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Scaling Your Business in 2024: Lazada and Shopee Edition

Description

In the Southeast Asian economy, eCommerce is booming, with Lazada and Shopee being the dominant players in the region. **Statista forecasts the industry to reach \$363 billion by 2025.** As a brand, you must penetrate deeper into the market with the right target audience and strategies to thrive and stand out in this fiercely competitive game.

Moving forward, This blog offers intriguing tips and hacks to help you build a successful business on Lazada and Shopee. Let's start with the difficulties brands face when conducting business on these platforms.

What are the challenges faced by the brands?

Building a successful business comes with its own challenges, which shape the brand to surpass every obstacle and achieve new heights. With every surpassing challenge, the brand explores its potential and creates a splendid customer experience. Handling these challenges efficiently makes it simple to see the bigger picture in the long run.

1. Tracking and pricing issues caused revenue losses.

Customers love the “steal deals” when making a purchase decision, and it often gets difficult for the seller to keep a check on the prices every other hour. Pricing is one of the key factors, and to reach expected levels and thresholds, you need to follow a competitive pricing strategy for more conversions and revenue. Keeping track of how your competitors are pricing the products is critical to staying relevant and ahead of the competition, especially the Parallel Import (PI) sellers.

Monitoring is necessary because PI sellers offer their products at competitive prices. These sellers construct strategies by purchasing products manufactured in Malaysia and selling them in Singapore because the cost varies between countries, impacting online sellers' pricing routines.

Tracking every seller's price is a task that is definitely not possible with human intervention. This is where our smart digital shelf analytics tool jumps into the picture.

Consequently, keeping track of competitors' pricing strategies is a difficult chore because there are so many of them, but you'll need to develop a pricing strategy that varies in response to the changing environment whenever your competitor's price changes.

2. Keeping an Eye on the Supplies and Inventory

It's difficult to predict demand in advance when introducing your products to the market, or especially when you have a wide portfolio of products; it becomes tedious to track the inventory manually on different seller panels and platforms and costs extra time, which eventually leads to sales loss and customers switching brands.

Having an advanced AI tool can help you manage this situation. Our eCommerce intelligence tool, [Kinator](#), sends out custom alerts via mail for out-of-stock SKUs and tracks on-shelf availability across platforms, brands, and locations of yours and competitors'.

3. Running Promotions for Key Events

Sale

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Bonanza Sales grants you the perfect opportunity to expand your customer base and even acquire a new one. These platforms are an ideal choice because they offer a constantly engaging experience. From double-digit sales (11.11, 10.10), birthdays, and anniversary sales to mid-month sales and pay-day sales, both Shopee and Lazada offer multiple opportunities to gain traction and drive conversions. But due to poor strategizing, some sellers forget to participate or do not realise the significance of those events.

Additionally, Lazada and Shopee emphasise the use of vouchers, campaign participation, in-marketplace marketing, and paid product placements as ways of driving traffic and sales to your store even outside of the big sale days.

Participate in all promotional opportunities in the marketplace. The goal of these promotions is to draw traffic to your eCommerce store. Don't ignore them, or you'll lose out to your competitors.

4. Complex logistical, legal, and financial systems

Another worry in Southeast Asia is the lack of uniformity in legal and customs border procedures, as well as the varying tariff rates between nations. Each location has its own rules and regulations. Each country has unique processes and regulations, which can present challenges in areas such as payment methods, customer relations, and support. Therefore, online sellers must be aware of these regulations in order to maximise their sales.

P.S. If you're looking for a kickstarter guide to starting to sell on these platforms, check out our blog on [how to start selling on Southeast Asian marketplaces](#).

Tips to build a successful business on Lazada and Shopee

1. Make your products speak for you.

Clear and concise product titles, features, and descriptions with integrated keywords are your best friends. Having a deep understanding of the product you are offering, along with your competitor's, will help you stand out from the crowd. Always ensure that the content is informative, quirky, and engaging to drive better results. Your content is your prime real estate when it comes to convincing your customers to make a purchase.

Both Shopee and Lazada adhere to a standard protocol that involves

“Brand Name + Product Model and Name + USP.”

This method avoids keyword stuffing and the unnecessary use of special characters.

Lazada

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Source: Lazada

2. High-Resolution Images

High-quality images are crucial for showcasing your products and services. They enhance your brand's reputation and increase customer awareness through visual appeal. To convert browsers into buyers, use high-resolution photographs that show all possible viewing angles and highlight your product's unique selling points and benefits.

3. Follow Shopee's guidelines.

Every marketplace, including Shopee, has its own set of guidelines that sellers must follow to avoid friction. Before listing the item for sale, the seller must carefully read Shopee's standards and terms of usage. Keep the following in mind:

- Ensure your listings comply with Shopee's policies.
- Maintain a high level of customer service and response rates.
- Avoid prohibited items and activities.

4. Comply with Lazada's terms and conditions.

In order to avoid future problems with your business on Lazada, make it a habit to read the rules. If you violate the rules, Lazada may restrict or even suspend your account. Also, keep a positive check on metrics like order fulfilment rate, customer response rate, and product quality complaints. This is essential if you want to avoid engaging in unethical behaviour. It's a crucial step to take if you're going to keep your business up and running.

5. Evaluate your customers' feedback regularly.

Most customers look at a [product's reviews](#) before purchasing it. Always keep an eye out for positive and negative feedback, and take immediate steps to address it. Maintaining a positive reputation for your company is as simple as regularly reading the feedback you receive from your customers.

6. Keep your customers informed.

Maintaining a connection with your customers is a way to show them that they are important to your business. Keeping your customers up-to-date is an important part of running a successful business.

Use customer engagement tools provided by these channels, e.g., chat broadcast, a feature that allows brands to broadcast vouchers to their followers via Shopee or Lazada chat, and drive awareness by communicating with them about an upcoming or current discount or deal. Ensure to inform your customers about the current and upcoming offers on your products.

Your automated thank-you or greeting responses can also help retain them. Engage with customers who have already made a purchase to gather valuable feedback and reviews that can enhance your store's performance.

7. Leverage promotional tools

Leverage promotional tools

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(a) Use the Shopee Seller Assistant to your advantage.

Shopee Seller Assistant, as the name suggests, is a built-in function of the Shopee app that makes managing your store a cinch. With Seller Assistant, managing your shop's settings and customers is easier. There are three tools you can use:

- My Customers
- Shop Profile
- Shop Settings

(b) 'Boost now' is a powerful promotional tool.

To sell products on the Shopee marketplace, use the boost feature to improve the product's visibility. Shopee lets you create product ads for various sections. You can boost five goods at a time and do so every four hours, helping increase your ranking on Google.

(c) Use the Top Picks Feature

Shopee and Lazada have created a Top Picks/Seller Picks feature to increase cross-selling. A seller

can add a collection of up to eight products to their account for display on product pages. As a result, buyers are more likely to add your products to their carts, thus increasing sales. You can create a maximum of 10 collections. Your product pages can display only one collection at a time.

Note: The channel reviews these placements before they go live; sellers or brands can submit panel requests, but they cannot instantly activate them.

(d) Offer bundle deals.

lazada

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Source: Lazada

In the Seller Centre, the Bundle Deal feature is a valuable sales trick. You can create product bundles with discounted prices to increase sales. With this tool, you can select your discount type and mix and match your products. The most common bundles are:

- Buy two products and get X% off.
- Create event-exclusive bundle deals to attract customers to buy during events.
- Bundle deals will also help you increase your basket size and average order value.
- Bundle deals can consist of products, or you can add gifts to make them even more appealing with perceived discounts.

(e) Encourage buyers with Flexi Combo Deals.

Flexi combo bundles encourage buyers to purchase additional items similar to the initial item they are interested in. Basically, it's a bundle deal strategy, but it has limited time or limited orders for sellers to create a sense of urgency.

For example, you might choose GoPro because it is popular in your online shop. Create a bundle that includes its mounting accessories. Your consumers experience a sense of savings, and the limited-time offer enhances their likelihood of purchasing.

(f) Join Flash Sales

lazada

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Source: Lazada

Flash sales appear on the Shopee and Lazada homepages. As most shoppers visit this part of the page when they are looking for discounted items, the flash sale feature results in an increase in sales for you.

This is one of the most popular features, which helps sellers gain more clicks and views and increases the chances of having their best products sold out in a short span of time.

Requirements to Hold a Flash Sale

- Set a start and end time.
- The discount price or percentage should be within the accepted discount range of the nomination agreement.
- Sufficient stock (your stock for the flash sale will be deducted from your total product supply)
- Products that meet Shopee's category requirements
- You also need a rating of more than 4.

(g) Run Shopee ads

Shopee allows users to advertise their products on its platform. This feature can be found under "My Ads," a tool that helps make your products more searchable. [Advertising on Shopee](#) comes in three options.

- Shop Search Ads, which will appear in a banner form above a product, allow 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.
- Discovery Ads: These ads appear in the product detail pages of similar or complementary products to capture a highly relevant audience. Shoppers who have shown interest in similar products in the last 30 days will see ads for them in the Daily Discover section of the Shopee homepage.
- Boost Ads: It helps increase the product's exposure and sales. These ads appear in search results; you may also like the section and the daily discover section of the platform.
- Shopee Display Ads: Display ads are visible on the homepage banner carousel. Along with boosting brand visibility, it allows you to control your budget as the model works on CPM (cost per mille). You can reserve popular dates ahead of time on the platform and be sure of a spot.

(h) Promote with Lazada Sponsored Solutions

Through the Lazada ad platform, you can prioritise and optimise your ads based on your customers' purchase intent and buying behaviour.

- Sponsored Discovery: With the objective of driving traffic to products by targeting high-intent customers. Shoppers are targeted using Lazada's AI-powered search and product recommendation engine. **94% of shoppers use the search function to discover products on the platform.**
- Sponsored Affiliate: Drive traffic and sales to capture off-platform shoppers through a network of media partners and Key Opinion Leaders (KOL), such as live shopping influencers. The model is

based on CPS (cost per sale) and prevents online fraud through a thorough screening process.

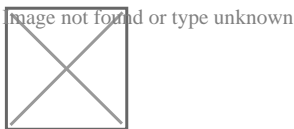
- **Sponsored Product Ads:** These ads are more product-driven and not keyword-related, which means you get more relevant traffic to your products to increase visibility.
- **Sponsored Display Ads:** These ads are targeted or personalised ads for the customers who viewed or were interested in your products. It drives traffic to your landing page and campaign page. The model works on the CPM model (by thousand impressions) or CPD (cost per day) and is used to drive awareness.

8. Take advantage of external marketing.

Other than those that Lazada and Shopee offer, promotional tools are available. You may want to check out these options:

- **Live Stream Shopping:** This can happen onsite and offsite (on the Lazada/Shopee app since they also provide this) or offsite (on brands own social media channels).
- [Affiliate marketing](#) allows sellers to promote their products through affiliate partners and influencers for increased exposure and sales.
- **Facebook CPAS Ads** is a platform that allows sellers on Facebook Marketplace to promote their products and increase sales. Through Facebook CPAS, businesses can target Facebook users who have shown an interest in a particular product or service with ads for that product or service. Facebook also provides sellers with a dashboard where they can see how effective their ads are.

Enhance your e-commerce success with Paxcom's comprehensive solutions



At Paxcom, we specialise in providing end-to-end e-commerce solutions tailored to meet the unique needs of our clients. Our in-house tool, Kinator, combined with our extensive e-commerce expertise, empowers us to tackle a wide range of challenges, ensuring your business thrives. Here's how we can make your sales events a resounding success:

1. Efficient inventory management

- Planning and monitoring inventory through our custom tool, Kinator, ensures your stock is always ready and managed. Bid adieu to stockouts and overstocking issues with its smart analytics.

2. Compelling Product Presentation

- We create customised, high-resolution lifestyle images that captivate your audience. Our team revises product titles, bullet points, descriptions, and A+ content and builds brand stores to boost visibility and drive sales.

3. Effective advertising campaigns

- Our experts design and execute advertising campaigns, meticulously managing budgets, analysing data, and providing actionable recommendations to maximise your ROI.

4. Strategic Promotion Planning

- We plan promotions to target high-traffic days, utilising various techniques and placements, such as flash sales, coupons, bundles, store-wide flash sales, and Flexi-combos.

Our strategies ensure your promotions are timely and effective.

5. Tailored Display and Banner Advertisements

- Our team creates and implements customised display and banner advertisements for sales events across multiple channels. We also update brand stores for greater visibility, ensuring your brand stands out.

Paxcom offers a plethora of services to help you stay relevant and competitive in the digital age. Our dedicated team of experts offers detailed insights, personalised guidance, and strategies to amplify your business. For more information and to start optimising your e-commerce operations, reach out to our experts at info@paxcom.net. Let Paxcom be your trusted partner in achieving e-commerce excellence