



# Late Shipment Rate

Seller Education Hub

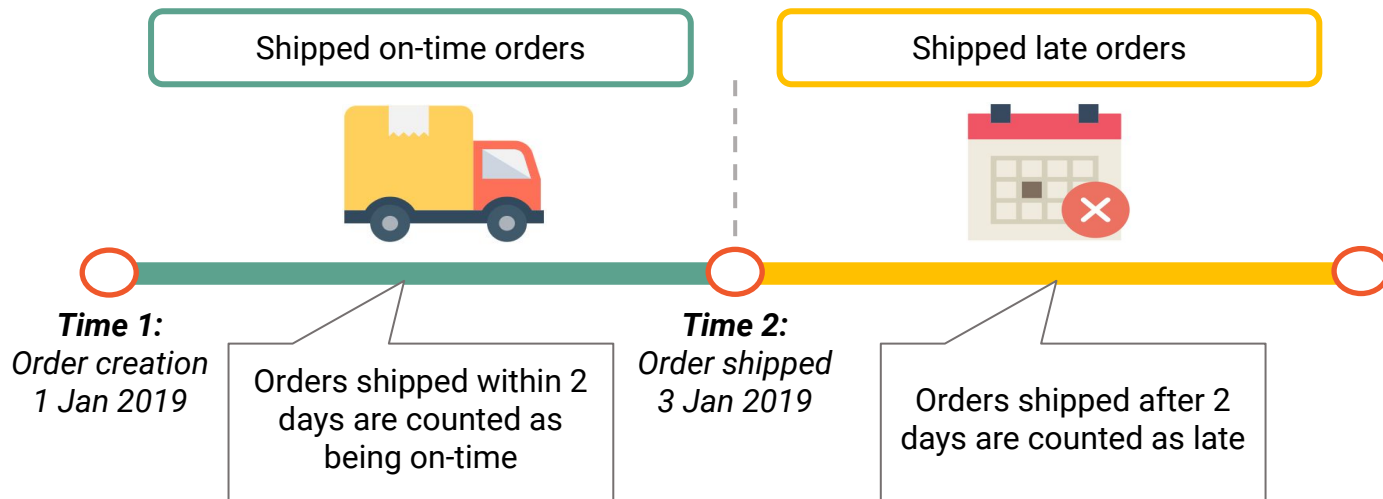
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# Introduction

# What is Late Shipment Rate (LSR)?



Late Shipment Rate **reflects the percentage of your total orders that were shipped out late in the past 7 days**. The Late Shipment Rate is calculated and **updated every Monday** by Shopee.

*Note: Ship-by-date doesn't include Weekends and Public Holiday*



# What are the performance expectations?

The Late Shipment Rate will be updated **every Monday** and sellers who do not meet the performance target will receive penalty points accordingly.

Performance Metrics	Thresholds	Penalty points if exceed thresholds
Late Shipment Rate (LSR)	≥ 15% LSR	1 point
	≥ 15% LSR and ≥ 50 late shipped orders	2 points

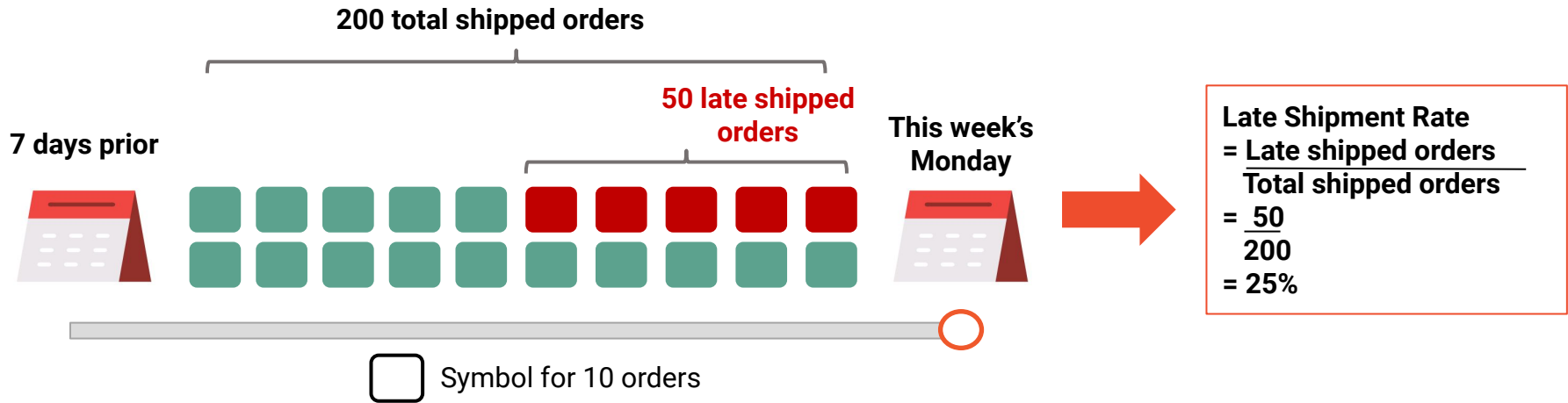
## Seller Tips!



Sellers with **high order volume and low LSR** will be given priority to join Shopee's Preferred Sellers programme. Learn more on [Shopee's Preferred Seller Programme](#) on Seller Education Hub.



# Calculation example 1



- Since Seller A has LSR of 25% which exceeds the 15% target, he will **receive 1 penalty point**.
- In addition, Seller A has **50 late shipped orders**, hence he will **receive 1 additional penalty point**.
- In summary, he will receive in **total 2 penalty points from high Late Shipment Rate** this week.



# How to check your LSR?

Home > My Shop

SHOP

- Shop Profile
- My Shipping
- My Addresses
- Shop Rating
- My Performance
- My Penalty**
- Bank Accounts / Cards

### Penalty Points

2018-07-02 To 2018-09-30 All violation types **1** points

Date	Reference number	Violation type	Explanation	Penalty Points
19 Sept	1232066	Fulfilment - High late shipment rate	You have high share of orders that were shipped out late. Improve your late shipment rate by shipping your orders out within your "days to ship".	+1 <a href="#">Details</a>

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#### Fulfilment - Late Shipment Rate

Date Demerit	19-09-2018	Reference No	1232066	Penalty Point
Description	You have high share of orders that were shipped out late. Improve your late shipment rate by shipping your orders out within your "days to ship". Refer to <a href="#">How to Reduce Late Shipment Rate</a> to avoid.			<b>1</b> <a href="#">Learn penalty rules</a>

You can view your Penalty details under **"Seller Penalty Points"**



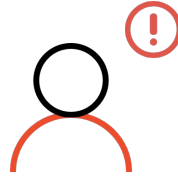
# Causes contributing to late shipment



# Five main causes leading to late shipment



Out-of-stock inventory



Insufficient manpower to pick and pack orders



Inaccurate demand forecasting during campaign or promotion period



No proper order management process



Seller is away or on leave



**Reduce late shipment**

# Out-of-stock inventory



## Situations

- ❌ **Did not update** online stock to match with offline stock.
- ❌ **Did not account** for safety stock while ordering inventory.
- ❌ **Did not track** your stock regularly.



## Solutions

- ✅ Update your inventory regularly and ensure you update stocks for all your variations.
- ✅ Do not overstate stock quantity or include stocks that have not arrived unless for pre-orders.
- ✅ Allocate only physical stock to Shopee. Do avoid cross-docking if possible.



# Insufficient manpower to pick and pack orders



## Situations

- ❌ **Did not have or having inaccurate manpower projection**, especially during campaign period.
- ❌ **Staff is new and untrained**. Hence, the staff is unfamiliar with the picking and packing process and not able to handle products properly.



## Solutions



- ✅ Ensure **sufficient manpower** to manage average demand. Use past sales data to determine demand and manpower required.
- ✅ Ensure **the team is well-trained** to pack and handle the products correctly and efficiently.
- ✅ **Provide your staff the right incentives** during peak period to boost efficiency.



# Inaccurate forecasting during campaign or promotion period





## Situations

-  **Did not track historical SKU** performance.
-  **Unfamiliar with process** of checking past sales performance on Shopee Seller Centre.



## Solutions

-  **Estimate major campaign and holiday season demand** based on:
  - (1) Past sales data and experience under **“My Data”**
  - (2) Insights from Shopee’s Business Development team
-  **Hire sufficient temporary manpower** to meet increase in demand during campaigns and peak seasons.



# No proper order management process



## Situations

- ❌ **Did not have a First In, First Out (FIFO)** while processing orders.
- ❌ **Did not have a fixed schedule** for order fulfilment.



## Solutions

- ✅ **Sort pending orders** by Ship by Date.
- ✅ Always handle orders with the nearest deadline first.
- ✅ Have a regular schedule to check your pending orders.



# Seller is away or on leave



## Situations



**Sellers forgot to turn on Vacation Mode** when they are temporarily unable to fulfill orders due to being on leave (leisure trip/medical reasons etc.)



## Solutions



**Activate Vacation Mode** if you are away and will be unable to fulfill your orders during this period of time. This will ensure that you do not receive any additional orders during this period.



However, do note that you **must continue to fulfil existing orders** while in Vacation Mode.



# **How to raise a concern to Shopee**



# How to raise a concern to Shopee

In cases where your orders were delayed by unexpected events such as natural disasters, 3PL faults, system issues etc., you can raise your concern through Shopee support with valid evidence. After the issue is validated, we will proceed to exempt the wrongly penalised orders.





# Thank you

Learn more about best practices for selling on  
Shopee on Seller Education Hub:

<https://seller.shopee.com.my/edu>