

PAXCOM

HOW TO START SELLING ON SOUTHEAST ASIA MARKETPLACES



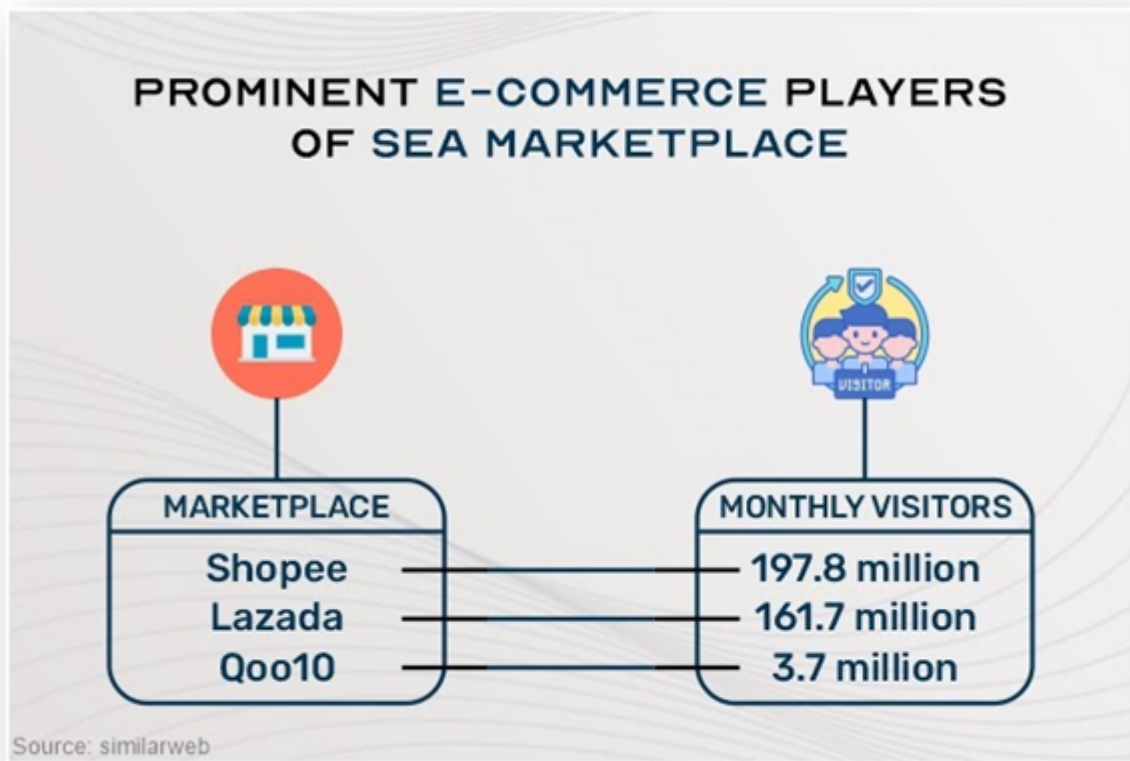
How to Start Selling on Southeast Asia Marketplaces

Description

E-commerce is flourishing all over in the present times, but the developed market is almost saturated with the same. eCommerce is likely to grow shortly within developing nations. Southeast Asia e-commerce, which consists of 11 countries, will be the most promising market, with six of the largest economies in the region: Indonesia, Malaysia, Singapore, Philippines, Thailand, and Vietnam. Considering that Google and Temasek reports say Southeast Asia's digital market is expected to be worth US\$300 billion by 2025, this alone supports the idea that the time has come to expand globally.

The ASEAN population is increasingly turning to eCommerce, with more than 300 million people visiting online shopping sites. In the same way that Amazon operates, Shopee and Lazada are the most prominent players, selling a diverse range of products. Their total online sales retailer shares in 2020 were worth \$55 billion, according to Statista.

As we discussed, the growth trajectory of the Southeast Asia eCommerce marketplaces and how the online shopping trend is growing but putting your mark out there globally can be a bit challenging since it's not easy to start from zero. To help you, we have created this guide on the basics of how to start selling on the SEA market from scratch.



In this blog, we will be discussing in length about Shopee and Lazada eCommerce.

First things first! What are the most popular categories to sell?

1. **Baby Products:** About 10% of SEA households have kids aged 0-2 years old, and this category holds a market share of 30.45%
2. **Fashion & Apparel:** Almost 20% of consumers buy clothing and its accessories online, selling fashion products can be a good option for you
3. **Furniture & Home Decor:** Furniture is expected to grow at CAGR 8% year-over-year, according to Goldstein research
4. **Consumer Electronics:** Almost 80% of internet users have made some amount of purchase of electronics or its accessories, as per HKDTC research 2021

Having said that, how do you begin selling?

The process of selling in Shopee or Lazada requires the basic steps to be fulfilled:

Register yourself as a seller

Registering yourself as a seller is not a tedious process; you just need a SEA phone number, a verified email address, and a registered address. If you are a cross-border seller, you can register yourself as an overseas seller.

Types of sellers (Shopee & Lazada)

For Shopee, there are four different types of sellers;

- **Official Shops:** These sellers are an official part of an exclusive marketplace called Shopee Mall; they are official brand-registered sellers with licensed products
- **Preferred Sellers:** You can see the preferred tag below on the product page; this program is invitation-only. You can get an invite based on your strong sales record, high ratings, prompt reply, and fulfill all orders quickly.
- **Overseas sellers:** These are the sellers who sell their products internationally; China, South Korea. You can see the tag shipping from overseas on the product page itself.
- **No label sellers:** They are basically the customers who can buy or sell the products; you can identify these sellers with a 'nooooooshopee' tag



Link on how to register yourself as a seller, [click here](#)

For Lazada, there are three different types of sellers:

- **Lazmall Sellers:** They are the authorized distributors or brand owners who get exclusive access to all the Lazmall campaigns and reap benefits from high search ranking-. To qualify as a seller on Lazmall, you must have been on the platform for at least six months and reach 30 orders a

month. Register yourself as a Lazmall seller – [Click here](#)

- **Local Sellers:** The name itself conveys the meaning, these are locally distributed sellers who get access to a wide range of seller tools.
Register yourself as a local seller – [Click here](#)
- **LazGlobal Sellers:** These are the ones who ship their products from overseas are also known as cross-border sellers, and most of them are based in China, Korea, and Japan, India; by the link below, you can register yourself as a cross-border seller- [click here](#)

Note: If you are based outside of Malaysia, you are categorized as a cross-border seller. Do not sign up as Malaysian sellers, instead sign up as a Cross-Border seller.

Create and optimize your product listing

Over 80% of online shoppers make their decisions on a product's appearance. That's why you should make sure your products are listed correctly. You need to optimize your product [listing](#) – (Points are listed below), making a positive first impression if you want to increase conversion rates and ranking.

There are basically three major components for your profile: Store name, images & videos, Product attribution (description and specifications)

Note: For both Lazada and Shopee, creating product listing process is the same.

How to create and optimize listings:

- Upload up to 5 to 9 high-resolution product images that attract buyers to make a purchase
- Fill in all the necessary information about your product, including;
 - Product name- Brand + specification and type + model is the best practice for creating a name, avoid keyword stuffing and usage of special characters/symbols
 - Product Description: Include key details that clearly describe the product's features, specifications, and benefits, all clubbed with rich keywords
 - Include all the necessary sales information, i.e., price, product variation, and SKU units
 - Include all the shipping details that comply both with Shopee and Lazada's logistic requirements
- After all the information submitted, you can save and publish the listing

** Paxcom can assist you with registering and listing your products.*

Inventory Management

There are two ways you can ship your products;

For both Lazada and Shopee, order fulfillment options are similar

a) Fulfilled by Lazada (FBL) / Fulfilled by Shopee (FBS)

The logistics solution includes warehouse storage, order fulfillment, and order management services.

You can send your SKUs to the warehouse through FBL/FBS; the product goes through a quality check and is labeled. These are trusted partners and offer fast services so that your customers are satisfied.

b) Shopee Supported logistics (SSL)/ Lazada assigned logistics (LEX)

All you need to do is print the consignment notes for your orders and drop them at Lazada's or Shopee's assigned drop-off point. Your shipments can be tracked through the seller center.

c) You can choose your own fleet

Alternatively, you can arrange your own logistics; rather than using the services of Lazada or Shopee, you will have to manage every fulfillment requirement for this.

Now that you are sales-ready, let us walk you through how to promote/advertise your products on Lazada and Shopee;

Promotional Tools

Promotional tools help sellers promote their products. The right promotional tool can help you increase your order conversion rate, drive traffic to your store, or make more sales. Let's dive into them;

1. Search Advertising

First tool to promote your products is search advertising. Before starting these ads, you need to add money in the advertising wallet, available within seller central.

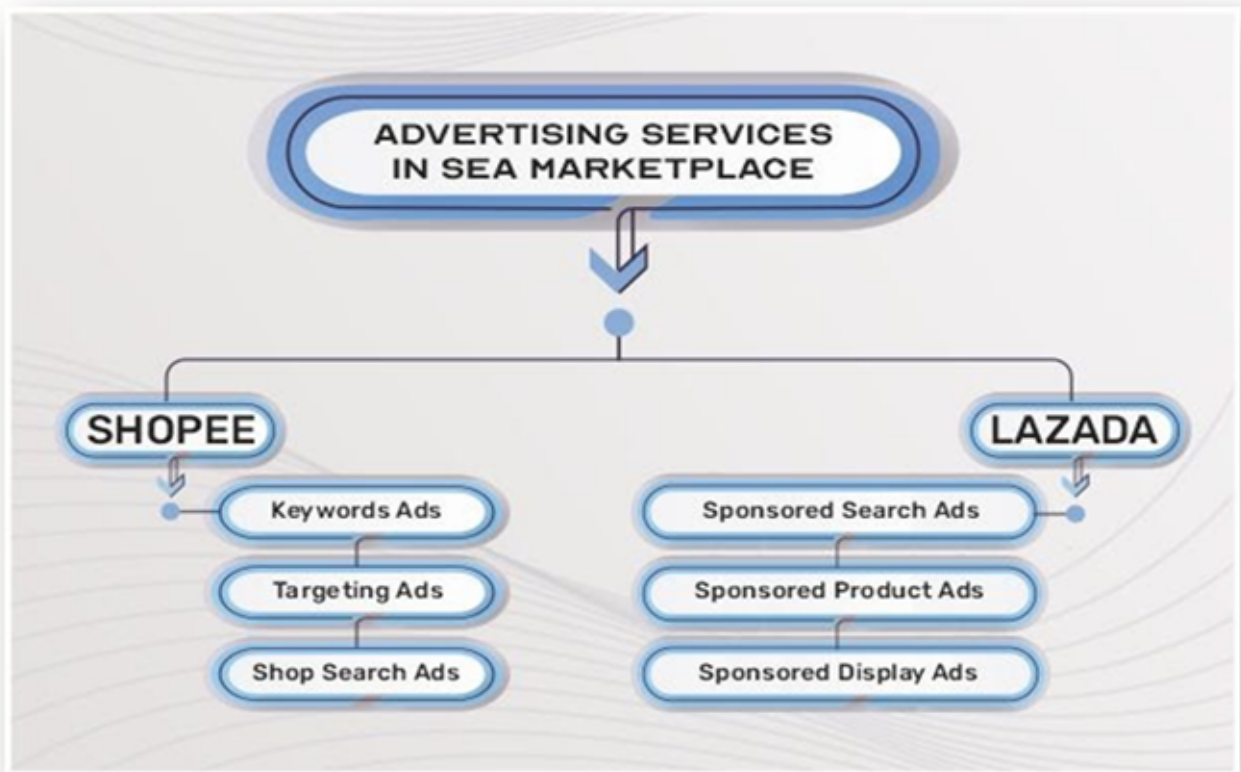


Image: Different types of advertising properties available on Shopee and Lazada

(A) Advertising Services in Shopee

Shopee offers a wide range of advertising services to support your brand building and increase your online sales. You can target specific customers based on their location, interests, and search query contents. There are three types of campaigns under Shopee Ads; Keyword Ads, Targeting Ads, and Shop Search Ads.

Note: Shopee Ads are based on a cost-per-click (CPC) model

Keyword Ads

Keywords Ads appear to the customer when they search for a specific product with a particular search term. It will help in gaining traction and increase the visibility of your products. 70% of all Shopee purchases are generated through keyword search; therefore, it's essential to target top search positions through keyword optimization.

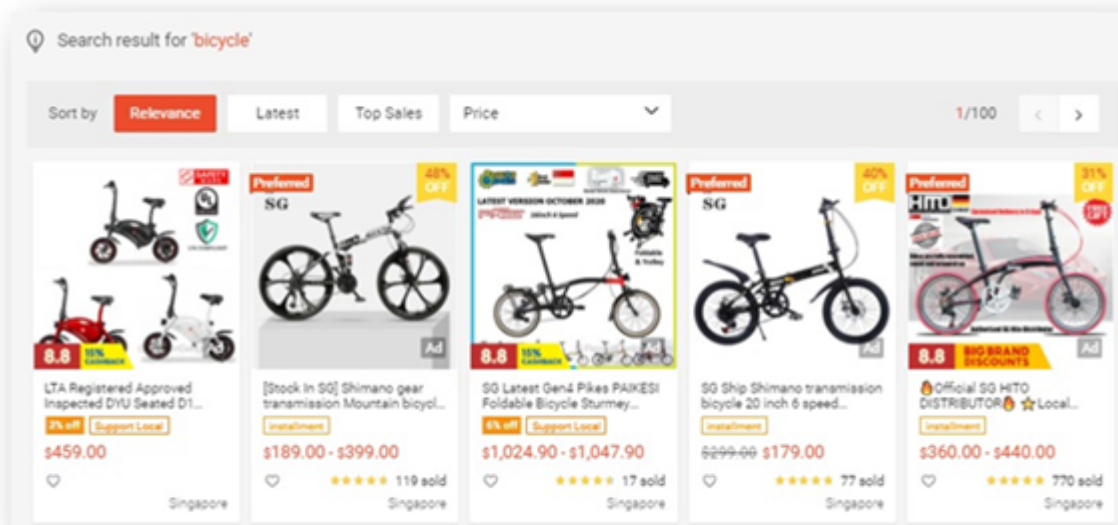


Image: Ads visible with 'Ad' tag on Keyword targeting

Features of these Ads

Budgeting option: You can set a budget cap at the campaign level. If investments are limited, you can cap daily budgets to limit overspending. A no-limit budget setting can also be done to keep your ads running throughout.

Keyword Matching Options: You can choose between broad or exact matching keywords, which will allow you to expand or sharpen your ad targetings respectively. For instance, you can start with a broad match to reach large audiences, but if your conversion rate is low, you can begin with an exact match to attract a targeted audience for more sales.

Targeting Ads

Your ads will appear on the similar products /discovery section that is relevant to yours. A targeted advertising campaign is akin to remarketing, and it involves targeting consumers who have shown interest in your product by viewing, adding to a cart, or purchasing.

Features of these Ads:

Budgeting option: You can set a daily or total budget to have control over your campaign costs. Moreover, you can also select a time period for running ads, this can come in handy during festive or event sales.

Display location settings: In this section, you get to optimize your ads and choose a location where you want them to be displayed, you just need to disable the auto-optimization and select add advanced settings to enable this feature.

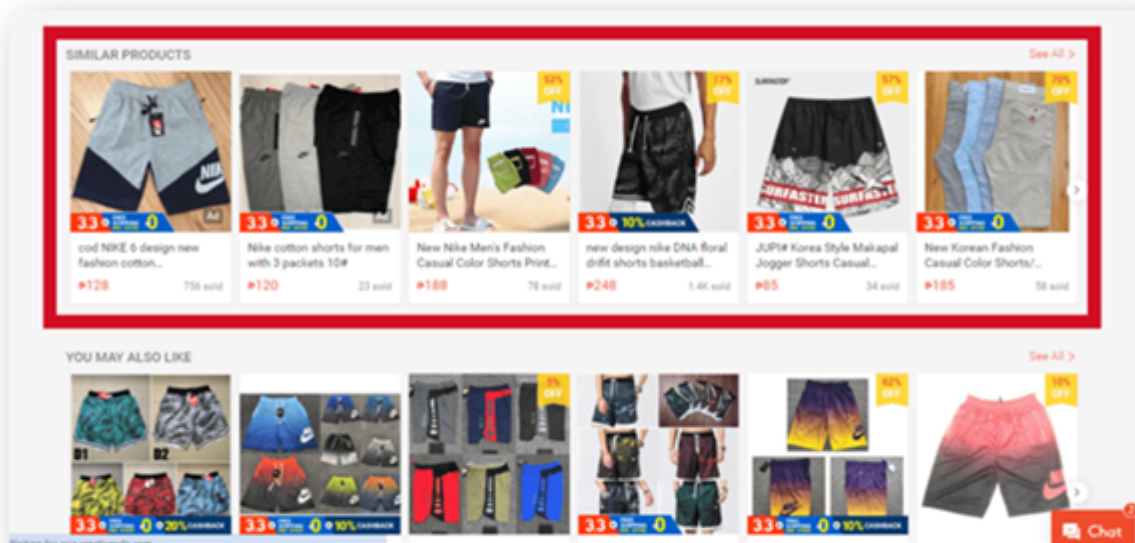


Image: Widget highlighting similar products which are targeted on specific product pages

Shop Search Ads

These ads will appear in a banner form above a product, this allows you to redirect the traffic when a user searches for your product to your shop page to gain customers' interest and increase the conversion rate.

Features of these Ads:

Budgeting option: You can select a set budget. You also get to select the No limit option to keep your ads running.

Ad Creatives creation: You can customize your banners ads for more personalization to attract customers, you can add images of the most purchased product with some catchy tagline stuffed with premium keywords to gauge attention.



Image: Shop search banner ads can be found on top of search placement

(B) Advertising Services in Lazada

Lazada ad platform allows you to showcase your ads by prioritizing and optimizing advertising campaigns based on their purchase intent and buying behavior. Ads on Lazada works on a cost-per-click (CPC) model, and they are into three campaigns: Sponsored search Ads, Sponsored Product Ads, Sponsored Display Ads.

Sponsored Search Ads

Sponsored search ads are a keyword-targeted advertising solution that works on a cost-per-click model to allow sellers to promote their products efficiently and boosts discoverability. These ads will appear on top or within the search results of the Lazada product page.

P.S. You can identify these ads via megaphone tag, as shown in the image below

Additional features

- Sellers can set the daily budget and total budget. You get access to multiple data points for your strategic analysis.
- You can bid for up to 100 keywords for each SKU
- Sponsored search ads support broad match keywords, which will allow you to reach a wider audience.



Image: Widget is highlighting the placement of Sponsored Search Ads

Sponsored Product Ads

Sponsored Products Ads are more product-driven and are not keyword-related, which means you get more relevant traffic to your products to increase visibility. The placement of these ads is on the right side of the Lazada product page.

Additional features

- With 'campaign type,' you can create various types of campaigns: automated or standard campaigns
- You can get access to the dashboard, which offers insights into your product performance to make data-backed decisions

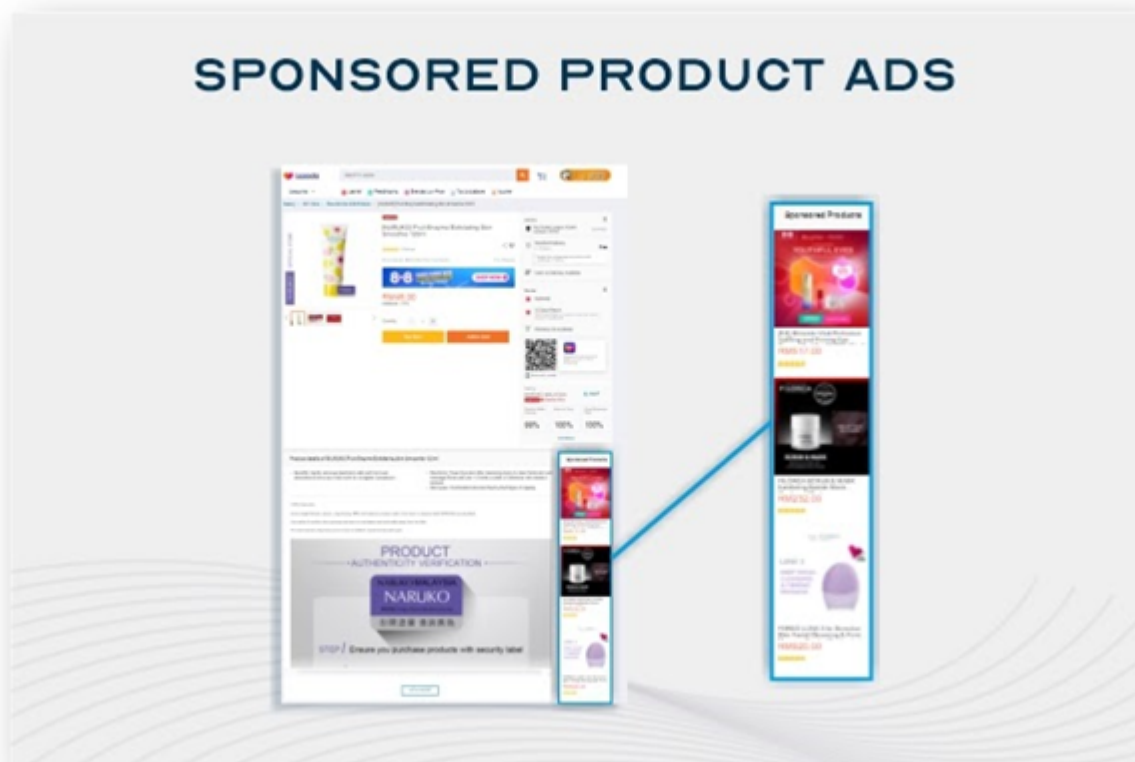


Image: The widget is highlighting the placement of Sponsored Product Ads

Sponsored Display Ads

Sponsored Display Ads are targeted or personalized Ads for the customers who viewed or were interested in your products. These Ads work on the CPM model (by thousand impressions).

2. product bundling

Sellers can bundle different products into one item by offering customers discounts. There are various types of bundling; combo packs, buy one get one free, Free gift, and so on. This is one of the efficient strategies to increase sales by combining different products, top-selling with low-selling products, and offering shoppers a save more deal.

Note; Product Bundling is available both on Shopee and Lazada

3. Seller voucher

A Voucher offers discounts on products to improve customer purchases. For Shopee, it's called Shopee vouchers; for Lazada, it's called Lazada vouchers. The best thing about these vouchers is that they are highly visible on the product page, cart, and feed to drive more sales to the targeted products.

4. Store Decorator/ Brand Store

Shopee and Lazada have both Store/ Brand Decoration tools; sellers can access that on the seller center that allows sellers to personalize their store home page more attractively and lets you showcase your products more clearly.

You can attribute your hot selling products to drive more traffic and interest to your product feed, this way, you are not only portraying products but the brands as well. Stores are also a valuable option for cross-selling and upselling.

5. Free Shipping Promotion

Free shipping is one of the wonderful elements a seller can give to their customers. Even though the price of a certain product is a bit expensive, but when they see a free shipping option, a purchase will be made as it creates the sense of saving money on it.

A seller on Shopee or Lazada can create a campaign of this promotion to attract a more extensive customer base, and in return, the seller gains traction to their page.

6. Seller Picks

This is a collection of the shop's top products, picked by the seller. You can showcase your top-selling products, each top-picks collection can feature 4-8 products, this will increase your chances of product discoverability and will increase cross-sales.

Criteria to be a part of Seller Picks

- Ratings of sellers must be above 70%

- More than 3 SKUs should be live
- Minimum 85% rate for instant messaging
- Customized store should be live with a store decorator theme

7. Affiliate Marketing Program

Affiliate programs allow sellers to promote their products through affiliate partners for increased exposure and sales. Sellers on Lazada and Shopee can access this portal through Seller Central, where you can set up your affiliate campaigns, and affiliate apps and websites pick up your campaign.

Note: You have to pay commission to the affiliate, and the minimum rate is 4%.

How to measure your performance in Lazada and Shopee

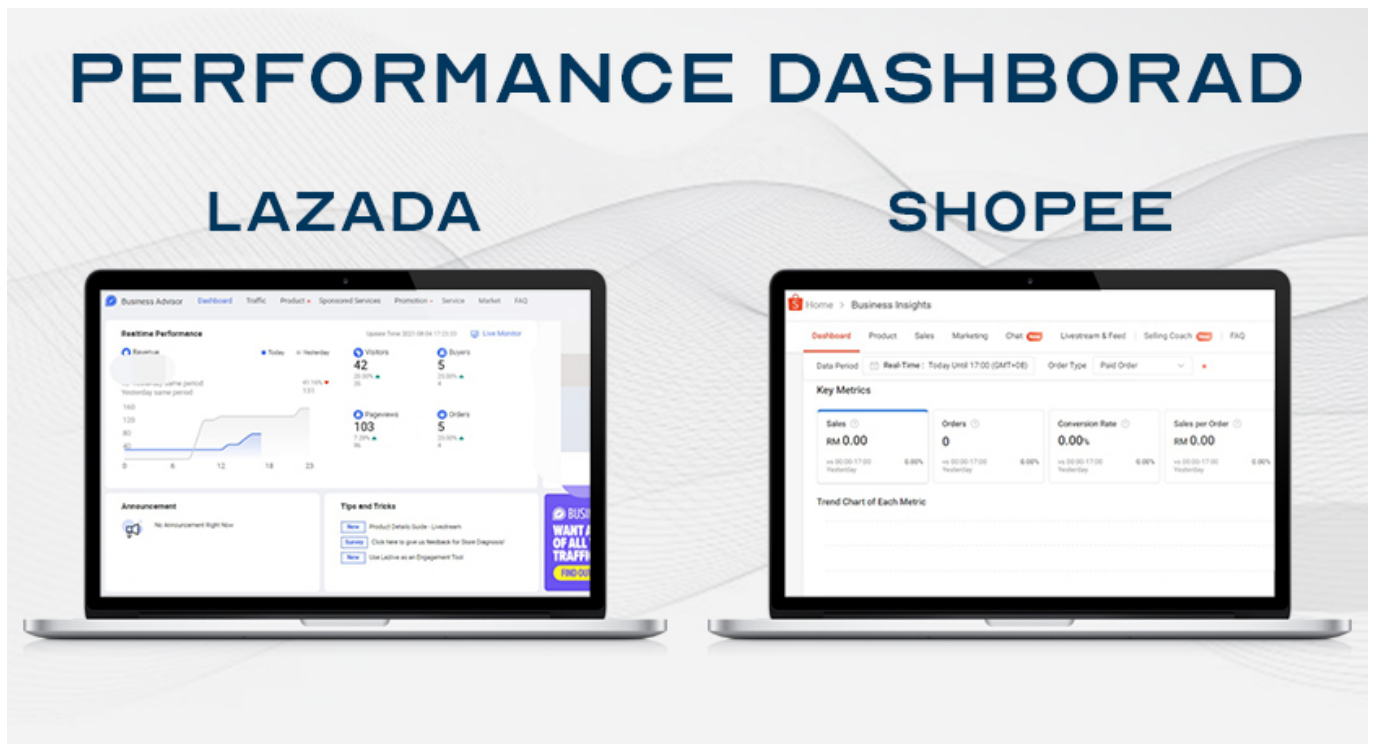


Image: The picture represents how the imagery of the Lazada and Shopee dashboard

It is hard to analyze and strategize without data-based insights; Lazada Business Advisor and Shopee Business Insights act as your assistant to devise a plan that works in favor of your business growth.

You receive data about your overall performance, such as your product ranking, category ranking, visibility, etc. You can also access data on individual SKUs (Pageviews, conversion, rate). This dashboard is available through seller central, where you can download the report and determine long-term and short-term goals.

As we have already discussed in detail the entire process from enrolling in Southeast Asia markets to achieving listings, leveraging sales, and reaching continuous improvement goals- Let's talk about how Paxcom can support you.



Paxcom's best practices

[Paxcom](#) offers an end-to-end solution, from identifying the best-performing campaigns to developing them and executing them on SEA channels – all intending to maximize revenue. We will tailor the solution to meet your specific needs by utilizing the expertise of our team, as well as existing resources and technology.

Here are some of the services you can expect from our eCommerce experts:

- Adding/relisting new/old products, creating product variations, creating high-resolution lifestyle images, revising product titles, bullet points, descriptions, A+ content, creating brand stores for increased purchase rates.
- Planning and monitoring inventory through the use of a custom-built in-house tool, [Kinator](#).
- Designing and executing pay-per-click advertising campaigns, managing budgets, analysis, and recommendations.
- Managing promotions – Deals, coupons, combos for higher sales traction.
- Implementing display and banner advertisements on different channels and updating brand

stores for greater visibility.

- Offering data analysis services with key insights on the major KPIs (content scorecard, reviews, and ratings, organic visibility) to help brands make sound and data-driven decisions.



Written by: Dhyani Shah

Content writer at Paxcom India Pvt.Ltd

Mentored by :



Shweta Gaur

Senior E-commerce Manager at Paxcom India Pvt. Ltd.



Ayush Verma

E-commerce Account Manager at Paxcom India Pvt. Ltd.