BONFIRE CONSULTING

DHANIDA | ORNPITCHA | CHAYAPORN | CHUTIMON

LAZLIVE

THE NEW NORMAL AND INFLUENTIAL RETAILING PLATFORM IN THAILAND

Lazada

Lazada is a leading e-commerce platform providing three main features

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Lazada is Southeast Asia's leading e-commerce platform with goal to deliver fast, secure and convenient online shopping experience

Current Lazada Features

Marketplace
Intermediary for seller and buyer to make a deal

Gamification
For customers to collect coins in exchange for discount

Live commerce
Video streaming + interact with seller and buy immediately

Target Customers

Age group : 15 - 30
Behavior : socially active and use internet in everyday life, shop online and usually compare different products and prices.

Have no difficulty keeping up with trends and new technology

Store name or account name
Showing account name solely is not clear enough for customers to decide to watch the Live.

Live title
Too long or not relate with the selling products or doesn't attach people

Live/recorded
Some video show that it's live, but once click in, it's pre-recorded with no seller interaction

Current number of viewers
Number of viewers are exaggerated

Comments + Like and share buttons
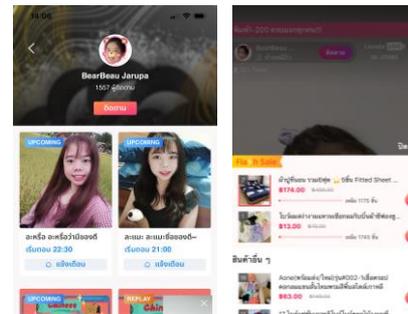Lazada users rarely use the tools because users don't perceive Lazada as a social media or community

List of products
It shows pictures + discounted price + remaining products + basket which lead to payment page. Its background is not transparent,so it overlay the live.

Source: Team Analysis

Thailand has an ability to implement live commerce and become successful

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Thai online shopping trend is still growing

Revenue in e-commerce market in Thailand is projected to increase by 53.2% by 2024

Bar chart (in million US$):
- 2017: 2,597
- 2018: 3,699
- 2019: 5,103
- 2020: 7,268
- 2021: 8,560
- 2022: 9,596
- 2023: 10,508
- 2024: 11,134

Legend: Total | Fashion | Electronics & Media | Toys, Hobby & DIY | Furniture & Appliances | Food & Personal Care
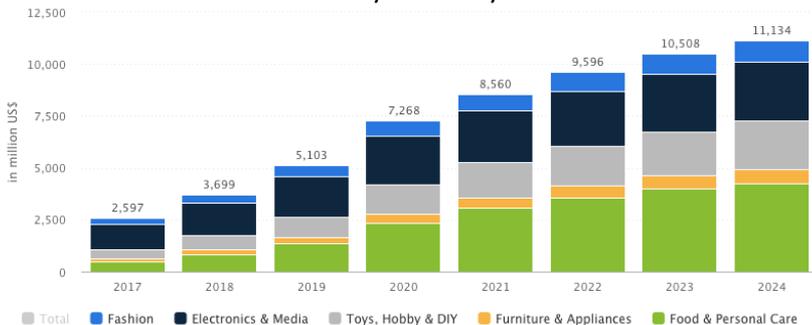
Number of Thai ecommerce users is expected to increase to 42M by 2024

Line chart (in millions):
- 2017: 22.8
- 2018: 25.7
- 2019: 30.7
- 2020: 33.7
- 2021: 36.6
- 2022: 39.2
- 2023: 41.2
- 2024: 42.3
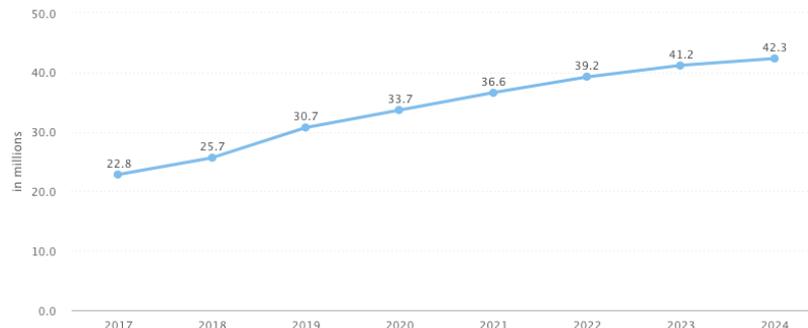
There are numerous successful cases in China

traditional selling method 50%

SALES 2020

live stream 50%

In 2020, Live commerce helps Taobao generates much higher sales compared to traditional selling method.

Sales significantly increase

$61 In 2019 → $219 In 2020

90% Conversion rate from live streaming

Reasons behind Chinese KOL's success

Viya

- Intense product filtering process to increase trust
- Truly understand customers; know how to trigger their feeilng. Ex. Pointing out customers' painpoints and create need for the products
- Sell specific product to the right target audience
- Invite celebrities with hosting experiences
- Develop loyalty and relationship with her fans
- Using some words carefully to avoid misunderstanding and possible after-sales issues

Source: Agriterra, Statista, Jingdaily

Live streaming e-commerce method cannot penetrate Thai market yet

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…However, after Lazada implement Lazlive in Thailand, its performance does not turn out well

	Laz	S	Instagram	Facebook
Number of Seller/ day	40-100	70-200	~100k	~100-200k
Number of Viewer/ live	10-300	10-600	100-20k	100-20k

*All the numbers come from research, calculation and daily observation

Although there are 38.7 Million of people using e-commerce in Thailand, number of both sellers and buyers using live-streaming as a selling method is very low

Because Instagram and Facebook are platforms that people regularly visit for contents and daily life and news update, there are higher number of live contents and viewers

76%

According to a survey of 300 people age between 18-25, 228 people
Do NOT know Lazlive
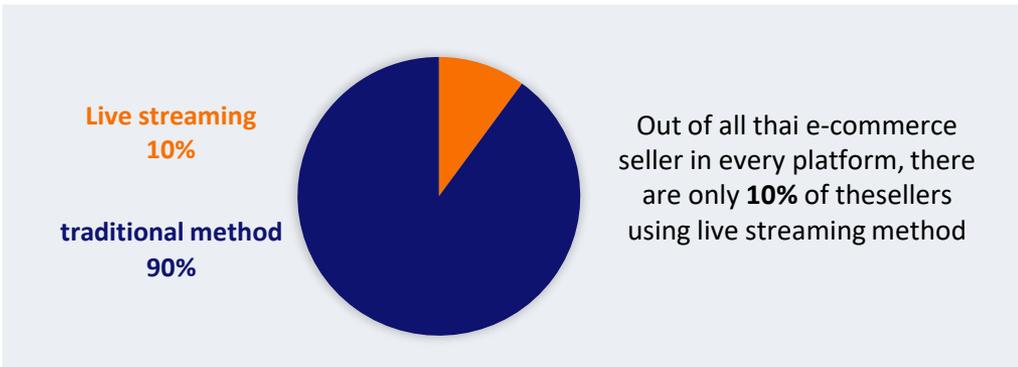
Why is Live commerce not booming in Thailand as much as it should be?

- Compared to China, Thai people can access to offline stores more easily than Chinese people since there are many department stores, shops and market in Thailand.
- Large amount of Thai people still have behavior that they prefer offline shopping experience to online shopping. (They want to try/touch products)
- Quality of Live streaming in Thailand are poor.
- Thai people haven't been used to it.

Live streaming 10%

traditional method 90%

Out of all thai e-commerce seller in every platform, there are only **10%** of the sellers using live streaming method

Nevertheless, comparing Lazada and other Thai live commerce platform, non of them are successful like how it should be

ANALYSIS   BUILD LAZLAND   EXPAND THE FAMILY   RALLY OUR FRIENDS   FINANCIALS

There are three reasons that holding Lazada from becoming a leader in live commerce market

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Three main reasons why Lazlive is not successful

There are some issues that cause unpleasant customer journey

Sellers

- Live method is hard to use, and they cannot utilize all the function
- No basic knowledge of how to make the visual of the live look pleasant

Buyers

- Cannot find the product they are looking for in short period of time
- Do not see advantage of buying during live

Sellers are not open up to Lazlive as one of selling methods

- Don't see it as an opportunity since there are no successful case to ensure them
- They afraid that the numbers of viewer will be low
- No knowledge on how to host live streaming, and no confidence
- Negative perception towards "Live streaming and Live commerce"; they perceive it as a tool for lower market

KOLs have poor image and bad perception from people

- Cannot express their opinion truthfully
- Only think of making money and not value buyers' satisfaction
- Lack of uniqueness an
- Do not have enough knowledge on the product
- Not well known enough to bring buyers' attention

Lazlive still have opportunities to grow and penetrate Thai market

Most customers want real time two-way communication

+

Covid-19 has change people behavior to use e-commerce more

+

People still want an experience as if they go to the offline store themselves

Hence, Lazada should strengthen LazLive to generate higher conversion rate during the live session and become the new normal and influential retailing platform in Thailand

Source: Team Analysis

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OBJECTIVE	KEY ISSUES	RECOMMENDATIONS	IMPACTS
To strengthen LazLive and increase its users in order to generate higher conversion rate during the live streaming and become the new normal and influential ecommerce platform in Thailand	How can Lazada enhance customer journey on LazLive to purchase the product during the live session?	**BUILD LAZLAND** Enhance user journey by fixing both sellers and buyers UX/UI	**Incremental Sellers 109.5 k**
	How can Lazada convince and create incentives for sellers to adopt Lazlive?	**EXPAND THE FAMILY** Educate and use selected shops as successful cases to influnce others to give Lazlive the first try	**Incremental Buyers 1.26 M**
			Incremental KOLs 4.42 k
	How can Lazada make people stop perceiving Live broadcaster as hard seller and not reliable?	**RALLY OUR FRIENDS** Reimage Lazada KOLs, show people what real KOLs look like and build KOLs credibility	**Incremental revenue 18.71 M baht**

BUILD LAZLAND

EXPAND THE FAMILY

RALLY OUR FRIENDS

Customer journey on LazLive is not smooth due to interface and sellers' understandarded tools application

Customer journey on LazLive involves the performance of sellers through LazLive and the interface. There are several issues Lazada's customers are struggling: buyers (users who purchase products on Lazada application) and sellers (shop owners).

BUYERS

LAZLIVE INTERFACE

1 No search tab for product or category

2 No live reminder associated with specific product

3 Providing insufficient product information

4 Vouchers on LazLive last longer than the live duration

BUYER ISSUES

Buyers cannot find the product category that they are looking for.

Buyers spend too much time watching products that they're not interested in.

Buyers hesitate to buy products in a short period of time.

Buyers not see the difference between buying during and after live streaming. They may collect the voucher and not buy the products after live session ends.
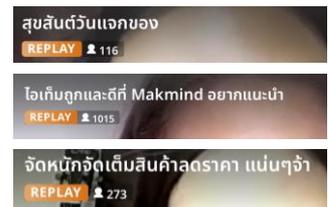
SELLERS

BAD CAMERA SETTING
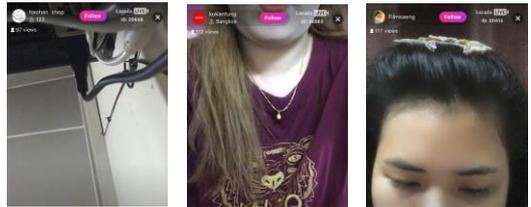
No sellers

Off the frame

Too close/ too far

BAD TOPIC SETTING

The topic does not inform the product type.

SELLER ISSUES

- The live performance of existing sellers on Lazlive does not meet the basic standard and the customers' expectation. This includes camera setup (light and sound), the topic of live streaming, contents in the live streaming.
- Buyers cannot interact with the sellers because some video on LazLive is pre-recorded, and it is not classified.
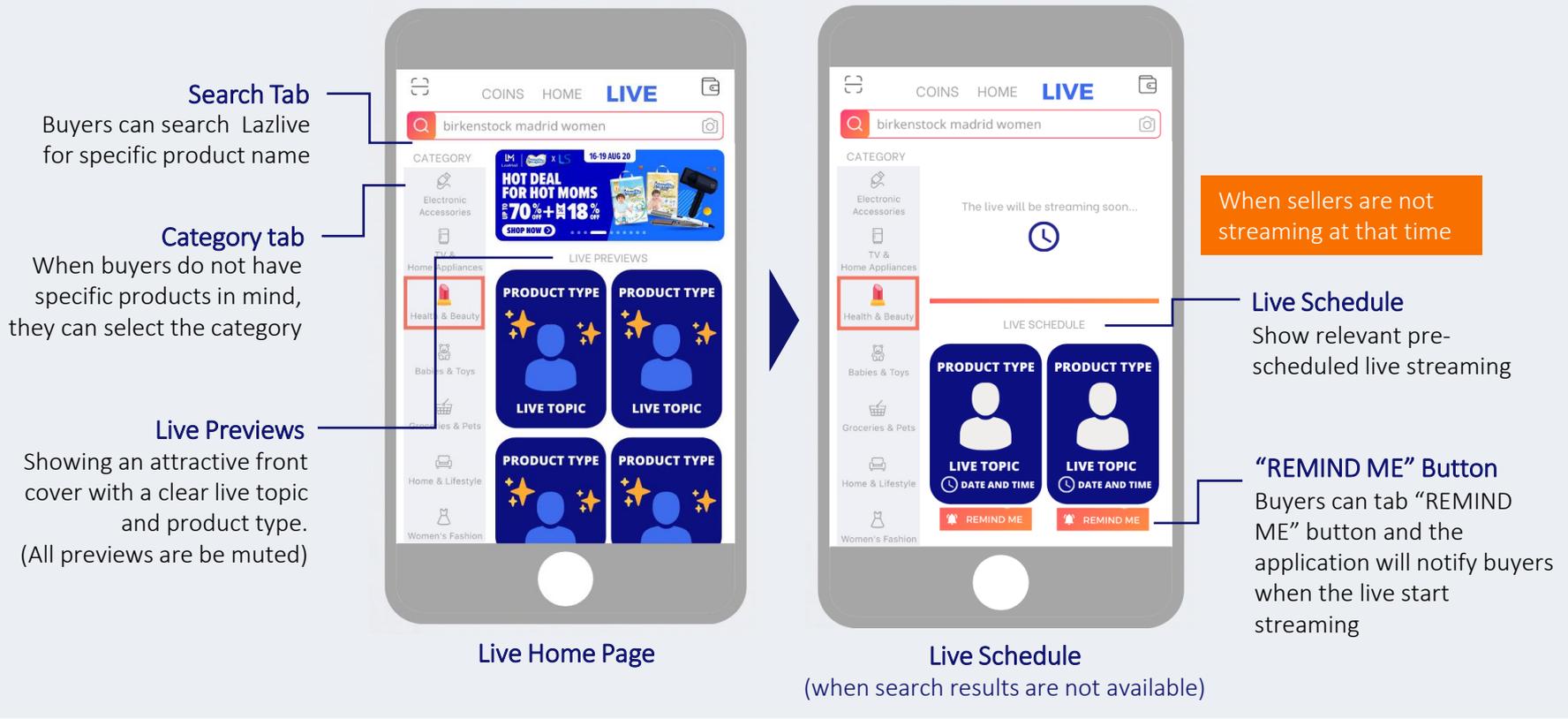
LAZADA UNIVERSITY
The platform offers online and offline e-commerce courses for sellers of varying to become an e-commerce expert. However, most courses are about generic online marketing. **Courses about live streaming are not widely available on Lazada University, not supporting sellers to use LazLive tools efficiently.**

Source: Lazada, Team Analysis

Lazada can enhance customer journey on LazLive to stimulate purchasing by improving UX/UI

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1 Search Tab and Category Grouping

This allows buyers to easily reach the products and category that they are interested in.
Increasing chances that buyers will not only watch LazLive for entertainment but also purchase during live streaming

Search Tab
Buyers can search Lazlive for specific product name

Category tab
When buyers do not have specific products in mind, they can select the category

Live Previews
Showing an attractive front cover with a clear live topic and product type.
(All previews are be muted)

Live Home Page

When sellers are not streaming at that time

Live Schedule
Show relevant pre-scheduled live streaming

"REMIND ME" Button
Buyers can tab "REMIND ME" button and the application will notify buyers when the live start streaming

Live Schedule
(when search results are not available)

Lazada can enhance customer journey on LazLive to stimulate purchasing by improving UX/UI

BONFIRE CONSULTING

2 Wishlist Reminder

Most buyers have saved products in their wishlist. "Wishlist reminder" will minimize the time buyers spend on finding the product they want. This helps increase conversion rate during Lazlive since the product is already in buyers' interest. The live streaming (may be with discount coupons) will be the last stimulator that triggers buyers to purchase the products.
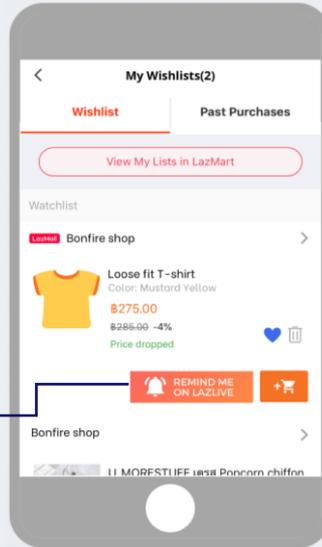
"REMIND ME" Button

When the items on buyers' wishlist is on live, the application will notify buyers.


4 In-Live Use Voucher

Vouchers in LazLive should only last during the live session. It shortens buyers' the decision-making process, which will lead to a faster purchase.

3 Product Comparison

To reduce buyers' hesitation, the interface should provide sufficient information for buyers to make comparison among different products. Buyers can spend time comparing products without leaving the live streaming
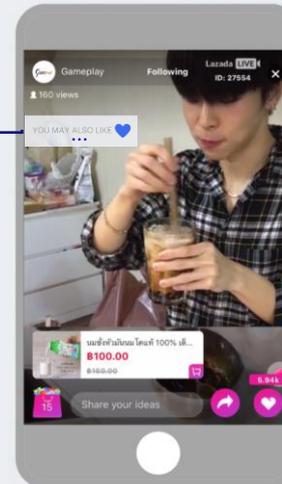
Live Streaming Screen

Comparing Tab

Comparing Tab
When buyers tab "You May Also Like" button, the system will show similar products that are not mentioned in the live.
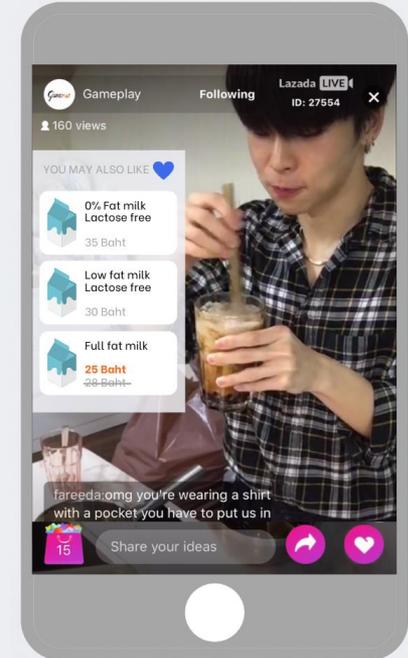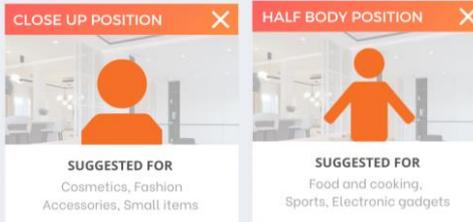
Lazada can enhance customer journey on LazLive by adding seller live streaming guidelines

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Camera Setting

Positioning Guideline
Sellers can select different camera positioning (including Close-up, Half body, and Full body view). The application will recommend different camera position depend on the product type.

Lighting and Camera Adjustment
Without the lighting equipment, sellers can easily adjust the brightness, saturation, sharpness, and angle of the camera. This tool enable sellers to have better live streaming performance without investing in equipment.

Seller can save the camera setting as a preset and use it whenever they want, reducing the time they spend on setting up live equipment.

Content Checklist
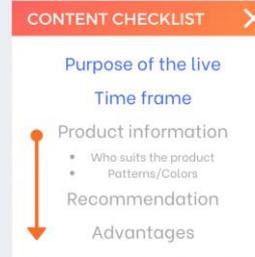
On the corner of the screen, content checklist will pop up during live. New sellers can use the checklist as a guideline and ensure that they provide sufficient information to buyers.

Live Category and Product List

Sellers need to fill in all details before live streaming. It encourages the sellers to plan the content of each live stream as well as facilitating buyers' decision-making process
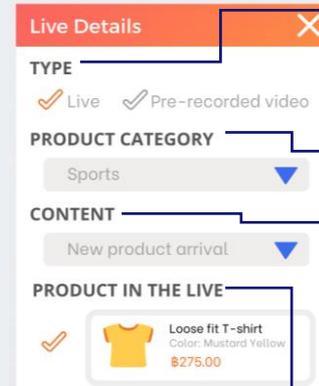
Video Type Selection
Buyers can know whether they can interact with the sellers or not.

Product Category

Live Content
Sellers should specify live streaming content such as sales, stock clearance, and new product arrival.

Products to be mentioned in Live

BUILD LAZLAND

EXPAND THE FAMILY

RALLY OUR FRIENDS

How can Lazada make sellers open up to Lazlive and give it a first try

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Majority of sellers do not have confidence to do live streaming since they do not know how to host the Live effectively by themselves.

Small-scale shop owners are afraid that they will get very few audiences on LazLive.

Owner of Naru.bkk – Female's Fashion

"I don't have good eloquence; I don't know what to say, how to present product interestingly. Furthermore, livestreaming itself is more complex than just posting pictures which I'm already used to."

Owner of Junoe – Footwear

"My shop is quite small. I don't have much followers, so I'm afraid that no one will watch my live streams on LazLive; it will discourage me as well as wasting my time."

Sellers perceive Live commerce as a tool for lower market
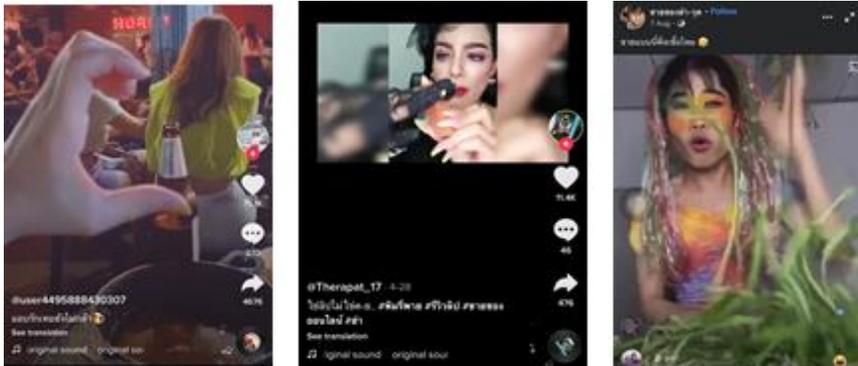
From the interview, majority of sellers said that many existing Live streaming usually have poor image which may negatively affects stores' brand image.

Source: Instagram, Interview, Analysis

How can Lazada make sellers open up to Lazlive and give it a first try

Using ineffective tools to promote and educate sellers about LazLive

LazLive Ads – Posted on "Lazada Livestream" Channel which has 64 subscribers

- Lazada does not directly convey the benefits that the sellers will get from Lazlive: a conversion rate, customer engagement, and brand awareness. In the other words, Lazada ads are too informative, not relevant and not appealing enough.
- Lazada mainly promotes on Lazada platform or official Lazada own social media account, which can only reach existing users.

Sellers do not see the importance or advantage of Live commerce over other alternatives.

Owner of Junoe – Footwear

" *I still wonder if it is really going to work; I'm currently using Instagram, Lazada, Line; there are already many accounts I have to manage. I think it's not necessary for me to do Live.* "

Owner of SweetFushia – Fashion Accessories

" *Honestly, I haven't seen many Lazlive successful cases but seen some on IG. I think it may be more effective if I do live streaming on my store IG account which already has followers. However, if I see famous stores use Lazlive, I may try using it.* "

There are many alternative tools; post, videos, normal e-commerce platform that sellers can use to sell their products. Moreover, there are not many successful cases in Thailand to ensure that they will gain higher revenue if they adopt the tools.

Lazlive week will be the showcase of successful cases that can attracts more sellers

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WHAT IS LAZLIVE WEEK?

A campaign that Lazada supports selected stores on Lazada platform by providing them venue, live streaming equipments, advisors for them to do Lazlive together.

OBJECTIVE

Raise awareness of Lazlive and attract users while creating incentives for sellers to adopt Lazlive tools.

CAMPAIGN DURATION
1 week : for each LazLive Week

CAMPAIGN FREQUENCY
Twice a year

PRODUCT CATEGORY
The product is grouped into 7 categories which will be streaming one category a day.

- Electronic and Home Appliances
- Health and Beauty
- Women's Fashion
- Men's Fashion
- Fashion Accessories
- Home and Lifestyle
- Sports and Travel

STORES
16 Stores per day
112 Stores per week

LIVE TIME
16.00-24.00 : The time that most people are available watching live streaming

SHOP LIVE DURATION
30 minutes per store

Benefits that sellers will get

VENUE WITH THE SETTINGS that is ready for use. This includes light, microphone, backdrop and related equipment for each store categories such as clotheshorse and table.

ADVISORS who will give sellers advice before starting the Live, monitor them during the Live and give feedback and recommendations after the Live streaming.

Additional benefits is the opportunity that each stores can reach large amount of audiences, since we will promote the campaign, and broadcast via Lazlive official channel on Lazada.

Notes :
Lazada will interview sellers who join the campaign and broadcast it in order to show the successful cases and convince other sellers to use Lazlive.

Source: Team Analysis

LazLive Week will be conducted in 2 phrases for large-scale and small-scale stores

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LAZLIVE WEEK

LazLive Week campaign is separated into two phases: a week for large and influencial stores, and a week for mid-to-small scale stores.

PHASE 1 : 1 week For large-scale and influential stores	PHASE 2 : 1 week For mid-to-small scale stores

OBJECTIVE

To encourage influential stores to adopt the tools and become successful cases which can influence other shops to use Lazlive while gaining the audiences from stores' followers.

OBJECTIVE

Build positive sellers' mindset that not only large stores can be successful; they can be successful as well if they adopt the tools.

WORKING PROCESS

1. Conduct a survey and let the Lazada users nominate the stores that they want to see in LazLive week via Lazada social media accounts and Lazada platform
2. Select potential store with following criteria and underline invite them
   - Store followers and customer base on Lazada application and other platforms
   - Stock availability
   - Customer feedbacks
   - Store rating on Lazada

3. Promote the campaign and do PR
4. Host the event and Broadcast the Lazlive week
5. Broadcast sellers' interview and show successful cases

WORKING PROCESS

1. Open the application for mid-to-small scale stores
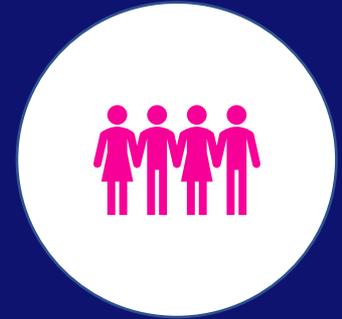2. Select potential store with following criteria
   - Stock availability
   - Customer feedbacks
   - Store rating on Lazada
   - Store activeness
   - Quality of the products

3. Promote the campaign and do PR
4. Host the event and Broadcast the Lazlive week
5. Broadcast sellers' interview and show successful cases

BUILD LAZLAND

EXPAND THE FAMILY

RALLY OUR FRIENDS

People perceive KOL as a hard seller and not reliable which make people be afraid of being Lazada KOLs

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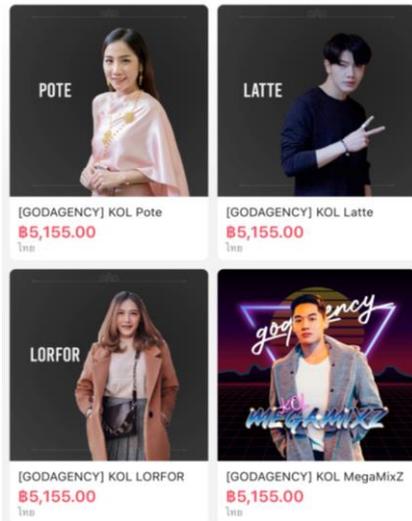
EXISTING KOLs ON LAZADA

[GODAGENCY] KOL Pote
฿5,155.00
1ฑ.

[GODAGENCY] KOL Latte
฿5,155.00
1ฑ.

[GODAGENCY] KOL LORFOR
฿5,155.00
1ฑ.

[GODAGENCY] KOL MegaMixZ
฿5,155.00
1ฑ.

TOP 9 CATEGORIES THAI PEOPLE SHOP ONLINE 2020

Electronics and Home Appliances
Fashion
Health and Beauty
Mom and baby
Toys and hobbies
Consumer goods
Sports
Automobile
Pet care

LAZADA KOLs ISSUE

Not well-known, have few followers, and lack of deep knowledge in products

Lack of uniqueness and self-identity

Cannot express their opinion truthfully (can only follow the shop owner's instruction which is mentioning only positive side of the products)

Lazada KOLs have poor image since they don't value the audiences as their first priority:
• No product testing
• Hard-selling approach

When Lazada KOLs presents the products they just say the feature or benefits the products. The contents may not be relevant to the audiences.

Sometimes they just communicate *WHAT* but not tell *WHY* customers should buy it

NEGATIVE CONSEQUENCES

Cannot attract customers to watch Lazlive or generate more sales during the live stream

Audiences will not follow KOLs because they are not attractive enough

KOLs' image doesn't look sincere and can't be trusted by the the audiences, therefore, they will not buy the products and don't think of watching KOLs' Live when they want to find products to buy

The audiences do not feel relevant and does not make the audiences interested in the products

As a result, Lazada should enhance Laztalent campaign to educate how to be a good KOL and build trust among the customers in order to make KOLs truly influential and make people want to be Lazada KOLs

We aim to enhance impact of LazTalent and make Lazada KOLs be more influential by classifying product categories

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LazTalent Program

WHAT IS NEW LAZTALENT PROGRAM?

A program broadcasting on LazLive platform. Recruiting people who want to become Lazada KOLs to join workshops and compete with other candidates to get the prize.

    The program consists of 3 series:
- IT series (Electronics and Home appliances)
- Beauty and Makeup series
- Hobbies series (Music, Figure, Sports)

* The candidates can only apply for only one product category.

CRITERIA FOR SELECTING PRODUCTS CATEGORIES

Market size: The category that has larger market size will potentially has more audiences.

Require expertise : If the category requires expertise, the workshops and missions in the program will be challenging for participants and entertaining for the audiences to watch.

Not overlapping audiences : All chosen categories should not have overlapping content because the audiences are the same (such as Fashion and Makeup)

We do not choose fashion because most buyers buy fashion products based on their tastes and styles: it does not require much expertise compared to other chosen categories.

OBJECTIVE

- Changing people's mindset to have positive perception towards KOLs. (Prove the audiences that they are talented, skillful and reliable)
- Finding new talented KOLs
- Attracting audiences from program participants and mentors to use LazLive tools
- Generating revenue with tie-in products in the program
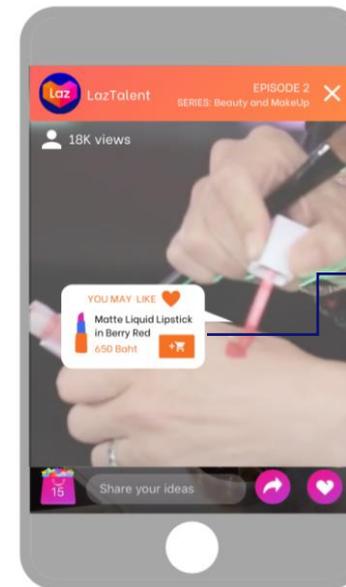
Product Tie-In

The products details mentioned during the program will pop-up on the screen. Viewers can purchase the product while watching the LazTalent program.

LAZTALENT PROGRAM

ANALYSIS   BUILD LAZLAND   EXPAND THE FAMILY   RALLY OUR FRIENDS   FINANCIALS

LazTalent program will consist of main five steps from researching to producing

LazTalent Program

WORKING PROCESS

1 **CONDUCT KOLs RESEARCH FOR EACH PROGRAM SERIES**
The research will be used to create the workshops and mission for candidates in different episodes. The research topics include a successful KOL for each industries, the key factors for the audiences to be influenced by KOLs, the characteristics of good KOLs.

2 **CHOOSE AND CONTACT THE MENTORS FOR EACH SERIES**
Mentors will help candidates improving themselves in different aspects:
1. Finding their own style and create their own identities
2. Improving their professional skills related to each categories
3. Practicing their presenting skills:
   - Persuading the audiences
   - Creating environment to trigger customers' decision making
   - Using body gesture professionally

CEEMEAGAIN
IT series

MOMAY
Beauty series

SINGTO
Hobbies series

3 **PLAN THE DETAILS OF EACH SERIES AND FIND VENUE AND EQUIPMENT**

4 **PROMOTE AND PR LAZTALENT APPLICATION**

5 **HOST THE EVENT AND PRODUCE THE PROGRAM**
Each series of LazTalent program consists of 6 episodes, the first five episodes will be recorded and broadcast two episode a week, EP6 will be broadcasted in real-time.
* Three series of LazTalent program will be broadcasted one at a time.

CAMPAIGN DURATION
3 weeks/series (9 weeks in total)

BROADCATING PLATFORM
LAZLIVE

EPISODE DURATION
30 minutes per episode

BROADCATING SCHEDULE
Saturday and Sunday

Audiences will see the expertise and skill of participants which will reimage Lazada KOLs

LazTalent Program

EP 1 — 1st Round Selection Training Workshops

Selecting 20 participants out of all candidates
- Assess their knowledge from questions in application form
- Assess their presenting skills from video assignment

2 Workshops

1. Workshop 1: Basic knowledge about each industry – Hosted by guest speakers who specializes in each category)
2. Workshop 2: teach body posture, vocal variety - Hosted by mentor

* Participant performances will be evaluated.

* Top 10 participants will pass to the next round.

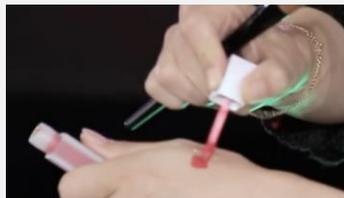### EP 2 — 2nd Round Selection – 10 Participants

Mission
example for Beauty and Makeup series

Participants have to match 30 lipstick colors to the right name and brand which will show their expertise and entertain the audiences at the same time.

In this episode, the audiences will also get useful product information, acting as a *tie-in,* generating sales during the program.

* Top 8 participants will pass to the next round.

EP 3 — 3rd Round Selection – 8 Participants

Mission
Testing participants presenting skills

- Participants has 1 hour to prepare a presentation for a given product

- Judges will act as the target customers and assess with the following criteria
  - Truthful opinion
  - Sufficient and relevant information
  - Presentation performance

* Top 5 participants will pass to the next round.
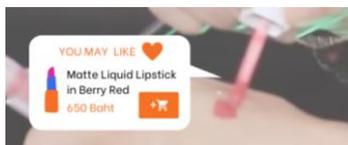
Notes: When the products are being used or presented in the live, The banners will immediately pop on the screen, allowing the viewers to buy those products with discounts.

Source: Team Analysis

Audiences will see the expertise and skill of participants which will reimage Lazada KOLs

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LazTalent Program

EP 4 — Semifinal
- 5 Participants

Intense Mission
Give all participants the same set of products and let them present the products in their own styles to show their uniqueness and identity

The score of the each participants will be collected by popular votes

* Top 5 participants will pass to the Final Round

EP 5 — Final Round part 1
— 3 Participants

Final Mission
Each participants will select one products from event sponsors' brand and sell it on *Lazlive*.

This episode will broadcast the "behind live-camera" part, including the content planning, camera setting, and others.

* Participants will not be eliminated in this EP.

EP 6 — Final Round part 2
— Winner Announcement

Broadcasting
Each participants sell selected products through *Lazlive* which will be broadcasted real-time.

The participant who has the highest sales will be the winner of LazTalent program.

WHAT WILL THE WINNER GET?

50,000 Baht Prize
For each series

1 Year Contract
With LAZADA

Ensure Incoming Works
LAZADA will continuously provide KOLs products to review.

Ensure Freedom of Speech
KOLs will have power to express their opinion truthfully.

Source: Team Analysis

All strategies will be implemented by the 3-year timeline

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Task	2020E Q4	2021E Q1	Q2	Q3	Q4	2022E Q1	Q2	Q3	Q4	2023E Q1	Q2	Q3
STRATEGY1 BUILD LAZLAND												
User Insight Research	■											
LazLive UXUI Development	■											
Beta Testing & Development		■										
Launch & Marketing		■										
STRATEGY2 EXPAND THE FAMILY												
Stores Selection and Schedule Arrangement		◧		◧		◧		◧		◧		◧
Location and Equipment Preparation		◧		◧		◧		◧		◧		◧
Marketing & PR		■		■		■		■		■		■
Event Hosting		◧		◧		◧		◧		◧		◧
STRATEGY3 RALLY OUR FRIENDS												
Program Preparation & Mentor Selection				■				■				
PR and KOL Recruitment					■				■			
Production and Marketing					■				■			
Program Broadcasting					■				■			

Source: Team Analysis

ANALYSIS | BUILD LAZLAND | EXPAND THE FAMILY | RALLY OUR FRIENDS | **FINANCIALS**

BUILD LAZLAND will result in incremental users of 139 k by 2023

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Number of incremental sellers & buyers from BUILD LAZLAND

34 %

Thousands

Year	2021	2022	2023
Total	103.4	119.9	139
buyers	68.43	79.47	92.29
sellers	35.00	40.43	46.69
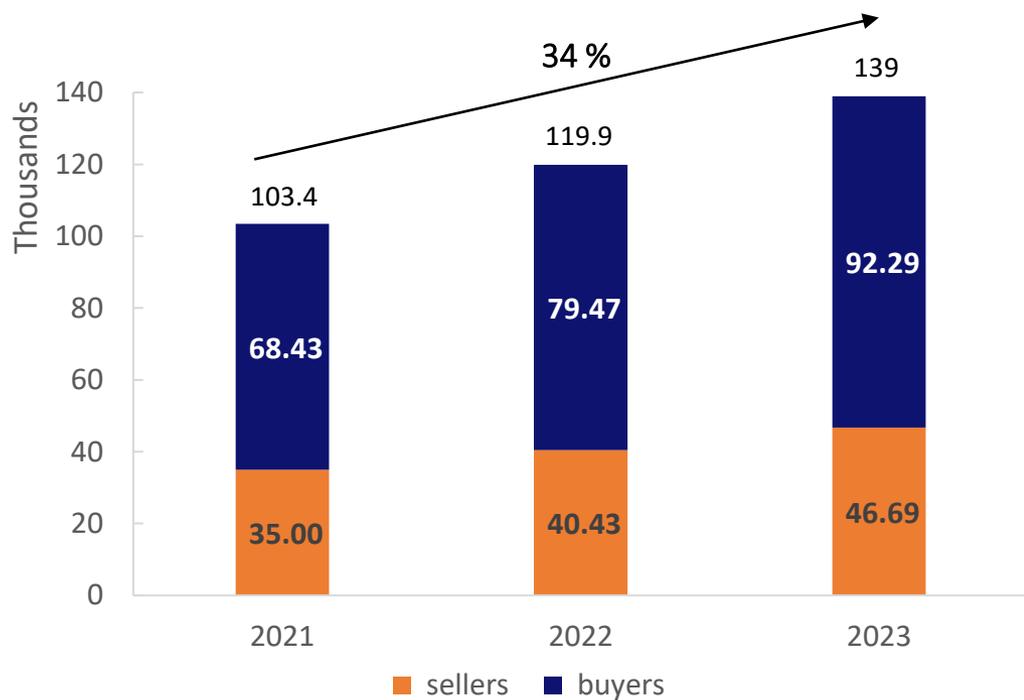
■ sellers ■ buyers

46.7 k
Incremental Sellers
2023

92.3 k
Incremental Buyers
2023

Key assumption

■ **# of Thai population**
69.63 million in 2020 growing by 0.25% every year

■ **Thai population age 15-30**
20% in 2020

■ **E-commerce penetration rate**
52% in 2020 growing by 3% every year

■ **# of Thai online sellers**
Estimated 400 thousand in 2020 growing by 10% every year

EXPAND THE FAMILY will result in incremental users of 483.3 k by 2023

BONFIRE CONSULTING

Number of incremental sellers & buyers from EXPAND THE FAMILY

47 %

Year	buyers	sellers	Total
2021	281.53	47.04	328.6
2022	344.08	54.33	398.4
2023	420.52	62.75	483.3

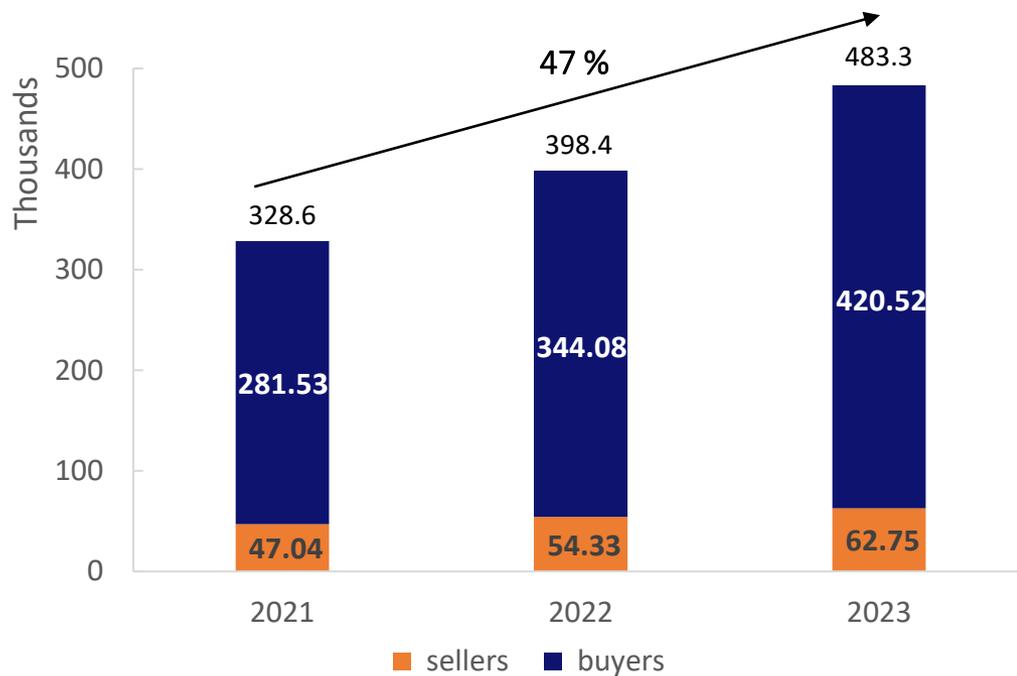■ sellers ■ buyers

62.75 k
Incremental Sellers
2023

420.5 k
Incremental Buyers
2023

Key assumption

# of Thai population
69.63 million in 2020 growing by 0.25% every year

Thai population age 15-30
20% in 2020

E-commerce penetration rate
52% in 2020 growing by 3% every year

# of Thai online sellers
Estimated 400 thousand in 2020 growing by 10% every year

Sellers following successful cases
Approximately 80%

Source: Team Analysis

RALLY OUR FRIENDS will result in incremental users of 748.2 k by 2023

BONFIRE CONSULTING

Number of incremental KOLs & buyers from RALLY OUR FRIENDS

Thousands (y-axis)

- 2021: 466.2 total (KOLs 2.77, buyers 463.43)
- 2022: 590.6 total (KOLs 3.50, buyers 587.12)
- 2023: 748.2 total (KOLs 4.42, buyers 743.82)

60 %

■ buyers   ■ KOLs

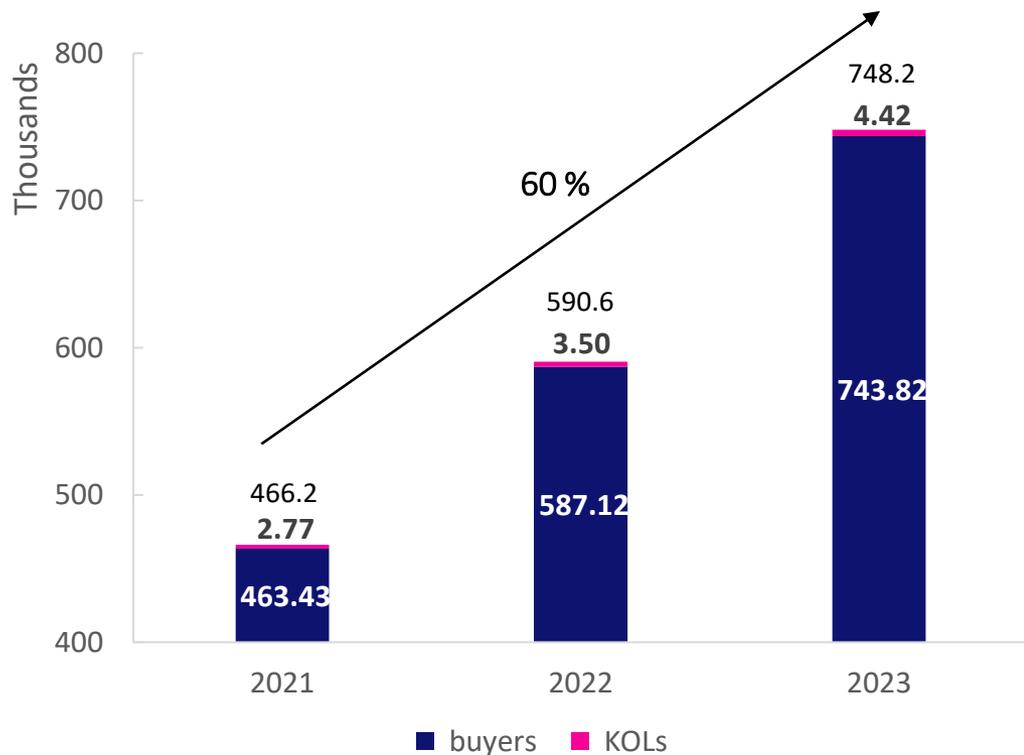**4.42 k**
Incremental KOLs
2023

743.8 k
Incremental Buyers
2023

Key assumption

# of Thai population
69.63 million in 2020 growing by 0.25% every year

Thai population age 15-30
20% in 2020

E-commerce penetration rate
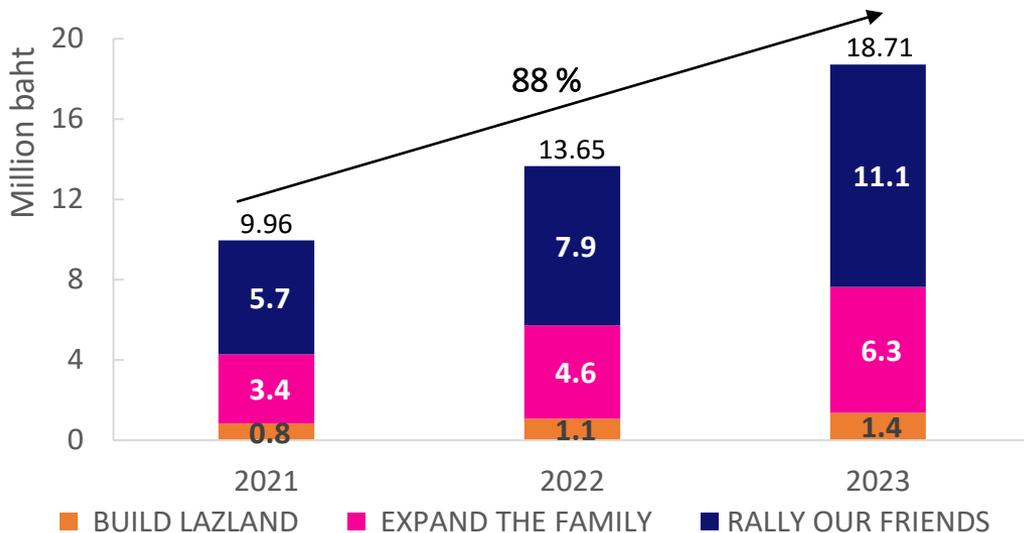52% in 2020 growing by 3% every year

# of Thai city population
Approximately 6.93 million in 2020 growing by 0.25% every year

Potential KOLs interested in holding live sessions
Approximately 50% in 2020

Source: Team Analysis

The three strategies will result in incremental sales of 18.71 millions by 2023 and will be implemented using key cost drivers — average annual recurring costs of ฿ 3.46 millions

Incremental sales from the three strategies

Million baht

88 %

- 2021: 9.96 (5.7 / 3.4 / 0.8)
- 2022: 13.65 (7.9 / 4.6 / 1.1)
- 2023: 18.71 (11.1 / 6.3 / 1.4)

■ BUILD LAZLAND ■ EXPAND THE FAMILY ■ RALLY OUR FRIENDS

Key assumption

Buyers who really purchase
Approximately 70% in 2020 growing by 5% every year

Average income
350,000 baht

Income spent online
10% in 2020 growing by 5% every year

1.37 millions	18.71 millions
Incremental Users in 2023	Incremental Revenue in 2023

One-time costs

User insight research ฿ 15,000	Studio set up ฿ 80,000
Interface development ฿ 400,000	Marketing costs ฿ 20,000

Total : ฿ 515,000

Annual recurring costs

Mentor hiring costs ฿ 1,500,000	Electricity costs ฿ 60,000
Employee salary ฿ 450,000	Winner prize ฿ 150,000
Marketing costs ฿ 1,300,000	

Total : ฿ 3,460,000

Source: Team Analysis

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OBJECTIVE	KEY ISSUES	RECOMMENDATIONS	IMPACTS
To strengthen LazLive and increase its users in order to generate higher conversion rate during the live streaming and become the new normal and influential ecommerce platform in Thailand	How can Lazada enhance customer journey on LazLive to purchase the product during the live session?	**BUILD LAZLAND** Enhance user journey by fixing both sellers and buyers UX/UI	**Incremental Sellers 109.5 k**
	How can Lazada convince and create incentives for sellers to adopt Lazlive?	**EXPAND THE FAMILY** Educate and use selected shops as successful cases to influnce others to give Lazlive the first try	**Incremental Buyers 1.26 M**

Incremental KOLs 4.42 k |
| | How can Lazada make people stop perceiving Live broadcaster as hard seller and not reliable? | **RALLY OUR FRIENDS** Reimage Lazada KOLs, show people what real KOLs look like and build KOLs credibility | **Incremental revenue 18.71 M baht** |

Risk and mitigation

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	Description	Likelihood	Mitigation
Poor feedback from Lazlive week	Sellers' products are not sold to the level they expect, and it discourages them and other sellers	◑	Find out which industry is successful or not then host another Lazlive week focusing only successful industry to build strong trust that it works
People do not watch Laztalent program	People do not want to enter Lazlive to watch the program and the contents are not interesting enough	◑	Launch the program in other platform ex. Youtube and let the viewer vote the content of what they want to see KOLs do in the program
Sellers not interest to join Lazlive week	Sellers are not interested to become a part of Lazlive week because they do not believe that it will work	◔	Give incentives such as payroll or more discount coupon to let they know that at least they do not lose anything from coming
KOLs have bad performance in Laztalent program	KOLs cannot achieve task or do not perform well in the program which will threaten their image	◔	Provide more training sessions and similar task stimulation before real task performing date

Severity ↑

● Strong   ○ Weak