



LAZ LIVE

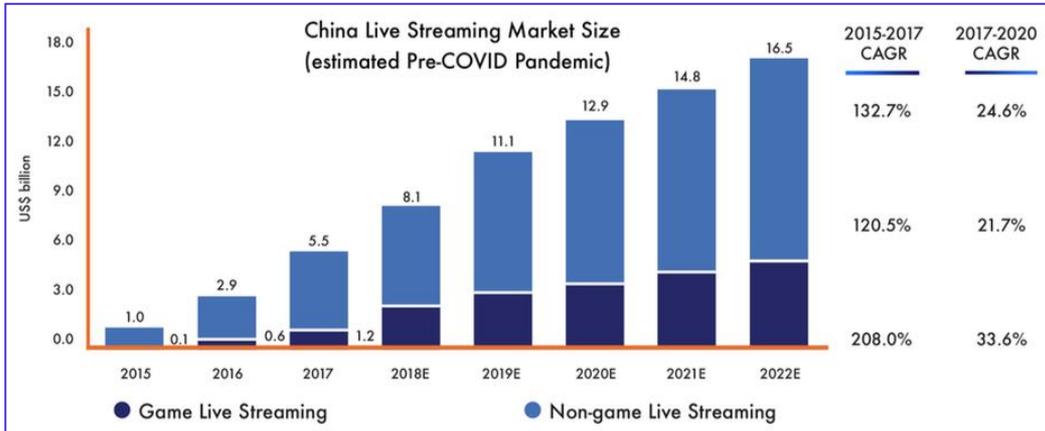
Retail New Normal

# Situation Analysis

New normal, the great opportunity to grow Lazada through LazLive

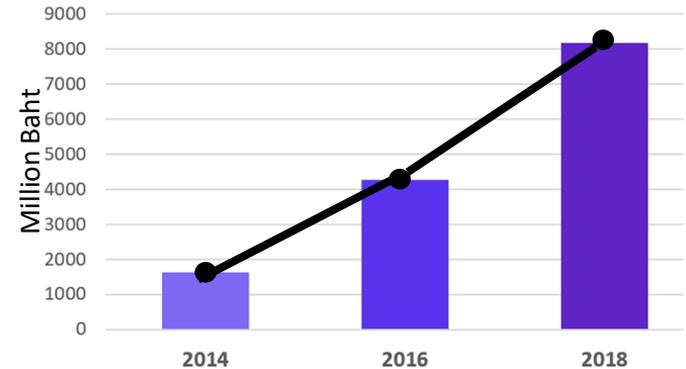


## China Live Streaming Market Size



In China, Live Streaming has been a key potential and significant success strategy in expanding e-commerce market for many years.

## Lazada Thailand revenue



### During New Normal Period

85% of digital consumers in SEA have been involved with new digital applications

## Key Implication

To achieve a leap growth in Lazada, Lazlive must play a significant role especially during new normal.

Analysis

Instilled Mindset

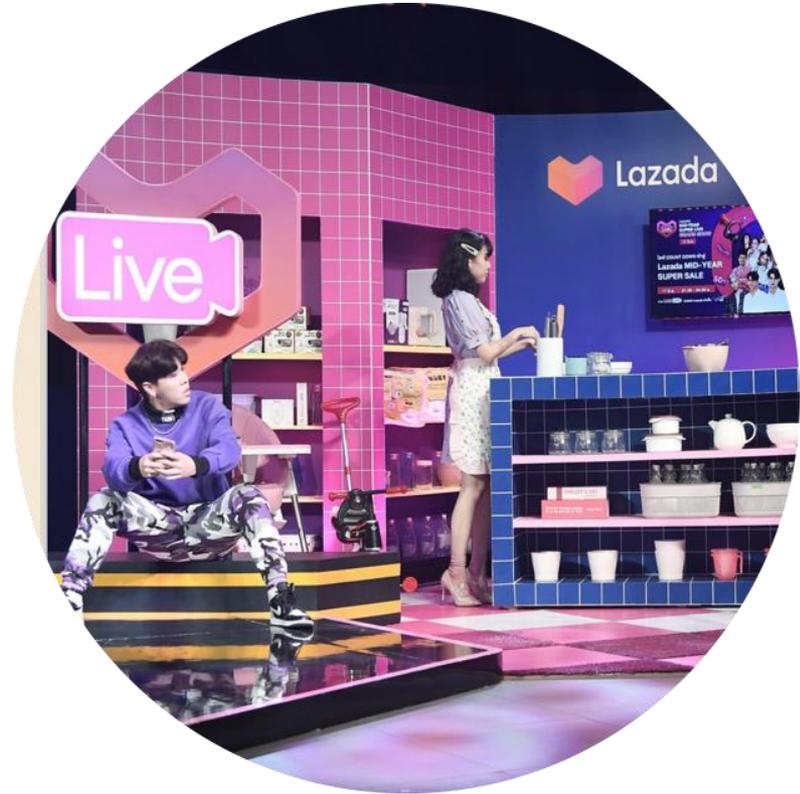
Faithful Marketplace

Laz's Supporter

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# Key Question

How to catch new normal trend as an opportunity to exponentially expand lazLive in Thailand ?





# Company Analysis

Using SWOT to explore problem through weakness



S

- Good backend system
- Variety of product
- Lower delivery price
- interaction Lazlive
- Payment system

W

- Low trust worthiness from customers
- Lazlive not widespread
- Low support for streamer (KOLs)
- Low engagement

O

- Covid-19
- Growing livestreaming market
- new normal (more online shopping )

T

- Easy to copy model by competitors

## Key Implication

Catch opportunities and fix company weakness

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# Key Issue



To success like China, there are three main issue hindering LazLive

## Key Issue

### Lack of Awareness and motivation

Although Lazada is famous among millenials, the majority of them misconcept or are not aware of "LazLive".

Being KOL and selling through live streaming are still not considered as a good decision.



**Lazada have to raise awareness of LazLive and trigger motivation of beingKOL and sellers.**

### Low trust

Low trust from customer to shop in live streaming since some of them used to receive products which had lower quality than expectation



**lazada need to focus on building trust among sellers and KOLs**

### Unconvincing and irrelevant content

several streamers (KOL, sellers) could not make lazlive's content more interesting even they have several stuff to sell, resulting in low viewers and low conversion rate



**Lazada should have content creating assistant**

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## Objective

Exponentially expand LazLive in Thailand new normal

## Key Issues

Lack of awareness

Low trust

Unconvincing and irrelevant content

## Recommendations

### INSTILLED MINDSET

Raise key awareness and Trigger key motivation on all customer, KOL and seller

### FAITHFUL MARKETPLACE

Build trust among customers

### Laz's Supporter

Supporting system for streamers

## Impact

27.96 %  
Revenue  
CAGR

Capture more than  
8 million viewers  
and increase  
conversion rate

**1**



**Instilled  
Mindset**

To be a sustainable success “LazLive”, we need to fulfill the key gap in every component throughout the ecosystem



## CUSTOMER

Lack of awareness of “Lazlive”  
Misconception of “Lazlive”



## Seller

Lack of motivation in uplifting  
profit through “Lazlive”



## KOL

Lack of motivation in joining  
LazTalent to be new talented  
KOL



## KEY POINT

we need to find



## Key Awareness

we need to deliver **key awarenesses**  
and instill them in customers’ mindset

## Key Motivation

we have to trigger **key motivation**  
on KOL and seller directly to the  
point

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**70%** online shopping are **Millennials** and **gen Z**

## MILLENNIALS' INSIGHT



**80 %** of millennials trust recommended by influencers who they trust  
Millennials place engagement as the key value



**62%** agree that brand engagement on social networks enhances customer loyalty



**41%** of millennials consume more online streaming during new normal

## GEN Z' INSIGHT



**75 %** of gen Z want their hobby to be full-time jobs



**52%** of gen Z want to be youtuber, vlogger, and blogger

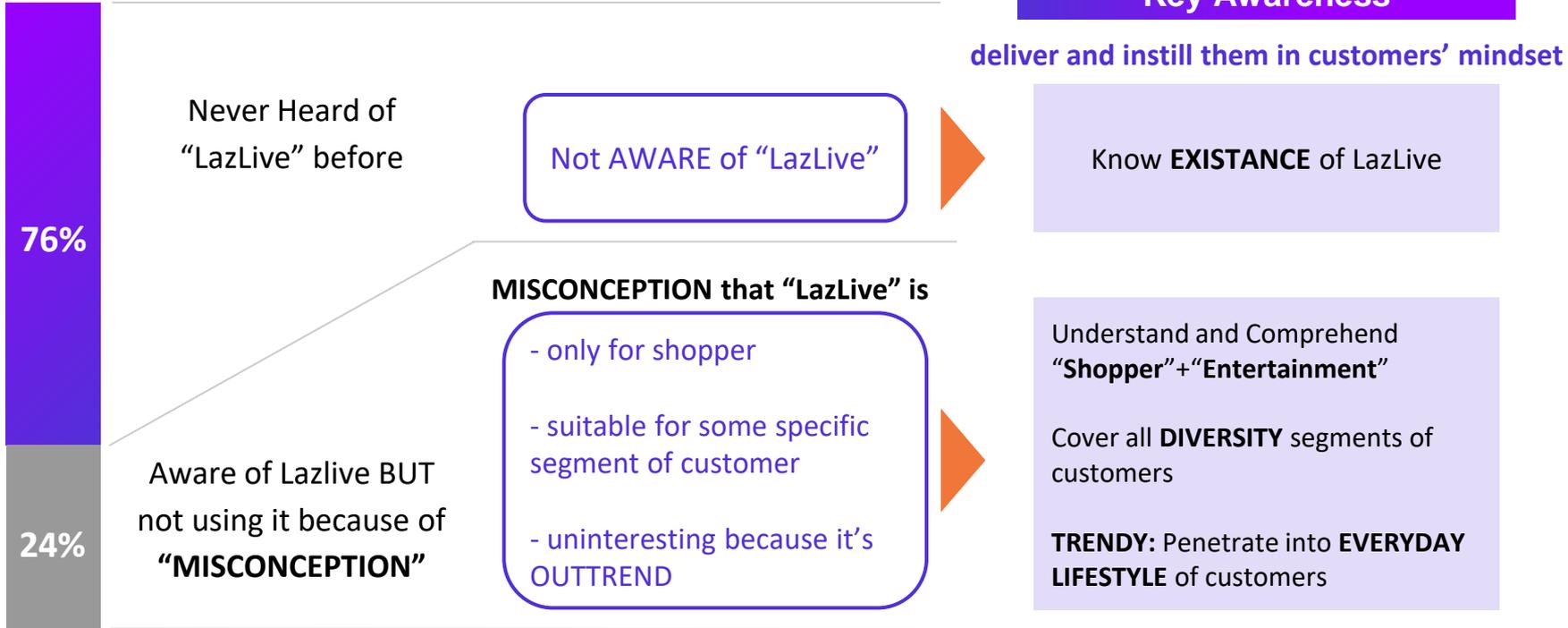


**38%** of gen Z consume more online streaming during new normal

## Key Implication

Millennials and genZ customers, a highly potential segment is going to be a key significant factor in success Lazlive

# why Millennials & Gen Z do not watch LazLive



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# KOL analysis

## Gen Z & MILLENNIALS' INSIGHT



75 % of gen Z want their hobby to be full-time jobs



> 50% of them dream of being social influencers

What are the keys that make them want to be?

Lazlive's KOL (current reality)

35% **Passion**

▶ have full-time job to do: not enough time to fulfill passion

12% **Fame**

▶ not gaining more popularity since it's outtrend

10% **Career**

▶ only part-time: gain insufficient income (can't be a main career)



# SELLER analysis



## 3 revenue stream through Lazada

	WASTE	Expected Increase In Revenue	Real Increase In Revenue
General way	-	-	-
Live on their own	TIME	\$\$\$	\$
Hire KOL to livestream	MONEY	\$\$\$\$	\$

(only few get as expected) (most cases)

**UNWORTHY**

## Key Motivation

High-paid **career** fulfilling your **passion** while making you **influential**

**WORTHINESS**  
apparent revenue growth compared to wasted time and money

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# Raise KEY AWARENESS + Trigger KEY MOTIVATION



Through 3 potential ways

## CRUCIAL INSIGHT



**80 %** of millennials **trust** recommended by **influencers** who they trust  
Millennials **follow** their trusted **influencers** in different channels



About **80%** of millennials **have Lazada app** but only 20% know LazLive  
Most of shoppers **searching** for product before purchase **in Lazada app**



**75 %** of gen Z want their **hobby to be** full-time **jobs**  
**78 %** prefer **different channels** depending on context

## 3 POTENTIAL WAYS



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## Influencer Live Channel

Penetrate LazLive

Incubating Programme

### Influencers' Characteristics

that can effectively create an impacted turnover



start gaining attention in **2 lucrative categories**

#### 1. FASHION/COSMETIC

- Main segment of Thais online shopping products -> 77.7%
- In China: these two are the Fastest growing category.



#### 2. GAMING

- 72% of live hours watched is on Gaming (Main existing segment accessible to livestreaming)

### Requisite Action of influencers

hire influencers to take action as follows:

- register **their own channel in LazLive** (not just joining special events hosted by lazada)
- advertise their LazLive channels in other digital platforms
- a content in each influencer's livestreaming has to be **trendy** and response both "Shopper" and "entertainment" and also **vary in their speciality-category**
- more content about **career as a "LazLive's KOL"** and **successful sellers** (holding to previous **key motivations**)

#### KEY ADVANTAGE

- ✓ To create customers engagement and awareness
- ✓ Perception of shoppertainment
- ✓ trendy image

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# PENETRATE LAZLIVE THROUGHOUT CUSTOMERS' JOURNEY



Influencer Live Channel

Penetrate LazLive

Incubating Programme

Throughout their experience in Lazada, we aimed to trigger customer in exact spot and increase system's traffic by developing **User Interface and User Experience** of our platform through 2 parts

## Embed/ Pop-up Live

When searching for specific category, the **related live will be embedded** in the interface

The popular related live with thousands of viewers will be popped up to **trigger their curiosity** and their **fear of losing special deals to others**

## KEY ADVANTAGE

- ✓ Higher Click Through Rate (CTR)
- ✓ Awareness of 'LazLive' connecting with all segments' need

## Display main categories

When getting in "LazLive" Main menu, display them all main categories to clarify our **position as a platform accessible to all segments**



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# Incubating Programme

Incubate KOL and seller via 2 sessions



Influencer Live Channel

Penetrate LazLive

Incubating Programme

## Roundtable



### Participation Portion:

- 2 of success KOL
- 2 of success sellers
- 6 of LazTalent participants
- 6 of sellers (not using tools)

*“Create more interaction between KOL and sellers”*

### Hire successful tool-using sellers to

- emphasize **“Worthiness”** of tools (apparent revenue growth)
- share **from bad starting experience to accomplished one** (To encourage others)
- exchange **selling tips** and **key pain point** of customers

### Hire successful KOL to

- share experience and **key benefits of this career**
- exchange **tips of using your passion to grab attention and being KOL as a main career**

## LazTalent

We intend to make LazTalent, which is initially exceptional programme for encouraging and upskilling KOLs **more well-known and interesting** by broadcasting LazTalent as a reality show through TV **broadcasting and other digital online media** in order to attract and recruit new presenters/KOLs .

CHANNEL for LazTalent:



## KEY ADVANTAGE

- ✓ Build sellers' mindset to adopt tools and use in efficient way
- ✓ Attract more people interested in LazTalent programs

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FAITHFUL MARKETPLACE





## WHY CUSTOMERS DO NOT BUY PRODUCTS IN LazLive

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Sellers are not trustworthy enough

buyers do not trust products' quality and the shop  
(used to have bad experience on low quality product)

buyers want additive information to compare with  
other stores



Key implication

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Lazada should  
build trust  
among  
consumers

# Build Trust among customer

Through 2 ways



## KEY INSIGHT



**88%** of consumer **trust online reviews** as much as personal recommendations



customers are likely to **spend 31% more** on a business with **excellent reviews**

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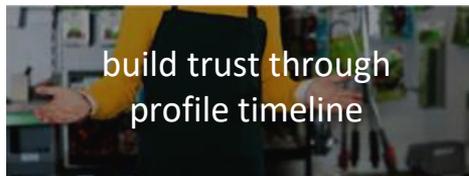
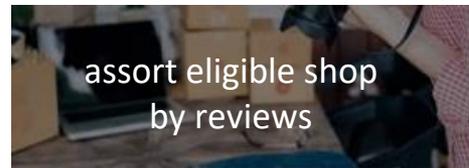


**92%** of users **will use a local business** if it has at **least a 4-star rating**



**one star increase** lead to a **5-9% increase** in a business **revenue**

## TO CAPTURE THEM BY



**Faithful  
Market  
Place**

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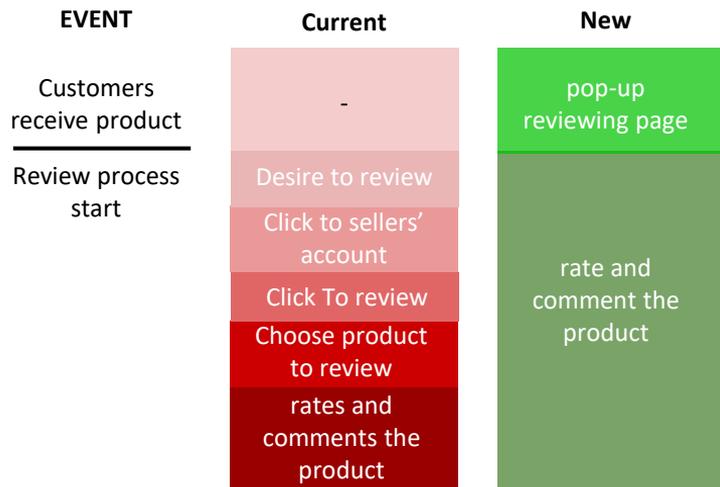
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# Assort eligible shop by reviewing system



## New reviewing system: more engagement and more accurate result

customer journey when reviewing product



## Assort eligible shop by reviews

Build trust through profile timeline

### New reviewing system lead to more reviews by

- Facilitate customers to review product
- More customers engagement
- More accurate in choosing and click to review process
- More reviews to assure product quality

### More trustful market place

More quantity and quality of reviews will make the **reviewing system reliable** which bring about to high score sellers more **credible and trustful**

#### — Seller regulation —

Considering from complaints and reviewing system, which sellers performed **below-standard** will **automatically be suspended**

### KEY ADVANTAGE

- ✓ Customers are more likely to buy products
- ✓ Sellers gain more revenue and felt like keeping up the standard to remain their qualities

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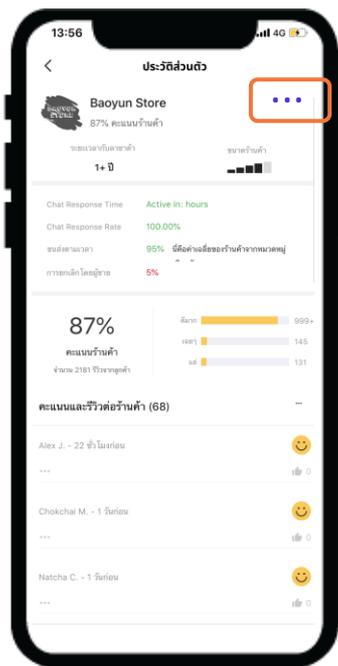
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# Build trust through profile timeline

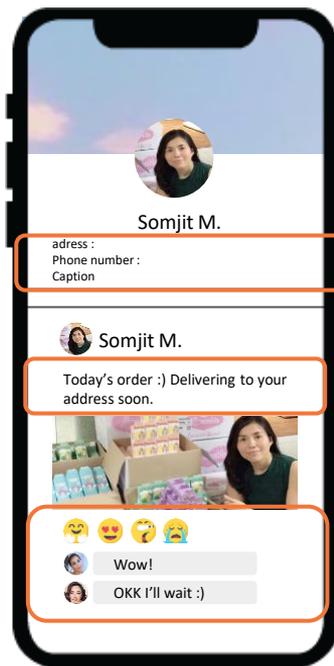


Assort eligible shop by reviews

Build trust through profile timeline



Click here to see additive profile



Fill necessary information

Sellers :Post caption about your daily life

Customers: React and comment to sellers

Add more **profile feature** to explore more about sellers and KOL

buyers can **comment or react** on each post: sellers, buyers and KOLs become closer

**show their lifestyle** and post any caption on their profile

## KEY ADVANTAGE

- ✓ build more trust through connectivity and similarity between buyers' interest and KOLs&sellers' lifestyle
- ✓ more interaction and engagement

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LAZ's  
SUPPORTER



## WHY Trustworthy streaming with famous KOL have LOW CONVERSION RATE

Some live streamings product and content not related

Content of live is not trendy, interesting and diverse enough

Not enough interaction and engagement to light up the atmosphere

## THINGS LAZADA SHOULD IMPROVE

**G** | Guideline streaming strategies

**F** | Fresh content and marketing tips

**R** | Recommending tools to increase engagement and appeal customers to buy

## Key Implication

LazLive should have support systems for streamers

## KEY INSIGHT

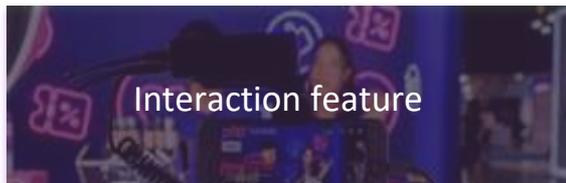


**Most of streamers** are part-time KOLs or sellers which **don't have** sufficient **time** and any **team** to **create** interested **content** for daily live streaming



When business **interacts** with its customers, it helps **increase conversion** **by 3 to 5 times** better than static commerce

## TO SUPPORT THEM BY



**LAZ'S  
SUPPORTER**

## Content support assistant

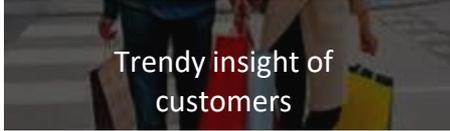
## Interaction Feature

We will use **big data** to catch trendy event and **provide the highlight content** to each livestreamer so that they could come up with **up-to-date and interesting content**

Data we provide:



Social trend that may impact product



Trendy insight of customers



Segmentation of this category



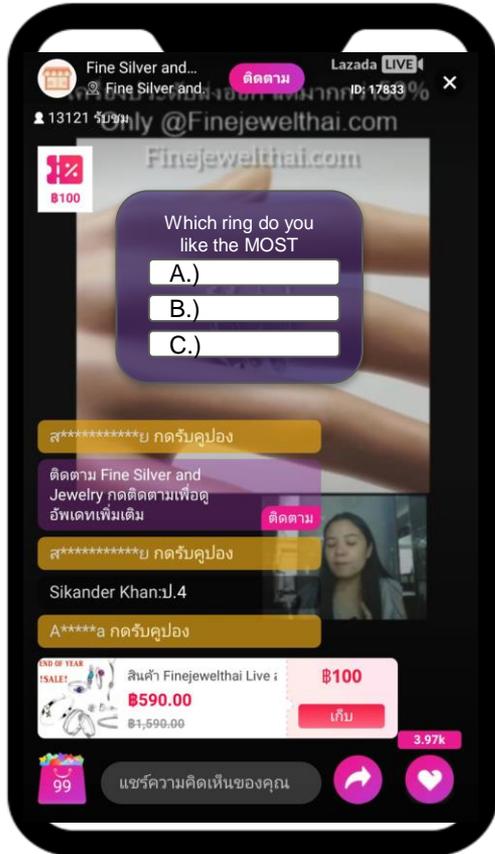
Tips to attract customers

In the long run, Lazada should establish new department for grooming and assisting potential KOL about content and connection with each brand and campaign

KEY ADVANTAGE

- ✓ Give beneficial information for streaming
- ✓ Reduce time to prepare live of streamers
- ✓ Sustainably build KOL as a career
- ✓ Catch more customer via trendy content





Content support assistant

Interaction Feature

The **interaction feature** allow streamers to have **more interaction** with customers and bring **more participate** from them

### Strategy

Promote streamers to have more interaction with viewers

Using interaction feature to create viewers' participation

Take interaction between streamers and customers to conversion

### Example interaction features :

Poll ,Auction mode ,Emotional sticker and etc.

### KEY ADVANTAGE

- ✓ Light up the atmosphere of live streaming (Streamers want to stream, Customers want to come back)
- ✓ Higher engagement lead to higher conversion rate



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# Answering all key questions



	SELLER		CUSTOMER	KOL		LazLive
	mindset to adopt tool efficiently	uplift conversion rate	mindset to purchase during livestreaming	new presenters join LazTalent	groom them to become Austin Jiaqi Li	successfully grow LazLive like China
<b>Strategy1: Instilled Mindset</b>						
Influencer Live Channel						
Penetrate 'LazLive' along Journey						
Incubating programme (Roundtable, LazTalent)						
<b>Strategy2: Faithful Marketplace</b>						
Assort eligible shop by review						
Build trust through profile timeline						
<b>Strategy3: LAZ's Supporter</b>						
Content support assistant						
Feature Interaction						

Analysis

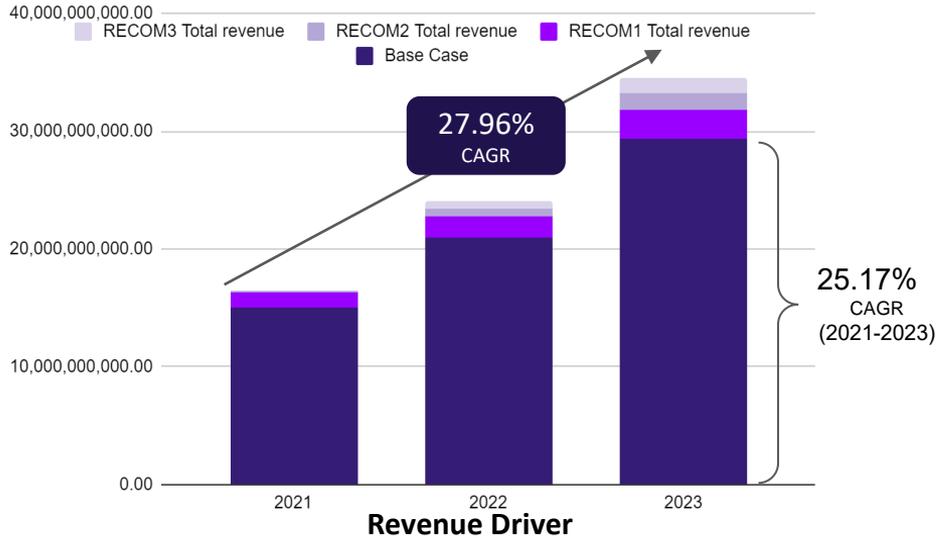
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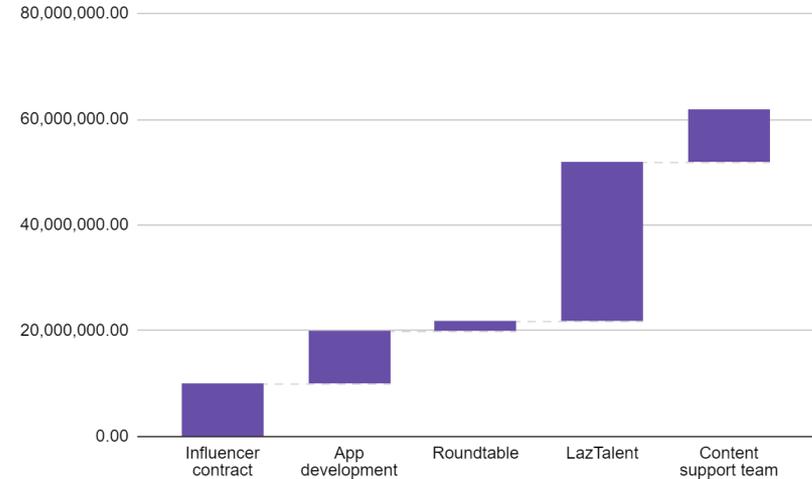
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## Revenue Forecast



## Cost Breakdown



**Total cost of Implementation : 62 M**

Reach 8 M LazLive viewers focus on gen Y and gen Z

Increase conversion rate by build trustful marketplace and great streaming experience

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# Implementation Timeline Plan



FIRST year				SECOND year				THIRD year			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

## Strategy1: Instilled Mindset

- Influencer Live Channel
- Penetrate 'LazLive' along Journey
- Incubating programme

## Strategy2: Faithful Marketplace

- Assort eligible shop by review
- Build trust through profile timeline

## Strategy3: LAZ's Supporter

- Content support assistant
- Feature Interaction





# Risk and Mitigation



## RISK

## ABILITY TO MITIGATE

## MITIGATION ACTION

### Strategy1

Influencers are not able to present key point to raise awareness and motivation



In the first phase, Lazada should establish special team for assisting these influencers (create all content, contact with other brands and stakeholders)

### Strategy1

Adding live video throughout the platform may cause lacking and bugs



Frequently improving platform and hire potential IT team to develop

### Strategy2

LazLive and Lazada still could not gain trust among customers



Develop new entire internal process of choosing and checking sellers from the beginning +Reposition our brand as a trustworthy market place

### Strategy3

System cannot provide insight trends and more assistance for streamers



Cooperate with the expertise AI or ML company to find more accurate model

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