

# Lotte Duty Free launches AI-driven marketing system



The new marketing system enables 'super-precision marketing' for individual customers

[Lotte Duty Free Shop](#) has announced that it has built a "hyper-personalized" marketing system based on AI and big data.

The Marketing Automation System (MAS) "is an AI/big data-based system that enables 'super-precision marketing' for individual customers, away from simple repetitive marketing targeting an unspecified number of people," explains the press release. "Lotte Duty Free's strategy is to attract customers and increase sales with a new marketing system that maximizes customers' shopping benefits.

"In the case of existing marketing, event information was focused on sending messages by reflecting only very basic customer information such as membership level and departure schedule. However, MAS comprehensively analyzes not only this basic information, but also detailed indicators such as the characteristics of products purchased by customers, the length of time spent on each page, and the event response rate, and provides event information that reflects each customer's taste at the optimal time."

According to the release, after a pilot operation of seven months, "customer inflow was found to be more than six times more effective than the existing system, and the success rate of inducing additional purchases approached 75%."

In his New Year's address to executives and employees after taking office, Joo-Nam Kim, CEO of Lotte Duty Free Shop, said, "As a global leading duty free shop, we must lead innovation and change

through digital transformation. This will be the heart of our company for the next 10 years."

Lotte Duty Free plans to introduce more segmented personalized marketing by increasing the current 80 types of customer behavior-based personalized marketing scenarios to 200 types by 2025.

"The convenience of shopping for overseas customers is also improved. Starting with the establishment of MAS, Lotte Duty Free Shop additionally linked overseas social media channels such as Whatsapp and WeChat, and expanded the number of countries to be shipped from five to 13."

In June 2022, Lotte Duty Free Shop entered into a "big data alliance" with leading companies in other industries, such as KB Kookmin Card, T-Map Mobility, and Lotte Department Store, and is participating in a data convergence platform based on customer consent.

"Meanwhile, Lotte Duty Free is accelerating digital transformation in all business areas and becoming a 'smart duty free store'. In November of last year, it launched the 'Omni Service', an integrated online and offline channel shopping service that encompasses product information check, store visit reservation, and mobile self-payment function through mobile before visiting a store, and is being introduced at domestic downtown stores. Lotte Duty Free plans to expand the service to airport stores in the future and provide a differentiated shopping experience targeting customers who have not yet purchased products online. In addition, in the first half of this year, it plans to introduce 'Digital Distributed Identity (DID)' for the first time in the industry, which allows customers to purchase duty free goods only with smartphone authentication without a physical passport."