



Lazada University

FULFILLED BY LAZADA (FBL)

17/08/2020



INTRODUCTION

In this module, you will understand what Fulfilled By Lazada (FBL) is, how it works, and the benefits it brings to your store. You will also learn how to sign up as a FBL seller.

WHAT YOU'LL LEARN

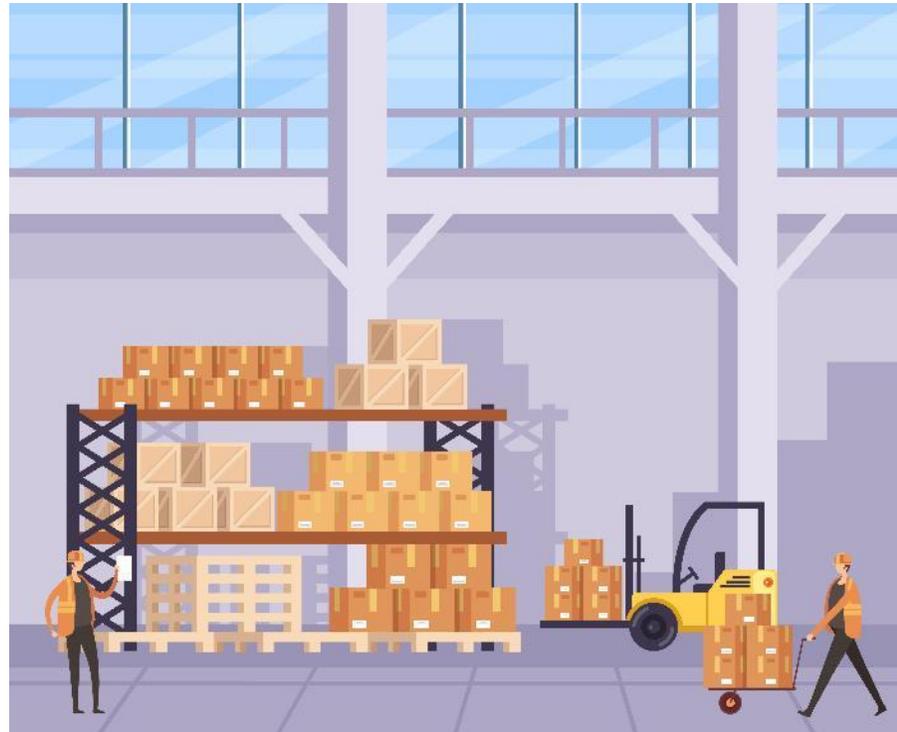
1. Benefits of FBL from both operational and commercial angles.
2. How FBL works and how you can sign up if you are interested.

CONTENT

1. Introduction to FBL
2. Benefits of FBL
3. Be an FBL Seller
4. Commercial Matters
5. Seller Success Stories

INTRODUCTION TO FBL

Fulfilled by Lazada (FBL) is an end-to-end logistics offering, which allows Lazada to manage your online fulfillment, hence enabling you to focus more on your sales and marketing efforts.



OVERVIEW: WHAT DOES FBL OFFER?

Warehouse



Inbound Handling



Storage



Pick and Pack



Outbound Handling



Claims on Losses/Damages



Exception Handling



Returns Processing



Scrap management

Transport



Drop-off



Standard Delivery



Claims on Losses/Damages



Failed delivery



Track and Trace



Delivery Confirmation

VAS



Labeling/ Re-labeling

Others



COD / Payment



Insurance / Financial Guarantee



Seller Service



Performance Management

Supply Chain



Inventory Management

LOGISTICS NETWORK

FBL has built up a world class logistics network to serve you and our customers.



Guaranteed next day delivery
Offering worry-free experience for our LazMall customers with guaranteed next day delivery

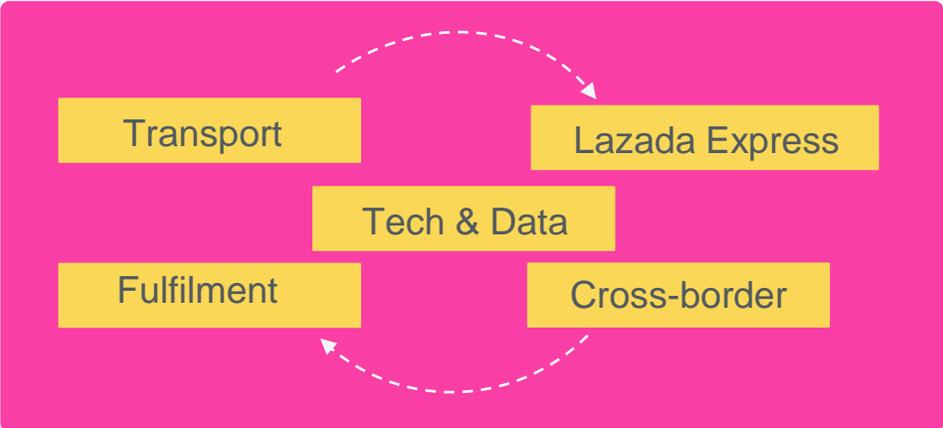


Fulfillment by Lazada (FBL)
One-stop hassle free fulfillment solution, providing customers faster lead-time & higher reliability



Express delivery
Fast and reliable same day delivery service for our customers

Dedicated bulky channel to provide distinctive service to our customers & sellers

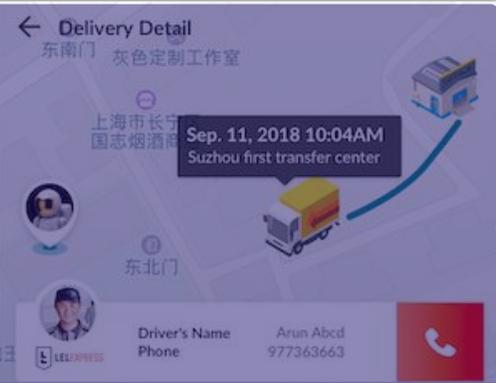



Collection & drop-off points

- Collection point now live in SG, VN, PH, MY & rolling out across SEA



Real-time tracking of drivers
Customers have access to real-time tracking of parcels



Serving Alibaba Group
Providing logistics service to Alibaba Group, enabling seamless tech integration to improve customer experience



End-to-End crossborder logistics
72 hours delivery promise & eWTP bonded warehouses to transform sellers' supply chain

SUPPLY CHAIN PLATFORM

Our BMS portal provides you with easy interface to manage your FBL items.

Fulfillment SKU Name/Fulfillment SKU	Shop Name	Seller SKU	Sellable	Reserved Sellable	Unsellable	Reserved Unsellable	Pending Inbound
MamyPoko Airfit 1 (9-14kg) 54 X 1 Pack 54 Pcs MA5931BAAQ9A47SGAM7-54917111		MA5931BAAQ9A47SGAM7-54917111	-2	2	1	0	8
Huggies Ultra Gold แฉกผ้าอ้อมผู้ใหญ่ XL 38 ชิ้น ผ้าอ้อมผู้ใหญ่ HU398TBAA2PYEGANTH_5891969		HU398TBAA2PYEGANTH_5891969	0	0	1	0	0
Huggies Dry Diapers NB64 x 1		HU283TBAA					

Live Inventory

SKU Information

Quantity available

SKU Statuses



Monitor Live Inventory

Track your stock quantity and inventory movement in Real Time.



Inbound/ Outbound Management

Easy processing of replenishment and outbound items.



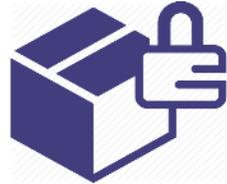
Automated Claim Submission

Eligible claims are auto generated and can be submitted with ease – via a single click of a button.

STORAGE CAPABILITIES

Different storage capabilities to suit your products

FENCED ZONE



High value items are stored in a secured area with access limited to authorized staff only



BULKY WAREHOUSE



Accommodate **large items** that would require different fulfilment needs



COMMERCIAL AND LOGISTICS EDGE

We run campaigns all year round! You get the same efficiency even with order volume surge.



Commercial lever

- **Campaign planning:** strategy and target alignment with sales milestones
- **Platform tool training:** feedback, inputs and common seller mistakes
- **Campaign intelligence:** actionable insights based on business advisor
- **Campaign reviews:** post-sale evaluation



Logistics lever

- **Scalable infrastructure:** 12 fulfillment centers in SEA with sufficient capacities to handle campaign volumes
- **Flexible resource:** efficient manpower ramp-up and ramp-down throughout campaign cycle
- **Transparent rate card:** no campaign surcharges, eliminating hidden logistics costs



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VALUE PROPOSITION



A. High service quality enables you to sell better



B. You sell, Lazada will ship!

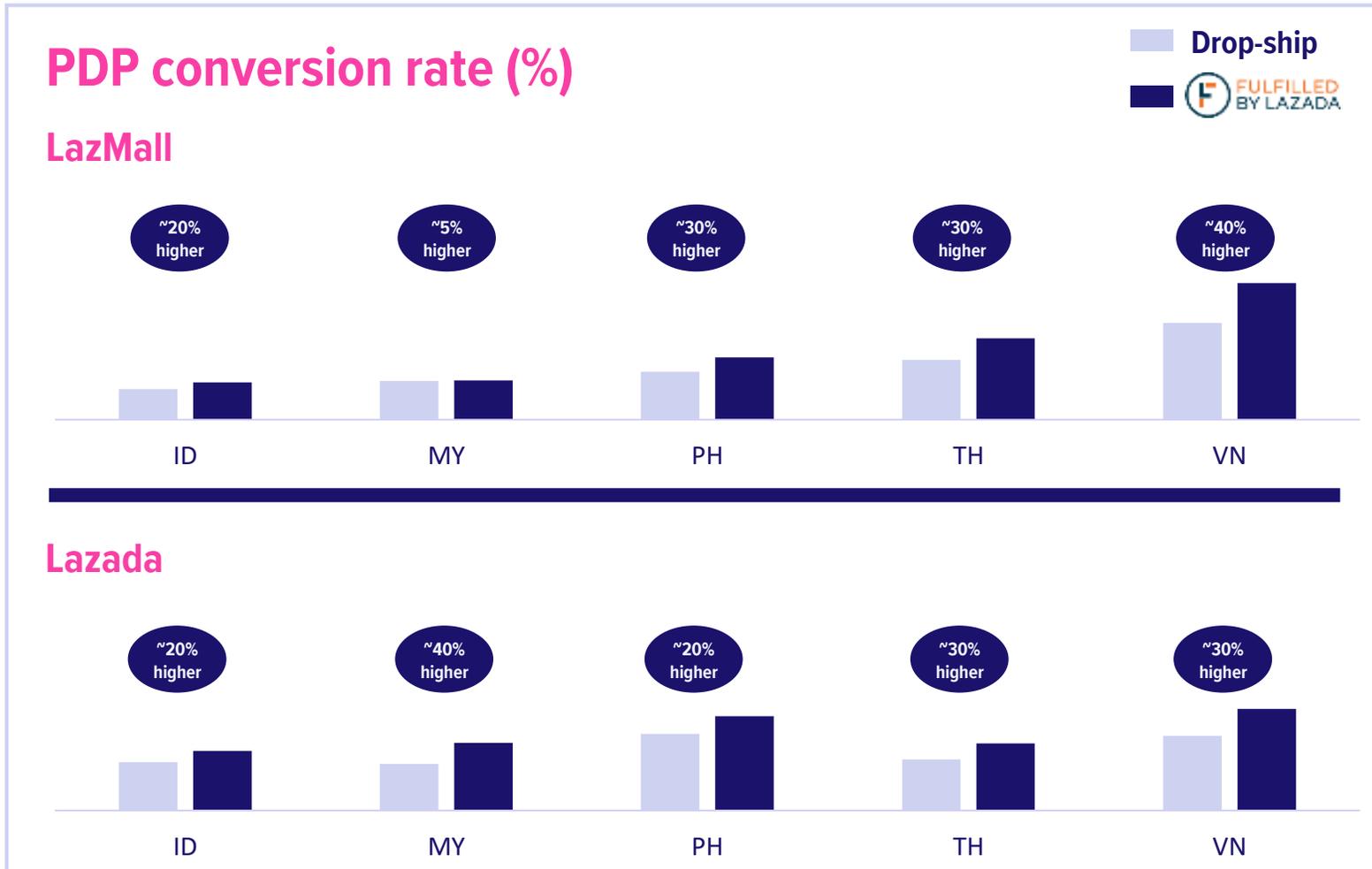


C. Better shopping experience keeps customers coming back



D. Buyers love FBL service!

A. HIGH SERVICE QUALITY ENABLES YOU TO SELL BETTER

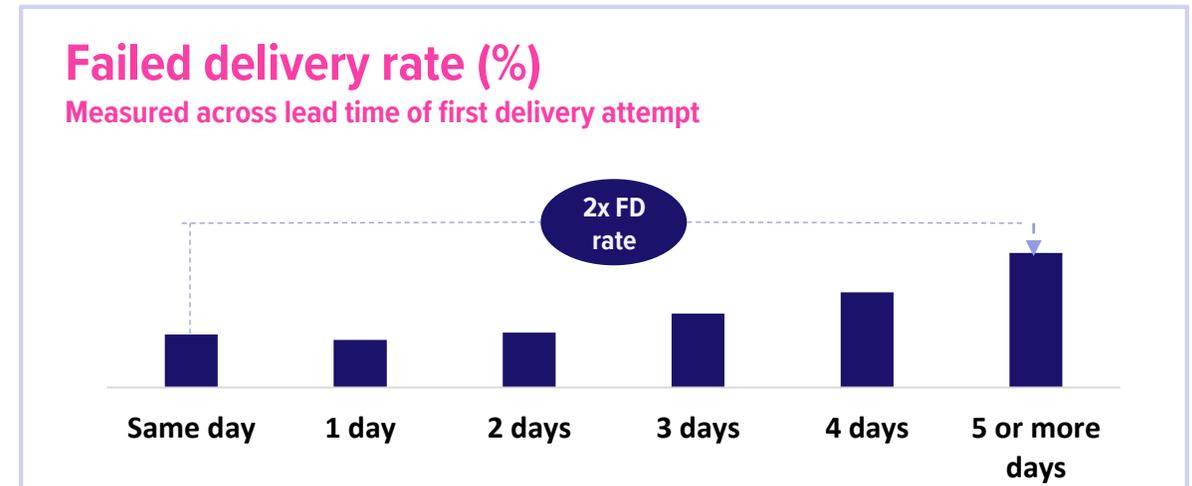
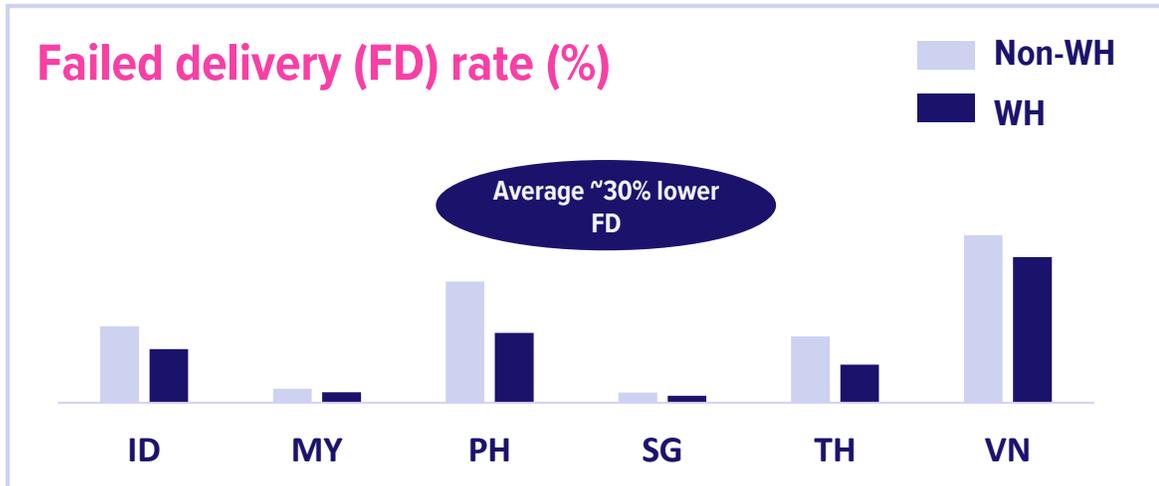
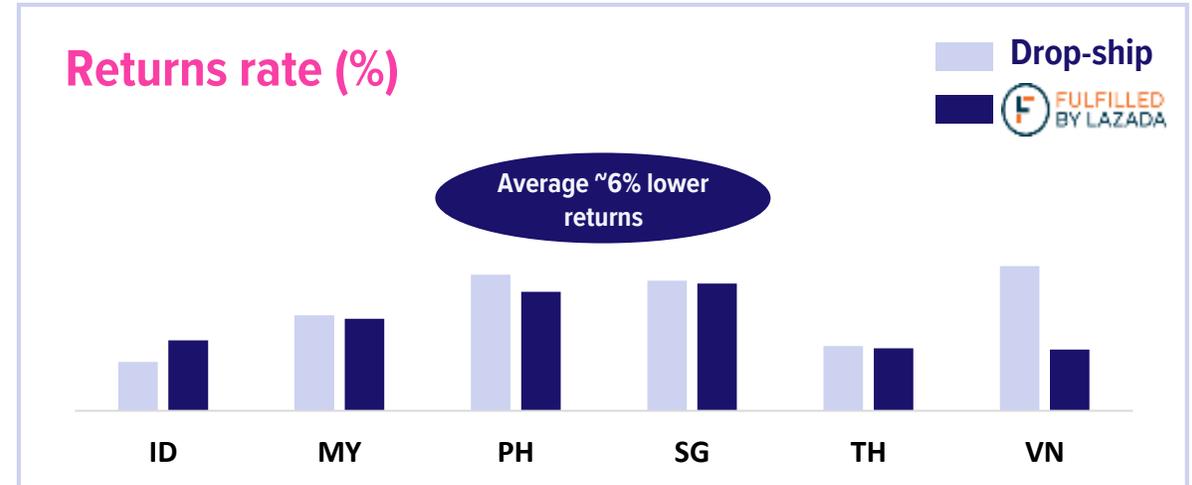
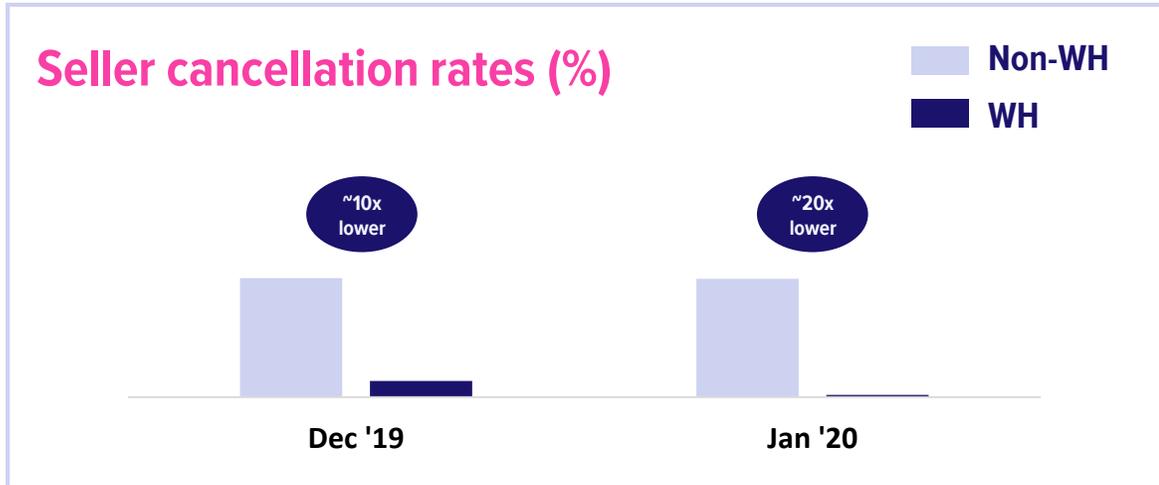


Convert and realize more sales

- Average conversion rate of FBL orders is 30% higher than non-FBL items for LazMall & Lazada, indicating additional revenue for FBL sellers.
- Driven by higher service quality enabled by FBL with faster lead time, broader shipping options and higher seller ratings.

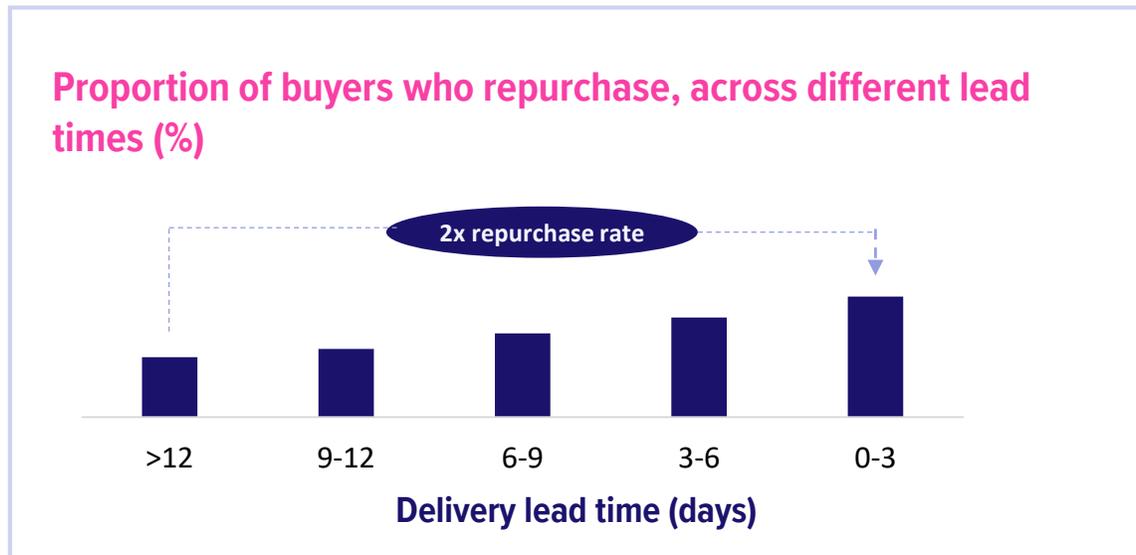
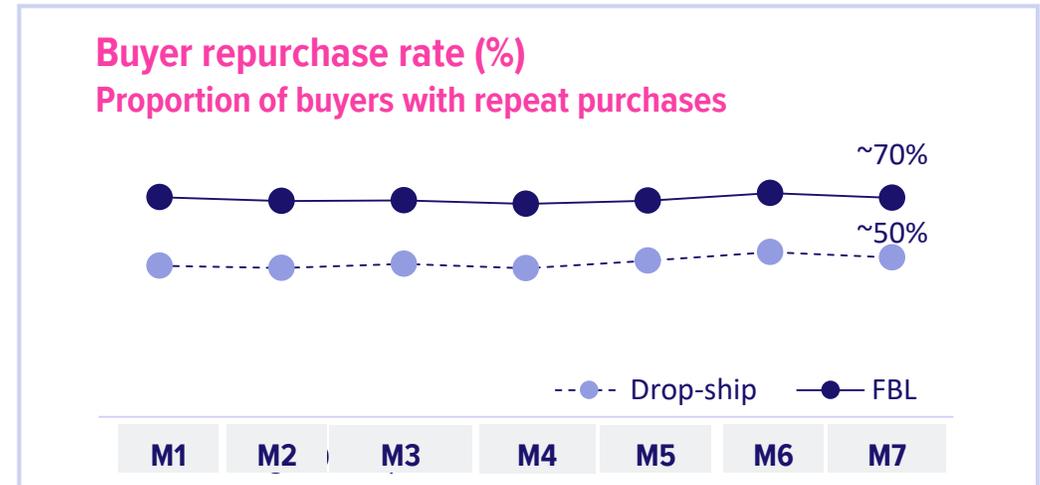
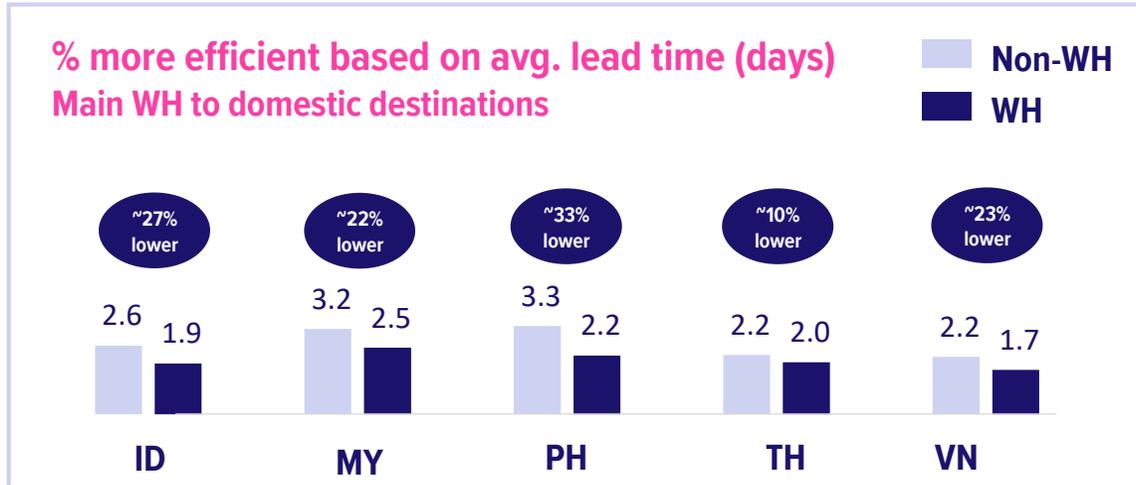
B. YOU SELL, LAZADA WILL SHIP

Better pick-pack accuracy and faster delivery lead time lead to lower leakages



C. BETTER SHOPPING EXPERIENCE KEEPS BUYERS COMING BACK

Better shopping experience to customers results in higher repurchase rate



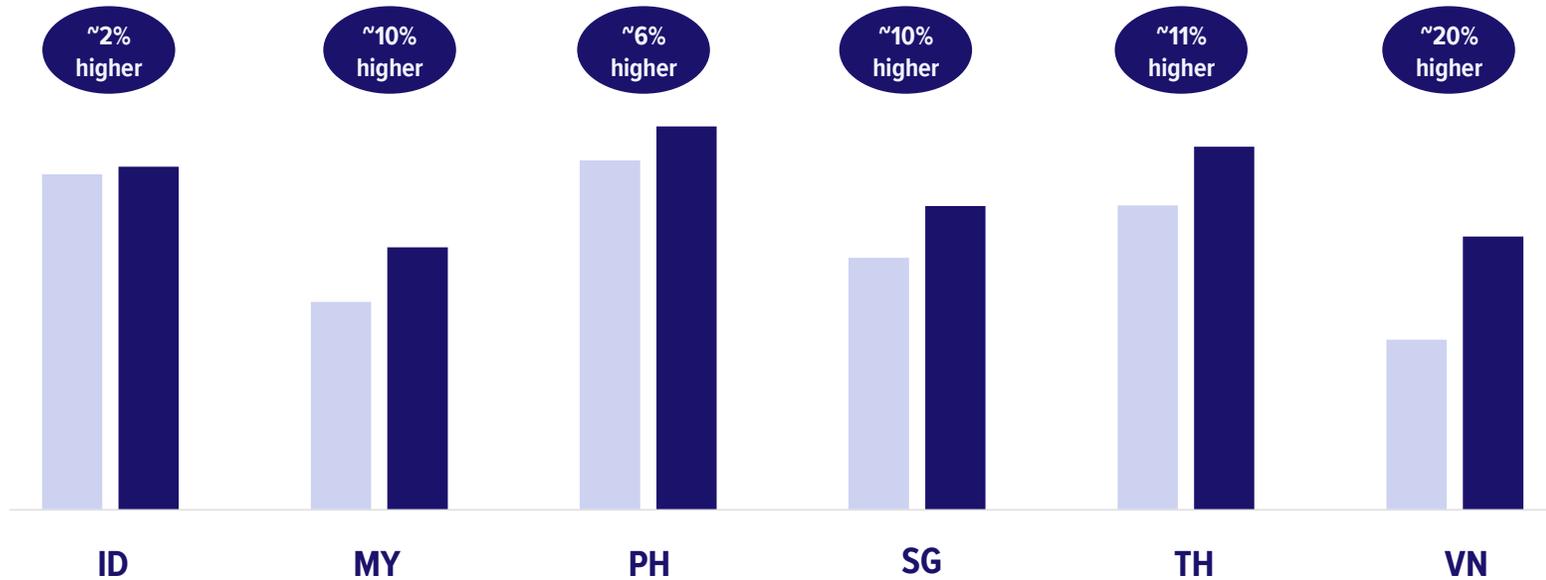
- Close to **75% FBL buyers repurchase their orders**, or about 40% more than non-FBL consumers

D. BUYERS LOVE FBL SERVICE

Buyer NPS on Delivery (%)

Measures buyer satisfaction: promoters – detractors

■ Non-Warehouse
■ Warehouse



Higher satisfied with deliveries shipped from Lazada warehouses compared to drop-ship

- Buyer satisfaction is **consistently higher across all markets** for orders delivered out of Lazada warehouses.
- This reflects **better delivery quality**: faster delivery, accuracy and convenience of delivery time.

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YOUR SELLER JOURNEY ON FBL

Your scope (Registration and Selling)



**Sign up and
product listing**

You register as an **FBL seller** and **list your products**



Drop-off

You **inbound your products** to Lazada Warehouse and monitor them through **BMS**



Packing

Lazada will **store, pick and pack** your products



Shipping

Lazada's 3PL picks up the packages from our Warehouse



Delivery

Customers receive their orders



Customer Service/ reverse logistics

Lazada handles **CS queries** and manages **reverse logistics**

FOLLOW THESE 4 EASY STEPS

Start your FBL journey today!

- **Approach your Account Manager**
The FBL team will be notified of your interest and assess your eligibility for our service 
- **Attend our mandatory onboarding**
Learn about the A-Zs of our FBL service and inbound guidelines 
- **Create your fulfillment SKUs**
Register the products you want to sell
(Provide attributes: SN flag and shelf-life duration input) 
- **Drop off your products at our warehouse**
Your products will be ready for fulfilment within 24 hours as long as there are no inbound discrepancies 

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FBL RATE CARD

✓ charge ✗ no charge (subsidized by Lazada)

- **Basket building** through item + order fee structure.
- **Inventory turns and selling SKUs** through storage fee.
- **Sustainable FBL model** through core fees, such as pick-up, VAS and disposal.

FULFILLMENT		Charge by	As-Is		To-Be		
			FBL-LZD	FBL-LazMall	FBL LZD	FBL - Lazmall	MCL
Handling fees	Small	Per item	✓ (same as Std)	✓	✓	✓	✓
	Standard	Per item	✓	✓	✓	✓	✓
	Large	Per item	✓	✓	✓	✓	✓
	Bulky	Per item	✓	✓	✓	✓	✓
Storage	<60d	Per cbm/ month	✗	✗	✓		
	>60d	Per cbm/ month	✗	✗	✓		
	>150d	Per cbm/ month	✗	✗	✓		
Pullout - items	>5% of Sales	Per item	✗	✗	✓		
Returns	-	Per item	✗	✗	✗	✗	✓
Disposal	Expired, seller requests	Per item	✗	✗	✓		
VAS	Inbound	Per item	✓ (existing rate, but not actually charged)	✓ (existing rate, but not actually charged)	✓		
	Outbound	Per order	✗	✗	✓		

T&CS IN THE SELLER MARKETPLACE AGREEMENT



MARKETPLACE AGREEMENT

Confidential

By entering into this Marketplace Agreement ("Agreement") on the date on which Seller clicks the "I Accept" button ("Effective Date") you ("Seller", "you", "your") represent that you are an adult of at least 18 years of age, capable of validly entering into agreements and performing your obligations hereunder. BY REGISTERING FOR AND USING THE SERVICES, YOU AGREE TO BE BOUND BY ALL TERMS AND CONDITIONS OF THIS AGREEMENT, AND ALL POLICIES OF THE PLATFORM ARE INCORPORATED BY REFERENCE.

The Seller shall provide a copy of the following documents upon entering into the Agreement by uploading the same documents to Seller Center, and Lazada reserves the right to verify these documents and other submitted information prior to effecting Payments:

Required documents	
Corporate Account Type	Individual Account Type
1. Company or business registration (ACRA); 2. Bank statement bearing Company name and account number	1. National Registration Identity Card (NRIC) – Front & Back; 2. Bank statement bearing NRIC name and account number

The Seller represents and warrants to Lazada that it is a Singapore registered entity, Singapore citizen (at least 18 years of age), or a Singapore Permanent Resident (at least 18 years of age).

- a. Where Seller breaches the aforementioned warranty, Seller agrees that any monies which are not yet paid to it by Lazada for fulfilled Order(s) shall be forfeit to Lazada and Seller gives up all claim and right to such monies.

Lazada reserves the right to notify you from time to time of changes to the terms and conditions of this Agreement.

Overview

1. [Lazada Services to You](#)

- You enter into **marketplace agreement**, outlining general terms and conditions (T&Cs) including services, charges/commissions, policies etc.
- Updates to the agreement will be **communicated to you in advance**.



MARKETPLACE AGREEMENT

Terms and Conditions

Confidential

according to the lead times specified in the Policies, provided that, where Seller fails to comply with the deadline, Lazada reserves the right to modify the deadline and/or to cancel the Order.

- B. Lazada may, at its sole discretion, offer to pick up Products from mutually agreed pick up points, in accordance with the Policies.
- C. Seller shall stop or cancel any Orders if directed by Lazada.
- D. Seller will ensure that Lazada is at all times supplied with updated Order shipment tracking information.
- E. Title and risk of loss for Goods and Products will remain with Seller, and Lazada will have no liability whatsoever related to the Goods and Products including their shipping, storage, delivery delays, damage or loss.
- F. Upon receiving Products that are the subject of an Order, Lazada will deliver the Products to the delivery address and designated recipient, in accordance with the Policies.

5. [Fulfillment by Lazada](#)

Fulfillment by Lazada Terms ("FBL Terms")

1. [Overview](#)

- A. These FBL Terms form part of the Marketplace Agreement and apply if the method of fulfillment of Orders is Fulfillment by Lazada ("FBL").
- B. Where the method of fulfillment of Orders is FBL, Seller is responsible for the sourcing and delivery of the Goods to Lazada's appointed fulfillment centre or pick-up point. The services provided by Lazada under the FBL model ("FBL Services") comprise:
 - i) If offered by Lazada at its sole discretion, pick-up of Goods and transportation to Lazada's fulfillment centre;
 - ii) Short-term storage of the Goods for the purpose of fulfillment of Orders;
 - iii) Picking and packing of Goods for fulfillment of Orders;
 - iv) After-sales services such as invoice printing (if available), customer service and returns and failed delivery processing in respect of the Goods.
- C. Notwithstanding the FBL services provided to the Seller, the title to all Goods handed over to Lazada for FBL shall remain with the Seller until the title to such Goods is transferred to: (i) the Customer in accordance with the Customer Agreement; or (ii) to Lazada or its Affiliates in the manner contemplated under these FBL Terms.

- Included in the marketplace agreement are FBL T&Cs, covering **general scope of logistics service** (inbound, storage and outbound) as well as both parties' **rights and obligations for fulfillment**
- More details on FBL processes are covered in **trainings** conducted by the respective country FBL teams

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SALES BOOSTED DURING MEGA CAMPAIGNS

International beauty brand on FBL recorded more than 75x sales boost during mega-campaigns.



Seller profile

- Beauty brand with global presence, specializing in **oral and body care products**
- Brand had been working with a partner for its online channel push and made a strategic move to be on **FBL since Aug 2019**

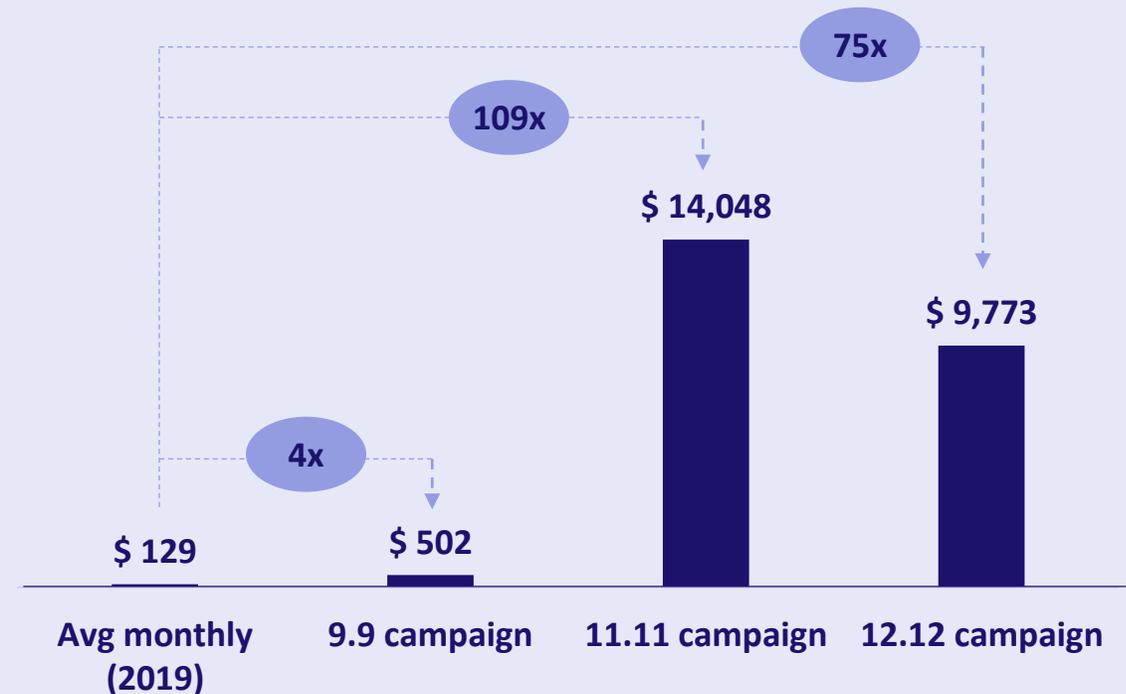


Shipment and store profile

- Full on **LazMall**, brand averages around 1.5-2.5k items sold/ month
- Through FBL, brand is able to achieve **96% seller rating** and **99% Shipped-on-Time**
- Brand is recognized for being in one of the Top 15 GMV contributor in the last 12.12 campaign

Brand's strong sales performance in 2019 campaign events

GMV (USD)



GROWTH DURING DAILY OPERATIONS

With more focused sales efforts, a Fashion Seller had significant sales growth through FBL



Seller profile

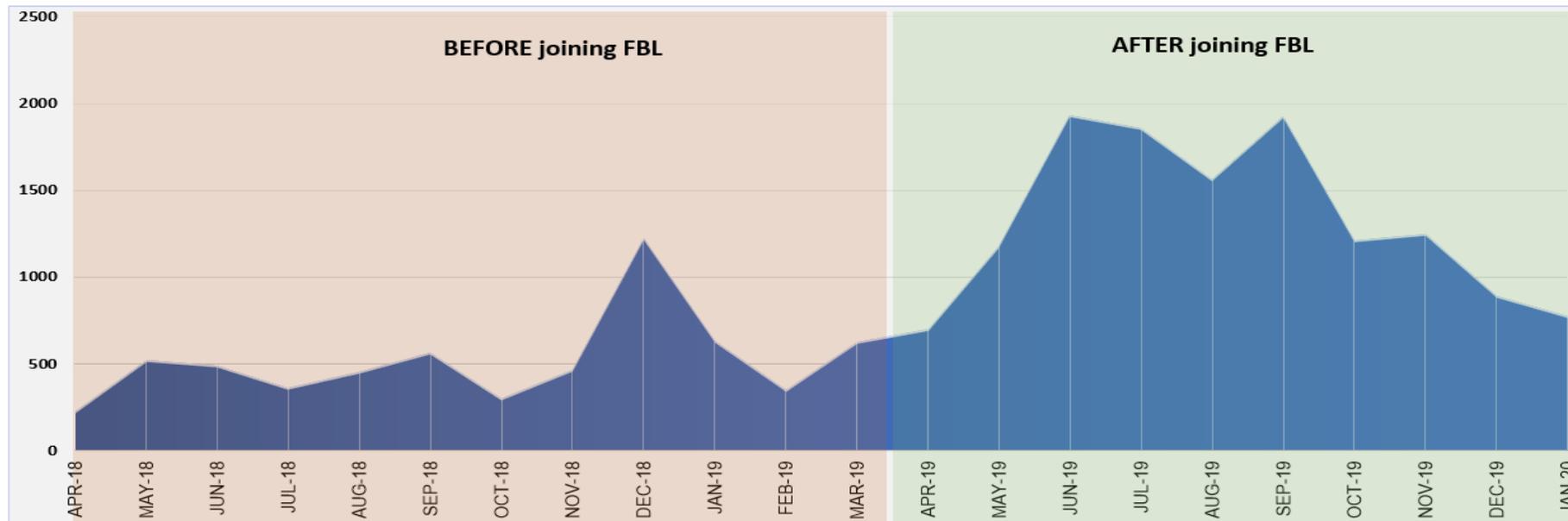
- Local fashion seller, covering **bathroom/bedroom equipment and fittings**
- Seller has been working directly with Lazada since 2017



Shipment and store profile

- Brand switched to FBL marketplace model from March/ April 2019
- Store carries 200-400 SKUs, ranging from small to large items

With less logistics hassles, fashion seller recorded concrete sales growth through FBL



SCALABLE LOGISTICS NETWORK

FBL's scalable logistics network opens up growth opportunities like flash sales and campaigns



Seller profile

- **Household appliances seller** with products ranging from kitchen cleaning equipment to juicers and vacuum cleaners
- Started with Lazada on May 2019 and enrolled into FBL since Sep 2019

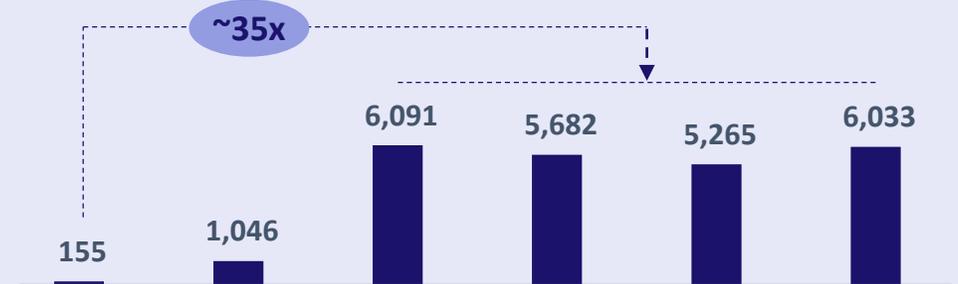


Shipment and store profile

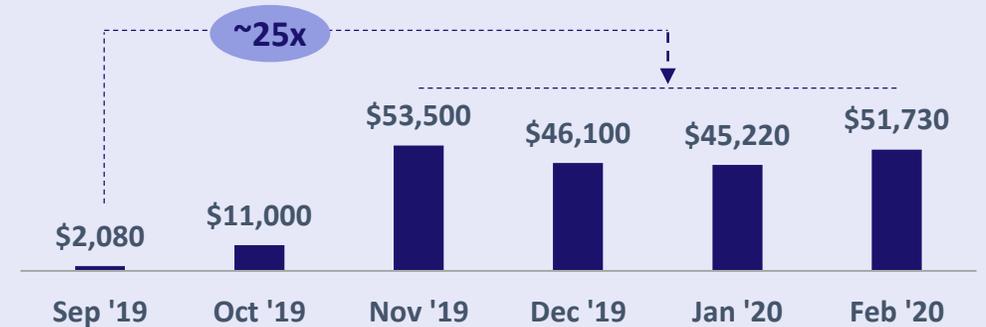
- Seller leverages on **FBL's scalable model** for **flash sales events** and **campaign periods**
- Seller rating: 93%
- Shipped on Time: 95%
- Returns 0.28%, Cancellation 0%

*"From operational view, **FBL service is pretty good with affordable price.** It helps to **improve customer shopping experience,** especially with product distribution to outer islands."*

FBL volume (items)



FBL GMV (USD)



MAINTAIN YOUR SUCCESS

H&B seller maintains excellent commercial and operations KPIs through FBL.



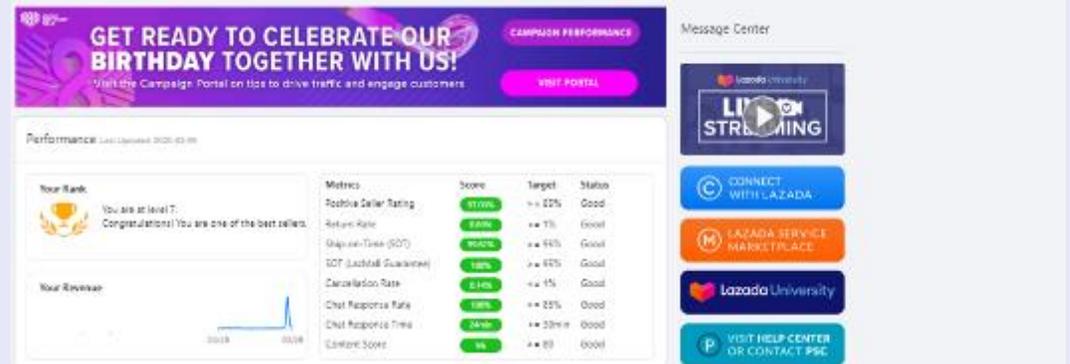
Seller profile

- Local seller with H&B products catering to haircare accessories
- Average selling price ranges from USD5 for consumer goods to USD20 for electrical products
- Seller has been with FBL since September 2019. Seller stayed on with FBL even after store-wide migration, as they worked together with local team in ensuring minimal sales impact during the transition period



Shipment and store profile

- Average 1.8k orders/ month during normal period and up to ~3x uplift during mega campaigns
- Seller also relies on FBL's physical bundling service for products free gifts



Commercial/ marketing KPIs

- During first 2 months, it was in top 100 sellers & has since become consistently featuring in top 30 sellers under FBL
- Seller rating is currently in high 90%

Operations

- SOT: 99.9+%
- Leakages: less than 0.1% for last 3 months

SUMMARY

- FBL enables you to increase conversion rate, reduce business leakages, enhance repurchase rate, and improve customers' satisfaction.
- FBL warehouse provides different storage capabilities to suit your products' needs.
- You can easily start your FBL journey in 4 easy steps: Approach your Account Manager and express your interest so that they can refer you to our FBL team. Our FBL team will assess your eligibility for this service and arrange an onboarding session if applicable. Create your fulfillment SKUs and drop off your products at our warehouse and finally, check out Lazada University for more information on FBL.

