

PAXCOM

## Tips to build a successful business on Lazada and Shopee in 2022



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### Description

If you are an online seller and you are keen on doing business on Lazada or Shopee, you'll understand how hard it is to get your brand out there. The competition is fierce, and you have to work harder to get noticed amidst the many other sellers competing for the customers' attention. This blog offers tips and hacks to help you build a successful business on Lazada and Shopee.

Let's examine some interesting facts about Lazada and Shopee to help you decide whether selling on these platforms is profitable and how to proceed.

# LAZADA AND SHOPEE STATS FOR SELLERS



Southeast Asia's overall eCommerce sales in 2021 reached **\$120 billion**.



Active user base of Lazada is **100million+**



Active user base of Shopee is **290million+**



Purchase frequency of Lazada increased **3X** than 2020



Lazada pocketed US **\$16.322 billion** in revenue compared to last year.



Shopee garnered **\$6.2 billion** in revenue, a 74.3% increase compared to the previous year.

SOURCE: STATISTA, TECHWIREASIA

## What are the challenges faced by the brands?

Some of the major issues that online store operators may face in 2022 range from tracking the price to the difficulties of developing a multichannel consumer experience:

### 1. Tracking and pricing issues resulted in revenue losses

Current-day online sellers face a tremendous struggle to keep their sales curves up as their competitors constantly alter their price strategy. Competitive price levels are needed if you hope to

attract customers. Furthermore, parallel import sellers, aka PI sellers, exacerbate these issues. Since PI sellers sell the product at competitive prices, this needs to be monitored. 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.

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 anytime your competitor's price changes.

## **2. Keeping an Eye on the Supplies/inventories**

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/platforms and costs extra time, which eventually leads to sales loss and customers switching brands.

Having an advanced AI tool can help in managing this situation. Our eCommerce intelligence tool, [Kinator](#), sends out custom alerts over mail for the SKU's that are out-of-stock and tracks on-shelf availability across platforms, brands, and locations of yours and competitors'.

## **3. Not Running Promotions During Key Events**

Running campaigns on double-digit sales (11.11, 12.12), birthdays, and anniversary campaigns are massive opportunities to attract new customers and drive more sales. But, some sellers forget to participate or do not realize the significance of those events.

Additionally, Lazada and Shopee emphasize the use of vouchers, campaign participation, and in-marketplace marketing/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 area has its own set of rules and regulations that are exclusive to that location. Due to the fact that each country has unique processes and regulations, payment methods, customer relations, and support may all present challenges. Online sellers must therefore be aware of these regulations to maximize their sales.

P.S. If you are looking for a Kickstarter guide on starting to sell on these platforms. Check our blog on [how to start selling on Southeast Asia Marketplaces](#).

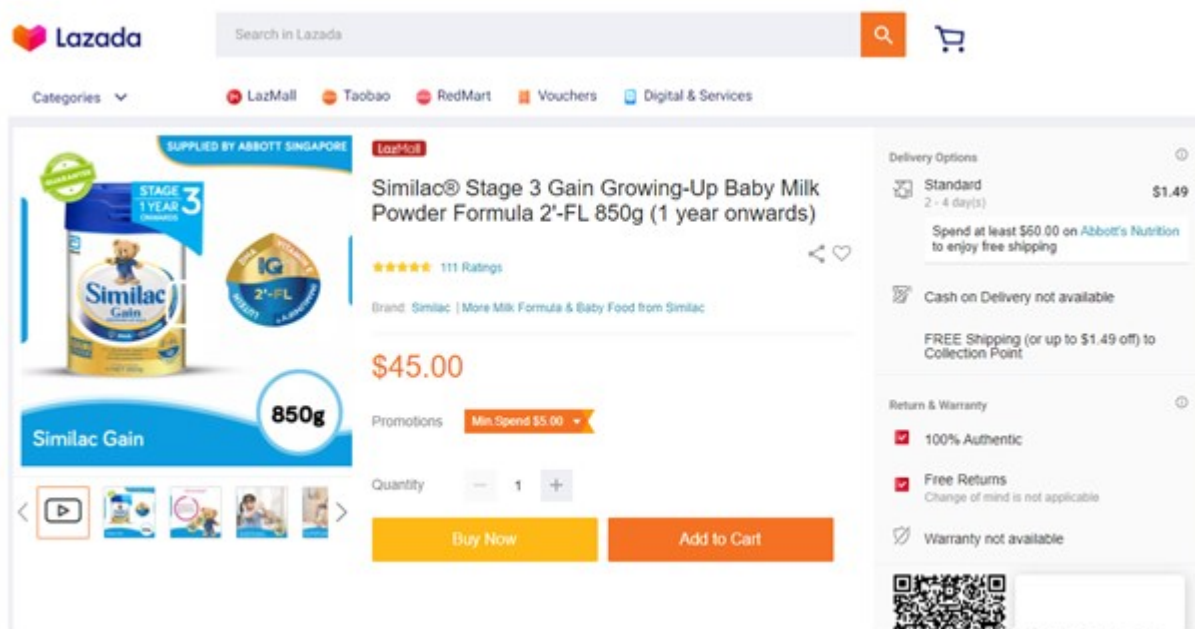
# **Tips to build a successful business on Lazada and Shopee**

## 1. Describe your products in a way that makes them stand out from the rest-

When it comes to convincing your customers to buy your products, nothing beats the product description page. As a result, optimizing this page is a crucial part of your online business. Your content should be both entertaining and educational if you want people to read it. The ability to distinguish your product from the crowd is crucial to PDP efficiency.

Standard practice for both Lazada and Shopee is Product name- Brand + specification and type + model is the best practice for creating a name, avoiding keyword stuffing, and usage of special characters/symbols.

## 2. Use high-resolution images



Images make it simple for customers to learn about your company and the products and services you provide. Your brand's reputation and awareness will grow as a result of implementing this method of data visualization. In order to increase the likelihood of a browser becoming a customer, you'll want to use high-quality photographs, showcase all possible viewing angles, and highlight the USP/benefits of your product.

## 3. Follow Shopee's terms and conditions

Every marketplace, including Shopee, has its own set of guidelines that sellers must follow in order to avoid friction. Shopee's standards and terms of usage must be read carefully by the seller before the item can be listed for sale.

*P.S.- If you want to sell on Shopee without stress, here are a few things to keep in mind:*

## Basic do's and don'ts for online sellers on shopee

### Do's



Be considerate of your consumers' opinions and suggestions.



Try to keep a good track record of sales.

### Don't



Do not list the same product more than once.



Customers should not be deceived by bogus pricing, shipping, or product description information. Plagiarism and infringement of intellectual property rights are not tolerated.



Do not use harsh language or engage in fraud.



Don't put connections to your own websites and platforms on your product page; instead, focus on selling.

## 4. Follow Lazada's terms and conditions

In order to avoid future problems with your selling on Lazada, make it a habit to read the rules. If you don't, your account may be punished or even suspended if you break them. Also, keep a good check on the metrics like –

- Order fulfillment rate
- Customer response rate
- Product quality complaints

This is essential if you want to avoid engaging in unethical behavior. It's a crucial step to take if you're going to keep your business up and running.

## 5. Evaluate your customers' feedback regularly

Before purchasing a product, most customers look at the product's reviews. 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. And keep your customers informed about the ongoing offers or the forthcoming offers on your products.

Additionally, you can prepare automated responses, such as thank you or greetings, to retain them. Check-in with customers who have already purchased to get feedback and reviews that will benefit your store.

## 7. Leverage Promotional tools

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

### KEY FEATURES OF SELLER ASSISTANT

 <p><b>My Products</b> Monitor sales and stock levels</p>	 <p><b>Shopee Seller Chat on App</b> Stay connected with your buyers</p>
 <p><b>Shopee Feed</b> Engage buyers through social media activities</p>	 <p><b>Product video upload</b> Enhance your product showcase</p>

Source: [Shopee](#)

Shopee Seller Assistant, as the name suggests, is a built-in function of the Shopee app that makes managing your store a cinch. Your shop's settings and customers are easier to manage with Seller Assistant. There are 3 tools you can use:

- My Customers
- Shop Profile
- Shop Settings

### **(b) 'Boost now' is a great promotional tool**

If you really want to sell the products on the Shopee marketplace, all you have to do is improve the product's visibility. It is possible to make adverts for your product with the boost feature, which will appear on various sections of the shopee website.

In addition, you can increase five goods at a time and do so every four hours. In addition, raising the visibility of your content can help you increase your ranking on Google! This will assist you in completing the requirements to become a Shopee Preferred Seller even more.

Take advantage of this opportunity if you haven't already.

### **(c) Use the Top Picks Feature**

Shopee and Lazada have created a Top Picks/Seller Picks feature to increase cross-selling. One can create a collection of up to eight products to display on product pages, which can be added to a seller's account. 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. At a given time, only one collection can be displayed on your product pages.

Note: These placements are made live after the channel reviews them; sellers or brands can submit the panel request but cannot instantly make them live.

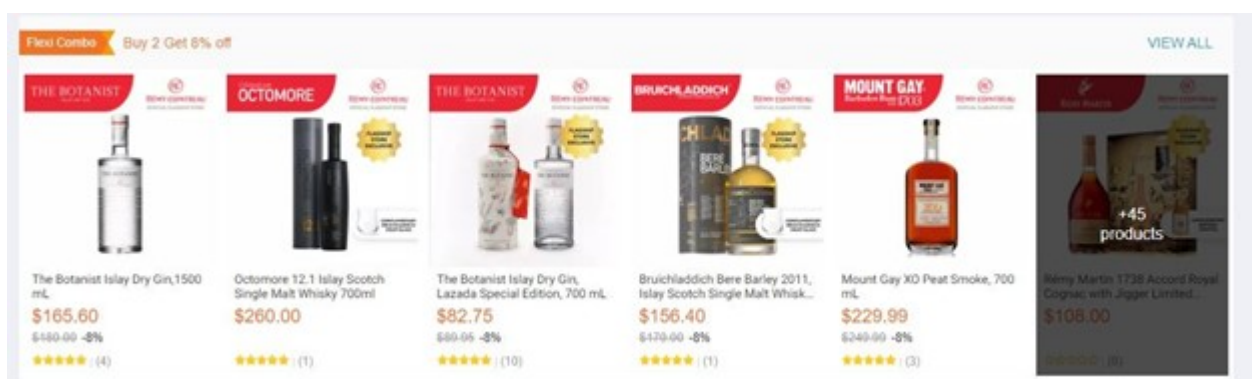
### **(d) Offer Bundle deals**



The Bundle Deal feature is a valuable sales trick in the Seller Centre. 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 2 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 be products, or you can add gifts to make them even more appealing with perceived discounts.

### (e) Encourage buyers with Flexi Combo Deals



Flexi combo bundle is used to draw buyers to buy more items that are 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.



As an example, you might choose Gopro since it is popular in your online shop. Create a bundle that includes its mounting accessories. It creates a sense of saving for your consumers, and since it is for a limited time, their chances of buying are increased.

### **(f) Join Flash Sales**

Flash sales appear on the Shopee and Lazada homepage. 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 your best products sold out in a short span of time.

#### **Requirements to Hold a Flash Sale**

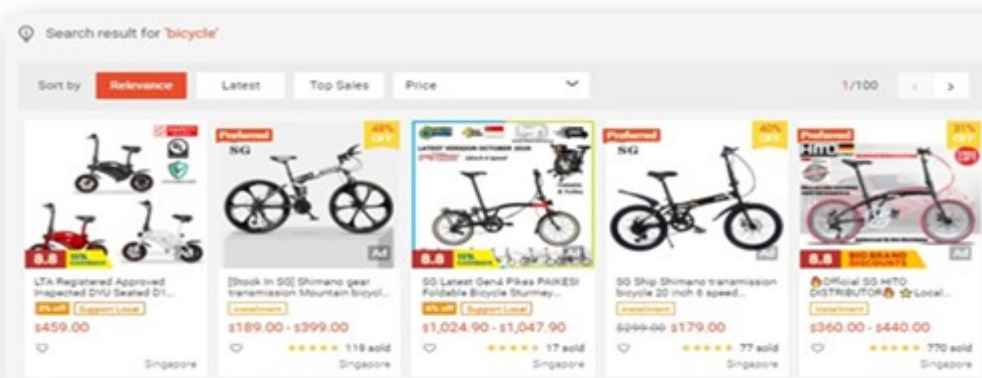
- Set a start and end time
- The discount price or percentage should be within the accepted discount range of the nomination agreement.
- Sufficient stock (your stock for the flash sale will be deducted from your total product supply)
- Products that meet Shopee's category requirements
- You also need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

- First are keyword ads, where sellers bid for keywords related to their products. Once a buyer enters those keywords, your ad will be displayed alongside the suggested products on the results page.
- Second is targeting ads, where sellers bid for "similar products," allowing your ads to be placed on the page where the details of the products related to your items are located.
- Third is Shop Search Ads, which 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.

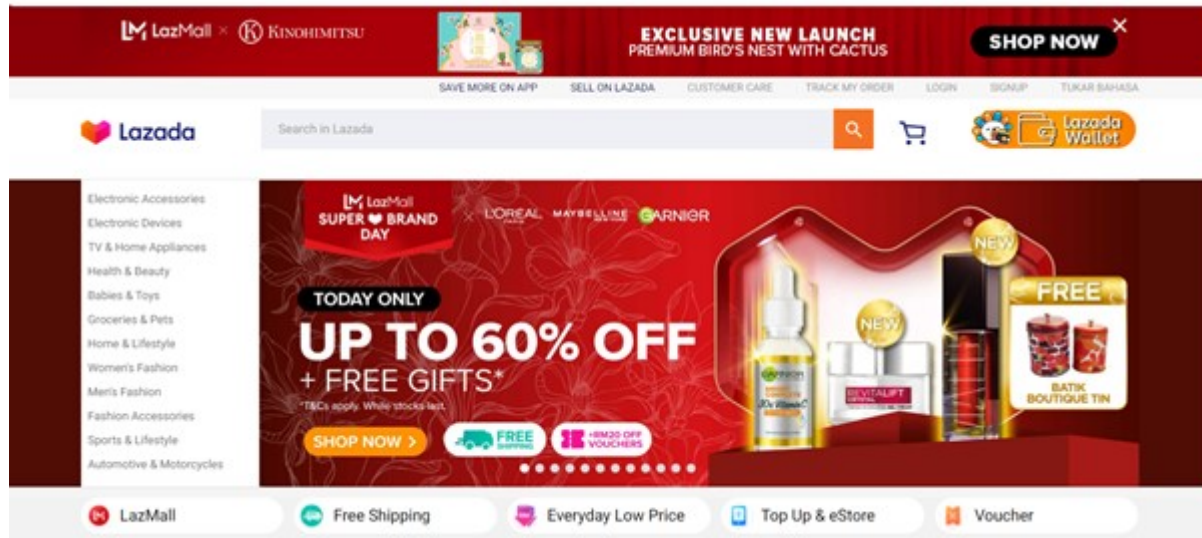
Example of Shopee Ads-



## (h) Promote with Lazada Sponsored Ads

Through the Lazada ad platform, you can prioritize and optimize your ads based on your customers' purchase intent and buying behavior. Ads on Lazada work on a cost-per-click (CPC) model, and they are divided into three campaigns:

- **Sponsored search Ads-** These ads are a keyword-targeted advertising solution that works on a CPC model to allow sellers to promote their products efficiently and boost discoverability.
- **Sponsored Product Ads-** These ads are more product-driven and are not keyword-related, which means you get more relevant traffic to your products to increase visibility.
- **Sponsored Display Ads-** These ads are targeted or personalized ads for the customers who viewed or were interested in your products. They work on the CPM model (by thousand impressions).



## 8. Take Advantage of External Marketing

It is possible to use promotional tools other than those provided by Lazada and Shopee. You may want to check out these options:

- Live Stream Shopping -This can happen onsite and offsite (Onsite- on Lazada/Shopee app since they also provide this) – (offsite – on brands own social media channels)
- Affiliate marketing- allow sellers to promote their products through affiliate partners influencers for increased exposure and sales.
- Facebook CPAS Ads
- Google Shopping Ads
- Instagram marketing
- Video Ads on YouTube

Pretty much across the board, the tools listed above will undoubtedly assist you in growing your business in 2022. [Read a detailed guide](#) on how to promote via these tools along with their examples.

## Final Words

Paxcom offers end-to-end e-commerce solutions for our clients. Our in-house tool, [Kinator](#), coupled with our eCommerce expertise, enables us to solve a multitude of problems for our clients.

Here are some services you can expect from us to make your event a success:

- Planning and monitoring inventory through the use of our custom-built in-house tool (Kinator) to keep your stock ready.
- Creating customized high-resolution lifestyle images, Revising product titles, bullet points, descriptions, A+ content, building brand stores for sales events to increase your visibility
- Designing and executing pay-per-click advertising campaigns, managing budgets, analysis, and recommendations.

- Strategic promotion planning – Planning promotion to target high traffic days with different promotions techniques and placements, such as flash sales, coupons, bundles, store-wide flash sales, and Flexi-combos.
- Implementing tailored display and banner advertisements made for sales events on different channels and updating brand stores for greater visibility.

For more detailed insights on streamlining your business, reach out to our eCommerce experts at [info@paxcom.net](mailto:info@paxcom.net)

