

# Lazada Global Shipping Solution Crossborder Logistics Solution pack

Dispatching from Hong Kong

2017. 7. 4





#### 1. Scope of Service & Pricing

Solution Overview

- 1.1 Singapore
- 1.2 Malaysia
- 1.3 Indonesia
- 1.4 Thailand
- 1.5 Philippines

#### 2. Service Level Agreement

Delivery Lead Time Failed Delivery Reverse Logistics Returns Reverse Logistics

#### 3. Shipping Procedure

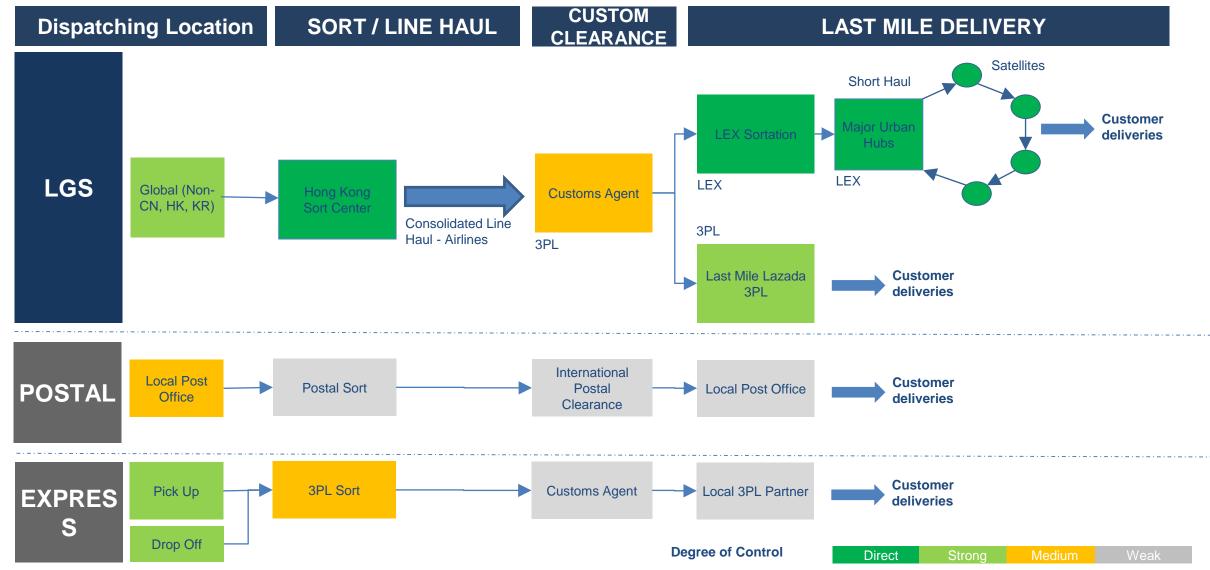
Drop-off with TIMES
Sellers Service Level Agreement
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- 4. Financial Reconciliation
- 5. System Setup in Seller Center
- 6. Shipping Tips & Rules

#### **LGS Overview**

# U

### End-to-end fast and fully controlled shipping solution



## **Direct Impact on Performances**



Higher sales with lower cancellation rate boost your bottom line

#### The benefits of using "Lazada Global Solution" (LGS) and...

- Significant improvement on LEAD
  TIME with daily injection in Southeast
  Asia
- Competitive rate cards through CONSOLIDATION and LOCAL FULFILLMENT VOLUMES
- IMPROVED CONTROL by managing hand over and volume allocation through in house managed sorting facilities at origin and destination
- MODULAR APPROACH enabling more FLEXIBLE and SCALABLE management of partners to handle peaks and valleys



...direct impact on your sales

- Less cancelations & lost parcels
  - Higher % of success delivery
  - Lower % of cancelled / non delivered items

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#### **Increased sales**

- Shorter lead time lead to higher customer satisfaction level (NPS) and better shop ratings
- Customers sort by delivery time and are more likely to find your products with shorter delivery times
- LGS seller are eligible for special sales opportunities, e.g. flashsales

# 1. Scope of Service & Pricing

### Solution Overview



Name of Service	LGS SG	LGS MY	LGS ID	LGS TH	LGS PH	
Lead Time / SLA	Express: 6-7 days	Major cities: 6-7 days Other areas : Addl. 1-3 days	Major cities: 6-7 days Other areas : Addl. 3-4 days	Major cities: 7-8 days Other areas : Addl. 1-4 days	Major cities: 7-8 days Other areas: Addl. 1-4 days	
Delivery Type						
Value Limitation	No limitation	No limitation	No limitation	No limitation	No limitation	
Weight Limitation (volumetric weight 1:6000)	<= 20kg	<= 20kg	<= 20kg	<= 20kg	<= 20kg	
Dimension Limitation	<ul> <li>Below 1 kg: 240mm x 162mm x 240mm</li> <li>1kg or above: Max length 1.5m; L + W + H must not exceed 3m</li> </ul>	90cm x 90cm x 90cm	90cm x 90cm x 90cm	L+W+H <= 120cm	90cm x 90cm x 90cm	
General Restriction of Commodities*	Alcohol, weapons, stand-alone battery, powerbank ,pharmaceutical products and tobacco products are strictly prohibited	Alcohol, weapons, stand-alone battery, powerbank ,pharmaceutical products and tobacco products are strictly prohibited	Mobiles, tablets, alcohol, weapons, stand-alone battery, powerbank ,pharmaceutical products and tobacco products are strictly prohibited	Alcohol, weapons, stand-alone battery, powerbank pharmaceutical products and tobacco products are strictly prohibited	Alcohol, weapons, stand-alone battery, power-bank, Pharmaceutical products and tobacco products are strictly prohibited	
Tax & Duty	(1) < SGD 400, 100% guaranteed (2) >= SGD 400, subject to local regulation	(1) < MYR 500, 100% guaranteed (2) >= MYR 500, subject to local regulation	(1) < IDR 4,100,000, 100% Guarantee (2) >= IDR 4,100,000, 15% of declared value	100% Guarantee	100% Guarantee	

# 1.1 Scope of Service & Pricing Singapore





Name of Service	LGS SG			
Origin and Destination	HK to SG			
Lead Time / SLA (working days)	6-7 days			
Tay and Duby Coorenteed*	(1) SGD < 400, 100% guaranteed			
Tax and Duty Guaranteed*	(2) SGD >= 400, subject to local tax and duty regulation			
Declared Value Limitation	No limitation			
Weight Limitation	<=20kg (volumetric weight 1:6000)			
Dimension limitation	Below 1 kg: 240mm x 162mm x 240mm 1kg or above :Max length 1.5m; L + W + H must not exceed 3m			
Commodities - YES	(1) General goods (2) Electronic goods (3) Perfume - limited to 200ml per shipment (2) Electronic goods (3) Perfume - limited to 200ml per shipment			
Commodities - NO	(1) Prohibited goods by regulations (2) Stand-alone battery and power bank e.g. cigarette, wine, medicine, drug etc.			
Free Return?	<ul> <li>(1) Failed delivery: send back to Hong Kong warehouse free of charge; seller need to select the items and pick up on their own.</li> <li>(2) Customer Returns: if item price &gt; = USD10 - Hong Kong warehouse free of charge; seller need to select the items and pick up on their own. If item price &lt; USD10 - dispose by local</li> </ul>			
Loss and Damage Guarantee?	max. USD100 per package			

<sup>\*</sup>Rate is calculated based on actual weight or volumetric weight, whichever is higher

<sup>\*</sup>Rate card may cover all tax and duty but subject to change and seller may be responsible for further taxes

# 1.2 Scope of Service & Pricing

## Malaysia



Name of Service	LGS MY			
Origin and Destination	HK to MY			
Lead Time / SLA (working days)	Major cities: 6-7 days; Other areas : Addl. 1-3 days			
Tax and Duty Guaranteed*	(1) MYR < 500, 100% guaranteed (2) MYR >= 500, subject to local regulation			
Declared Value Limitation	No limitation			
Weight Limitation	<=20kg (volumetric weight 1:6000)			
Dimension limitation	90cm x 90cm x 90cm			
Commodities - YES	(1) General goods (2) Electronic goods (3) Cosmetics goods  e.g. watches,, phone case, perfume (< 200ml per pkg), apparels, fashion accessories, mobile and tablets etc.			
Commodities - NO	(1) Prohibited goods by regulations (2) Stand-alone battery and powerbank  e.g. cigarette, wine, medicine etc.			
Free Return?	(1) Failed delivery: send back to Hong Kong warehouse free of charge; seller need to select the items and pick up on their own.  (2) Customer Returns: if item price > = USD10 - Hong Kong warehouse free of charge; seller need to select the items and pick up on their own. If item price < USD10 - dispose by local			
Loss and Damage Guarantee?	Maximum at USD 100 per package			

<sup>\*</sup>Rate is calculated based on actual weight or volumetric weight, whichever is higher

<sup>\*</sup>Rate card may cover all tax and duty but subject to change and seller may be responsible for further taxes

# 1.3 Scope of Service & Pricing

#### Indonesia



Name of Service	LGS ID		-	,	
Origin and Destination	HK to ID				
Lead Time / SLA (working days)	Major cities: 6-7 days; Other areas : Addl. 3-4 days				
Tax and Duty Guaranteed*	(1) < IRD 4,100,000, 100% Guarantee (2) >= IRD 4,100,00, 15% of declared value				
Declared Value Limitation	No limitation				
Weight Limitation	<=20kg (volumetric weight 1:6000)				
Dimension limitation	90cm x 90cm x 90cm				
Commodities - YES	(1) General goods (2) Electronic goods except mobiles and tablets (3) Perfume - limited to 200ml per shipment  e.g. watches,, phone case, apparels, fashion accessories, laptop, DSLR etc.			ories,	
Commodities - NO	(1) Prohibited goods by regulations (2) Stand-alone battery and powerbank  e.g. mobile and tablets, cigarette, wine, medicine etc.				
Free Return?	<ul> <li>(1) Failed delivery: send back to Hong Kong warehouse free of charge; seller need to select the items and pick up on their own.</li> <li>(2) Customer Returns: if item price &gt; = USD10 - Hong Kong warehouse free of charge; seller need to select the items and pick up on their own. If item price &lt; USD10 - dispose by local</li> </ul>			item price	
Loss and Damage Guarantee?	Maximum at USD 100 per package				

<sup>\*</sup>Rate is calculated based on actual weight or volumetric weight, whichever is higher

<sup>\*</sup>Rate card may cover all tax and duty but subject to change and seller may be responsible for further taxes

# 1.4 Scope of Service & Pricing

#### **Thailand**





Name of Service	LGS TH				
Origin and Destination	HK to TH				
Lead Time / SLA (working days)	Major cities: 7-8 days; Other areas : Addl. 1-4 days				
Tax and Duty Guaranteed*	Guaranteed				
Declared Value Limitation	No limitation				
Weight Limitation	<=20kg (volumetric weight 1:6000)				
Dimension limitation	L+W+H <= 120cm				
Commodities - YES	(1) General goods (2) Electronic goods (3) Cosmetics goods (4) General goods (5) Electronic goods (6) Electronic goods (7) Electronic goods (8) Electronic goods (9) Electronic goods (1) General goods (1) General goods (1) Electronic goods (2) Electronic goods (3) Electronic goods (4) Electronic goods (5) Electronic goods (6) Electronic goods (7) Electronic goods (8) Electronic goods (9) Electronic goods (1) Electronic goods (1) Electronic goods (2) Electronic goods (3) Electronic goods (4) Electronic goods (5) Electronic goods (6) Electronic goods (7) Electronic goods (8) Electronic goods (9) Electronic goods (1) Electronic goods (2) Electronic goods (3) Electronic goods (4) Electronic goods (5) Electronic goods (6) Electronic goods (7) Electronic goods (8) Electronic goods (8) Electronic goods (9) Electronic goods (1) Electronic goods (2) Electronic goods (3) Electronic goods (4) Electronic goods (5) Electronic goods (6) Electronic goods (7) Electronic goods (8) Electronic goods (				
Commodities - NO	(1) Prohibited goods by regulations (2) Stand-alone battery and powerbank  e.g. cigarette, wine, medicine etc.				
Free Return?	<ul> <li>(1) Failed delivery: send back to Hong Kong warehouse free of charge; seller need to select the items and pick up on their own.</li> <li>(2) Customer Returns: if item price &gt; = USD10 - Hong Kong warehouse free of charge; seller need to select the items and pick up on their own.</li> <li>&lt; USD10 - dispose by local</li> </ul>				
Loss and Damage Guarantee?	Maximum at USD 100 per package				

<sup>\*</sup>Rate is calculated based on actual weight or volumetric weight, whichever is higher

<sup>\*</sup>Rate card may cover all tax and duty but subject to change and seller may be responsible for further taxes

# 1.5 Scope of Service & Pricing Philippines





Name of Service	LGS PH			
Origin and Destination	HK to PH			
Lead Time/ SLA (Working Days)	Major Cities: 7-8 days; Other areas: Addl. 1-4 days			
Tax and Duty Guaranteed*	Guaranteed			
Declared Value Limitation	No Limitation			
Weight Limitation	<=20kg (volumetric weight 1:6000)			
Dimension Limitation	90 cm x 90 cm x 90 cm			
Commodities – YES	<ul> <li>(1) General Goods</li> <li>(2)</li> <li>Electronic Appliances</li> <li>Audio Equipment Cameras and Camcorders Motor</li> <li>Automotive parts</li> </ul>	<ol> <li>General Goods like Phone Case, Apparels, Fashion Accessories etc.</li> <li>Laptops, Mobile &amp; Tablets, Smart Watch, Communication Devices etc.</li> <li>Wired/ Wireless/ Bluetooth Speakers, CD/ DVD/ Blu ray/ MP3 Players, Wired/ Wireless/Bluetooth Earphones etc.</li> <li>DSLR, Camcorder, Security Camera, Instant, Drones etc.</li> <li>Automotive Parts, Wheels, Tires, Electronic Parts, Seat Covers, Car Covers etc. Lithium Batteries Watch</li> </ol>		
Commodities - NO	(1) Prohibited goods by regulations (2) Perfume or items with alcohol content (3) Stand-alone battery and power-bank (2) E.g. Cigarette, Wine, Medicine etc.			
Free Return?	<ul><li>(1) Free Returns upon failed delivery up to Lazada Sortation Centre</li><li>(2) Customer Returns that were previously delivered will require additional fees</li></ul>			
Loss and Damage Gaurantee?	Maximum at USD 100 per package			

<sup>\*</sup>Rate is calculated based on actual weight or volumetric weight, whichever is higher \*Rate card may cover all tax and duty but subject to change and seller may be responsible for further taxes



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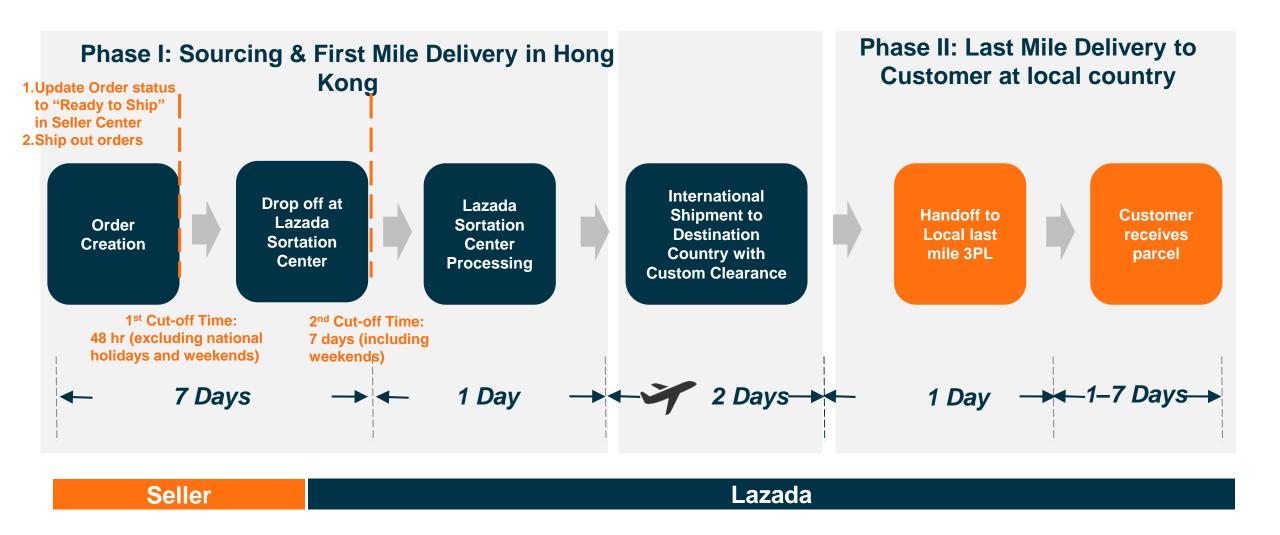
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# 2.1 Service level agreement

#### **Delivery Lead Time**





# 2.2 Service level agreement

## Failed Delivery Reverse Logistics



#### Phase I: Sending Failed Delivery Parcel to Local Lazada Warehouse

Last mile 3PL fails to deliver to customer Last mile 3PL attempts 2 more times to deliver to customer but fails Last mile
3PL sends
failed
delivery
parcels to
local Lazada
WH

Items ship back to Hong Kong from Lazada WH every 15 days

#### **Phase II: Return Shipment**

Return items arrived to Hong Kong

Items to be delivered

Lazada will notify seller by email once shipment arrive HK

Items will be delivered to sellers door.

#### Failed Delivery Reasons

- Consignee not at home
- Impossible to reach consignee
- Wrong Consignee Information

Lazada

Seller

# 2.3 Service level agreement

### Returns Reverse Logistics







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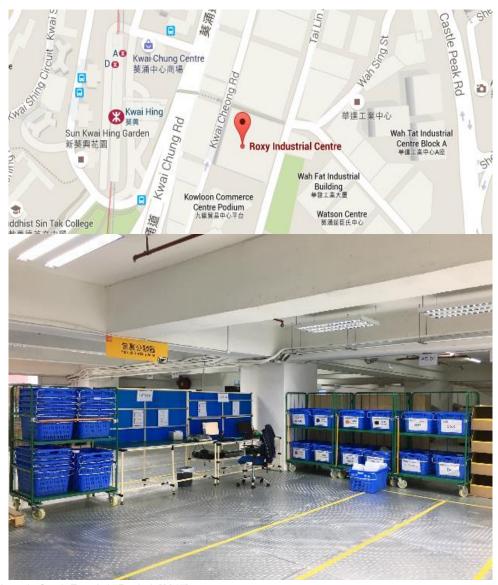
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# **3.1 Shipping Procedures**

#### **Drop-off at Times Warehouse**







# Parcel Dropoffs at **TIMES**Warehouse / Drop-off Points

#### Sellers dropoff to the following location and guidelines:

#### # Location

 Unit B, 6/F, Roxy Industrial Centre, 58-66 Tai Lin Pai Road, Kwai Chung, Hong Kong

#### **# Opening hours**

Monday to Friday 09:00 – 18:00; Saturday 09:00 – 12:00;
 Sunday & Public Holiday closed

#### **# Delivery Contact**

- Wing Tong
- wing.tong@timeslogistics.com.hk
- +852 2157 2730

#### **# General Contact**

hksortationcentre@lazada.com

# **3.2 Shipping Procedures**

# Seller Service Level Agreements



Action	Seller Type	SLA	Remarks
Update status to "Ready to Ship" after receiving order	All	Within 2 <b>business</b> days after order received	- Orders not updated to "Ready to Ship" within SLA will be cancelled
Drop off LGS items to HK Sortation Centre	LGS	Within 7 calendar days after order received	- Orders not reaching HK Sortation Centre within SLA will be cancelled

# 3.3 Labeling Standards

#### **General Standards**

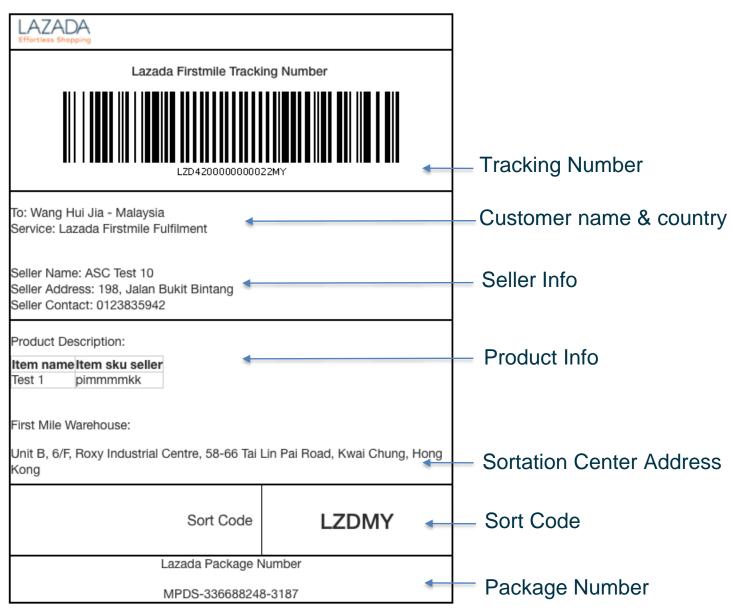




# 3.3 Labeling Standards

#### Label format overview





#### Label format is same for all LGS first mile

#### Seller Center LGS Code:

- LGS-FM40: China, Shenzhen
- LGS-FM41: China, Yiwu
- LGS-FM42: China, Hong Kong
- LGS-FM43: Korea, Seoul

#### **Example:**

LGS-FM42: LZD42xxxxxxxxxxXMY Hong Kong

#### **Sort Code in label:**

(LZD + Country Code)

- LZDMY
- LZDSG
- LZDID
- LZDTH
- LZDPH
- LZDVN
- Tracking number prefix is LZD
- Tracking number suffix is Country Code

#### **Label Spec:**

- Best: 10cmx15cm (2:3)
- Barcode: 128

## 3.4 Shipping Procedures

### **Inadequate Shipment Examples**





#### **Damaged Label**

- Damaged label
- Non readable barcode
- Non readable shipping information





#### **Un-sealed Box/Pouch**

- Non sealed pouch/ box
- Torn pouch / box





#### **Wrong / Missing Information**

- Missing or incomplete shipper information
- Missing or incomplete receiver information
- Wrong or missing value
- Missing product description





#### **Damaged Box/Pouch**

- Missing label
- Missing shipping information
- Non properly applied label





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#### 4. Finance Reconciliation

#### **Charging Mechanism and Timeline**



Week	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Week 1				Delivered/ Delivery Failed			
Week 2	Account Statement				Payout		
Week 3					Shipping Fee Deducted		

Every Sunday: Account Statement in Seller Center Will be updated; Every Friday: Payout will be transferred to sellers` payment account **Week 1:** 

All orders with status "Delivered" and "Delivery Failed" in SC from Monday to Sunday.

#### Week 2:

- Orders with status "Delivered" in Week 1 will have their payout shown on Monday's Account Statement, and payout will be made this Friday.
- Orders with status "Delivered" and "Delivery Failed" in Week 1 will have their LGS shipping fee shown in late Week 2.

#### Week 3:

Orders with status "Delivered" and "Delivery Failed" in Week 1 will have their LGS shipping fee deducted on Friday.

Notes: The LGS fee of the goods shipped to Indonesia will be deducted as general products for all first. If there is any shipping fee charged as sensitive goods by customs, the price difference will show on Account Statement and be deducted later.



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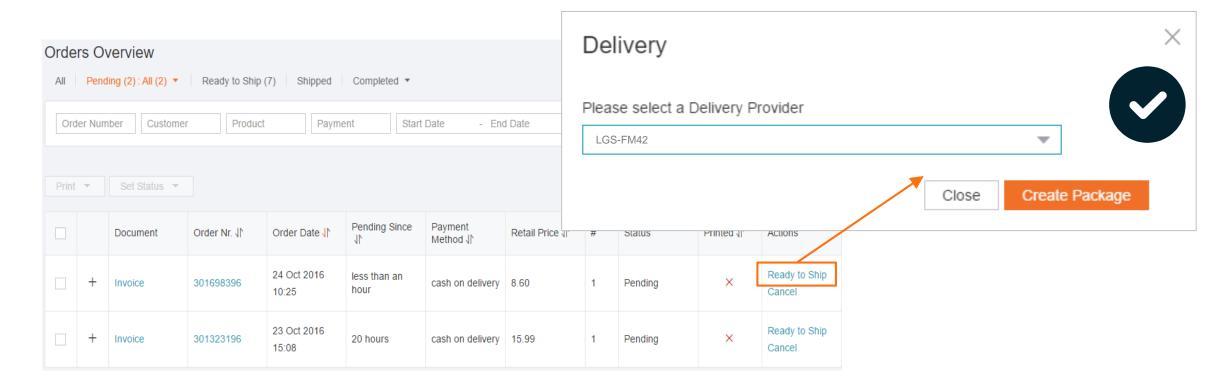
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# 5. System Setup in Seller Center

## Orders managed via Seller Center UI



- ☐ For Sellers who are managing orders through Seller Center, configuration will be setup by Lazada.
- □ No setup is needed from seller side.
- ☐ Upon enrollment to LZD Solution program, Seller Center configuration will be changed on agreed date.



## 5. System Setup in Seller Center

#### Orders managed via API



#### Sellers who are using API to manage their orders should follow these guidelines:

- 1) Tracking numbers are automatically generated by Lazada system upon setting status to ready to ship.
  - a. Use API call **setStatusToReadyToShip** without the TrackingNumber parameter
  - b. Seller Center sets the status as ready-to-ship and automatically assigns a tracking number
- 2) Tracking numbers information can be pulled via API.
  - a. Use API call *getMultipleOrderItems* to receive all information related to an order including but not limited to order number, package number and tracking number
  - b. From this call, sellers can match the TNs generated for their orders
- 3) For details, please visit the SellerCenter Developer Hub at <a href="https://sellercenter.readme.io/">https://sellercenter.readme.io/</a>

## 5. System Setup in Seller Center

#### Shipping Label/AWB Printing



Sellers who are printing their shipping labels from their own system and <u>not</u> from Seller Center should follow these guidelines

- 1) A shipping label or AWB format/template will be provided for each LGS solution.
- 2) Sellers IT system should be set up to print the same template and format, including all the necessary fields and labels.
  - a) A Lazada representative will get in touch with seller's IT contact to guide the AWB format
  - b) Sellers to provide a sample AWB to Lazada representative for validation. Should there be any corrections or feedback, this will be provided within 1 day.
  - c) Final validation sign-off for correct AWB will be provided within 2 days after receipt of the AWB sample.

#### **Notes:**

Tracking number and package number barcodes and information will always be mandatory. Tracking number and package number information can be pulled from Seller Center and/or through API call - getMultipleOrderItems



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# 7. Shipping Tips & Rules

Apply LGS online



- □ Sellers apply LGS through <a href="https://lazada.formstack.com/forms/lgs\_solution\_cn">https://lazada.formstack.com/forms/lgs\_solution\_cn</a>
- If encounter any problem, please send your enquiry to <u>www.lazada.com/partnersupport</u>

# 7. Shipping Tips & Rules

Rules for using LSG Logistics Services.



## "DON'Ts"

- 1. Underdeclare. The total declared value shown on the shipping label should always match with the total Lazada's selling prices of the items inside the package
- Misdeclare. The product description shown on the shipping label should always match the actual items inside the package

#### "DO"

- 1. Provide shipping label with quality which includes:
  - a. Accurate consignee name, contact information and address
  - b. All barcodes on the shipping labels are scannable
  - c. All information on the shipping labels are readable
- 2. Proper packaging of the shipment to avoid damage
- 3. Provide accurate and updated tracking number to seller center on time
- 4. Dispatch on time based on the Lazada's SLA
- 5. Make sure sufficient stock at all time to fulfil the orders

Lazada reserves the right to stop providing the LGS logistics service if the seller do not comply with all of the above requirements

# Thank you



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