Olist Backgrounds

1. Olist Revenue

Commission and shipping rules in the Olist Store

Understand how commissions work and who pays the freight - in a simple way and with examples to make it easier.



Products under R\$79

→ Freight paid by the customer.

Products from R\$79

- → Free shipping to the customer.
- → The cost is divided between Olist and the shopkeeper.

Commission

The commission focuses only on the value of the item sold (does not include shipping or fixed rate).



We charge R\$5 per item sold, in addition to the commission.

Shipping for products under R\$79

• Products below R\$79.00 the shipping is paid by the customer (final consumer).

Suppose the customer pays R\$30 or R\$40 for shipping.

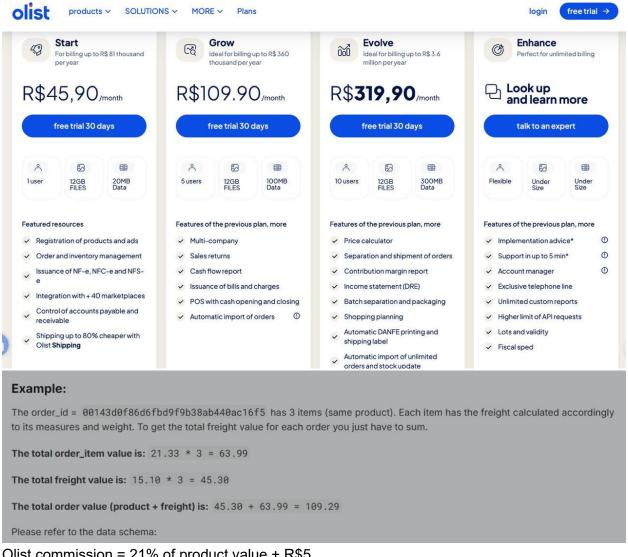
Regardless of the amount, the shopkeeper pays only a fixed fee of R\$5 per item sold.

Commission

The commission is charged only on the value of the product.

The percentage varies according to the contracted plan.

 $\overline{\mathbf{V}}$ This allows the shopkeeper to have more financial control over his costs and profits.



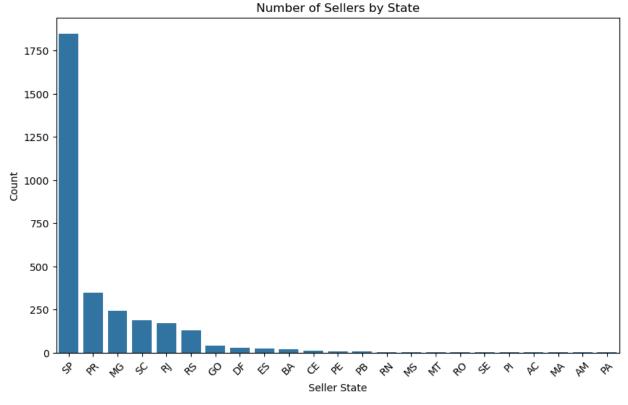
Olist commission = 21% of product value + R\$5

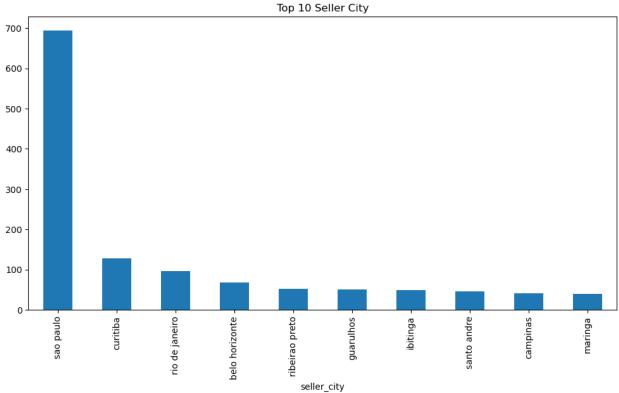
Olist subscription = Starts from R\$45.90

Olist total revenue from sellers = at least R\$45.90 + [num_of_item_sold] * 21% + [num_of_item_sold] * R\$5

Assumptions: All sellers are subscribed to the R\$45.90/month plan, and the commission is 21%. All shipping fees are paid by the customer (no free shipping).

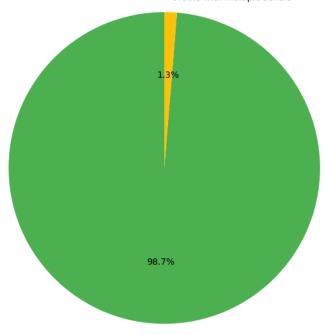
Olist Sellers





Sellers are concentrated in certain areas of Brazil, which could lead to problems in deliveries.

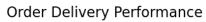
Distribution of Orders: Single Seller vs Multiple Sellers Orders with multiple sellers

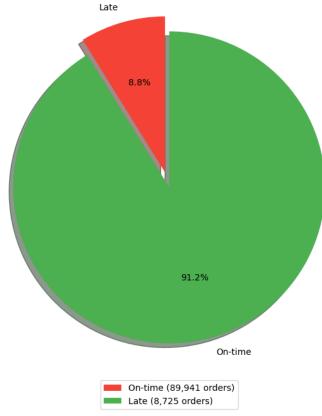


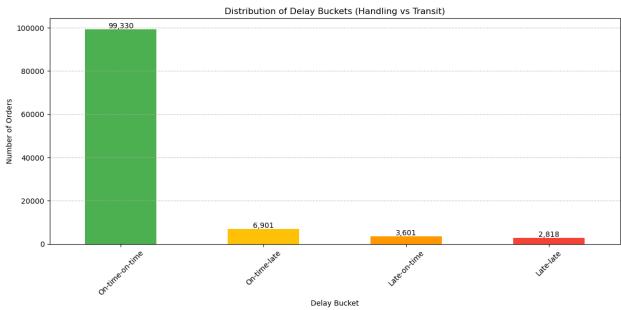
Orders with 1 seller

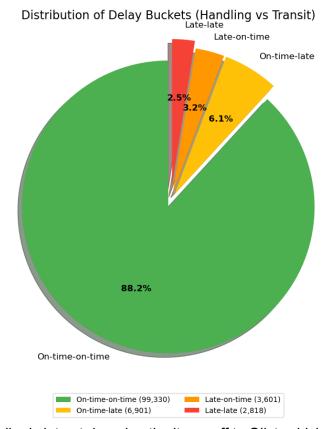
Orders with 1 seller: 97388 (98.70%)

Orders with multiple sellers: 1278 (1.30%)









Late-late means the seller is late at dropping the items off to Olist, which made the delivery to customer late (potential seller's fault for late delivery).

On-time-late means the seller handed the items to Olist on time, but the delivery is still late (Olist's logistic team fault for late delivery, not seller).