

BRIDGING THE AI GAP: ARTIFICIAL INTELLIGENCE READINESS PLAYBOOK FOR ONLINE SELLERS



FOREWORD

Commerce has come a long way since the days of traditional face-to-face transactions to the seamless, contactless online deliveries we rely on today. In the dynamic eCommerce industry, we are witnessing another major transformation – one that is powered by Artificial Intelligence (AI).

A recent study by McKinsey & Company found that businesses using AI in sales and marketing can boost revenue by up to 15%, while reducing operational costs by as much as 20%¹. In Southeast Asia alone, AI-driven solutions are expected to contribute over US\$1 trillion to the region's economy by 2030², underlining the undeniable impact AI will have on commerce and digital entrepreneurship.

Yet, integrating unfamiliar technologies demands more than just time and effort—it calls for **dedicated resources, structured guidance, and strategic planning** to ensure successful implementation. That's why at Lazada, we are committed to making this journey easier for our sellers, with world-class innovations and cutting-edge AI-driven tools.

"Bridging the AI Gap: An Artificial Intelligence Readiness Playbook for Online Sellers", developed in partnership with Kantar Singapore, is designed to equip sellers with actionable insights and resources that can help you harness the technology effectively – whether you're an *AI Agnostic, Aspirant, or Adept*. It also highlights the AI-powered tools available on Lazada that can drive efficiency, enhance customer decision-making, and unlock new growth opportunities for your business.

Embracing AI is not just about keeping up with change – it's about leading it. By taking the first step toward AI readiness, sellers can future-proof their businesses. At Lazada, we are proud to be your partner in this journey, ensuring that every seller has the support and technology needed to succeed in the new era.

The future of eCommerce is intelligent, and it begins today. Let's shape it together.

James Dong
Chief Executive Officer, Lazada Group

¹ *AI-powered marketing and sales reach new heights with generative AI*, McKinsey & Company, May 11, 2023

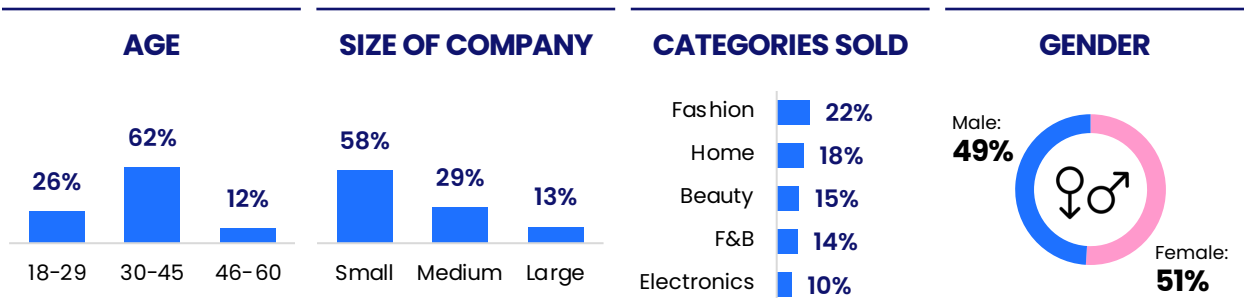
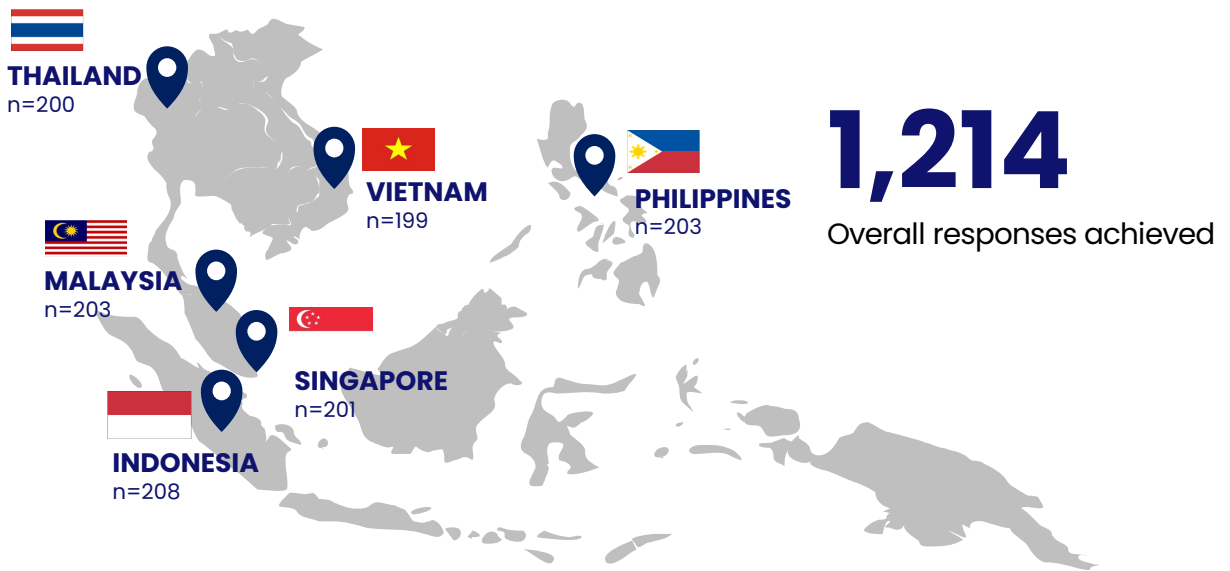
² *The economic potential of generative AI: The next productivity frontier*, McKinsey & Company, June 14, 2023

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Research Methodology



To better understand Southeast Asian online sellers' AI-readiness level, Lazada surveyed 1,214 eCommerce sellers across genders, age groups and household income levels in six Southeast Asia countries, namely Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.



01

AI OVERVIEW

Overview of the usage and adoption of AI applications today

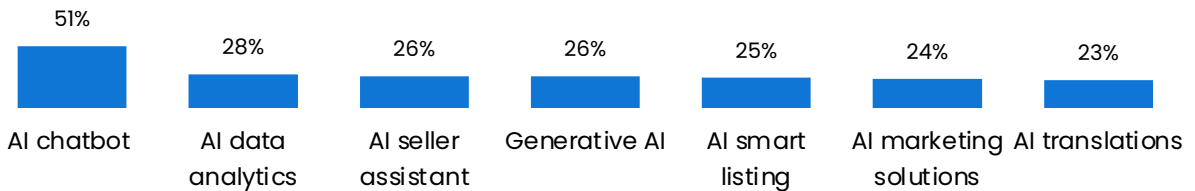


On average, Southeast Asian sellers use 4 AI tools in their businesses

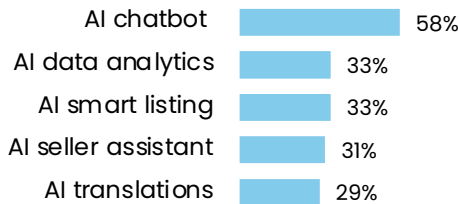
Sellers in Southeast Asia (SEA) are more likely to adopt AI tools that are more commonly used and have been around for some time, such as AI chatbot, data analytics and generative AI.

Usage of AI applications

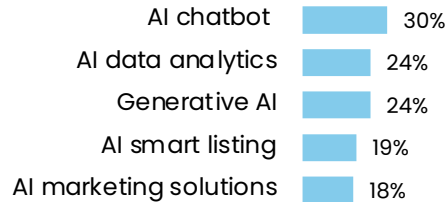
SEA Average



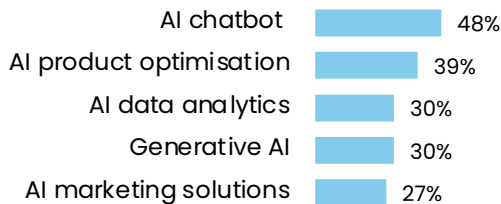
Malaysia



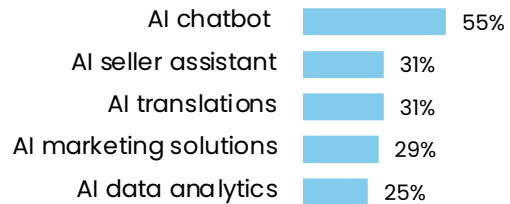
Singapore



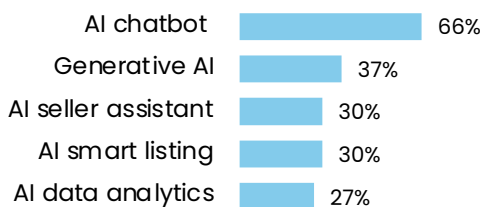
Thailand



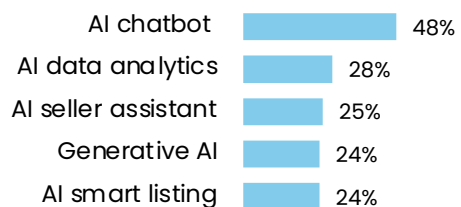
Indonesia



Philippines



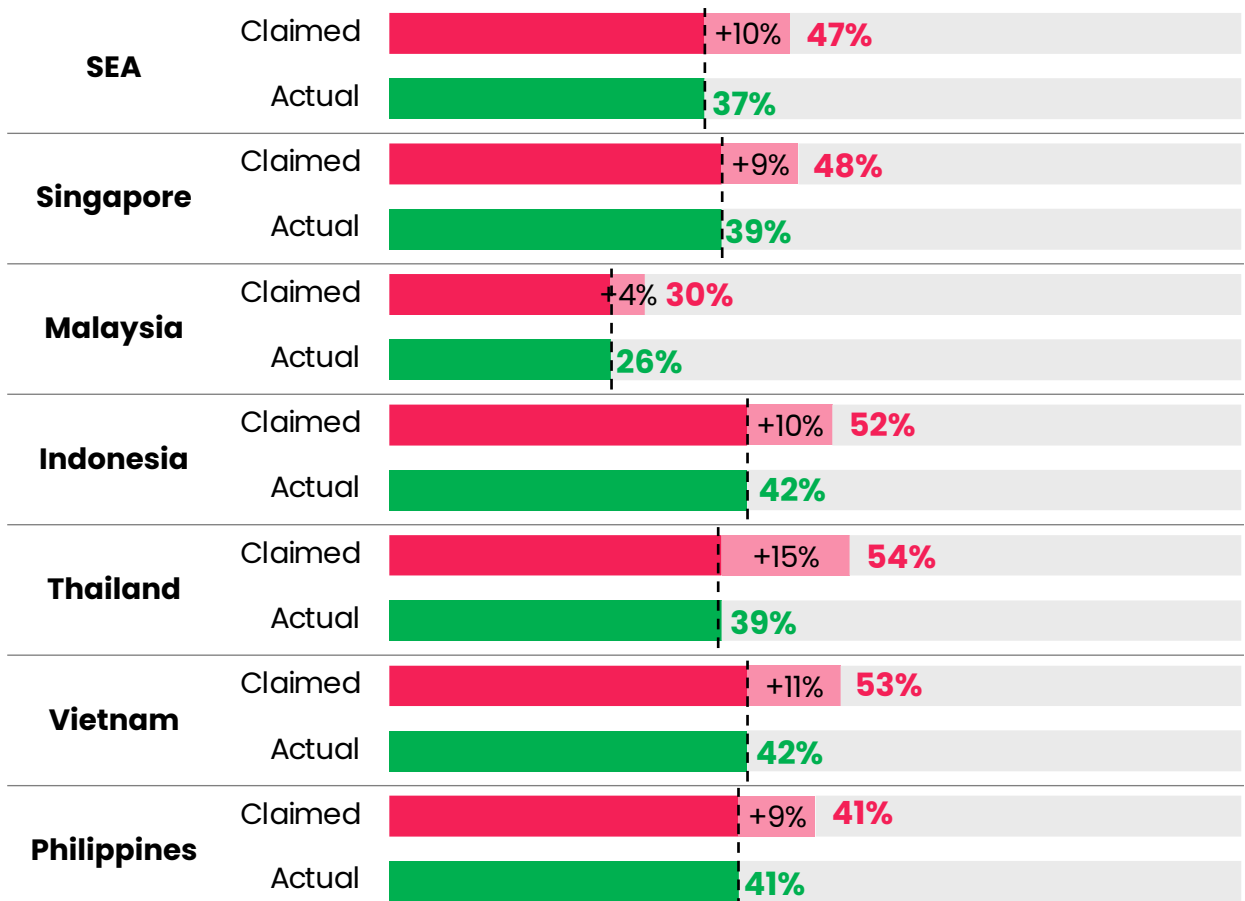
Vietnam



Gap between claimed and actual adoption underscores the need for a strong support system to bridge disparities

Nearly half of SEA sellers claim to have high AI adoption in their businesses, yet actual implementation remains significantly lower. Beyond allocating cost and time for adoption, understanding and leveraging the right resources will be crucial in minimising the effort required for effective change management.

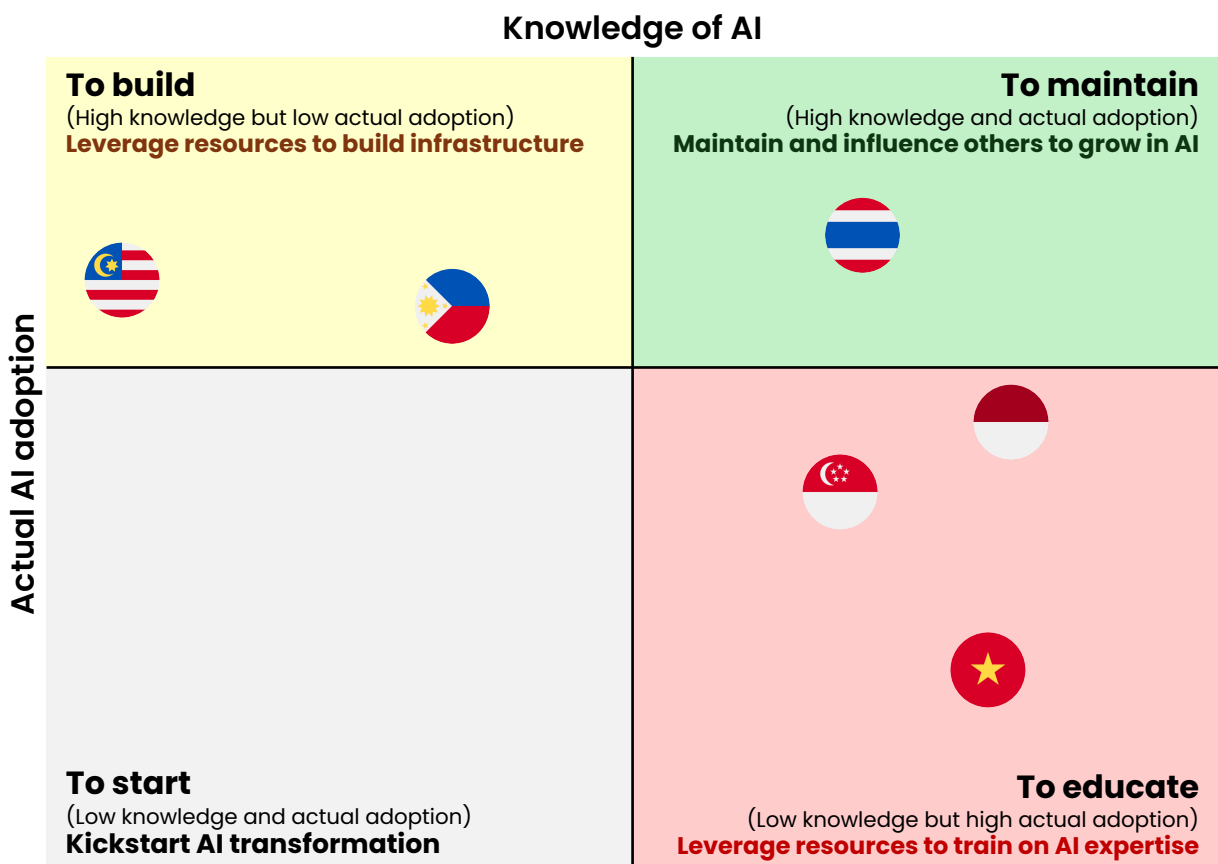
Claimed vs actual adoption



To develop more effective solutions, it is also essential to consider market nuances to drive sustainable growth and adoption

In Malaysia and the Philippines, infrastructural adoption remains a key limitation, whereas in Indonesia, Singapore, and Vietnam, enhancing knowledge of AI tools will be essential for advancing their position in the AI race. Thailand has achieved a good balance with strong knowledge and infrastructure in place.

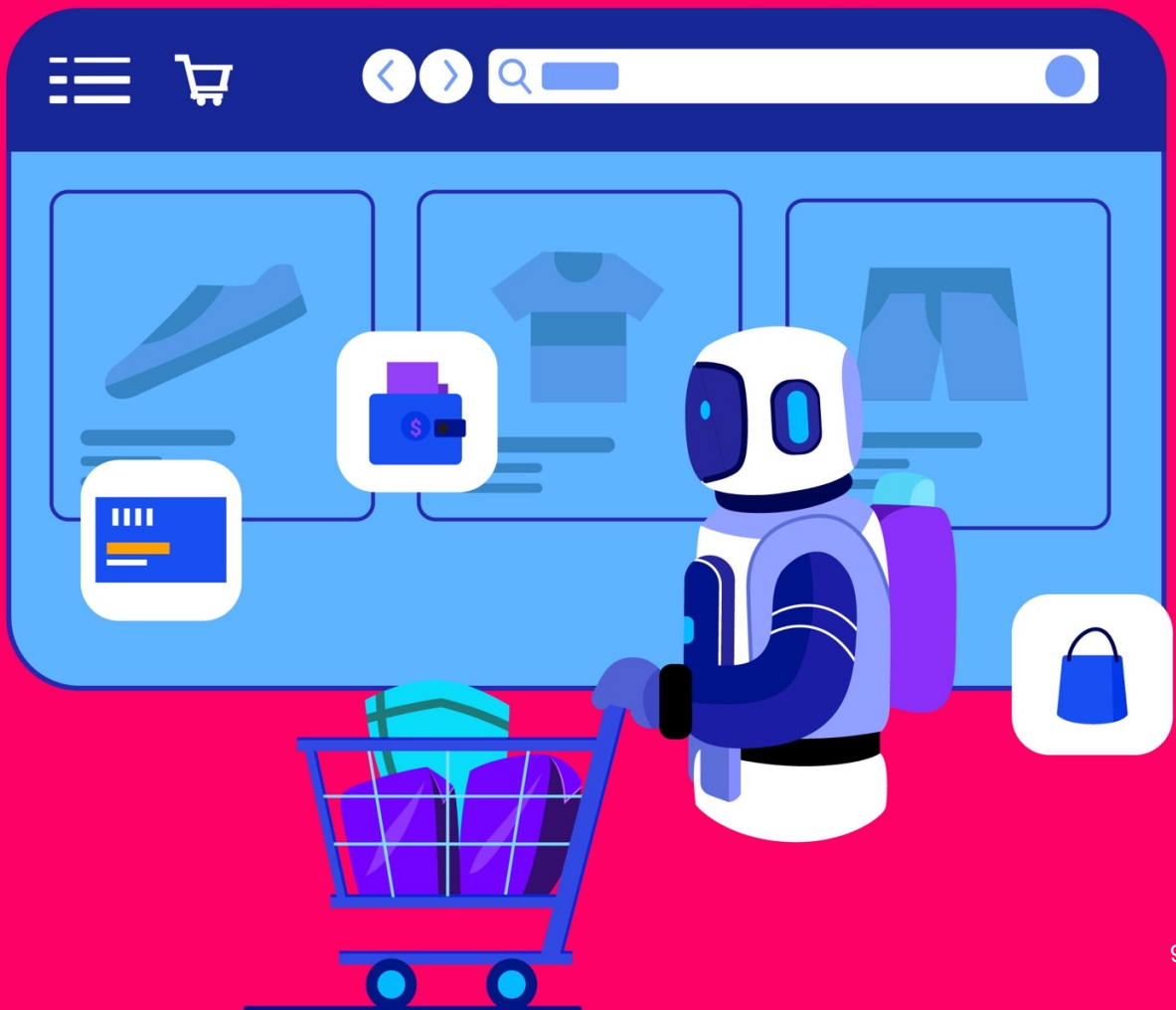
Knowledge-adoption matrix



02

ARCHETYPES

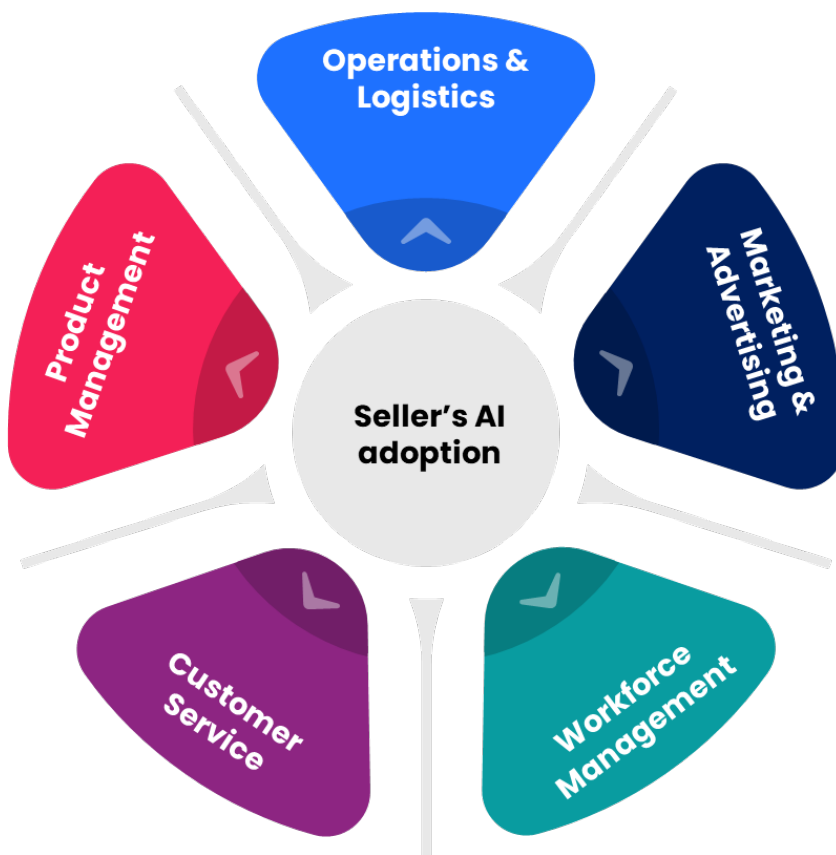
Understanding different seller segments to develop more targeted adoption strategies



Three archetypes have been identified based on actual AI adoption in each aspect of a seller's business operations

Through a survey reaching out to 1,214 eCommerce sellers in Southeast Asia, we have developed three archetypes based on the level of AI adoption across five core aspects of the sellers' business operations (see below).

Each aspect comprises of four to nine work processes. Sellers were required to select the option that best describes their current way of working for each work process. Sellers were then graded on the level of AI adoption based on the average score the attained in each aspect of operations.

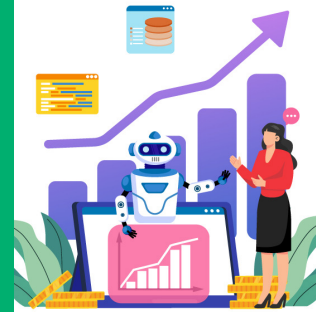


Each archetype represents a grade they have attained in the scoring exercise, from AI Adepts who are ahead of the curve to AI Agnostics who are slower in AI adoption

A

AI Adepts

Sellers who are integrating AI across multiple aspects of their operations, placing them in the top 25% for adoption.



B

AI Aspirants

Sellers who are performing average in AI adoption and have gaps in certain work processes.

C

AI Agnostics

Sellers lagging in AI adoption across most work processes, placing them in the bottom 25%.



Overview of the three archetypes

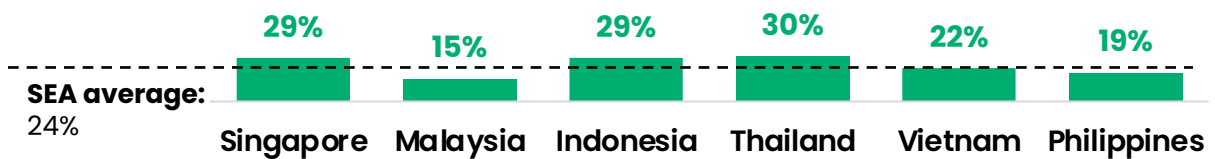
	AI Adepts	AI Aspirants	AI Agnostics
Demographics	Younger sellers, medium, older companies	Average SEA seller	Older sellers, smaller, newer companies
Perception	Positive, believe AI can increase productivity but worry about costs	Mixed, worried about data leaks	Cautious, low trust with a more neutral stance to adoption
% of AI adoption	At least 80% of work processes incorporates AI	Around 20% of AI is incorporated across key functions	Most work processes are still handled manually
Apps used	Newer, consumer facing tools	Marketing backend tools	Tried & tested tools
Support & resources platforms can provide	Partnership opportunities	Seller incentives	Seller protection
Way forward	Offer access to new beta tools, get sellers to share experiences with change management	Tips and tricks for marketing tools, reassure on data protection	Training and mentorship programmes, step-by-step guidance

Across SEA, 3 in 4 eCommerce sellers require additional support in the AI adoption journey

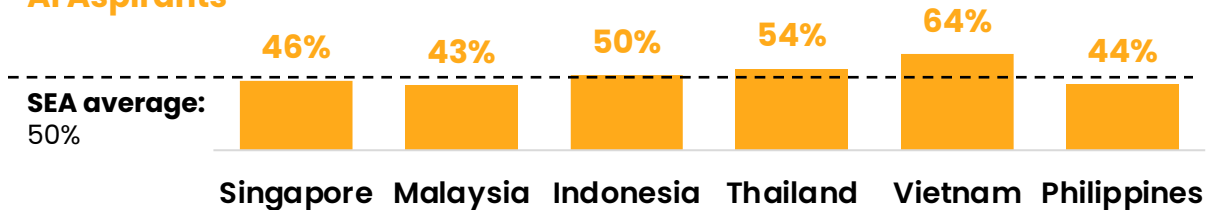
Similar to the results in the knowledge-adoption matrix, Singapore, Indonesia and Thailand are ahead of the curve and have the highest share of AI Adepts. Malaysia and Philippines have a higher share of AI Agnostics, likely due to limitations in infrastructure (weaker operational adoption). Vietnam straddles in the middle with the largest share of AI Aspirants.

AI Readiness Score

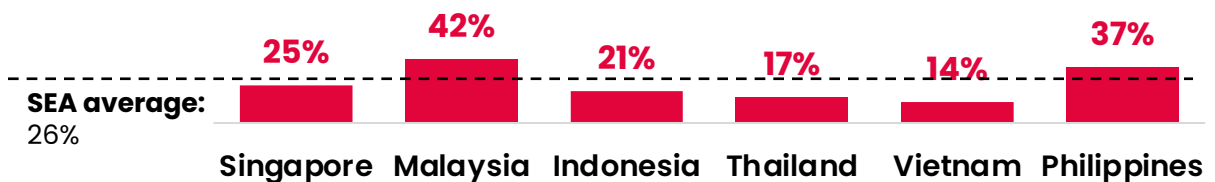
AI Adepts



AI Aspirants



AI Agnostics

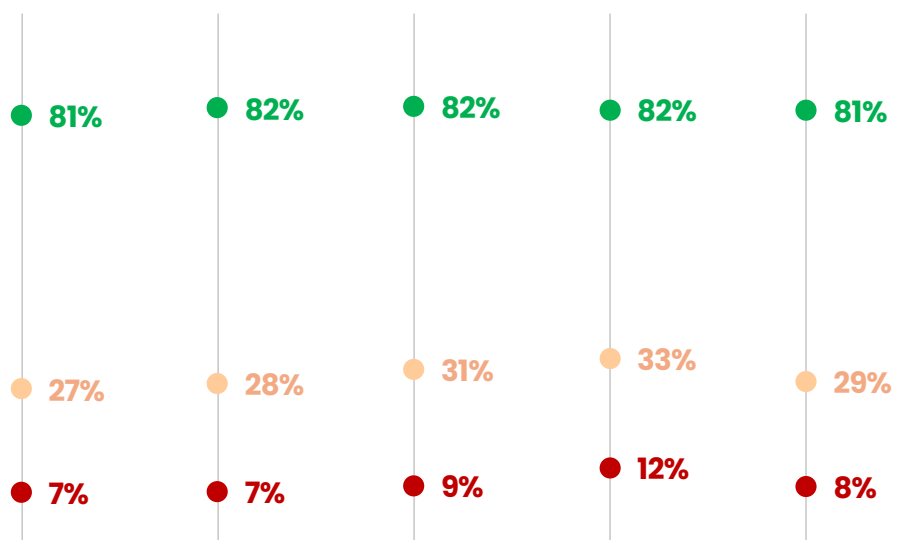


AI Agnostics and AI Aspirants trail significantly behind AI Adepts in the implementation of AI processes

AI adoption is generally consistent across key functions in each segment. On average, AI Agnostics only implemented 1 to 2 AI processes per functions. For AI Aspirants, it is around 3 AI processes per function. On the other hand, AI Adepts adopt 5 AI processes per function.

Actual adoption across functions

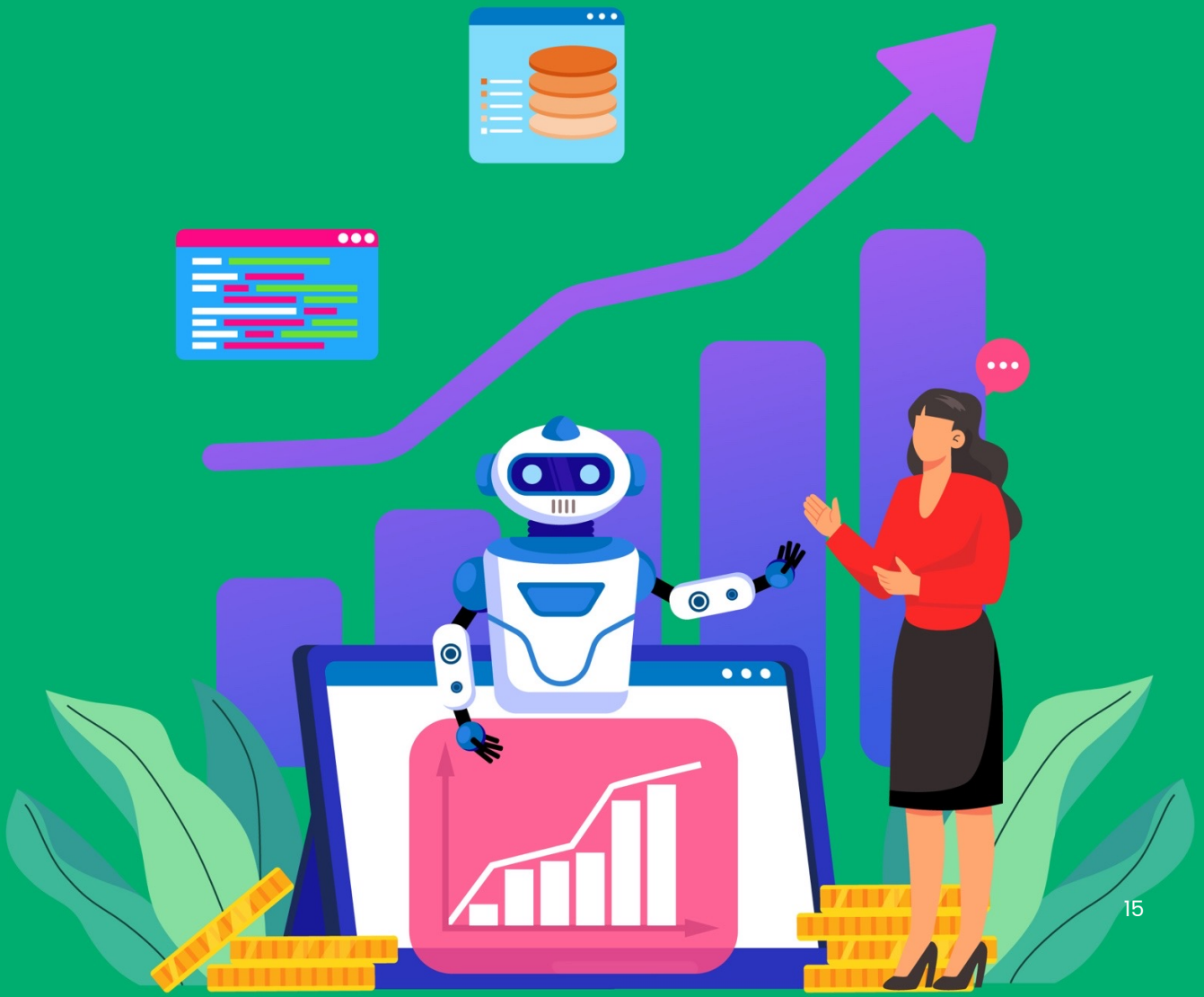
No. of AI processes implemented	Operations & Logistics (Out of 8)	Product Management (Out of 9)	Marketing & Advertising (Out of 5)	Customer Service (Out of 4)	Workforce Management (Out of 5)
● AI Adepts	6 to 7	7 to 8	4	3	4
● AI Aspirants	2	2 to 3	1 to 2	1 to 2	1 to 2
● AI Agnostics	0 to 1	0 to 1	0 to 1	0 to 1	0 to 1



2.1

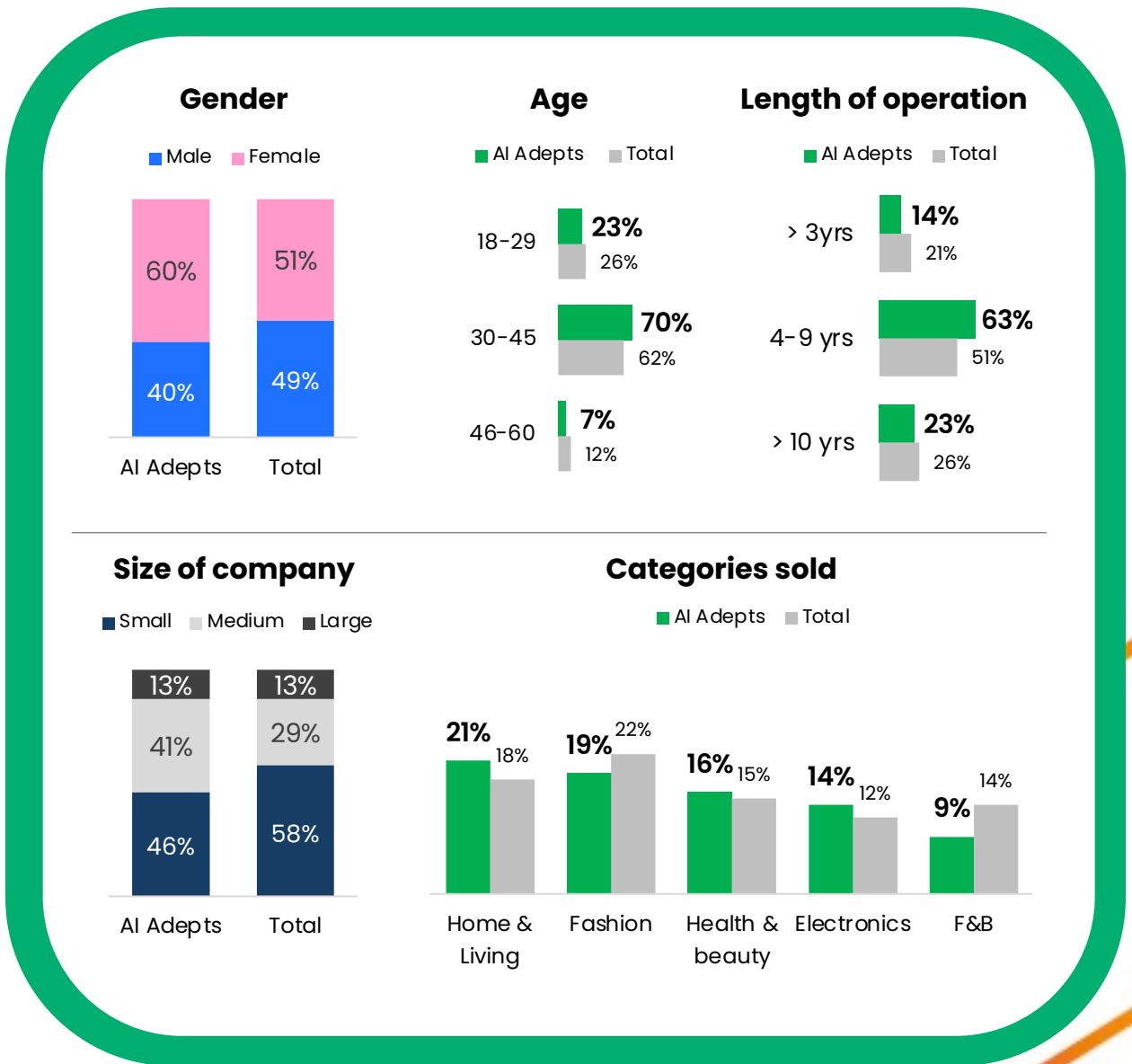
ARCHETYPES: AI ADEPTS

Leaders in AI integration across operations



AI Adepts in Artificial Intelligence

Profile overview

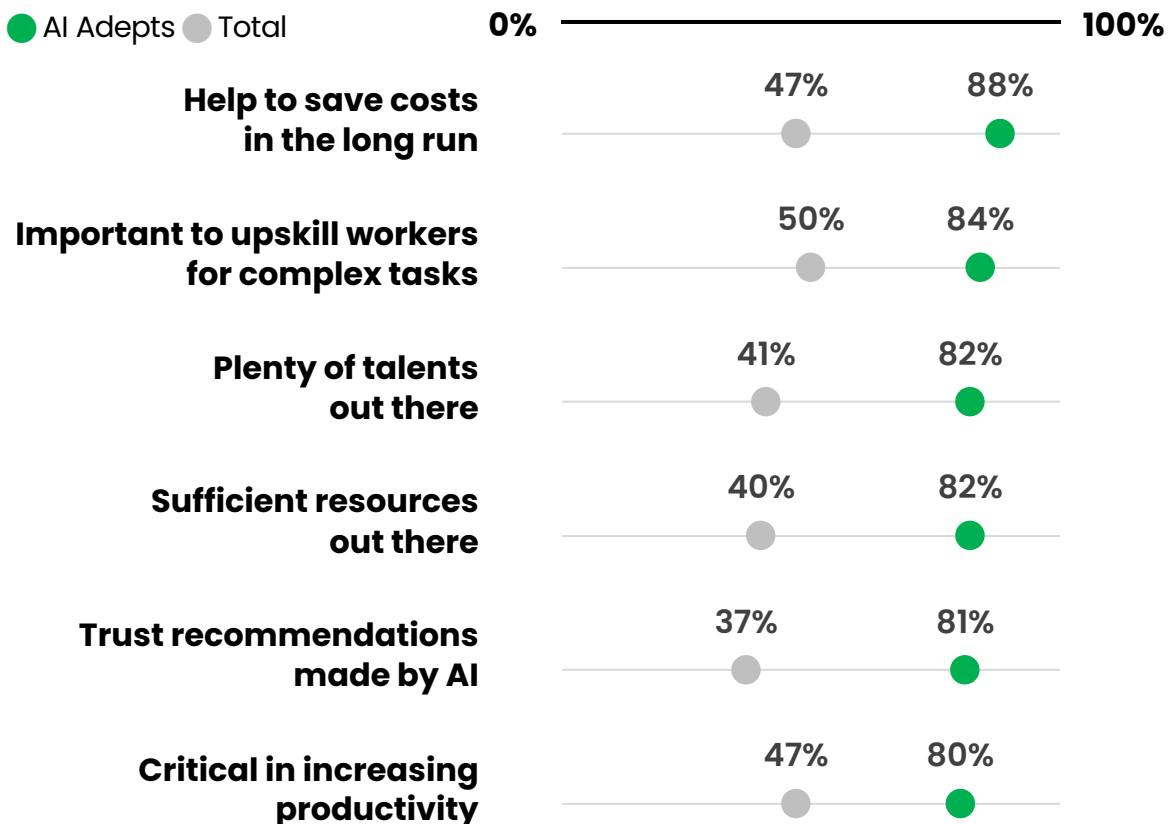


AI Adepts believe that AI will help to save costs in the long run and allow workers to fulfil more complex tasks

To AI Adepts, AI is perceived as a tool to support workers in managing difficult tasks. This in turn will help in reducing overhead costs in the long-term. Malaysia is more likely to see cost as the biggest driver, while Singapore focuses more on productivity.



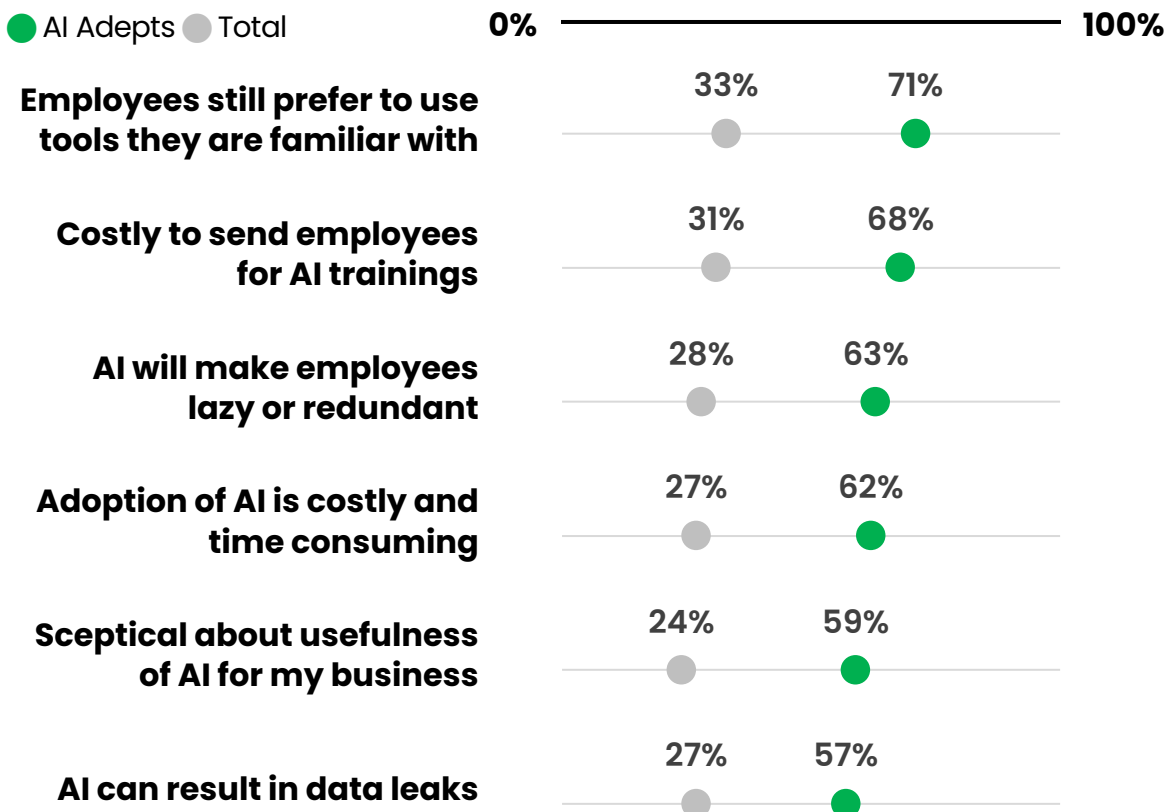
Positive perceptions towards AI (strongly agree)



Inertia to change and upfront costs are top concerns AI Adepts have when it comes to process implementation

Despite the long-term cost savings, AI Adepts continue to cite cost as one of the biggest factors to AI implementation. Inertia to change is also another barrier that they grapple with. Singapore sellers tend to face issues with change management, while Thai sellers are more worried about cost.

Negative perceptions towards AI (strongly agree)

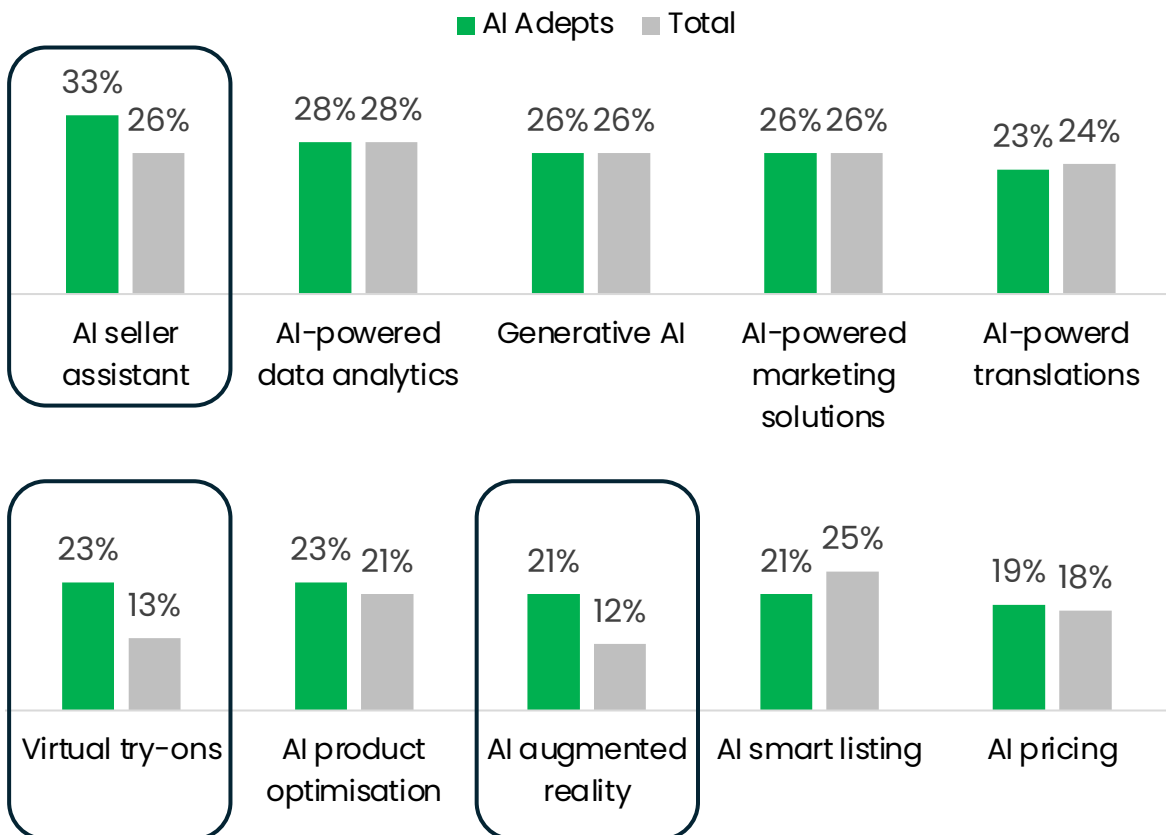


Virtual try-ons, augmented reality and seller assistants are top AI applications more commonly used by AI Adepts

Similar to other eCommerce sellers, AI seller assistant and AI-powered data analytics are most commonly used among AI Adepts. Apart from that, they are also more likely to embrace newer technologies, such as virtual try-ons and augmented reality.

Top AI eCommerce applications used

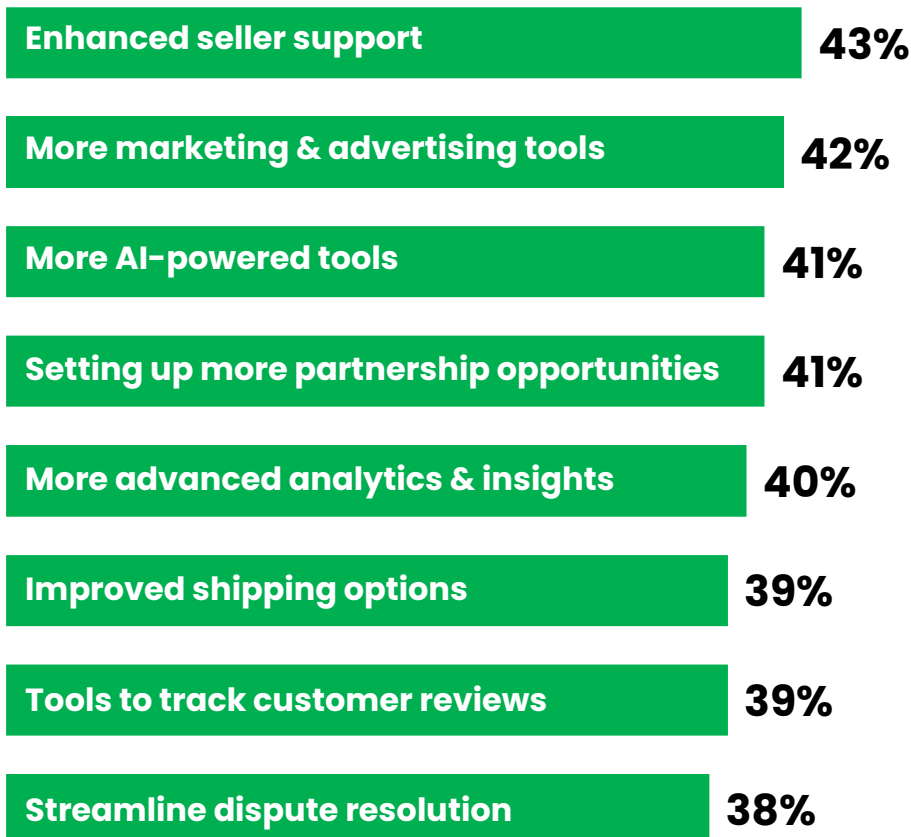
: Biggest gap versus Total



Apart from requesting additional resources and tools to support their business, AI Adepts also hope to see more partnership opportunities

Despite racing ahead of the curve when it comes to AI adoption, AI Adepts continue to expect more support in the journey, especially in the form of additional marketing or AI-powered tools. For AI Adepts, gaining access to the latest innovations will be beneficial in propelling them further along their AI journey.

Ways to improve sellers' experience



2.2

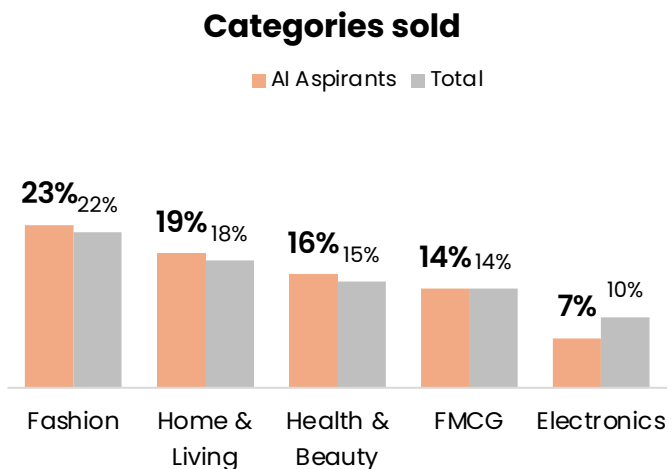
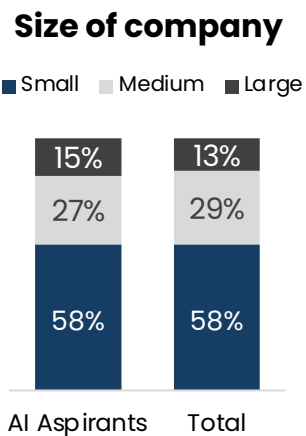
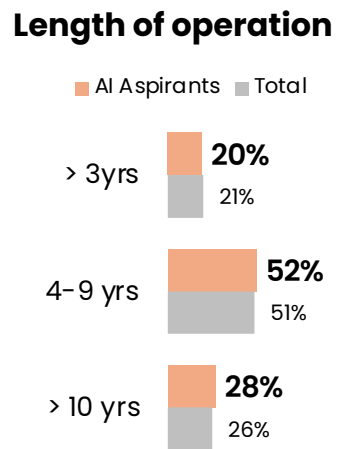
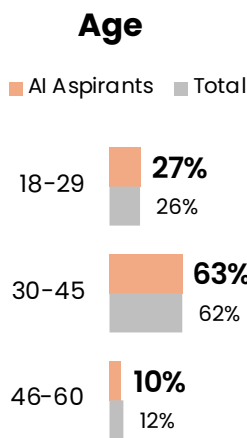
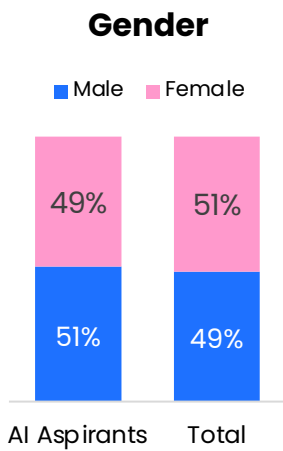
ARCHETYPES: AI ASPIRANTS

Enthusiasts striving for excellence and growth



AI Aspirants in Artificial Intelligence

Profile overview

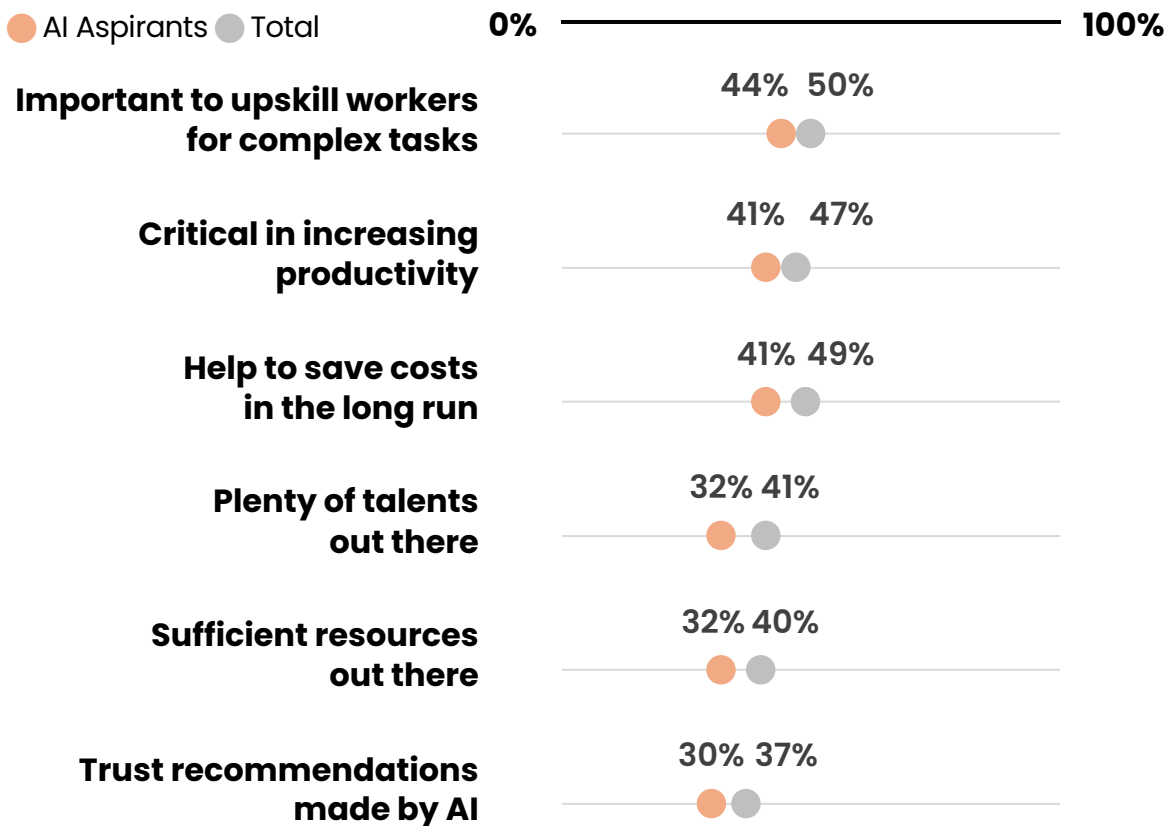


AI Aspirants believe that AI will help in managing complex tasks and drive productivity

AI Aspirants are investing in AI for productivity purposes, especially in handling complex tasks that may be more error-prone or time-consuming. Philippines is more likely to see cost as a driver, while Indonesia believes that there are sufficient resources to train workers on AI.



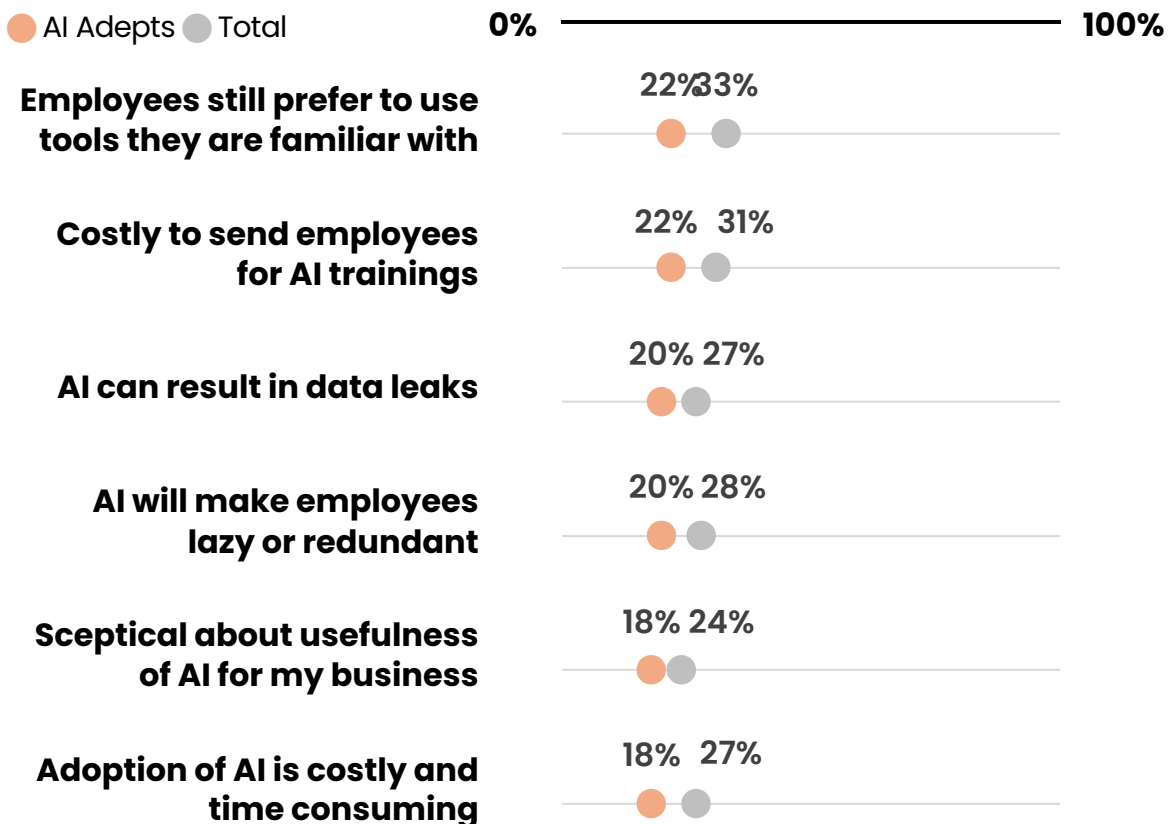
Positive perceptions towards AI (strongly agree)



AI Aspirants cite change management, training costs and fear of data leaks as key hurdles in AI implementation

Like AI Adepts, AI Aspirants ranked implementation barriers as the biggest drawback of AI. They are also worried about data leaks (which ranks 3rd among AI Aspirants versus 6th among AI Adepts), a concern more prevalent in Thailand.

Negative perceptions towards AI (strongly agree)



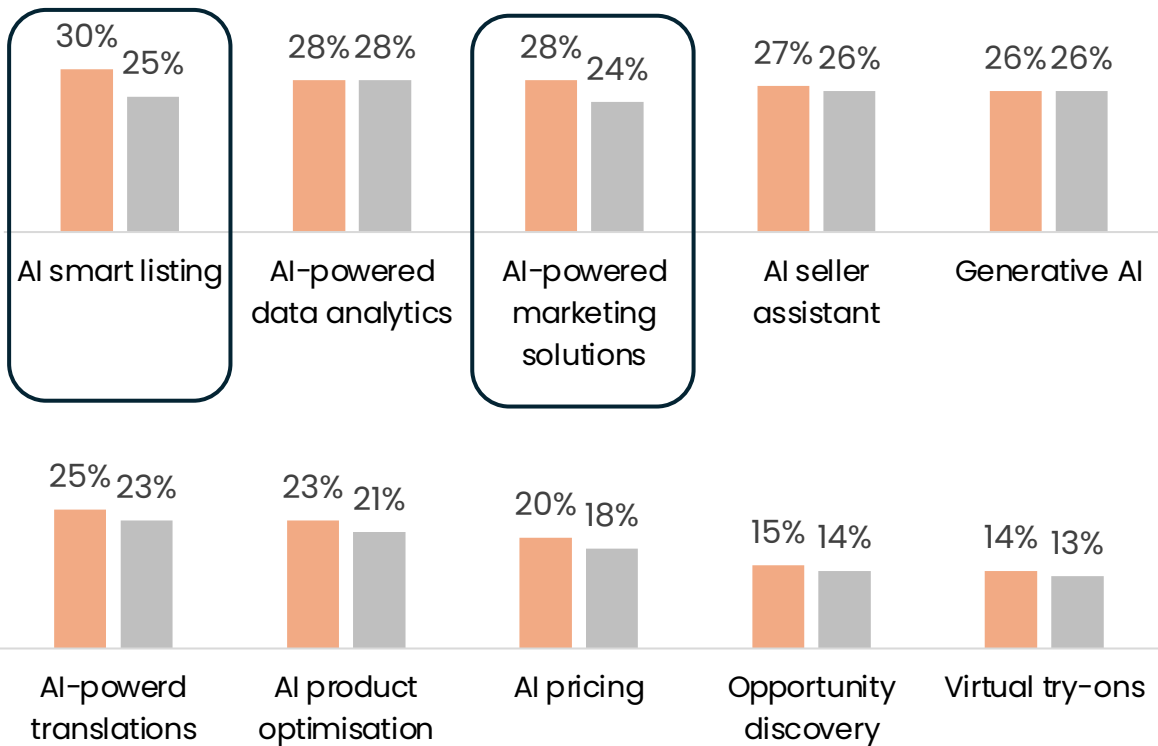
AI smart listing and AI marketing solutions are top AI applications more commonly used by AI Aspirants

AI Aspirants are more likely to use AI-powered marketing tools to pre-fill listings and identify ways to optimise their performance. Unlike AI Adepts, they prefer internal backend tools (unlike consumer facing ones) that leverage on existing data to improve their processes.

Top AI eCommerce applications used

: Biggest gap versus Total

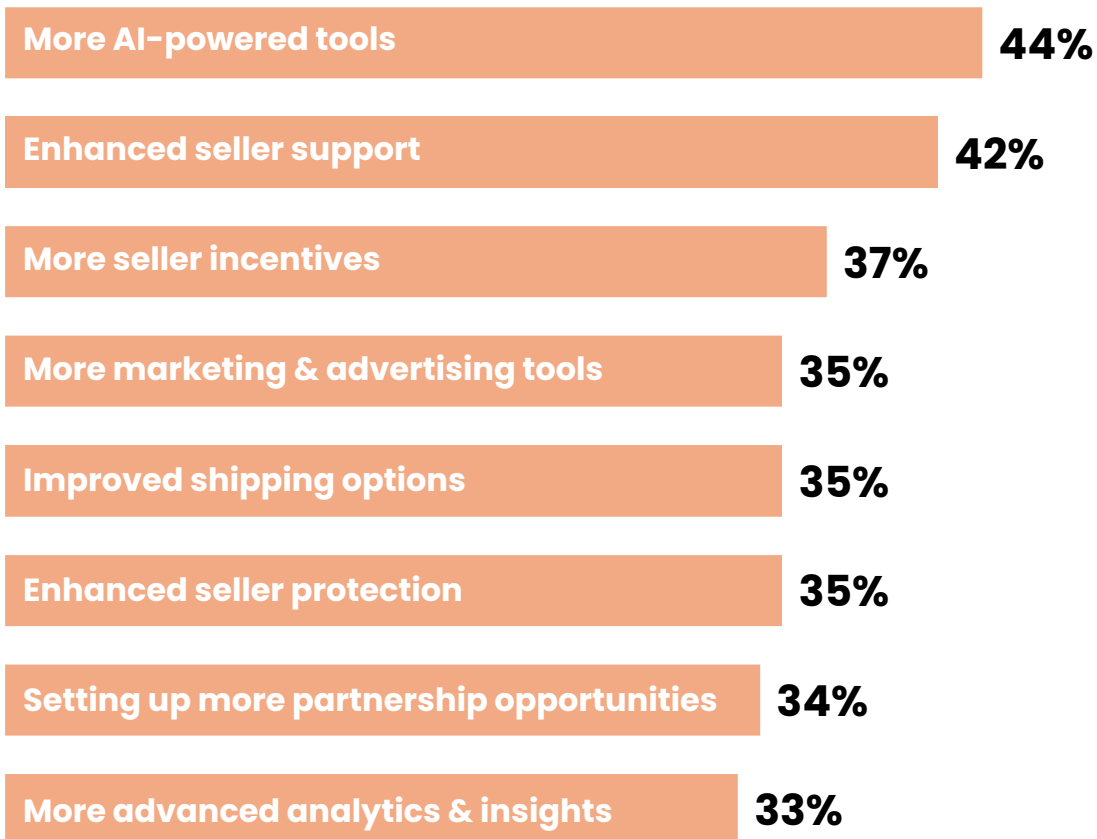
■ AI Aspirants ■ Total



AI Aspirants seek out additional resources and performance incentives to improve the seller experience

Wider access to AI resources and support, coupled with a strong incentive scheme to reward sellers are top suggestions that emerge in strengthening AI Aspirants' seller experience. An incentive scheme can potentially alleviate cost concerns and increase uptake of new AI tools to drive performance.

Ways to improve sellers' experience



2.3

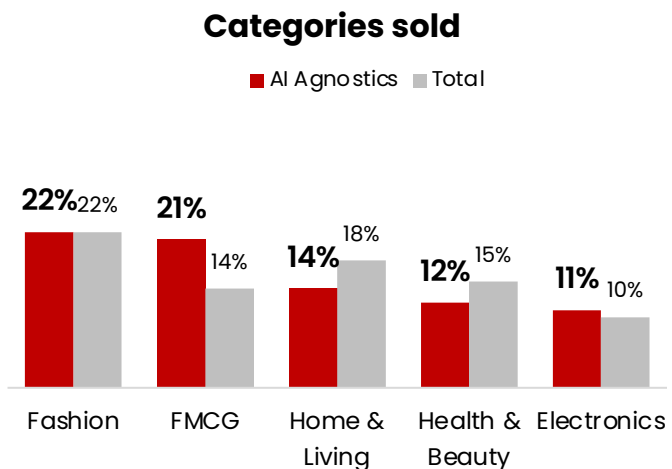
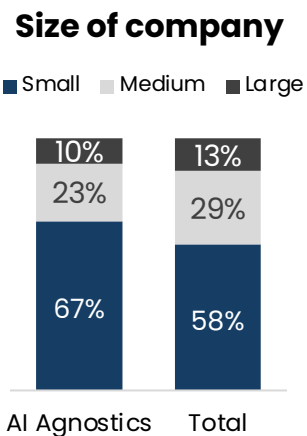
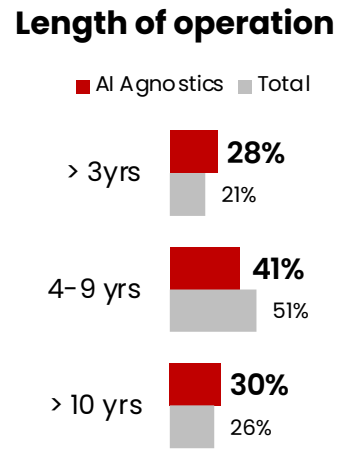
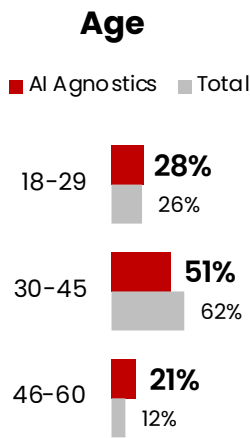
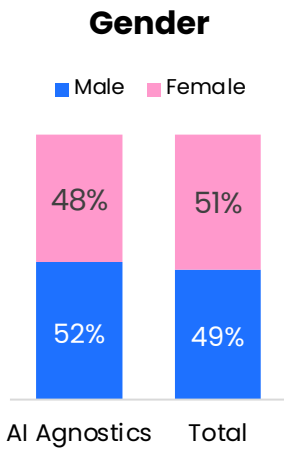
ARCHETYPES: AI AGNOSTICS

Explorers yet to unlock the potential of AI



AI Agnostics in Artificial Intelligence

Profile overview

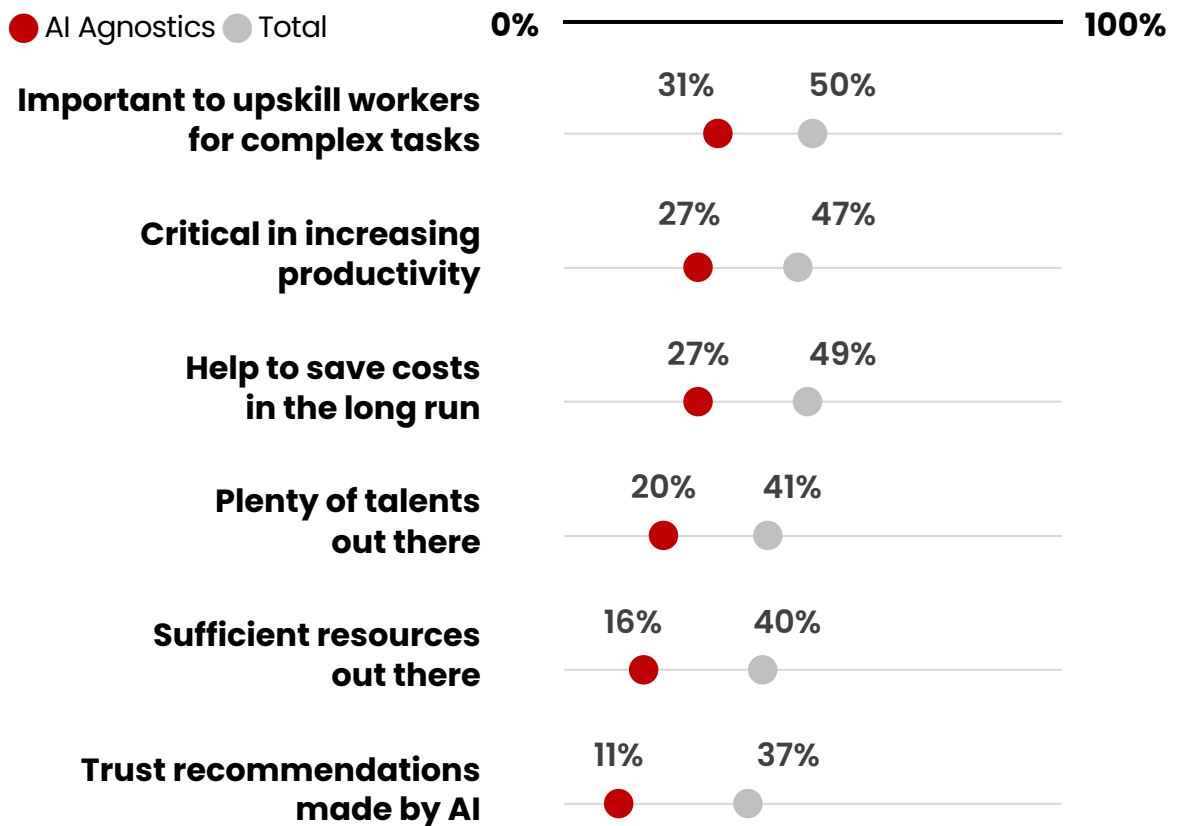


AI Agnostics adopt a more cautious approach to AI and require more time and experience to gain trust

AI Agnostics are the least enthusiastic about AI adoption. While 1 in 3 strongly agree about its ability to take on complex tasks, significantly few fully trust its recommendations. The lack of trust is likely the biggest drawback for this group of sellers.



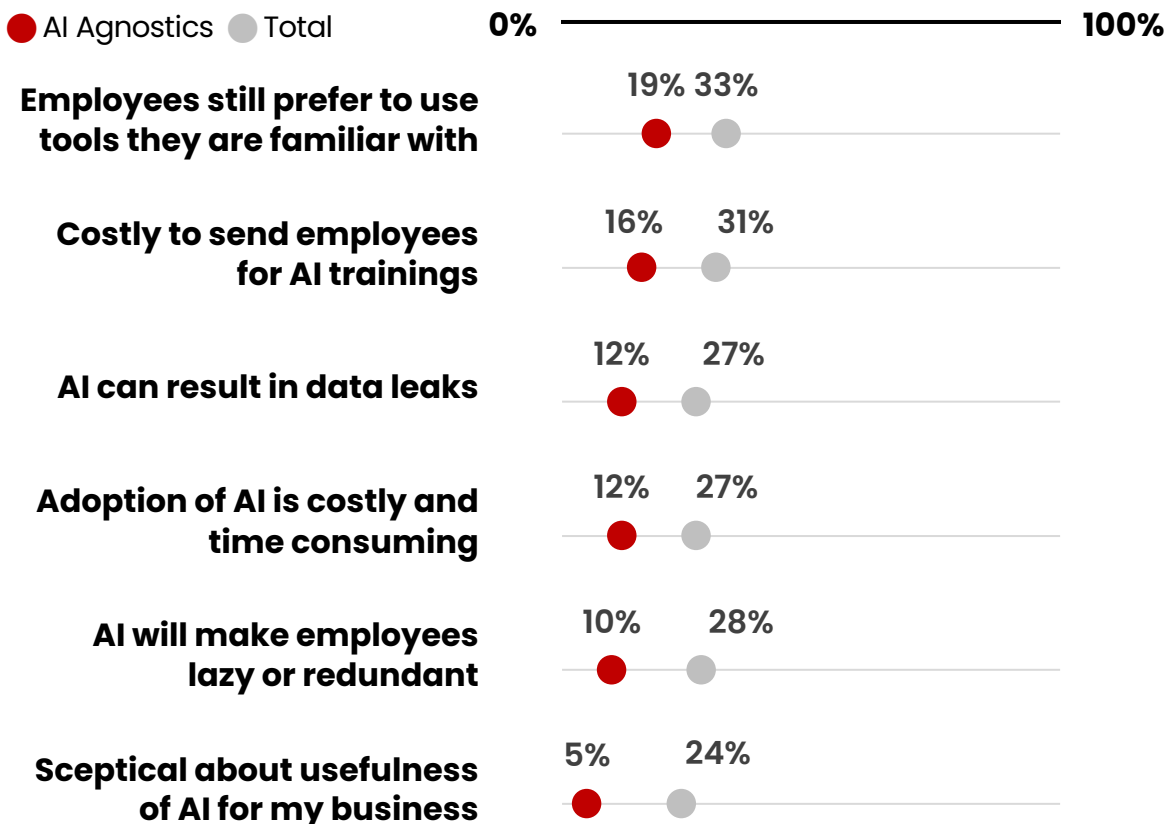
Positive perceptions towards AI (strongly agree)



Many carry a neutral stance towards AI, which underscores the need for a more gradual adoption curve

Stemming from their lack of trust and familiarity, AI Agnostics maintain a more neutral stance towards AI adoption (slightly agree, slightly disagree to the statements). AI Agnostics can consider taking a steady approach to AI, with support from platforms to ease implementation difficulties.

Negative perceptions towards AI (strongly agree)

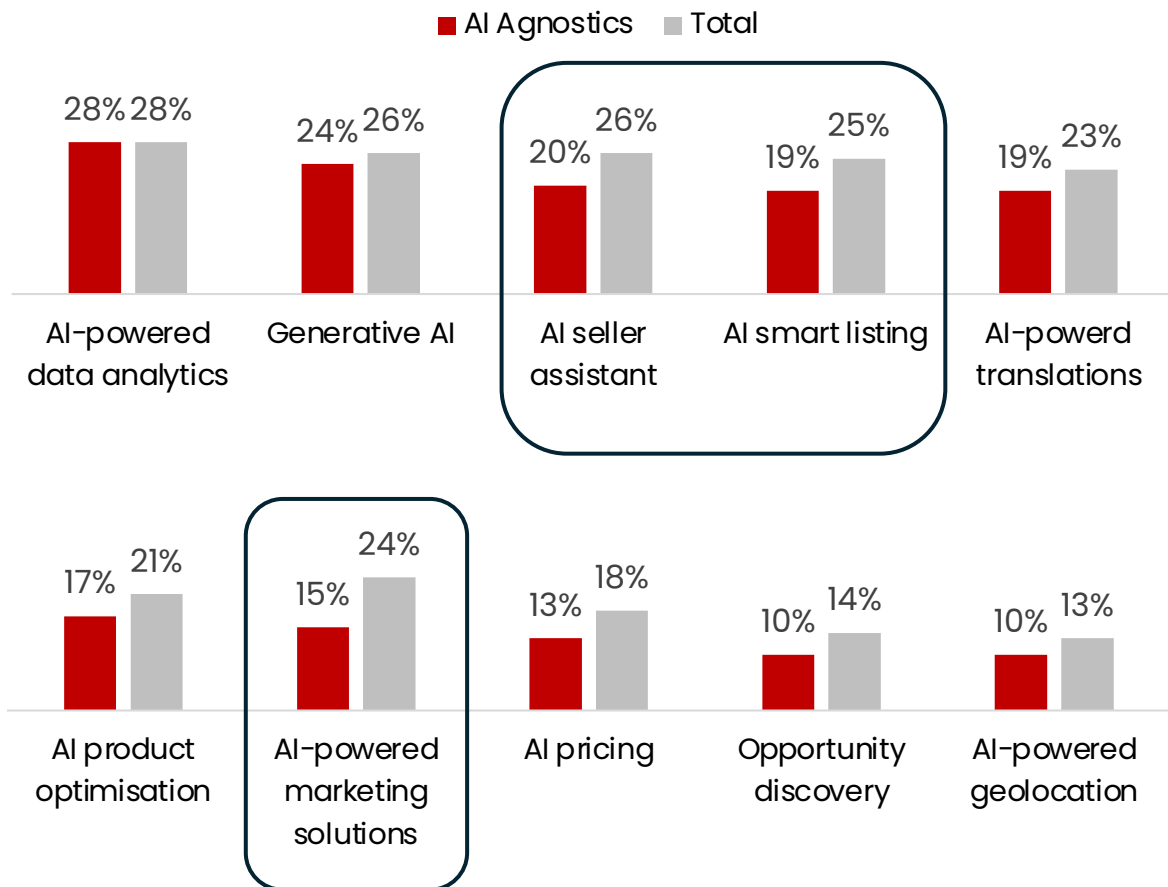


AI Agnostics have a lowest share of AI app usage, with tried-and-tested tools having the highest uptake

Unlike AI Aspirants, AI Agnostics are less likely to use backend marketing tools, and show stronger usage of tried-and-tested apps such as data analytics and generative AI. Backend marketing tools can be the next set of apps they can consider using, as they progress on their adoption journey.

Top AI eCommerce applications used

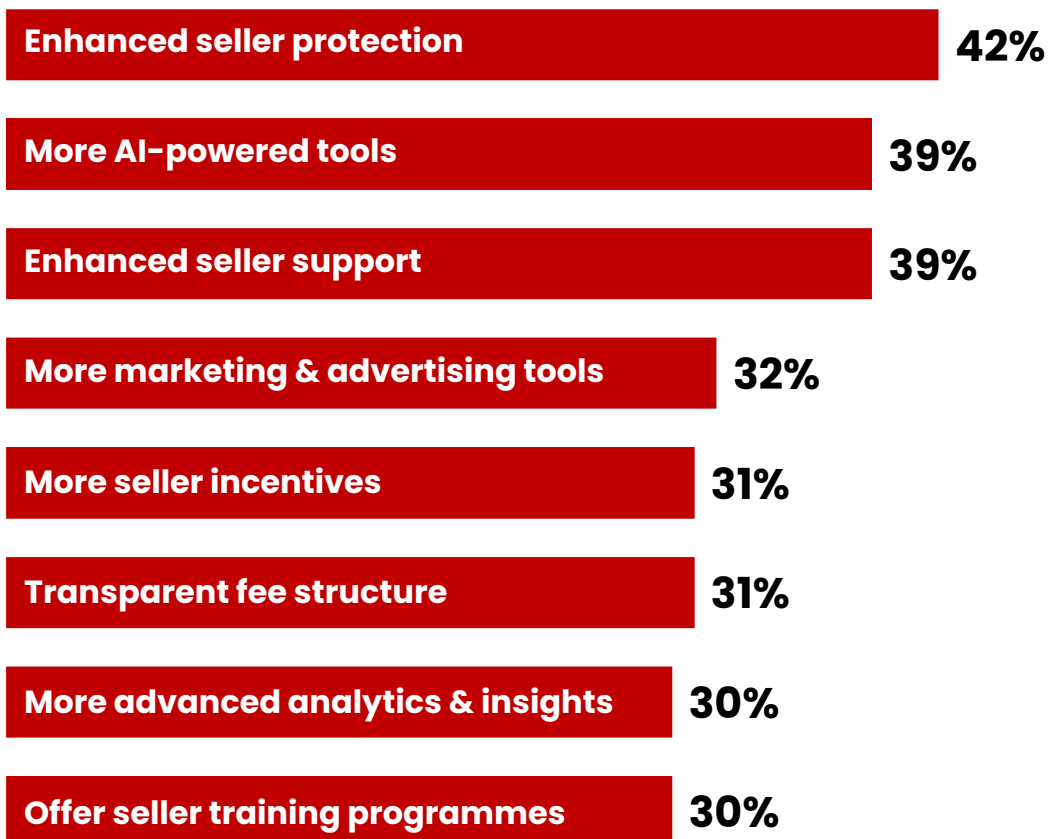
□: Biggest gap versus Total



Strengthening enhanced seller protection can serve to assure AI Agnostics in moving forward with AI adoption

As the more risk-averse and cautious archetype, AI Agnostics seek assurance in terms of seller protection to improve their selling experience. They also seek wider access to resources and support – a similar ask of AI Adepts and AI Aspirants.

Ways to improve sellers' experience



03

ADVANCING YOUR BUSINESS WITH AI

Discover Lazada's diverse set of AI-powered features and solutions, designed to empower sellers and help them take their business to the next level



AI tools are widely available today across eCommerce platforms

In Southeast Asia where agility is critical in a highly competitive environment, eCommerce platforms like Lazada have introduced a series of AI tools to support businesses in process optimisation.

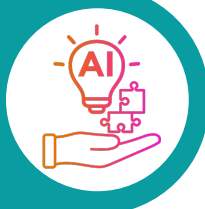
Seller Assistant

Intelligent chatbot that answers queries and support sellers in offering a better buyer experience



AI Marketing Solutions

Support sellers in increasing traffic and optimise performance via data insights



AI Data Analytics

Leverages advanced analytics to provide actionable insights and enhance decision making



Generative AI

Generate product descriptions with selling points that will resonate with seller's target audience



AI Smart Listings

Intelligent solution to automatically generate and pre-fill product attributes



AI Augmented Reality

Leveraging on AI and AR technology to create immersive digital experiences



AI Product Optimisation

Improvement in marketing strategies through analysis of buyer behaviour and sales



AI Dynamic Pricing

Automatically adjust prices based on demand, buyer behaviour, market conditions



AI Geolocation

Leverage AI and real-time data to optimise navigation, reduce travel time, and enhance logistics efficiency



Fundamentals to get started

Setting up shop on Lazada is easy, thanks to AI-powered features that make listing and product management easy. Here are some features new and existing users can take advantage of when building their business:

	AI Smart Listing	Lazada Business Advisor	Lazzie Seller
When to use?	When listing products	When setting up shop	When unsure of next steps
What is it?	Go to market faster with AI Smart Listing , which automates product listing by generating and pre-filling attributes based on images or keywords.	Upon setting up shop, utilise Lazada Business Advisor – an AI-powered analytics portal that provides a comprehensive view of store performance.	Never feel lost with Lazzie Seller , a dedicated, intelligent chatbot for sellers within the Alibaba Seller Centre (ASC).
How can it help?	<ul style="list-style-type: none"> Easily generates compelling titles and detailed product descriptions. Enhances product images with background changes, model adjustments, and try-on visuals. 	<ul style="list-style-type: none"> Offers insights into key business metrics, SKU-level data such as conversion rates and page views, and updates on customer interests. Sellers can make data-driven decisions to optimise their strategies and improve sales. 	<ul style="list-style-type: none"> Enhances the seller experience by providing operational FAQs, quick navigation to key features. Provide store risk assessments, and business advice for efficiency and success.



A Snapshot at a Glance

AI-Generated Selling Points produces easy-to-read summaries derived from key product information, which accelerates decision-making for consumers – resulting in faster, more efficient sales

Optimising for success

There are many ways to improve store efficiency with AI on Lazada. Whether it's customer management or lead generation, these features can help sellers enrich their store experience:

	Lazada IM Shop Assistant (LISA)	AI Smart Product Optimisation	Lazada Sponsored Solutions
When to use?	When managing customer queries	When listing products	When increasing traffic or driving sales lead
What is it?	AI-powered chatbot that can be deployed to enhance customer engagement and streamline communication.	Enhance existing product listings with Lazada's AI Smart Product Optimisation.	A comprehensive suite of AI-powered advertising tools that optimises store performance through personalised data-driven insights.
How can it help?	<ul style="list-style-type: none"> • Customise greetings and FAQs, able to recognise keywords and respond even when the store is closed. • Leverages an AI-driven knowledge base to understand customer intent. • Smart Answer feature automatically responds to customer queries using product details. 	<ul style="list-style-type: none"> • Help sellers identify improvements they can make to their product titles, descriptions, or even photos. • Similar to AI Smart Listing, sellers can easily refine their product visuals and content within minutes to attract more customers and boost conversions. 	<ul style="list-style-type: none"> • Sellers can precisely and effectively target and convert high-intent shoppers into buyers. Combining shopper analytics with on- and off-platform ad solutions, sellers can maximise their exposure and enhance their marketing effectiveness.



Sell in Any Language

Lazada's platform can **easily translate any product content into local languages**, ensuring that consumers always have access to product information fast and accurately

Game-changing experiences

After mastering the basics of selling on Lazada, sellers can advance their offerings with even more exciting innovations in AI and AR. Learn more about these cutting-edge features that deliver engaging experiences:

	Virtual Try-On	AI-Powered Skin Test	Geolocation & Route Planning
When to use?	When shoppers are browsing products	When shoppers are browsing products	When fulfilling deliveries
What is it?	Let users virtually try on beauty products in real-time with ultra-personalised, true-to-life results.	Fuses AI with AR to analyse users' skin conditions and provide personalised product recommendations	Leverages AI-powered technology to optimise logistics and delivery efficiency
How can it help?	<ul style="list-style-type: none"> Interactive feature that helps shoppers visualise how products will look on them before making a purchase, enhancing buying confidence and reducing hesitation. 	<ul style="list-style-type: none"> By leveraging advanced skin diagnosis technology, this tool helps shoppers receive tailored suggestions based on their unique skincare needs. 	<ul style="list-style-type: none"> Utilising geolocation, AI is able to track orders in real-time, as well as dynamically plan and calculate vehicle routes to ensure the most efficient deliveries. Reduces transit time, minimises costs, and enhances overall delivery reliability, ensuring a seamless experience for both sellers and customers.

Courses for Lazada sellers

The following resources have been prepared exclusively for Lazada sellers on our platform, Lazada University, to effectively leverage some of our built-in AI-powered tools and features, including AI Smart Listing and Lazada Business Advisor.

	AI Smart Listing Feature	Introduction to Lazada Business Advisor	Analysing Traffic Data
Indonesia	Link	Link	Link
Malaysia	Link	Link	Link
Philippines	Link	Link	Link
Singapore	Link	Link	Link
Thailand	Link	Link	Link
Vietnam	Link	Link	Link

	Product Performance Tracking	Sponsored Services	Promotion Performance Analysis
Indonesia	Link	Link	Link
Malaysia	Link	Link	Link
Philippines	Link	Link	Link
Singapore	Link	Link	Link
Thailand	Link	Link	Link
Vietnam	Link	Link	Link

Courses for Lazada sellers

The following resources have been prepared exclusively for Lazada sellers on our platform, Lazada University, to effectively leverage some of our built-in AI-powered tools and features, including AI Smart Listing and Lazada Business Advisor.

	Understanding Your Customers	Chat Performance Tracking	Product/Category Ranking and Opportunity
Indonesia	Link	Link	Link
Malaysia	Link	Link	Link
Philippines	Link	Link	Link
Singapore	Link	Link	Link
Thailand	Link	Link	Link
Vietnam	Link	Link	Link

Start selling with Lazada

Not a Lazada seller yet? Join us today and grow confidently with our dedicated support:

Robust support programs and dedicated tools

- **For Sellers:** Easy sign-up process, incubation support, competitive commission rates and training with Lazada University
- **For Brands:** Dedicated in-app channel, higher visibility on search rankings and LazMall-exclusive campaigns

Advanced logistics management

- Discover **Southeast Asia's one-stop eCommerce logistics solution** with our extensive in-house infrastructure
- Take care of your fulfillment, cross-border and last-mile delivery needs with **fast, accurate and cost-efficient solutions**

Increase traffic & sales with Lazada Sponsored Solutions

- Explore a **full suite of paid on-platform and off-platform solutions** for brands and sellers to increase traffic and sales and optimize performance via data insights.

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