

The Impact of Cross-Border E-Commerce Platforms on Global Market Entry Strategies of SMEs: A Case Study of Southeast Asian Markets

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Abstract: With the rapid digital transformation of the Southeast Asian market, cross-border e-commerce platforms have become a core driver for small and medium-sized enterprises (SMEs) to expand globally. This paper takes the Southeast Asian e-commerce market as the research object, explores how platforms such as Shopee, TikTok Shop, and Lazada reshape SMEs' market entry strategies, and analyzes the opportunities and challenges brought by platform empowerment. Based on market data and typical cases, it is found that cross-border e-commerce platforms reduce SMEs' entry thresholds through simplified access procedures, optimized logistics systems, and localized marketing tools, while forcing SMEs to adjust strategies in compliance management, supply chain optimization, and localized operations. Finally, corresponding suggestions are put forward to help SMEs leverage platform advantages to gain a foothold in the Southeast Asian market.

Keywords: Southeast Asian Markets; Cross-Border E-Commerce Platforms; SMEs

1. Introduction

Southeast Asia has emerged as one of the world's fastest-growing e-commerce markets, driven by factors such as rising internet penetration, a young demographic structure, and improved digital infrastructure. Statistics show that the total e-commerce transaction volume in Southeast Asia is expected to exceed 800 billion US dollars by 2030, with a compound annual growth rate of 11.3%, far higher than the global average. For SMEs with limited resources and weak cross-border operational capabilities, cross-border e-commerce platforms have broken the barriers of traditional trade, providing a low-cost and efficient path to enter

the Southeast Asian market. This paper focuses on the impact of such platforms on SMEs' market entry strategies, aiming to provide reference for SMEs' cross-border development in Southeast Asia.

2. The Development Status of Cross-Border E-Commerce Platforms in Southeast Asia

The Southeast Asian cross-border e-commerce market presents a pattern of "head leading and new forces breaking through". Shopee, as the absolute leader, holds a market share of 45.9% in 2023, with the highest monthly visit volume in five core countries including Indonesia, Vietnam, and Thailand, relying on precise localized strategies. TikTok Shop, the fastest-growing platform, has increased its market share to 28.1% after merging with Tokopedia, and its "content + e-commerce" model has strong explosive power. Lazada, with obvious cross-border advantages, has a sound logistics network and focuses on the high-end market. In addition, Temu has quickly gained traction with cost-effective products, intensifying market competition.

These platforms have continuously optimized their service systems to adapt to the Southeast Asian market. For example, TikTok Shop launched the "Flywheel Program Plus", canceling the e-commerce experience requirement for corporate sellers and reducing the deposit by more than half, which greatly lowers the entry threshold for SMEs. Logistics and payment supporting facilities have also been improved: logistics enterprises such as J&T Express and Ninja Van have shortened the average delivery time to 2.1 days by 2030; digital wallets such as GrabPay and ShopeePay account for over 65% of e-commerce payments, facilitating transactions for unbanked groups.

3. The Impact of Cross-Border E-Commerce

Platforms on SMEs' Market Entry Strategies

3.1 Reducing Thresholds for Market Entry

Traditional market entry for SMEs requires building offline channels, handling complex customs clearance procedures, and bearing high upfront costs, which poses significant barriers. Cross-border e-commerce platforms simplify the entry process through standardized services. For example, with only a business license and domestic sales records, SMEs can open stores in five Southeast Asian countries via TikTok Shop, and one license can operate up to ten stores across different countries. New sellers are exempt from platform commissions for the first 90 days and enjoy advertising subsidies, reducing trial-and-error costs.

A furniture factory in Dongguan, which was previously rejected due to lack of overseas sales experience, successfully entered the Thai market through its sales records on the 1688 platform. This indicates that platforms have shifted the focus of SME market entry from "qualification review" to "operational capability", enabling more SMEs with product advantages to participate in cross-border trade.

3.2 Integrating Content and Localization

Southeast Asian consumers are highly dependent on social media, with an average daily online time of nearly 9 hours. Platforms have reshaped SMEs' marketing strategies by integrating social e-commerce and live streaming. TikTok Shop and Shopee Live have made "short video seeding + live streaming conversion" the mainstream model, accounting for 28% of total e-commerce transactions in 2025. SMEs can cooperate with local KOLs to create grounded content, which is more cost-effective than traditional advertising.

Localization operation has become a key strategy for SMEs to gain a foothold. Platforms provide localized tools such as multi-language customer service and region-specific promotion templates, prompting SMEs to adjust product selection and marketing plans according to national differences. For example, Malaysian consumers prefer halal-certified products; Thai promotions should be combined with local festivals such as Songkran and Loy Krathong; Vietnamese consumers are price-sensitive, so free shipping activities are more attractive.

3.3 Improving Efficiency and Flexibility

Platforms' integrated logistics services have solved the biggest pain point of SMEs in cross-border operations. Through overseas warehouses built by platforms or cooperative logistics enterprises, SMEs can pre-stock goods locally, shortening delivery time and improving customer experience. For instance, SMEs selling in Malaysia and Thailand can use local warehouses to reduce logistics costs, while those in the Philippines need to cooperate with leading logistics companies to cope with complex geographical conditions.

The demand feedback mechanism of platforms also helps SMEs optimize supply chains. By analyzing sales data and consumer reviews provided by platforms, SMEs can accurately predict market demand, adjust production plans, and avoid overstocking. A small home appliance factory in Foshan used TikTok Shop's data analysis to launch cost-effective products tailored to Southeast Asian consumers, achieving sales of over 50,000 US dollars in the first month.

4. Challenges Faced by SMEs in Using Platforms to Enter the Southeast Asian Market

Despite platform empowerment, SMEs still face multiple challenges. Firstly, compliance risks are prominent. Indonesia imposes restrictions on foreign capital holdings, Thailand and Vietnam have strict product certification requirements, and tariff rates vary by country, with Indonesia's highest tariff reaching 150%. SMEs often lack professional compliance teams, easily falling into legal disputes.

Secondly, market competition is becoming increasingly fierce. With the lowering of entry thresholds, a large number of SMEs have poured in, triggering price wars. In the Indonesian market, low-cost competition similar to "9.9 yuan free shipping" in China has emerged, compressing profit margins. Thirdly, cultural and operational differences bring obstacles. Southeast Asia has 11 languages and diverse religious customs, requiring SMEs to invest a lot of energy in localized adjustment, which is a burden for resource-constrained SMEs.

5. Suggestions for SMEs to Optimize Market Entry Strategies

Firstly, prioritize compliance management. SMEs should familiarize themselves with local

tax policies, product certifications, and foreign investment regulations, and can cooperate with professional service agencies to reduce risks. Secondly, adopt differentiated competition strategies. Instead of participating in price wars, SMEs should focus on niche markets, such as healthy food popular in Vietnam and 3C products in the Philippine sinking market, and build product advantages through innovation. Thirdly, deepen localized operations. Establish "international + local" teams to understand consumer needs in depth; use local festivals and social media to carry out targeted marketing; and cooperate with local KOLs to enhance brand influence. Finally, optimize supply chain collaboration. Select logistics solutions according to regional characteristics, and use platform data to achieve precise inventory management and improve supply chain flexibility.

6. Conclusion

Cross-border e-commerce platforms have fundamentally changed SMEs' strategies for entering the Southeast Asian market, reducing entry barriers, optimizing operational efficiency, and reconstructing supply chain models. The

Southeast Asian market, with its huge growth potential, provides broad space for SMEs' cross-border development. However, SMEs must also recognize the challenges of compliance, competition, and localization.

In the future, SMEs need to leverage platform advantages, take compliance as the foundation, localization as the core, and differentiated competition as the driving force to convert platform empowerment into core competitiveness. Only in this way can they gain a stable foothold in the increasingly competitive Southeast Asian cross-border e-commerce market and achieve sustainable development.

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