



# M2 EVENT

by Alexandre Dardy

Indonesia

Malaysia

Philippines

Singapore

Thailand

Vietnam

TODAY'S QUESTION

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DO YOU BELIEVE IN A  
MASSIVE  
E-COMMERCE IN  
VIETNAM ?

The macro economics required for an e-commerce boom are evolving, in VN, in the right direction



The evolution of  
ecommerce industry  
financials are re-  
inforcing this optimism



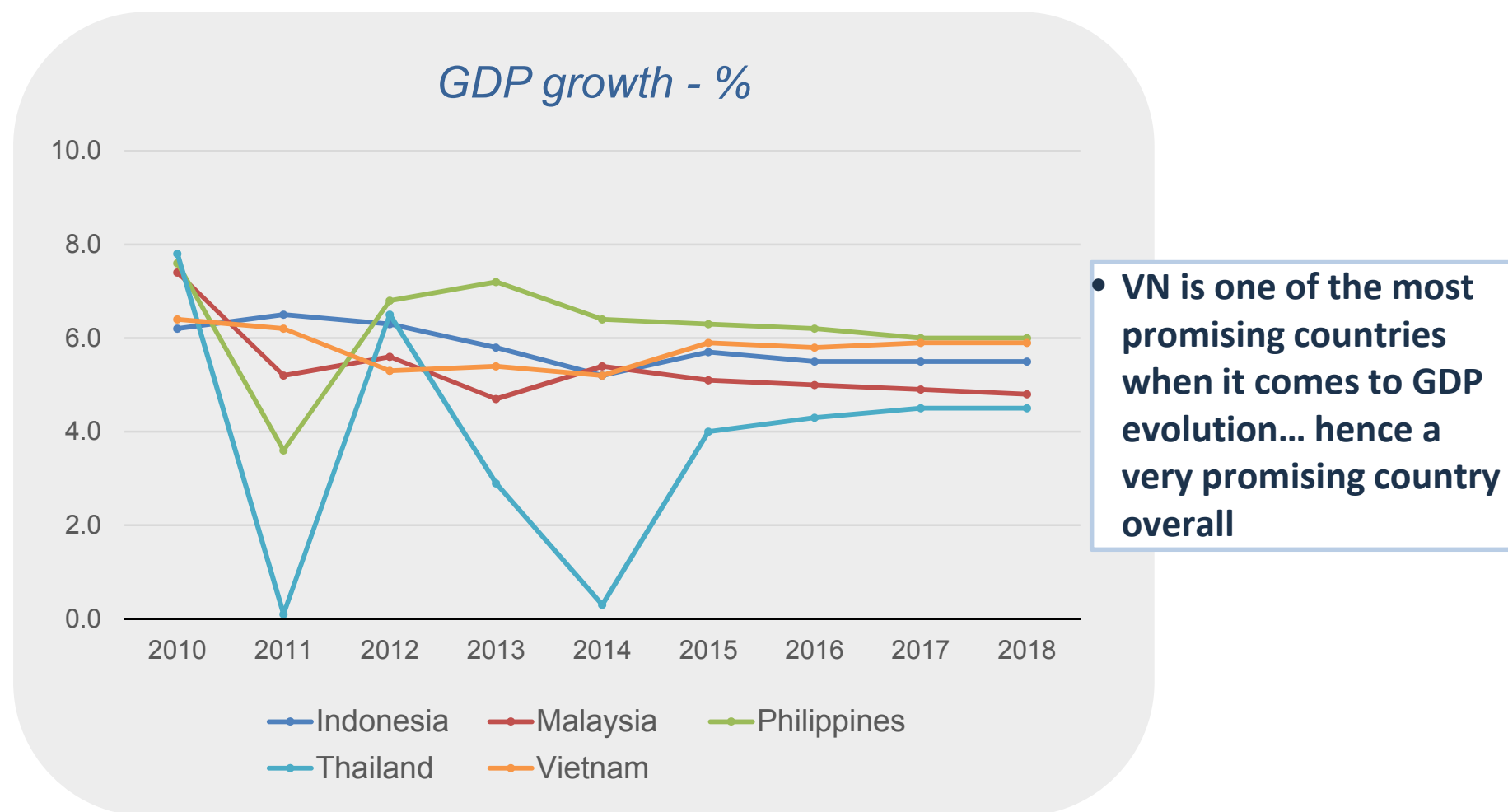
# E COMMERCE KEY FACTORS TO LOOK AT

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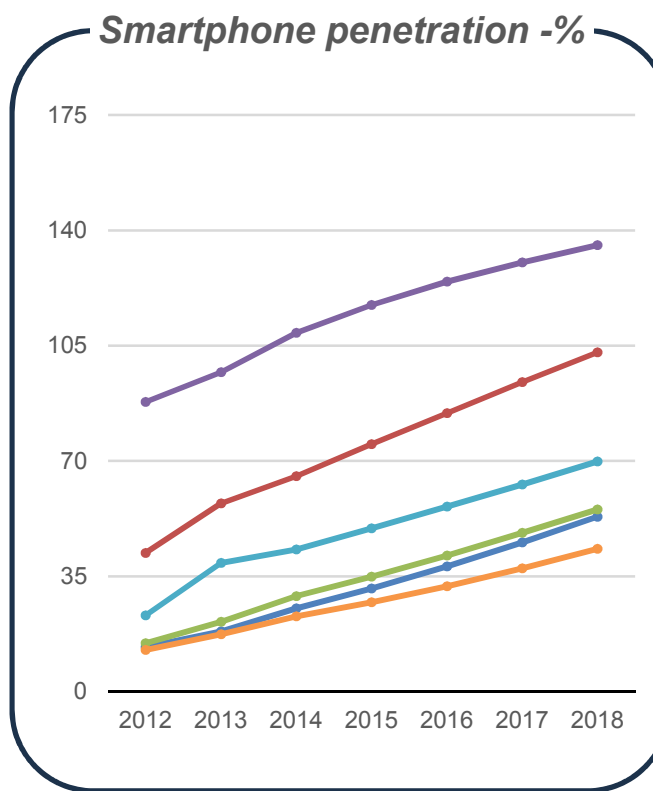
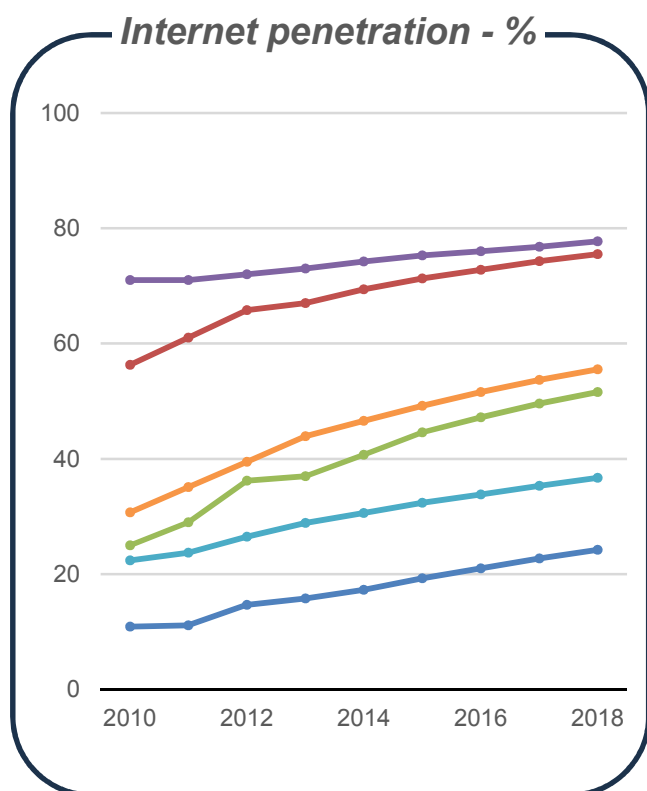


# VIETNAMESE ECONOMY

How does overall VN economy fares vs. peers



# ACCESS TO ONLINE SHOPPING



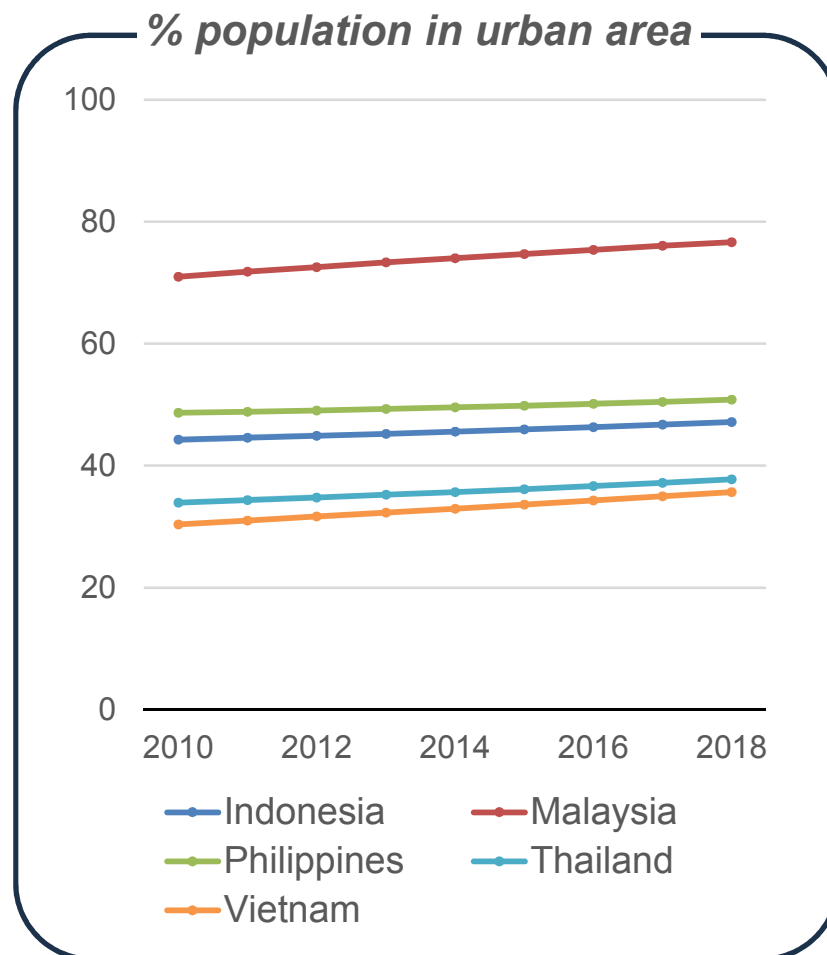
Indonesia Malaysia  
Philippines Singapore  
Thailand Vietnam

Re infrastructure, SGP and MY are in a league of their own

Within the PH/TH/ID/VN, VN is at par with a strongest Internet penetration but lowest Smartphone penetration (however, on that last point, smartphone sales as a % of phone sales is the highest in VN)

# GEOGRAPHY AND POPULATION DISTRIBUTION

Is VN geography and population distribution “ecommerce friendly”?



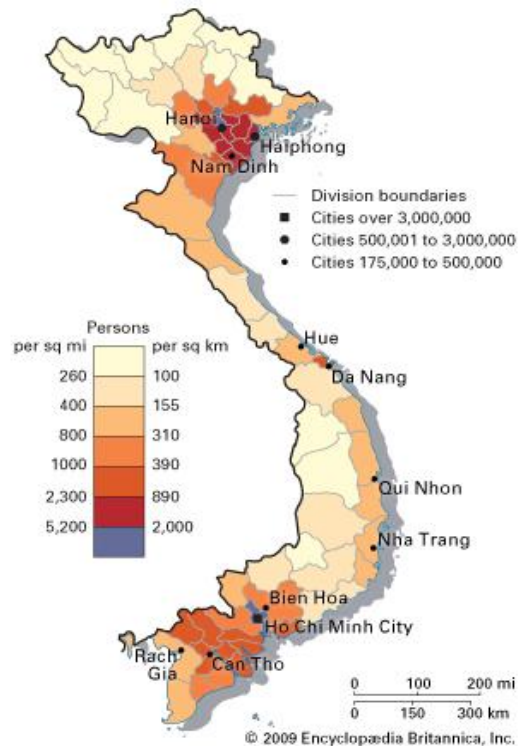
VN is the **least** urban of the countries



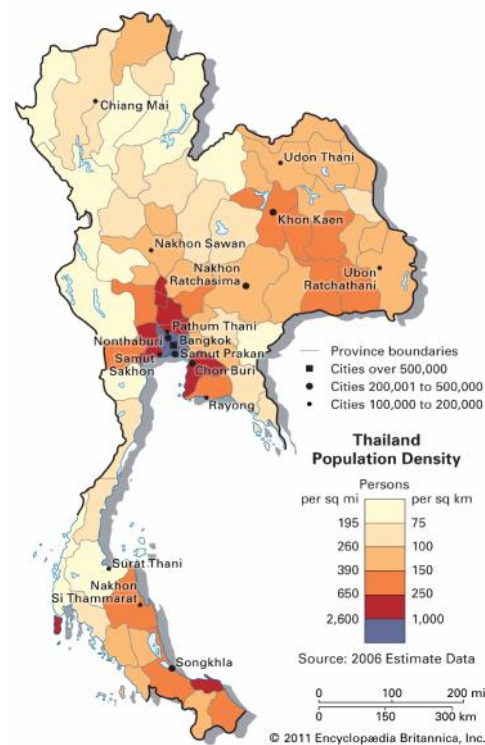
Rural areas being more difficult to deliver to, this does not play in e-commerce favor

# GEOGRAPHY AND POPULATION DISTRIBUTION

## Vietnam



## Thailand



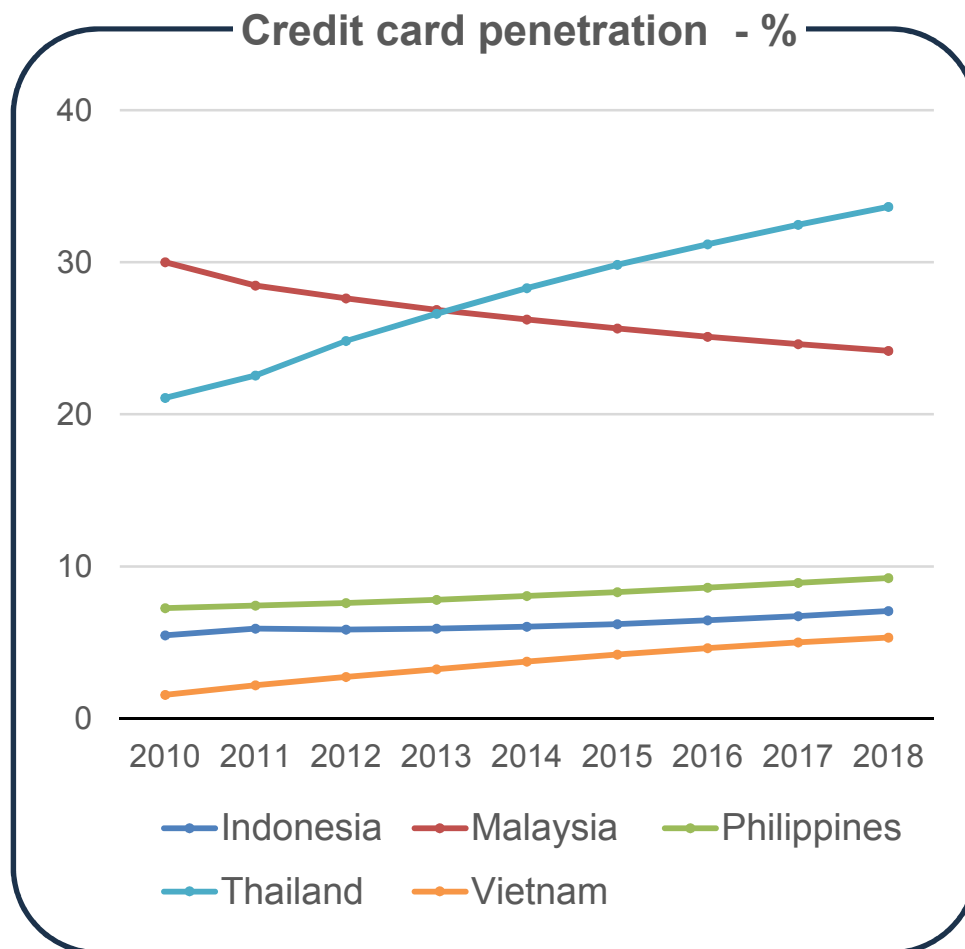
## Philippines



Vietnam is neither easier or more complex to tackle vs. TH, ID or PH. Of course Malaysia and Singapore are far easier from that point of view. Particularity of VN population is it being “bipolar”

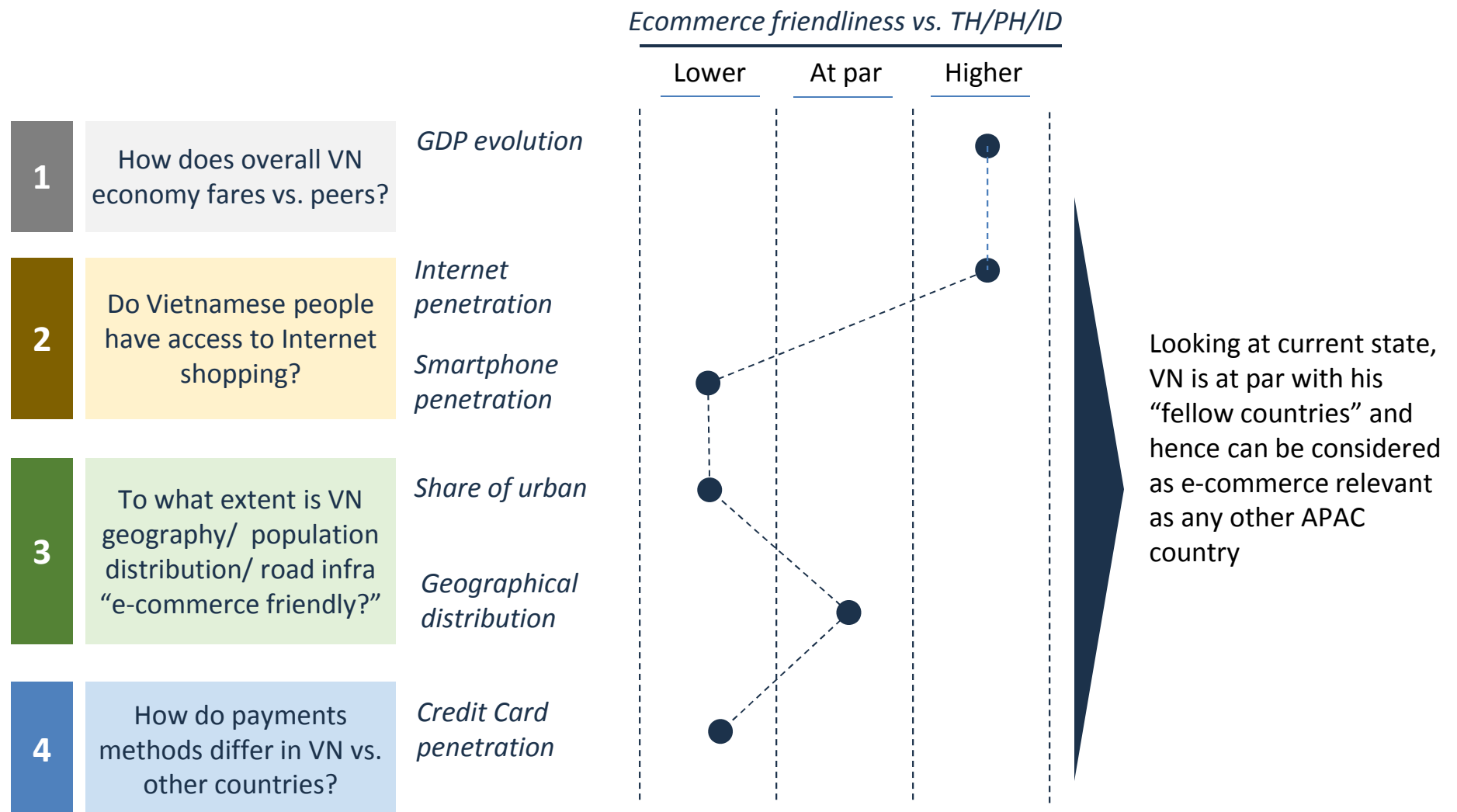


# PAYMENT METHOD



- VN is the least advanced in terms of CC penetration
  - Almost all transactions on Cash-on-delivery
  - This impacts the cancellation rate (i.e. people order but don't show up at delivery time, as they are not committed whatsoever)
  - This reduces the potential for "very high tickets"
- ... but "cash-on-delivery" creates **trust**

# CONCLUSION



# E- COMMERCE EVOLUTION IN SEA THROUGH THE STORY OF LAZADA IN THE LAST 3 YEARS

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# LAZADA SEA AT GLANCE



Lazada is present in 6 countries: Vietnam, Indonesia, Thailand, Malaysia, Philippines and Singapore

Lazada was launched 3 years ago, and has since then tackled the 3 structural eCommerce challenges in SEA

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## Logistics

- Undeveloped infrastructure
- Geographic diversity
- Scattered logistics networks

## Payments

- Low credit card penetration
- Local alternatives preferred
- Cash-on-delivery needed

## Uneducated retail ecosystem

- Inexperienced local merchants
- Lack of resources

# Lazada has developed successful solutions to address these...

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## LAZADA solutions

### LOGISTICS

#### BEST-IN-CLASS LOGISTICS & SUPPLY CHAIN NETWORK

- **8 warehouses, over 50 delivery hubs covering 80 cities** and partnerships with 60 express courier and transport companies
- Serving both **domestic and international brands** and merchants using a combination of **international drop shipping and inventory model**
- **Broad spectrum of supply chain solutions:** inventory, cross-docking, drop-shipping and fulfillment by Lazada

### PAYMENTS

#### SECURE & TRUSTED PAYMENTS PLATFORM

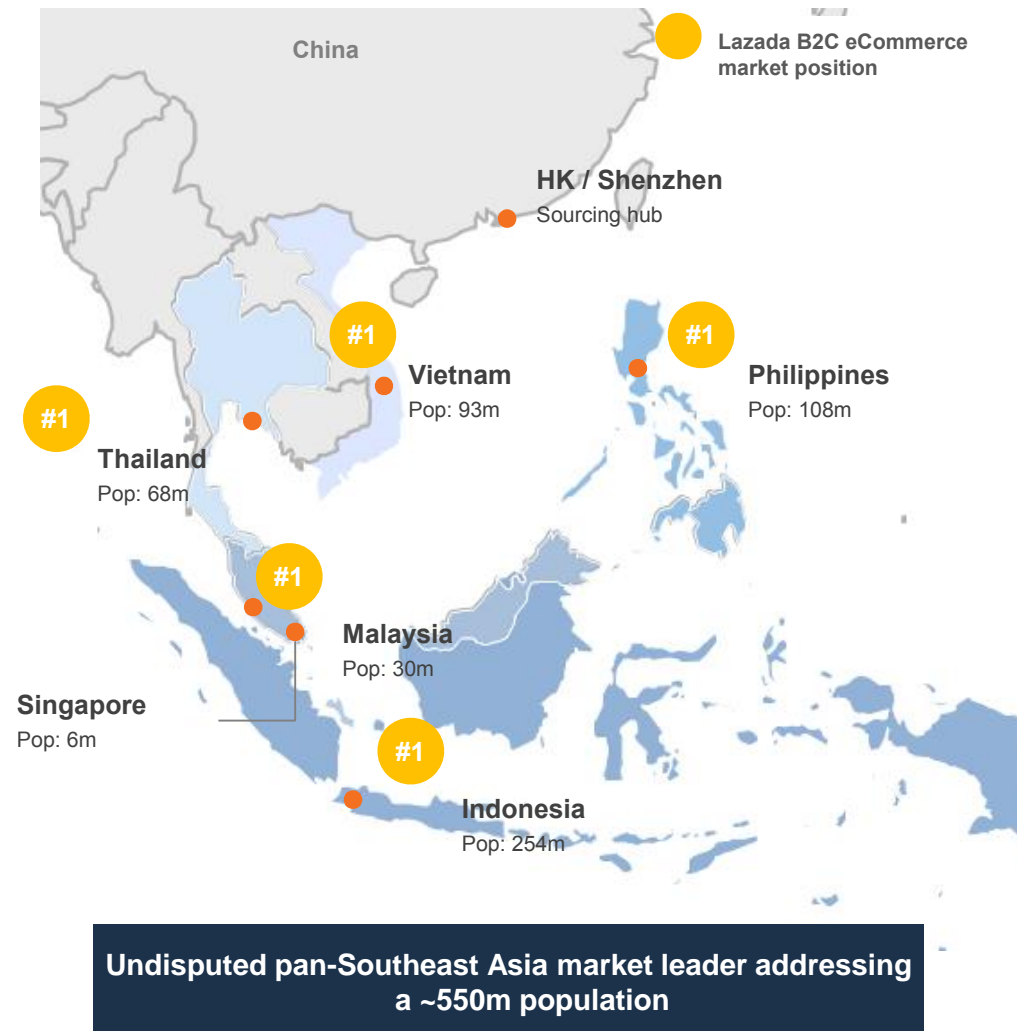
- **Pioneer of COD** (Cash-on-Delivery) with close to 100% coverage in all countries
- **Localized payments methods** catering to each market
- Lazada's own secure online payment service, **helloPay**

### UNEDUCATED RETAIL ECOSYSTEM

#### END-TO-END SOLUTION VIA ONE RETAIL CHANNEL

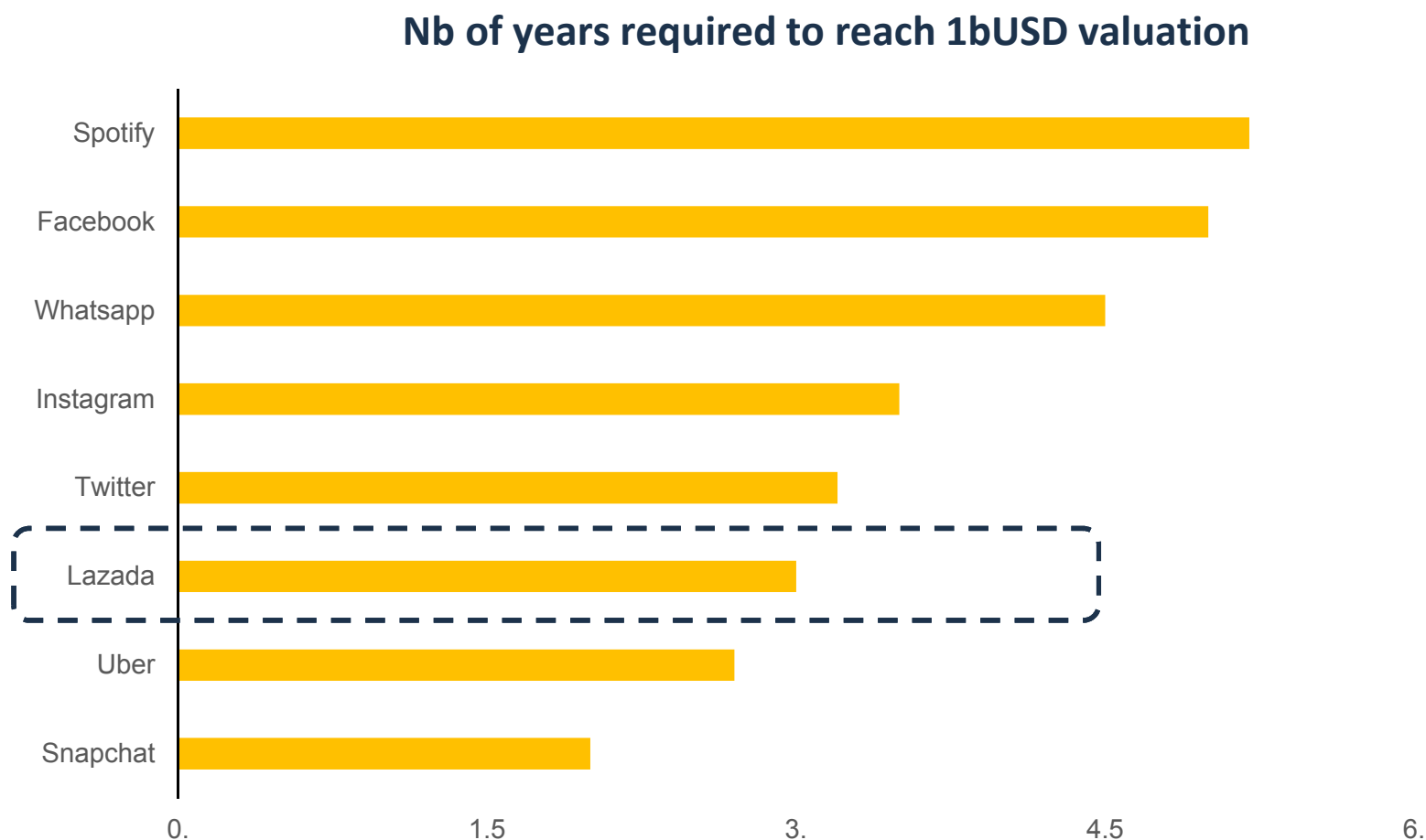
- **Fully integrated online platform for SMEs** and larger sellers to manage product assortment, pricing, promotions and fulfillment
- Lazada has developed a **large offering to support SMEs** selling on Lazada: Online Lazada University, live support and analytics to provide insights on sales, marketing and pricing
- No upfront investment is needed to use the marketplace platform
- Marketplace now accounts for approximately 75% of overall sales, and crossed 10,000 sellers in Dec 2014

... resulting in undisputed pan-Southeast Asia market leadership



- The **online destination site in Southeast Asia** for customers & brands
  - Launched 5 markets in March 2012: Indonesia, Malaysia, Vietnam, Philippines, Thailand and has established an ecommerce leader position since then
  - Launched Singapore in May 2014
- **One-stop shop** to access locally and internationally sourced with **over 10,000 sellers** as of Dec 2014
- Backed by **leading sector specialists** and investors including Rocket Internet, Tesco, Temasek, Investment AB Kinnevik, Summit Partners and J.P. Morgan Asset Management

Lazada valuation has reached >1bUSD within 3y, which places Lazada among recent industry success stories



<sup>1</sup>Source: Google Trends, Similarweb; GA



IN VIETNAM, IN PARTICULAR,  
THE NUMBERS ALSO SHOW AN  
OPTIMISTIC TREND

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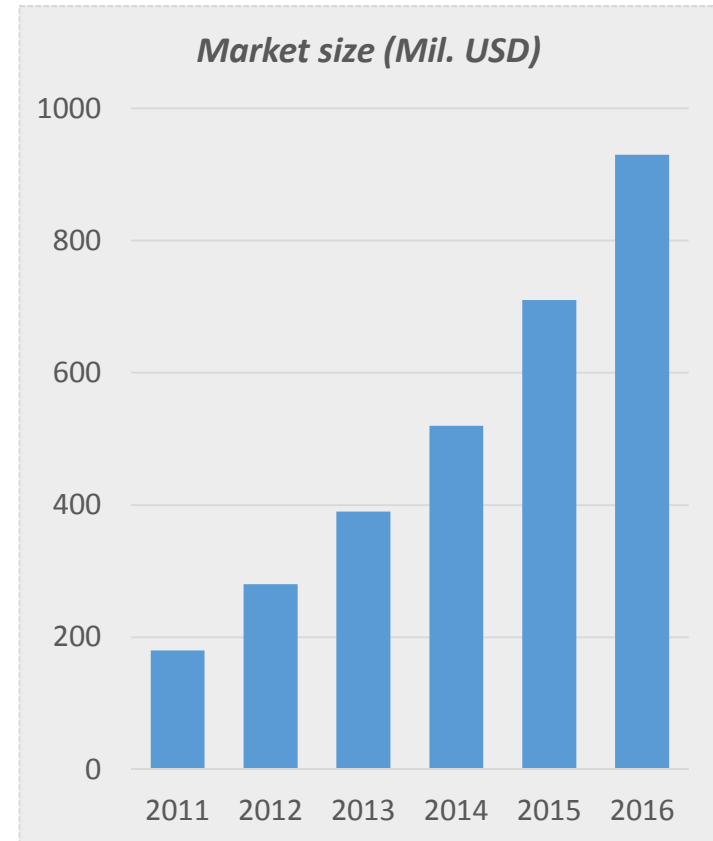
# ONLINE E COMMERCE MARKET SIZE IS CONSTANTLY GROWING IN THE LAST 5 YEARS

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VIETNAM IS IN TOP 3  
EMERGING INTERNET  
MARKETS IN 2015 WITH  
MORE THAN 39 % OF  
GROWTH

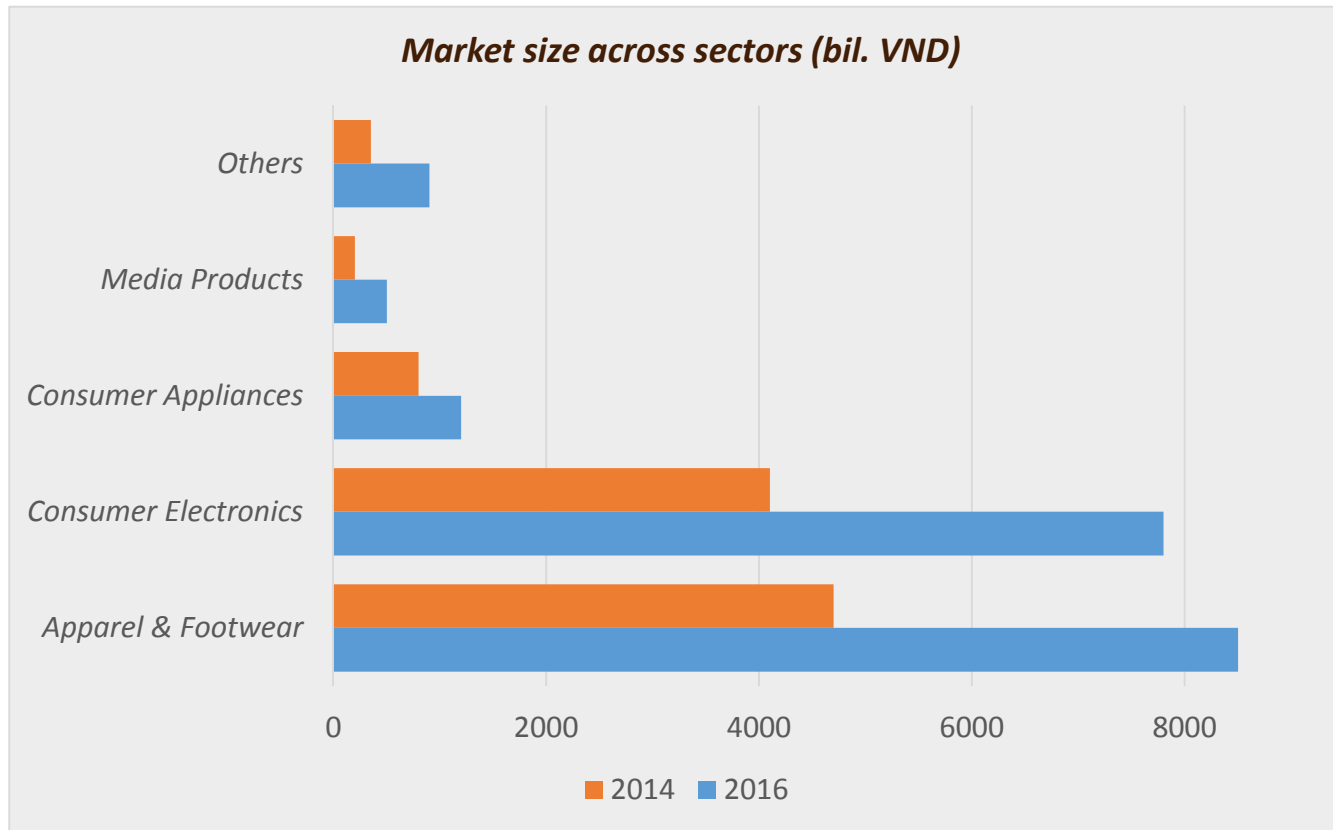


“ A dynamic hub of  
*Internet commerce and marketing* ” -  
EUROMONITOR INTERNATIONAL



Source: Euromonitor

# THE GROWTH IS ACROSS ALL SECTORS

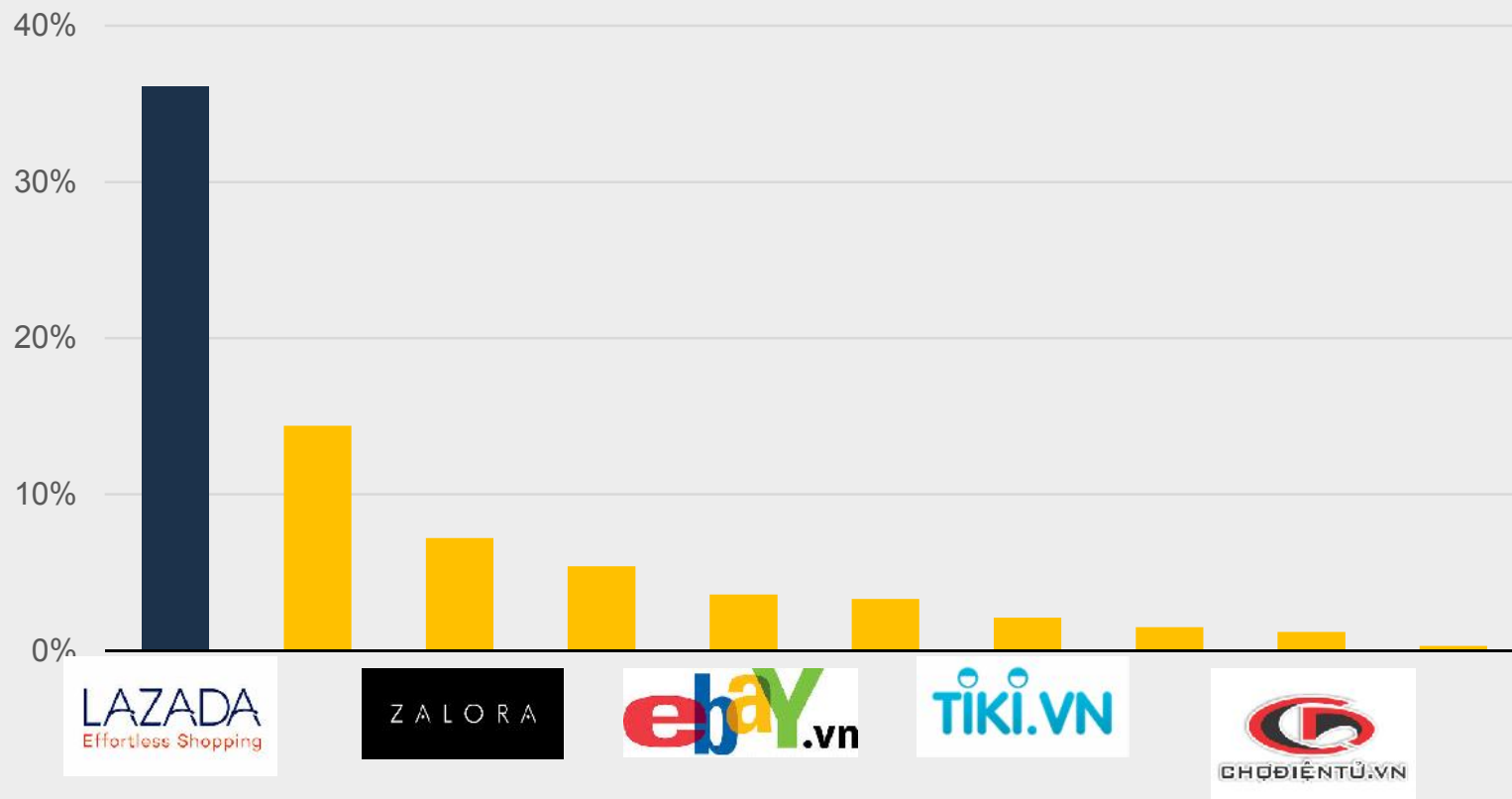


Source: Euromonitor

\*The data exclude hotel booking, travel packages, online insurance & movie tickets

In Vietnam, Lazada enjoys a market position with a 36% market share

***Market share of top 10 ecommerce market places***



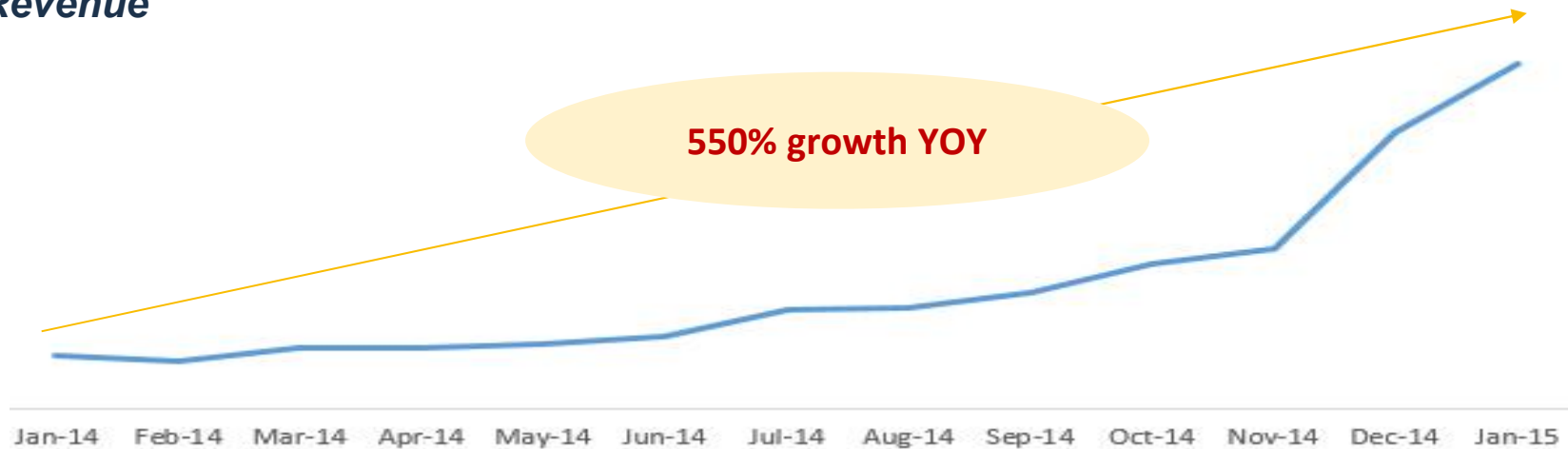
Source: 2014 VECITA report

With traffic and sales have growing tremendously in 2014, especially in Q4

### ***Traffic***

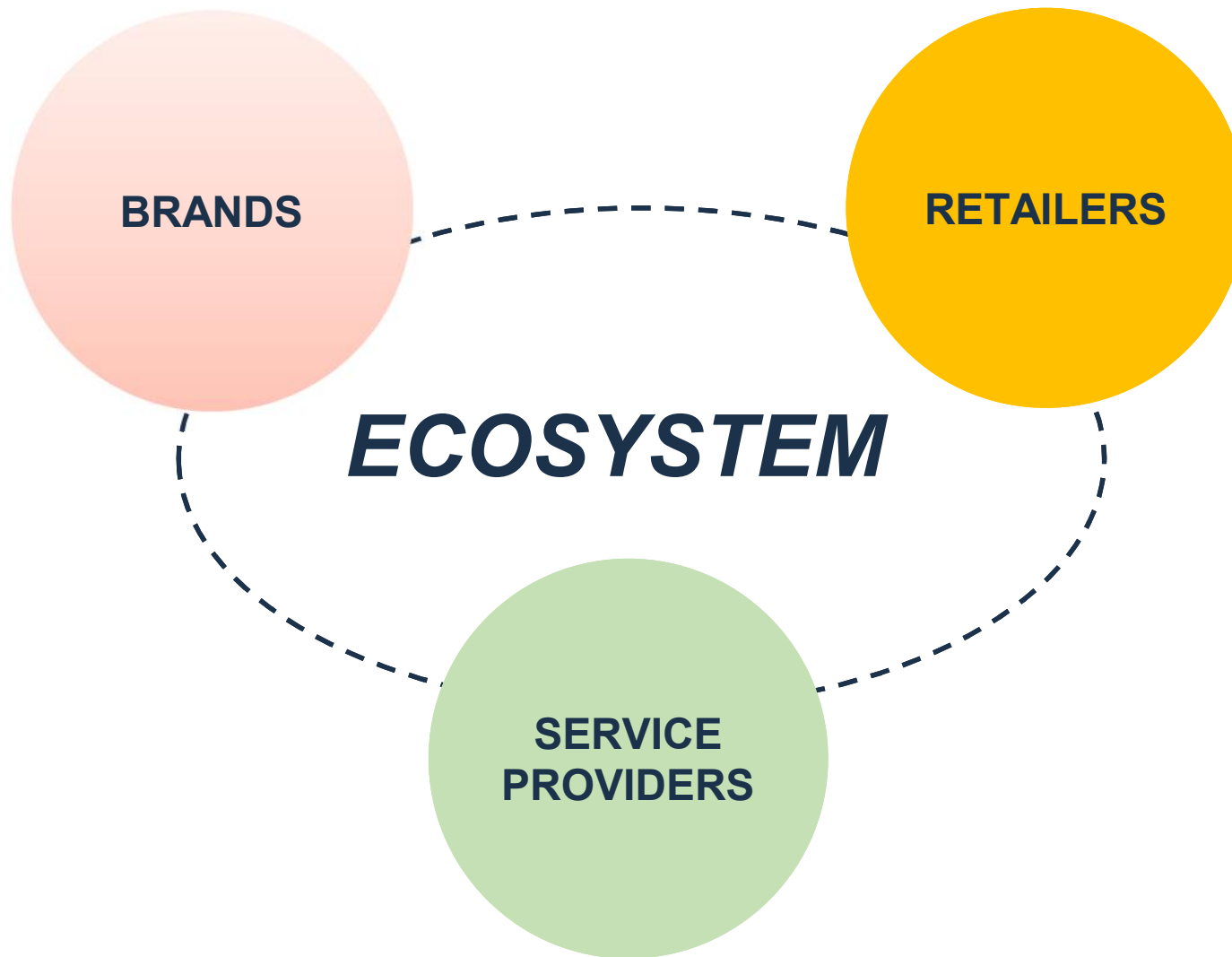


### ***Revenue***



## LAST BUT NOT LEAST: THE ECO SYSTEM OF E COMMERCE IS BEING ESTABLISHED

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# ...A GROWING NUMBER OF PARTNER TO CREATE A STRONG ECOMMERCE ECOSYSTEM

## Our recent partnerships



## And more to join.



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