00:04

Growing up, one of my fondest memories was of going to a local market with my mom every month in the small town in India where we lived. We would spend the morning walking through an intricate maze of small stores and street vendors, stopping at her favorite spots where everyone knew her, discovering what fruits were in season and what kitchenware was in stock. She would spend hours examining things from all angles, quizzing sellers on their quality and where they came from. They would show her the latest tools and gadgets, picking the ones that they knew she would like. And we always walked back happy and satisfied, our arms overflowing with dozens of shopping bags having bought so much more than what we originally intended.

00:59

A decade later, as a college student in the bustling city of Delhi, my friends and I would spend a similar few hours every month on "Fashion Street," a euphemism for the row of small stores with the latest clothes at great prices. We would spend hours rummaging through piles of clothes, trying on dozens of trinkets, getting advice from each other on what looked good and what was on trend. We would then combine everything we had bought to negotiate a big discount. Each of us had different roles. One was great at putting the look together. Another one was better at negotiating the discount. And a third was always the timekeeper to make sure that we got back to school on time.

01:47

Shopping is so much more than what you buy. It's a treasure hunt to discover something new, a personalized recommendation from someone you trust. It's a negotiation to get that great deal and a time spent catching up with friends and family. It's social, it's interactive, it's conversational.

02:07

Over the last two decades, I have been researching consumers in emerging markets around the world, digging beneath the surface to truly understand who they are, how they live and what they want when they go shopping. Shopping, like everything else, has moved online. Shopping online is great. It's convenient -- at the click of a button, delivered to your doorstep. It has everything. It has great prices. But it's also static and impersonal. You sit alone in front of a computer or a mobile phone scrolling through hundreds of choices identified by an algorithm, delivered by a machine. When you do have a query, you interact with another machine or a bot -- rarely an actual human being.

02:56

What puzzles me about this is when you speak to a successful salesperson, they will always tell you that the secret to closing a sale is the conversation. People want to buy from other people. So why do we forget this most crucial ingredient when we shop online? This impersonal, anonymous experience is leaving many of us less satisfied. Returns are at an all-time high, and we're left feeling -- did I buy too much? Did I buy too little? Does it really look good on me? Did I even need this? And for the one billion consumers who are new to the internet in emerging markets, shopping online can be overwhelming. They are unsure whether they'll get what they can see, unsure whether they can trust the seller. What if their money gets lost in cyberspace? The question is: can we create authentic, real, human conversation at scale? Can we create online marketplaces that are convenient and abundant and human?

04:08

The good news is that the answer is yes. Companies in emerging markets around the world, in China, India and Southeast Asia, are doing just this, using a model that I call conversational commerce. It's hard to believe, isn't it? But let me give you a few examples. First: Meesho, an Indian company where you can build a trusted and authentic relationship with a seller online. The best part about shopping with my mom was that the sellers knew who she was and she knew that she could trust them. They would scroll through the hundreds of choices in the store and pick and make personalized recommendations just for her, knowing what she would like and what would work for her. It's hard to imagine such a thing happening online on that scale, but that's exactly what Meesho is doing.

05:06

On Meesho, you can shop over and over and over again, but instead of interacting with a stranger or a bot, you interact with the same person: a representative of Meesho who is a real human being that you interact with via social media. Over time, she gets to know you better. She knows your likes, your dislikes, what you buy and when you buy it. And you learn to trust her. For example, she will message my sister right before Diwali with a new range of hand-loomed saris. She knows my sister loves saris -- I mean, she has two cupboards full of them -- but she also knows that my sister always buys a sari right before Diwali for the Indian festive season. And she also knows the kind of saris she would like. So instead of sending her hundreds of choices, she picks and chooses the colors and styles that she knows my sister would like. And then she answers her relentless questions. How does the silk feel? How does the fabric fall? Will this color look nice on me? And so many more. It truly is a hybrid model, combining the convenience and scale of a large company with the trusted personal relationship that you would expect from the shop around the corner.

06:30

My next example is LazLive. On LazLive in Thailand, you can watch real sellers describing products to you via a live video stream. Now, I love handbags. And when I am in a store, I like to examine a handbag from all angles before I buy it. I need to feel the texture on my skin, hang it on my shoulder and see how it looks, see how long the strap is, open it up and look at the pockets inside to make sure that there is enough space for all the millions of things I need to put into my handbag. But when I try and buy a handbag online, I just see a few pictures: the basic shape and color and size. But that's not enough, is it?

07:18

To solve this problem, LazLive has developed a platform where actual sellers -- real people can share information about clothes, handbags, gadgets, cosmetics -- describing the products to you, showing you what they are from the outside and the inside, explaining what they like and what they don't like. You can ask them questions and get instant responses so that you are much more comfortable with what you buy before you buy it. Over time, you can watch more videos from the same seller and they start to feel more like a friend than a faceless machine. And they help you understand what you're going to buy, stay abreast of the latest trends and often discover things that you didn't even know existed.

08:07

And finally, my favorite example: Pinduoduo, one of the fastest-growing Chinese platforms, where you can actually shop with your friends online. You remember the fun I had shopping with my friends on Fashion Street, rummaging through stores, finding that perfect sandal, negotiating that great deal? Well, on Pinduoduo, you can do just that. It's lonely to shop online, and I miss hanging out with my friends. But on Pinduoduo, when I find a product, I can either buy it myself at the regular price or I can share it with my friends via social media, discuss it with them, get their advice, and if we all choose to buy it together, we get a great deal. These deals last only for a short time, just like in the real world. And there are lotteries and games and flash sales to keep all the excitement going. It's a fascinating model, really helping you rediscover the joy and connection of shopping with your friends and family in the bazaars of yore.

09:19

What's important to note is that these are not stray experiments. In markets like China, India and Southeast Asia, over 500 million consumers engage in conversational commerce, and these models are growing much faster than the traditional, more static e-commerce platforms. Conversational commerce emerged to solve the needs of first-time online shoppers, but my research shows that it is equally compelling for more experienced shoppers, not just in emerging

markets but around the world. In fact, when we tested conversational commerce with consumers in the US, they found it more compelling for the same reasons as consumers in Asia. Consumers who engage in conversational commerce spend 40 percent more with higher satisfaction and lower returns.

10:20

I strongly believe that in the not-so-distant future, conversational commerce will become the norm, revolutionizing shopping around the world, and traditional e-commerce platforms like Amazon will need to adapt or risk becoming irrelevant.

10:41

For brands, this is a crucial next step and an unprecedented opportunity, moving on from mass marketing in the 20th century and analytics-based hyperpersonalization in the last two decades, to building a truly authentic and deep personal connection with their consumers.

11:02

And for us shoppers, it brings back the magic, making online shopping finally feel human again.

11:11

Thank you.