



***Ensuring Success for LazLive Thailand***

Integrity Inc.

# Situational Overview

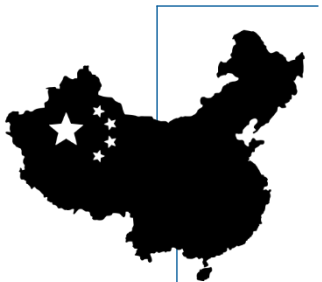
Livestream service is the new s-curve in the e-commerce industry



## Live streaming is a new growth of ecommerce in China

Live streaming grows dramatically in China

RMB **58 bn** in 2016  
**25% CAGR** from 2017-2020



Taobao has achieved success in livestreaming

19 million live fans and **RMB 2.7 million** sales in one day\*.

## Thailand is expected to follow the same footsteps.

In Thailand, Lazada is seeing growth in its live streaming operation

**50% increase** of live streaming session in 2020



Live streaming gameshow achieved **7 million viewers, 2 million comments, 8.1 minutes per person**

# Lazada's LazLive Ecosystem

Lazada can leverage on LazLive by improving its platform through key stakeholders needs



Stakeholders	Sellers	Broadcaster	Customers
<b>Characteristics</b>	Owner of products who seek for <b>additional sales</b> channel by leveraging on livestreaming	Influencer who seek for <b>commission</b> from selling other people product	Gen Y and Gen Z who seek for <b>engagement and sophisticated service</b>
<b>Key Initiatives</b>	Ease of registration & <b>online course</b> teaching to use in-app tools	<b>LazTalent</b> program to incubate KOL	<b>“See Now, Buy Now”</b> & coupon for live streaming sessions
<b>Problems</b>	<b>Lack of tool adoption</b> and ineffective use of tools	KOLs still has <b>limited impact</b> on customer purchasing decision	People are <b>not purchasing</b> from live streaming session
<b>Key Question</b>	How can Lazada build sellers' mindset to adopt tools in the most efficient way as well as assist them to uplift conversion?	How can LazTalent Program attract, recruit and train new KOLs for LazLive?	How can Lazada build customer mindset to purchase in livestreaming rather than watch for entertainment?

**Our Goal: To optimize LazLive sellers' tool proficiency, incubate influential KOLs, and close the loop for in-app purchase**

# Increasing Tools Adoption and Seller Proficiency

Lazada can incentivize its sellers to maximize tools application with insightful data



Stakeholder

Seller

Problem: Lack of tools adoption and ineffective use of tools

## Barrier to tools adoption

## Lazada's Current efforts\*

## Remaining barrier after efforts

### Insufficient provision of incentive to learn

Does Lazada help sellers realize the benefit of training?

Lazada provides training, but **there isn't any catalyst** for seller to learn

Barrier not eliminated



### Ineffectiveness of Lazada's facilitation

Are there resources, e.g. training, that Lazada provide to help seller?

LazLive **has a training course** that helps educate sellers on how to use features

Barrier somewhat eliminated



### Tools complexity

Is it easy for seller to use LazLive's features?

LazLive **already provide guidance** on feature usage

Barrier almost eliminated



**Key Takeaway: Lazada must provide sellers with greater incentive to learn tool usage**

# Building KOLs to Strengthen LazLive

The company can groom leading KOLs to promote LazLive Thailand



Stakeholder

Broadcaster

**Problem: KOLs still has limited impact on customer purchasing decision**

## China's Live Streaming Market

**Highly competitive**

Many live streaming operators

**Differentiation-focused**

As a result of high competition, live streamers must differentiate themselves to attract customers

**Strong Impact on Purchasing Decision**

KOLs exert high level of influence.  
Customers resort to KOLs when making purchasing decision

Vs.

Market Complexity

Nature of Competition

KOL's Impact

## Thailand's Live Streaming Market

**Incubating**

Fewer live streaming operators, yet interests are growing

**Development-focused**

The competition isn't stiff, live streamers aren't overly eager to differentiate themselves

**Partial Influence on Purchasing Decision**

KOLs act is a last-minute reassurance of product purchasing decision, not a major influencer

**Key Takeaway: LazLive platform can groom Thai KOLs to become successful and influential like in China**

# Establish In-App Features That Drives Demand

Lazada can increase customers' urgency through in-app experience



Stakeholder

Customer

Problem: People are not purchasing from live streaming session

Customer  
Values



Interaction and  
Engagement



Content



Reliability

Impact



Opportunity  
to Improve



Rationale

LazLive already allows for  
interaction, yet it is still **not  
enough to close sales**

LazLive **already possesses**  
**high variety of content** for  
many customer group

LazLive **already enables**  
**users to see and ask to test**  
**product** via live streaming

**Key Takeaway: Lazada can build customer mindset to purchase in  
livestreaming by optimizing its tools**

# Executive Summary

## Key Question

How can Lazada leverage Lazlive to grow and make livestreaming business successful & influential like in China?

## Key Questions

## Strategies

## Impacts

How can Lazada build sellers' mindset to adopt tools in the most efficient way as well as assist them to uplift the conversion?

### Up the Game

- Create LazLive dashboard to detect customer feedback and preferences
- Use machine learning to recommend training videos based on customer feedback

**+ 53%**

Growth in Tutorial Viewers

How can LazTalent Program attract, recruit and train new KOLs for LazLive?

### Build the Brand

- Improve incentive to match with target group values
- Provide mentorship and hands-on trainings for KOLs

**+ 8%**

Increase in Conversion Rate

How can Lazada build customer mindset to purchase in livestreaming rather than watch for entertainment?

### Close the Sale

- Improve sales persuasiveness through our KOLs
- Optimize LazLive feed via algorithm
- Create sense of urgency through time-bound tools

**443M**

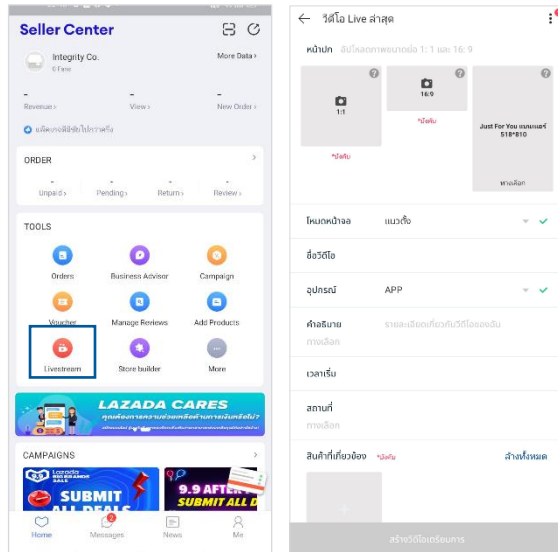
LazLive Viewers by 2023

# LazLive Seller Journey

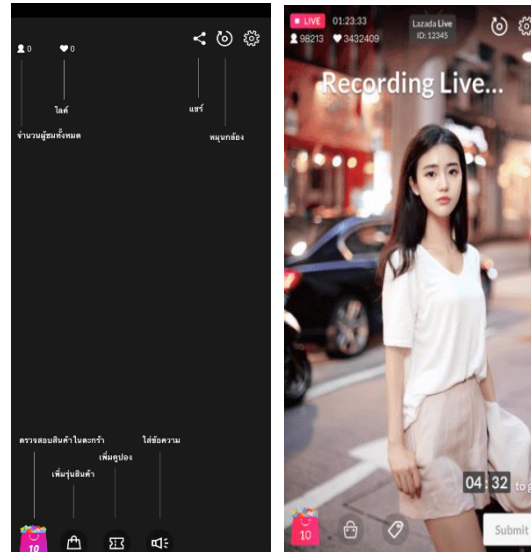
Currently, Lazada provides insufficient incentive for seller to learn effective tools usage



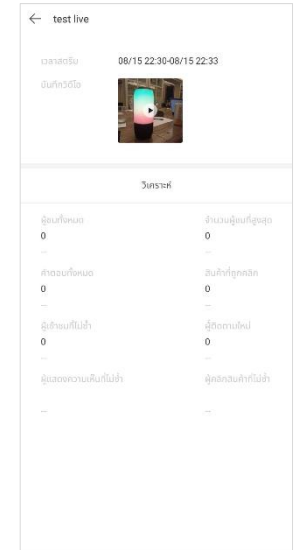
## Pre-Live



## Go-Live



## Post-Live



- 1 Register to LazLive
- 2 Prepare content and plan schedule
- 3 Go through tutorial and function testing
- 4 Live stream
- 5 Investigate on primary analysis from after-live page

## Our Insights

- Current analytics only incorporates one-time evaluation
- Lazada does not clearly identify seller problematic areas to improve
- This causes sellers to repeatedly go live the same way and techniques

Hence, sellers do not actually realize their problems and lack incentives to learn and improve live streaming efficiency

To successfully make LazLive sellers efficiently adopt tools

- I. Incentize sellers to learn
- II. Equip sellers with knowledge and skills



# Introducing LazLive Dashboard

LazLive analytic dashboard will incentivize sellers by highlighting areas that need improvement



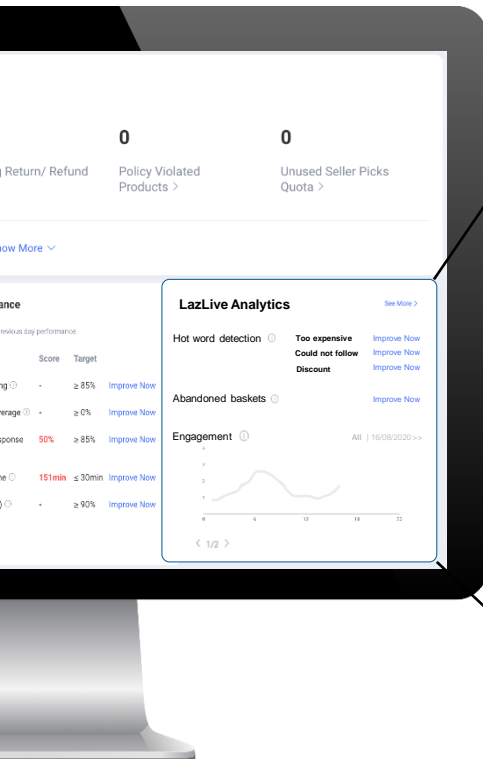
To successfully make LazLive sellers efficiently adopt tools

I. Incentive sellers to learn

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## Lazada Seller Center Dashboard

- Incorporate LazLive analytics on Lazada main seller center dashboard
- Easy to access and review
- Allows for more sophisticated analytic tools



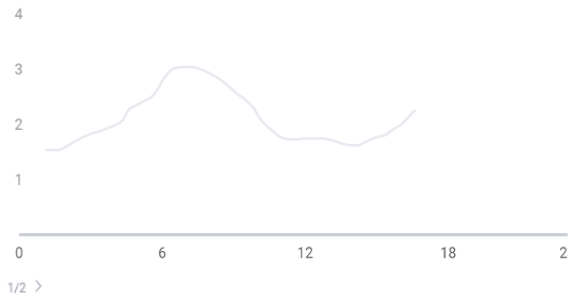
### LazLive Analytics

[See More >](#)

Hot word detection ⓘ **Too expensive** [Improve Now](#)  
**Could not follow** [Improve Now](#)  
**Discount** [Improve Now](#)

Conversion rate ⓘ **5%** < **15%** [Improve Now](#)  
(Standard)

Engagement ⓘ All | 16/08/2020 >>



## Analytics with Insights

### More meaningful

Data is generated by actual customer feedbacks

### Problems highlighted

Common concerns will be shown up to investigate

## Long-term Progress Demonstration

### Self-evaluation

Compare current performance with the past

### Consistent improvement

Keep standard and prompted to improve more

## Result

LazLive sellers have now realized their **problematic areas** and **get incentivized** to improve their live streaming in order to ultimately increase sales

# Enhancing Learning Opportunities

Personalized recommendations will be provided to equip sellers with tools utilization skills



To successfully make LazLive sellers efficiently adopt tools

- I. Incentive sellers to learn
- II. Equip sellers with knowledge and skills

## Leveraging on existing Lazada University...



Existing online knowledge source of Lazada sellers

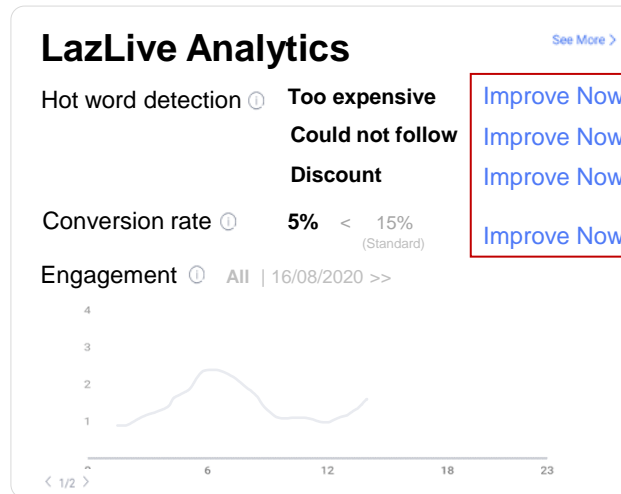


Contains a variety of educational contents

- The Basics
- Operations Excellence
- Grow With Lazada
- Expert Strategies
- LazMall

\*Including LazLive-related contents

## ...To facilitate educational resources for LazLive sellers



Use machine learning

- To select courses recommendation for each problem
- Courses relating to effective tools adoption and utilization



Use “Improve Now” button

- Redirecting sellers to recommended Lazada online courses based on machine learning

### Example

1

Hot word = Discount

2

“How to enable LazLive coupons” course will be selected by machine learning

3

Improve Now button will redirect sellers to suggested course

### Result

Sellers will conveniently **get access** to LazLive-related educational resources, increasing sellers' **chance to learn to adopt tools**

Lazada already provides knowledge source for LazLive enhancement in an online hub

Source: Lazada Seller Center, Team Analysis

# Enriched Seller Journey

Sellers are now incentivized to learn and equipped with knowledge to effectively utilize tools



## Traditional LazLive Seller Journey



### Register to LazLive

- With a goal to increase sales



### Prepare content and schedule

- Identify style
- Decide on length and frequency



### Go through tutorial



### Live stream



### Investigate on primary analysis

- Number of viewers
- Number of answers
- Numbers of comments

## Enriched LazLive Seller Journey



### Register to LazLive

- With a goal to increase sales



### Prepare content and schedule

- Identify style
- Decide on length and frequency



### Go through tutorial



### Live stream



### Investigate on LazLive analytics

- Deeper analytics
- Customer feedbacks
- Sellers will realize areas to improve



### Go to Lazada University

- Via redirecting link
- Suggested courses
- Learn to adopt tools to promote sales

Source: Team Analysis

## Key Takeaway:

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With an analytic dashboard, LazLive sellers will be prompted to optimize the provided tools and achieve superior conversion capability



# LazTalent Program Case Study

LazTalent Program has been successful in many SEAs countries



LazTalent having been successfully launched SEAs countries...

...Comprises of two common program components



## Participants

- Millennials and Gen Z

## Purpose of joining competition

- Chance to build personal fame
- Develop acting skills
- Become part of Lazada's team

## Training (through competition)

- Mainly in a competition form
- 20-60 selected finalists
- Month-long competition
- Separated into 3 training camps
- Trained by experienced mentors
- Intense crash course in improving participants skills



**LazTalent Program**



LazTalent  
Indonesia



LazTalent  
Singapore



LazTalent  
Philippines

## Implication

Lazada could adopt and develop these components to successfully execute Thailand's LazTalent program

Source: Lazada Philippines, Lazada Indonesia, Lazada Singapore

# Recruiting Thailand's LazTalent KOLs



Participants



Thailand's LazTalent Program can recruit potential participants by providing attractive values

## Who to attract?



### Age

- 18 – 28 years old
- Millennials and Gen Z



### Characteristics

- Passionate about technology
- Great creativity
- Courage to show their personality

## How to reach them?



**Lazada social media channels**



**Promote with modelling agency**

- Bring in amateur actors/actresses



**Advertise on KOL community**

- FB page of TU Sexy Boy
- FB page of CU Cute Boy
- Cheerleader pages

### Advantages of targeting recruits

- Existing follower base
- Fundamental presenting skills
- Potential room to grow with Lazada

Source: Brandbuffet, Team Analysis

## Value Propositions

**LazTalent**

In order to gain quality attraction, LazTalent must develop winning awards that match with values of target recruit

### Target recruit VPs

**1** Sustainable amount of income

**2** Career Freedom

**3** Pathway to Fame

**4** Opportunity to work with talented people

### LazTalent Award VPs

**1** Cash Price  
Contract with Lazada Official Channel

**2** Non-routine career opportunity

- Be creative
- Changing contents

**3** Exposure to partner brands

- Be creative
- Changing contents

**4** Training with mentor

- Celebrity host
- Reality TV star
- Vlogger

# Incubating LazTalent Thailand's KOL



Lazada can successfully leverage on LazTalent program to build influential KOLs

LazTalent Finalists will be Mentored  
by Experienced Coaches...

## LazTalent Program Coaches



Opor  
Pannisara



Woody  
Milintachinda



DJ PK  
Piyawat

**LazTalent Finalists Will Be Trained  
Professionals in Public Speaking**

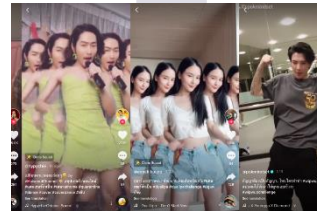
### Participants

- 30** Finalists from audition round
- 3** Separate mentor teams

### Coaches' Role

- I.** Provide Training & Feedbacks
- II.** Act as judges throughout program

...Participants will go through Intensive  
Selection Process



## Week 1: Break the Ice

Participants must demonstrate ability to showcase their personality and receive popular vote points

## Week 2-4: Real Live

Participants must prepare livestream shows to sell various product categories with help from expert influencer

## Week 5: The Final Show

Top 3 Finalists must battle each other in a 1-hour marathon live to find the winner with highest conversion rate

**1<sup>st</sup> Prize**



**3-years Contract Offer with Lazada Thailand and 30,000-Baht**



# Leveraging on Lazada's KOLs

The company can capitalize on LazTalent winner to grow LazLive popularity



## Stage 1: Initial Growth

### **Mastering the Art of Livestreaming**

## Stage 2: Point of Success

### **Emerging as the Leading Online KOL**



**I.** Content Producer  
for Lazada's  
Official Channel

**II.** Main MC during  
Lazada special  
campaigns

**III.** Co-host live  
sessions with  
LazCeleb stars

**IV.** Become  
ambassador for  
LazLive Thailand

Manage their own  
LazLive Channel &  
build creative content

Gain experience to  
organize high  
demand events

Collaborate with  
Thailand's leading  
online influencers

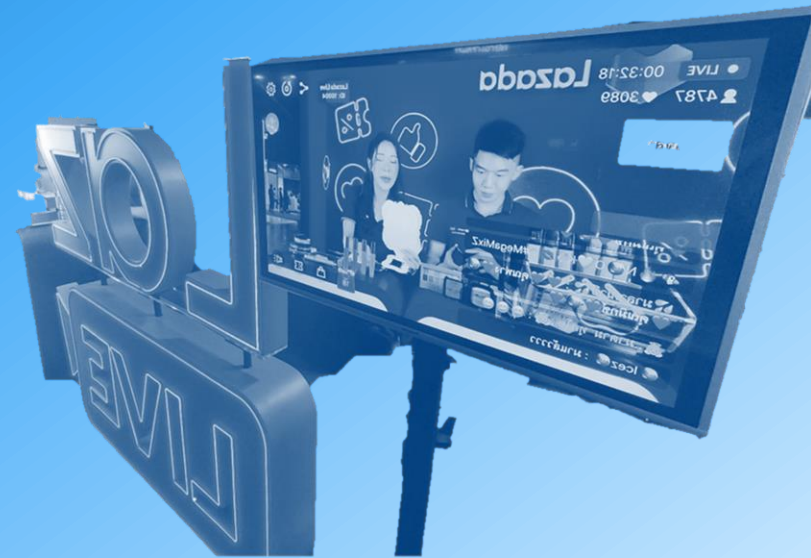
Work with leading superstars  
to promote LazLive platform  
in Thailand & abroad



## Key Takeaway:

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The success of LazTalent Program Thailand will transform potential recruits into influential KOLs for the platform.



# Building Customer Mindset to “Close the Sales”

Lazada should promote customer engagement that enables sellers to close sales



LazLive is set for high level of customer engagement....

- 40%** Expected **increase** in number of Lazlive **viewers**
- 50%** **Rise** in amount of **daily** live **sessions** to be conducted

There is high level of seller-customer engagement

...However, the percentage of sales conversion is still below the target

## Key Insight

**Most** of the **consumers** more **likely** to only **watch** LazLive **for entertainment** rather **than** watch and **purchase**

Current style of engagement does not fully contribute to sales

**2 Factors**  
to increase  
Livestream  
Sales

## I. Sales Persuasiveness



- Develop customer desire to purchase
- Present unrealized demand for product

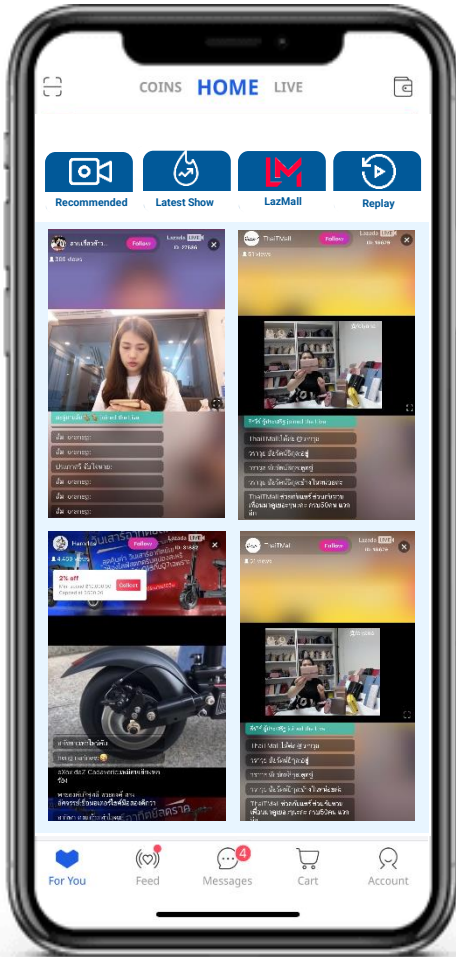
## II. Buyer Sense of Urgency



- Create demand through scarcity
- Leverage time-limit to spur buying decision

# Optimizing LazLive Feed via Algorithm

The company should apply algorithm in LazLive feed to maximize sales persuasiveness



## Implement Algorithm-Based Selection

### Influential KOLs Promotion

- High performing channels will be Placed in “Top of Feed”
- More persuasiveness & drive urgency
- Select KOLs from # of viewers, followers, % of conversion rate

### Personalized Feed Selection

- Link with user’s data from Lazada’s account
- Provide feed based on customers’ past purchases
- Feature top trend categories like cosmetics, fashion, & consumer IT

### Categorize Feed Type

- Increase browsing convenience for customers
- Match broadcaster content with interested customers
- Promote offline-to-online affiliate program in LazMall

## Key Impact

**LazLive Algorithm will lead customers to highly-influential broadcasters with compelling persuasive selling capabilities**

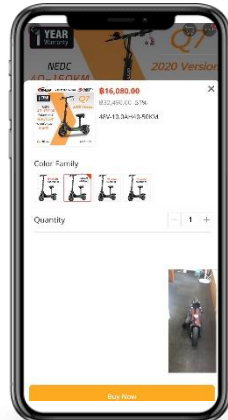
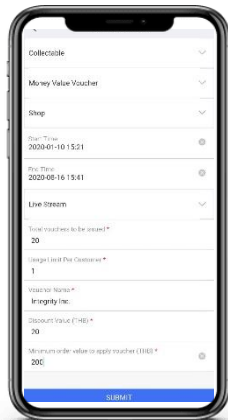
# Creating Sense of Urgency through Scarcity

Lazada can introduce new tools that boost buyer's sense of urgency to purchase



## Leveraging on LazLive Existing Tools

LazLive tools can be optimized to cater stronger “sense of urgency”



### Existing Feature

Must relink to seller's shop but to see if it is in-stock

### Customer Psychology

Customers more likely to purchase when there are limited pieces

### Current Limitations

No feature track the numbers of product real-time on promotion

Coupon must set specific period time and before live stream

Time constraint can boost percentage of “last-minute” buying

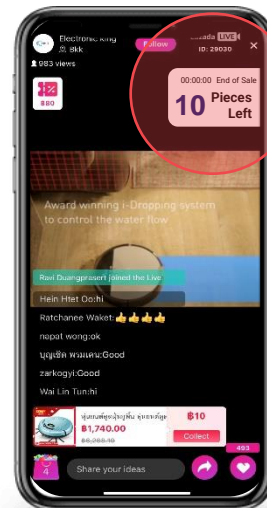
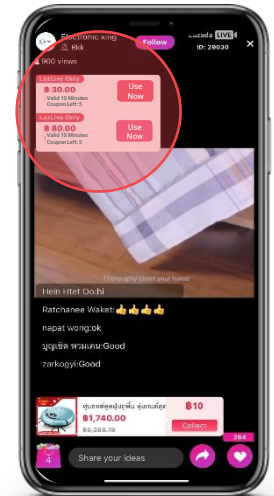
Cannot create coupon able to be launched instantly

## Introducing Time-Bound Features

LazLive should launch LazFlash coupon & product-countdown features

### I. LazFlash Coupon

- Coupon able to be launch instantaneously anytime
- Collection time up to seconds
- Coupon validate period in minutes
- Limited numbers of coupons



### II. Product-Countdown

- Real-time tracking of products left on sale
- Countdown clock until end of last sale
- Seller can preset quantity and time
- Countdown launch instantaneously anytime

# Integration of Lazada Algorithm and Sense of Urgency

Sales will be closed by broadcasters who drive demands and triggers which drive actions



## Customer Profile

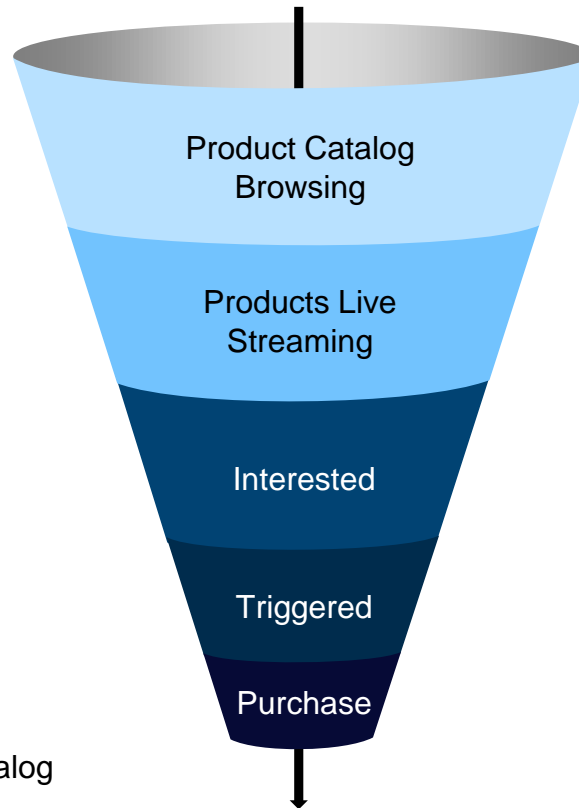


<b>Name</b>	Nanny Amorn
<b>Age</b>	23 years old
<b>Homeland</b>	Pathum Thani
<b>Occupation</b>	Accountant
<b>Income</b>	THB20K-30K/month
<b>Interests</b>	Fashion and Beauty

### Other information

- Currently a user of Lazada platform
- Usually purchase online at shop catalog
- Watch LazLivet for entertainment

## Customer Buying Decision Funnel



- Nanny normally browses on Lazada's main platform
- Simultaneously, Lazada algorithms will identify patterns and interests
- Once being on LazLive, let the algorithm select contents based on Nanny's interests
- Expose Nanny with well-selected broadcasters to drive demands
- Nanny enjoys watching live streaming with likely-to-purchase items
- Nanny also finds Flash Coupons, for example, and feels that she cannot miss this this opportunity
- Nanny finally makes decision to purchase while watching live streaming

Source: Team analysis

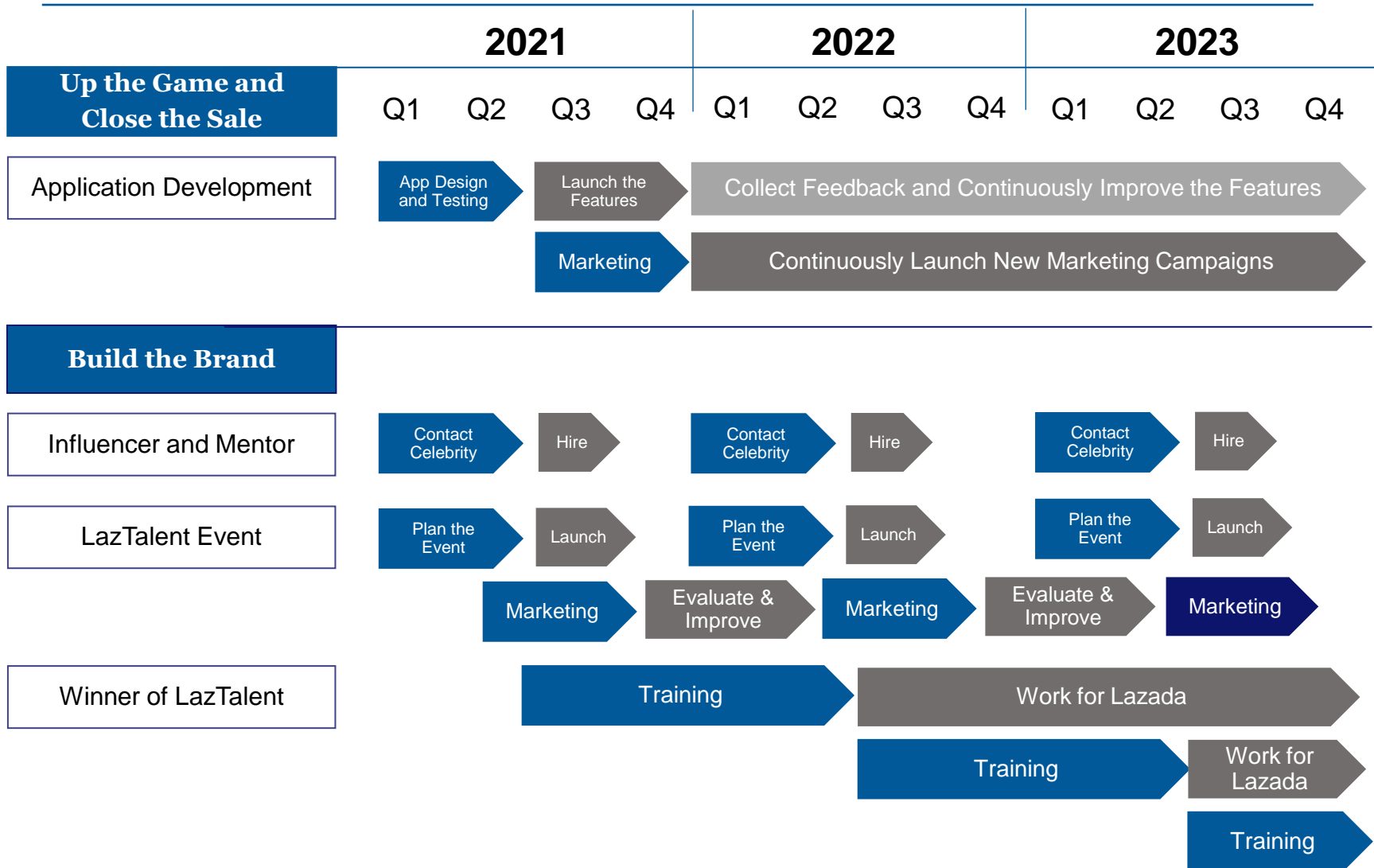
## Key Takeaway:

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LazLive can increase sales conversion with algorithm-based to promote KOL & new tools generating sense of urgency.



# Implementation Timeline



# Key Performance Indicators



## Increase in Tutorial Viewers



**+ 53%**

Growth in Number of Tutorial Views

## Increase in Conversion Rate



**+ 8.05%**

Increase from Current Conversion Rate by 2023

## Increase in LazLive Traffic



**443M**

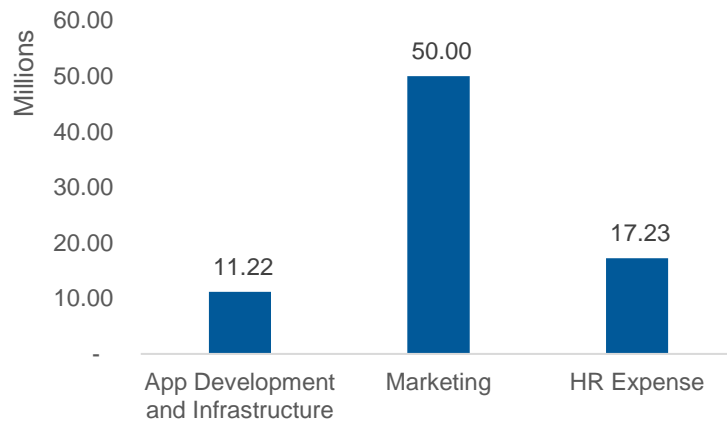
LazLive Traffic by 2023



# Cost Breakdown



## Up the Game & Close the Sale



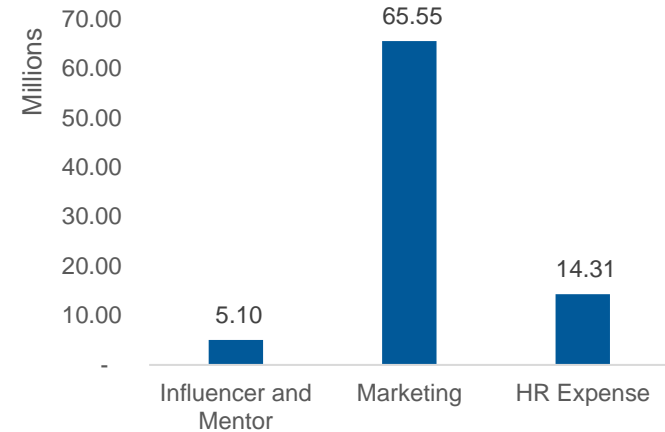
### CAPEX

- Feature Design
- Hardware Acquisition

### OPEX

- Business Data Analysts Salaries
- Database Maintenance
- Marketing Staff Salaries (Application Admin)
- Marketing to Users

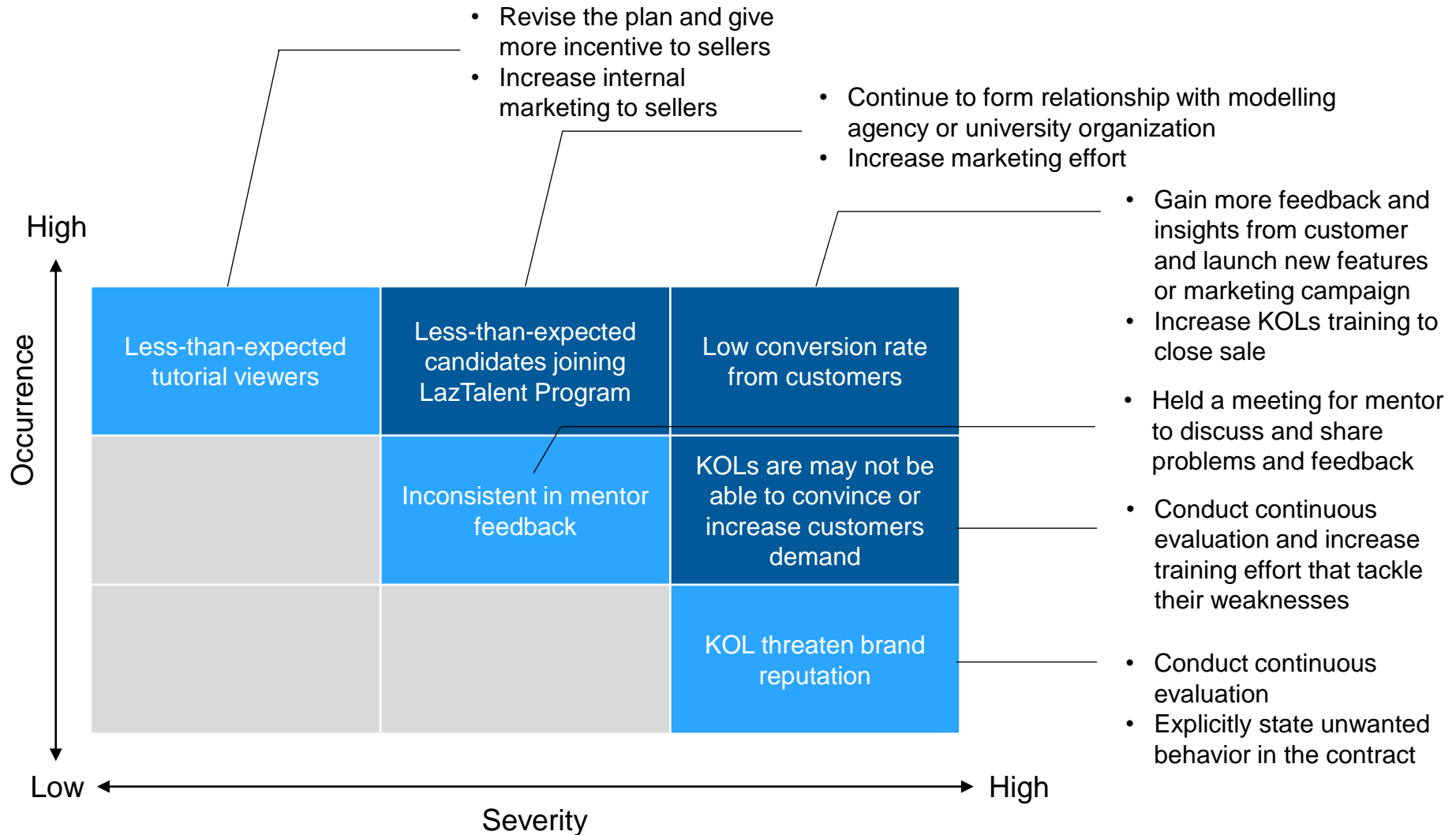
## Build the Brand



### OPEX

- Influencer and Mentor Salaries
- KOLs Salaries
- KOLs Training Expense
- Winner Cash Prize
- Marketing Campaigns and Social Media Advertisement (ex: YouTube, Facebook and etc.)
- Marketing Staff Salaries

# Risk and Mitigation



# Financials: Key Performance Indicator



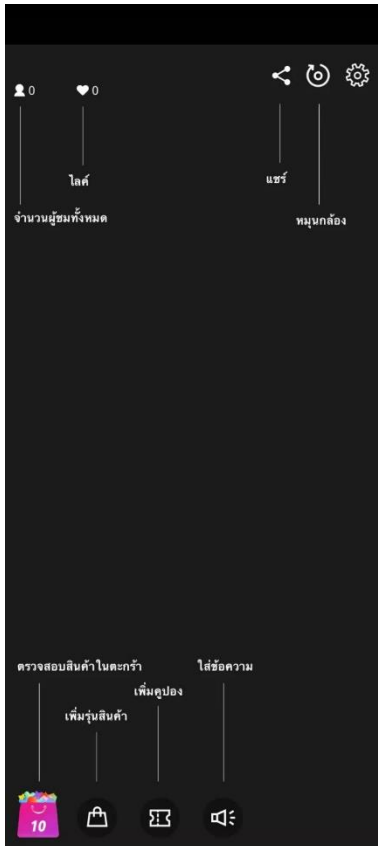
Impact						Assumption
Conversion Rate	2019	2020	2021F	2022F	2023F	
Lazada Website Conversion	1.10%	1.10%	1.10%	1.10%	1.10%	assume same as taobao case
Lazada Live Conversion	18.53%	18.53%	18.53%	18.53%	18.53%	
Taobao Website Conversion	1.90%	1.90%	1.90%	1.90%	1.90%	
TaoBao Live Conversion	32%	32%	32%	32%	32%	
% Increase with KOL				2%	4%	1-5% increase with KOL
Lazada Live Conversion with KOL			18.53%	20.53%	22.53%	
Lazada Live Conversion with KOL and Tools			21.86%	24.22%	26.58%	18% growth with tools adoption

Lazlive Viewers	2019	2020	2021F	2022F	2023F	
Number of LazLive Viewers		200,000,000	250,000,000	312,500,000	390,625,000	25% growth rate
LazTalent Campaign						
Number of Viewers			7,000,000	7,700,000	8,470,000	benchmark with Guess It Case growth rate of reality
Growth Rate per Year				10%	10%	
LazLive Viewers + LazTalent		200,000,000	257,000,000	320,200,000	399,095,000	
KOL Efficiency				11%	11%	
Total Number of LazLive Viewers		200,000,000	257,000,000	355,422,000	442,995,450	

# Financials: Cost Breakdown



Cost	2021	2022	2023 Assumption	
<b>Application Development</b>				
<b>Development Cost (App Design)</b>	6,000,000.00			
Software Engineer Salary	600,000.00			
Number of Engineers	10			
<b>Business Data Analyst Costs</b>	3,050,000.00	3,843,000.00	4,707,675.00	
Business Data Analyst Salary	305,000	320,250	336,263	5% growth
Number of Analysts	10	12	14	
<b>System Infrastructure</b>	3,100,000.00	1,200,000.00	920,000.00	
Database Maintenance	600,000.00	600,000.00	600,000.00	
Hardware Acquisition	2,500,000.00	600,000.00	320,000.00	
<b>Social Media Advertising</b>	25,000,000.00	12,500,000.00	12,500,000.00	
<b>Marketing Staff</b>	1,500,000.00	1,867,500.00	2,260,453.13	
Marketer Salary	300,000.00	311,250.00	322,921.88	3.75% growth
Number of Marketers	5	6	7	
<b>Total Costs</b>	<b>38,650,000.00</b>	<b>19,410,500.00</b>	<b>20,388,128.13</b>	
<b>LazTalent Program</b>				
<b>Influencer</b>	200,000.00	200,000.00	200,000.00	
Average Influencer Cost	50,000.00	50,000.00	50,000.00	
Number of Influencer	4	4	4	
<b>Marketing Staff</b>	3,000,000.00	3,735,000.00	4,843,828.13	
Marketing Salary	300,000.00	311,250.00	322,921.88	3.75% growth
Number of Marketers	10	12	15	
<b>Social Media</b>	25,000,000.00	20,000,000.00	20,000,000.00	
<b>Facebook Ads</b>	84,000.00	84,000.00	84,000.00	
<b>Youtube Ad (Skip Ad)</b>	99,000.00	99,000.00	99,000.00	
<b>Mentor</b>	1,500,000.00	1,500,000.00	1,500,000.00	
Mentor Cost	500,000.00	500,000.00	500,000.00	
Number of Mentor	3	3	3	
<b>Winner Training Cost</b>	350,000.00	890,000.00	1,490,000.00	
Winner Training (Workshop)	60,000.00	60,000.00	60,000.00	
Winner Salary	240,000.00	780,000.00	1,380,000.00	
Cash Award	50,000.00	50,000.00	50,000.00	
<b>Total Cost</b>	<b>30,233,000.00</b>	<b>26,508,000.00</b>	<b>28,216,828.13</b>	



**Figure 1.1  
LazLive  
guidance**

“LazLive already  
provide guidance  
on feature usage”



**Figure 1.2 Lazada’s training course**

“LazLive has a training course that helps  
educate sellers on how to use features”

“Lazada provides training, but there isn’t any  
catalyst for seller to learn”

# Slide Navigator



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