sectors have actively supported SMB digitalisation<sup>14</sup> since 2019 offering financial and non-financial resources. One major milestone was the launch of the LiVE Exchange in 2022, a secondary market enabling SMBs and startups to raise capital through private placements and crowdfunding.<sup>15</sup> According to a Visa survey, 85% of SMBs have already digitalised key functions, particularly in marketing, sales, finance, and accounting.

### Digitalisation of business functions



<sup>12</sup> Thailand Economic Monitor, The World Bank, February 2025, <https://documents1.worldbank.org/curated/en/099021125051038392/pdf/P5080791f9e0bc03b1ab8019753dc6998d3.pdf>  
<sup>13</sup> Designing a country's small and medium-sized enterprise development index using firm-level data, ADB, June 2025, <https://www.adb.org/sites/default/files/publication/1060131/ewp-785-sme-development-index-firm-level-thailand.pdf>  
<sup>14</sup> Digital Technology Adoption and SMEs' Financial Performance: Evidence from Thailand, Thammasat University, Jan. 3, 2024, [https://www.econ.tu.ac.th/uploads/discussion\\_paper/file/20240103/ackmorsw2589.pdf](https://www.econ.tu.ac.th/uploads/discussion_paper/file/20240103/ackmorsw2589.pdf)  
<sup>15</sup> Ibid.

A key driver of Thailand’s digitalisation is its large informal economy, which makes up 48.4% of GDP.<sup>16</sup> This includes gig workers, solopreneurs, content creators, and the self-employed many of whom rely on digital tools to reach customers and generate income.

“These individuals often work alone or part-time, so digital tools become essential,” says Roy Choudhury, Vice President and Head of Commercial & Money Movement Solutions for Southeast Asia at Visa. “Need is a strong driver of action.”

For Thai SMBs, digitalisation is seen as a way to expand customer reach (56%) and boost productivity (60%). As businesses grow, they increasingly value digital tools for gaining operational insights, not just external growth.

### Key benefits from digitalisation



Visa’s survey reveals that a bearish economic outlook is among the top three concerns for Thai SMBs, driven by fears of inflation, rising costs, and uncertainty reflecting a cautious business mood.

“When the outlook is uncertain, focus on what you can control,” says Roy Choudhury. “Digital tools that improve cost-efficiency and help close sales are essential not just to survive, but to thrive.”

In response, many SMBs are adopting cost-saving digital solutions to streamline operations and reduce reliance on additional manpower one of their most pressing challenges.

<sup>16</sup> Thailand has the 14<sup>th</sup> largest informal economy in the world, hoping Digital Wallet will help bring it into the system, Money and Banking Online, April 16, 2024, <https://en.moneyandbanking.co.th/2024/102058/>

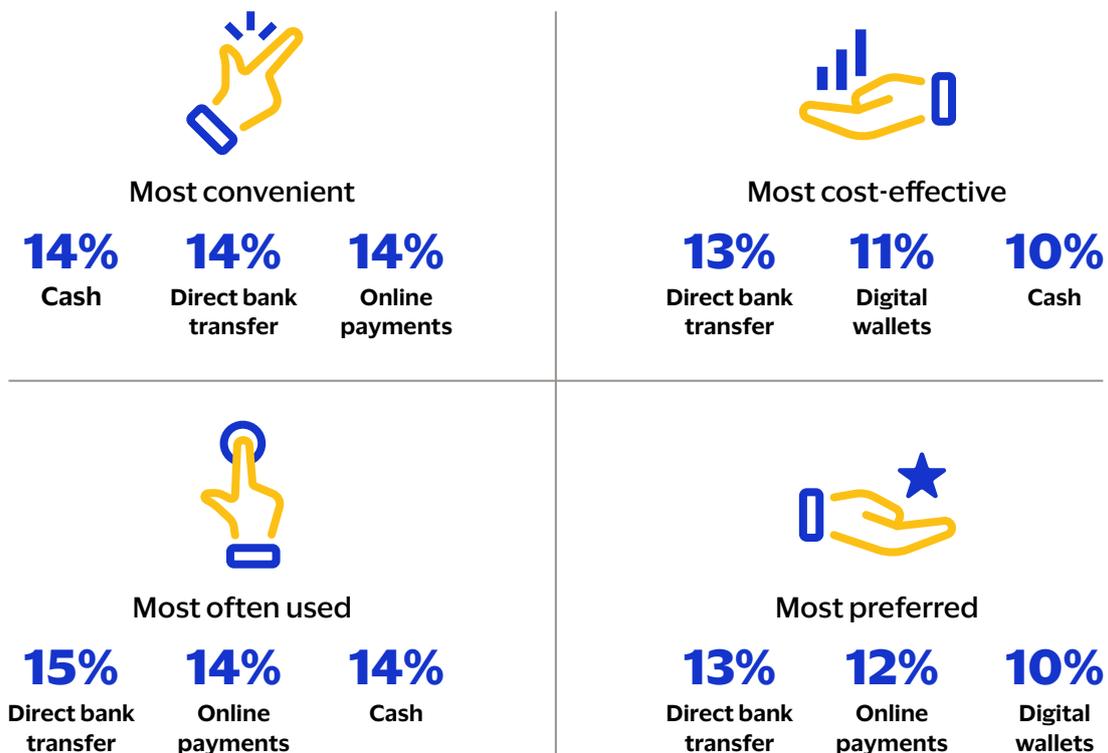
# 04

## DIGITAL PAYMENTS GAIN MOMENTUM AMONG THAI SMBS

Digital payments adoption has surged among Thai consumers and businesses. In 2024, the Bank of Thailand, recorded an average of 538 transactions per person, and roughly US\$1.46 million in transactions daily.<sup>17</sup>

“Thailand is very advanced when it comes to digital payments because of the importance of the gig economy,” says Roy Choudhury. “And because various parts of society are already accustomed to paying via digital modes, small businesses are making sure they can collect via these tools.”

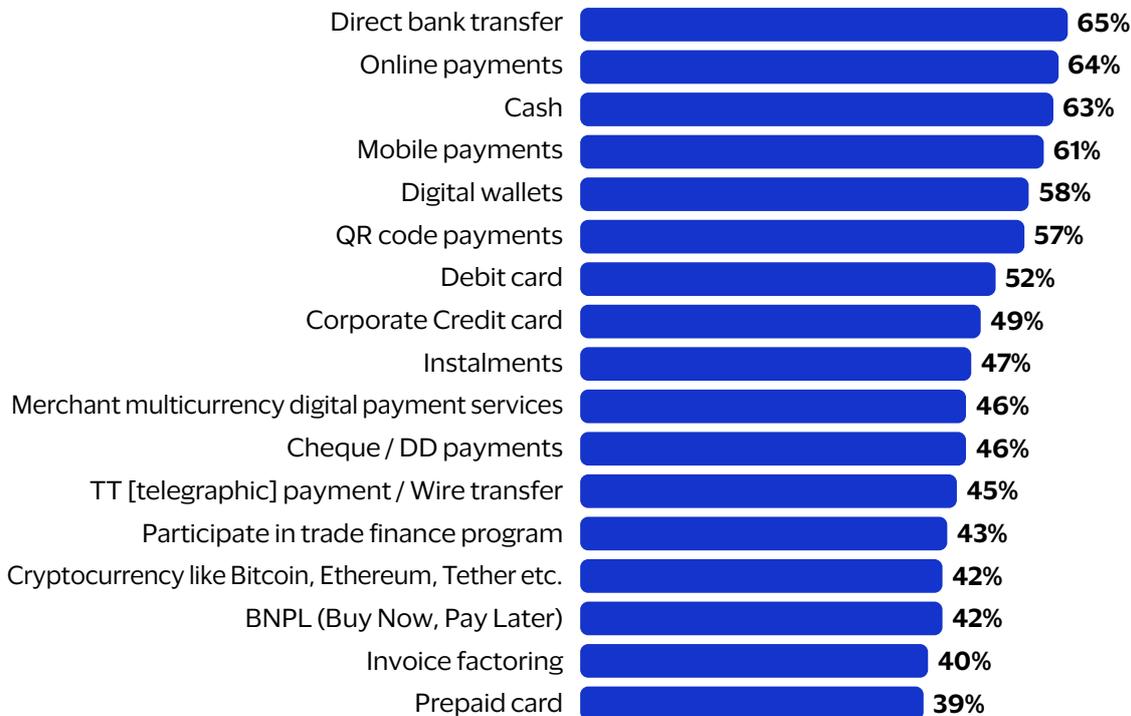
According to Visa’s survey, there is high and growing preference for online and mobile payments for both payment outflows and inflows. Among Thai SMBs, direct bank transfers are seen as the most cost-effective, preferred, and frequently used method, but cash beats in terms of convenience.



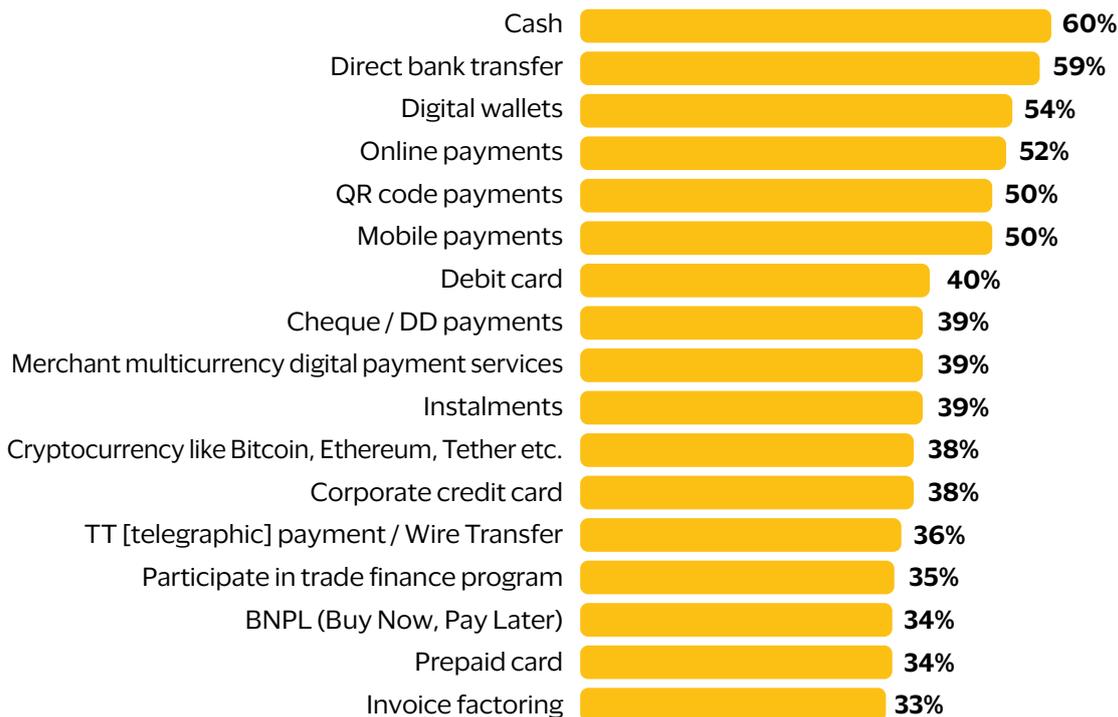
<sup>17</sup> Thai central bank's digital payments on 'top of the world', Asian Banking and Finance, 2024, <https://asianbankingandfinance.net/cards-payments/event-news/thai-central-banks-digital-payments-top-world>

There are also stark differences in how Thai SMBs pay versus how they collect payment. While direct bank transfers narrowly edge out online payments and cash in terms of popularity among SMBs as a payment method (outflow), cash is preferred while receiving payment (inflow).

### Payment outflow



### Payment inflow

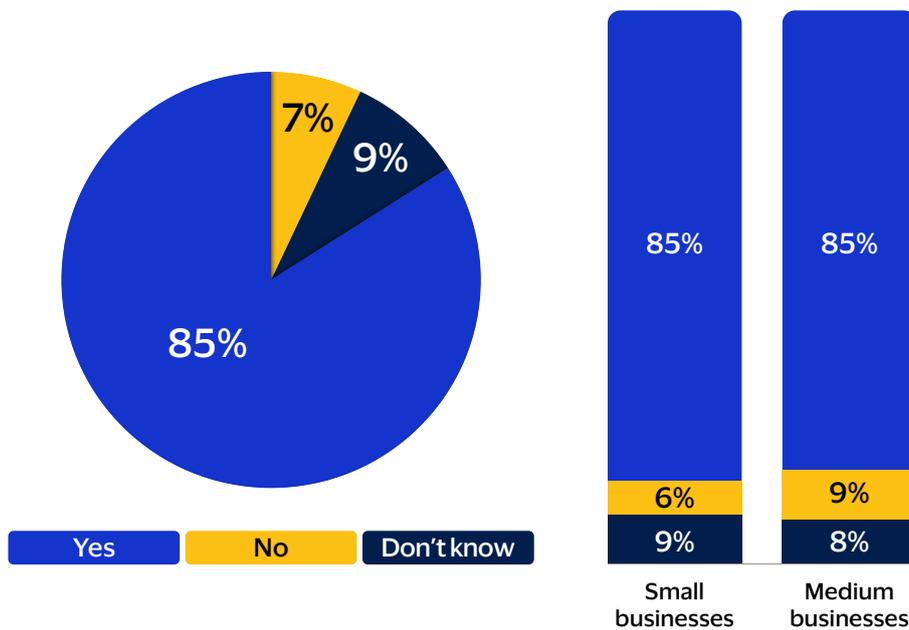


## Blurring of lines for company expenses

Visa’s survey reveals a common trend: 80% of Thai SMBs use personal debit or credit cards for business expenses. These transactions are often unplanned, uncontrolled, and significant, with 73% spending over THB5,000 (US\$154) per transaction.

However, this practice is shifting especially among younger SMBs, who are more likely to start with separate business accounts and adopt enterprise tools early on. Today, 4 in 5 SMBs use expense management tools, and 85% recognise the benefits of virtual company cards for better spend control and transparency.

## Availability of virtual company card – address concerns of using personal debit/credit card for business purposes



What a growing business needs is very different from what a small business does,  
A personal financial management tool is vastly different  
from a business financial management tool.

**Mr. Roy Choudhury**

Vice President and Head of Commercial & Money Movement Solutions at Visa in Southeast Asia

## Cash continues to dominate

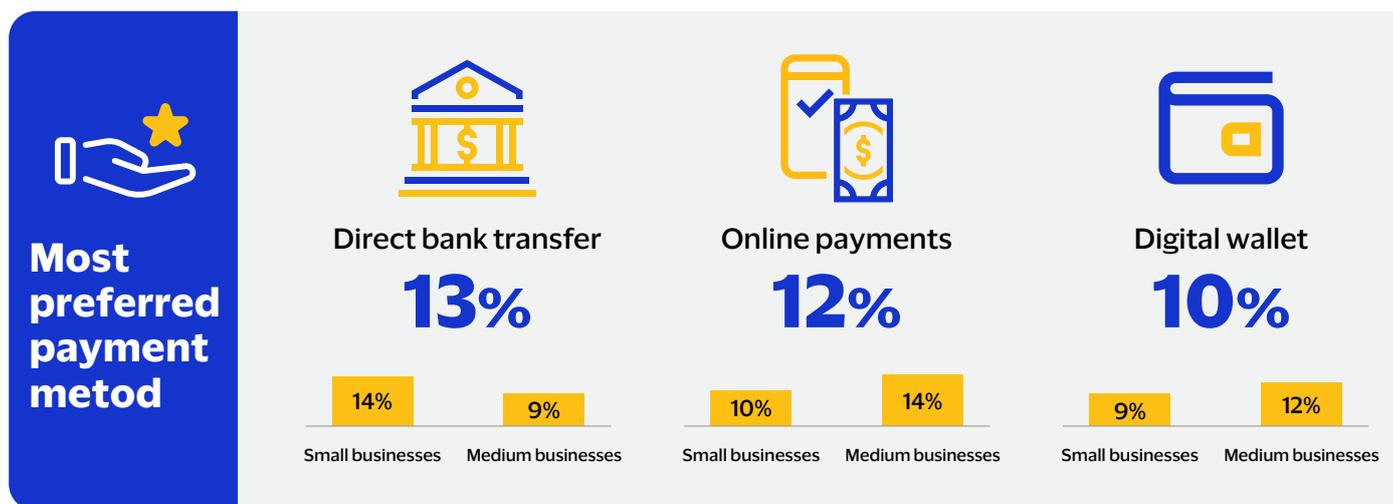
While Thai SMBs are increasingly embracing digital tools, cash remains dominant in consumer transactions. In 2023, 46% of transaction value in Thailand was still made in cash, the highest rate in Asia Pacific. Visa's survey shows that 60% of Thai SMBs still prefer cash for payment collection. This is partly due to the country's large unbanked / underbanked population (around 60% of adults) and a limited understanding of the "cost of cash."

**Cash handling is inefficient and risky, It increases the chances of theft, complicates reconciliation, and limits access to accurate financial data.**

**Mr. Roy Choudhury**

Vice President and Head of Commercial & Money Movement Solutions at Visa in Southeast Asia

Only a small share of SMBs currently use online payments, bank transfers, or digital wallets but with greater awareness and education, digital methods could gradually replace cash in business transactions.



This is especially relevant as Thai regulators start issuing digital banking licenses under the National e-Payment Master Plan, which also promotes financial literacy and the use of PromptPay. As of March 2025, PromptPay processed 2.1 billion transactions worth US\$137 billion, a 13% increase from the previous year.<sup>18</sup>

<sup>18</sup> Thailand expands PromptPay with Mastercard in new deal, Payment Expert, June 18, 2025, <https://paymentexpert.com/2025/06/18/thailand-expands-promptpay-with-mastercard-in-new-deal/>

# 05

## THE BARRIERS TO DIGITALISATION FOR THAI SMBS

As Thailand’s small businesses make strides towards a more digital future, challenges will inevitably emerge. Among surveyed respondents, most pointed to costs and security issues as key barriers to digital adoption.

### 1. Cost pressures and financial challenges for Thai SMBs

For Thai SMBs, cost remains a major barrier to digitalisation amplified by economic uncertainty and rising labour costs. In a recent survey, SMBs identified their top financial challenges as:



To address these, SMBs are turning to advanced banking and accounting tools. Visa’s Commercial Pay and Clean Clarity platforms, for example, offer real-time expense tracking and analytics to improve financial decision-making.

Visa provides practical, cost-effective tools that integrate seamlessly into SMB workflows:

- **Visa Corporate Card Solutions:** Provide secure, flexible payment options for business expenses, improving cash flow and offering enhanced control over spending.
- **Visa Direct:** Enables fast, secure, real-time payments to suppliers, employees, and partners, reducing reliance on traditional bank transfers and improving liquidity management.

These tools help SMBs manage complexity, reduce costs, and build stronger digital capabilities without requiring large upfront investments.

### Average no. of challenges faced: 4.3



## 2. Cybersecurity: A growing concern for Thai SMBs

As more financial activity moves online, digital security is a growing concern for Thai SMBs. Limited resources and experience leave many vulnerable to fraud. In just the first five months of 2025, Thailand recorded over 1,000 cybersecurity incidents.<sup>19</sup>

### Key challenges from digitalisation



“Fraud has always existed, it’s just evolving,” says Roy Choudhury. “Where we once worried about stolen cash, we now face threats to data and payment security. But with new threats come new defences.”

While cybersecurity can be costly, investment is critical to protecting both businesses and customers. Visa supports SMBs with trusted, enterprise-grade solutions:

#### Visa Token Service

Encrypts sensitive payment data, reducing the risk of theft.

#### Featurespace

Leverages advanced machine learning and adaptive behavioral analytics to detect and prevent fraud in real time, helping businesses safeguard transactions and maintain customer trust.

Visa applies the strongest protection possible across payments, data, and our network, We’re focused on giving SMBs both control and confidence as they grow in the digital space.

**Mr. Roy Choudhury**

Vice President and Head of Commercial & Money Movement Solutions at Visa in Southeast Asia

<sup>19</sup> AI-era cyber threats surge in Thailand: Over 1,000 incidents in first 5 months of 2025, The Nation Thailand, June 2025, <https://www.nationthailand.com/blogs/news/general/40051456>

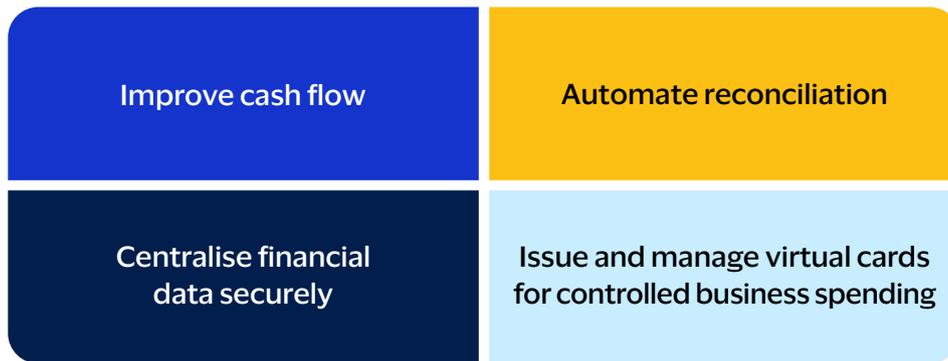
# 06

## CREATING VALUE TOGETHER: HOW VISA EMPOWERS BUSINESSES

As one of the world's largest payments networks, Visa facilitates transactions across 200+ countries, connecting consumers, merchants, financial institutions, and governments. In Thailand, Visa's **B2B solutions** are helping **SMBs simplify payments**, gain operational insights, and digitise financial processes.

"We aim to stay transparent and hands-off, so business owners can focus on what matters driving sales, saving costs, and managing suppliers," says Roy Choudhury.

### Visa's commercial pay platform helps SMBs:



These tools are especially crucial as cross-border eCommerce grows. By 2026, Thai eCommerce exports could reach THB485.6 billion (US\$14.92 billion). Visa supports this growth by enabling multi-currency collection through fintech partners, reducing manual errors and streamlining cross-border transactions.

## Virtual cards also offer SMBs a smarter way to manage expenses:



In the business world, virtual cards give you control, flexibility, and real-time analytics.



**Mr. Roy Choudhury**

Vice President and Head of Commercial & Money Movement Solutions at Visa in Southeast Asia

They're particularly useful in logistics and construction, where complex payment chains and project-based workflows require speed and transparency.

To address sector-specific needs, Visa has expanded partnerships beyond banks and fintechs to include SaaS, ERP, and accounting platforms, bringing integrated solutions to where SMBs already operate.



### **B2B use cases in Thailand**

#### **DKSH (Logistics & Distribution)**

The bank provides credit limits on Visa Corporate Credit Cards, empowering corporates to increase purchasing power while maintaining control. These cards enable businesses to manage procurement and operational expenses more efficiently, improve cash flow, and reduce administrative complexity.

#### **SAP (ERP Integration)**

Embedded card payment capabilities within the SAP platform streamline procurement processes, secure payables, and help businesses optimise working capital for supplier payments.

# 07

## CONCLUSION: WHAT'S NEXT FOR SMBS IN THAILAND?

Thailand is entering a new digital phase where the next horizon is a question of alternatives, including new financial institutions such as digital banks, and how these innovations can help SMBs access working capital, credit lines, and modern payment capabilities.

### To capture this opportunity, SMBs can take three practical next steps:

**Improve cash flow and financial visibility** by digitising payment processes and reducing manual reconciliation.

**Strengthen spend control** by moving away from personal cards for business expenses and adopting tools such as virtual company cards and expense tracking.

**Future-proof trust** by adopting foundational protections like tokenisation and real-time fraud prevention as digital activity expands.

As these capabilities become more accessible, the ultimate beneficiaries will be Thailand's SMBs and underserved communities, with broader, higher-quality financial services enabling more inclusive growth across the economy.





# THANK YOU

For More Information,  
Please Contact Your Visa Representative

