The AI x Ecommerce Revolution

How AI is shaping the Future of Online Marketplaces

February 2025

prosus

Investing in the AI-enabled Future of Ecommerce.

Prosus is a global technology company, unlocking an AI-first world for its 2 billion customers. With investments in more than 100 companies across the world, Prosus builds local ecommerce champions in growth markets.

With leading positions in Food Delivery, Classifieds and Fintech, Prosus has created its own unique technology ecosystem, driving innovation, knowledge sharing and growth across its portfolio.

Through the Prosus Ventures team, the Group invests in new technology growth opportunities within AI, social and ecommerce platforms, fintech, B2B software, logistics, health, blockchain, agriculture and more.

The team actively backs exceptional entrepreneurs who are using technology to improve people's everyday lives.

dealroom.co

Global startup and venture capital intelligence platform.

Dealroom.co is a global intelligence platform for discovering and tracking the most promising companies, technologies and ecosystems. Clients include many of the world's foremost organizations such as Sequoia, Accel, Index Ventures, McKinsey, BCG, Deloitte, Google, AWS, Microsoft, Stripe.

Dealroom partners closely with local tech ecosystem development agencies and enablers, to create a comprehensive multi-dimensional blueprint of the tech ecosystem, including capital, talent, innovation, entrepreneurship and overall economic dynamism.

Fabricio Bloisi

CEO
prosus

“Welcome to The Future of Ecommerce in the Age of AI.
This comprehensive report offers a data-driven analysis of the transformative trends, challenges, and opportunities shaping ecommerce in the next decade.

Marketplace platforms have emerged as a dominant economic force globally, revolutionising how businesses and consumers interact. Now, artificial intelligence represents a seismic technological shift, poised to reshuffle the deck once again.

In this rapidly evolving landscape, AI adoption is no longer optional—it's imperative. Companies leveraging AI are accelerating their relevance to consumers, enhancing personalisation, and driving unprecedented growth.

At Prosus, we're committed to leading this AI-driven transformation. We invite you to join us on this exciting journey as we explore the limitless possibilities AI brings to the world of ecommerce.”

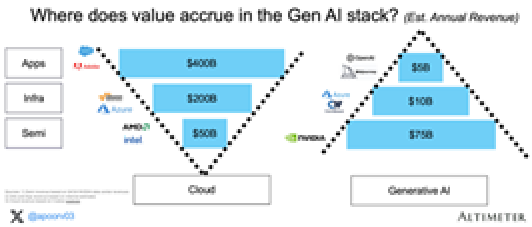
The DeepSeek moment for Ecommerce - Key Takeaways

DeepSeek launch will drive accelerated value creation at the application layer

One of the biggest implications of the DeepSeek release is that we're closer to the value accrual inversion between apps<> infrastructure than many expected.

DeepSeek has shown that models and infrastructure are already rapidly commoditizing.

Most value creation will occur in the application and data layer. The world should get ready for a whole new generation of apps to emerge

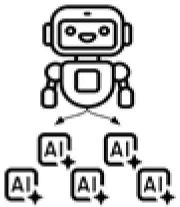


The future of ecommerce is Agentic

New AI applications helps supercharge marketplace network effects. AI helps drive liquidity with more listings, higher conversions to transaction, and more repeat purchases

In the Age of AI, only the biggest platforms will have the (data) scale required to win

The next frontier: Agentic AI will make autonomous purchasing decisions for us



Ecosystems best positioned to win

The true value of any application lies in its data and metadata—the oxygen fueling AI's potential.

Ecosystem plays unlock unique set of vast, interconnected data at scale, primed for AI innovation.

To thrive in this era of agentic AI, companies must adapt their tech stacks accordingly.

1. State of Marketplaces

2. The DeepSeek moment: How AI shapes ecommerce

3. Ecosystems: The road to US$100bn+ platforms

4. Implications for Prosus

Online marketplaces are big business

$1.3 Trillion

Revenues of all global online marketplaces (public)

$4 Trillion

Enterprise Value of all global online marketplaces (public)

Source: Adapted from Forerunner, Dealroom.co

Why? Marketplaces are great at solving big consumer needs

Imagine having immediate access to …

7m cars — Uber

12m products — amazon

8m houses — airbnb

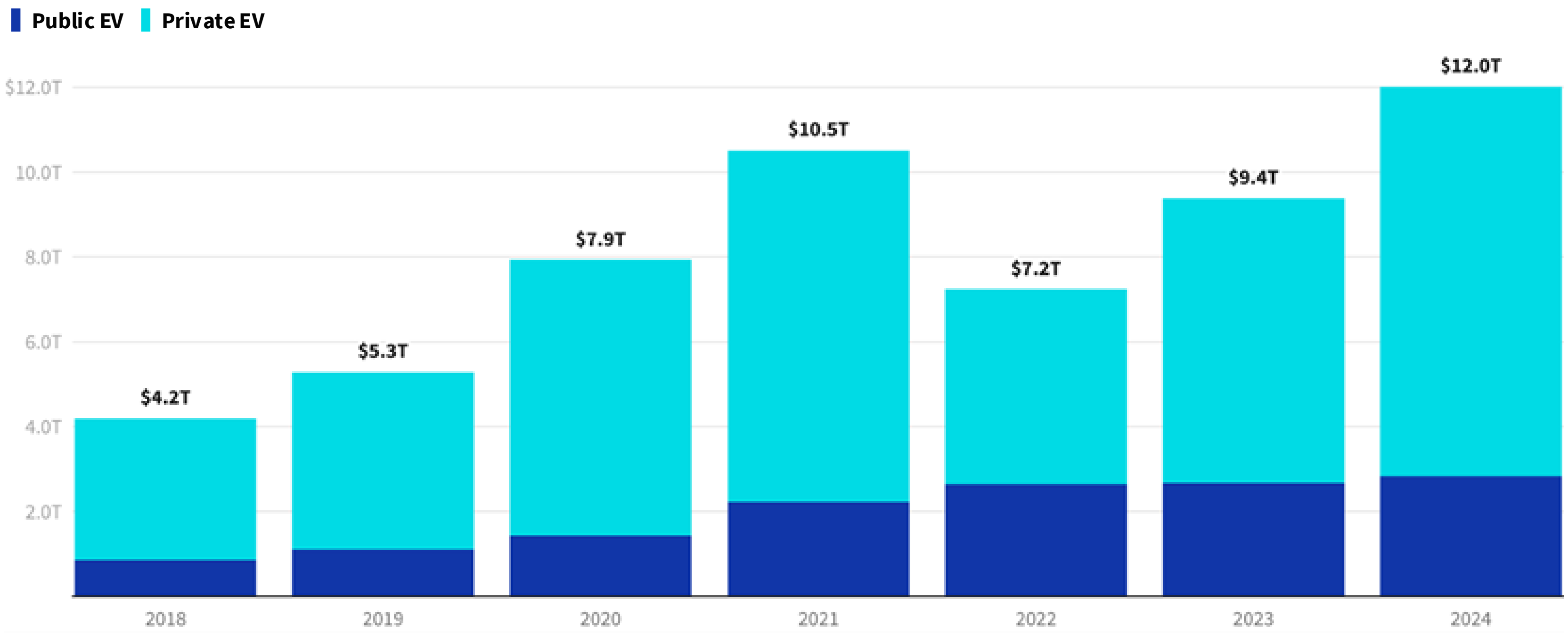
18m workers — upwork

400k restaurants — ifood

Source: Adapted from Forerunner, Dealroom.co

Relevance of Marketplaces is reflected by all time high valuations

Global combined Marketplace Enterprise Value by ownership



Source: Dealroom.co Data as of Dec 19th 2024.

Online marketplaces have created some of the biggest outcomes

Valuation ($)	Number of companies	Example companies
1 Trillion +	1	amazon
100 Billion+	4	Booking.com, Uber, 拼多多
50 Billion+	6	mercado libre, airbnb, DOORDASH, sea, Copart
10 Billion+	21	Delivery Hero, ebay, CARVANA, zomato, Expedia, DiDi, Grab, Zillow
5 Billion+	17	allegro, zalando, AutoTrader
1 Billion+	36	MERCARI, deliveroo, upwork, JUST EAT, AUTO1

Source: Dealroom.co Data as of Dec 19th 2024.

Top Performing* Marketplaces (Global, private companies only)

Name	Website	Type	HQ
Anyvan	anyvan.com	Couriers	
Avito	avito.ru	Classifieds	
Bolt	bolt.eu	Ride hailing	
Breadfast	breadfast.com	Groceries	
Carro	carro.sg	Cars	
Cera	cerahq.com	Health	
Cookunity	cookunity.com	Chefs	
EquipmentShare	equipmentshare.com	Equipment	
Fever	feverup.com	Events	
Foodsmart	foodsmart.com	Dieticians	
Fora	foratravel.com	Travel	
Headway	headway.co	Therapists	

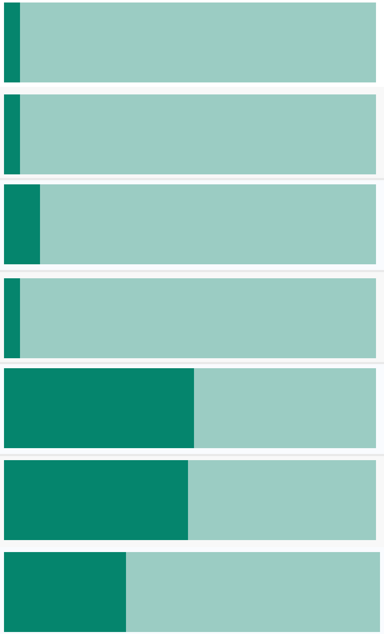
Name	Website	Type	HQ
iFood	ifood.com.br	Food Delivery	
inDrive	indrive.com	Ride hailing	
Meesho	meesho.com	Commerce	
Ninja	ananinja.com	Delivery	
Ovoko	ovoko.com	Car parts	
Safi	safi.co	Waste	
Urban Company	urbancompany.com	Freelance labor	
Urban Sports Club	urbansportsclub.com	Sports	
Vinted	vinted.com	Fashion	
Whatnot	whatnot.com	Live shopping	
Zen Educate	zeneducate.com	Teachers	
Zepto	zeptonow.com	Groceries	

Source: Dealroom.co
Note: *Ranking of best performing marketplaces based on Dealroom signal score from January 20, 2025.
Signal is a composite relative score ranking based on on growth momentum and quality of founding team. Ordered alphabetically.

= Prosus portfolio company

In most industries, Marketplaces are still in their early innings

Global startup & scaleup activity: Digital / Offline



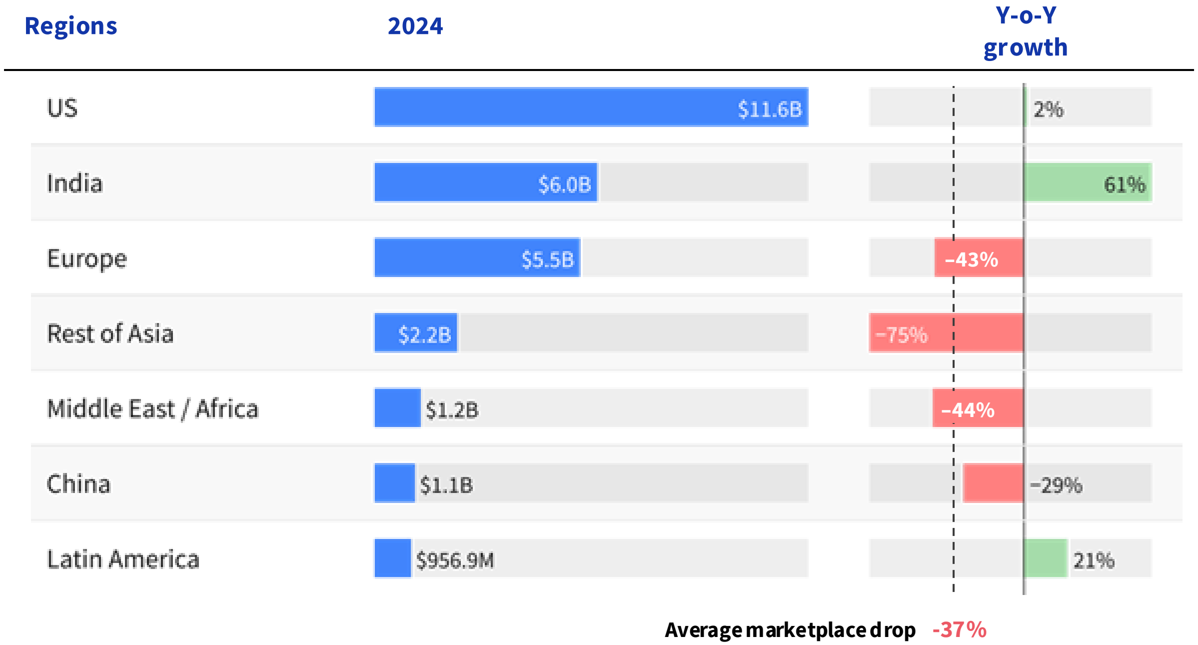
Sector	Consumer spending	Global startup & scaleup activity
Housing Rent & mortgage 65%, Interior & maintenance 16%, Energy 18%	$8.2T	Already researched online but still transacted offline. New models like iBuying and fractional ownership could help digitise further
Health Gov't funded 64% [1], Insurance premiums 22%, out-of-pocket 14%	$7.8T	Rigid market, but Covid-19 has opened the floodgates to innovate fast
Food Groceries 53%, Alcohol & tobacco 30%, Restaurants 17%	$6.0T	Was slow to migrate online (<10%) but now digitising fast
Mobility Car purchase 34%, Fuel & maintenance 56%, Public 10%	$5.0T	Consumers still spend 90% on car ownership. The remaining 10% of mobility is mostly booked online.
Education Gov't funded 87% [1] Out-of-pocket 13%	$5.0T	Education still 90%+ offline but starting to digitise Lockdown could instigate rapid systemic change
Travel Flights 33%, Packaged travel 33%, Hotel 33%	$3.0T	Online penetration around 50%. But even "offline" part is mostly researched online and booked via email/phone
Fashion	$2.2T	Online penetration around 1/3 in most developed countries. But social distancing has moved business online

Source: Dealroom analysis based on data from Eurostat and World Bank
1. Government funded is added to consumer spending here since consumers still decides/influences where to buy healthcare
2. Estimate based on top-10 most valuable companies in the sector. Combination of public and private valuations

The US leads with more than 40% of total marketplace funding.

India's impressive growth can be attributed to a few mega-rounds raised this year.

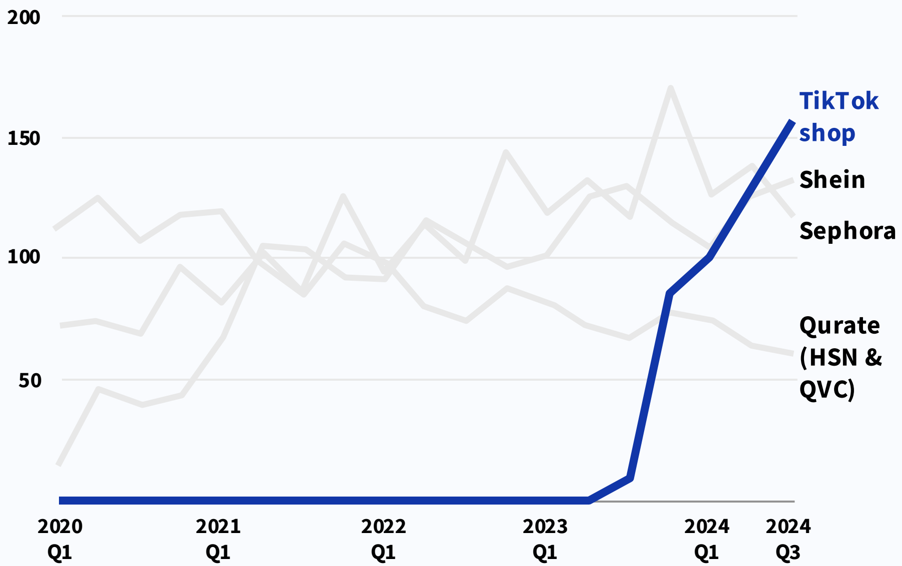
Top Marketplaces regions by Funding for 2024 and year-over-year growth



Source: Dealroom.co Data as of Dec 19th 2024.

Rise of social commerce is unbundling the traditional marketplace model

Indexed US quarterly spending at TikTok Shop, Shein, Sephora & Qurate

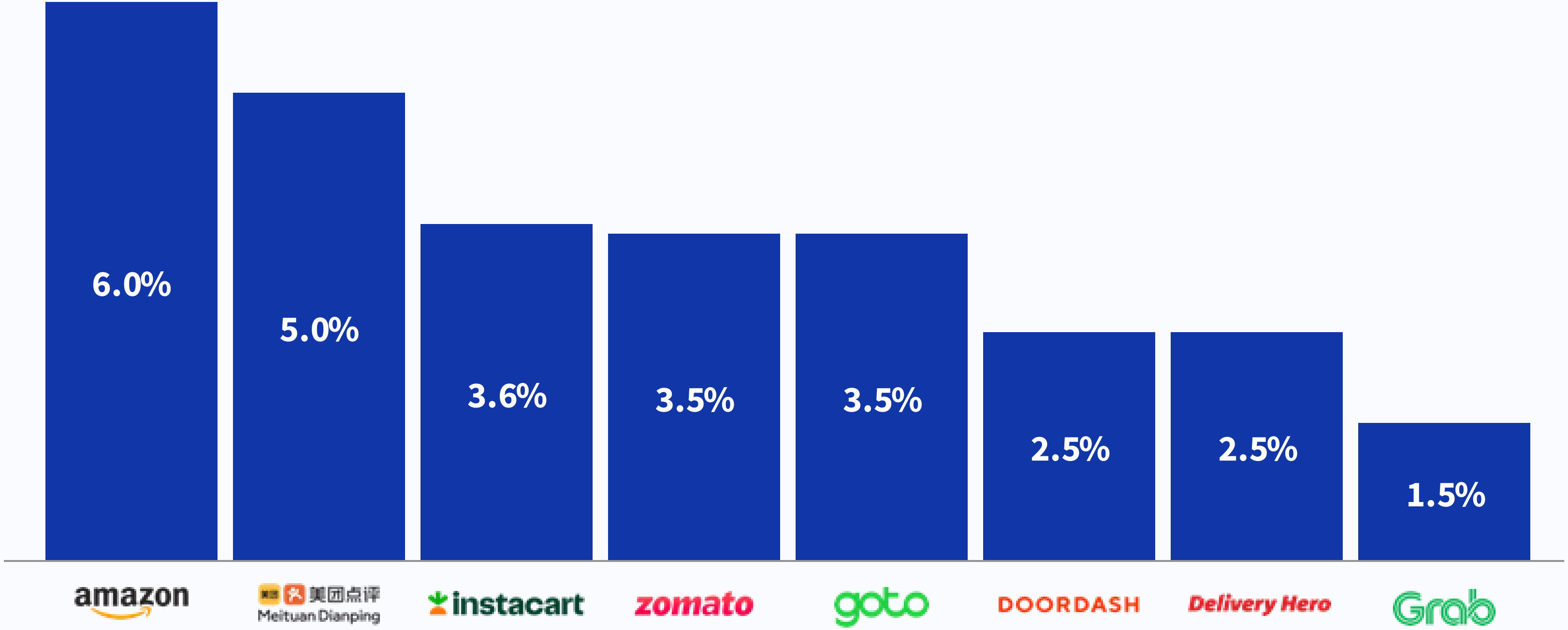


"TikTok made me buy it…"

Source: Dealroom.co; Orion Transaction Data (100 indexed to TikTok Spend in Q1 2024)

Marketplaces are becoming media companies

Advertising revenue, % of Revenue (2023)



Source: Dealroom.co;

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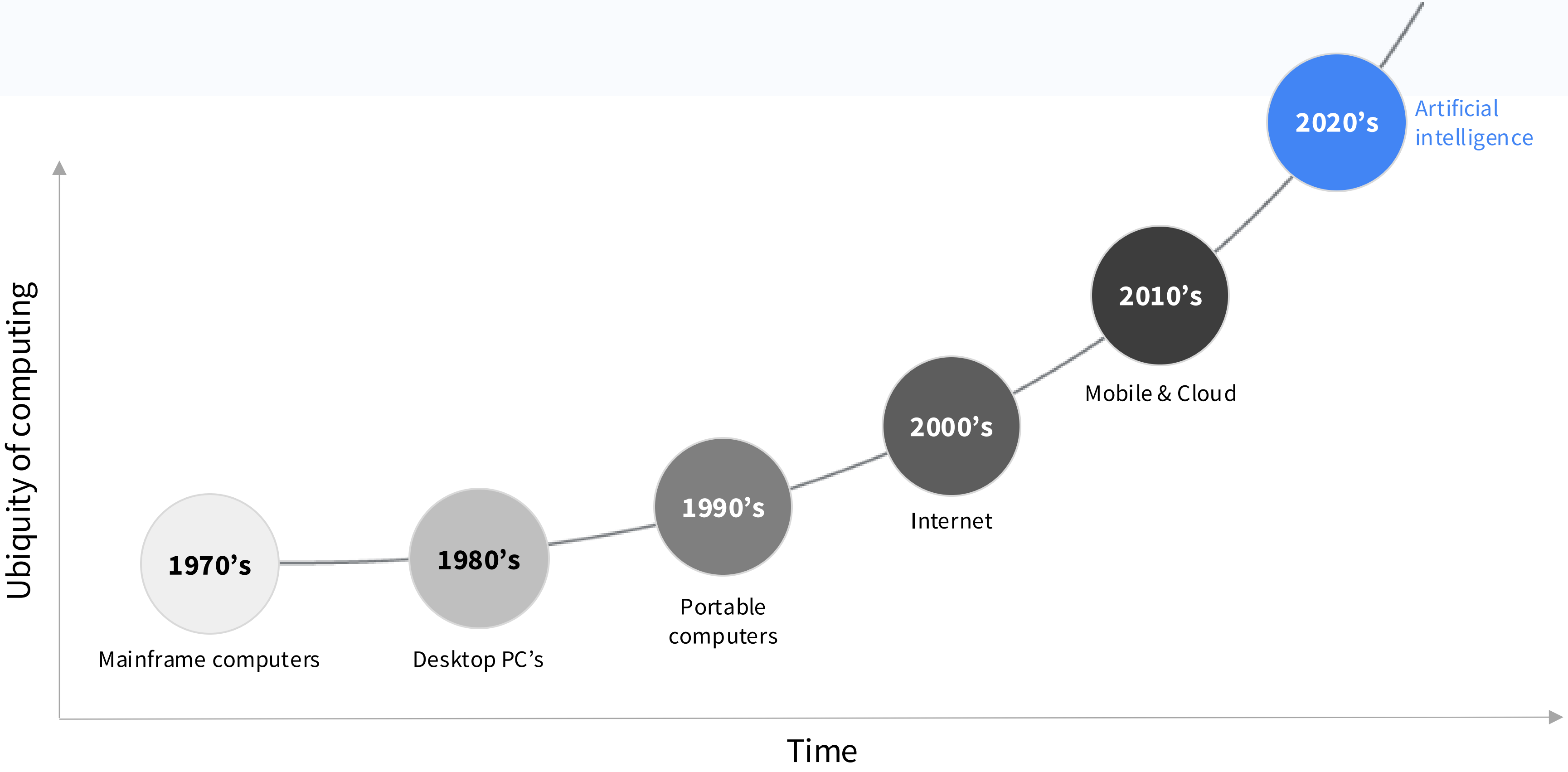
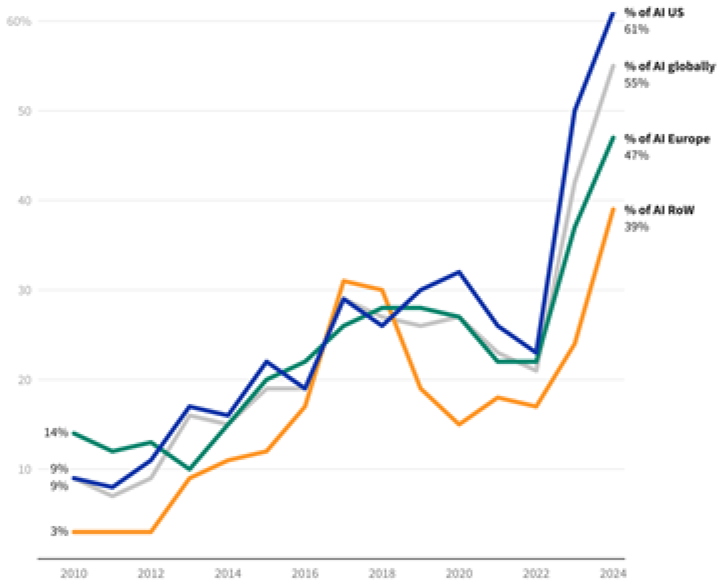
AI is the next platform shift



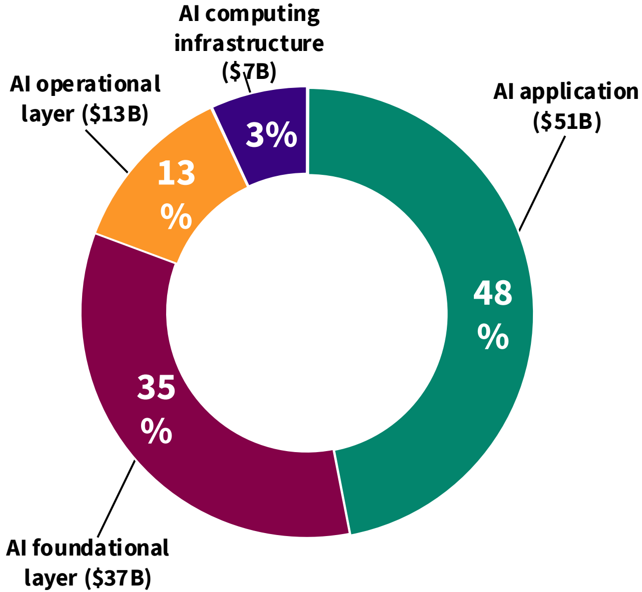
 Source: Adapted from Curiosity; Dealroom.co

AI drives >50% of all VC funding already; mostly in infrastructure and LLMs

% of Software VC funding going to AI - Global



Global AI VC funding by layer, 2024

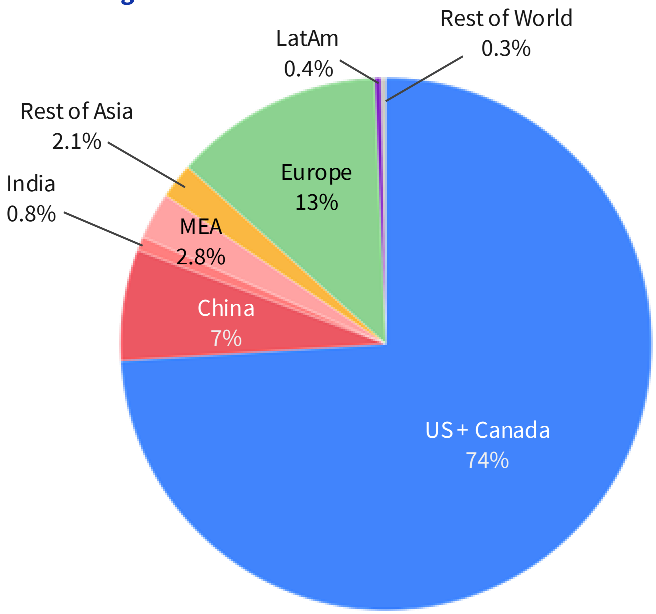


 Source: Dealroom.co

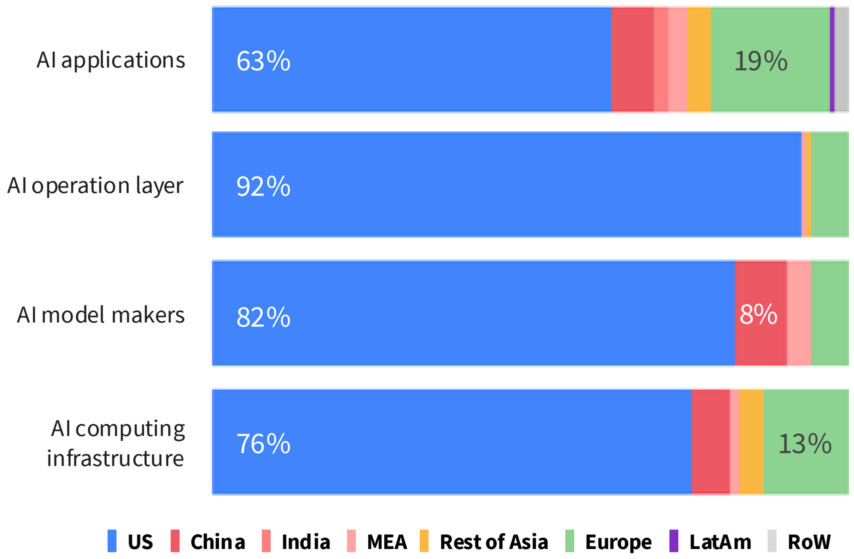
dealroom.co

Rest of world well behind the US, but doing better in applications

All AI Funding



By layer (2023-2024)



 Source: Dealroom.co

We have seen this movie before…

2000 → 2024

IBM
cisco
intel
Infrastructure

Google
Meta
amazon
Apps

2024 → 2034

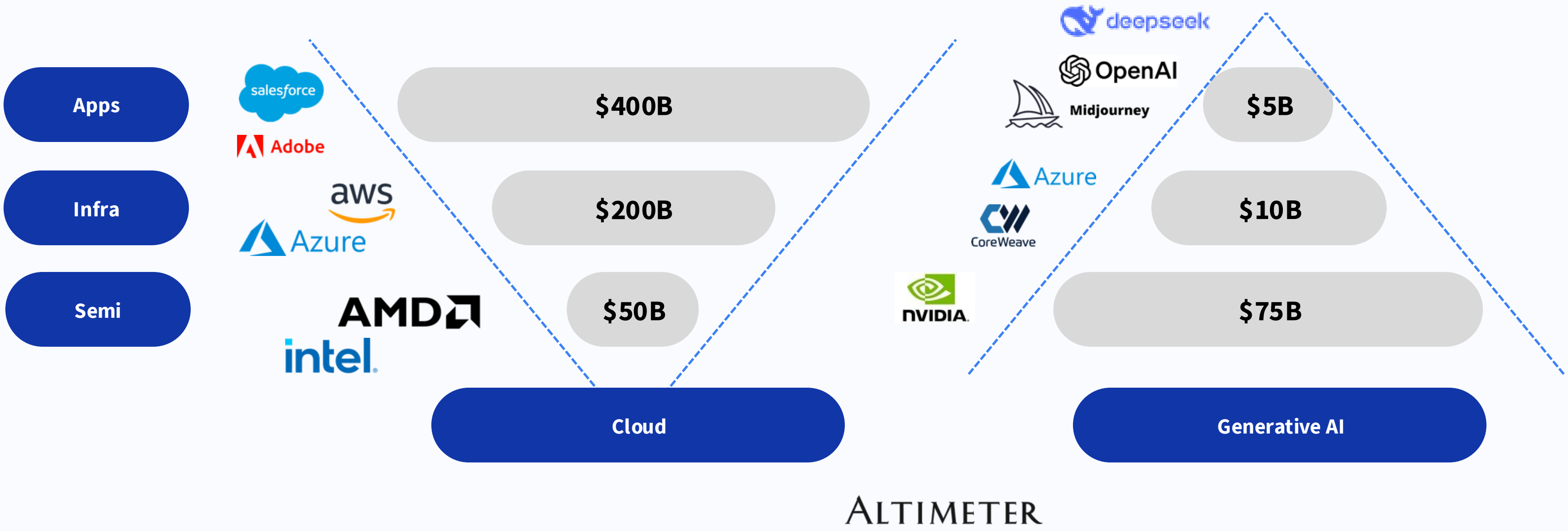
Hugging Face
NVIDIA.
Infrastructure

?
Apps

Source: Adapted from Merantix, Dealroom

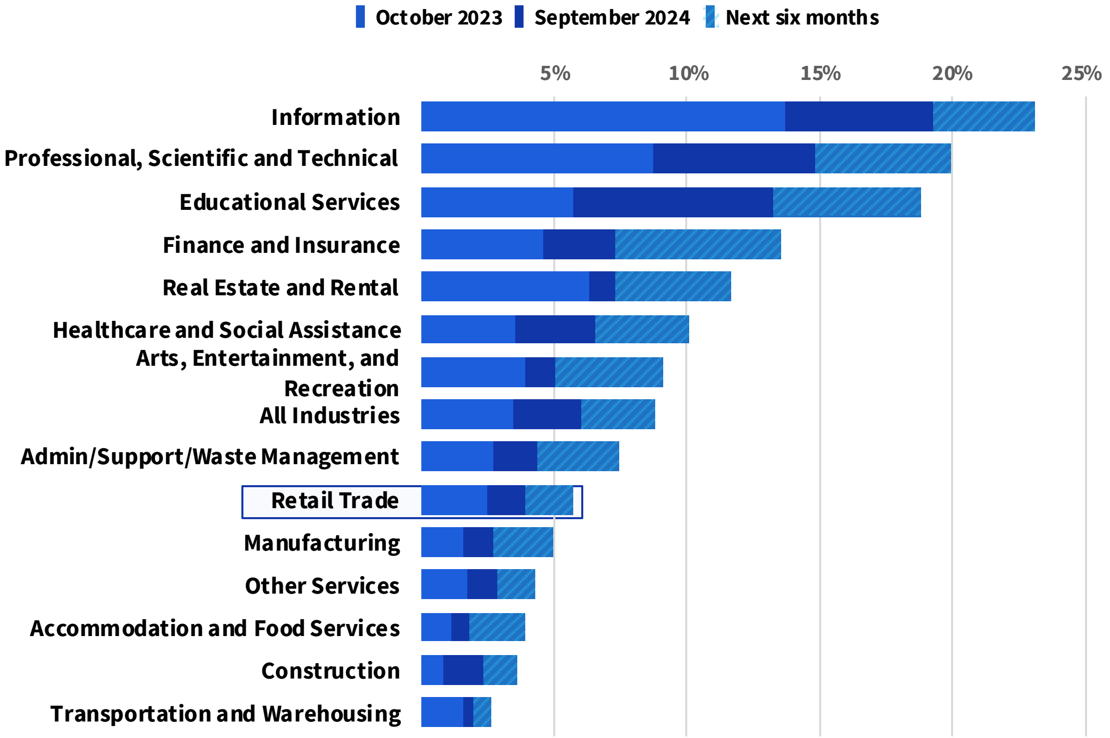
One of the big implications of open source is that we're closer to the value accrual inversion between apps<> infrastructure than many expected

Estimated annual revenues by stack



AI adoption in ecommerce is still in its very early days

Share of US firms using AI by Sector (%)



Source: Analyst report

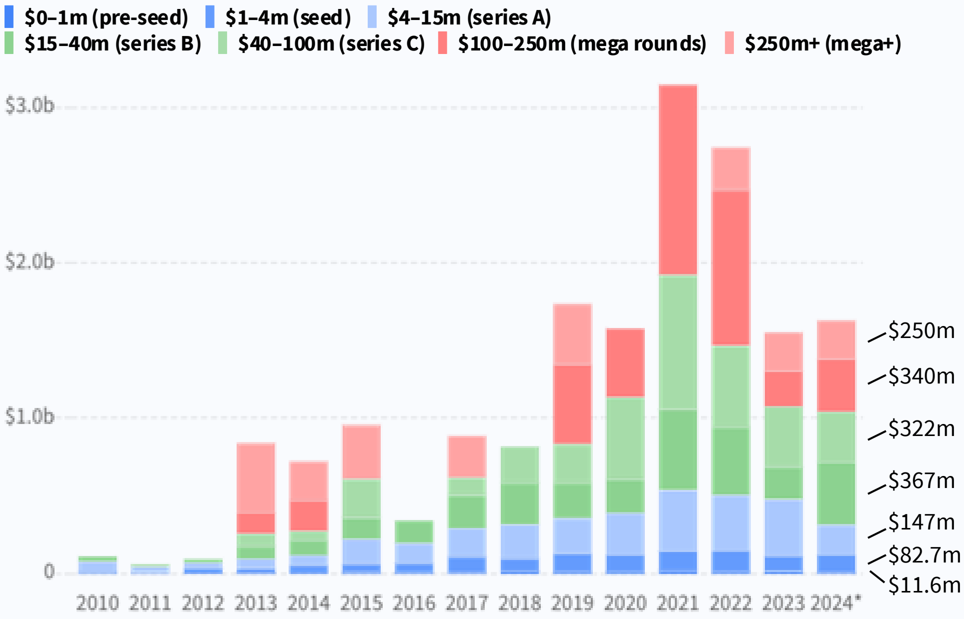
The DeepSeek moment: Implications for the Future of Marketplaces

By making high-quality AI models more accessible through open-source releases, DeepSeek allows for :

- Lower barriers to integration for AI applications
- Enhanced user experience
- Increased efficiency in operations
- A surge in innovation
- Shifting competitive dynamics from being purely about scale to innovation

Some first AI enabled ecommerce applications are emerging

VC funding in AI x ecommerce applications



Relevant AI applications with ecommerce related applications that raised a large Series A/B*

Pricing
Fetcherr · Beyond pricing · Buynomics

Inventory management
Syrup · Autotone · Pensa · Dexory

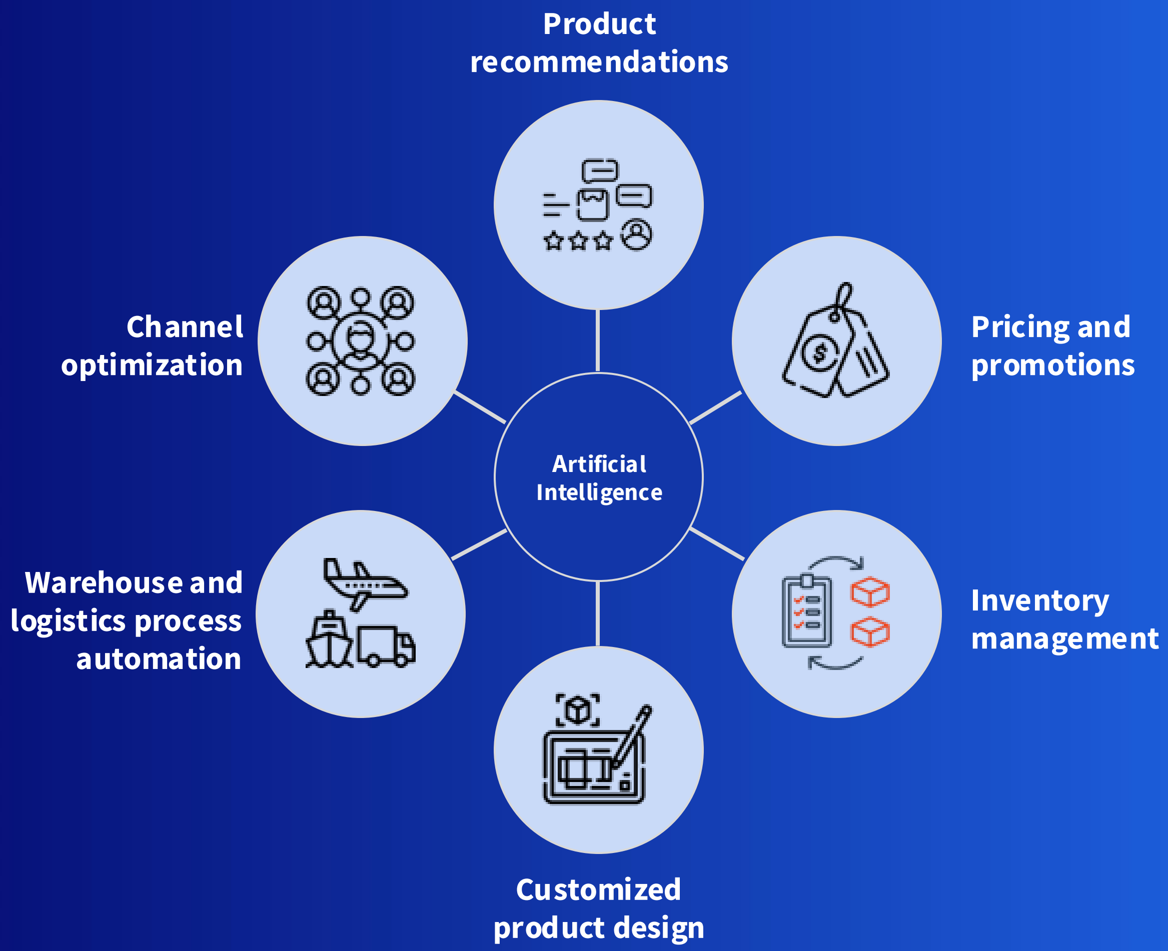
Marketing mix
Datarize · Prescient

KYC/AML/transaction monitoring
Fourthline · Sardine · Sumsub · Hawk

Tools for eCommerce growth
Carbon6 · Topsort · Cimulate

Note: *Selection of AI-Driven ecommerce enablers that raised >$10m Series A/B rounds in 2022-2024 and FTE growth of >15% over the last 12 months
Source: Dealroom.co

AI applications can help supercharge marketplace network effects



AI offers marketplace users new ways of searching

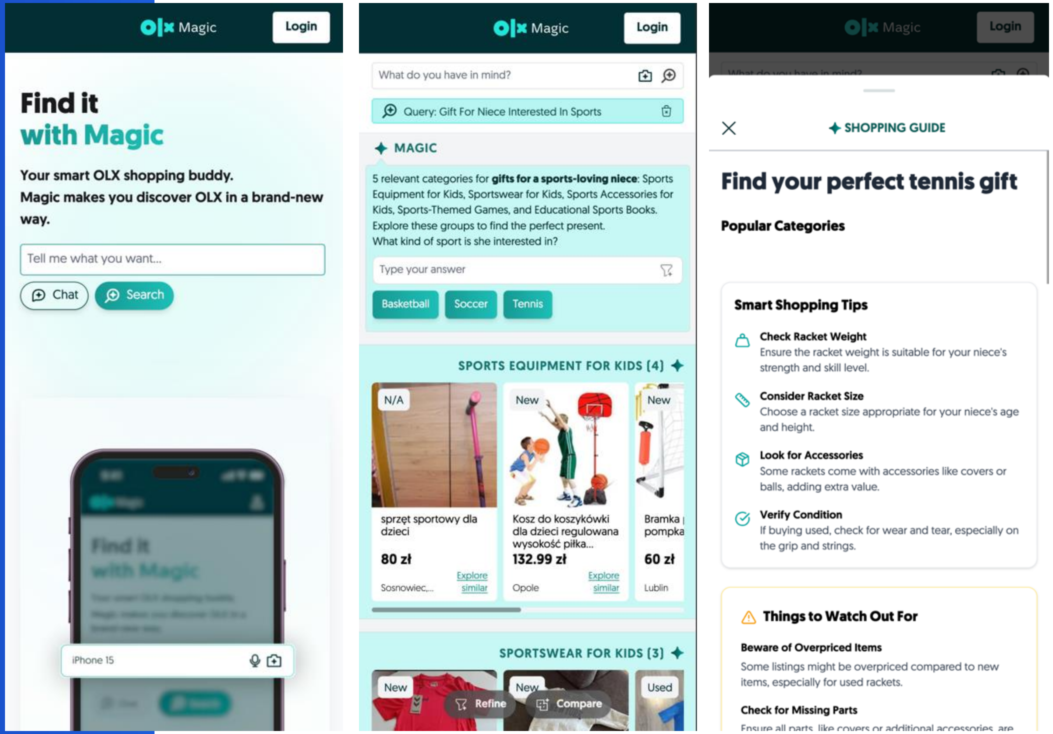
OLX Magic creates a new buying experience based on a conversational interface

Improve experience compared to traditional search

Unlock needs (search for a solution not only for a product)

Attract younger audience with features common in social media

Expand beyond classifieds



Try it now Download on the App Store GET IT ON Google Play

AI is already making marketplace operations significantly more efficient

Proven AI applications from across the Prosus ecosystem

Read more

Logistics

- AI has simulated decades worth of route testing
- 30m orders are delivered using 25m AI generated 'most efficient' routes per month
- Cost to deliver has been reduction by 16%

Trust & Safety

- AI moderates 95% of the 2 million listings per day
- AI processes more than 7 million images daily, at human level accuracy
- GenAI further reduced cost for detecting bad content by an additional 15%

Marketing & Growth

- 75% of budget invested using AI
- 30% reduction in re-acquisition costs (at no conversion impact)
- 19% in monthly savings
- 2x the number of managed variant experiments

Customer Support

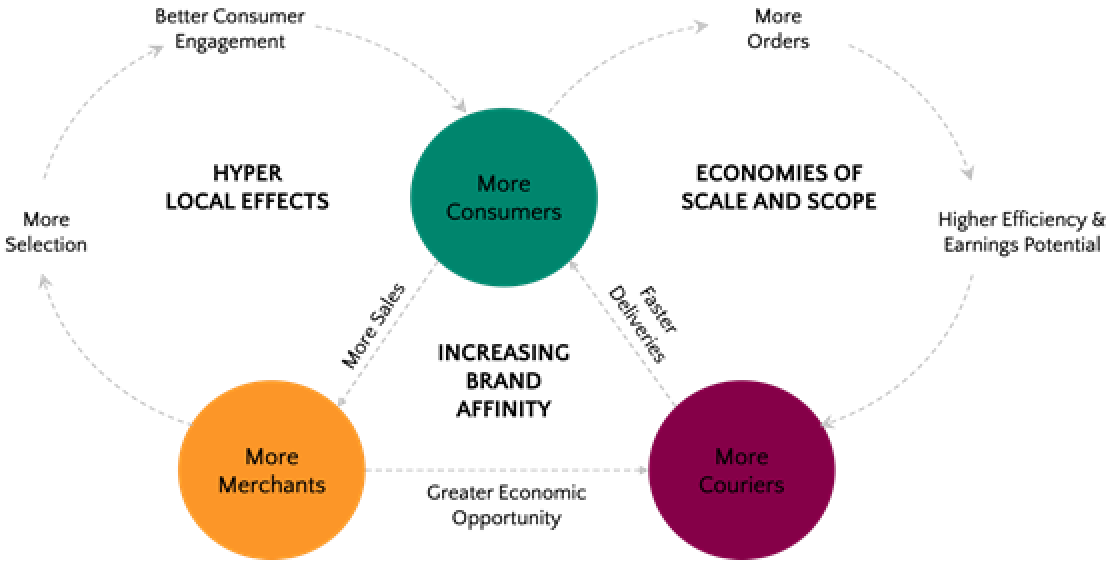
- More than 56% of all support automated for customers, 74% for drivers and 14% for Partners
- 40% reduction in support costs
- Customer satisfaction up 5 percentage points

Fraud Prevention

- AI responsible for 60% of all payment decisions
- Reached 0.1% charge backs and 97% approval rate
- Saving 4% per month in abusive vouchers
- Saving 5% per month in abusive refunds

 Source: Prosus Group

The end result? AI should drive more liquid marketplaces

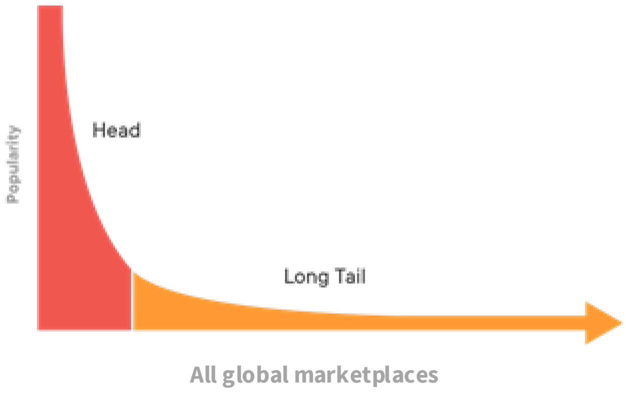


AI should drive more liquid marketplaces — with more listings, higher conversions to transaction, and more repeat purchases

 Source: DoorDash S1; Prosus

AI will transform competitive landscapes even more into a power law

AI will transform every industry, but some will move faster than others. In the Age of AI, only the biggest platforms will have the data scale required to win



Winning marketplaces will win bigger → **The tail of marketplaces will be longer**

- Network effects in marketplaces favor scale
- Benefits of scale drive towards to industry consolidation
- AI will only reinforce network effects
- Ecosystems will become even more prevalent as AI benefits from more data

- Generative AI is lowering barriers to entry
- Never been easier and cheaper to launch a new marketplace

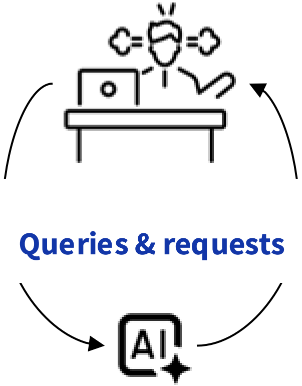
The next frontier: The future of Ecommerce is Agentic Commerce

Agent Led Ecommerce	**Do it for me** "Buy me a pair of new shoes for my race next month"	OpenAI Operator, prosus
AI Supercharged Ecommerce	**Assist / Advice** "What shoes do I need for a 12k run?"	Expedia, coolblue
	Personalize Show running shoes of my size (based on my shopping history)	amazon, NETFLIX
Traditional Ecommerce	**Find** Search for: "ON running shoes, size 10"	craigslist

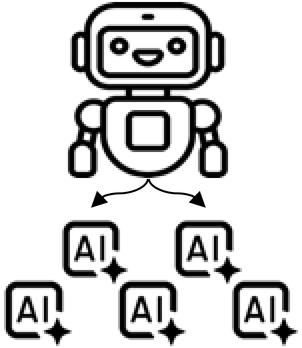
 Source: Prosus, Dealroom.co

Agentic AI will make autonomous purchasing decisions for us

From → **To**



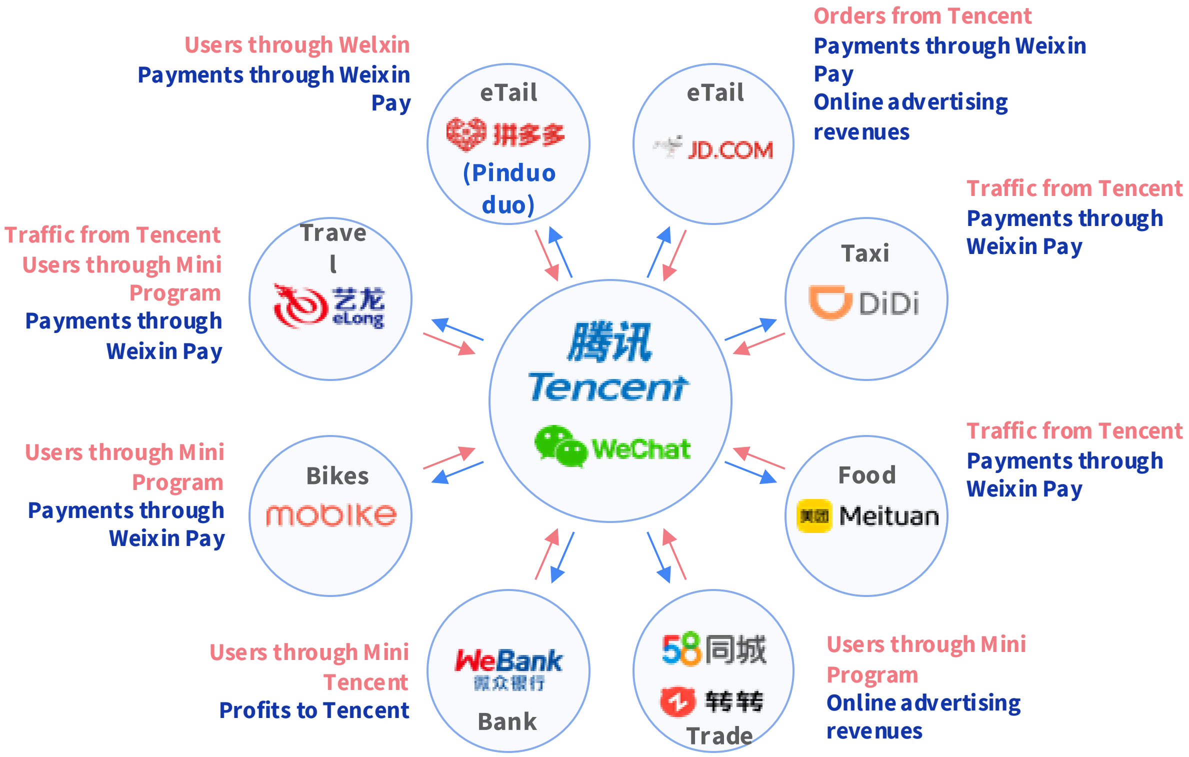
- Discovery: finding options
- Evaluation: trying options
- Purchase: pick option, making a purchase
- Delivery: getting it delivered



- Your AI Chief of Staff
- Constellation of millions of agents

From	To
Time-constrained actor	Compute-constrained actor
Limited discovery	Infinite discovery
Shallow product evaluation	Deeper product evaluation
Suboptimal purchasing	Optimal purchasing

Tencent showed that when you have something that works, you can build many things on top



 Source: Tencent (adapted by Dealroom.co)

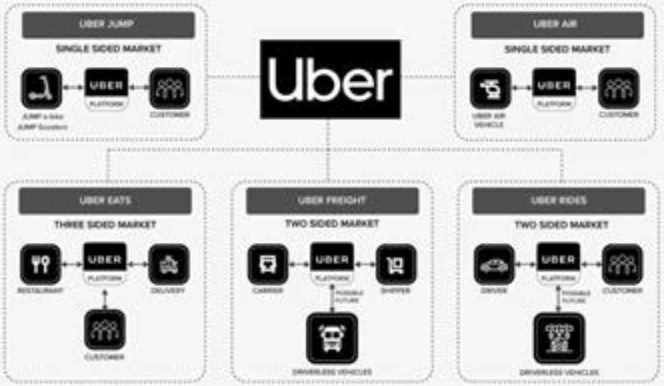
Marketplaces are a great foundation for a compounding ecosystems play

Many high frequency use cases

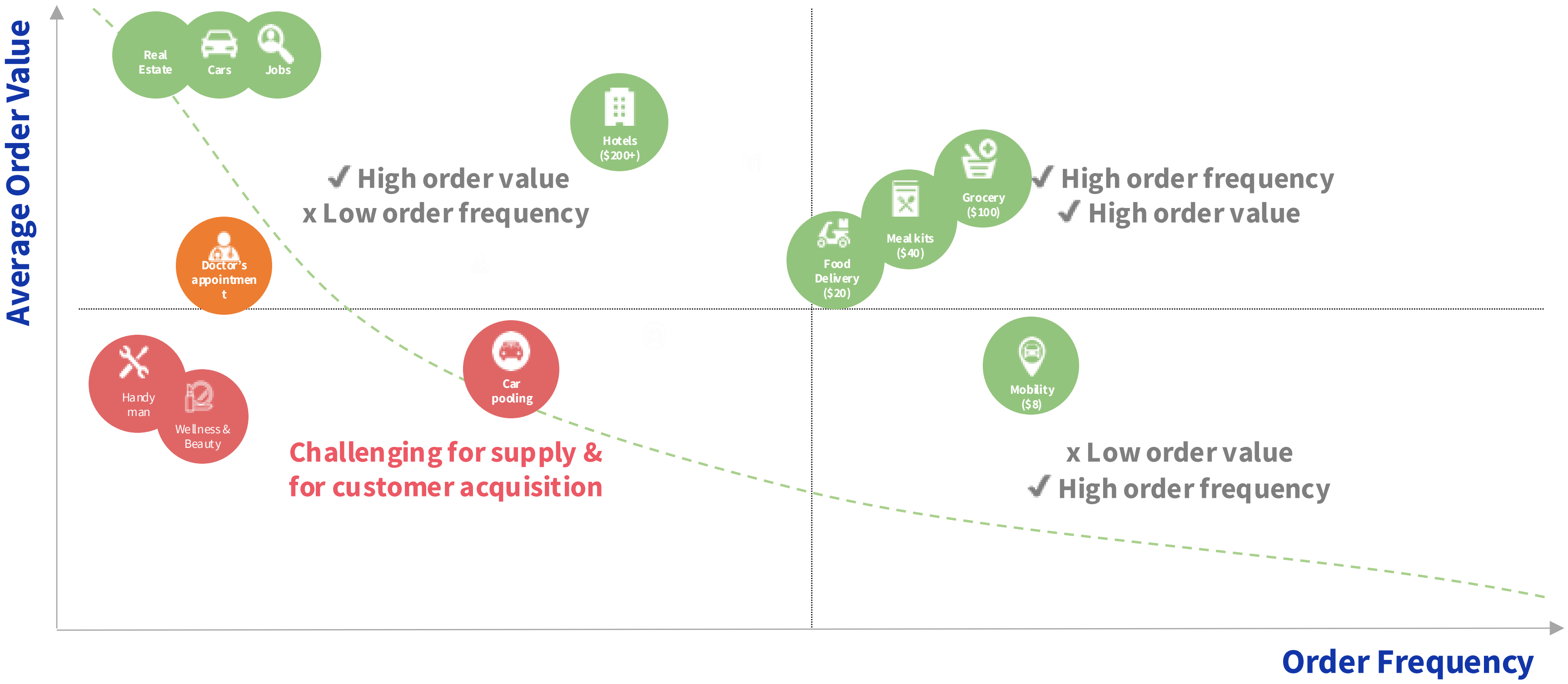
Compounding value in combining the supply and demand from two marketplaces

Transactional component offers natural foundation for FinTech play

Business Model

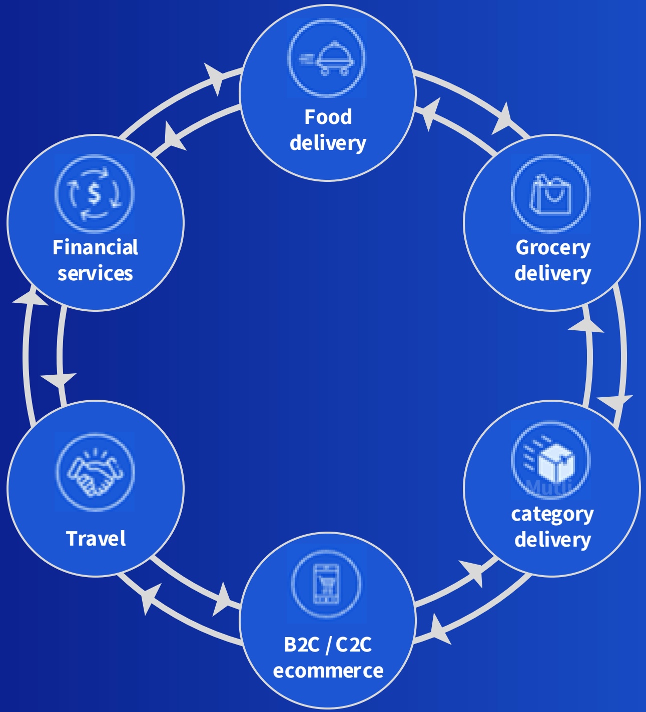


Ecosystems thrive around high frequency use cases



 Source: Fabrice Grinda (adapted by Dealroom.co)

Various types of ecommerce platforms are increasingly morphing into one



- **Transactional** platform at core
- **High frequency** consumption patterns
- Strong **local / logistical** component

The power of ecosystems – MercadoLibre example

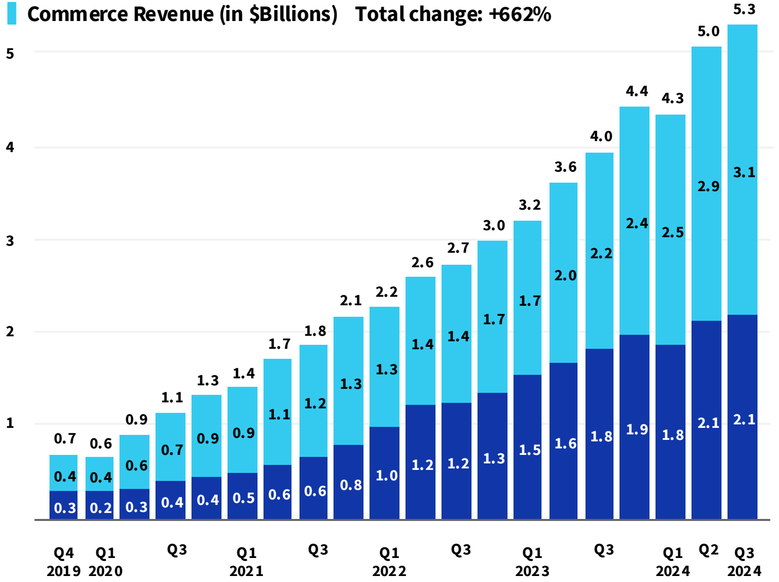
MeLi has built operating segments comparable to global peers

mercado libre	Classifieds	Zillow
	Grocery	Whole Foods Market, instacart
	Healthcare	PillPack, ro
	Shops	shopify
mercado pago	Investing	Wealthfront
	Trading	Robinhood
	BNPL	affirm
	More Fintech	Fundbox, Brex, Lemonade
mercado other	Meta search / discovery	HBO max, Disney+, prime video

MercadoLibre Fintech v Commerce Revenue

Fintech Revenue (in $Billions) Total change: +706%

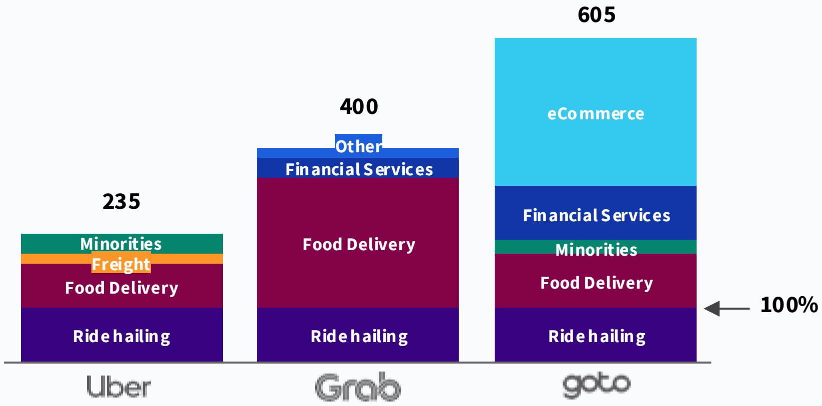
Commerce Revenue (in $Billions) Total change: +662%



Source: Generalist; FinChat; Dealroom.co

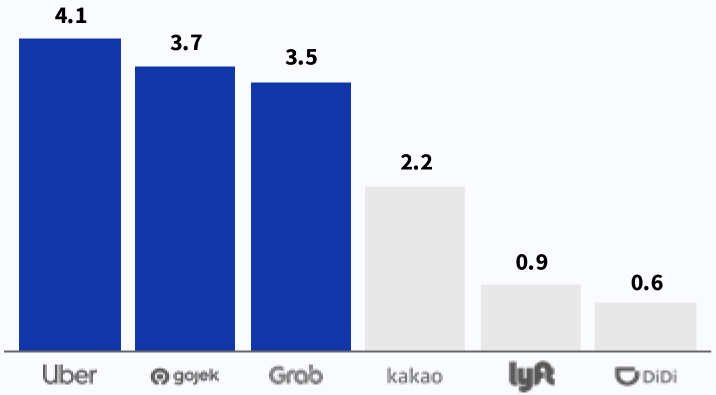
The power of ecosystems - ride hailing example

Ride sharing ecosystems
Sum-of-the-parts Valuation by Company, 2024



It is impressive to see what some of the ride hailing companies have managed to build on top of their core.
Value of the broader ecosystem is 2-6x the original ride hailing core.
Clearly lots of nuances here, but impressive nonetheless....

Ecosystem plays are more valuable
Valuation multiples of ride-sharing companies (EV/Revenues 2024)



Ecosystem players are leveraging numerous network effects, including in M&A transactions.
Their higher share price can serve as valuable currency in strategic M&A activities further reinforcing their already strong ecosystem.

 Source: Analyst reports

Source: Analyst reports

Ecosystem plays offer a unique data scale to deploy AI

Food Delivery | Flights | Accomodations | Ticketing | Events | Pharma | eCommerce | Freight | Grocery | Rides

Identity Unified login, authorization, personalization	**Product** Catalogue, descriptions, copy, merchandising, bundling	**Pricing** Dynamic pricing/ surge, bundling, discounting, subscriptions	**Maps** Routing/ navigation, pick up / drop-off points, ETA	**Dispatching** Assignment, queuing, batching, positioning, fulfillment, shipping	**Personalization** Recommendations, UX, language
CRM Transaction history, behaviors, preferences, churn prediction, segmentation	**Inventory** Inv. Levels, service levels, distribution	**Payments** Unified wallet, checkout config, local payment methods, pay-in/pay-out	**Localization** Language, tax, compliance	**Service** Agent network, automation, multi-channel	**Ordering** On-demand, scheduling, multi-job
Trust Risk, KYC, Fraud, AML	**Data infra** Storage, search, frameworks, configs, pipeline, labeling	**Supply chain** Storage location and capacity, logistical network	**Marketing** Campaign optimization, channel management, promotions	**Advertising** Channel mix, copy, retargeting	**Lifecycle** Error management, receipts, returns,

Source: Uber; Prosus

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Prosus AI Strategy in four pillars

toqan

Amplify work

Everyone in Prosus
to become more productive in
their job using AI.

Innovate Faster

Every company in
the group to become
best in class in
AI and innovation

Invest AI-First

Build a portfolio
of investments
that accelerate
radical innovation.

Build ecosystem

Leverage data,
knowledge, insights, AI,
customers, to build and accelerate
our whole ecosystems.

Towards a new unbundled tech stack to enable a World of Agentic AI

Databases → **API Layer** → **Agents** → **Shoppers**

Back end

- Product catalogue
- Inventory mngt.
- Shopping cart
- Pricing optimization
- Channel management
- Payments
- Customer Service

Products

- Food Delivery
- Flights
- Accommodation
- Ticketing
- Rides
- Events
- Grocery
- Pharma
- Freight
- eCommerce

Front end

- Desktop
- Mobile
- Social media
- Voice
- Connected devices
- Email
- Offline stores

Source: Prosus; Dealroom.co

Methodology and definitions

Startups, scaleups, grownups and tech

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. $1B+ valuation).

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies, like Arrival or Northvolt.

Only companies founded since 1990 are included in this report.

Glossary & Definitions

Venture capital investment

Investment numbers refer to rounds such as Seed, Series A, B, C, ... late stage, and growth equity rounds.

Venture capital investment figures exclude debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data.

Investment rounds are sourced from public disclosures including press releases, news, filings and verified user-submitted information.

Marketplaces definitions

The marketplaces & e-commerce used in the reports include startups operating marketplaces or platforms connecting buyer(s) and seller(s) where goods or services are bought, sold or exchanged. Direct-to-consumer and e-commerce businesses are also included. Some SaaS startups are also included in marketplace & e-commerce when they provide software to operate marketplaces/online stores, such as Shopify.

We consider a marketplace B2B where the exchanges/transactions happen between two businesses. Our definition of business includes professionals and freelancers.

Underlying data

Dealroom's proprietary database and software aggregate data comes from multiple sources: harvesting public information, user-submitted data verified by Dealroom, data engineering. All data is verified and curated with an extensive manual process.

Most underlying data from the report is available online via https://dealroom.co/

For more info please visit dealroom.co or contact support@dealroom.co