# Tracing Lazada's Pricing Across the Month-Long Online Revolution Sale

## 26th Dec, 2017

BY DATAWEAVE

Commencing on the 11th of November and ending just a few days ago on the 12th of December, Southeast Asia's biggest sale event, the Lazada Online Revolution sale rewrote the record books.

This mega-shopping event is held simultaneously across six Southeast Asian countries, spanning Singapore, Malaysia, Thailand, Indonesia, the Philippines and Vietnam and was bookended by its two biggest sale days, on 11.11 and 12.12.

In an **earlier blog post**, we published a highly detailed analysis of the sale on 11.11, using DataWeave's proprietary data aggregation and analysis platform. This post zoomed in on the pricing and product strategies of Lazada and its competitors in Singapore and Indonesia.
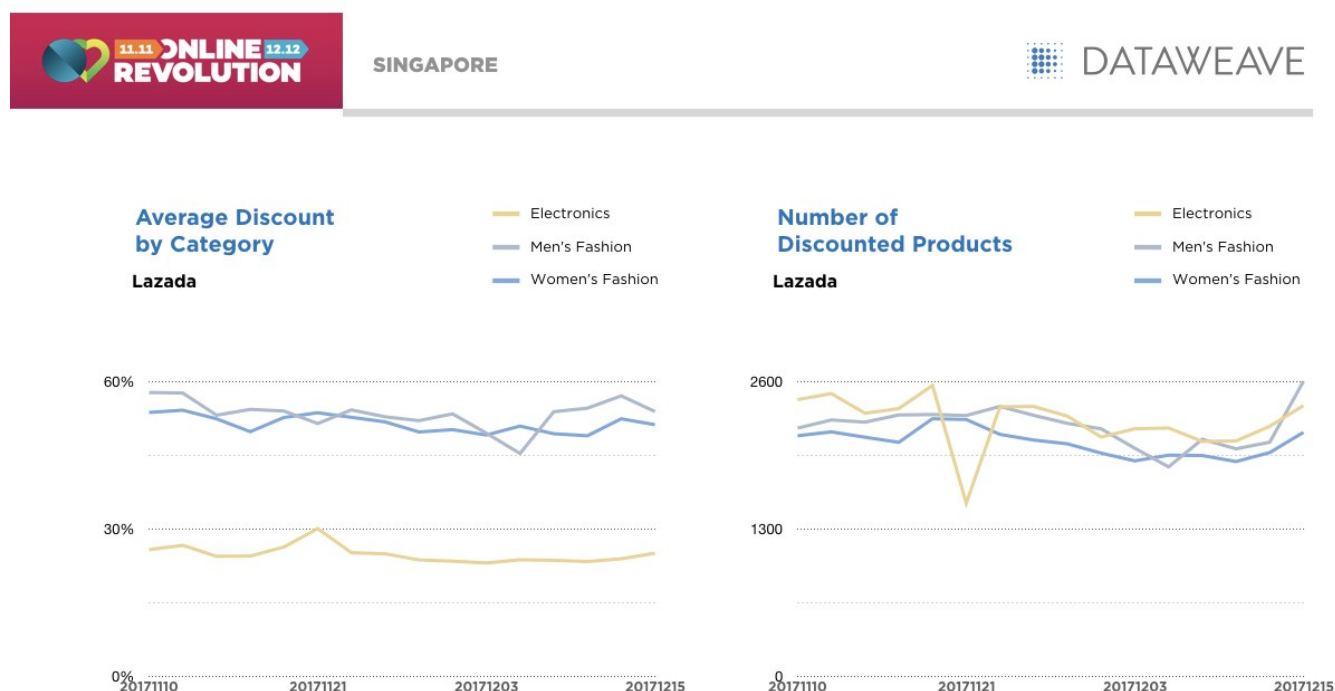
On the 12th December, Southeast Asian shoppers shattered all retailing expectations by reportedly spending a record-breaking $250 million. This was double both this year's 11.11 sale and last year's 12.12 sale. According to Forbes, the 12.12 sales became such a hit that Indonesia even designated the day to be its National Online Shopping Day, or Harlbonas.

At the end of the sale event on 12th December, DataWeave assimilated all the data we collated throughout the Online Revolution sale and examined pricing trends across the entire span of four weeks, exploring each retailer's strategy by brand, by category, and by product type.

We aggregated pricing information on the Top 500 ranked products of over 20 product types featured on each website (Lazada, ListQoo10, and Blibli), spread across the critical Electronics and Fashion categories, covering over 120,000 products in total.

**Online Revolution — Singapore**

Interestingly, one of the trends that became immediately apparent, was the relatively stable track of the average absolute discounts in Electronics, Men's Fashion, and Women's Fashion. No significant spikes or drops were evident throughout the duration of the entire sale season.



Similarly, the number of discounted products remained relatively stable. However, in Electronics, there was a conspicuous dip in the number of discounted products, which occurred on the 21st of November. Aside from this anomaly, even the number of products discounted remained relatively stable. The other interesting phenomenon was an uptick in the number of discounted products on the 15th of December, after the Online Revolution sale — something counterintuitive.
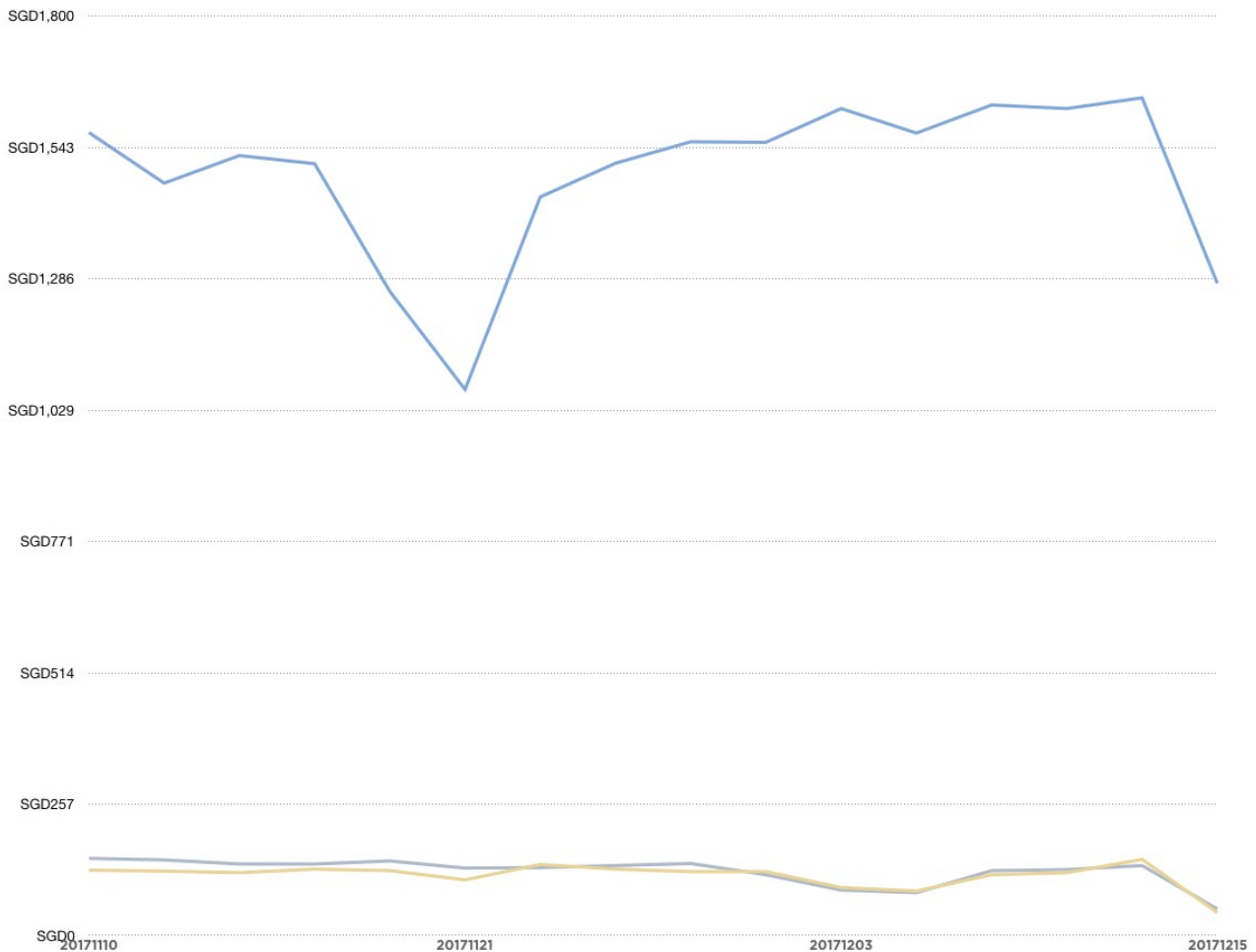
**ONLINE REVOLUTION** 11.11 12.12    SINGAPORE    DATAWEAVE

**Average MRP of Discounted Products**

**Lazada**

- Electronics
- Men's Fashion
- Women's Fashion



When we explored the behaviour of the average MRP of discounted products, we noticed a sharp dip on the 21st of November. Clearly, prices were increased specifically on higher-priced electronic products.

Comparing these numbers with those of ListQoo10's, who were forced to adopt a more aggressive stance on pricing to stay competitive through this period, we once again see a very consistent discount percentage throughout this period. The average discount in men's fashion, however, showed a slight upward trend during this period.
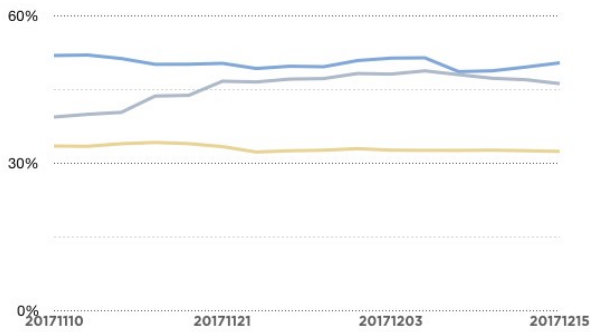
**Average Discount By Category**
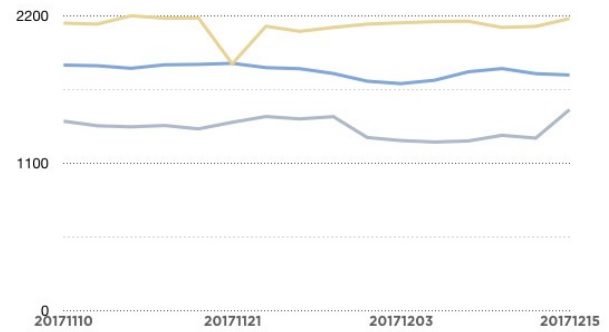
ListQoo10

Legend: Electronics, Men's Fashion, Women's Fashion



**Number of Discounted Products**

ListQoo10

Legend: Electronics, Men's Fashion, Women's Fashion



ListQoo10's number of discounted products in Electronics dipped as well on the 21st of November, demonstrating the retailer's ability to dynamically react to competitor strategies. This can be evidence of a robust market monitoring system.

Returning to Lazada, DataWeave identified several product types displaying a significant variation in average discounts through this period. These included men's shorts, women's shoes, men's Jeans, Laptops, DSLR Cameras, and women's T-shirts.
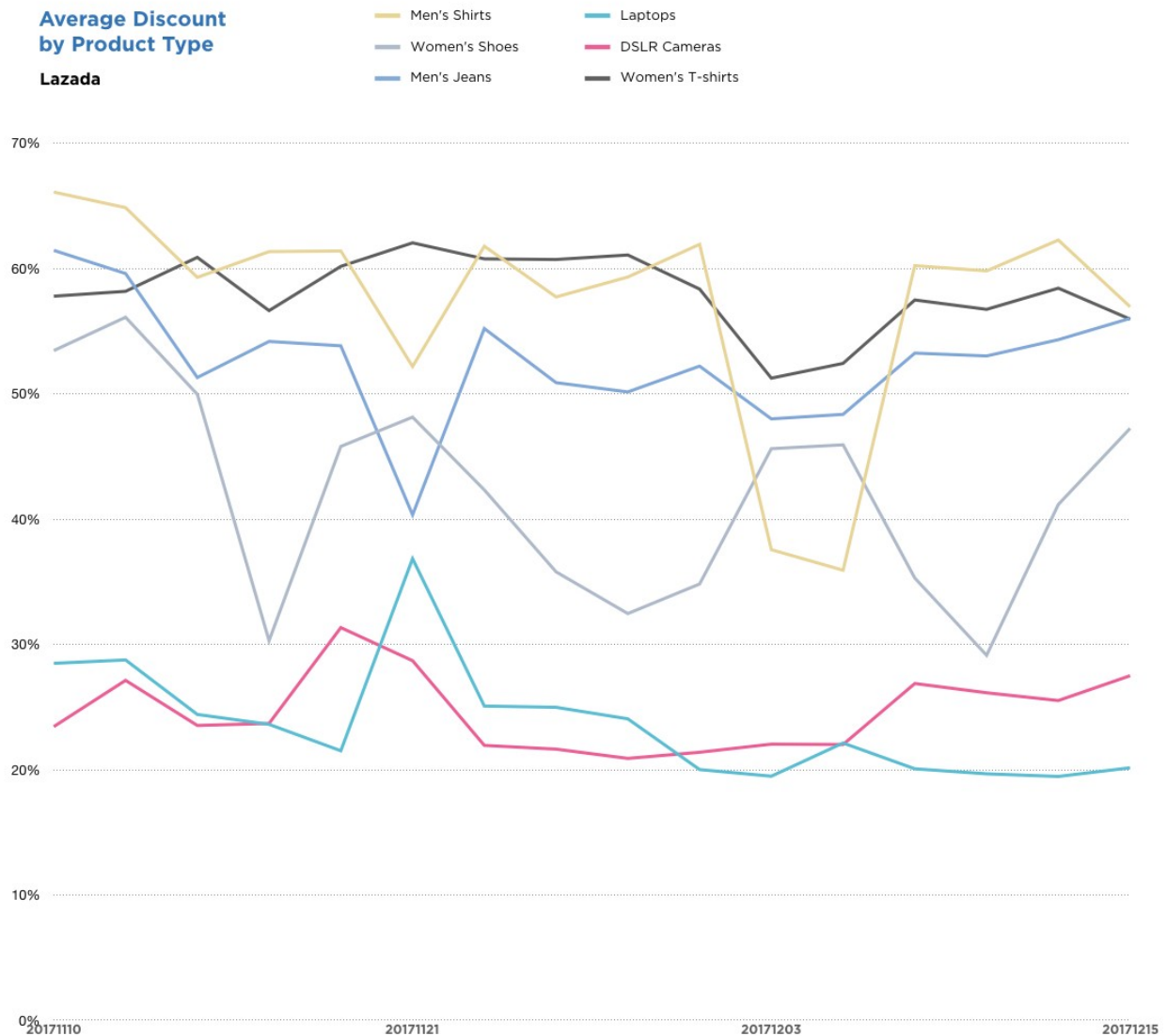
## Average Discount by Product Type
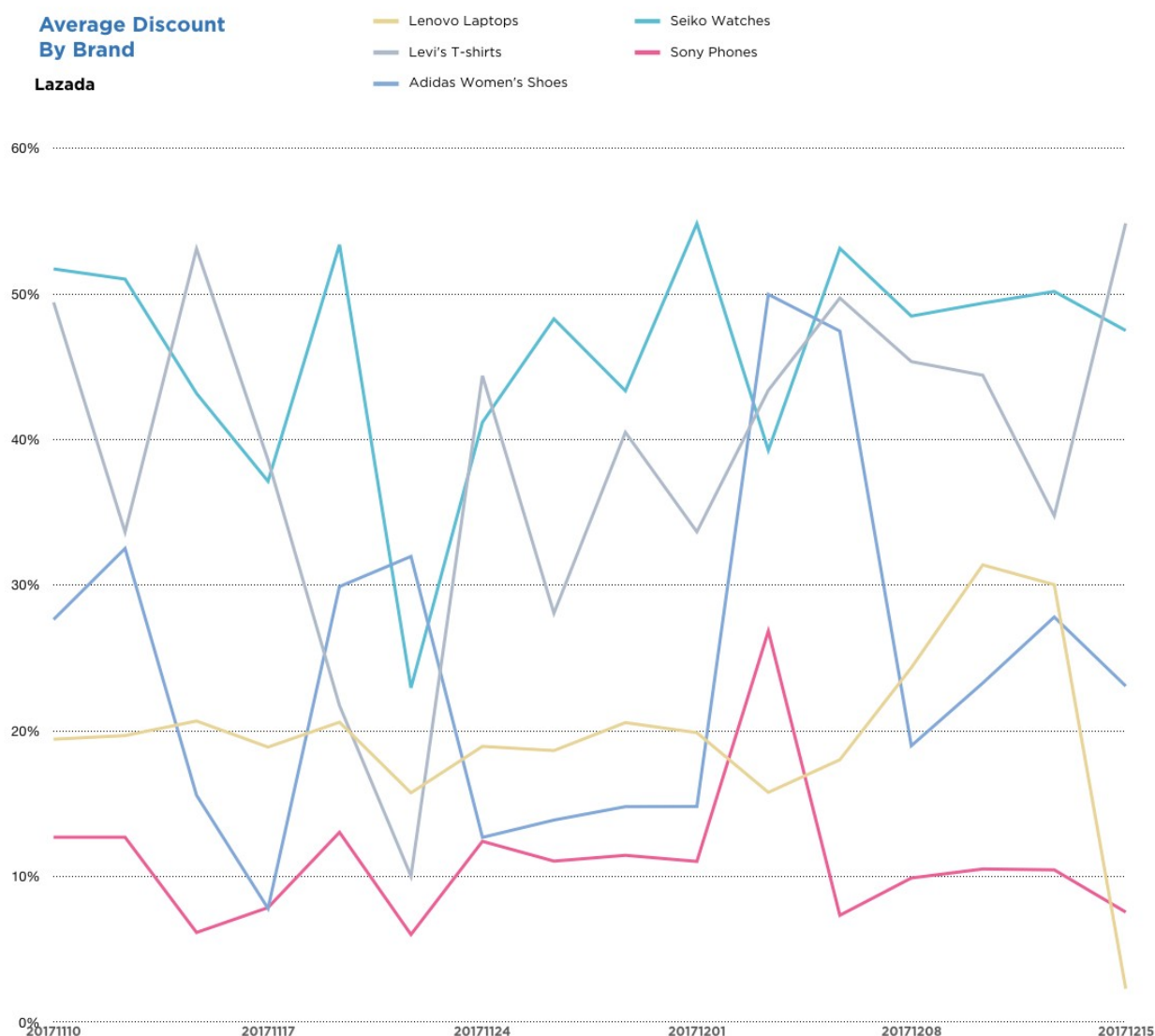
**Lazada**

Legend:
- Men's Shirts
- Women's Shoes
- Men's Jeans
- Laptops
- DSLR Cameras
- Women's T-shirts



Once again, our analysis pointed to substantial competitive activity around the 21st of November, together with a second significant dip in discounts on men's shirts in the period around 5th December. Discounts on women's shoes, by contrast, proved to be a roller coaster throughout the entire sale period.

Some of the brands with high variation through this period were Lenovo Laptops, Levi's T-shirts, Adidas Women's Shoes, Seiko Watches, and Sony Phones.

SINGAPORE

DATAWEAVE

### Average Discount By Brand
**Lazada**

Legend: Lenovo Laptops · Levi's T-shirts · Adidas Women's Shoes · Seiko Watches · Sony Phones



Discounting activity by these brands appeared to be all over the place during this period, without any discernible pattern or structure. While Sony predictably lowered discounts on its phones after 12.12, Levi's increased its discounts in the same period

**Online Revolution — Indonesia**

Moving on to Indonesia, we once again witnessed a similar approach to average discounting by category as we saw emerge in Singapore. At a category level, the retailer evidently opted for trading within a narrow discount band across the sale period rather than attempting to inject an overly dynamic discounting approach into their sale execution.
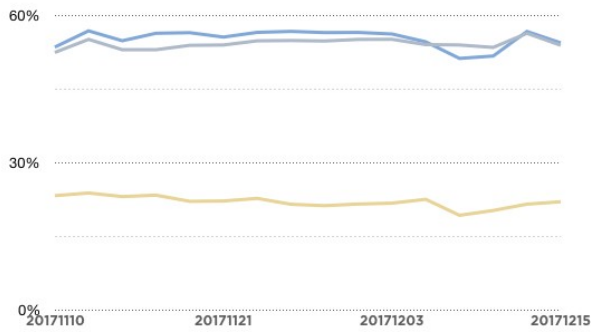
**Average Discount By Category**
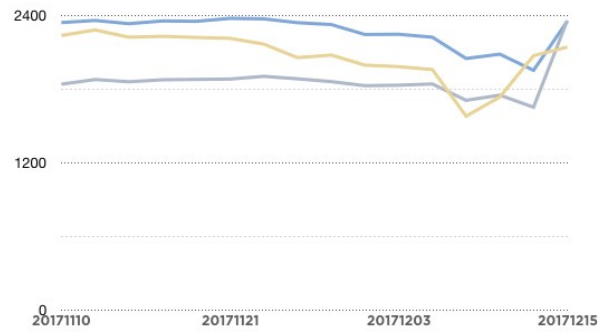Lazada

Legend: Electronics, Men's Fashion, Women's Fashion

**Number of Discounted Products**
Lazada

Legend: Electronics, Men's Fashion, Women's Fashion

This is not to say there were not some surprises in store with the number of discounted products in Indonesia. In electronics, there was a noticeable dip in the number of discounted products just ahead of the 12.12 sale. The number of discounted products then surprisingly surged after the 12.12 sale, in combination with a slight reduction in average discount percentage during the period.

In comparing Blilbi, Lazada's main competitor in Indonesia, we see a fairly consistent discounting level throughout the sale period, although markedly lower than those rolled out by Lazada across its three core categories.
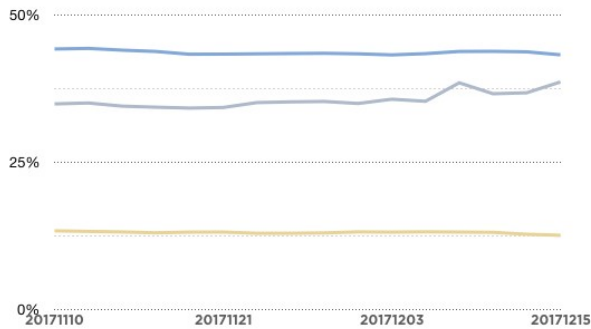
## Average Discount By Category
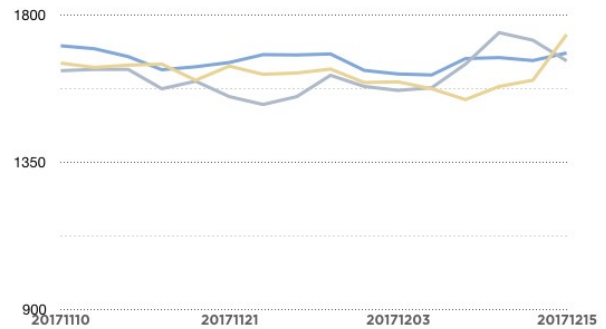### Blibli

- Electronics
- Men's Fashion
- Women's Fashion



## Number of Discounted Products
### Blibli

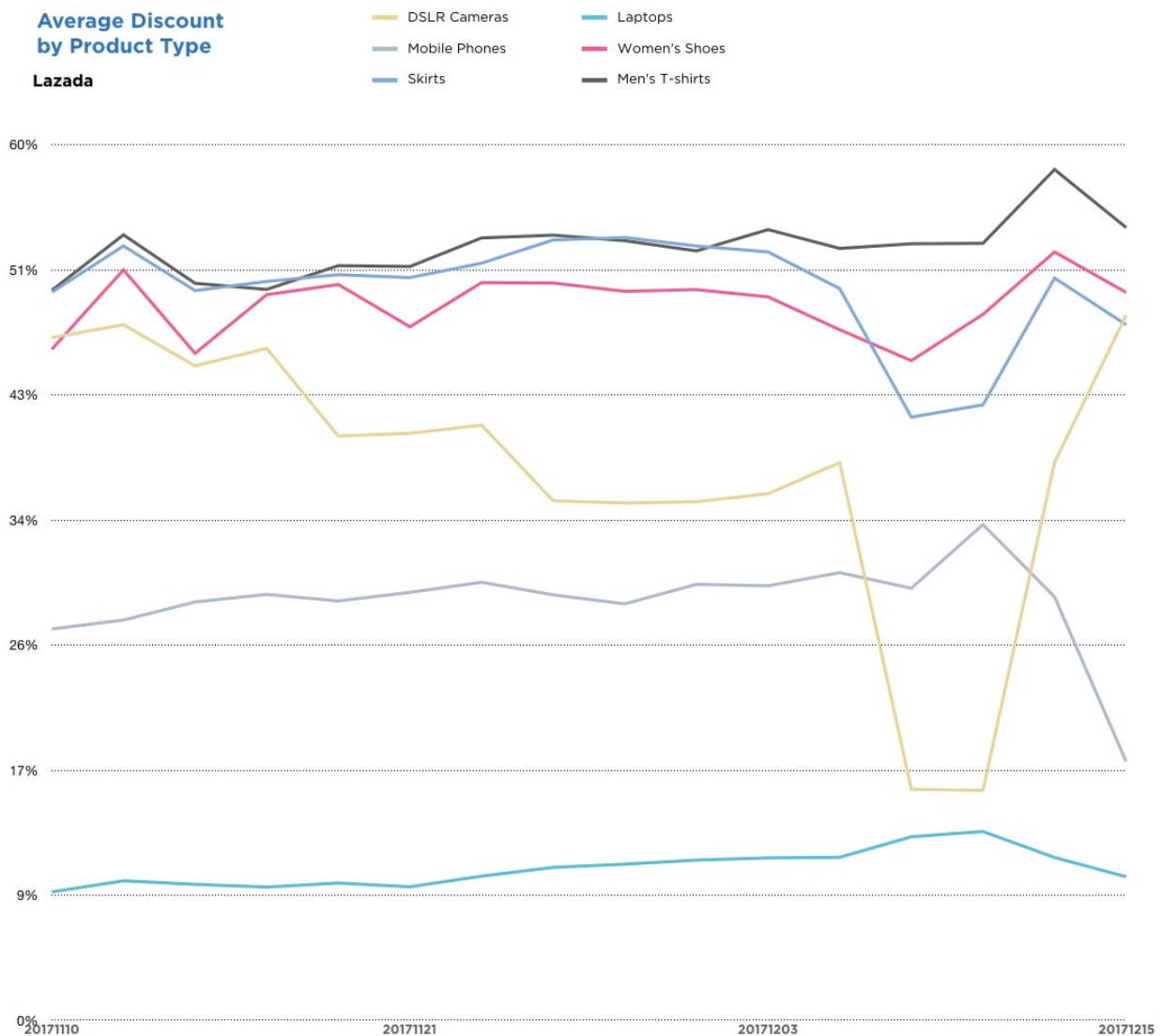- Electronics
- Men's Fashion
- Women's Fashion



This approach held true even for the number of discounted products. Blibli seems to have been content to take a backseat to Lazada during the heavily promoted Online Revolution sale period, rather than attempting to compete aggressively in any single category.

It will be interesting to see if Blilbi is content to repeat this strategy in 2018 as it effectively surrenders the discounting high ground to Lazada during the peak sales period. While this strategy may yet be proven to have paid off in terms of profitability, it may have undesirable consequences for Blilbi's brand and share performance in the longer term.

Returning our focus to Lazada in Indonesia, some product types showed major variation through the sale period, specifically DSLR Cameras, which dipped significantly approximately a week out from the 12.12 sale. However, compared to Singapore, Indonesian discounts by product types appeared relatively more stable, except a few dips prior to 12.12.

**INDONESIA**

**Average Discount by Product Type**

**Lazada**

Legend: DSLR Cameras · Laptops · Mobile Phones · Women's Shoes · Skirts · Men's T-shirts



Three distinct discounting strategies appears to have been adopted by participating brands. Some, such as Electrolux (Refrigerators), opted for a comparatively stable discounting approach. Others, like Apple, increased prices through the sale period, while Alienware, reduced prices through the sale period.

In particular, Apple's pricing approach to its iPhones was surprising, given its strong partnership with Lazada during this Online Revolution sale. Yet another example where the marketing hype failed to translate into an aggressive discounting strategy.
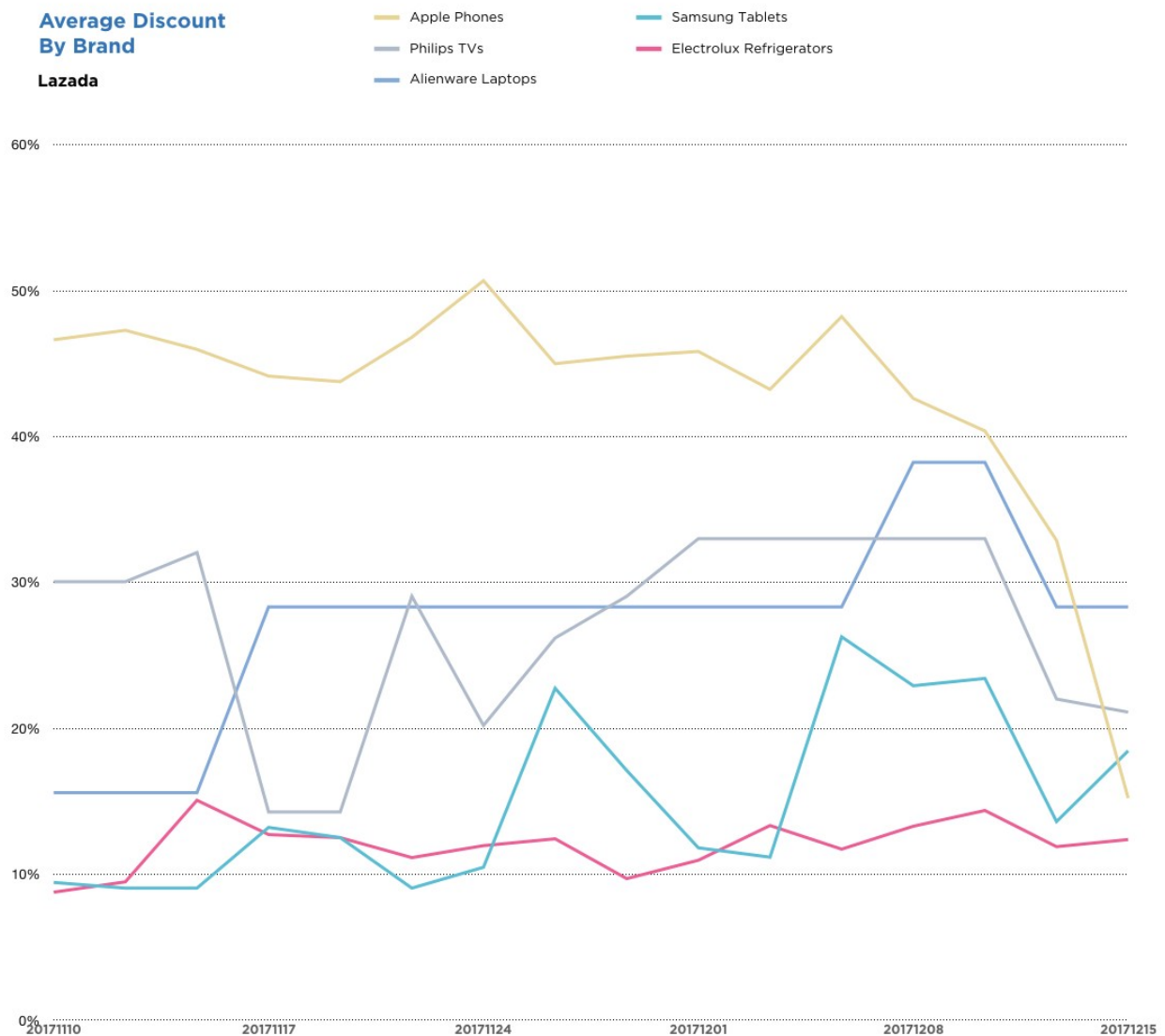
## Average Discount By Brand

**Lazada**

Apple Phones    Samsung Tablets
Philips TVs    Electrolux Refrigerators
Alienware Laptops



### More Talk Than Walk

For Lazada, the Online Revolution sale proved to be a triumph, effectively extending its record-breaking streak with USD 250 million in sales on 12.12 alone. However, on parsing through the pricing across the entire month of the sale, there is clearly no dramatic increase in discounts either on 11.11 or on 12.12 — some anomalies notwithstanding.

This goes to show that much of the sales is driven by hype, more than the additional value of discounts. To be fair, 11.11 and 12.12 hosted discounts on some of the more premium products in the assortment, while discounts on most of the mid-range products remained consistent. While some competitors like ListQoo10 chose to stay competitive, so as not to lose out

significantly on their customer base and market share, others like Blilbli chose to sit and watch, and pick up on what's left after the sale.

This year's Online Revolution has set the bar high for South East Asian retail, and going by how the event has grown over the last few years, few would be surprised if we witness another record braking sale in 2018.

If you're interested in DataWeave's technology, and how we provide Competitive Intelligence as a Service to retailers and consumer brands, check us out on **our website**!

*- DataWeave Marketing*

*26th Dec, 2017*

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