



Dropshipping Platform (Indonesia)

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Problem Statement

A 2020 research by SIRCLO has shown that 40% of the total e-commerce market in Indonesia is made up from social commerce. Explore way(s) to help these social media dropshippers to sell better by onboarding them onto the company's marketplace subsequently increasing its revenue.

Background & Context

Assumption:



Indonesia	Demographics	<ul style="list-style-type: none"> 98% of the population owns a smartphone, 75% owns laptop, 18.5% owns tablet 56% of the population (150M people) are on social media The average Indonesian spends 3h 26 min online > 2h 22 min (world average) Uses Android OS mostly
	Social Media Statistics	<ul style="list-style-type: none"> Facebook 4th largest user audience (average 86% penetration for FB, IG, Whatsapp) Main communication platforms include Whatsapp and Line YouTube (93.8% penetration): 53% (132M people) uses it (30 min on average) to search for product information, and 86% uses it to understand how to use products
	Trends	<ul style="list-style-type: none"> Fashion is a prominent category Electronics & Gadgets are some of the popular categories as well

Background & Context

Gaps & Relevance:

Gaps	What does this mean for us?	Statistics
Different apps for different functions	Confusing process with too many apps for first time buyers or those who are less digitally savvy	<ul style="list-style-type: none"> 86% use YouTube to understand how to use products 81% use IG to learn more about the brands they're interested in Most communication are via Whatsapp and Line
Lack of personal touch in ecommerce	Leverage on personal touch by emphasising on easily contactable resellers → users who are less tech savvy would trust	<ul style="list-style-type: none"> 2019: 83% of consumers engage in conversational commerce to learn about a product or service, 76% to get support, and 75% to make purchases Human interaction driven by conversational commerce has helped to bridge the online and offline experience and provide almost the same level of service and hospitality
Traditional ecommerce is too broad	Presents opportunities to leverage hyperlocal habits and logistics advantages, e.g. same day delivery for essential products	<ul style="list-style-type: none"> Increased participation of Tier II - IV cities and rural areas by 2022, $\frac{2}{3}$ of spending will be from outside greater Jakarta 50% increase in essential products sales via social commerce after Covid

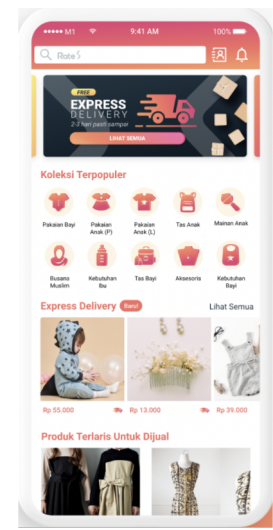
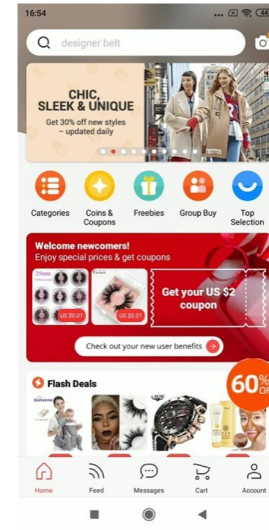
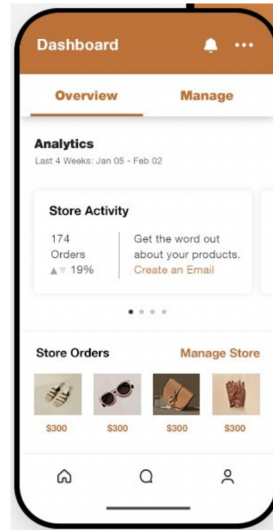
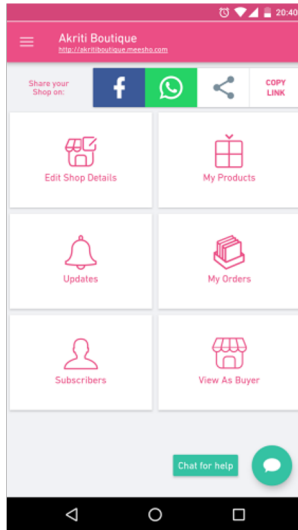
Background & Context

Gaps & Relevance:

Gaps	What does this mean for us?	Statistics
Reliable logistics and infrastructure with consistent quality	Infrastructure and local hubs setup have to cover rural areas with minimal distance for quick and reliable shipping → Can leverage Shopee's current supply chain system	<ul style="list-style-type: none"> Increased participation of Tier II - IV cities and rural areas by 2022, ⅔ of spending will be from outside greater Jakarta Indonesia logistic infrastructure lags behind its regional peers, ranking 63 of 160 globally in 2016
Seamless, secure, and scalable payment opportunities	Increase adoption of digital payments with verification for a seamless yet trusted payment network	<ul style="list-style-type: none"> 42% of indonesia's population is unbanked (1 in 10 users) 10 million "offline" consumers who may not trust online payment systems yet do not have access to online commerce platforms
Online Scams	Provide a dropshipping environment/ecosystem that reduces chances of scam ; increase customer trust	<ul style="list-style-type: none"> In 2016-2020, total number of online scams cases reported is 7,047 Different modes of online shopping scams, where customs scams in 2020 alone is 3284

Competitor Analysis

	Meesho	WixCommerce	AliExpress	RateS
Target Market	<ul style="list-style-type: none"> India Indonesia (closed) 	<ul style="list-style-type: none"> International 	<ul style="list-style-type: none"> China 	<ul style="list-style-type: none"> Indonesia



Competitor Analysis

Features	Meesho	WixCommerce	AliExpress	RateS
Marketing	<ul style="list-style-type: none"> Price recommendation tool Pay-per-click advertisement 	<ul style="list-style-type: none"> Integration to marketing/ads platforms, including having A/B testing, sales tracking, etc. 	<ul style="list-style-type: none"> Internal marketing tools: <ul style="list-style-type: none"> platform campaigns store promotions RTB (Real Time Biting) banner display systems External marketing tools, data analysis, and brand awareness 	<ul style="list-style-type: none"> MyTeam (dropshipping community; suppliers can leverage on each other's networks)
Personal Storefront	✗	✓	✗	✓
Dashboard	✓	✓	✗	✓
Logistics Support	<ul style="list-style-type: none"> Next-Day Dispatch (NDD) **Extra visibility (attracts 12% more customers) Zero cost delivery 	<ul style="list-style-type: none"> Order management & automation 	✗	<ul style="list-style-type: none"> Product guarantee Delivery Support, includes shipping tracking
Payment Options	<ul style="list-style-type: none"> Online COD 	<ul style="list-style-type: none"> Buy now pay later 	✗	<ul style="list-style-type: none"> COD Pay on the spot (premium)
Finance	✗	<ul style="list-style-type: none"> Tax Automation 	<ul style="list-style-type: none"> Handles foreign exchange issues and fluctuations 	✗

Competitor Analysis

	Meesho	WixCommerce	AliExpress	RateS
Pricing	Free	<u>Wix</u> Business Basic - USD17/mo Business Unlimited - USD26/mo Business VIP - USD35/mo <u>Modalyst (for Reseller)</u> Hobby - Free Start Up - USD35/mo Pro - USD90/mo <u>Modalyst (for Supplier)</u> 5% service fee	<u>Sellers</u> - List for free - Commission fee on transactions (5%-8% depending on items & categories)	Free Min. balance for withdrawal of IDR 200k <u>Team member benefits</u> - Product discount up to 50% - Team bonus up to 10% - Lower min. balance for withdrawal of IDR 100k <u>Premium</u> - One-time fee: IDR 300k (150k with referral code) - Earn referral bonus
Cons	<ul style="list-style-type: none"> Free delivery impossible to implement in Indonesia (islands) No product QC 	<ul style="list-style-type: none"> Overkill of features for social commerce Have to subscribe to both Modalyst and Wix for effective use 	<ul style="list-style-type: none"> Long and difficult sign up process Higher MOQs to compensate for overseas shipping fees 	<ul style="list-style-type: none"> Premium perks are not attractive enough

Key Features



Pain Points & Key Features

Dropshipper / Reseller:

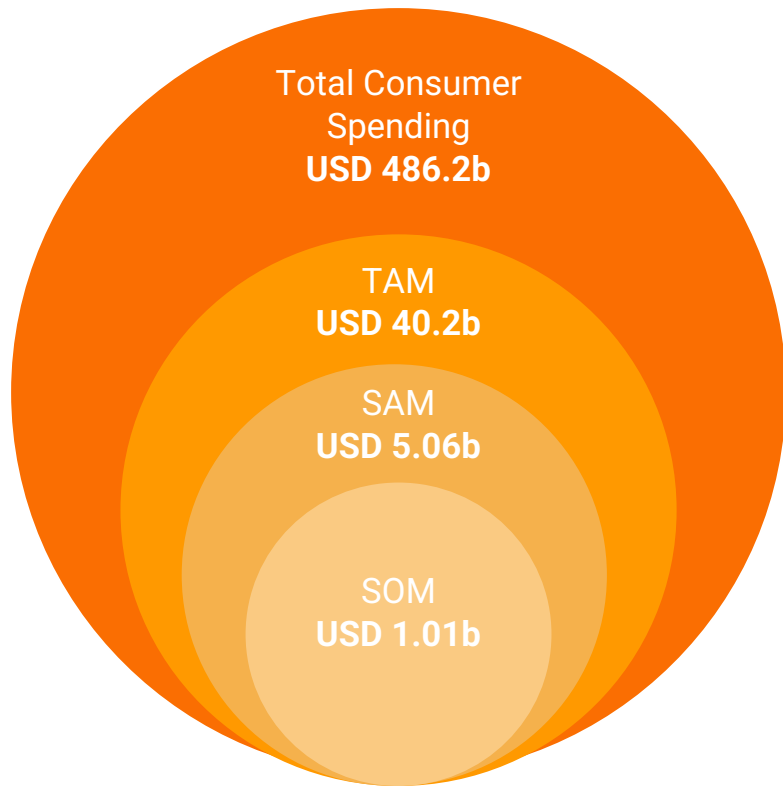
User Journey	Pain Points	Features	Biz Ops
1. Source for products 2. Decide on supplier/sellers 3. Order from supplier/sellers	Market research (finding the right product to sell at different points of time)	Market research tool <ul style="list-style-type: none"> - Trending items - High customer demand - Large profit margin ⇒ AI-generated selling pricing recommendation 	<ul style="list-style-type: none"> • UX team for usability testing & design • Infra team to support handling large amounts of data • Data team to analyze trends • ML team to train recommendation model • SWE team for development • Legal team for data privacy
	Verify quality of suppliers/sellers	<ul style="list-style-type: none"> - Reviews - Average reply-rate/ response-time for suppliers/sellers - Monthly selling statistics 	<ul style="list-style-type: none"> • SWE team for development • Reviews team to ensure reviews are accurate, not spam, etc
	Ordering items from multiple suppliers/sellers on a regular basis	Contracted (“Saved”) Suppliers/Sellers <ul style="list-style-type: none"> - Order from multiple suppliers/sellers at once - Deliver/ship to the same warehouse ⇒ Chosen automatically based on distance and delivery fee from <u>all</u> suppliers/seller 	<ul style="list-style-type: none"> • UX team for usability testing & design • SWE team for development • CSM team to ensure resellers are satisfied with the system

Pain Points & Key Features

Supplier / Seller:

User Journey	Pain Points	Features	Biz Ops
1. Marketing 2. Contractual Agreements 3. Shipping / Delivery	Marketing to resellers, finding a niche → generating more sales	Buy a “boost” for their product listing: <ul style="list-style-type: none"> - Internal Search Engine Marketing - Top of recommendation page 	<ul style="list-style-type: none"> • UX team for usability testing & design • ML team to train model • SWE team for development • CSM team to ensure suppliers/sellers are satisfied with the platform
	Maintaining trust with resellers	Simple Escrow features	<ul style="list-style-type: none"> • Shopee probably already has such features (between seller and customer). Just need the SWE team to tweak things a bit for this to be between supplier/seller & reseller.
	Distribution & Delivery	Collaboration with third-party or integration with other Shopee entities: <ul style="list-style-type: none"> - Warehouse ⇒ Option to do product QC - Shipping/delivery partners 	<ul style="list-style-type: none"> • Logistics & legal teams involved

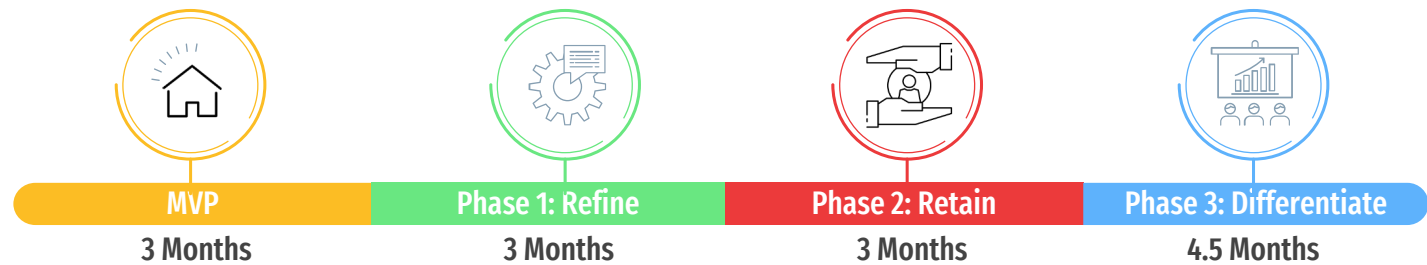
Our Prospects (by 2025)



Assumptions:

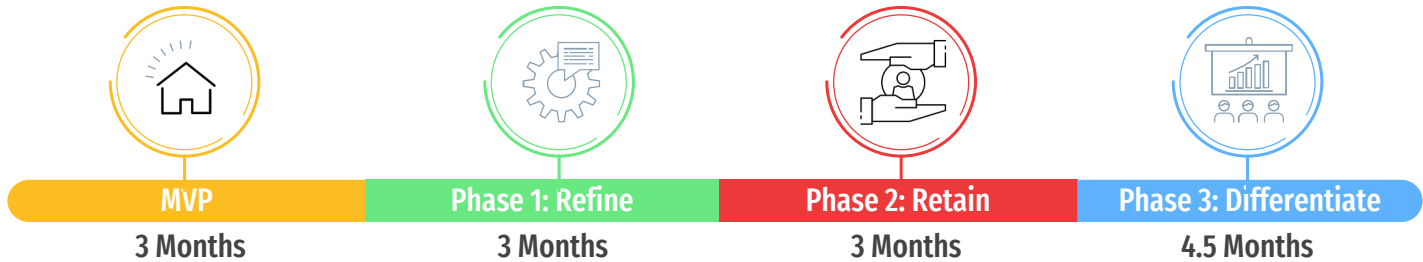
- Same level of consumer spending throughout 2021 (Q1 = 100b)
- Conservative growth rate for consumer spending of 5% / year
- Charge Suppliers a 5% transaction fee (benchmarked against Modalyst)
- Charge Resellers \$USD 20/month
- 10% of informal workers will consider social commerce
- 20% of social commerce transactions will go through our platform
- 2% of informal workers will use Shopee as a dropshipper

Product Roadmap & Milestones



MVP (3 Months)		Phase 1: Refine (3 Months)		Phase 2: Retain (3 Months)		Phase 3: Differentiate (4.5 Months)	
Focus	Features Required	Focus	Features Required	Focus	Features Required	Focus	Features Required
User acquisition (suppliers + resellers)	<ul style="list-style-type: none"> - Creating supplier/reseller accounts - Uploading products as a supplier - Dropshipping the products as a reseller - Simple payment and delivery mechanisms 	Return/Refund Rate	Verify quality of suppliers	Usage of the market research tool	Market research tool	Reduce Average Delivery Time	Distribution & delivery
Increased Order Volume & Increased trust between suppliers and resellers	Escrow	Streamlining the order process	Ordering items from multiple suppliers			Increasing views for boosted products	Boost for product listing

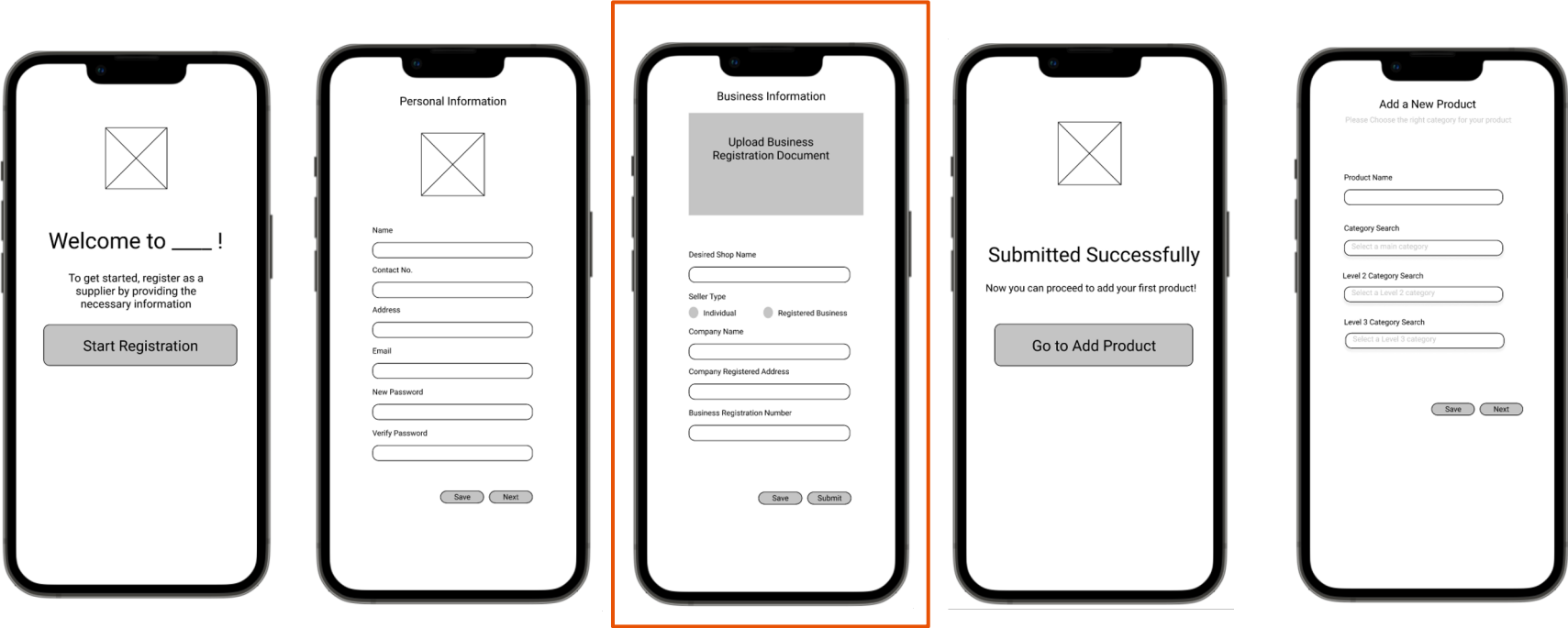
Product Roadmap & Milestones



Milestones	Re-evaluate	Milestones	Re-evaluate	Milestones	Re-evaluate	Milestones	Re-evaluate
<p>Moderately high usage rates</p> <ul style="list-style-type: none"> * MAU = 70% of user base * WAU = 60% of user base * DAU = 40% of user base <p>Desired resellers (1 month end) = 9k</p> <ul style="list-style-type: none"> * Desired resellers (end of 3 years) = 3M * 1st year → 100k * 2nd year → 250k * 3rd year → 500k <p>Desired suppliers (1 month end)= 30</p> <ul style="list-style-type: none"> * Assume supplier:reseller = 1: 300 	1 Month after launch of MVP	<p>Return/refund rate = 20% of total orders on the platform</p>	1 Month after launch of Phase 1	<p>Gross margins of resellers who use the market research tools vs those who don't = at least a 15% increase in gross margin</p>	1 Month after launch of Phase 2	<p>Reduction in average delivery time by 25%</p> <p>Reduction in average delivery cost by 50%</p>	2 Months after launch of Phase 3
<p>Number of transactions/ orders that go through escrow = 3 orders/ reseller x 30 days x 4.5k avg resellers = 405k</p>		<p>Average active screen time per transaction = Reduce by 30%</p>				<p>20% increase in sales for products that have been boosted</p>	

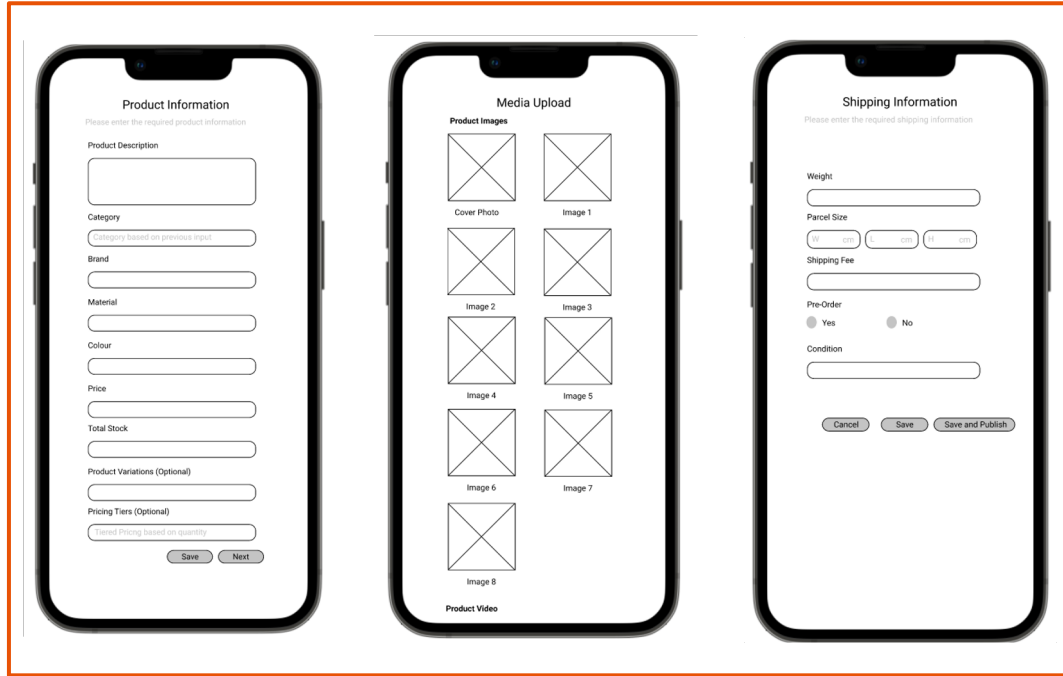
Wireframing

Supplier - Registration & Upload



Wireframing

Supplier - Registration & Upload



Product Information
Please enter the required product information

Product Description

Category

Brand

Material

Colour

Price

Total Stock

Product Variations (Optional)

Pricing Tiers (Optional)

Media Upload

Product Images

Cover Photo

Image 1

Image 2

Image 3

Image 4

Image 5

Image 6

Image 7

Image 8

Product Video

Shipping Information
Please enter the required shipping information

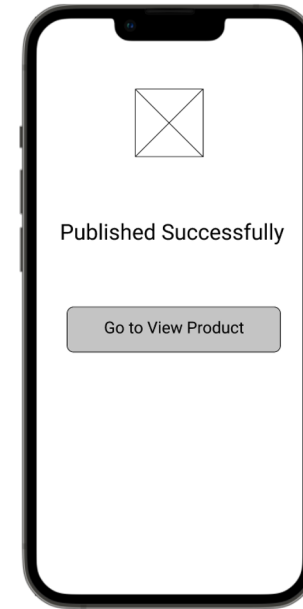
Weight

Parcel Size

Shipping Fee

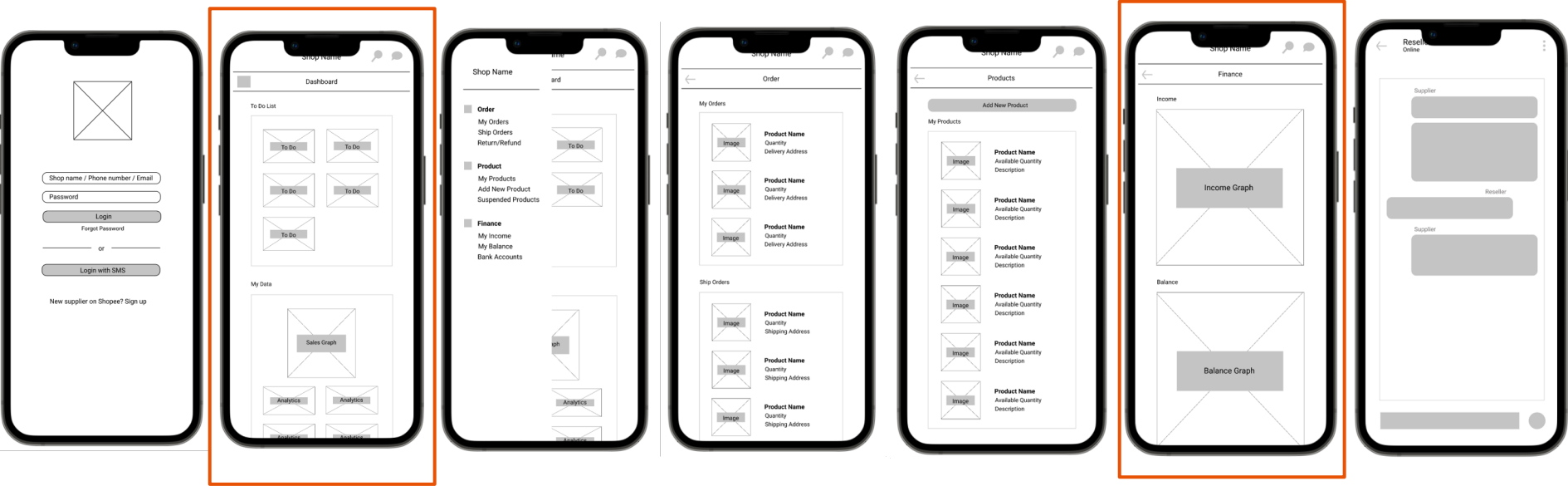
Pre-Order
☐ Yes ☐ No

Condition



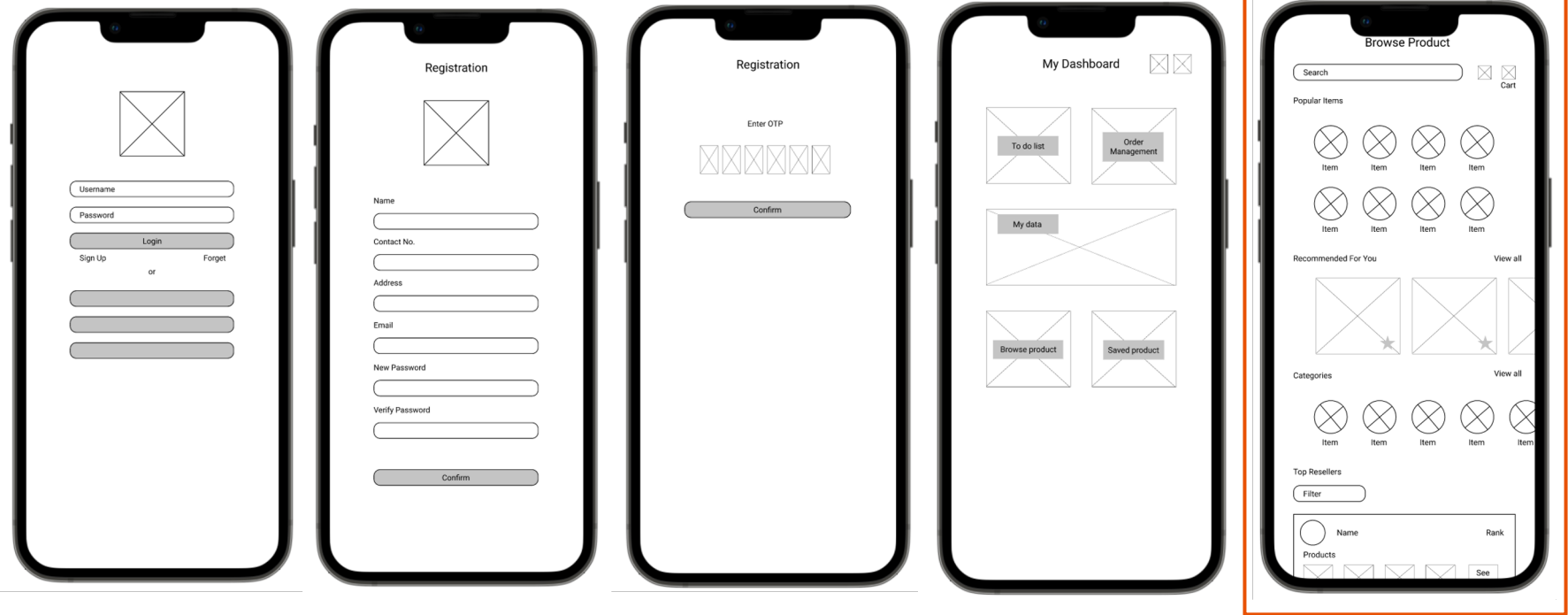
Wireframing

Supplier - Dashboard & Chat



Wireframing

Resellers - Register & Dashboard, Browse Product



Wireframing

Resellers - Order & Pay, Order Management





Q & A

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