PRESS RELEASE
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76% of online sellers optimistic about future growth in run up to shopping festival season, Lazada study shows

*Lazada Digital Commerce Confidence Index reveals that online sellers are scaling up staffing capacity and inventory levels to prepare for anticipated growth*

9 November 2021, Singapore – More than three quarters (76%) of Southeast Asia’s online sellers say that they are optimistic about their future growth despite a challenging operating environment, according to Lazada’s latest Digital Commerce Confidence Index (DCCI) report. The findings indicated that businesses are looking to ramp up their inventories and staff levels as they gear up for the year-end online shopping festivals, namely 11.11 and 12.12.

The number is also up from the 70% reporting growth optimism in first half of the year when Lazada first released the results of its first DCCI study in August. The study is the first of its kind that seeks to map out the trends in digital commerce, by indexing the sentiments and confidence levels of Southeast Asian online sellers.

"We are delighted to see the continued positive momentum and resilience among Southeast Asia online sellers, despite economy uncertainties. Driven by the strong optimism, online sellers are actively looking to hire more staff in Q4. It is very encouraging to see from our study that the growing digital commerce industry is acting as a powerful catalyst to open up opportunities for job creation, propelling the recovery of local economies," said Magnus Ekborn, Chief Strategy Officer of Lazada Group.

Conducted at the end of the third quarter of 2021 with 900 sellers participating, the survey highlighted that 4 out of every 5 sellers (79%) surveyed revealed that they are increasing their inventory levels, with almost half of those surveyed (47%) looking to increase their headcount for this period as well. The boost in inventory levels and headcount is expected to have a positive impact on local economies in Southeast Asia at a time when many are seeking employment. Notably, the results point toward a gradual recovery of the retail industry with online sellers more optimistic about sales for this period (Q4) than they were about sales for Q3, when 73% said they were increasing inventory levels and 40% thinking about increasing staff levels.

This optimism follows a buoyant Q3 with 52% of sellers reporting that they saw strong growth in their online sales, despite the tightening of pandemic restrictions at various stages across the region. Likely due to tighter restrictions implemented to stem the Delta variant and the need for consumers to procure household goods online, FMCG sellers were amongst the categories of sellers who saw a strong performance in Q3, with 61% of sellers reporting an improvement of sales of over 10%, compared to the previous quarter when 53% of sellers said their sales increased by over 10%. Sellers in the electronics (76%) and general merchandise (79%) categories reported feeling more positive about future demand for their products than they were in Q3.
Raymond Yang, Chief Operating Officer of Lazada Group, said: “The findings highlight the importance of year-end mega sales and shopping events like 11.11, which takes place this week. For many brands and sellers, they are important milestones that set new baselines for growth. They are opportunities to re-engage loyal customers and gain new ones. While we have seen many monthly double-digit campaigns this past year, they do not replace such shopping festivals like 11.11, which are still welcomed by many merchants as a much-needed boost to drive sales before the year ends.”

By the end of 2021 it is estimated that over 350 million consumers in Southeast Asia will be digital consumers, a substantial growth compared to 280 million digital consumers prior to the pandemic in 2019¹. This presents a big opportunity for online sellers in Southeast Asia to capture the attention of these new digital consumers, and drive sales. Importantly, shopping festival season is a time for sellers to ramp up their brand-building efforts ahead of the new year, and the gradual recovery of retail as restrictions ease.

The Digital Commerce Confidence Index (DCCI) measures business confidence based on surveys benchmarking the opinions of online sellers in Southeast Asia (Indonesia, Philippines, Thailand, Vietnam, Malaysia and Singapore). In the third quarter of 2021, Lazada surveyed 900 sellers on their current online sales performance and their expectations for their digital commerce business in the future. The index ranges from 0 to 100, with 0 being “very pessimistic” and 100 being “very optimistic” on the spectrum.

To view the findings in full, please visit https://www.lazada.com/en/press-release/

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About Lazada Group
Founded in 2012, Lazada Group is the leading eCommerce platform in Southeast Asia. We are accelerating progress in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam through commerce and technology. With the largest logistics and payments networks in the region, Lazada is a part of our consumers’ daily lives in the region and we aim to serve 300 million shoppers by 2030. Since 2016, Lazada has been the Southeast Asia flagship platform of Alibaba Group powered by its world-class technology infrastructure.

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Shopping festival season is around the corner. Are online sellers in Southeast Asia expecting another strong sales boost?
Online sellers show resilience as Mega sales campaigns approach, registering sustainable growth of confidence on the digital commerce industry despite the economic uncertainties.

Views on Q3’21

- 31% Slow down/ Worse
- 20% Stay stable/ Same
- 49% Grow faster/ Better

Performance of online businesses

- 52% Slow down/ Worse
- 16% Stay stable/ Same
- 32% Grow faster/ Better

Outlook for Q4’21

- Sellers expect more than 10% sales increase in Q4: 76%
  (+6% vs H1’21 update)
- Sellers anticipate more than 30% sales increase in Q4: 37%
  (+4% vs H1’21 update)
FMCG sellers increasingly optimistic about the strength of digital commerce industry

- 61% said their online business improved by more than 10% in Q3'21
  - +8% vs H1'21 update

Electronics and General Merchandise sellers are becoming more positive about strong future demand

- 76% said they expected business to improve by more than 10% in Q4'21
  - +8% vs H1'21 update
- 79% said they expected business to improve by more than 10% in Q4'21
  - +12% vs H1'21 update

General Merchandise: Bedding & Bath, Furniture, Kitchen & Dining, Cleaning Equipment, Tools, Stationary & Craft, Outdoor & Garden, Lighting & Décor etc.
Top 3 opportunity areas for digital commerce scaling

- Attract more shoppers to online storefront (57%)
- Stand out from the competition with a compelling offer (50%)
- Meet higher expectation on delivery speed (25%)
About the Index

The Digital Commerce Confidence Index (DCCI) measures business confidence based on surveys benchmarking the opinions of online sellers in Southeast Asia (Indonesia, Philippines, Thailand, Vietnam, Malaysia and Singapore). In Quarter three of 2021, Lazada surveyed 900 sellers on their current online sales performance and their expectations for their digital commerce business in the future. The index ranges from 0 to 100, with 0 being “very pessimistic” and 100 being “very optimistic” on the spectrum.