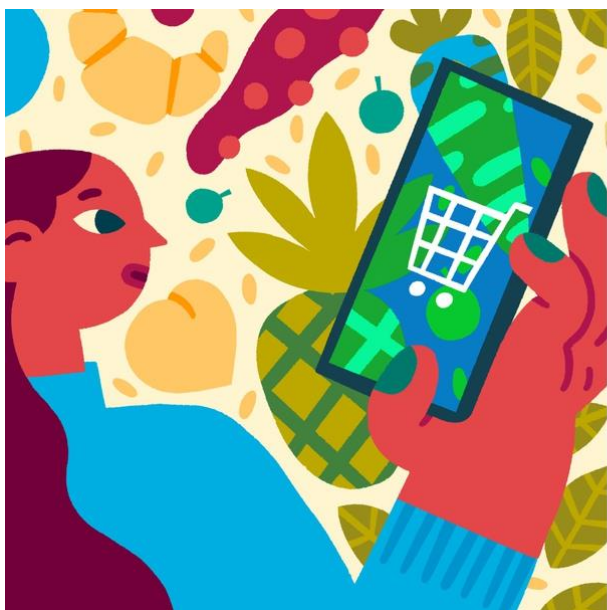


Overwhelming Majority of Southeast Asia Consumers Now Shop Online, With Over 67% of Shoppers Now Anticipating and Participating in Mega Campaigns: Lazada Consumer Study

- First regional Lazada Consumer Study, done with Milieu Insight, for Lazada's 10th Anniversary, identifies current online shopping behaviour of 6,000 consumers
- 73% identify online shopping as integral to everyday life, with almost half (46%) shopping online at least once a week
- Wide assortment, low prices and delivery convenience are a major attraction of digital commerce



Regional eCommerce Consumer Study

Singapore, March 22 2022 – Southeast Asia's leading eCommerce platform, Lazada, today announced results of a region wide consumer study in collaboration with Milieu Insight that establishes a large number of shoppers (73%) now consider shopping online to be integral to everyday life, with 67% of them identifying eCommerce Mega Campaigns* as a key factor in shaping their consumer buying behaviour. Nearly 60% of consumers also welcomed online shopping as a part of their daily life less than two years ago.

As a pioneer in the digital commerce industry celebrating its 10th year in the region this month, Lazada has been shaping and driving shopping behaviour, with over 130 million annual active consumers in the region, pushing 86% of digital consumers who made online purchase at least once per month.

Low prices, affordable shipping, ease of search and convenience are key reasons why Southeast Asians shop online, with Singapore showing the strongest preference for doorstep delivery. The availability of different payment options on eCommerce was also highlighted across markets, with over half of online shoppers preferring to pay cash on delivery.

*Mega Campaigns refer to region wide shopping festivals that also include Birthday (27 Mar), Mid-Year Festival (June/July), and our year-end 9.9, 11.11 and 12.12 campaigns.



“Digital commerce has changed the way people shop in the past decade, especially in the last two years with the pandemic accelerating the shift towards online retail. Such changes are showing a lasting effect, especially in emerging markets. This first region-wide Lazada Consumer Study shows that Mega Campaigns, pioneered by Lazada in Southeast Asia a few years ago, still matter to the consumer. They look forward to the deals and shoppertainment features that come with each campaign,” says James Chang, Chief Business Officer, Lazada Group.

“We partnered with Milieu Insight to better understand the key drivers behind eCommerce in Southeast Asia and the results have helped reinforce our trajectory, while also providing businesses and sellers valuable market insights to guide critical business decisions which helps them to determine their growth and focus in this digital economy.”

Evolution of the purchase journey led by digital commerce

“The digitalization of shopping has changed consumer behaviours across different touch points, such as the shorter journey from awareness to purchase, and the limited senses that are engaged via online shopping. Thus, it is important for brands and sellers to understand their target consumers, and the new online purchase journey well, in order to give a strong reason to their consumers to purchase and remain competitive. The Lazada Consumer Study marks the first region wide study aimed at understanding the current shopping behaviour and serves as a good way to understand the shift in shopping habits. ” said Dr Li Xiuping, NUS EMBA-C Deputy Academic Director, Associate Professor of Marketing, National University of Singapore. She was not involved in the survey.

“The online shopping landscape has evolved massively in the last two years with Southeast Asia leading this change globally. Which is why we wanted to identify the new behaviours and current sentiments of online shoppers in Southeast Asia. On the back of this partnership with Lazada we’ve gathered fundamental data across their 6 regional markets, helping them understand the intricacies of each. As Lazada continues to shape the thriving modern-day e-commerce economy, these insights are meant to equip them in formulating the most effective consumer outreach strategies in the current environment,” says Gerald Ang, Chief Executive Officer, Milieu Insight.

Regional Consumer Study Highlights

- Consumers continue to actively participate during Mega Campaigns such as 11.11, 12.12 sales, with 67% of the digital consumers completing a purchase during a Mega Campaign.
- Low prices (45%) and affordable shipping (45%) top the list of reasons people are buying online, followed closely by ease of search (43%) and convenience (43%).



Singapore (55%), Thailand (48%) and the Philippines (49%) show a strong preference for the items to be delivered straight to them.

- Reviews and ratings are key to a positive shopping experience, especially for online shoppers in Singapore (61%) and Thailand (66%). Buying authentic products is amongst the top reasons for online shopping in Singapore (54%) and Vietnam (53%) while the variety of payment options available is the top reason for Indonesia (54%). In markets like Singapore (53%) and Malaysia (45%), secure payment options are also a key criteria.
- Consumers are actively choosing to purchase their items through digital channels, with 65% reporting that when they shop online, they already know what they're going to buy. To further augment the experience, 29% of respondents report enhanced engagement with the platform through additional browsing for the best deals and exploring the platform for additional items ahead of completing the sale.
- As we enter recovery phase, the lasting wellness influences of the pandemic looks here to stay with 58% of respondents investing in themselves through spending on Health & Beauty categories. Solidifying that personal wellness is here to stay as consumers relook the approach to well-being and self-care.

As a leader and pioneer in Shoppertainment, Lazada's efforts have proven critical is establishing new consumer buying habits, as three in five shoppers (63%) agree that Lazada makes shopping entertaining.

The wide product availability and focus of authentic product reviews on the platform has also conditioned shoppers to rely on peer feedback. One in two shoppers (54%) said reviews make the shopping experience positive. In addition, half (50%) of those surveyed said they leave reviews on the product post purchase, and one in three (32%) said the reviews are one of the top 3 reasons why they prefer to buying online. The culture of shopper engagement with leaving authentic reviews helps build trust and has a significant influence behind final purchase decision.

Singapore Specific Results

Digital commerce has taken hold as an everyday convenience in Singapore. 70% of respondents consider online shopping as indispensable from their routines, and 96% indicate it is now important that they are able to purchase what they need through digital channels.

- 46% said online shopping became important to them in the last 2 years (likely due to Covid-19). 85% said they are now spending more online than in stores.



- Shoppers are looking for a marketplace guided by trusted experience and products that provide a worry-free transaction. This is exemplified in the high preference for reviews(61%), authentic products (54%), secure payment options (53%).
- Singapore shoppers increasingly value peer ratings and reviews (61%) along with secure payment options (53%) when it comes to platform features. This suggests that trust remains one of the most important considerations when choosing a platform to complete a purchase.

Highlights From Other Countries

- Markets with more mobile first approaches lead the region with payments via e-wallets, with Malaysian leading with 63% followed by Indonesia (55%) and Philippines (54%).
- The majority of markets have fully embraced cross border shopping with 79% of respondents in Singapore having no preference for local or global brands, followed by 58% in Thailand and 56% in Malaysia. Shoppers in Vietnam, Indonesia and the Philippines have a preference for local labels, with one in two (52%) Vietnamese respondents showed strong preference for shopping from local labels followed by Philippines (41%) and Indonesia (36%).
- More than 90% of Thai females ages 16 to 24 surveyed say they are spending more online since the pandemic, and over half of them are willing to wait for a discount.

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Methodology

Milieu Insight surveyed 6,000 online shoppers (N=1,000 from each country) on their current and future commerce behaviours and attitudes. It was conducted in January 2022 across 6 markets including Singapore, Malaysia, Thailand, Indonesia, Vietnam and the Philippines.

About Lazada Group

Founded in 2012, Lazada Group is the leading eCommerce platform in Southeast Asia. We are accelerating progress in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam through commerce and technology. With the largest logistics and payments networks in the region, Lazada is a part of our consumers' daily lives in the region and we aim to serve 300 million shoppers by 2030. Since 2016, Lazada has been the Southeast Asia flagship platform of Alibaba Group powered by its world-class technology infrastructure.

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