Cross-Border Selling on Tiki Platform

The Most-Trusted E-commerce Platform in Vietnam

https://tiki.vn
WHY SELLING IN VIETNAM?
VIETNAM’S OPPORTUNITY

Fast Growing Economy
- GDP: **2.5X** from $186B (2015) to $450B (2025)
- **17th biggest economy** globally
- GDP per capita: **2.1X** from $2,111 (2015) to $4,357 (2025), reaching middle-income country

Young Population
- **70%** of the population are under 35 years old
- **2/3** of the population are educated workers, shoppers

High Internet/Smartphone Penetration
- 38 million 3G users (41% population, 2016)
- 37 million smartphones (40% population, 2016)
- High and growing access to internet

![Percent change in GDP on year ago](chart)

![Urban 4 Cities vs Rural](map)
VIETNAM’S OPPORTUNITY

$US 200B B2C Retail Market in 2025

**CAGR = 8-12%**

B2C EC to grow 33% - 50% CAGR

**CAGR = 33-50%**
$1.75b cross-border market (2016)

### Market Size by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics</td>
<td>570.2</td>
<td>32.5%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>447.7</td>
<td>25.5%</td>
</tr>
<tr>
<td>Fashion</td>
<td>407.2</td>
<td>23.2%</td>
</tr>
<tr>
<td>Drugs &amp; Supplements</td>
<td>176.8</td>
<td>10.1%</td>
</tr>
<tr>
<td>Food</td>
<td>61.3</td>
<td>3.5%</td>
</tr>
<tr>
<td>Baby care</td>
<td>59.9</td>
<td>3.4%</td>
</tr>
<tr>
<td>Books</td>
<td>26.3</td>
<td>1.5%</td>
</tr>
<tr>
<td>Liquor</td>
<td>1.3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Other products</td>
<td>2.5</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,753.1</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
7/10 online shoppers are also cross-border shoppers

9/10 are open to a cross-border ecommerce solution that can address their concerns

### Customer Profile

<table>
<thead>
<tr>
<th>Est. Count</th>
<th>3m+ cross-border shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Both genders equally</td>
</tr>
<tr>
<td>Age</td>
<td>25 and above</td>
</tr>
<tr>
<td>Income</td>
<td>Class A &amp; B</td>
</tr>
<tr>
<td>AOV</td>
<td>$50 - 350 (avg. = $91)</td>
</tr>
<tr>
<td>Order/year</td>
<td>6.6 times</td>
</tr>
</tbody>
</table>

### Driving factors
- Higher quality
- Lower price
- Larger selection

### Main concerns
- No aftersales services
- Long delivery time
- Uncertain product quality
WHY SELLING WITH TIKI?
WHO IS TIKI?

1st
LOCAL E-COMMERCE

Tiki.vn is the leading online retailer in Vietnam, offering seamless end-to-end retail experience.

2nd
ALL E-COMMERCE

Proven business model and similar growth path to Amazon and JD.com.
**TIKI STORY OF MARKET INNOVATION**

**Become #1 in Books**
- 89% Customer Satisfaction Rate
- E-Commerce Award: #1 Customer Favorites & Best Delivery Service
- Nationwide delivery & services.

2010 - 2011-12

**Garage startup: online English bookstore**
- **First** in VN to pioneer “7-days/week customer services”
- **First** to embrace 7-days Return Policy (for books) services

**#2 General E-commerce co.**
- #2 in Ecom site visitors
- Fastest and most reliable delivery service ecommerce service in VN (1.7 days nationwide)

2016

**More than just books**
- Expand to over 10 categories
- 10,000sqm2 warehouses (HCM & HN)
- **First** in VN launch 24h Delivery

2013-15

**#TIKINOW LAUNCHING (2h DELIVERY).**
- **First and only 1 in VN** can launch 2h delivery (TikiNow) in Sep 2017 and reach 1,000 order daily after 1 months
- Giftwrapping launch in Nov 2017

2017
Tiki - Platform of Trust

The #1 trusted platform for customers and providers to interact, shop and sell with ease of mind.
TIKI DNA

3,000,000
REGISTERED MEMBERS

5,000
AUTHENTIC BRANDS

300,000
AUTHENTIC PRODUCTS
Tiki – THE TRUSTED E-COMMERCE

#1 Domestic Brand on Social Media

Tiki mentioned positively in over 1 million posts on social media in 2016

Net Promoter Score

Our Net Promoter Score beats the competition and rivals world-class companies.
80% are Female

Female - The Future of E-commerce
In Southeast Asia, “women contribute to 80% of all household purchases, out shop men by 20%, and spend 40% more time on online retailers”

As shoppers stay and mature with us, Female >24yo contribute increasingly more to our NMV

NMV by Demographics (2017)
Prepaid tends to increase, this shows Tiki.vn is a trustworthy platform.

Customer behavior on Tiki.vn is shifting to mobile. This brings more chance for brand to sell anywhere anytime.
Largest self-operating fulfillment centers with the capability to fulfill 70,000 products daily.
Click-to-Delivery (C2D) Lead time: the amount of time it takes from when a consumer places an order to when that consumer receives it.
TIKI OPERATION COMMITMENT

RETURN RATE < 1%

Tiki.vn is proudly maintaining less than 1% return rate, which is a figure to be proud of to any E-commerce site in the world.

SHORT PAYMENT TERM

Tiki process financial counting and payout on weekly and monthly basis.
**Seller View**

**Seller Experience with Tiki**

**Tier 1: Seller with revenue over 100 mil/month**

**Tier 2: Seller with revenue over 15 mil – 100mil/month**

**Tier 3: Seller with revenue over 01 mil – 15mil/month**

**Tier 4: Seller with revenue under 01mil/month**

- **31.5% Good**
- **25.0% Very Good**
- **43.5% Excellence**
CROSS BORDER OVERVIEW

Platform

Receive Orders

Customer

Pay 3P Vendors on behalf of Seller

Collect Payments on behalf of Seller

Disburse Payments to Seller’s payment bank

PayPal

3PLs

First-mile Partner

Intl. Merchant

Payoneer

Last-mile Partner

Relay Orders

Tiki.VN
CROSS BORDER PROCESS

**SIGN UP**
Follow Tiki’s guideline and paperwork requirement to complete the sign up

**SELL**
List your products on Tiki platform and sell to Vietnamese customers

**SHIP**
Ship your orders to the third-party logistics providers and they will take care of the rest

**GET PAID**
Relax. Enjoy. Get paid
Thank you