



Published by:

International Office, Universitas Pendidikan Nasional, Jalan Bedugul No. 39, Sidakarya, Denpasar, Bali, Indonesia
Email: journal.revenue@undiknas.ac.id Website: <https://journal.undiknas.ac.id/index.php/REVENUE>

p-ISSN : 2723-4584
e-ISSN : 2962-4819

Strategy, supply chain, and digital marketing for competitive advantage : A case of Shopee

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ABSTRACT

This paper examines the synergies of Shopee, Southeast Asia's leading e-commerce platform, in integrating supply chain (SC) innovation, electronic marketing, and management as it tries to remain competitive in this more and more dynamic and competitive digital economy. The success of Shopee may be attributed to its ability to harness dynamic capabilities, namely data analytics, and, more importantly, the flexibility it can maintain in response to harsh competitive pressures from Tokopedia, Lazada, and the burgeoning TikTok Shop platform array. This analysis will show how Shopee is vulnerable to the threats of low switching costs, high bargaining power of consumers, and discontinuous technological change within the strategic management framework of Porter's Five Forces and PESTEL, and ultimately, the imperatives of strategic adaptation. The deployment of electronic SC management and e-procurement systems by Shopee enhances its competitive position within the SC. The company is able to respond faster and more efficiently through the use of technology, which is crucial in Indonesia's large and difficult-to-reach market. Additionally, the vertical integration enabled by Shopee Express, Shopee Hub, and tracking systems ensures efficiency in the value chain, thereby increasing the competitiveness of small and medium-sized enterprises and overall consumer satisfaction. In today's mobile-centric market, the online marketing approach used by Shopee, which involves interaction through live-commerce, influencer engagement, gamification, and content customization, ensures fast business acquisition and retention. Shopee is able to optimize the conversion process and reduce friction in the checkout process because of the behavioral patterns exhibited by consumers, which show demand for interactive and instant online shopping and payment processes. The demand for ecosystem engagement and trust is further fueled by the competitive edge brought about by the acquisition of Tokopedia by TikTok. In conclusion, the overall approach, SC, and online marketing strategy adopted by Shopee helps to provide an overall innovation-driven model, which enhances the competitive positioning of Shopee. This is crucial as it positions Shopee as one of the leaders within the Southeast Asian digital economy, and it helps to democratize digital by empowering the SME sector as well.

Keywords: Digital Business, Digital Marketing, E-Commerce, Supply Chain, Entrepreneurship

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INTRODUCTION

The rapid expansion of the digital economy has fundamentally transformed how firms create value, compete, and sustain advantage across global markets. Platform-based business models, particularly in e-commerce, have reshaped traditional boundaries between production, distribution, and consumption by leveraging data, network effects, and digital infrastructures (Butollo & Schneidmesser, 2022). In emerging markets, these transformations are even more pronounced, as digital platforms often compensate for institutional gaps, fragmented logistics systems, and uneven market access. In Southeast Asia, the e-Conomy SEA report highlighted that the e-commerce sector has experienced exponential growth, with the region's gross merchandise value (GMV) projected to exceed

USD 300 billion by 2025, driven by increasing internet penetration, mobile-first consumption, and digital payment adoption. Indonesia, as the largest market in the region, plays a pivotal role, contributing a substantial share of this growth while simultaneously presenting structural challenges such as fragmented logistics, geographical dispersion, and uneven infrastructure development. These dynamics intensify competition among platform-based firms and necessitate continuous innovation in strategy, supply chain management, and digital marketing capabilities. Consequently, firms operating in digital environments are increasingly required to develop strategic agility, integrate supply chains digitally, and deploy data-driven marketing capabilities to respond to volatile demand and intensified competition (Alfaqiyah et al., 2025).

Within Southeast Asia, e-commerce platforms face a uniquely dynamic and contested competitive landscape. The region is characterized by rapid digital adoption, mobile-first consumer behavior, and strong growth in social commerce, while simultaneously presenting structural challenges such as geographical dispersion, regulatory diversity, and infrastructure asymmetries (Perdana et al., 2025). As competition intensifies—notably through the convergence of e-commerce and social media platforms—firms can no longer rely solely on scale or price-based strategies. Instead, sustained competitiveness increasingly depends on the ability to integrate strategic management, supply chain innovation, and digital marketing within a coherent ecosystem that can continuously adapt to technological, regulatory, and behavioral changes.

Despite a growing body of literature on digital platforms, dynamic capabilities, and e-commerce performance, existing studies often examine these dimensions in isolation. Strategic management research emphasizes dynamic capabilities and competitive positioning, while supply chain studies focus on efficiency and integration, and digital marketing research highlights customer engagement and personalization (Anwar et al., 2025). However, limited attention has been paid to how these elements jointly interact within a single platform ecosystem, particularly in emerging-market contexts. This gap is critical, as platform competitiveness increasingly arises from the orchestration of cross-functional capabilities rather than from standalone strategic initiatives. This fragmentation creates a critical research gap, as platform competitiveness increasingly depends on cross-functional integration rather than isolated capabilities.

Addressing this gap is particularly urgent given the intensifying competition, regulatory scrutiny, and technological disruption shaping the region's digital economy. Understanding how leading platforms integrate multiple capabilities is essential not only for advancing academic discourse but also for informing managerial decision-making in highly volatile and complex environments. Accordingly, the purpose of this article is to examine how an integrated approach to strategic management, digital supply chain practices, and digital marketing capabilities contributes to sustained competitive advantage in the Southeast Asian e-commerce sector. Using Shopee as a focal case, this study aims to analyze how dynamic capabilities are operationalized through electronic supply chain management, e-procurement, and data-driven digital marketing to enhance agility, value creation, and ecosystem performance. By adopting a holistic perspective, the article seeks to contribute to the literature on digital entrepreneurship and platform strategy while offering practical insights for managers navigating increasingly competitive and regulation-sensitive digital markets.

This study makes three main contributions. First, it extends the literature on digital platforms by providing a holistic, cross-functional perspective on capability integration within a single ecosystem. Second, it enriches the dynamic capabilities framework by demonstrating how sensing, seizing, and reconfiguring processes are operationalized across strategy, supply chain, and marketing domains. Third, it offers practical insights for managers and policymakers on how to design resilient and adaptive platform strategies in emerging digital markets characterized by rapid growth and structural complexity.

LITERATURE REVIEW

Digital Platforms and Competitive Advantage

The emergence of digital platforms has fundamentally redefined the sources of competitive advantage in contemporary markets. Unlike traditional firms, platform-based businesses create value through the orchestration of multi-sided interactions, leveraging network effects, data analytics, and scalable digital infrastructures (Suuronen et al., 2024). In such environments, competitive advantage is no longer derived solely from resource ownership, but from the firm's ability to integrate and reconfigure resources dynamically in response to market changes. The concept of dynamic capabilities provides a useful theoretical lens to understand how firms sustain competitiveness in volatile digital ecosystems. Dynamic capabilities refer to a firm's ability to sense opportunities, seize them through strategic action, and reconfigure internal and external resources accordingly (Teece, 2007). In digital platform contexts, these capabilities are particularly critical due to rapid technological change, low switching costs, and intensified competition. Prior studies suggest that firms with strong dynamic capabilities are better positioned to adapt their business models, integrate technological innovations, and maintain long-term performance (Zollo et al., 2016). However, existing research often emphasizes competitive advantage at a conceptual level, with limited empirical exploration of how these capabilities are operationalized across multiple functional domains within a single platform ecosystem. This limitation is particularly evident in emerging markets, where institutional constraints and infrastructural challenges further complicate value creation processes.

Supply Chain Integration in Digital Business

Supply chain management has evolved from a cost-focused operational function into a strategic capability that enables responsiveness, flexibility, and customer value creation. In digital business environments, supply chains are increasingly characterized by end-to-end integration, real-time data visibility, and platform-based coordination mechanisms (Goertler, 2025). The concept of electronic supply chain management (e-SCM) highlights the role of digital technologies in synchronizing upstream and downstream activities. Through data integration, firms can improve demand forecasting, reduce lead times, and enhance coordination among supply chain actors (Barati, 2025). This is particularly relevant in geographically complex markets such as Indonesia, where logistical inefficiencies and infrastructure disparities pose significant operational challenges.

Moreover, the integration of supply chain and demand management, often conceptualized as demand chain management, emphasizes the alignment between operational capabilities and market needs. Studies have shown that firms with higher levels of supply chain integration exhibit greater agility and resilience, enabling them to respond effectively to demand fluctuations and external disruptions (Alfaqiyah et al., 2025; Singh & Modgil, 2025). Despite these advancements, much of the literature treats supply chain integration as an isolated function, without fully considering its interaction with other strategic capabilities such as marketing and platform governance. This creates a gap in understanding how supply chain capabilities contribute to overall platform competitiveness.

Digital Marketing and Customer Engagement

Digital marketing has become a central driver of value creation in platform-based businesses, shifting from traditional promotion toward data-driven, personalized, and interactive engagement strategies. Advances in artificial intelligence and big data analytics enable firms to tailor content, recommendations, and promotional offers based on individual user behavior, thereby enhancing customer experience and conversion rates (Bag et al., 2022). One of the most significant developments in digital marketing is the rise of interactive and social commerce, including live streaming, influencer marketing, and user-generated content. These mechanisms facilitate real-time communication between sellers and consumers, increasing trust, reducing information asymmetry, and accelerating purchasing decisions. In mobile-first markets, such as Southeast Asia, these interactive formats play a critical role in shaping consumer behavior and driving engagement. Personalization is another key dimension of digital marketing effectiveness. Algorithm-driven systems continuously analyze user data to deliver relevant content and optimize marketing performance (Yang & Peng, 2026). This not only improves short-term sales outcomes but also strengthens customer loyalty and lifetime value. However, prior research predominantly focuses on digital marketing as a standalone function, often neglecting its dependence on operational capabilities such as supply chain readiness and payment systems. This fragmented perspective limits the understanding of how marketing effectiveness is co-created within broader platform ecosystems.

Integration of Strategy, Supply Chain, and Digital Marketing

Recent studies increasingly recognize that sustainable competitive advantage in digital markets arises from the integration of multiple functional capabilities rather than their isolated optimization. The alignment between strategic management, supply chain operations, and digital marketing is essential for ensuring consistency between value creation and value delivery processes (N. Li et al., 2023; Ning & Yao, 2023). From a theoretical perspective, value chain integration and platform ecosystem theory suggest that firm performance is enhanced when activities across the value chain are coordinated through shared data and strategic intent (Loonam & O'Regan, 2022). In this context, supply chain capabilities enable fulfillment efficiency, digital marketing drives demand generation, and strategic management ensures alignment and adaptability.

Empirical evidence indicates that cross-functional integration improves firm performance by enhancing responsiveness, reducing inefficiencies, and strengthening customer experience (Badwan, 2025; S. Li et al., 2022). For instance, the synchronization of marketing campaigns with supply chain capacity ensures that demand surges can be met without compromising service quality. Similarly, data analytics can serve as a bridging mechanism that connects strategic decision-making with operational execution. Nevertheless, the literature remains fragmented, with limited studies examining how these capabilities are jointly orchestrated within a single platform firm, particularly in emerging-market settings. This gap is significant, as digital platforms increasingly rely on ecosystem coordination and real-time integration to sustain competitiveness.

METHODS

This study adopts a qualitative case study approach to examine the integration of strategic management, digital supply chain practices, and digital marketing capabilities within a leading e-commerce platform in Southeast Asia. A case study design is appropriate for this research as it enables an in-depth exploration of complex organizational phenomena within their real-life context, particularly in rapidly evolving digital markets where variables are interdependent and difficult to isolate (W. B. Gunawan, 2024). Shopee was selected as the focal case due to its dominant market position in Southeast Asia, its extensive digital ecosystem, and its relevance in illustrating how platform firms operationalize dynamic capabilities in response to intensified competition and

regulatory pressures.

The empirical analysis is based on grey literature and secondary data sources, including corporate disclosures, annual reports, corporate websites, industry reports, regulatory publications, press releases, and reputable news outlets, complemented by insights from academic literature. Data triangulation was employed to enhance analytical rigor and credibility by cross-validating evidence across multiple sources and perspectives (W. Gunawan & Widjaja, 2024). This triangulation process allows the study to mitigate potential bias inherent in single-source data and to construct a coherent narrative linking strategic intent, operational practices, and market outcomes. The collected data were analyzed thematically, guided by the dynamic capabilities framework, to identify patterns related to sensing, seizing, and reconfiguring activities across Shopee's strategy, supply chain, and digital marketing functions.

RESULTS AND DISCUSSION

Results

Strategic Management and Digital Business Strategy

The case analysis reveals that Shopee's competitive advantage in the Southeast Asian digital marketplace is primarily driven by its ability to orchestrate strategic management processes that are deeply embedded within its digital business model. Rather than relying solely on scale or pricing strategies, Shopee leverages platform-based network effects, data-driven decision-making, and dynamic managerial capabilities to remain adaptive in a highly volatile competitive environment (Maspul & Ardhin, 2025). The findings indicate that Shopee's strategic positioning reflects an ongoing process of strategic sensing and adjustment, consistent with dynamic competition in digital platform markets.

The results show that Shopee operates in an environment characterized by intense competitive rivalry, low switching costs, and rapid technological change (Table 1). Competitive pressure arises not only from established e-commerce platforms such as Lazada and Tokopedia, but increasingly from hybrid social-commerce models following the integration of TikTok and Tokopedia. This environment amplifies buyer bargaining power, as consumers can easily compare prices, promotions, and delivery services across platforms, while suppliers—primarily merchants and brands—face platform dependence due to Shopee's large user base (Cutolo & Kenney, 2021). These dynamics confirm that Shopee's strategic challenge lies in continuous differentiation rather than market dominance alone. Complementary environmental analysis indicates that regulatory scrutiny, uneven digital infrastructure, and sustainability considerations further shape Shopee's strategic context. Regulatory intervention, particularly in logistics and platform neutrality, constrains excessive vertical integration, requiring Shopee to balance efficiency gains with compliance and competitive fairness. Together, these findings highlight that Shopee's strategic environment is not static but continuously reshaped by technological convergence, policy oversight, and evolving consumer behavior.

The analysis further indicates that Shopee's strategic objectives emphasize growth, retention, and operational excellence while maintaining ecosystem sustainability. These objectives are operationalized through a strong internal alignment between strategic intent and execution, reflected in Shopee's coordinated investments in logistics, fintech integration, and digital engagement tools. Rather than pursuing expansion at the expense of efficiency, Shopee demonstrates a deliberate effort to balance user growth with cost discipline and platform stability. This alignment is reinforced by decentralized yet coordinated leadership across regional markets, enabling Shopee to tailor strategic actions to local conditions while maintaining a unified platform vision. The results suggest that such alignment facilitates faster decision-making and enhances Shopee's capacity to respond to competitive shocks, particularly in periods of heightened promotional intensity and technological disruption.

Findings from the case indicate that Shopee's strategy implementation is highly data-driven and iterative. Strategic insights derived from analytics are rapidly translated into operational initiatives, such as adaptive pricing, targeted promotions, and logistics optimization (Okolo et al., 2023). This implementation process reflects strong sensing, seizing, and reconfiguring capabilities, allowing Shopee to adjust its business model in response to real-time market feedback. Shopee's dynamic managerial capabilities are particularly evident in its ability to integrate cross-functional resources. Data analytics functions as a co-specialized asset that connects strategic planning, supply chain operations, and digital marketing execution (Eriksson et al., 2022). As a result, Shopee is able to realign resources quickly during demand surges, regulatory changes, or shifts in consumer preferences, reinforcing strategic agility as a core outcome of its management approach.

The results also show that Shopee exhibits a predominantly prospector-oriented strategy, characterized by continuous experimentation, platform feature innovation, and proactive market exploration. At the same time, Shopee retains analyzer characteristics by exploiting established efficiencies in its core marketplace operations. This hybrid strategic posture enables the firm to pursue innovation while maintaining operational reliability, which is critical in high-volume digital markets (Hani et al., 2025). Importantly, Shopee's entrepreneurial orientation extends beyond profit maximization to ecosystem development. By enabling SMEs to access digital infrastructure, logistics, and payment systems, Shopee embeds entrepreneurial value creation within its strategic model. This

dual focus on scalability and inclusion strengthens platform resilience and reinforces Shopee's competitive positioning in emerging-market contexts.

Overall, the results demonstrate that Shopee's strategic management effectiveness stems from the integration of competitive analysis, aligned objectives, and dynamic implementation capabilities (Table 1). Strategic choices such as mobile payment integration, logistics coordination, and data-driven personalization are not isolated initiatives but interconnected components of a coherent digital business strategy. This integration enhances Shopee's ability to sustain competitiveness amid intensifying rivalry and regulatory scrutiny. Taken together, the findings suggest that Shopee's competitive advantage is rooted less in platform size and more in strategic agility—the capacity to continuously align resources, capabilities, and entrepreneurial goals with a rapidly changing digital environment. This strategic integration provides the foundation for subsequent operational performance in supply chain management and digital marketing, which are examined in the following sections.

TABLE 1. Porter's Five Forces Analysis of Shopee

Aspect	Analysis
Competitive Rivalry	Shopee competes with fierce rivals like Lazada, Tokopedia, and TikTok Shop in the fiercely competitive e-commerce sector. With regular price reductions, advertising campaigns, and free delivery deals, the competition is fierce. Rivalry is also heightened by how simple it is to switch between platforms.
Bargaining Power of Suppliers	The majority of Shopee's suppliers are merchants, brands, and independent sellers. Shopee has moderate to high control over terms and platform policies because there are several vendors vying for visibility. However, supplier influence in some sectors can be increased by exclusive alliances with major brands or logistical companies.
Bargaining Power of Buyers	Buyers can quickly compare prices, read reviews, and move to rival platforms, Shopee customers have significant negotiating leverage. Flash sales and frequent marketing are frequently required to keep customers loyal. Buyer impact is increased by the abundance of different e-commerce possibilities.
Threat of New Entrants	There is a moderate risk of new competitors, although it is technically simple to set up an online marketplace, significant investments are needed to secure logistics networks, develop brand reputation, and draw in both customers and sellers. Shopee's integrated ecosystem (ShopeePay, Shopee Express) and strong brand presence serve as major obstacles.
Threat of Substitutes	Social commerce services that allow users to purchase directly from sellers, such as Facebook Marketplace, Instagram Shopping, and TikTok Shop, pose a threat. Customers who prefer in-person purchasing still have access to offline retail, which poses a mild threat of substitution.

Supply Chain and Demand in Digital Business

The case analysis indicates that Shopee's supply chain configuration plays a central role in enabling strategic agility and demand responsiveness within Indonesia's highly fragmented and geographically dispersed market. Rather than functioning as a conventional intermediary, Shopee operates as an orchestrator of a digitally integrated supply chain, aligning sellers, logistics partners, and consumers through platform-based coordination mechanisms. This integration allows Shopee to manage demand volatility, reduce delivery friction, and sustain service reliability during high-volume transactional periods.

The findings show that Shopee's adoption of electronic supply chain management (e-SCM) significantly enhances visibility and coordination across upstream and downstream activities. Through real-time data exchange, sellers, warehouses, and logistics partners are synchronized within a unified digital infrastructure. This integration improves order fulfillment accuracy, shortens delivery lead times, and reduces operational delays, particularly during peak demand cycles such as national promotional campaigns (Ardolino et al., 2025). Shopee's e-SCM capability is especially critical given Indonesia's complex logistics environment, characterized by uneven infrastructure quality and inter-island distribution challenges. The results suggest that digital integration mitigates these structural constraints by enabling dynamic routing, demand forecasting, and performance monitoring across logistics partners (Dolgui & Ivanov, 2022). Consequently, supply chain responsiveness emerges as a key enabler of Shopee's ability to scale operations without proportionally increasing coordination costs.

The analysis further reveals that Shopee's platform functions as a digital procurement ecosystem that connects a wide range of vendors, including sellers, logistics providers, marketing partners, and technology suppliers. Through e-procurement mechanisms, Shopee standardizes onboarding processes, contract management, and performance evaluation, thereby improving efficiency and transparency across its value network. This digital procurement structure allows Shopee to manage high transaction volumes while maintaining control over service

standards and compliance requirements. However, the findings also highlight governance challenges associated with platform-based procurement. Shopee's partial vertical integration—particularly through Shopee Express and Shopee Hub—creates efficiency gains but also raises regulatory concerns related to competitive neutrality. Regulatory scrutiny has prompted Shopee to recalibrate its procurement and logistics policies by increasing cooperation with external partners and reinforcing transparency in vendor selection. These adjustments indicate that effective e-procurement in platform ecosystems requires not only technological sophistication but also governance mechanisms that balance efficiency with fairness (Table 2).

The results demonstrate that Shopee's integrated supply chain significantly enhances business agility by enabling rapid responses to demand fluctuations. Data-driven demand forecasting allows the platform to anticipate order surges, allocate logistics capacity dynamically, and adjust promotional strategies in near real time (Gutierrez-Franco et al., 2021). This responsiveness is particularly evident during large-scale sales events, where supply chain disruptions could otherwise undermine customer trust and platform credibility. From a demand management perspective, the tight coupling between supply chain operations and digital marketing initiatives further amplifies value creation (Bai et al., 2021). Promotional campaigns, live commerce events, and voucher-based incentives are synchronized with logistics readiness, ensuring that increased demand does not exceed fulfillment capacity. This coordination reduces failed deliveries, accelerates returns processing, and enhances overall service reliability, reinforcing positive consumer experiences.

The case findings indicate that Shopee's supply chain effectiveness generates value not only for the platform but also for ecosystem participants. For consumers, integrated logistics translate into faster delivery, transparent tracking, and flexible payment options such as cash-on-delivery. For sellers—particularly micro, small, and medium enterprises—Shopee's logistics infrastructure lowers entry barriers by providing nationwide distribution capabilities that would otherwise be inaccessible. At the platform level, these efficiencies contribute to lower cost-to-serve, improved customer retention, and stronger seller dependence on the ecosystem (Faramarzi et al., 2024). However, the results also suggest that sustaining this value creation requires continuous investment in digital infrastructure, warehouse automation, and multi-partner collaboration. Without such investments, scale advantages could be offset by service variability and regulatory constraints.

Overall, the analysis shows that Shopee's supply chain is not merely an operational function but a strategic capability tightly linked to competitive advantage. The integration of e-SCM and e-procurement enables Shopee to align supply-side coordination with demand-side growth strategies, reinforcing strategic agility across the platform. This integration supports Shopee's ability to innovate, scale responsibly, and maintain ecosystem trust in a rapidly evolving digital commerce environment. These findings underscore the role of digitally enabled supply chains as foundational to platform competitiveness, setting the stage for examining how digital marketing and media communication further leverage this operational backbone to drive engagement and performance.

TABLE 2. Value Added Activity of Shopee's Business Process

Main Activity	Details
Inbound Logistics	Seller-integrated fulfillment via Shopee Hub and Shopee Express; coordination with third-party logistics partners.
Operations	Platform transaction management, digital payments (ShopeePay), and engagement features (Shopee Live, gamification).
Outbound Logistics	Multi-partner delivery network with real-time tracking and cash-on-delivery options.
Marketing and Sales	AI-driven product recommendations and personalized promotions.
Services	Digital customer support (chatbots, call centers), returns management, and seller capability development (Shopee University).
Supporting Activity	Explanation
Firm Infrastructure	Strategic management through Sea Group, big data analytics, ERP for operation integration.
Human Resource Management	Digital talent recruitment, in-house training, and HR development for technology and customer service.
Technology Development	Mobile application development, AI systems for product recommendations, and digital transaction security.
Procurement	Partnerships with sellers, logistics providers, and

Digital Marketing and Media Communication

The case analysis indicates that Shopee's digital marketing and media communication capabilities function as a critical demand-side complement to its strategic management and supply chain integration. Rather than serving merely as promotional tools, digital marketing activities at Shopee are embedded within the platform's broader ecosystem logic, linking customer engagement, seller performance, and operational readiness. The findings suggest that Shopee's ability to convert traffic into sustained engagement and transactions is closely tied to its data-driven marketing execution and interactive media strategies. The results show that Shopee maintains a strong market position in Southeast Asia by leveraging high-frequency, high-visibility digital campaigns that reinforce brand salience and platform usage. Shopee's marketing performance is supported by rapid growth in gross merchandise value and user engagement, particularly during large-scale promotional events. However, intensified competition—especially following the consolidation of TikTok and Tokopedia—has reshaped the digital marketing landscape by accelerating the shift toward social-commerce and video-first discovery models (Grover et al., 2025). This competitive pressure has required Shopee to recalibrate its digital communication strategy. Rather than competing solely on price incentives, Shopee increasingly emphasizes interactive and content-driven engagement mechanisms to maintain relevance. The findings indicate that trust, entertainment value, and real-time interaction have become central to competitive differentiation, particularly among mobile-first consumers.

The analysis reveals that Shopee's digital marketing strategy is strongly aligned with evolving consumer behavior in Indonesia and the wider Southeast Asian market. Consumers exhibit a pronounced preference for mobile-based shopping experiences, with live commerce emerging as a key driver of demand stimulation. Real-time interaction with hosts, influencers, and sellers enhances perceived product credibility and reduces purchase uncertainty, thereby shortening the discovery-to-purchase cycle (Xu & Su, 2025). In addition, the integration of digital payment solutions significantly reduces transaction friction. Seamless checkout processes, combined with real-time promotional incentives, support impulse purchasing behavior and increase conversion rates. These findings suggest that Shopee's demand generation is not driven by content or promotions alone, but by the synchronization of media communication, payment systems, and logistics readiness.

The results demonstrate that personalization is a foundational element of Shopee's digital marketing effectiveness. Algorithm-driven recommendation systems curate product listings, promotional content, and vouchers based on individual user behavior, including browsing history, purchase frequency, and engagement patterns (Wen & Li, 2025). This continuous feedback loop enhances relevance and increases the efficiency of marketing expenditures. Personalization also extends to communication timing and format, with push notifications, in-app banners, and dynamic landing pages tailored to user-specific contexts. The findings suggest that this level of customization strengthens platform stickiness and supports repeat purchase behavior, reinforcing customer lifetime value as a key performance outcome of Shopee's digital marketing investments.

Interactivity emerges as a defining feature of Shopee's media communication strategy. Live commerce, gamification, and interactive promotions transform users from passive viewers into active participants within the shopping experience. Shopee Live, in particular, facilitates two-way communication between sellers and consumers, enabling real-time product demonstrations, feedback exchange, and trust building. Gamified features, such as reward-based mini-games and voucher challenges, further enhance engagement frequency and session duration. The findings indicate that these interactive mechanisms not only increase short-term transactions but also cultivate habitual platform usage. Importantly, interactivity is closely coordinated with backend supply chain capabilities, ensuring that engagement-driven demand surges can be fulfilled without compromising service quality (Guo & Zhan, 2025).

The analysis shows that Shopee's digital media strategy achieves extensive reach by combining platform-owned channels with influencer marketing and user-generated content. High-penetration mobile usage and widespread social-media integration enable Shopee to amplify campaigns rapidly across demographic and geographic segments. Large-scale events such as monthly mega-sales serve as focal points for ecosystem-wide participation, aligning sellers, creators, and logistics partners. This reach is further amplified through affiliate programs and creator monetization models, which decentralize content production while maintaining platform control over performance metrics. The findings suggest that Shopee's reach is not merely a function of audience size but of its ability to mobilize ecosystem actors in coordinated promotional cycles.

Overall, the results indicate that Shopee's digital marketing and media communication capabilities are deeply intertwined with its strategic and operational systems. Marketing planning and execution are closely linked to data analytics, supply chain readiness, and platform governance, enabling Shopee to translate engagement into measurable performance outcomes. Increased engagement leads to higher transaction frequency, stronger seller participation, and more resilient revenue streams. These findings highlight digital marketing as a dynamic capability that enables Shopee to sense emerging consumer trends, seize engagement opportunities, and reconfigure platform resources accordingly. In combination with strategic management and supply chain

integration, digital media communication serves as a key mechanism through which Shopee sustains competitiveness in an increasingly video-centric and socially driven e-commerce environment.

Discussion

The findings of this study demonstrate that Shopee's competitive advantage does not stem from isolated excellence in individual functional areas, but from the strategic integration of its value chain activities within a digitally enabled platform ecosystem. Consistent with Porter's Value Chain framework, Shopee's primary activities—ranging from inbound logistics to service—are not organized linearly, but orchestrated through data-driven coordination mechanisms that allow simultaneous value creation across multiple touchpoints. This integration enables Shopee to respond dynamically to market volatility while sustaining operational efficiency at scale. Inbound logistics at Shopee illustrate how traditional value chain functions are reconfigured in platform-based business models. Rather than holding inventory, Shopee integrates sellers and logistics partners through digitally coordinated fulfillment systems such as Shopee Hub and Shopee Express. This arrangement shifts the focus from asset ownership to coordination capability, allowing Shopee to reduce fixed costs while maintaining visibility and control over order fulfillment (Zhou et al., 2024). From a dynamic capabilities perspective, this reflects Shopee's ability to reconfigure resource boundaries in response to infrastructural constraints and demand uncertainty, particularly in geographically dispersed markets like Indonesia (Rehman & Jajja, 2023).

Shopee's operations function as the central system of its value chain, integrating transaction processing, digital payments, and engagement mechanisms within a single platform architecture. Operational activities are not limited to efficiency enhancement, but are strategically designed to reinforce user engagement and ecosystem stickiness. The integration of ShopeePay and gamified features such as live commerce transforms operations into a demand-shaping function, demonstrating how value chain activities increasingly overlap in digital contexts. This blurring of boundaries supports the argument that operational excellence in platform firms is inseparable from customer experience design (Loonam & O'Regan, 2022). Outbound logistics further reinforce the strategic role of supply chain coordination in value creation. By leveraging a multi-partner delivery network supported by real-time tracking and flexible payment options, Shopee enhances service reliability while preserving scalability. The findings indicate that outbound logistics are closely synchronized with marketing campaigns and demand forecasts, ensuring that promotional surges do not compromise fulfillment performance. This alignment illustrates how logistics capabilities evolve from a cost center into a strategic enabler of market responsiveness and customer trust (Asamoah et al., 2021).

Marketing and sales activities at Shopee extend beyond traditional promotional functions and are deeply embedded within the platform's data infrastructure. AI-driven recommendation systems and personalized promotions leverage behavioral data to increase conversion efficiency and repeat purchases (Zhang & Xiong, 2024). Importantly, marketing activities are tightly coupled with upstream operations and logistics readiness, ensuring that demand stimulation is matched by fulfillment capacity. This integration reflects a shift from push-based marketing toward adaptive, analytics-driven value creation that spans the entire value chain. Service activities represent the final yet continuous stage of Shopee's value creation process. Digital customer support systems, returns management, and seller education initiatives reinforce platform reliability and ecosystem sustainability (Böttcher et al., 2024). By investing in seller capability development through programs such as Shopee University, the platform enhances overall service quality while strengthening seller dependence on the ecosystem. These service-oriented activities contribute to long-term value creation by supporting trust, reducing friction, and enabling ecosystem participants to scale alongside the platform.

Taken together, the alignment of Shopee's primary value chain activities demonstrates how dynamic capabilities are operationalized through continuous sensing, seizing, and reconfiguring across functional boundaries. Strategic agility emerges not from individual activities, but from the platform's ability to synchronize inbound logistics, operations, marketing, and services in real time. This integrated value chain configuration allows Shopee to adapt to competitive pressures, regulatory scrutiny, and evolving consumer behavior without sacrificing performance or scalability. Overall, this study extends Porter's Value Chain framework by illustrating its applicability within digital platform ecosystems, where value creation is non-linear, data-intensive, and ecosystem-driven. Shopee's case shows that in digital markets, competitive advantage arises from the orchestration of interconnected activities rather than optimization of standalone functions. This insight contributes to the broader literature on strategic management and digital entrepreneurship by highlighting how value chain integration serves as a foundational mechanism for sustaining competitiveness in rapidly evolving e-commerce environments.

CONCLUSIONS AND SUGGESTION

Conclusions

The sustained leadership position of Shopee in the Southeast Asian e-commerce market is the outcome of an extensively integrated process, which constitutes innovations in SCM, digital business management, and data-

driven marketing initiatives. The driving element is not merely size but competitiveness, which has been bestowed by the constant resource realignment, response to fluctuating markets, and innovations by means of value creation within the entire ecosystem. The value creation process is undertaken by Shopee on both the purchasing and the seller side through extensive cross-functional digitally enabled capabilities, fintech integration, customization algorithms, and multi-platform dynamics. The implementation of e-SCM and e-procurement by Shopee enhances efficiency, transparency, and flexibility in the SCM. Vertical integration through Shopee Express, Shopee Hub, tracking, and data-driven warehousing creates an efficient value chain, which enhances accuracy, reduces downtime, and ensures the dependability of logistics within the nation. The above functions allow the MSME sector to compete on the national platform as Shopee caters to the vastness of Indonesian geography.

In this ever-increasing video-first and social-commerce enabled landscape, the digital marketing plan by Shopee bridges this gap by focusing on the acquisition, retention, and engagement within the platform. The platform reduces the discovery-to-purchase timeline by leveraging live shopping, influencer collaborations, gamification, algorithm-driven personalization, and fintech-enabled checkout systems. Shopee should, therefore, leverage its ecosystem, improve support for sellers, and prioritize trust with customers while being financially disciplined in order to contend with TikTok and Tokopedia.

On the whole, the strategic integration inherent in Shopee's decisions gives it a competitive advantage. Shopee creates and sustains a strong, scalable, and innovative business model by leveraging SC optimization, improved digital marketing execution, and management approaches. Apart from improving the efficiency of organizations, this combined approach can be seen to provide equal access to markets, benefit small and medium-sized enterprises, and establish Shopee as the leading innovator of Southeast Asia's digital economy.

Suggestion

To sustain its competitive advantage in an increasingly contested social-commerce landscape, Shopee should further strengthen its innovation capacity and strategic agility. Enhancing dynamic managerial capabilities is essential to enable faster and more effective responses to intensified competition, particularly from integrated social-commerce players such as TikTok–Tokopedia (Ghavamipour et al., 2025; Teece, 2023). This can be operationalized through greater reliance on artificial intelligence–driven demand forecasting and real-time resource allocation tools, which would allow Shopee to sense market shifts earlier and reconfigure operational and marketing resources more efficiently across regions.

In parallel, Shopee must ensure that its supply chain integration remains both efficient and competitively neutral. Intensifying joint logistics cooperation with multiple partners can help standardize service quality across geographically diverse regions in Indonesia while reducing over-reliance on Shopee Express, thereby addressing regulatory and competition concerns (Reuters, 2024). Greater investment in warehouse automation and predictive routing technologies is also necessary to maintain flexibility during peak demand periods, such as major promotional campaigns (Sarjono et al., 2025). Moreover, implementing transparent and standardized vendor selection and evaluation processes would strengthen the governance of Shopee's e-procurement practices, enhance accountability, and align with best practices in digital procurement systems (Eadie, Perera, & Heaney, 2010).

From a customer engagement and digital marketing perspective, Shopee should continue to optimize the discovery-to-purchase funnel by expanding live-commerce content creation initiatives and structured training programs for sellers and creators (Sophia, 2025). Customer retention and lifetime value can be further enhanced through more advanced behavioral segmentation and hyper-personalization strategies that tailor promotions, recommendations, and incentives to individual user preferences (A Comprehensive Look at Indonesia's E-Commerce Market, 2024). Additionally, prioritizing mobile-first user experience improvements—particularly through faster checkout processes and seamless payment integration—would help reduce cart abandonment and reinforce Shopee's value proposition in a mobile-dominant market.

Finally, to support advanced international growth, Shopee should adopt a more differentiated regional strategy by systematically examining PESTEL disparities across Southeast Asian markets and refining national e-strategies accordingly (Bak, Sukiennik, & Kowal, 2025). Developing cross-border enablement initiatives for SMEs—such as logistics support, regulatory guidance, and localized digital marketing tools—would enhance seller participation and market penetration while reinforcing Shopee's role as a scalable and inclusive regional digital commerce ecosystem.

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