

## *Strategic Decision Analysis to Manage Competitive Advantage for Shopee Indonesia*

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<b>ARTICLE INFO</b>	<b>Abstract</b>
<b>Article History:</b> Accepted : Juni 2023 Fixed : Juni 2023 Approved: Juni 2023	<p><i>Shopee Indonesia, a key participant in the dynamic e-commerce landscape, has leveraged the power of innovative digital solutions to reach and serve a diverse customer base. Despite its success, Shopee faces unique challenges and opportunities that influence its strategic decisions and market position, just like any other competitive industry player. Shopee benefits from the rapid development of Indonesia's internet and e-commerce penetration rate as well as increase in Micro, Small, and Medium-Sized Enterprises (MSME) participation across the nation. However, Shopee confronts intense competition from emerging platforms such as Tiktok Shop, particularly in the Fashion and Beauty category. Shopee's extensive coverage of Stock Keeping Units (SKUs) and comprehensive selection of products are distinguishing features that provide customers with a vast array of options. Additionally, Shopee's marketing strategies and free shipping promotions distinguish it in the market. Notably, Shopee's extensive payment options, such as Cash-on-Delivery, increase its accessibility for a vast array of consumers. However, User Interface and User Experience (UI/UX), loyalty and rewards programs, customer service quality, personalized purchasing experience, and engaging features such as Shopee Games, Shopee Live, and Shopee Video are identified as key areas for improvement. Strategic investments in enhancing UI/UX, providing engaging loyalty programs, delivering exceptional customer service, and leveraging innovative technology to curate personalized purchasing experiences can elevate Shopee's position in the e-commerce industry. Shopee is poised to capitalize on its strengths, resolve its weaknesses, and take advantage of available opportunities to maintain its leadership position in the Indonesian e-commerce market, which is constantly evolving.</i></p>
<b>Keywords:</b> <i>e-commerce, competitive advantage, market leadership, strategic decision</i>	
	<b>Abstraks</b>
<b>Kata Kunci:</b> <i>e-commerce, keunggulan kompetitif, kepemimpinan pasar, keputusan strategis</i>	<p>Shopee Indonesia, sebagai pemain utama dalam ekosistem e-commerce yang dinamis, telah memanfaatkan kekuatan solusi digital inovatif untuk menjangkau dan melayani pelanggannya. Meski telah mencapai banyak kesuksesan, Shopee menghadapi tantangan unik yang mempengaruhi keputusan strategis dan posisi pasarnya, sama seperti pemain industri lainnya. Shopee mendapat manfaat dari perkembangan pesat penetrasi internet dan e-commerce di Indonesia serta peningkatan partisipasi Usaha Mikro, Kecil, dan Menengah (UMKM) di seluruh negeri. Namun, Shopee menghadapi persaingan intens dari platform e-commerce lainnya seperti Tokopedia, khususnya dalam kategori Fashion dan Beauty. Cakupan luas produk dan SKU Shopee serta beragam pilihan produk adalah fitur yang membedakan yang memberikan pelanggan berbagai macam pilihan. Selain itu,</p>
<b>DOI:</b>	

	<p>strategi pemasaran Shopee dan promosi gratis ongkir salah satu yang membedakan Shopee dibandingkan kompetitornya. Secara khusus, berbagai opsi pembayaran Shopee, seperti <i>Cash-on-Delivery</i>, meningkatkan aksesibilitasnya untuk beragam konsumen. Namun, <i>User Interface</i> dan <i>User Experience</i> (UI/UX), program <i>loyalty</i> dan <i>rewards</i>, kualitas layanan pelanggan, pengalaman belanja yang dipersonalisasi, dan fitur yang menarik seperti Shopee Games, Shopee Live, dan Shopee Video merupakan beberapa pengembangan yang Shopee perlu lakukan. Investasi strategis dalam meningkatkan UI/UX, menyediakan program loyalitas yang menarik, memberikan layanan pelanggan yang baik, dan memanfaatkan teknologi inovatif untuk mencurahkan pengalaman belanja yang dipersonalisasi dapat meningkatkan posisi Shopee di industri e-commerce.</p>
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## INTRODUCTION

Indonesia, with a population of over 270 million, has a huge potential for e-commerce growth. The country's internet penetration rate has been steadily increasing, reaching 26% in 2019, and is projected to grow to over 60% by 2025 (Statista, 2022). This, combined with a young and tech-savvy population, has made Indonesia one of the fastest-growing e-commerce markets in the world (Arminta, 2021).

In general, e-commerce companies provide a platform for sellers to list and sell their products, connect buyers with sellers, and provide logistics and fulfillment services to ensure products are delivered to customers (Chong & Ali, 2022). E-commerce companies generate revenue through fees or commissions on transactions made on their platforms and may also earn revenue through advertising or value-added services (Porter, 2008). One pivotal aspect of the e-commerce ecosystem is the role of the sellers, where E-commerce companies allow sellers to create online stores or list their products on their platforms. Sellers are responsible for creating and managing their product listings, setting prices, and fulfilling orders. Some e-commerce companies charge fees or commissions on sales made through their platforms and gain revenue from this. The next major component is their Buyers. E-commerce platforms connect buyers with sellers and provide a convenient online shopping experience. Buyers can browse products, compare prices, and make purchases online. Another critical cog in the e-commerce machinery is the third-party logistics. E-commerce companies often partner with logistics

providers to handle the delivery of products from sellers to buyers. These logistics providers may be third-party companies or in-house logistics divisions of the e-commerce companies themselves. Logistics providers are responsible for managing inventory, picking and packing orders, and delivering products to customers. E-commerce companies generate revenue by charging fees or commissions on sales made through their platforms. For example, some companies charge a percentage of the total transaction value, while others charge a fixed fee per transaction. E-commerce companies may also earn revenue through advertising or by selling value-added services to sellers or buyers, such as premium listings or expedited shipping. In terms of expenditure, the biggest costs for e-commerce companies are typically related to logistics and fulfillment, as well as marketing and advertising. E-commerce companies must invest in warehouses, transportation, and personnel to manage inventory and deliver products to customers. In addition, e-commerce companies must spend money on marketing and advertising to attract buyers and sellers to their platforms. Other costs may include technology development, customer service, and regulatory compliance (Williams & Williams, 2010).

Indonesia's e-commerce market size is expected to reach \$133 billion by 2025, according to a study by Google, Temasek, and Bain & Company (Yang et al., 2019). The growth of e-commerce in Indonesia is driven by various factors, including increasing consumer confidence in online shopping, a growing middle class, and rising mobile phone usage. In addition, the

COVID-19 pandemic has accelerated the adoption of e-commerce as more people are forced to stay at home and rely on online shopping.

The presence of these e-commerce players has a significant impact on the Indonesian economy. E-commerce has created new jobs in logistics and delivery, as well as in areas such as customer service and marketing. In addition, e-commerce has enabled small and medium-sized enterprises (SMEs) to reach a wider audience and expand their businesses. This has contributed to the growth of the SME sector, which is a vital part of the Indonesian economy. There are several big players currently dominating the Indonesian e-commerce market. Shopee, Tokopedia, and Lazada are some of the biggest e-commerce platforms in the country. These companies have invested heavily in logistics and delivery infrastructure to cater to the growing demand for e-commerce in the country (Jain et al., 2021).

In short, Indonesia's e-commerce market is rapidly growing, driven by a young and tech-savvy population, increasing internet penetration, and the COVID-19 pandemic. The dominance of big players such as Shopee, Tokopedia, and Lazada has contributed to the growth of the e-commerce market and the Indonesian economy as a whole. As internet penetration continues to increase, we can expect to see even more growth in the e-commerce sector in Indonesia.

## **METHOD**

This research begins with a problem statement or determination of the objectives of the research being carried out, which in this case the objective of this research is to generate a new strategy proposal for Shopee Indonesia to maintain its competitiveness in the e-commerce industry in Indonesia. A problem statement will be identified as well. After settling the objectives, the data collection will be carried out through interviews and online questionnaires to obtain primary data. A search of several articles, journals, books, and reviews from the internet was also carried out to increase the secondary data collection. With the use of two types of data, it is expected that the results of this study will be more comprehensive and closer to reality because this research is based on data. After the data collection process, the business analysis will be carried out by the author to further understand the condition of the company and its environment (by conducting external and internal analysis). Thorough literature review and theories foundation will be the support in conducting the analysis as well as formulation new strategy proposal for the company. Finally, the author will conclude its findings on this paper in the last chapter of conclusion and recommendation.

Below are the alternative strategies based on Shopee's SWOT.

understand the condition of the company and its environment (by conducting external and internal analysis). Thorough literature review and theories foundation will be the support in conducting the analysis as well as formulation new strategy proposal for the company. Finally, the author will conclude its findings on this paper in the last chapter of conclusion and recommendation.

Data analysis involves processing, organizing, and interpreting the collected data to extract meaningful insights and make informed decisions. Most of the data analysis techniques in this study used descriptive analysis techniques. Answers and information received from the respondents will then be carried out in the form of analysis according to the needs of the research objectives.

## **RESULTS AND DISCUSSION**

### **Business Solution**

#### **TOWS Strategy**

The TOWS Matrix is a strategic management tool used for the assessment of the Threats, Opportunities, Weaknesses, and Strengths in a business environment. It is essentially an extended version of the SWOT analysis, but where SWOT analysis helps identify these factors, TOWS further extends the analysis by developing strategies that consider the relationships between these factors. The matrix has four quadrants (Humphrey, 2005):

1. Strengths-Opportunities (SO): These strategies aim to use strengths to maximize opportunities. This is generally the area where organizations can use their internal advantages to leverage external opportunities.
2. Strengths-Threats (ST): These strategies focus on using strengths to minimize threats. It involves identifying ways to use the organization's strengths to reduce its vulnerability to external threats.
3. Weaknesses-Opportunities (WO): These strategies aim to improve weaknesses by taking advantage of opportunities. It implies identifying areas of improvement and aligning them with emerging opportunities.
4. Weaknesses-Threats (WT): These strategies aim to minimize weaknesses and avoid threats. It involves devising strategies to improve weaknesses and avoid possible threats, often considered as defensive strategies.

Table 1. TOWS Analysis

	Strengths [S-1, S-2, S-3, S-4, S-5, S-6]	Weakness [W-1, W-2, W-3, W-4]
Opportunities [O-1, O-2, O-3]	<p>SO Strategies</p> <ul style="list-style-type: none"> <li>Utilize high coverage of SKUs and product variety to target users in Indonesia's remote areas, where e-commerce is still growing.</li> <li>Increase more cross-border products as well as local products to give more variety, options, and availability of SKU.</li> <li>Leverage strong marketing strategies to further promote the increasing number of MSMEs participating on the platform, which could attract even more sellers and buyers.</li> <li>Use the strong network within the SEA Group to enhance services, such as ShopeePay and SEABank, in response to the rapid growth of Indonesia's internet and e-commerce penetration.</li> <li>Capitalize on the strength of shipping and delivery options, as well as their payment methods such as Cash on Delivery, to better serve regions where these services are underdeveloped or unavailable.</li> </ul>	<p>WO Strategies</p> <ul style="list-style-type: none"> <li>Develop a more user-friendly UI / UX Interface.</li> <li>Develop a lighter application to cater users with low-specs phone, namely ShopeeLite.</li> <li>Improve loyalty and rewards program to make it more engaging and viral.</li> <li>Improve product curation algorithm to better cater to the diverse needs of users.</li> <li>Further explore opportunity with other digital wallet to increase availability of other payment method that is available for voucher usage.</li> </ul>
Threats [T-1, T-2, T-3]	<p>ST Strategies</p> <ul style="list-style-type: none"> <li>Mitigate the threat of increasing competition, especially in the fashion and beauty categories, by emphasizing specific promotion to that category.</li> <li>Respond to the slowing lockdown regulations and resulting competition from offline channels by enhancing their free shipping promotion and broad payment method availability to remain attractive to customers.</li> </ul>	<p>WT Strategies</p> <ul style="list-style-type: none"> <li>Redesign the UI/UX to mitigate the threat of users switching to other platforms due to low switching costs.</li> <li>Improve the features of Shopee Games, Shopee Live, and Shopee Video to engage users more and counter competition, especially from Tiktok Shop in the fashion and beauty category.</li> <li>Enhance loyalty and rewards programs to encourage customer retention and loyalty</li> </ul>

### Diamond Strategy

The Diamond Strategy model emphasizes that each of these elements should be integrated and aligned for a strategy to be

successful. A company's strategy should not be considered complete until all five elements are in harmony and mutually reinforced (Teece et al., 1992).

The elements are:

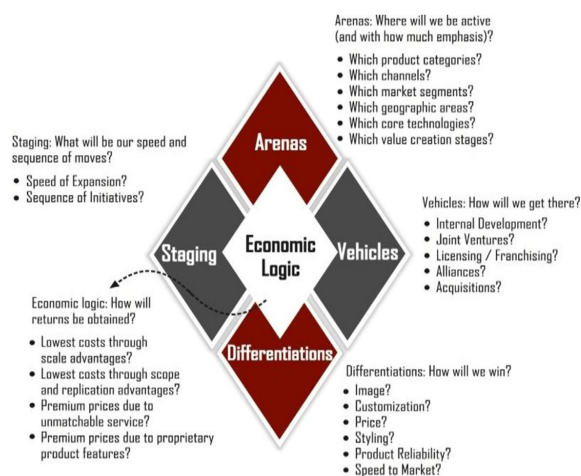
**a. Arenas:** This refers to the areas in which an organization will be active. This might include markets, products, segments, geographic areas, technologies, and stages of the value-creation process.

**b. Differentiators:** These are the elements that will distinguish the company from its competitors in the chosen arenas. Differentiators could be based on product quality, service level, price, branding, customization, innovation, etc.

**c. Vehicles:** Vehicles refer to how the company will get to where it wants to be in its chosen arenas. This might include internal development, joint ventures, acquisitions, licensing, franchising, etc.

**d. Staging:** Staging refers to the sequence and speed of strategic moves. Factors affecting staging can include resources, urgency, credibility, early versus late advantages, etc.

**e. Economic logic:** This is the overall rationale of how the strategy will result in profitability. The strategy should explain why the company will be able to earn above-average returns.



Source: Hambrick and Fredrickson (2005) Are You Sure You Have A Strategy?

Figure 1. Diamond Strategy Framework

According to the data collected, below are the identified Diamond Strategy model for Shopee Indonesia:

1. Arenas:

- Strengthen presence in remote areas of Indonesia, leveraging the opportunity of untapped potential buyers and the strength of high coverage of SKUs.
- Build upon the existing ecosystem (SEA Group) and further integrate services like ShopeePay and SEAbank to offer a more seamless shopping experience.

c. Improve product curation algorithm, focusing on user preferences and personalization.

d. Improve mobile and web platforms' responsiveness and load times to ensure smooth customer experiences.

2. Differentiators:

a. Enhance the user interface to address the perceived weakness, making it more user-friendly, simple, and appealing. This could help Shopee to stand out, especially in comparison to competitors.

b. Explore creating a personalized shopping experience for customers through AI and machine learning, offering product suggestions based on customer preferences and past purchases.

c. Improve and innovate the loyalty and rewards programs, making them more attractive to engage and retain customers.

d. Continue and amplify the free shipping promotion, a key factor that has been greatly appreciated by customers.

e. Further develop payment methods that are more convenient for users, such as Return-on-Spot for Cash on Delivery, where users can immediately return their order without having to pay and apply for return.

3. Vehicles:

a. Strengthen partnerships with local courier services to ensure efficient shipping and delivery to remote areas of Indonesia.

b. Develop Shopee Collection Point at the remote areas of Indonesia, so that order deliveries can become less dependent on courier availability on the area.

c. Collaborate with local influencers and brands to make Shopee Games, Shopee Live, and Shopee Video more engaging, and to promote them widely.

d. Further develop campaigns like Share and Win to engage users to participate in sharing the video or the live streaming they like to their friends.

4. Staging:

a. Initial focus should be on the user interface and loyalty programs, as these are identified areas with the largest gap.

b. The expansion into remote areas, improvement in product curation and making other features more engaging could be the subsequent stages.

5. Economic Logic:

- a. By tapping into the unexplored remote areas, Shopee can expand its customer base, leading to increased sales and profitability.
- b. Enhanced user experience and loyalty programs would increase customer retention and loyalty, reducing customer acquisition costs in the long run.
- c. The integrated approach using ShopeePay and SEAbank would provide additional revenue streams and strengthen Shopee's ecosystem.
- d. Fostering a strong relationship with local communities and MSMEs can help Shopee tap into new customer segments and establish a strong local presence, potentially resulting in sustainable long-term growth.

### **Implementation Plan and Justification**

According to the above TOWS strategy and Diamond Strategy model, there are several strategy initiatives that Shopee can improve in order to maintain its competitive advantage.

### **Strategic Initiatives Summary**

The strategic initiatives are grouped and summarized into 5 big areas, which are:

#### **UI/UX improvement**

##### ***Develop a more user friendly and simple UI/UX Interface***

An optimized user interface (UI) and user experience (UX) design are crucial in ensuring that customers can navigate the platform seamlessly. According to the interview and questionnaire, the majority of the complaints to Shopee are regarding its confusing UI/UX. Some said it is too crowded, too messy, too many on-going promotions and campaigns, and the product's algorithm is not accurate. This enhancement of UI/UX can reduce user friction, promoting easier product discovery and smoother transaction processes. A simplified UI/UX also minimizes cognitive load for users, which, in turn, can improve conversion rates. Furthermore, an intuitive and user-friendly interface could help in retaining customers and reducing the switching of customers to competitors.

##### ***Improve mobile and web platforms' responsiveness and load times to ensure smooth customer experiences***

In the era of speed and convenience, it's

essential that the website and app load quickly to avoid frustrating users. Slow load times can lead to potential customers abandoning the platform, leading to lost sales. By improving the responsiveness and load times of Shopee's mobile and web platforms, it can provide a seamless shopping experience, increase user engagement, and potentially boost sales.

##### ***Develop a lighter application to cater users with low-specs phone, namely ShopeeLite***

In Indonesia, not all users have high-spec smartphones capable of running heavy apps smoothly. A lighter app like "ShopeeLite" can cater to these users, ensuring that the app runs efficiently on devices with lower specifications. This initiative can help Shopee expand its customer base to include more price-sensitive consumers or those in areas with weaker internet connectivity.

##### ***Improve product curation algorithm to better cater to the diverse needs of users***

Improved product curation algorithms can provide personalized recommendations based on users' past searches, purchases, and browsing behavior. This customization enhances user engagement, as users are more likely to buy products that align with their preferences. Effective product curation algorithms can enhance user satisfaction and potentially increase average order value and customer lifetime value.

##### ***Explore artificial intelligence or machine learning in creating a personalized shopping experience for customers***

Artificial Intelligence (AI) and Machine Learning (ML) can provide highly personalized shopping experiences by understanding customer behavior and preferences. This technology can recommend products and services based on individual tastes, thereby improving customer satisfaction and potentially boosting sales.

##### ***Improve the features of Shopee Live and Shopee Video to engage users more and counter competition, especially from Tiktok Shop in the fashion and beauty category***

Improving the features of Shopee Live and Shopee Video could increase user engagement on the platform and time-spent on the platform. Users tend to spend more time on platforms that offer entertaining features like games and live videos. Currently, many users said Shopee's video and live features are irrelevant and provide random content that are not engaging to users. By enhancing Shopee's social commerce features, it can better compete

with platforms like TikTok Shop, attract a younger audience, and keep users on the platform for longer periods, potentially leading to increased purchases.

#### **SKUs and products maximization**

*Utilize high coverage of SKUs and product variety to target new users, especially in Indonesia's remote areas, where e-commerce is still growing*

The high coverage of SKUs and variety gives customers a virtual "one-stop-shop" experience, thus enabling them to find nearly everything they need within Shopee's platform. This advantage can help capture new users and cater to diverse needs, making Shopee the platform of choice for remote users who may not have access to extensive physical retail infrastructure.

*Increase more cross-border products as well as local products to give more variety, options, and availability of SKU*

Boosting the availability of both local and cross-border products can serve as a powerful differentiator for Shopee. For one, it expands the selection of goods that customers can choose from, catering to a broader range of tastes, needs with respective prices. One interviewee mentioned that they like Shopee because of the wide range of products with a wide range of price as well. It also helps local small and medium enterprises (SMEs) reach a larger market, while offering buyers access to unique products from around the world that they might not find locally.

*Leverage strong marketing strategies to further promote the increasing number of MSMEs participating on the platform, which could attract even more sellers and buyers.*

Shopee's marketing strategies have played a significant role in its success so far. By utilizing these strategies to spotlight the increasing number of Micro, Small, and Medium Enterprises (MSMEs) on the platform, Shopee can not only attract more customers interested in these unique, often locally made products, but also encourage more MSMEs to join the platform. Highlighting MSMEs in marketing campaigns can also enhance Shopee's reputation as a supporter of local businesses, potentially driving more traffic to the platform and fostering a more dynamic e-commerce ecosystem.

#### **Promotion and campaigns exploration**

*Emphasize specific promotion to Fashion and Beauty category in response to mitigate threat of increasing competition*

By offering exclusive deals, discounts, or special features for fashion and beauty products, Shopee can differentiate itself from competitors, attract a specific audience, and potentially maintain or even increase its market share in these segments. Moreover, these promotions can also serve as a platform to showcase emerging local designers or beauty brands, thus creating a unique value proposition for the customers.

*Improve and innovate loyalty and rewards program to make it more engaging and viral and encourage customer retention and loyalty*

Shopee could revamp its current program to make it more interactive and even viral, perhaps incorporating elements of gamification or social sharing. An innovative and exciting rewards program can serve as a differentiator and could potentially enhance Shopee's brand image.

*Further develop campaigns like Share and Win to engage users to participate in sharing the video or the live streaming they like to their friends*

Campaigns such as "Share and Win" leverage the power of social media and word-of-mouth marketing. By encouraging users to share videos or live streams with their friends, Shopee can organically expand its reach. Additionally, it promotes a sense of community among its users, creating an engaging and social shopping experience.

*Continue and amplify the free shipping promotion, a key factor that has been greatly appreciated by customers.*

Free shipping has been a significant draw for customers. By continuing and emphasizing this promotion, Shopee can maintain a competitive edge and enhance customer satisfaction. Shopee's current minimum purchase for free shipping eligibility is IDR 30.000, which is very low compared to its competitors. Additionally, Shopee also gave 1 weekly voucher of 0 minimum spend that automatically removed potential barriers to purchase, which led to more transactions. This strategy could be especially impactful in regions where delivery costs are traditionally high, such as in remote areas.

#### **Payment method availability exploration**

*Further explore opportunity with other digital wallet to increase availability of other payment method that is available for voucher usage*

In the age of digital finance, consumers appreciate multiple payment options. By partnering with additional digital wallets, such as Gopay, OVO, LinkAja, Dana, etc, Shopee can provide more flexibility and convenience to its customers. This could lead to higher transaction volumes and customer satisfaction. Such partnerships could also create opportunities for joint promotions and co-branded vouchers, attracting more customers and promoting the use of digital payments.

***Further develop a payment method that is more convenient for users, such as Return-on-Spot for Cash on Delivery, where users can immediately return their order without having to pay and apply for return.***

Cash on Delivery (COD) continues to be a popular payment method in certain regions. By introducing a Return-on-Spot feature for COD orders, it allows customers to inspect their orders upon delivery and return them instantly if not satisfied, without having to go through the hassle of a typical return process. This feature not only provides customers with peace of mind but also emphasizes Shopee's commitment to customer satisfaction. Such an initiative could potentially attract more customers who prefer COD and improve the overall trust in Shopee's platform.

#### **Existing programs enhancement**

***With the existence of SPX, capitalize on the strength of shipping and delivery options to better serve regions where these services are underdeveloped or unavailable.***

Shopee can utilize SPX (Shopee Express) to expand its shipping capabilities, particularly in remote or underserved areas of Indonesia, and make it Shopee exclusive. By broadening its delivery reach, Shopee can extend its market share and cater to customers who have limited access to ecommerce due to logistical issues. This will bring many advantages to Shopee compared to its competitors by having committed delivery courier services.

***Develop Shopee Collection Point at the remote areas of Indonesia, so that order deliveries can become less dependant on courier availability on the area***

Establishing Shopee Collection Points in remote regions could drastically improve order fulfilment times and reduce dependency on third-party couriers. These collection points could serve as a hub for customers to collect their orders at their convenience. It will also provide a solution for those areas where home delivery is challenging.

***Maintain a dedicated Competitor Intelligence Report to regularly monitor competitor activity, such as promotion, new mechanisms, or new features.***

By maintaining a dedicated Competitor Intelligence Report, Shopee can keep a pulse on market trends and ensure that they stay ahead of their competitors. It would provide insights into the competitors' strategies, allowing Shopee to learn from their successes and mistakes, even conduct immediate changes if needed. By doing so, Shopee can swiftly adjust its own strategies, roll out innovative features, and develop competitive promotions.

***Collaborate with local influencers and brands to make Shopee Games, Shopee Live, and Shopee Video more engaging, and to promote them widely.***

Collaborations with local influencers and brands could substantially increase engagement on Shopee Games, Shopee Live, and Shopee Video. By featuring popular personalities and attractive brand collaborations, these platforms could draw in more customers and enhance user engagement. Furthermore, influencers can assist in marketing these features, extending their reach to their follower base. This strategy could result in a higher profile for Shopee's unique features and reinforce its reputation as a platform that offers more than just shopping.

#### **Implementation Plan**

According to the study results, the author proposes the implementation plan to further execute the strategic initiatives that has been previously recommended. Below is the implementation table:



Area	Strategic Initiatives	Month																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
UI / UX improvement	Develop a more user friendly and simple UI / UX Interface	Planning	Planning	Execution	Execution	Evaluation												
	Improve mobile and web platforms' responsiveness and load times	Planning	Planning	Execution	Execution	Evaluation												
	Develop a lighter application called ShopeeLite								Planning	Planning	Planning	Planning	Execution	Execution	Execution	Execution	Execution	
	Improve product curation algorithm				Planning	Planning	Execution	Execution	Evaluation									
	Explore artificial intelligence or machine learning								Planning	Planning	Planning	Planning	Execution	Execution	Execution	Execution	Execution	Execution
	Improve the features of Shopee Live and Shopee Video			Planning	Planning	Execution	Execution	Execution	Evaluation									
SKUs and products maximization	Utilize high coverage of SKUs and product variety to target new users		Planning	Planning	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	
	Increase more cross-border products as well as local products				Planning	Planning	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	
	Leverage strong marketing strategies to further promote the increasing number of MSMEs	Planning	Execution	Execution	Execution	Evaluation												
Promotion and campaigns exploration	Emphasize specific promotion to Fashion and Beauty category	Planning	Execution	Execution	Execution	Evaluation												
	Improve and innovate loyalty and rewards program					Planning	Execution	Execution	Execution	Evaluation								
	Further develop campaigns like Share and Win				Planning	Execution	Evaluation											
	Continue and amplify the free shipping promotion	Planning	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	
Payment method availability exploration	Further explore opportunity with other digital wallet			Planning	Planning	Planning	Planning	Execution	Execution	Execution	Evaluation							
	Further develop Return-on-Spot for Cash on Delivery						Planning	Planning	Execution	Execution	Execution	Execution	Execution	Execution	Evaluation	Evaluation		
Existing programs enhancement	Capitalize on the strength of shipping and delivery options on underdeveloped regions	Planning	Planning	Planning	Planning	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	Execution	
	Develop Shopee Collection Point at the remote areas of Indonesia						Planning	Planning	Execution	Execution	Execution	Execution	Execution	Execution	Evaluation	Evaluation		

Legend (s):

	Planning
	Execution
	Evaluation

Figure 2. Implementation Plan  
 (Source: Author's analysis)

## CONCLUSIONS

In the context of e-commerce, switching costs are relatively low. It means customers can easily move from one online shopping platform to another without incurring significant costs or inconveniences. This ease of switching is exacerbated by the proliferation of smartphone apps for e-commerce platforms, which allows customers to have multiple shopping apps on their devices and compare deals across platforms effortlessly. The same goes for sellers. If sellers perceive that another platform provides better reach or advantages, they might not hesitate to shift their business. This low switching cost results in a volatile landscape where customer loyalty is challenging to attain and retain. It places increased importance on Shopee to continuously innovate, offer competitive deals, and provide exceptional customer service to maintain its customer and seller base.

Moreover, the difficulty in reaching remote areas impacts Shopee's promise of timely and reliable deliveries. The logistical complexities involve not just inter-island transport but also the last-mile delivery, which is critical for customer satisfaction. Shopee, though it has its dedicated logistics, Shopee Express (SPX), must continually innovate and find solutions to these challenges to ensure seamless operations across all regions of Indonesia. This could involve establishing more strategic partnerships with local logistics companies, developing collection points in remote areas, and investing in logistics infrastructure and technology to optimize the delivery routes and processes.

Shopee Indonesia possesses several distinctive advantages that help it stand out in the competitive e-commerce landscape like Broad SKU Coverage and Product, Prominent Free Shipping Promotion: Shopee's free shipping promotions, Powerful and Well-known Marketing Strategies, Strong Networks and Partnerships: Multiple Payment and Delivery Options. To retain its customers and

improve their shopping experience, Shopee Indonesia may need to focus on several key aspects like, User Interface and User Experience (UI/UX), Loyalty and Rewards Program, Personalization and Product Curation, Engaging Content and Features.

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