



## Application of Shopee E-Commerce in Facing Market Competition in A Company in The Digital Era

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**Abstract:** Implementation of E-commerce as a strategy to face market competition in the context of the digital era. Through a case study of a company, analysis is carried out on the implementation of E-commerce in increasing the company's competitiveness in an increasingly competitive market. Qualitative research methods are used to understand the impacts and strategies carried out by companies in adopting E-commerce. The findings show that implementing E-commerce allows companies to expand market reach, increase operational efficiency, and improve customer experience. The practical implication of this research is the importance of integrating digital technology in a company's business strategy to remain relevant and competitive in the digital era. This research provides insight for other companies who want to exploit the potential of E-commerce in facing digital market challenges.

**Keywords:** Market Competition, E-Commerce, Companies.

### INTRODUCTION

The development of digital technology has changed the business landscape dramatically, introducing a new era filled with unprecedented opportunities and challenges. One of the most significant aspects of this transformation is the emergence of E-commerce, which has changed the way companies interact with customers and compete in the marketplace. In this context, this research aims to investigate the application of E-commerce in facing market competition in a company in the digital era. As consumer adoption of digital technologies increases, companies are faced with increasing pressure to innovate and adapt quickly. Market competition is increasingly fierce, with new players continuing to emerge and consumer behavior changing rapidly. In this situation, E-commerce has emerged as one of the key strategies that allows companies to remain relevant and competitive (Fitri, 2022).

According to (Kangean & Rusdi, 2020). Through the implementation of E-commerce, companies can take advantage of global market potential, increase operational efficiency, and

improve customer experience, by providing an online platform that is easy to access, companies can reach consumers in various parts of the world without geographic restrictions. This opens the door for companies to expand their market share and reduce dependence on local sales. In addition, E-commerce also allows companies to increase their operational efficiency. By automating sales and shipping processes, companies can reduce the costs and time required to run their business. Then, according to,(Safina, 2024). This provides a significant competitive advantage, especially in the rapidly changing markets of this digital era. The implementation of E-commerce also presents its own challenges for companies. Rapid technological change requires companies to keep up with the latest developments and adapt quickly. In addition, data security and privacy is a major concern, especially considering the increasing cyber security threats in this digital era.

### **Market competition**

Market competition in the E-commerce industry has become increasingly fierce along with its rapid growth. Big players such as Amazon, Alibaba and eBay compete with various startups and traditional companies carrying out digital transformation. In this context, it is important to understand the dynamics of market competition that affect companies in the E-commerce era(Fachrina & Nawawi, 2022).

According to(Khatimah et al., 2023). One of the main characteristics of market competition in E-commerce is the high level of competition. E-commerce markets allow entry of new players with relatively low entry costs, thereby increasing competition among competitors. This encourages innovation and differentiation of products and services in an effort to attract and retain customers. In addition, price competition is also a key factor in E-commerce market competition. Consumers tend to compare prices from various sellers before making a purchasing decision. Therefore, companies must be able to offer competitive prices to remain competitive in the market. However, market competition in E-commerce also brings significant challenges to companies. Fierce competition can lead to reduced profit margins and pressure on operating costs. In addition, the risk of losing customers to competitors is always there, considering the high level of customer mobility in the online environment.

In facing this challenge, companies must be able to develop a comprehensive and sustainable strategy to win market competition in E-commerce. This includes a focus on product and service innovation, smart pricing strategies, investment in marketing and branding, and improving the overall customer experience. In doing so, companies can better position themselves to succeed and survive in this increasingly competitive E-commerce market.

### **SWOT analysis**

According to(Candra Gudiato et al., 2022). SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) is one of the most commonly used strategic analysis tools in business to evaluate internal and external factors that influence company performance. In the context of implementing E-commerce in facing market competition in the digital era, SWOT analysis is a very important instrument to help companies understand their position in the market and formulate effective strategies. One of the main strengths of implementing E-commerce is its ability to expand market reach. By having an online platform, companies can reach consumers in various geographic locations without physical restrictions. This opens up new opportunities for companies to expand their market share and increase their revenues significantly. However, there are also weaknesses that need to be considered. One of them is the initial costs required to build and manage an E-commerce platform. This includes website development costs, maintenance costs, and marketing costs to attract new customers. Apart

from that, companies also need to face challenges in managing logistics and shipping goods efficiently, especially on a global scale.

Nonetheless, there are many opportunities available for companies implementing E-commerce. Online consumer growth continues to accelerate, with more and more people turning to online shopping for their needs. This provides an opportunity for companies to reach a wider market and increase their sales. In addition, technology continues to develop, opening up opportunities for product and service innovation that can differentiate companies from competitors. However, companies must also be alert to existing threats. Competition in the E-commerce market is fierce, with many competitors vying for consumers' attention. Apart from that, data security and privacy issues are also a serious threat, with increasing cyber security incidents in this digital era (Amelia et al., 2023).

In dealing with these factors, companies must be able to exploit their strengths, overcome their weaknesses, take advantage of available opportunities, and deal with threats in an effective manner. SWOT analysis can help companies to identify key factors that influence their performance in the E-commerce market and formulate appropriate strategies to face increasingly fierce competition in this digital era. Thus, SWOT Analysis becomes an invaluable tool in a company's efforts to remain relevant and successful in this ever-changing market.

## **METHOD**

The research method used is literature study, which includes collecting data by searching for and reviewing information from various sources such as books, journals and previous research. Thus, this research is qualitative, collects data from a natural context, and uses the researcher as the main instrument. This approach differs from research designs that use statistical procedures or calculations to explain contextual phenomena. This research aims to investigate the dynamics of market competition in the e-commerce industry, with a focus on the Shopee platform. Qualitative methods are used to gain an in-depth understanding of competitor strategies, consumer preferences, and other factors that influence market competition. This research involved analysis, with key stakeholders in the e-commerce industry, participant observation, and content analysis of data such as customer reviews, marketing activities, and pricing policies (Hermawan, 2023).

in researching market competition at Shopee. This involves collecting data on key competitors, such as Tokopedia and Lazada, as well as analyzing their strengths and weaknesses in attracting customers. Sales data, market share and marketing strategies are also collected to understand market dynamics.

## **RESULTS AND DISCUSSION**

### **Application of Shoope Sales to market competition in companies**

According to (Suswanto & Setiawati, 2020). The implementation applied to sales via the Shopee platform has become a significant strategy in facing market competition for many companies. Shopee, as one of the largest E-commerce platforms in Southeast Asia, offers various features and services that enable companies to reach a wider audience and increase their sales. One of the main advantages of using Shopee is easier access to a wide market. With millions of active users every month, Shopee provides a platform that allows companies to reach potential consumers throughout the Southeast Asia region. This opens up new opportunities for companies to expand their market share without geographic limitations. Apart from that, Shopee also offers various features designed to help companies increase their sales. Features such as promotional programs, discounts and vouchers provide opportunities for companies to attract consumer attention and increase sales conversions. Additionally, the analytical features provided by Shopee enable companies to monitor their sales performance and identify opportunities to improve their marketing strategies.

However, even though it has various advantages, implementing sales through Shopee also presents its own challenges for companies. Fierce competition within the platform can make it difficult for companies to differentiate themselves and stand out among competitors. Apart from that, promotional costs and sales commissions charged by Shopee can also affect the company's profit margin (Nurjanah et al., 2019).

According to (Asyifah & Ispiyani, 2023). In facing this challenge, companies need to develop a smart and integrated strategy in implementing Shopee sales. This includes a deep understanding of the market and competitors, effective use of promotional and analytical features, and product and service differentiation to attract consumer attention. With a comprehensive and sustainable approach, companies can harness the full potential of selling through Shopee to increase their competitiveness in this increasingly competitive market.

### **SWOT Analysis of the Shopee E-Commerce Platform**

This analysis contains the points that have been obtained in the Shopee Analysis, namely:

#### **a. Strength (Strength)**

1. The use of sophisticated technology from the Shopee application uses the latest technology to provide an optimal user experience.
2. An extensive distribution network where Shopee has an efficient and extensive logistics network.
3. Attractive promotions and discounts: Shopee often holds big promotions such as Shopee 9.9, 11.11, and 12.12, etc.
4. Diverse payment methods with various payment methods available that make it easier for customers, including ShopeePay.
5. Strong brand awareness with Shopee has succeeded in building high brand awareness in the Southeast Asian market.
6. User friendly user interface The intuitive application interface makes it easier for users to shop.
7. Collaborating with various partners, Shopee often collaborates with well-known brands to attract more customers.
8. Shopee Mall services by providing high quality products from well-known brands.
9. Customer loyalty program, because Shopee often gives rewards to loyal customers.

#### **b. Weaknesses**

1. Dependence on big promotions, because big promotions often reduce profit margins.
2. Product quality control is still low, there are fake and low quality products.
3. Unresponsive customer support and complaints about slow customer service.
4. Dependence on the Southeast Asian market because, Limited to the Southeast Asian market and not much expansion into the global market.
5. Inconsistent user experience as some users report inconsistent experiences with their purchases
6. Problems with returning and returning goods: The process of returning goods is still slow and complicated.

#### **c. Opportunities**

1. Collaboration with well-known brands can increase customer trust and loyalty.
2. Expansion into international markets to have the potential to expand operations to new countries.
3. Increased internet penetration so that more people have access to the internet.

4. Increase in the number of smartphone users: More users can access the Shopee application.
5. Adoption of digital payment technology for increasing use of digital payment methods.
6. Demand for local products due to having the opportunity to support and promote local products as well.
7. Need for B2B e-commerce solutions, Opportunity to enter the B2B e-commerce market.
8. New feature development: Development of new features that can improve the user experience.
9. Educational program for sellers due to training programs for sellers to improve service quality as well.

**d. Threats**

1. Tight competition between strong competitors such as Tokopedia, Lazada, and Bukalapak.
2. Economic fluctuations where economic instability can affect consumer purchasing power.
3. Cybersecurity concerns because it carries the risk of hacking and data breaches.
4. Changes in consumer behavior from changes in shopping trends that can influence demand.
5. Dependence on third parties, dependency on logistics and payment partners.
6. Political uncertainty due to problems with political uncertainty in several countries.
7. Changes in tariffs and taxes in tariff and tax policies that can affect product prices.
8. That reputation issue also has risks related to negative reviews and product reputation issues.
9. Rapidly changing technology also needs to keep up with rapid technological developments.

**SWOT Matrix**

The following are the results of the market competition development strategy according to the SWOT matrix analysis on the platform Shopee:

**a. SO Strategy (Strength-Opportunity)**

1. Utilizing advanced technology for innovation by using AI and machine learning technology to optimize the shopping experience as well.
2. Using a wide distribution network for expansion to expand markets to new countries with strong logistics support.
3. Using big data to understand the market because, big data analysis to identify new market opportunities.
4. Integrating the latest digital payment methods to increase transaction convenience and security.

**b. WO (Weakness-Opportunity) Strategy**

1. Reduce reliance on heavy promotions with product diversification: Focus on new product categories to increase revenue.
2. Improving quality control with technology: Implementation of AI systems for counterfeit product detection.
3. Improve customer support with technological innovation and use AI chatbots to improve customer service in making sales on Shopee.
4. Leverage the growth of e-commerce for service improvement: to adapt services to emerging e-commerce trends.

**c. ST Strategy (Strength-Threat)**

1. Implementing strong cyber security with advanced technology so that when carrying out activities such as using the latest security technology
2. Adjusting business strategies in accordance with regulations, flexibility in dealing with regulatory changes at any time.
3. Developing environmentally friendly products to implement sustainable initiatives for future business economic growth.

**d. WT Strategy (Weakness-Threat)**

1. Market diversification to reduce the risk of economic fluctuations in entering new markets outside Southeast Asia.
2. Improve customer service to overcome competition: Improve customer service responsiveness.
3. Develop risk mitigation strategies to anticipate risks related to regulatory and economic changes.
4. Increase transparency in the supply chain to address supply chain problems more transparently.

**Table 1. SWOT Matrix Description**

	<p><b>Strength (Strength)</b></p> <p>The use of sophisticated technology from the Shopee application uses the latest technology to provide an optimal user experience. An extensive distribution network where Shopee has an efficient and extensive logistics network. Attractive promotions and discounts: Shopee often holds big promotions such as Shopee 9.9, 11.11, and 12.12. Diverse payment methods with various payment methods available that make it easier for customers, including ShopeePay. Strong brand awareness with Shopee has succeeded in building high brand awareness in the Southeast Asian market. User friendly user interface The intuitive application interface makes it easier for users to shop. Collaborating with various partners, Shopee often collaborates with well-known brands to attract more customers. Shopee Mall services by providing high quality products from well-known brands. Customer loyalty program, because Shopee often gives rewards to loyal customers.</p>	<p><b>Weakness</b></p> <p>Dependence on big promotions, because big promotions often reduce profit margins. Product quality control is still low, there are fake and low quality products. Unresponsive customer support and complaints about slow customer service. Dependence on the Southeast Asian market because, Limited to the Southeast Asian market and not much expansion into the global market. Inconsistent user experience as some users report inconsistent experiences with their purchases. Problems with returning and returning goods: The process of returning goods is still slow and complicated.</p>



<p><b>Opportunities</b>                  Collaboration with well-known brands can increase customer trust and loyalty. Expansion into international markets to have the potential to expand operations to new countries. Increased internet penetration so that more people have access to the internet. Increase in the number of smartphone users: More users can access the Shopee application. Adoption of digital payment technology for increasing use of digital payment methods. Demand for local products due to having the opportunity to support and promote local products as well. Need for B2B e-commerce solutions, Opportunity to enter the B2B e-commerce market. New feature development: Development of new features that can improve the user experience. Educational programs for sellers because with training programs for sellers to improve service quality as well.</p>	<p><b>SO Strategy</b>                  Utilizing advanced technology for innovation by using AI and machine learning technology to optimize the shopping experience as well. Using a wide distribution network for expansion to expand markets to new countries with strong logistics support. Using big data to understand the market because, big data analysis to identify new market opportunities. Integrating the latest digital payment methods to increase transaction convenience and security.</p>	<p><b>WO Strategy</b>                  Reduce dependence on heavy promotions with product diversification Focus on new product categories to increase revenue. Improving quality control with AI system implementation technology for counterfeit product detection. Improve customer support with technological innovation and use AI chatbots to improve customer service in making sales on Shopee. Leverage the growth of e-commerce for service improvement: to adapt services to emerging e-commerce trends.</p>
<p><b>Threats</b>                  Tight competition between strong competitors such as Tokopedia, Lazada, and Bukalapak. Economic fluctuations where economic instability can affect consumer purchasing power. Cybersecurity concerns because it carries the risk of hacking and data breaches. Changes in consumer behavior from changes in shopping trends that can influence demand. Dependence on third parties, dependency on logistics and payment partners. Political uncertainty due to problems with political uncertainty in several countries. Changes in tariffs and taxes in tariff and tax policies that can affect product prices. That reputation issue also has risks related to negative reviews and product reputation issues. Rapidly changing technology</p>	<p><b>ST Strategy</b>                  Implementing strong cyber security with advanced technology so that when carrying out activities such as using the latest security technology, adjusting business strategies in accordance with regulations, flexibility in dealing with regulatory changes at any time. Developing environmentally friendly products to implement sustainable initiatives for future business economic growth.</p>	<p><b>StrategyWT</b>                  Market diversification to reduce the risk of economic fluctuations in entering new markets outside Southeast Asia. Improve customer service to overcome competition: Improve customer service responsiveness. Develop risk mitigation strategies to anticipate risks related to regulatory and economic changes. Increase transparency in the supply chain to address supply chain problems more transparently.</p>

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## CONCLUSION

Overall, the conclusion of using SWOT analysis is that this tool helps companies to gain a holistic view of their strategic position. This enables better decision making and more mature strategic planning, ultimately contributing to the company's long-term sustainability and growth. In an increasingly competitive and complex business environment, the ability to effectively use SWOT analysis is becoming increasingly important to organizational success.

In conclusion, the application of e-commerce in facing market competition in a company in the digital era has shown a significant positive impact. E-commerce allows companies to increase their ability to face market competition in a more effective and efficient way, as well as improve operational efficiency, service quality, data analysis capabilities and adaptability.

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