



LATE SHIPMENT RATE
SELLER EDUCATION HUB

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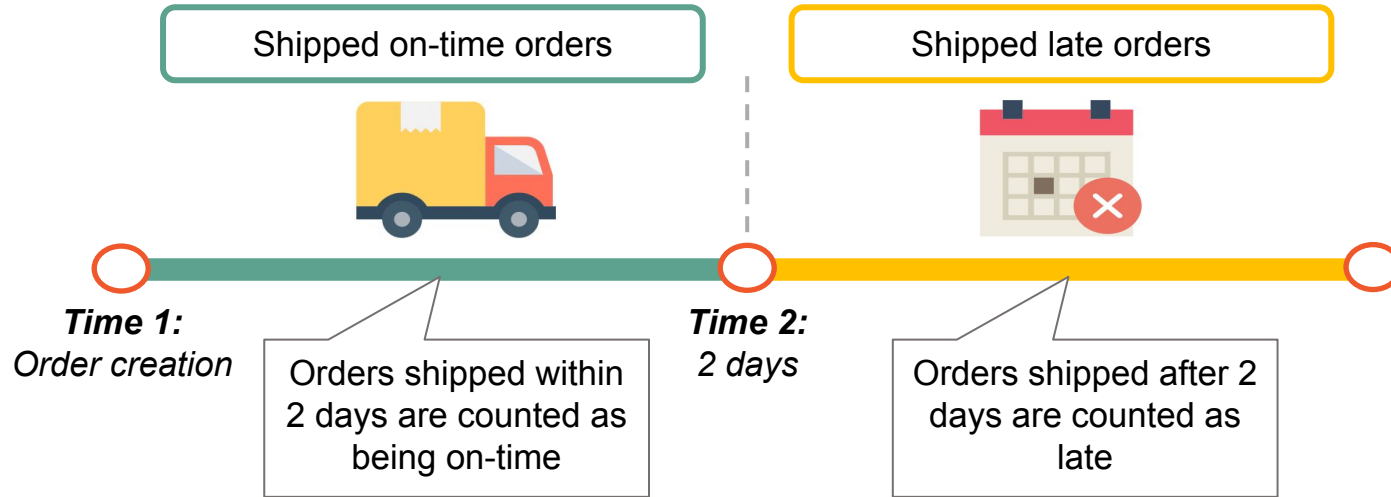


SELLER EDUCATION HUB

LATE SHIPMENT RATE

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 30 days**. The Late Shipment Rate is calculated and **updated every Monday** by Shopee.

Note: Ship-by-date doesn't include Public Holiday and weekends.



What are the performance expectations?



Late Shipment Rate (LSR) should be maintained at a **healthy level of <2%**.



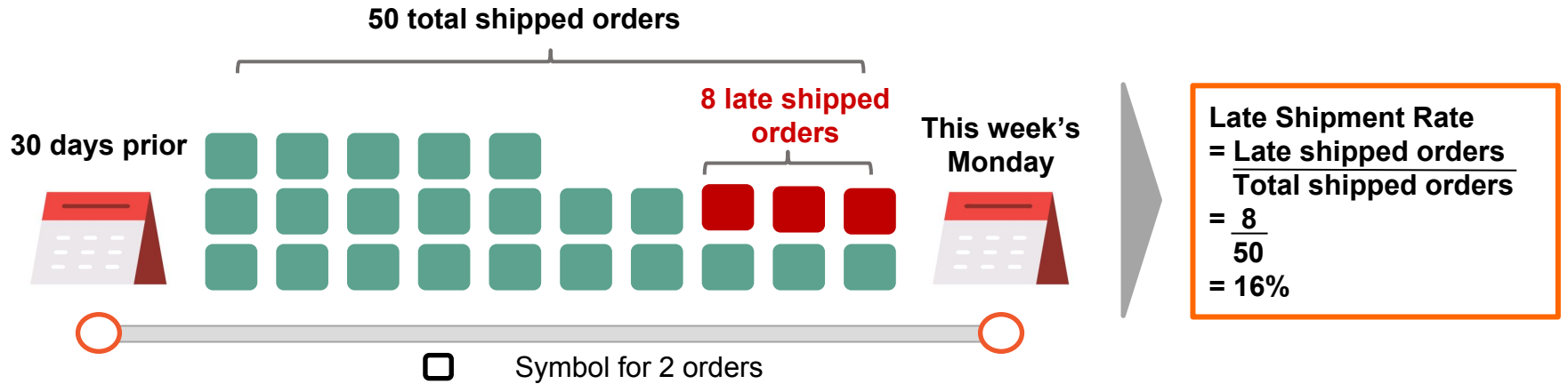
Sellers are encourage to maintain a good operational performance at **< 15% LSR**. If the sellers performance exceed the threshold, he will **receive 1 penalty** point under the Seller Penalty Points system.



Since sellers with high orders have a priority to join our Preferred Seller program, we expect a higher standard. Sellers **with higher orders (75 or more)** are subjected to a **target at 10% LSR**.



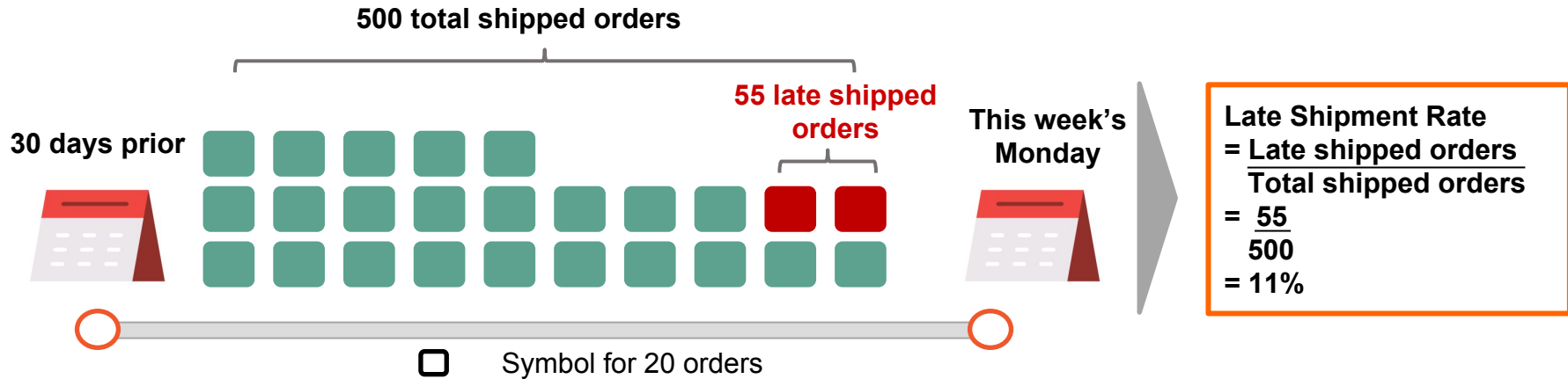
Calculation example (1/2)



Since seller A has **normal order volume**, thus his Late Shipment Rate **target is 15%**. Because his Late Shipment exceeded the 15% target (16%), he **will receive 1 penalty point** due to high Late Shipment Rate.



Calculation example (2/2)



Since seller B has **high order volume**, thus his Late Shipment Rate **target is 10%**. Because his Late Shipment exceeded the 10% target (11%), he will **receive 1 penalty point** due to high Late Shipment Rate.



What happens if you have high LSR?

The screenshot shows the 'Penalty Points' section of a seller's dashboard. The left sidebar contains navigation options: Shop Profile, My Shipping, My Addresses, Shop Rating, My Performance, **Seller Penalty Points** (highlighted with a red box), and Bank Accounts / Cards. The main content area displays a table of penalty points for the period 2018-07-02 to 2018-09-30, filtered by 'All violation types'. A single violation is listed: 'Fulfilment - High late shipment rate' on 19 Sept with reference number 1232066. The explanation states: '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".' A '+1 Details' link is highlighted with a red box. Below the table, navigation controls show 'Previous 1 Next' and 'Go to page 1'. A callout box with a dashed red border provides a detailed view of the violation: 'Fulfilment - Late Shipment Rate'. It includes the date demerit (19-09-2018), reference number (1232066), and a 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 [How to Reduce Late Shipment Rate](#) to avoid.' The penalty point count is shown as '1' with a 'Learn penalty rules' link.

Home > My Shop

SHOP

- Shop Profile
- My Shipping
- My Addresses
- Shop Rating
- My Performance
- Seller Penalty Points**
- 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 Details

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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 How to Reduce Late Shipment Rate to avoid.			1 Learn penalty rules

You can view your Penalty details under **“Seller Penalty Points”**



CAUSES CONTRIBUTING TO LATE SHIPMENT

5 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

Situations



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

Solutions



- **Update your inventory regularly** in Mobile App or Desktop (at least once a week). Ensure you update stocks for all of your variations.
- **Do not overstate** your stock quantity or include stocks that have yet to arrive, unless they are for pre-orders.
- **Allocate only physical stock to Shopee.** Do avoid cross-docking, if possible.



Insufficient manpower to pack goods

Situations



- **Did not have or having inaccurate manpower projection**, especially during campaign period

Solutions



- Make sure to **have sufficient manpower** to manage average monthly demand of orders. Sellers can use past monthly sales data to determine the approximate volume of orders and the manpower required for preparing those orders.
- Ensure **the team is well-trained** to pack and handle the products correctly, safely and efficiently. Also, do teach them how to use the Shopee platform.
- **Provide your staff the right incentives** during peak period to boost the efficiency



Inaccurate forecasting to meet order spike during campaigns and holiday seasons

Situations



- Did not track historical SKU performance

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

Situations



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

Solutions



- **Sort pending orders** by ship by date
- Always handle orders with the nearest deadline first
- Have regular schedule to check your pending orders



Seller is away or on leave

Situations



- **Sellers forgot to turn on Holiday mode** when they are temporarily unable to fulfill orders.

Solutions



- **Activate Vacation Mode** if you are away (e.g. leisure trip, medical purposes, etc.) and will be unable to fulfil 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 case your orders got 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 validate the issue, 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/help/start>