Lazada

Lazada Whitepaper Reveals 88% of Consumers Make Purchasing Decisions using AI, and 83% are Willing to Pay for AI-Enhanced Shopping Experiences

- 80% of respondents use AI features on eCommerce apps at least once a week, with top uses including AI chatbots, visual product searches and translations
- Trust towards AI-powered platforms is exceedingly high, with respondents relying on AI for personalised recommendation (92%) and product summaries (90%), and 88% make purchasing decisions using AI-generated content and product recommendations
- New GenAI features on the Lazada app were also unveiled to deliver personalised experiences for shoppers

SINGAPORE, 29 OCTOBER 2024 – Lazada, a leading eCommerce platform in Southeast Asia, today announced the inaugural launch of the *Artificial Intelligence Adoption in eCommerce in Southeast Asia* whitepaper. Jointly developed with Kantar, the whitepaper surveyed more than 6,000 shoppers across six Southeast Asian markets to comprehend usage and adoption of artificial intelligence (AI) on eCommerce platforms, by analysing awareness, trust and preferences, shopping behaviour, and consumer pain points.

Perceived versus actual use of AI in eCommerce

The whitepaper reveals that nearly two-thirds of respondents (63%) in Southeast Asia believe AI is widely adopted in online shopping, with over half of the respondents identifying AI chatbots (63%), translations (53%), and visual product searches (52%) as key recognised AI features in eCommerce.

In terms of actual adoption, the usage for these features hovers below 50% for AI chatbots (47%), visual product searches (40%) and translations (40%). However, only one-third of the respondents rated these features as helpful in addressing their needs.

The gap between perceived and actual effectiveness of AI features highlights an opportunity for the eCommerce industry to elevate shopping experiences. By leveraging AI and data-driven insights to bridge this divide, eCommerce platforms can deliver hyper-personalised and seamless shopping experiences across multiple touchpoints to enhance customer satisfaction and loyalty, and open new avenues for growth and engagement.

Consumer behaviour when online shopping

The whitepaper examined consumer behaviour when it comes to online shopping, to evaluate how eCommerce players can better leverage AI to cater to shoppers' priorities and needs. There is a significantly high level of trust towards AI-powered platforms, with majority of respondents relying on AI for personalised recommendation (92%) and product summaries (90%). Notably, 88% of respondents make purchasing decisions using AI-generated content and product recommendations.

The whitepaper also explored consumer motivations for leveraging AI in online shopping, where more than half of respondents (52%) in Southeast Asia cited convenient shopping as a top reason for embracing AI in their personal life. A similar proportion of respondents (51%) view product and seller reviews as a key feature they prioritise, spotlighting the opportunity to introduce reviews with more depth, relevance and authenticity using AI technology,

Given the impact that AI delivers, a huge majority of shoppers have also expressed their willingness to pay more for AI-powered shopping experiences (83%). This can be attributed to the beneficial outcomes for shoppers, with close to half of the respondents (49%) expressing that AI improves discovery, customer service, and increases enjoyment during online shopping.

With 80% of respondents using AI features on eCommerce apps at least once a week, eCommerce platforms can deepen their AI integration efforts to deliver more holistic and exceptional shopping experiences.

"The launch of our inaugural whitepaper marks a pivotal moment in understanding how AI is shaping the future of eCommerce. As technology evolves, so do consumer expectations. This whitepaper explores the transformative potential of AI and provides insights into how businesses in Southeast Asia can harness it to create personalised, seamless, and smart shopping experiences. At Lazada, we are committed to staying at the forefront of innovation, ensuring that AI drives both efficiency and enhanced customer engagement across all touchpoints. Going forward, we will continue to invest into AI and cutting-edge technologies to revolutionise the eCommerce ecosystem," said **James Dong, Chief Executive Officer, Lazada Group**.

Lazada App Updates in the New Era of Ecommerce

Lazada unveiled a suite of GenAI upgrades in parallel with the launch of the whitepaper – **AI Lazzie**, an integrated and interactive personal shopper for 24/7 tailored assistance. With four key features, AI Lazzie will enhance consumer and seller processes:

1. **Message+**: A personalised messaging tool on the app that can provide contextual responses, as well as more tailored shopping recommendations, access to hidden vouchers and codes, and curated bundle deals for the best offers.
2. **Try-On Models:** A revamped shopping experience where users can select virtual models to show clothing fit. It can also recommend clothing sizes based on the AI model. This newly-added feature will significantly reduce marketing and operation costs for sellers, and improve sales efficiency.
3. **AI-Powered Product Description**: An engaging, tailored, and instantaneous product listing generated entirely by AI to highlight key product features that taps into user preferences.
4. **AI-Powered Smart Reviews:** An insightful and intelligent feature that summarises large volumes of product reviews to offer shoppers a condensed overview to make informed shopping decisions quickly.

AI Lazzie, a first-of-its-kind eCommerce AI chatbot powered by OpenAI ChatGPT technology, provides personalised suggestions and product recommendations, considering buyer preferences, purchase history, and query context, so users can enjoy a more optimised shopping experience. The new features on AI Lazzie will empower both consumers and sellers by simplifying product discovery and purchase decisions, while streamlining sales processes.

"AI has become an integral part of the eCommerce landscape, enabling smarter decision-making and more tailored customer experiences at scale. As we dive deep into how we can enhance AI algorithms to personalise product recommendations, optimise supply chains, and enhance customer service interactions, it is clear that AI will remain a key enabler in pushing the boundaries of what eCommerce can achieve. What excites me most is how we are building robust AI systems to solve complex technical problems in ways that directly improve the shopping experience for our customers," said **Howard Wang, Chief Technology Officer, Lazada Group**.

Both the whitepaper and app upgrades were launched at the Lazada Convergence Forum, which saw more than 100 industry players, media, and Lazadians gather for an afternoon of insightful discussions and networking sessions. Watch the sizzle reel of the app upgrades here.

About the Whitepaper

The *Artificial Intelligence Adoption in eCommerce in Southeast Asia* whitepaper is derived from the research conducted in partnership with Kantar in six Southeast Asian markets – Singapore, Malaysia, Indonesia, Thailand, Vietnam, and the Philippines – which surveyed more than 6,000 eCommerce users between the ages of 18 and 60 in September 2024.

Download the Lazada app: Apple App Store | Google Play Store

About Lazada Group

Lazada Group is Southeast Asia's pioneer eCommerce platform. For the last 12 years, Lazada has been accelerating progress in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam through commerce and technology. Today, a thriving local ecosystem links about 160 million active users to more than one million actively-selling sellers every month, who are transacting safely and securely via trusted payments channels and Lazada Wallet, receiving parcels through a homegrown logistics network that has become the largest in the region.

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