

# Lazada Announces Suite of GenAl Features to Transform Shopping and Seller Experiences in Southeast Asia

- The GenAl features will transform four key dimensions of eCommerce shopping, termed 4Ds, including discovery, dependability, deals, and decision making, to deliver a more personalised and interactive experience
- Lazada is also leveraging Alibaba's newly-launched improved iteration of its Al translation tool,
  Marco MT, to support language localisation needs in the diverse region of Southeast Asia
- In parallel, Lazada has partnered with Kantar to launch its inaugural "Artificial Intelligence Adoption in eCommerce in Southeast Asia" whitepaper on consumer preferences, sentiments and behaviour towards AI

**SINGAPORE**, **29 OCTOBER 2024** – Lazada, Southeast Asia's pioneer eCommerce platform, today announced a major leap in online shopping with the launch of all-new GenAl-powered in-app features. These enhancements promise to revolutionise the shopping journey by offering shoppers a more personalised, engaging, and dynamic experience. Alongside this, Lazada also launched its <u>Artificial Intelligence Adoption in eCommerce in Southeast Asia</u> whitepaper, jointly developed with Kantar, to better understand Al awareness, trust and preferences, shopping behaviour, and consumer pain points in the region.

Lazada's GenAI features include an AI-powered personal shopping assistant – AI Lazzie, smart recommendations, AI-generated product information, and even AI-generated models, which position the platform at the forefront of a rapidly evolving eCommerce landscape in Southeast Asia. Lazada is also leveraging Alibaba's newly-launched improved iteration of its AI translation tool, Marco MT, to support language localisation needs in the diverse region of Southeast Asia. The AI translation tool is based on Alibaba's proprietary model Qwen, and is designed to help sellers create product pages in the language of their target market. The improved version – Marco MT, is powered by large language models, with the ability to interpret contextual clues such as cultural and industry-specific terms.

As Al and GenAl continue to serve as major growth catalysts, Lazada is addressing the four critical dimensions (4Ds) that are transforming online shopping:

## 1. Discovery: Enhancing Product Search and Shopping Inspiration

Al is reshaping how shoppers discover products by providing personalised recommendations and improving search efficiency. The whitepaper reveals that nine out of ten respondents in Southeast Asia believe that Al enhances their search efficiency when shopping online. Lazada's Al tools, such as the personal shopping assistant, Al Lazzie, are designed to help shoppers not only find products, but also discover new ideas and lifestyle additions, offering 24/7 tailored assistance to enrich and elevate the shopping experience.

## 2. Dependability: Building Trust and Loyalty through Tailored Experiences

With the new GenAl updates, Lazada will now be able to offer more dynamic and engaging content on its platform. For instance, Al-generated product descriptions and images can be tailored to different regions, languages, and cultural nuances, ensuring that shoppers feel a deeper connection with the products they are browsing. This capability is particularly valuable in Southeast Asia, where linguistic and cultural diversity are both varied and vast.

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Insights from our whitepaper also revealed an exceedingly high level of trust towards Al-powered platforms, where a majority of shoppers trust and rely on Al for personalised recommendations (92%) and product summaries (90%). Here, Lazada's GenAl features such as its Al-powered smart reviews and personalised product recommendations based on shopping habits and past purchases can enhance shopping experience by offering shoppers quick, comprehensive, and reliable product insights. These tools foster customer loyalty by enabling dependable and seamless interactions that build trust, while helping shoppers make more informed decisions.

Given the impact that AI delivers, we are witnessing a huge majority of shoppers using AI features on eCommerce platforms at least once a week (80%), with a high willingness to pay more for AI-powered shopping experiences (83%).

### 3. Deals: Helping Shoppers Find the Best Value

The whitepaper highlights that approximately a third of Southeast Asian shoppers are price-conscious and actively seek out deals (41%). In fact, more than half of the respondents identify competitive pricing (54%) and the availability of vouchers and discounts (51%) as key factors that influence repeat purchases.

Lazada's Al-curated offers, exclusive vouchers, and the integration of LazCoins as a rewards mechanic further ensure that shoppers can access the best value for every purchase. By leveraging Al, Lazada helps shoppers discover deals tailored to their personal preferences, habits, and interests to ensure that the best deal is secured.

Going above and beyond, the humanised aspect of GenAl means that Lazada is also able to gamify the shopping experience, by rewarding positive behaviour such as high user engagement rate with additional surprise discount voucher codes and bundle deals.

#### 4. Decision-Making: Smarter Shopping Choices

Lazada's findings reveal that an overwhelming 88% of respondents in Southeast Asia make purchase decisions using Al-generated content and product recommendations, and over half (51%) indicate that product and seller reviews are key features they prioritise when shopping online. Harnessing this insight, Lazada's GenAl update is designed to create unique content by harnessing product reviews, product key selling points, as well as tailored product recommendations to optimise the shopper research process and support their purchasing decisions with facts and data.

To further expedite the decision-making process, AI Lazzie can answer shopper queries promptly to address concerns, which can result in increased order conversion rates, as well as enhanced customer satisfaction and loyalty.

James Dong, Chief Executive Officer of Lazada Group, commented, "At Lazada, we have embraced GenAl as part of our customer-centric, long-term growth strategy to enhance customer experiences, as we stribe to stay ahead and steer into a new era of online shopping. We foresee that GenAl will accelerate an eCommerce revolution and reshape the way we currently shop, sell, and engage. Our goal is to make every experience sharper, more individual, efficient, and enjoyable. Through these innovations, we're not only supporting our shoppers, but also empowering our sellers to make smarter, data-driven decisions, from product positioning to customer engagement."

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Dong added: "As Lazada implements AI at scale, we strive to create win-win scenarios for all eCommerce players, while maintaining the human touch that remains essential in fostering authentic, lasting relationships with our shoppers, sellers, and partners in the ecosystem. By embracing GenAI, we aim to create a more accessible, inclusive, and personalised shopping experience for all."

### **About the Whitepaper**

The <u>Artificial Intelligence Adoption in eCommerce in Southeast Asia</u> 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.

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#### **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.

#### **Contact Information**

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