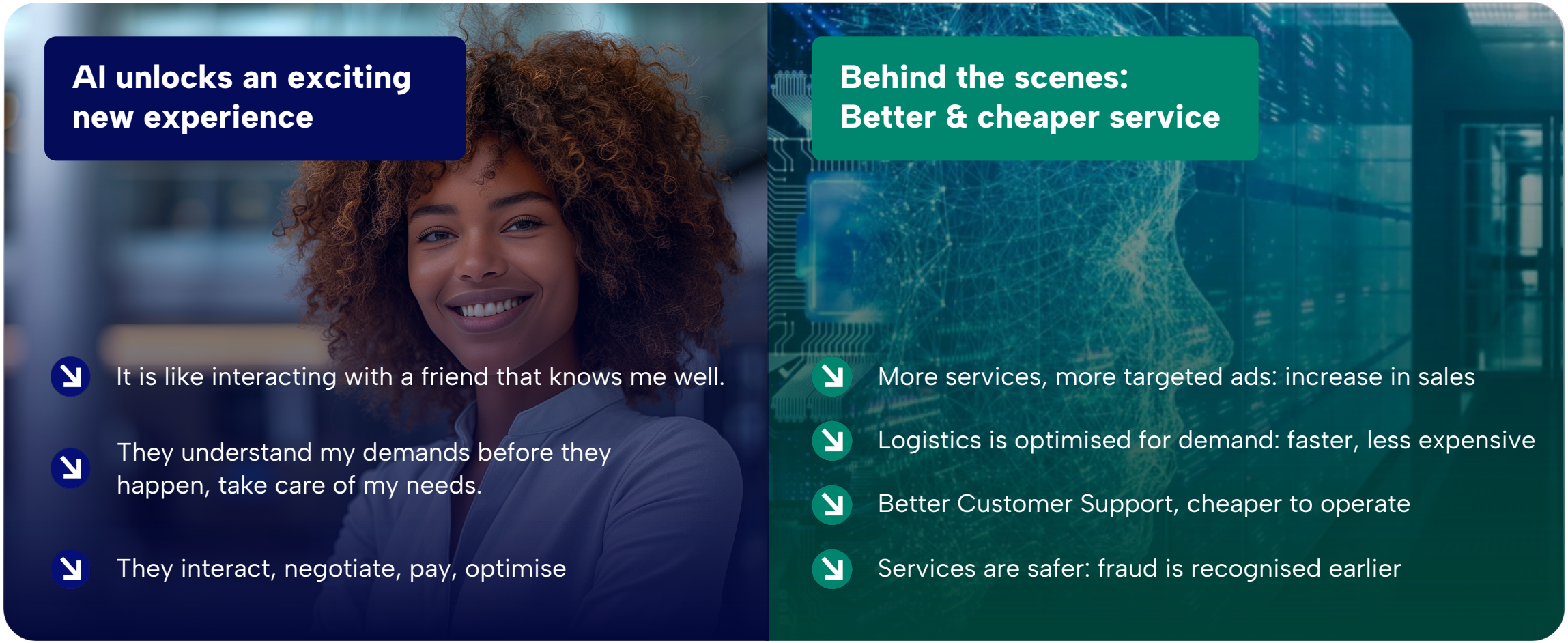
prosus

Leveraging AI across the Prosus ecosystem

iFood Partner Support, Logistics, Personalisation & Search

AI First: Better Services, Better Business



AI unlocks an exciting new experience

- It is like interacting with a friend that knows me well.
- They understand my demands before they happen, take care of my needs.
- They interact, negotiate, pay, optimise

Behind the scenes: Better & cheaper service

- More services, more targeted ads: increase in sales
- Logistics is optimised for demand: faster, less expensive
- Better Customer Support, cheaper to operate
- Services are safer: fraud is recognised earlier

AI First @ iFood

Part 2: iFood Partner Support, Logistics, Personalisation & Search

AI in use at Prosus: Case Study iFood

AI is embedded in everything iFood does, including in how it acquires customers more efficiently, reduces and prevents fraudulent activity and how it supports its customers, partners, and drivers across its platform

Part 1

In Case Study 1, we focused on how iFood deploys AI to acquire customers efficiently as well as to reduce and prevent fraudulent activity across the platform. The key findings of that study were:

- A **30%** reduction in customer reacquisition costs, by deploying **75%** of its advertising budget using AI strategies
- A reduction in its charge back rate from **2.6%** to **0.1%** (0.5% is generally accepted as a "good" rate) and an increase in its credit card acceptance rate to **97%**

To view Part 1 in its entirety please visit HERE

Part 2

In the following case study, we will focus on how iFood uses AI to better and more efficiently serve and support its customers, route orders and drivers, personalise customer experience & improve search monetisation.

Customer Support	Logistics	Personalisation & Search
• More than **56%** of all support automated for Customers, **74%** for Drivers, **14%** for Partners • **40%** reduction in support costs • Customer satisfaction up **5** percentage points	• Ai has simulated decades worth of route testing • **30m** orders are delivered using **25m** AI generated "most efficient" routes per month. • Cost to deliver have been reduced by **16%**	• Personalisation drove a **23%** increase in conversion to orders • AI has improved search revenue by 17% Y/Y and increased in-app conversion by 0.53%

Case Study 3: Customer, Partner and Driver Support

More than 56% of all support automated for Customers, 74% for Drivers, 13% for Partners

Description

Before

- Manual support. During unexpected spikes it could take more than a day to answer customers.
- Average service time increasing for all operations.
- Implementing changes to business policies was too time-consuming for human operation.

Thesis

- Chatbots can solve support tickets faster and **with better satisfaction,**
- Models for evaluating human support, and measuring the quality of ticket resolution.
- Integration between support services from the three verticals: customer, partners and drivers.

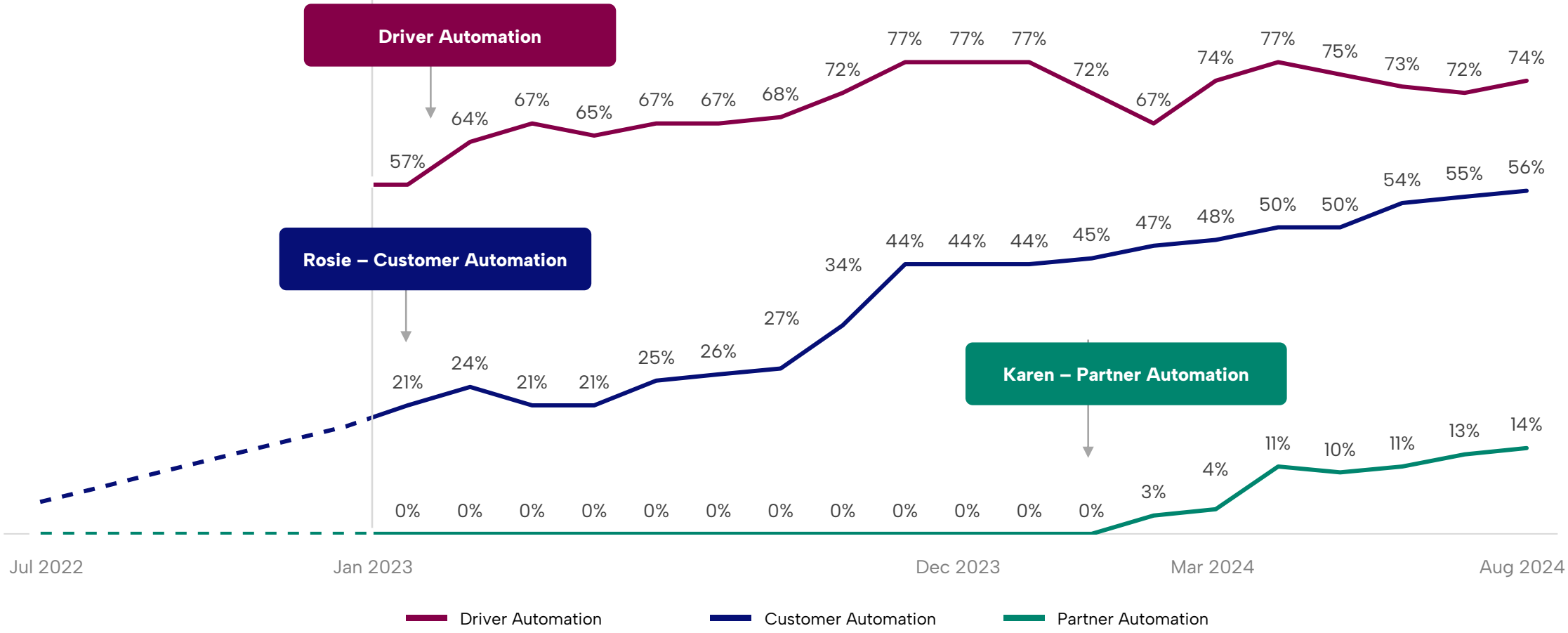
After

- More than **56% of all support automated** for Customers, **74%** automation for Drivers, **13%** automation for Partners.
- **40% reduction in customer support costs.**
- **Increased customer satisfaction by 5pp**.
- Better handling of unexpected spikes by automatically scaling infrastructure.

Without AI

With AI

Percent of tickets automated by our bots with customer satisfaction better or comparable to human support



Case Study 4: Logistics

New algorithm approaches saved at least R$4m per month

Description

Before

- Testing new approaches was only possible in production.
- Routes couldn't be changed once communicated to drivers, missing batch opportunities and cost reductions.
- A/B testing was not applicable to our context; impact was measured by comparing with previous week results.

Thesis

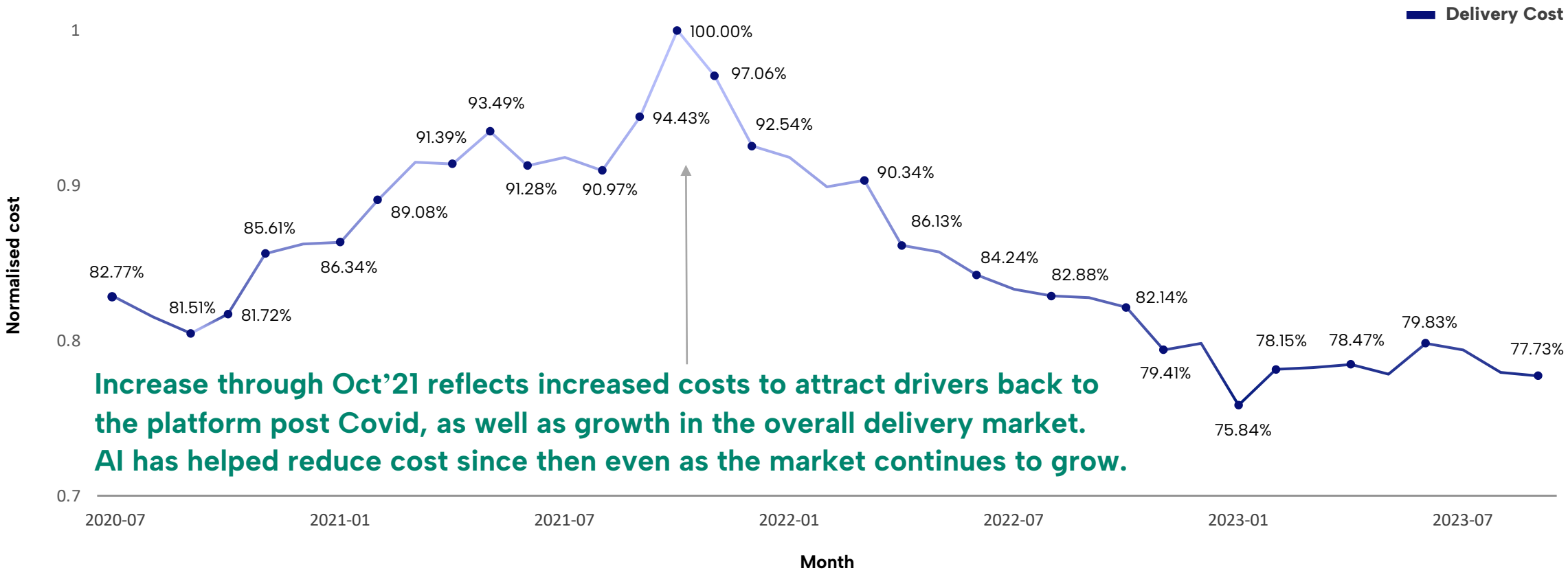
- **Simulator tool** could speed up and secure testing and decision-making.
- **Allow mutable routes** to reduce costs and improve service quality.
- **New routing** approach designed to balance delivery cost and service quality.
- **Switchback test[1] approach** to accurately measure impact in production.
- **ETA prediction** to increase the efficiency of routes.

After

- In July 2024, over **11K simulations** were conducted, equating to 30+ years of production tests in a single region.
- **30m orders delivered in 25m created routes** each month.
- New algorithm approaches **reduced the base cost by more than 16%** during the last three years.
- **Switchback test approach** can capture small impact and improve conclusions accuracy.

[1] Method of A/B testing whereby, for example algorithm A runs for the entire day (set of days) to see the entire order flow and is compared to algorithm B on the following day/s

Delivery costs between 07/2020 – 09/2023



Increase through Oct'21 reflects increased costs to attract drivers back to the platform post Covid, as well as growth in the overall delivery market. AI has helped reduce cost since then even as the market continues to grow.

Cost normalised (remove the worker payment raise applied last 3 years): 1% (04/2021), 2% (10/2021), 8% (04/2022), 4.5% (07/2023)

Case Study 5: Personalisation and Search

24% increase in conversion and 17% increase in Search revenue

Description

Before

- Static home, with predefined components/lists showed to all users.
- Sort merchant order defined by a priority list created by the sales team.
- Ads were chosen by an external company with no personalisation.
- Search was done in a generic database with no AI involved.

Thesis

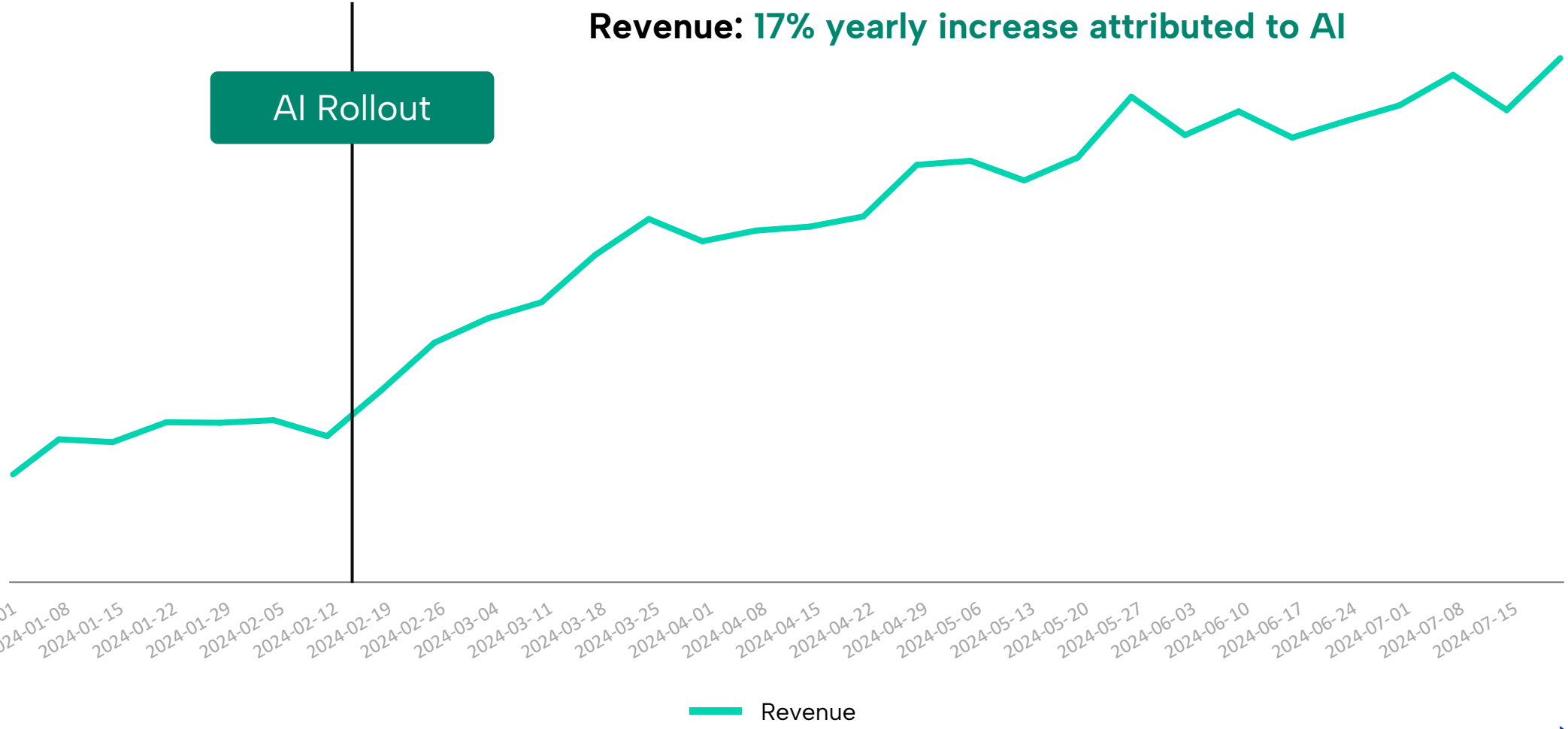
- **Restaurant/Dishes personalisation:** we can target users with personalised recommendations and that will improve the experience and increase sales.
- **List personalisation:** A home with more personalisation will increase conversion.
- **Ads recommendations:** Choosing the best ads for each user will increase our Clickthrough Rate (CTR).
- Add AI to our search will improve experience and increase sales.

After

- List Personalisation: **23.5% increase in component conversion** (+ 0.2% additional orders per month).
- Ads revenue: **estimated 17% increase in revenue** because of AI.
- Orders originated only from our 2 AI lists: ~2% per month.
- Semantic Search: **0.54% increase in app conversion.**

Adding personalisation in ads (restaurants top placement)

Revenue: 17% yearly increase attributed to AI



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