



ZALORA'S PLATFORM SERVICES POISED FOR GROWTH IN SOUTHEAST ASIA

With the potential to be a key growth driver for its business and the region's retail industry, ZALORA pivots focus to its B2B platform services and e-commerce solutions

SINGAPORE, 4 March 2024 – [ZALORA](#), Asia's fashion expert, and part of Global Fashion Group (GFG), expects its platform services to be a significant growth driver in the year ahead. Contributing to nine percent of the company's revenue last year, ZALORA's B2B platform services and e-commerce solutions will be a key focus area for expansion as Southeast Asia's e-commerce industry continues to be a bright spot despite current macroeconomic conditions.

Growing on the back of a continuous surge in new digital consumers and online retail traffic since the pandemic, a recent [report](#) by Google, Temasek and Bain & Company found that Southeast Asia's digital economy remained resilient despite global headwinds. Growth remains strong with the e-commerce sector leading the digital economy. This outlook has been drawing more brands to enter the region. However, set-up costs, supply chain requirements, and the complexities of a diverse region where Southeast Asian consumers expect faster deliveries, reliability, convenience, and ease of returns can be challenging for brands, particularly those without local infrastructure or resources.

Leveraging its strong e-commerce and local expertise in the region, and an extensive supply chain network, ZALORA today provides end-to-end e-fulfilment and e-distribution solutions as well as data and marketing services to local and international brand partners. 75% of the top 50 brands on ZALORA use its marketing services, and over 30 brands tap on its One Stock Solution for multi-channel fulfilment.

"In addition to welcoming more brands onto our platform, a significant part of our business strategy is to scale up our platform services to more effectively connect our brand partners to consumers in the region through more efficient logistics systems, supply chain enhancements, and improved customer targeting. Our priority is to unlock more value for our brand partners, to help them meet their business needs as well as evolving consumer demands," said **Matej Urban, Regional Director of Platform Services, ZALORA Group**.

Unlocking More Value for Brands

Over the last decade, ZALORA has been investing in its platform services in operations, marketing, and data to build end-to-end, state-of-the-art capabilities driven by technology. This includes services such as centralised stock management, localised delivery options, and efficient return management, that enable brands, in and beyond Southeast Asia, to simplify their operations and seamlessly access and connect with consumers in the region.

- **One Stock Solution (1SS)** provides brands with unparalleled warehousing and last-mile delivery solutions by consolidating their stocks in ZALORA's E-Fulfillment Centres and offering a supply chain infrastructure that covers all their digital platforms to give customers a consistent shopping experience across all online channels. Notably, ZALORA's regional **E-Fulfillment Hub** in Malaysia, which houses about seven million items and serves as a major fulfilment centre across the region,

recorded over 3,000 items picked per hour and more than 96 percent of orders shipped within 24 hours during ZALORA's year-end campaign last year.

- **The In-house Order Management System** streamlines efficiencies, optimises productivity, and creates a more seamless supply chain by tracking inventory movements in and out of its distribution centres, managing customer returns and refunds, processing orders in real-time, and using ZALORA's delivery fleet to enable fast and reliable end-to-end order fulfilment. This system has also been implemented in ZALORA's sister company, ANZ-based The Iconic, and will enable cross listing between the two platforms and the fulfilment of orders across regions when it fully rolls out later this year.
- **ZALORA's In-house Integration Program** establishes a dynamic virtual ecosystem that seamlessly integrates diverse business systems, enabling B2B partnerships and connections across multiple entities. It encompasses both frontend and backend components to facilitate robust communication among interconnected systems, streamlining end-users' tasks. Tailored for e-fulfilment, it automates critical data flow, including orders, order statuses, product and catalogue information, as well as stock levels, fostering efficient collaboration with external brand partners.
- **ZALORA's latest International Cross Docking Programme** provides brands with a more agile and cost-effective supply chain solution by receiving and distributing products efficiently and minimising the need for warehousing.

To support brands in a dynamic region like Southeast Asia, ZALORA's platform services also include digital store operations, customer relationship management, and production and content creation for their e-commerce and social media channels.

- **ZALORA's Production Studio** is currently exploring the use of technology and artificial intelligence (AI) to create compelling visual content, such as editorial backdrops for brand campaigns and product photoshoots, streamline production processes and schedules, and optimise budgets.
- The **E-Store Management** service helps brand partners maximise their online reach by seamlessly overseeing all their online stores and products. This includes expanding their presence on social media channels such as TikTok through the ZALORA TikTok Shop.

Driving More Sustainable Journeys for Brands and Customers

With a targeted fashion-focused customer base of millions in Southeast Asia, ZALORA remains steadfast in its commitment to sustainability as it continues to implement eco-friendly practices throughout its operations.

ZALORA's three fulfilment centres across the region achieved a 90 percent recycling rate through waste management and sustainable packaging practices. ZALORA also made considerable progress in transitioning to more sustainable materials in its operations and packaging, using 80% recycled plastic in mailers, 100% FSC-certified boxes, and replacing bubble wrap with 100% FSC-certified honeycomb and paper fillers. ZALORA also spearheaded take-back initiatives across Singapore, Malaysia, and Indonesia, encouraging customers to recycle old clothes at designated centres. In 2023, 13.5% of sold products were covered by closed-loop solutions such as their Snap & Drop initiative, and collaborations with The Salvation Army and House of Cuff, demonstrating ZALORA's commitment to promoting a circular economy and reducing environmental impact.

Embracing low-carbon last-mile delivery options, ZALORA delivered five percent of all parcels using lower-carbon logistics in the fourth quarter of 2023 and plans to make greater strides in this area. In

Jakarta, ZALORA expanded its low-emission deliveries by partnering with Westbike, a zero-emissions bicycle courier that employs marginalised youth in Indonesia's inner cities, to provide 'Same Day Green Delivery' for local customers.

Through these practices, ZALORA continues to pave the way for a greener and more environmentally conscious future, ensuring that every step of the customer journey is seamless and more sustainable.

Press materials can be found [here](#).

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About ZALORA

ZALORA is Asia's Online Fashion and Lifestyle Destination. Founded in 2012, the company has a presence in Singapore, Indonesia, Malaysia, the Philippines, Hong Kong and Taiwan. ZALORA is part of the Global Fashion Group, the world's leader in online fashion for emerging markets. ZALORA offers an extensive collection of top international and local brands and products across apparel, shoes, accessories, and beauty categories for men and women. Offering up to 30-day free returns, speedy deliveries as fast as 3 hours, free delivery over certain spend, and multiple payment methods, and a loyalty subscription program Znow offering unlimited free and fast delivery. ZALORA is the online shopping destination with endless fashion and lifestyle possibilities.

About Global Fashion Group

Global Fashion Group is the leading fashion and lifestyle destination in LATAM, SEA and ANZ. From our people to our customers and partners, we exist to empower everyone to express their true selves through fashion. Our three ecommerce platforms: Dafiti, ZALORA and THE ICONIC connect an assortment of international, local and own brands to over 800 million consumers from diverse cultures and lifestyles. GFG's platforms provide seamless and inspiring customer experiences from discovery to delivery, powered by art & science that is infused with unparalleled local knowledge. Our vision is to be the #1 fashion & lifestyle destination in LATAM, SEA and ANZ, and we are committed to doing this responsibly by being people and planet positive across everything we do.
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