Lazada University

NEW SELLER GUIDE (NSG)

CHAPTER 5: LAZADA SPONSORED SOLUTION (LSS)

SEPTEMBER 2022

COURSE OVERVIEW

INTRODUCTION

Lazada Sponsored Solutions (LSS) will help to make selling and reaching to customers easier. All you need to do is utilize the available tools and be ready to see changes to your store.

WHAT YOU'LL LEARN

1. The overview and steps to set up new campaign using the New Product Launcher (NPL)

2. The overview and steps to set up your products for to be visible on Sponsored Discovery

3. The overview and steps to activate Sponsored Affiliate

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OVERVIEW: SPONSORED SOLUTION

Easy tools to help you cut through competition, drive traffic and sales to your store

SPONSORED SOLUTION

New Product Launcher

- ❑ How it works: Promote your **new products (created within past 90 days)** via: Home page 'For You' and My Orders 'To Review' page (Exclusive placement).

- ❑ How to see ad: Auction model, ads with highest score* will appear on the top of the page. *(*Refer to page 32 for Appendix)*

- ❑ Cost: Cost-per-click model, **seller only pay if a customer clicks the ad.**

- ❑ Top up: **Prepaid** mode

Sponsored Discovery

- ❑ How it works: Via **2 types of placements** (Sponsored Search or Sponsored Products)

- ❑ How to see ad: Auction model, ads with highest score* will appear on the top of the page. *(*Refer to page 32 for Appendix)*

- ❑ Cost: Cost-per-click model, **seller only pay if a customer clicks the ad.**

- ❑ Top up: **Prepaid** mode

Sponsored Affiliate

- ❑ How it works: Reach customers through **affiliate partners**, price comparison sites, cashback apps, top apps and websites and in-app placements.

- ❑ How to see ad: Visitors click affiliate links and landed on Lazada websites.

- ❑ Cost: Pay-per-sale model, **seller only pay after buyer purchased from seller's store.**

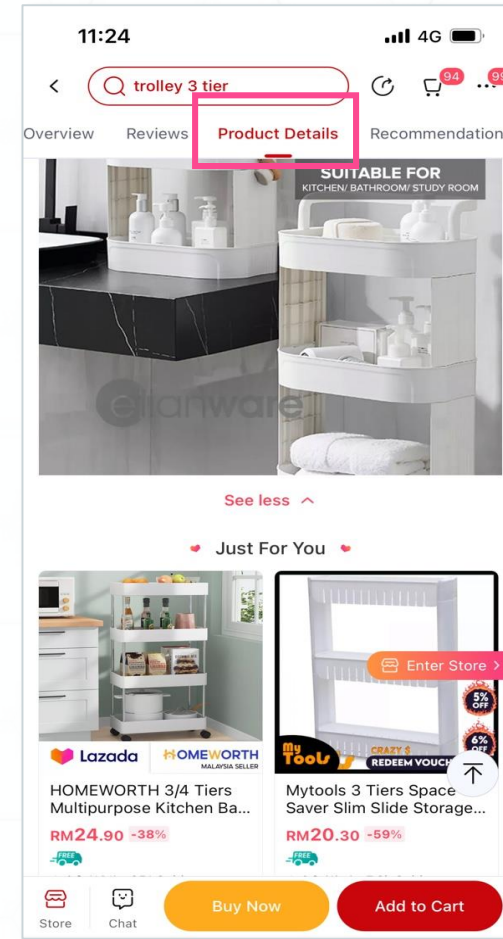- ❑ Top up: **Postpaid** mode

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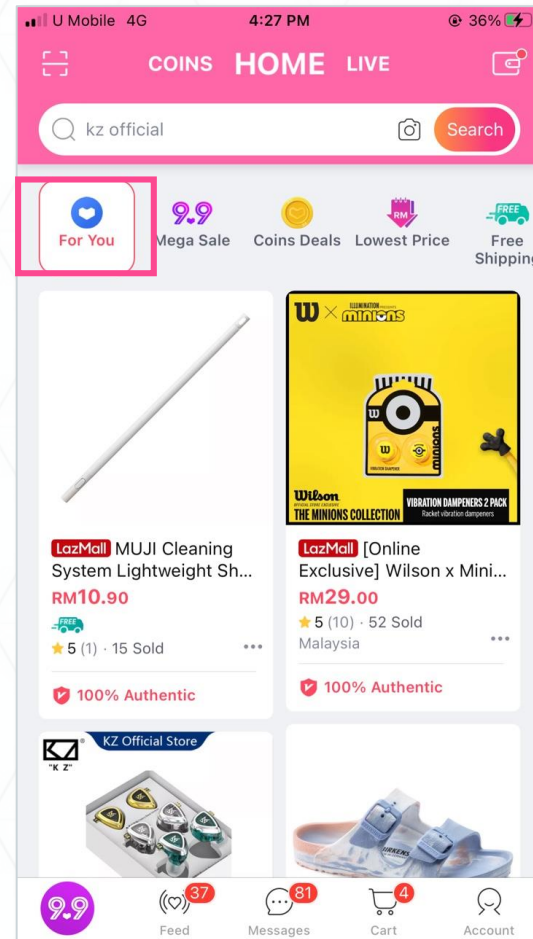# ABOUT NEW PRODUCT LAUNCHER

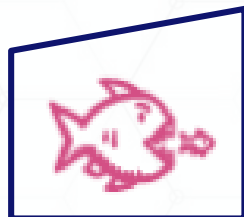## Launch pad for new products
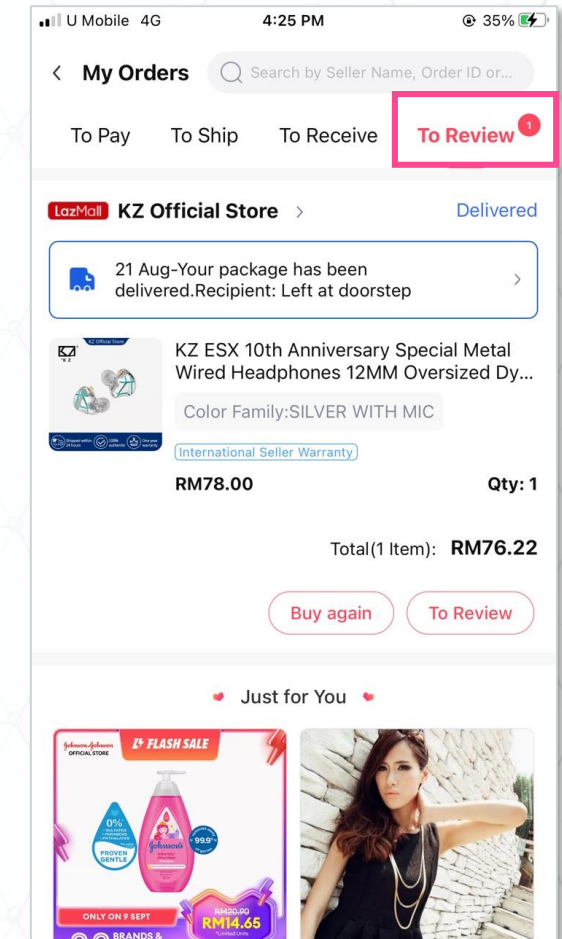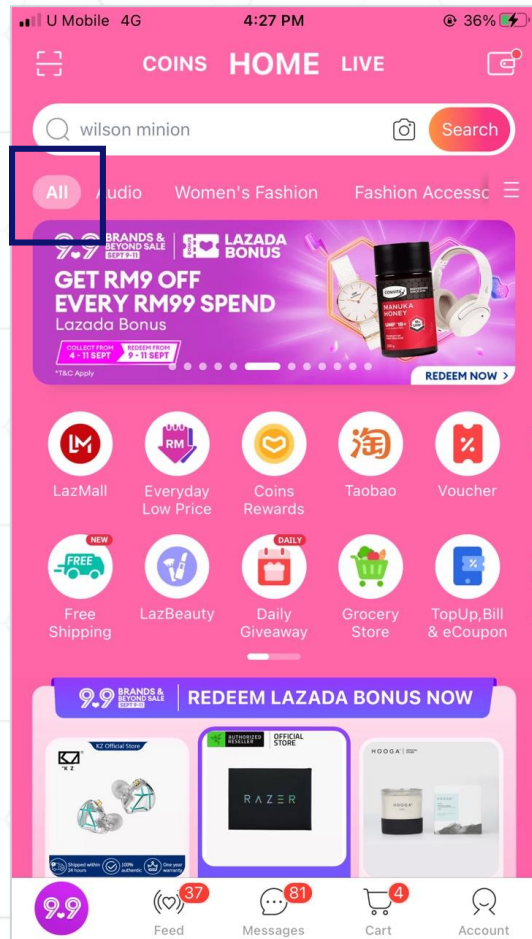
WHY NEW PRODUCT LAUNCHER?

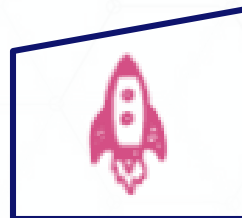**Worry less about competition**

New Product Launcher

Gain More Visibility

Unlock **exclusive** placements

Lesser competition

Protected bidding environment for your new products

Pay for Results

Only pay when products are clicked

High Intent Audience Targeting

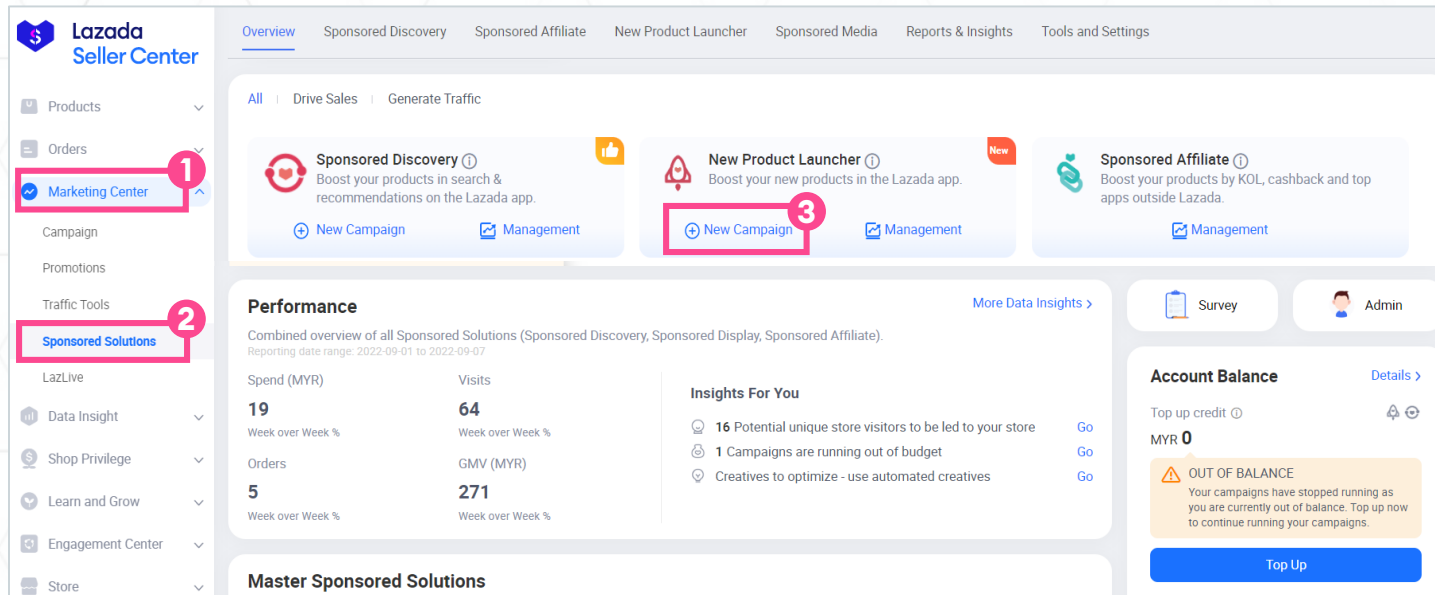Target high intent audiences via **search keywords** & **audience targeting** features

Data Transparency

Detailed performance report across promoted products and placements

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5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > New Product Launcher: New Campaign

Step 1 & 2: Select '**Sponsored Solution**' under **Marketing Center**.

Step 3: Create '**New Campaign**' for New Product Launcher

5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > New Product Launcher: New Campaign
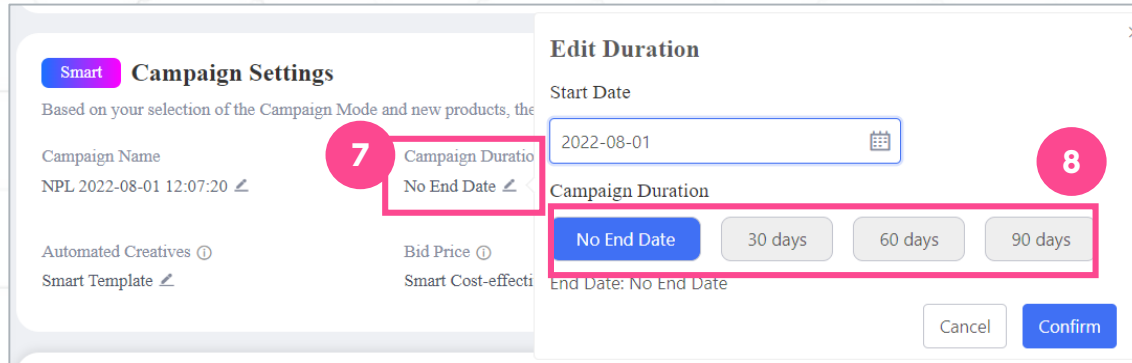

Step 4: Select **campaign mode**:-

(a) Incubate mode: Boost your new products to become high potential new products

(b) Test mode: Boost traffic to your new products to get first orders

Step 5 & 6: Select new products with excellent product score

5 MINS EASY SET UP
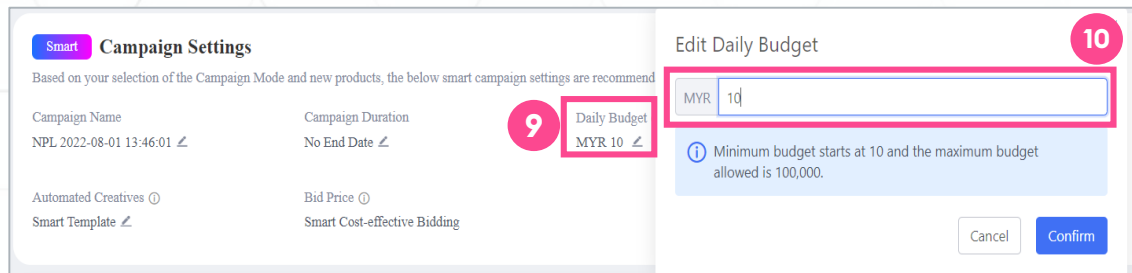
Step 7 & 8: Choose between 30, 60 or 90 days for **campaign duration**.

Step 9 & 10: Set **daily budget**.

(Min budget is based on number of products selected, for instance 10 products = Min budget RM10)

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ABOUT SPONSORED DISCOVERY

WHAT is Sponsored Discovery?

Placement on "Search Result" page
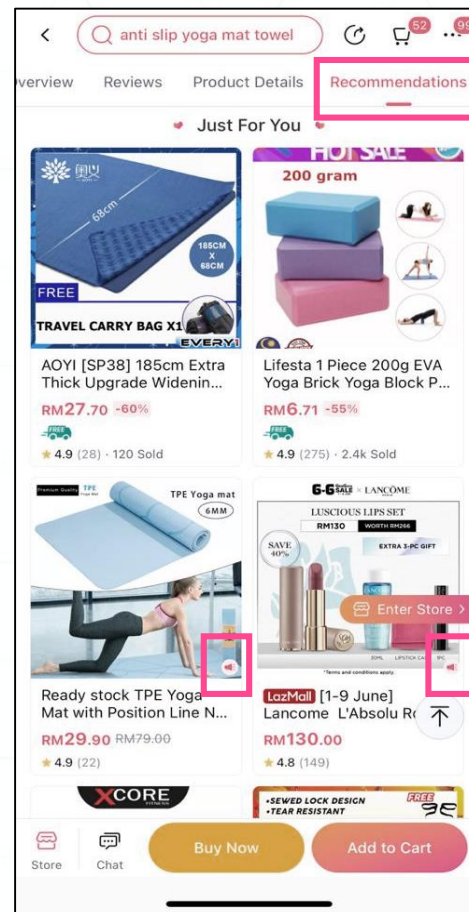
Placement on "Recommendations" > product details page
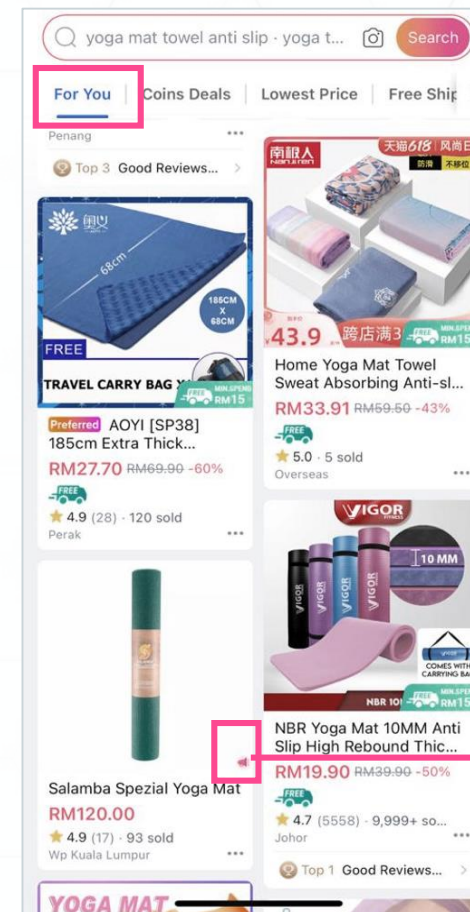
Placement on Homepage > "For You" tab

"Pink megaphone" icon on product listing indicates Sponsored Discovery slot.

WHY SPONSORED DISCOVERY?
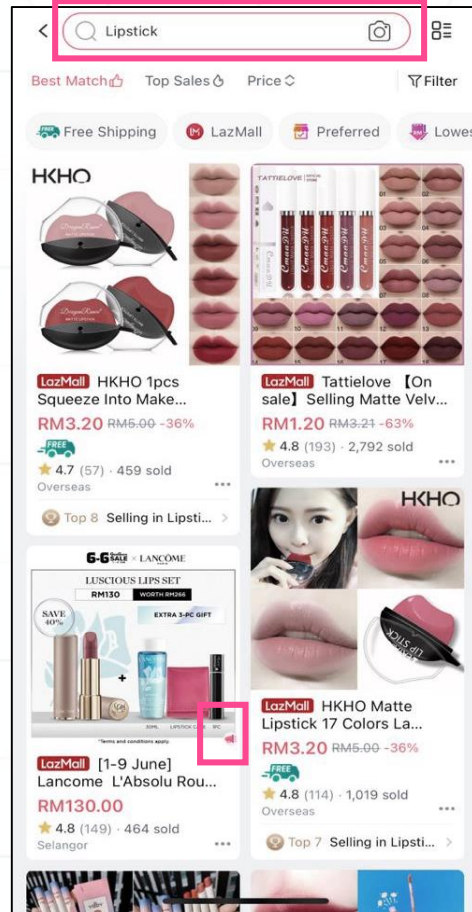
Expected 6.4x sales uplift!

Sponsored Discovery

Platform Wide Visibility

Gain more **visibility** with Lazada's shoppers

Integrated Campaign Delivery

Best results across Lazada's placements

Smart Campaign Management

Automated product & **keyword selection**

Pay for Results

Only pay when products are clicked

High Intent Audience Targeting

Target high intent audiences via **search keywords** & **audience targeting** features

Data Transparency

Detailed performance report across promoted products and placements

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SPONSORED DISCOVERY CAMPAIGN JOURNEY

Sponsored Discovery

Sellers **pay for each valid clicks** on promoted ads.

Increase bids on store visitors OR in-market audiences for similar products.

(6) Shopper clicks product

Focus on product that are trending in sales, high in stock, new arrivals.

(4) Bid higher

(2) Select product

Seller **set a daily budget**, can pause/adjust anytime

(1) Create Sponsored Discovery campaign

(3) Decide keywords

Sellers are strongly recommended to use **Lazada recommended keywords** shown.
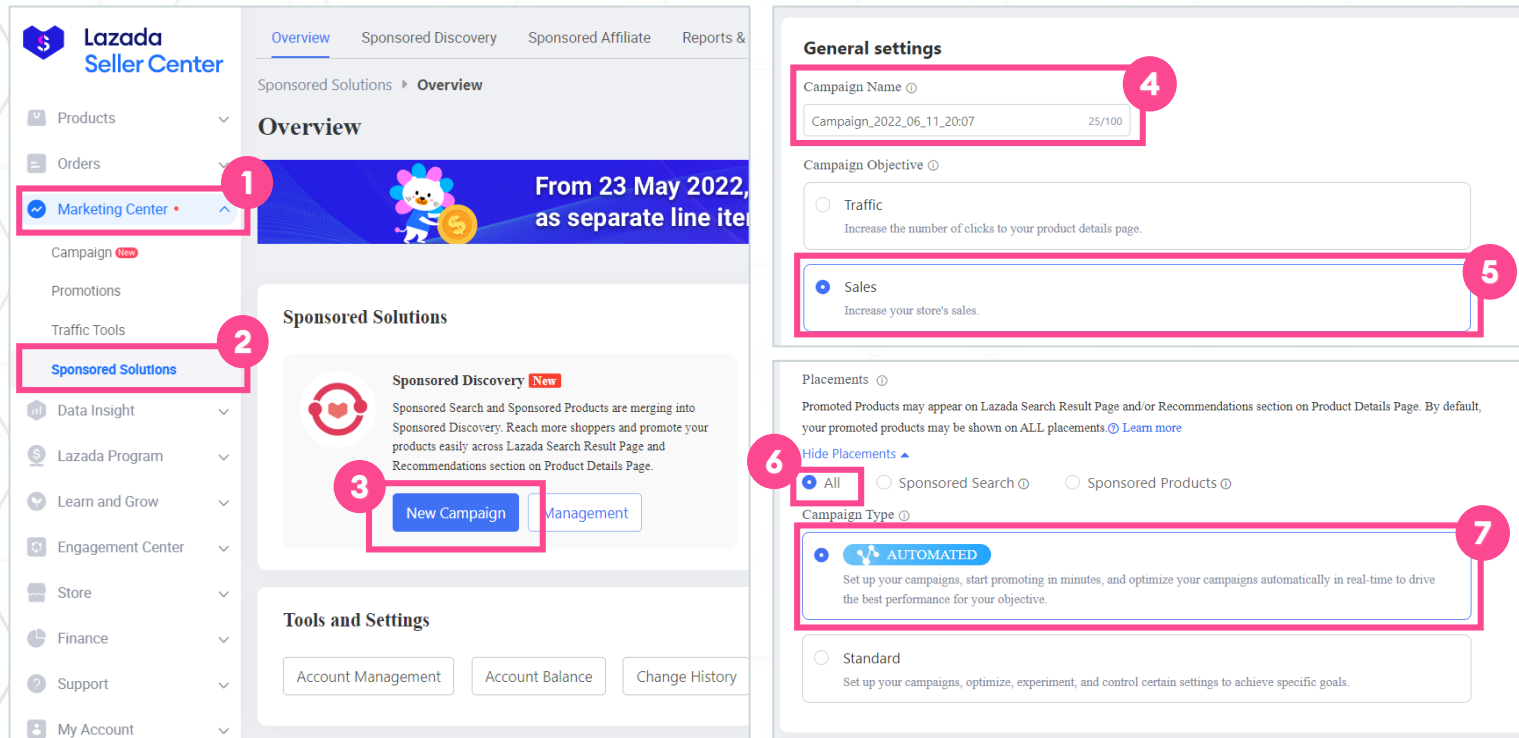
(5) Top up account

Top up via store earnings or credit card

(7) Customer makes a purchase

Sellers can **view the units sold** from "promoted product" in system.

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5 MINS EASY SET UP

Sponsored Discovery

Marketing Center > Sponsored Solutions > New Campaign (Automated Campaign)

Step 1 & 2: Select '**Sponsored Solution**' under **Marketing Center**.

Step 3: Create '**New Campaign**' for Sponsored Discovery.

Step 4: Enter your **campaign name**.

Step 5: Select **campaign objective**:-

(a) Sales: Maximize sales

(b) Traffic: Maximize product visibility

Step 6: Select '**All**' under **placements** for your promoted product to reach search results page & similar product pages

Step 7: Select '**Automated**' **campaign type** which sets bids and keywords automatically for higher sales based on set budget

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5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > New Campaign (Automated Campaign)

Sponsored Discovery

Campaign Budget and Schedule

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Daily Budget ⓘ

MYR | 100

ⓘ Minimum budget starts at MYR 4 and the maximum budget allowed is MYR 100,000.

Set Maximum Bid Price ▾
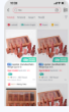
9

Start Date

11/06/2022 📅

Set End Date (Optional) ▾

You can now bid on First Search Slot!

Average 2X traffic and 6.4X sales uplift

Tap into First Search Slot by increasing your budget

Product Selection

Choose how you would like to add products into this campaign:

10

◉ **Automated**

Not sure which products to select? Select this option to let Lazada automatically pick products from your store. Your promoted products may change daily as we optimize towards the best performing products for you. ⓘ Learn more

○ **Standard**

I want to select products manually from my store. ⓘ Learn more

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Show Option ⧉   Cancel   Back   Next

Step 8: Set **daily budget** to run for whole day

💡 *Tip: You can start with RM100/day to make sure you won't miss any traffic*

Step 9: Sets **campaign starts date**

Step 10 & 11: Go for **'automated' product selection** for system to pick the products automatically to optimize the best performing products for your campaign

💡 *Tip: Automated product selection is only available for one campaign*

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5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > New Campaign (Automated Campaign)

Step 12: Enable **automatic creative improvements** to allow the system to optimize the best performing creative from your existing product images.

Step 13: Click next to proceed

DIFFERENT CAMPAIGN OBJECTIVE FOR DIFFERENT RESULTS

OR seller can select "All" to gain <u>both</u> traffic and sales!

OBJECTIVE	TRAFFIC	SALES
When to use	Seller wants to **maximize clicks within a specific budget.**	Seller wants to **get the most sales within a specific budget.**
How it works	Seller's ad will be shown to customers **who are likely to click the ad (Sponsored Search).**	Seller's ad will be shown to customers **who are likely to click AND likely to buy the product (Sponsored Products).**
Results	Helps you get the **lowest cost-per-click (CPC).** *Higher traffic to seller's product/store but not necessarily higher sales.	Helps you get the **lowest cost-per-sale (CPS)** and a higher return on investment (ROI).

Placements ⓘ

Promoted Products may appear on Lazada Search Result Page and/or Recommendations section on Product Details Page. By default, your promoted products may be shown on ALL placements. ⓘ Learn more

Hide Placements ▲

⦿ All   ◯ Sponsored Search ⓘ   ◯ Sponsored Products ⓘ

*Recommended: Set by default "All" to get your ads shown on **all placements**.*

TIPS FOR HIGHER ROI!

Follow optimized settings for the highest ROI: Proven from actual seller accounts!

Creating New Campaign

Editing Existing Campaign

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(1) CAMPAIGN OBJECTIVE

ROI uplift **+45%**
for "SALES" setting

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(2) PLACEMENT

ROI uplift **+65%**
for "ALL" setting

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(3) CAMPAIGN TYPE

ROI uplift **+480%**
for "Automated" setting

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(4) PRODUCT SELECTION

ROI uplift **+84%**
for "Automated" setting

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TIPS FOR HIGHER ROI!

ROI = Return on Investment. Measures the revenue generated from cost spent on LSS.

Notes:
(1) How to find your ROI: Sponsored Solution > Sponsored Discovery > Select time period on the top right > ROI over the period.
(2) Ensure store ROI > 10 = Indicates healthy store performance (RM10 return for every RM1 spent)
(3) Run your campaign for **at least 2 weeks** in order to have sufficient data for campaign performance analysis.

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ABOUT SPONSORED AFFILIATE

What is Sponsored Affiliate?

Sponsored
Affiliate

| Facebook | Instagram | New Straits Times website | iprice.my |
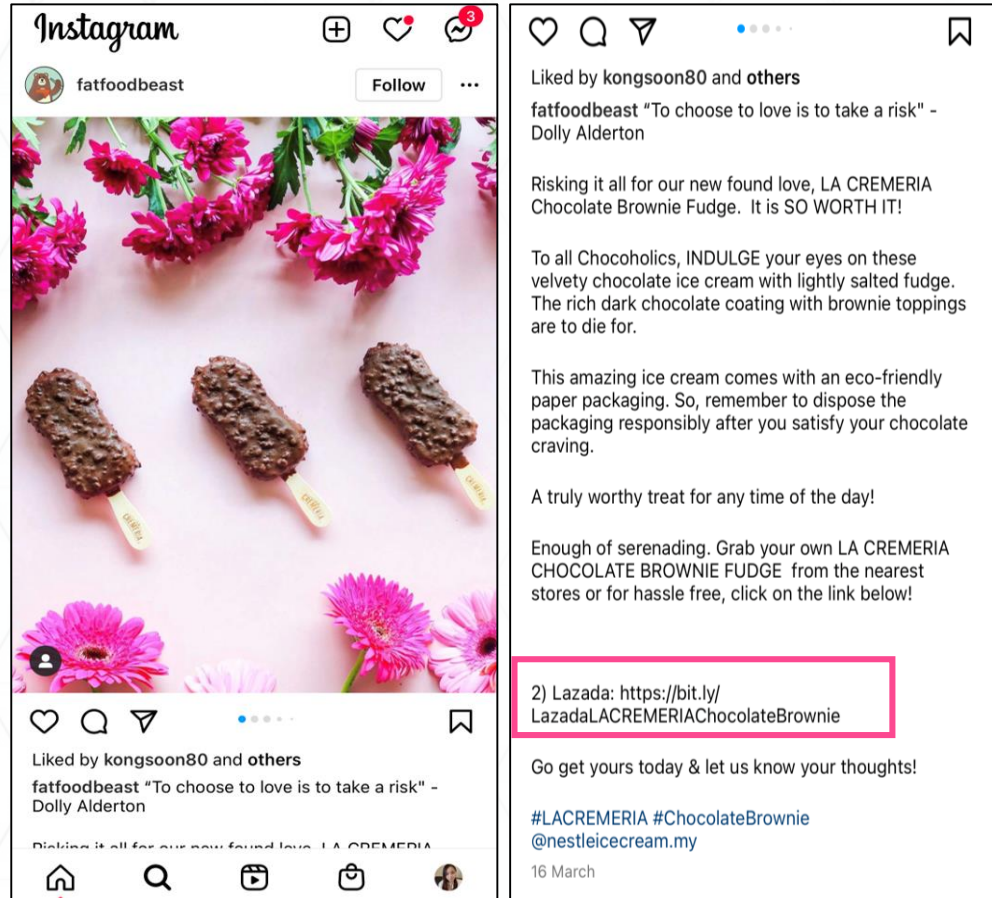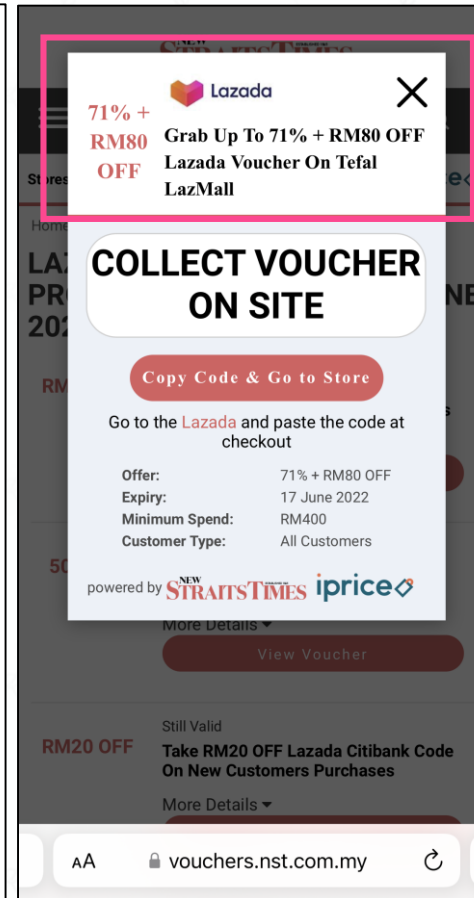
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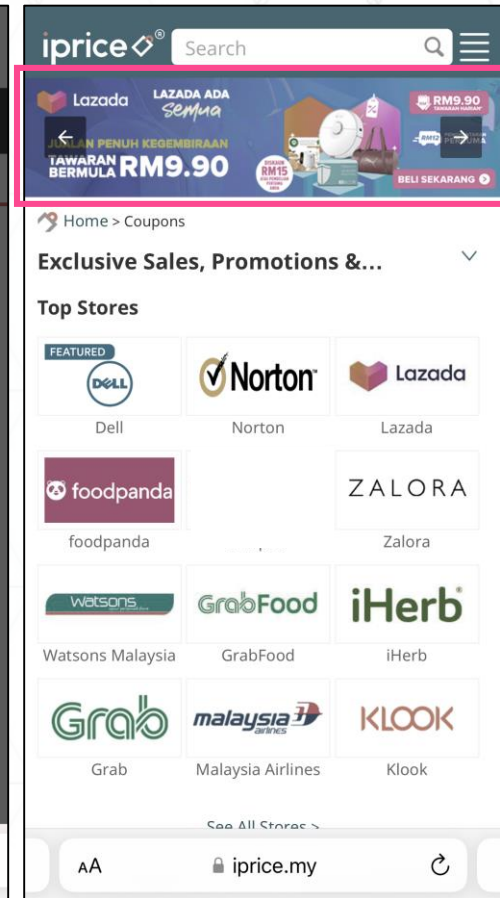
WHY SPONSORED AFFILIATE?

Sponsored Affiliate

Guaranteed return: Pay-per-sale!

Intelligent fraud detection

- Our in-house system detects fraudulent orders, ensuring your sales are genuine.

Only pay for sales conversion

- Make efficient investment where seller can control the ROI on their store.

- No upfront payment, fees deducted from seller's store earnings automatically.

Set up in less than 5 minutes

- Set 'Storewide Commission Rate'.

- Add 'Additional Product Commission' to maximize exposure and sales of selected products.

Access Lazada's Affiliate

- Leverage on Lazada's extensive affiliates network across 6 countries.

- Partner with cashback apps, influencers, content creators and high traffic apps and websites.

Grow brand presence

- Increase store visibility in the diverse digital space.

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SPONSORED AFFILIATE CAMPAIGN JOURNEY

Sponsored Affiliate

Set up Sponsored Affiliate campaign with attractive commission rates

(1) You

Promotes your store deals, send traffic to your Lazada store

(2) Affiliates

Search products, **browse** social media, blogs, price comparison sites, cashback apps and more

(3) Shoppers

**Clicks on the creatives** from Affiliate's site and lands on your Lazada store

(4) Shoppers

Buy your products and receive the order

(5) Shoppers

Pay a fee based on the commission rate set on Sponsored Affiliate

(6) You

Continue to search products, browse social media, websites.

(7) Shoppers

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5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > Sponsored Affiliate: New Campaign
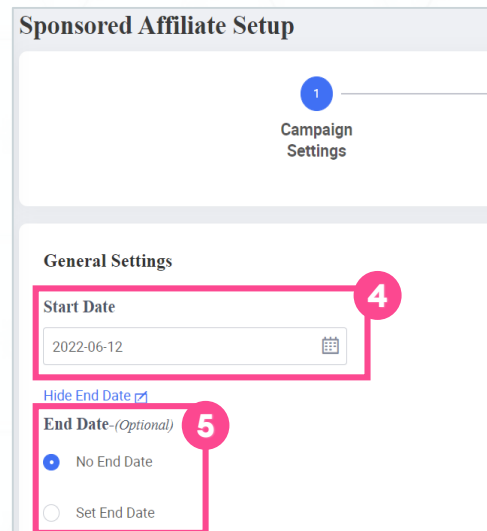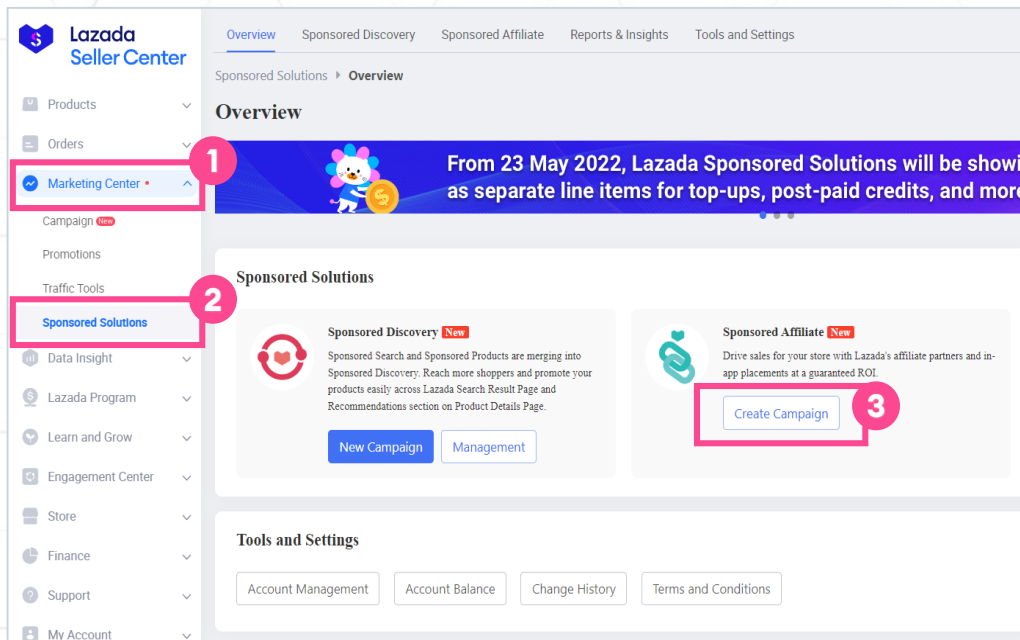
Step 1 & 2: Select '**Sponsored Solution**' under '**Marketing Center**'.

Step 3: Create '**New Campaign**' for Sponsored Affiliate.

Step 4 & 5: Sets **campaign start and end date**

5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > Sponsored Affiliate: New Campaign

Step 6: Set storewide **base commission rate**

(Standard rate: 4%)

Step 7: Submit your campaign
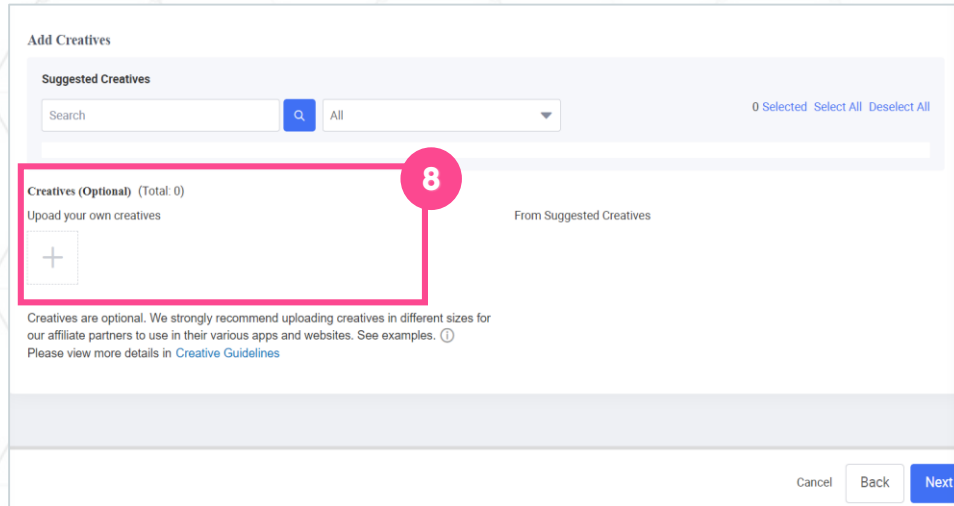
5 MINS EASY SET UP

Marketing Center > Sponsored Solutions > Sponsored Affiliate: New Campaign

Optional steps:

OPTIONAL STEPS:
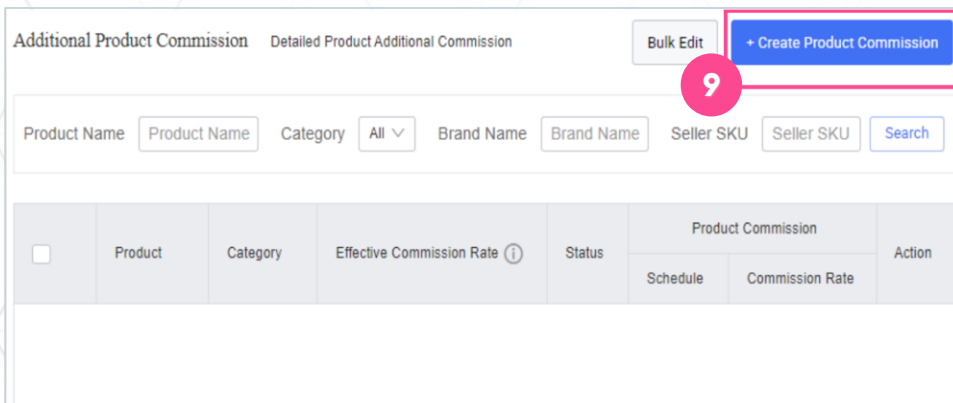
Step 8: Recommend to **upload creatives in different sizes** for affiliate partners' usage.

Step 9: Optional for seller to **create additional product commission** on top of the base commission rate

SPONSORED AFFILIATE CHARGES

How much do I pay for every sales conversion?

FORMULA :

{ [Sub-total item price - Seller discount - Lazada bonus (total) + Lazada bonus (co-fund)] x Sponsored Affiliate commission rate } x 6% SST

SCENARIO:

Item	Price
Sub-total item price	RM 1,541.00
Seller discount (Flexi combo)	RM 770.50
Seller discount voucher (Buy RM 1,500 enjoy 20% off)	RM 308.50
Lazada bonus (total)	RM 135.00
Lazada bonus (Lazada co-fund 40%)	RM 54.00

Q: How much is the Sponsored Affiliate charges for this order?
A: { [RM 1,541.00 - RM 770.50 - RM 308.50 - RM 135.00 + RM 54.00] x 4% commission rate } + 6% SST
= { [RM 381.00] x 4% commission rate } + 6% SST
= **RM16.15**

Note:
1. 'Payment fee' & '2% commission fee' is excluded from the calculation formula.
2. Minimum storewide base commission rate: 4%

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PREPAID SOLUTION: SPONSORED DISCOVERY AND NEW PRODUCT LAUNCHER

Marketing Center > Sponsored Solutions > Top up

Seller needs to top-up credit first before start the campaign, this can be done in multiple ways:

1. Deduct from store earnings
2. Top up via online banking, credit card, Touch 'n Go

2 OPTIONS under auto top-up:

Option 1: Top up seller account automatically when the credit balance threshold falls below desired amount.
Option 2: Weekly top up

Note:
1. Auto top-up utilizes the earnings available from your store.
2. If seller's store earnings is insufficient, auto top-up feature will re-try every 2 hours until your top-up is successful.

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APPENDIX

How does the scoring works?

BID PRICE
Bid price you placed during the ad set-up: The cost-per-click. You may choose to enter a specific bid price, or let the Automated algorithm decide it for you (best practice).

EST. ACTION RATES
The probability of the customer clicking or buying the product, based on past purchase and browsing behaviours.
(Determined by Lazada algorithm)

AD QUALITY
Overall ad quality (Image, description, keyword, product relevance etc)
(Determined by Lazada algorithm)

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SUMMARY

- Know your objective(s) before utilizing the tools available.

- For New Product Launcher and Sponsored Discovery, you will only need to pay if customer clicks the ad.

- For Sponsored Affiliate, you will only be charged when customer purchased item from your store.

- Set auto top-up to ensure your store/product gets the spotlight on Sponsored Discovery.

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