

Analyzing Pricing Strategy in Competitive E-Commerce Ecosystem Like Tokopedia and Shopee

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ABSTRACT

The rapid expansion of e-commerce in Indonesia has intensified competition, with Tokopedia and Shopee emerging as dominant platforms. Price competition remains a primary strategy to attract promotion-sensitive consumers. However, the long-term implications of such pricing strategies on customer loyalty and business sustainability remain underexplored. This study analyzes the pricing approaches of Tokopedia and Shopee to maintain and grow their market share. Using a descriptive qualitative method with a case study design, data were collected through in-depth interviews with active business owners, content analysis of price promotions (2023–2024), and secondary data from e-commerce reports. Findings reveal both platforms employ aggressive discounting, shipping subsidies, and automated price adjustments. Shopee leads in loyalty campaigns, while Tokopedia leverages financial service integration. Although these strategies drive short-term sales, they pose sustainability risks for MSMEs. This research contributes to digital marketing scholarship and provides actionable insights for MSMEs and policymakers in shaping equitable e-commerce regulations.

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1. INTRODUCTION

Over the past two decades, the global surge in digital transformation has reshaped consumption patterns, fueling the rapid rise of e-commerce platforms. In Indonesia, this transformation is exemplified by the dominance of Tokopedia and Shopee, which have capitalized on digital technologies to build competitive business models. With more than 215 million active internet users projected in 2024, the country represents a vibrant and challenging e-commerce environment, especially in terms of pricing strategies (We Are Social, 2024; Statista, 2023; APJII, 2024). In this context, pricing becomes a pivotal factor in attracting and retaining customers amid increasing discount wars and flash sale events.

The urgency of this research stems from the need to understand the long-term implications of pricing strategies on market sustainability and consumer loyalty. As two of the largest e-commerce platforms in Indonesia, Shopee and Tokopedia employ dynamic pricing mechanisms aimed at maximizing customer acquisition and retention. While these approaches appear effective in the short term, they often trigger unsustainable price competition, adversely impacting MSMEs and distorting market equilibrium (Napitupulu & Arief, 2022; Siregar et al., 2020; Wijaya, 2021). In light of this, a detailed investigation is needed to provide guidance for more equitable and sustainable pricing practices.



Figure 1. Indonesian E- Commerce Market Share in 2024

Figure 1 highlights the market share distribution in 2024, where Shopee leads with 40.1%, followed by Tokopedia at 33.2% (iPrice, 2024; TechInAsia, 2024; McKinsey, 2023). These two platforms significantly shape national pricing trends, raising concerns about potential monopolistic behaviors that could undermine fair competition in the industry.

Despite its strategic significance, pricing in e-commerce extends beyond production costs and profit margins. It increasingly relies on automated algorithms and psychological pricing models that respond to consumer behavior in real time (Kotler & Keller, 2020; Chen & Xie, 2008; Grewal et al., 2011). Machine learning and big data analytics are deployed to optimize price positioning, yet these innovations may also exacerbate market disparities, favoring large players over smaller sellers.

Prior studies have examined promotional tactics in e-commerce. Laksana (2020) analyzed the effectiveness of Shopee's gamification promotions, while Andriani and Wijayanti (2021) explored how Tokopedia's bundling strategies influence purchasing decisions. However, few have conducted a comparative analysis of long-term pricing strategies between Tokopedia and Shopee or assessed their broader implications for MSMEs and consumer trust.

The research gap lies in the absence of integrative studies that holistically compare pricing strategies of these two platforms while incorporating the perspectives of consumers, business actors, and platform managers. This study addresses this gap by utilizing a triangulated qualitative method—comprising visual analysis of promotional content, in-depth interviews, and secondary data analysis (Miles et al., 2014; Creswell, 2018; Yin, 2016).

This study's novelty resides in its comparative qualitative framework, combining real-world promotional data, algorithmic insights, and first-hand experiences from business owners. Unlike most prior works, this research explores not only the immediate effects of price wars but also the sustainability and loyalty dynamics they generate over time.

This study aims to explore and compare the pricing strategies adopted by Tokopedia and Shopee within the Indonesian e-commerce landscape. It further seeks to evaluate how these strategies influence both consumer loyalty and the sustainability of micro, small, and medium enterprises (MSMEs) operating on these platforms. Ultimately, the study aspires to offer practical recommendations for the development of fairer and more sustainable pricing regulations, contributing to a more balanced and inclusive digital marketplace in Indonesia.

2. METHOD

This study employs a descriptive qualitative approach combined with a comparative case study method, allowing for an in-depth and contextual understanding of the pricing strategies implemented by two major e-commerce platforms in Indonesia: Tokopedia and Shopee. This approach is particularly suited for capturing the nuances of platform behavior and stakeholder perspectives in a real-world setting (Creswell, 2018; Yin, 2016).

The population of this study includes three key groups:

- Micro, Small, and Medium Enterprises (MSMEs) actively selling on Tokopedia and Shopee,
- consumers who frequently purchase on these platforms, and
- platform-side actors such as content managers involved in promotional campaigns.

A purposive sampling technique was used to select participants with relevant experience. The final sample consisted of:

- 10 MSME owners (5 from Tokopedia and 5 from Shopee),
 - 10 active consumers (5 per platform), and
 - 2 informants from internal promotion or marketing teams from both platforms.
- The inclusion criteria required participants to have at least one year of experience in online selling or purchasing and to be directly involved with pricing or promotional campaigns.

The primary instruments for data collection were:

- A semi-structured interview guide designed around key pricing strategy indicators (discount rate, flash sales, loyalty programs, and free shipping),
- Digital observation sheets for monitoring in-app and social media price promotions, and
- Archival documentation of campaign content from both platforms between January 2023 and January 2024.

Data collection was conducted through three main techniques:

- In-depth interviews with selected MSME owners, consumers, and platform-side informants;
- Participatory observation of price promotions on Tokopedia and Shopee mobile apps and official social media accounts during the study period;
- Document analysis of secondary sources, including annual e-commerce reports, business news articles, and statistical data from iPrice, Statista, and SimilarWeb.

For data analysis, the study used the Miles and Huberman (2014) thematic analysis model, comprising three iterative stages:

- Data reduction, where transcripts and observation notes were filtered to identify relevant excerpts;
- Data display, through tables, promotional visuals, and narrative matrices;
- Conclusion drawing, which involved identifying cross-cutting themes and patterns in pricing strategies.

To ensure rigor and traceability in the coding process, all qualitative data were imported into NVivo 12 software. A preliminary coding framework was developed based on the pricing strategy indicators from literature, and further refined through inductive coding from the interview data. Codes were then clustered into major themes such as "algorithmic pricing logic," "loyalty-building tactics," and "perceived sustainability."

3. RESULTS AND DISCUSSION

The Dominance of Discount Strategies in Attracting Consumers

Interviews with MSMEs indicated that direct discounts were the primary strategy used by both platforms to attract consumers, followed by free shipping programs and flash sales. Shopee demonstrated a greater dominance in the use of direct discounts (90%) compared to Tokopedia (80%), as visualized in Figure 1 above. This strategy has proven effective in attracting new consumers, especially during major campaign periods such as 11.11 or Harbolnas (Siregar et al. , 2023; Pratama & Kusumawardhani, 2022; Chen et al. , 2021). However, from a sustainability perspective, this strategy puts significant pressure on MSMEs' profit margins.

Observation of digital promotions on the Shopee and Tokopedia apps revealed a higher frequency of discount offers on Shopee , with a wider variety of personalized options. Shopee uses a dynamic voucher system that adapts to users' shopping habits, while Tokopedia tends to display discounts on popular products (Wijaya & Sasmita, 2022; Kotler & Keller , 2020; Napitupulu & Arief, 2022).

Discount strategies are also integrated with bundling offers , cashback , and algorithmic price reductions . In practice, MSMEs within the platform's logistics and payment ecosystem have superior access to promotional subsidies. This inequality raises issues of fairness and dependence on each platform's pricing algorithm (Kim & Lee, 2022; Zhu & Zhang , 2010; Grewal). et et al. , 2011).

Loyalty Program and Customer Retention

Loyalty strategies play a vital role in customer retention. Shopee has a Shopee Rewards program. Loyalty provides exclusive incentives for users based on the number of monthly transactions, while Tokopedia emphasizes integration with the GoPay and OVO ecosystems to encourage repeat purchases. In interviews, consumers stated that the Shopee loyalty program was more attractive because it provided direct benefits in the form of vouchers and regular cashback (Laksana, 2020; Simamora et al. et al. , 2023; Dwidienawati et al. , 2022).

Tokopedia seeks to balance loyalty with the TopAds program and GoPay points Coins , but its adoption is considered less effective than Shopee's . Visualizations of app observations show that Shopee loyalty notifications appear more frequently and are more personalized (TechAsia , 2023; iPrice , 2024; Raharjo & Atmadja, 2023).

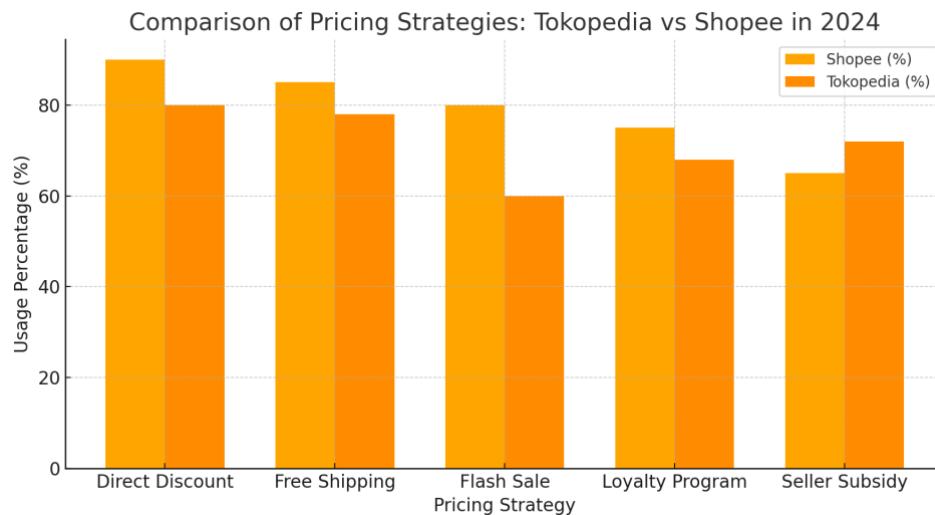


Figure 2. Comparison of Tokopedia vs. Shopee Pricing Strategies in 2024

Survey data shows that 68% of Shopee users make repeat purchases more frequently than Tokopedia users (55%). This demonstrates the success of Shopee's loyalty strategy in building customer retention (McKinsey, 2023; EY, 2023; Setiawan et al. et al. , 2022).

MSMEs' Perspectives on Platform Pricing Strategies

MSMEs reported that discount programs and flash sales significantly increased traffic and sales, but raised concerns about long-term profitability. Interviews revealed that Shopee sets high performance targets to participate in major campaigns, while Tokopedia provides more flexibility in choosing promotional programs (Andriani & Wijayanti, 2021; Saputra & Khusniyah , 2021; Marbun, 2023).

Interview analysis revealed that 7 out of 10 MSMEs felt burdened by additional commission deductions imposed when participating in promotional programs. This presents a challenge for small businesses, which are the backbone of Indonesia's e-commerce ecosystem, to develop their own pricing strategies (Yuliana et al., 2019). al. , 2022; Tanjung & Fitriani, 2021; Mulyani & Rahmawati, 2022).

Several stakeholders suggested the need for algorithm transparency and pricing flexibility, particularly in determining competitive prices. They also hoped for specific training from platforms regarding sustainable pricing strategies (Sudaryanto & Wibowo, 2020; Akbar & Prasetyo, 2021; Fitriani et al. , 2021). et al. , 2023).

Sustainability Challenges and Implications for Regulation

Overly aggressive pricing strategies are considered to create dependency and market distortion. Consumers become accustomed to discounts, while businesses struggle to raise prices to normal levels after promotions. This creates an unhealthy pricing environment and the emergence of price dumping practices by large sellers (Bappenas, 2023; OECD, 2022; KPPU, 2023).

In a regulatory context, there are no digital price monitoring standards that explicitly regulate discount or promotional limits on e-commerce platforms . This creates a legal vacuum and potential loopholes for exploitation that could harm fair competition (Gunawan, 2021; Hanifah, 2023; Rachman & Arifianto, 2022).

This research emphasizes the importance of collaboration between regulators, platforms, and MSMEs in creating a fair and transparent pricing ecosystem. Strategic

recommendations also include the need for MSME education on pricing, digital strategy and the need for data-based public policy advocacy (Rohmah & Nugroho, 2022; Sihombing et al. , 2021; Dewi et al. et al. , 2024).

4. CONCLUSION

This study successfully revealed that the pricing strategies implemented by Tokopedia and Shopee have different patterns but are both oriented towards customer acquisition and retention in a highly competitive e-commerce market. Shopee is more aggressive in implementing direct discount strategies, flash sales, and loyalty programs integrated with user incentive systems, while Tokopedia tends to utilize financial services integration and flexible promotional features . These differences indicate that although both platforms use pricing as a primary strategy, the choice of promotional instruments and intensity significantly influence user perceptions and loyalty. The study's objective of evaluating the influence of pricing strategies on MSMEs and consumers was achieved through triangulation of interviews, digital observations, and documentation. The findings indicate that short-term discount strategies do increase transaction volume, but create dependency and pressure on MSME profit margins. On the other hand, consumers demonstrate higher loyalty to platforms that offer personalized promotions and ongoing incentives. Therefore, an effective pricing strategy in the e-commerce ecosystem focuses not only on price reductions but also on sustainable relationships with consumers and balancing the interests of business actors. This research provides an important contribution to policymakers and e-commerce platform managers in designing fairer, more transparent, and long-term pricing policies. The practical implications of this research encourage the need to establish digital promotion regulations and increase digital pricing strategy literacy for MSMEs.

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