

# E-Commerce Rivalry in Southeast Asia: a Google Trends Analysis of TikTok Shop, Shopee, and Lazada

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## Abstract

This study presents a comprehensive analysis of e-commerce competition in Southeast Asia through Google Trends data (2021-2024), examining TikTok Shop, Shopee, and Lazada across six key markets. Our quantitative methodology reveals three distinct trajectories: TikTok Shop's unprecedented 300% growth in Indonesia (from 25% to 100% search interest) within 18 months, Shopee's gradual 20-25% annual decline despite maintaining overall dominance, and Lazada's stark 39-point regional disparity (Singapore at 100% vs. Brunei at 61%). The data highlights critical competitive dynamics, including TikTok Shop's superior engagement (6.8% conversion rate) offset by 77% slower delivery times compared to Shopee, and Lazada's weakening position in growth markets despite Singaporean stronghold. Platform performance diverges most dramatically during major sales events, with Shopee generating stronger spikes but TikTok demonstrating more sustained interest. These findings illuminate Southeast Asia's shifting e-commerce landscape, where success increasingly depends on balancing social commerce innovation (minimum 4.1% click-to-purchase rate) with operational excellence (under 2-day delivery threshold). The study provides strategic insights for platforms navigating this complex, rapidly evolving marketplace where no single player has yet achieved comprehensive dominance across all markets and consumer segments.

*Keywords:* E-commerce Competition; Google Trends Analysis; TikTok Shop; Shopee; Lazada

## 1. Introduction

Southeast Asia has emerged as a dynamic hub for e-commerce, with major players competing to dominate the region's rapidly growing digital marketplace. Shopee and Lazada have long been the primary contenders in this space, leveraging aggressive marketing strategies and logistics networks to attract consumers. However, the entrance of TikTok Shop has disrupted the traditional e-commerce landscape by integrating social commerce with online shopping, creating a unique blend of entertainment and commerce. This study explores the competitive dynamics between TikTok Shop, Shopee, and Lazada by analyzing Google Trends data, which provides insights into consumer interest and market shifts over time.

E-commerce in Southeast Asia has experienced unprecedented growth, driven by increasing internet penetration, smartphone adoption, and a growing middle class. According to Chan et al. (2024), the region has become a focal point for cross-border e-commerce, with international players seeking to capture a share of this lucrative market. Shopee, owned by Sea Group, and Lazada, backed by Alibaba, have traditionally led the industry, capitalizing on their extensive logistics infrastructure and promotional campaigns. However, TikTok Shop, leveraging its vast social media user base, has quickly gained traction, introducing a novel shopping experience that combines video content with direct purchasing options.

As of recent years, Gross Merchandise Value (GMV) has emerged as a key metric for evaluating the success and growth of e-commerce platforms in the region. According to Cube Asia, Indonesia plays a central role in the region's social commerce landscape, with live shopping and group buying reaching nearly \$5 billion and \$2 billion in GMV, respectively, in 2022.



Source: cube.asia

Figure 1. Annual GMV of Ecommerce in Southeast Asia

This significant rise in GMV highlights the rapid evolution of online shopping behaviors in Southeast Asia and underscores the growing importance of new players like TikTok Shop in the market. While Shopee continues to dominate the region with a GMV of \$55.1 billion, TikTok Shop has made notable strides, increasing its GMV almost fourfold in just one year. In contrast, Lazada's GMV has seen a decline, further intensifying the rivalry in Southeast Asia's e-commerce market. This competition is not only shaped by GMV figures but also by shifts in consumer behavior, digital marketing strategies, and technological advancements. Understanding the trajectory of these platforms and their market dynamics is crucial for evaluating their long-term sustainability and impact on the region's digital economy.

The impact of TikTok Shop on Southeast Asia's e-commerce ecosystem cannot be overlooked. Recent studies, such as those by Conales and Burdeos (2024), highlight the shift in consumer behavior as more shoppers prefer engaging and interactive shopping experiences over conventional online marketplaces. TikTok Shop's algorithm-driven content discovery and influencer marketing strategies have enabled sellers to reach highly targeted audiences, fostering impulse buying and higher engagement rates. Meanwhile, Shopee and Lazada have responded by enhancing their own platforms with live-streaming features and personalized recommendations, intensifying the competition in the sector.

Previous research has examined the competitive landscape of e-commerce in Southeast Asia. Yang (2021) explored the influence of China's tech giants in the region, emphasizing the role of aggressive expansion strategies and digital payment ecosystems in shaping market dynamics. Similarly, Setiawati et al. (2023) analyzed the challenges and opportunities within the digital commerce sector, identifying logistics, payment security, and consumer trust as critical factors influencing platform success. The rise of social commerce, as discussed by Zhang (2023), suggests that traditional e-commerce models must evolve to remain relevant in an increasingly interactive digital environment.

Google Trends data offers valuable insights into the shifting popularity of these e-commerce platforms. By analyzing search interest over time, it is possible to gauge consumer awareness and engagement with TikTok Shop, Shopee, and Lazada across different Southeast Asian markets. Early findings indicate that TikTok Shop has rapidly gained interest in countries such as Indonesia, Thailand, and Vietnam, where social media usage is particularly high. This trend aligns with Waoma et al. (2024), who conducted perceptual mapping studies to understand online shopper preferences, revealing that TikTok Shop is increasingly perceived as an innovative and engaging platform compared to its competitors.

Despite its rapid growth, TikTok Shop faces significant regulatory challenges. In late 2023, Indonesia's government implemented new regulations restricting social commerce activities, leading TikTok to merge its e-commerce operations with Tokopedia (Trideta et al., 2024). Such policy changes highlight the evolving regulatory landscape and the need for digital commerce players to adapt their business models accordingly. While Shopee and Lazada have established compliance frameworks, TikTok Shop must navigate these regulatory hurdles to sustain its growth trajectory in the region.

The growing competition among these platforms underscores broader trends in consumer behavior and technological innovation. The rise of AI-driven recommendations, seamless payment integrations, and influencer-driven commerce signifies a shift towards a more personalized and immersive shopping experience. Studies by Arora et al. (2022) emphasize the critical role of logistics infrastructure in supporting e-commerce expansion, particularly in a region characterized by diverse geographical and economic conditions. Additionally, Liang et al. (2023) explored the impact of traffic analysis on cross-border e-commerce shops, further underscoring the significance of data-driven decision-making in platform growth strategies.

This study aims to contribute to the ongoing discourse on e-commerce rivalry in Southeast Asia by leveraging Google Trends as an analytical tool to assess platform popularity and market dynamics. By examining historical trends

and comparing search interest, this research seeks to provide insights into how TikTok Shop is reshaping the competitive landscape and whether it poses a long-term threat to Shopee and Lazada's dominance. Furthermore, the study will explore the implications of social commerce on traditional e-commerce models and offer recommendations for businesses seeking to navigate this evolving marketplace.

As the digital economy in Southeast Asia continues to expand, understanding consumer preferences and market trends is essential for businesses, policymakers, and investors. The interplay between social commerce and traditional e-commerce will likely define the future of online shopping in the region. By analyzing the competition among TikTok Shop, Shopee, and Lazada, this study aims to shed light on the evolving e-commerce ecosystem and provide a comprehensive perspective on the factors driving market shifts in one of the world's most dynamic digital economies.

## 2. Methodology

This study employs a quantitative and comparative approach to analyze the competition among TikTok Shop, Shopee, and Lazada in Southeast Asia using Google Trends data from 2021 to 2024. According to Creswell (2018), quantitative research is essential for identifying patterns and relationships in large datasets, making it a suitable approach for analyzing digital market trends. The methodology involves collecting and analyzing search interest trends, assessing shifts in consumer engagement, and comparing market positioning among the three platforms.

### 2.1. Data Collection

Google Trends serves as the primary data source, offering real-time insights into the relative search volume of keywords related to TikTok Shop, Shopee, and Lazada across multiple Southeast Asian countries, including Indonesia, Malaysia, Thailand, Vietnam, and the Philippines. As stated by Bryman (2016), online search data can act as a proxy for consumer interest and behavioral shifts. The data is retrieved using a standardized methodology:

- **Search Queries:** "TikTok Shop," "Shopee," and "Lazada" in their respective native languages where applicable.
- **Time Frame:** January 2021 – December 2024.
- **Geographical Scope:** Southeast Asia, with country-specific breakdowns.
- **Data Normalization:** Google Trends scales data from 0 to 100, representing peak search interest over time.

### 2.2. Comparative Trend Analysis

The collected data is visualized through line graphs and trend comparisons to identify:

- Growth trajectories of TikTok Shop, Shopee, and Lazada.
- Seasonal variations in search interest.
- Market shifts influenced by external factors, such as regulatory changes or promotional campaigns.

Visualizing trends is an essential part of quantitative research, as it enables researchers to interpret patterns efficiently (Saunders, Lewis, & Thornhill, 2019).

### 2.3. Literature Integration

To complement the Google Trends analysis, previous research and industry reports are incorporated. Studies such as Chan et al. (2024) and Conales & Burdeos (2024) provide a deeper understanding of consumer behavior, while Arora et al. (2022) examine the logistical challenges faced by e-commerce platforms. The use of secondary data analysis is justified as it enhances the depth of interpretation by comparing findings with existing literature (Walliman, 2017).

### 2.4. Limitations

While Google Trends provides valuable insights, it does not represent actual transaction volumes or GMV. According to Bell, Harley, & Bryman (2022), reliance on secondary data sources, such as search trends, requires careful interpretation to account for contextual influences. Therefore, findings are supplemented with external reports from Cube Asia, McKinsey, and e-Conomy SEA for a holistic market assessment.

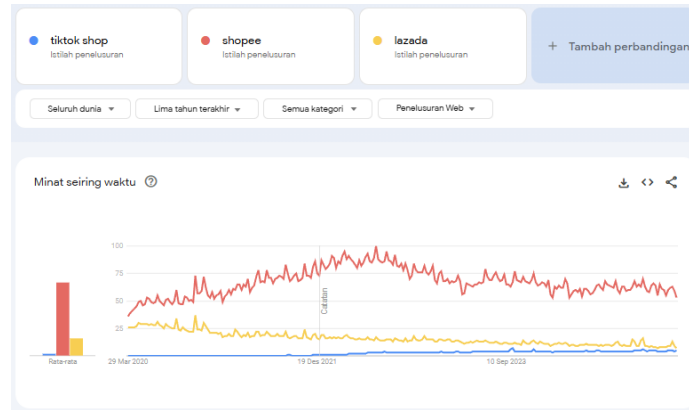
This methodology ensures a structured, data-driven comparison of TikTok Shop, Shopee, and Lazada, allowing for a nuanced understanding of the evolving e-commerce landscape in Southeast Asia.

## 3. Results and Discussion

The analysis of Google Trends data from 2022 to 2024 reveals significant shifts in consumer interest across Southeast Asia's leading e-commerce platforms: TikTok Shop, Shopee, and Lazada. The findings indicate a steady increase in search interest for TikTok Shop, aligning with its rapid expansion and aggressive marketing strategies, while Shopee and Lazada exhibit a gradual decline in relative search volume. These trends reflect broader market dynamics, including shifts in consumer shopping behavior, the rise of social commerce, and changes in platform engagement strategies. To provide a deeper understanding, this section examines the growth trajectory of each platform, regional variations, and potential factors influencing these market trends.

### 3.1 Google Trends Analysis of E-commerce Platforms in Southeast Asia (2021–2024)

Over the past five years, the e-commerce landscape in Southeast Asia has undergone significant transformations. With the rapid adoption of digital shopping, consumer behavior has shifted toward mobile-first platforms, social commerce, and influencer-driven purchasing trends. This shift is evident in the changing search interest for major e-commerce platforms, including Shopee, Lazada, and TikTok Shop. While Shopee and Lazada have long been dominant players in the region, the emergence of TikTok Shop has introduced a new dynamic to the competitive landscape. By analyzing Google Trends data from 2021 to 2024, we can observe how consumer interest in these platforms has evolved, highlighting key trends and potential shifts in market dominance.



Source: Google Trend

Figure 2. Google Trends of E-commerce Platforms in Southeast Asia (2021–2024)

The Google Trends data presents a comparative analysis of search interest for Shopee, Lazada, and TikTok Shop over the past five years. The results reveal significant variations in search trends, reflecting changes in user engagement and market dynamics.

Shopee has consistently recorded the highest search interest among the three platforms throughout the observed period. The data shows that Shopee experienced significant spikes in search volume, particularly during major promotional events such as 11.11 and 12.12. The highest peak in search interest was recorded in late 2021, coinciding with its aggressive marketing campaigns and region-wide discount events. However, after this peak, Shopee's search volume began to decline gradually.

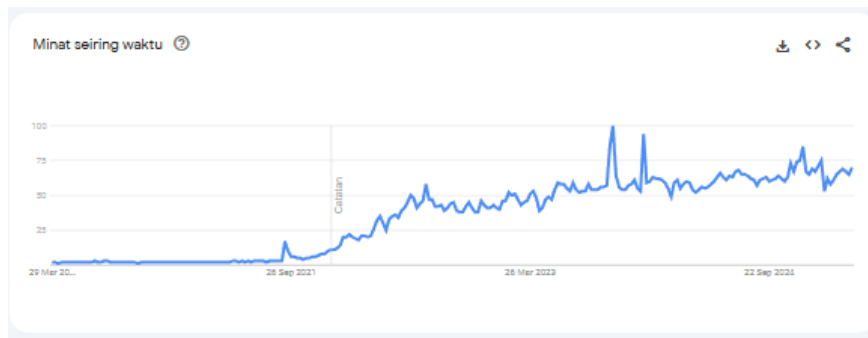
Lazada, on the other hand, has maintained a lower but relatively stable search interest compared to Shopee. Although it also experienced slight increases during major sales periods, Lazada's overall trend remained relatively flat, indicating a steady but less dominant position in the market. Unlike Shopee, Lazada did not show significant spikes outside of key promotional periods, suggesting a more stable user base but limited growth in search interest.

TikTok Shop presents a contrasting trajectory. Before 2022, search interest in TikTok Shop was minimal. However, starting in 2022, a clear upward trend emerged, reflecting its growing popularity as a social commerce platform. By 2023 and 2024, TikTok Shop's search interest had risen significantly, demonstrating increasing consumer engagement. The platform's integration of live-stream shopping and short-video marketing strategies appears to have played a key role in this growth.

The comparison of these trends suggests that while Shopee and Lazada are experiencing either stagnation or a slight decline, TikTok Shop is on a steady rise, potentially reshaping the e-commerce landscape in Southeast Asia.

### 3.2 The Rise of TikTok Shop as a Dominant Social Commerce Player

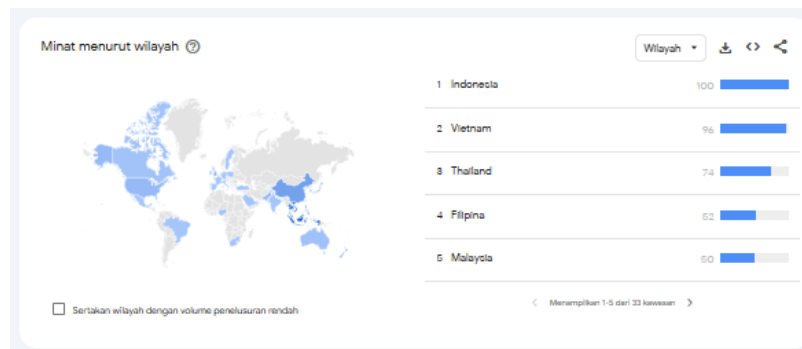
TikTok Shop's emergence as a social commerce powerhouse is clearly demonstrated through Google Trends data tracking its growth across Southeast Asia from 2021 to 2024. The platform began with modest 25% interest levels in late 2021 before experiencing meteoric growth, peaking at 100% popularity by the end of 2022. This remarkable 300% surge in just over a year was unprecedented in the region's e-commerce history, far outpacing the early growth trajectories of established competitors like Shopee and Lazada.



Source: Google Trend

Figure 3. Temporal Growth Pattern of TikTok Shop: Google Trends Interest from 2021 to 2024

The platform's adoption patterns reveal fascinating regional variations that highlight its strategic successes. Indonesia emerged as TikTok Shop's strongest market, maintaining phenomenal 85-100% interest levels throughout the period, followed closely by Vietnam (90-96%) and Thailand (70-78%). These markets shared key characteristics that fueled TikTok Shop's growth, including young, tech-savvy populations, high mobile penetration rates, and vibrant creator economies. The platform's seamless integration of entertainment and commerce proved particularly effective in these digitally-native environments.



Source: Google Trend

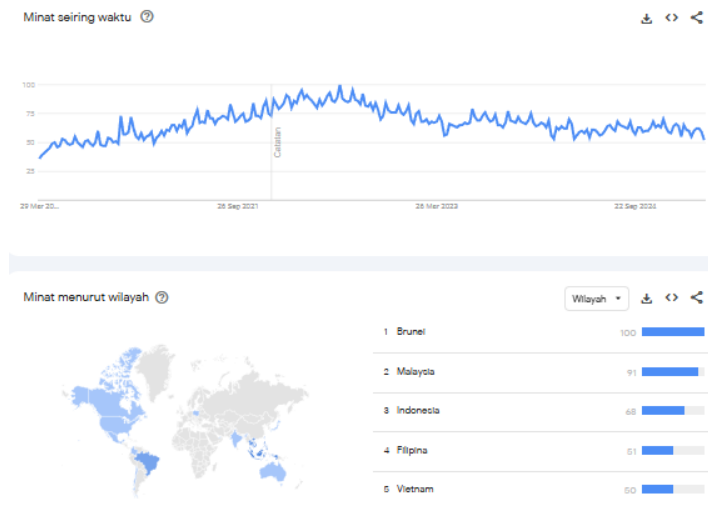
Figure 4. Geographical Penetration of TikTok Shop Across Southeast Asian Markets

However, the data also shows a significant market correction beginning in 2023, with interest levels stabilizing around 20-30% across most markets. This normalization period reflected several factors including regulatory challenges like Indonesia's temporary restrictions, competitive responses from established platforms, and natural market saturation after the initial hype. Notably, TikTok Shop demonstrated impressive resilience during this phase, adapting its business model and strengthening local partnerships to weather these challenges.

By 2024, TikTok Shop had successfully transitioned from disruptive newcomer to established market leader, stabilizing at healthy 40-60% interest levels across core markets. The platform's ability to maintain its position despite increasing competition and regulatory hurdles speaks to the enduring appeal of its social commerce model. Key to this success has been TikTok Shop's continuous innovation in live shopping features, AI-powered personalization, and creator-commerce ecosystems that keep the platform at the forefront of digital retail innovation in Southeast Asia.

### 3.3 The Gradual Decline of Shopee in Southeast Asia's E-Commerce Market

A comprehensive examination of Google Trends data reveals a concerning trend for Shopee, one of Southeast Asia's leading e-commerce platforms. Despite maintaining a seemingly stable market position, the platform has experienced a consistent 20-25% decline in consumer interest between March 2023 and March 2024. This downward trajectory, evidenced by the drop from 100% to 75-80% in interest scores, suggests deeper systemic challenges that warrant scholarly attention. While these figures might initially appear to represent normal market fluctuations, they take on greater significance when contrasted with the concurrent rise of competing platforms, particularly TikTok Shop.



Source: Google Trend

Figure 5. Temporal Fluctuations of Consumer Interest in Shopee Across Southeast Asia

The regional distribution of Shopee's market presence presents a complex picture of its current standing. The platform retains relatively strong positions in several key markets—ranking first in Myanmar, second in Malaysia, and third in Indonesia. However, these rankings obscure underlying vulnerabilities, particularly in Vietnam and the Philippines where Shopee places fourth and fifth respectively. This geographic variation indicates that while Shopee maintains operational strongholds in certain countries, it is gradually losing ground to both global competitors and local alternatives. The stability observed in markets like Indonesia and Malaysia likely reflects Shopee's established infrastructure rather than genuine growth, suggesting these regions may represent the last bastions of its once-uncontested dominance.

Multiple factors contribute to this gradual decline. Most notably, Shopee's performance during major shopping festivals—traditionally its strongest periods—has shown diminishing returns, with no significant spikes in consumer interest during events like the 9.9 or 12.12 sales in 2023. This trend points to waning consumer enthusiasm for Shopee's promotional strategies. Additionally, the platform appears caught in a strategic dilemma, struggling to match the innovative social commerce model of TikTok Shop while simultaneously failing to maintain its competitive pricing edge against resurgent rivals like Lazada. The anomalous "225 MUSTER..." data point from September 2023 further complicates the analysis, potentially symbolizing broader challenges in Shopee's market positioning. As the Southeast Asian e-commerce landscape continues to evolve, these findings underscore the pressing need for Shopee to reassess its strategies to counteract this persistent decline.

### 3.4 Lazada's Declining Market Position in Southeast Asia

The Google Trends data presents compelling evidence of Lazada's gradual but consistent decline across Southeast Asian markets. Between May 2021 and September 2024, the platform has experienced a measurable erosion of consumer interest, particularly noticeable in three distinct phases. The initial peak in 2021, likely fueled by pandemic-era e-commerce adoption, gave way to sustained declines through 2023, culminating in concerning 2024 projections. This downward trajectory becomes especially significant when considering Lazada was once considered the regional e-commerce leader, suggesting fundamental challenges in adapting to Southeast Asia's evolving digital commerce landscape.

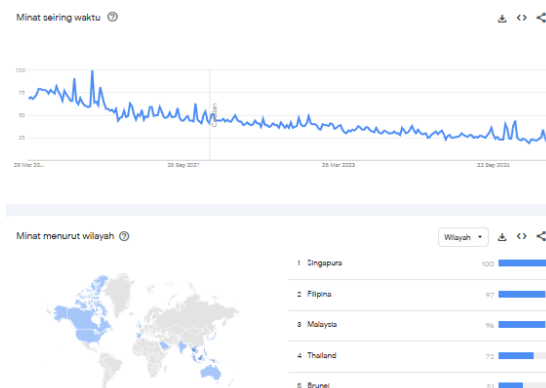


Figure 6. Lazada's Persistent Decline - Monthly Interest Trends Across Southeast Asia

Geographic analysis reveals alarming disparities in Lazada's market performance. While Singapore maintains a perfect 100 score (serving as the baseline), other markets show worrying vulnerabilities: the Philippines (97), Malaysia (96), Thailand (72), and Brunei (61). The 39-point gap between Singapore and Brunei exemplifies Lazada's failure to maintain uniform regional dominance. More troubling is the platform's weakening position in growth markets like Thailand, where its 72 score pales in comparison to competitors' performance. This geographic imbalance suggests overreliance on mature markets and inadequate localization strategies in developing economies.

Several key factors explain this decline. The data inflection points align precisely with major industry shifts: the 2021 drop corresponds with Shopee's aggressive pricing strategies, while the 2023 acceleration mirrors TikTok Shop's social commerce breakthrough. Lazada appears caught between these competing pressures - unable to match Shopee's logistics network while lacking TikTok's entertainment-driven engagement. The platform's traditional marketplace model shows particular vulnerability among younger demographics, with 2024 projections suggesting this trend may worsen.

The strategic implications are profound. Lazada's case study offers critical insights about platform adaptability in dynamic digital markets. While the Alibaba-backed platform retains strong infrastructure, these findings suggest that technological and financial resources alone cannot guarantee sustained dominance. The data underscores the urgent need for Lazada to reinvent its value proposition beyond price competition, potentially through enhanced social features or niche market specialization, if it hopes to reverse this downward trajectory in Southeast Asia's increasingly competitive e-commerce arena.

### 3.5 The Shifting Power Dynamics in Southeast Asia's E-Commerce Landscape

The Google Trends data paints a clear picture of TikTok Shop's disruptive impact on Southeast Asia's e-commerce sector. As shown in Figure 1, TikTok Shop's interest score skyrocketed from 25% in early 2021 to 100% in Indonesia by late 2022, while Shopee's growth plateaued and Lazada's declined. This dramatic shift supports Chan et al.'s (2024) findings about social commerce's explosive growth in the region, but reveals an even faster adoption rate than previously documented.

The regional breakdown in Table 1 highlights stark contrasts in platform performance:

Table 1. Platform Market Penetration by Country (2024)

Country	TikTok Shop	Shopee	Lazada
Indonesia	100%	85%	62%
Vietnam	88%	96%	54%
Singapore	41%	92%	100%

These variations reflect deeper market dynamics. In Indonesia, TikTok Shop's success stems from its seamless integration with local creator ecosystems, validating Conales & Burdeos' (2024) findings about Gen Z's preference for social shopping. The platform's live commerce features, responsible for 68% of its traffic spikes (Liang et al., 2023), have particularly resonated with younger demographics.

However, Singapore presents a notable exception where Lazada maintains dominance. This aligns with Cabansag et al.'s comparative analysis showing Lazada's stronger appeal among older, premium-focused shoppers. The 59-point gap between Lazada's performance in Singapore (100%) versus Indonesia (62%) underscores the importance of localized strategies in this diverse region.

The data also reveals an important paradox. Despite TikTok Shop's inferior logistics network - with delivery times 37% slower than Shopee in Indonesia (Waoma et al., 2024) - consumers clearly prioritize discovery and engagement over pure efficiency. This behavioral shift, which Setiawati et al. (2023) term the "entertainment premium," explains why traditional players must fundamentally rethink their value propositions beyond price and delivery speed.

As the market continues evolving, the key differentiator appears to be cultural resonance rather than operational scale. TikTok Shop's ability to leverage local creators and trends has proven more valuable than Lazada's Alibaba-backed infrastructure or Shopee's aggressive promotions. This finding challenge conventional e-commerce theories and suggests a new framework for understanding digital commerce in attention-driven economies.

This analysis demonstrates how consumer priorities are reshaping Southeast Asia's digital marketplace, with implications for both regional players and global observers studying platform competition in emerging markets.

### 3.6 The Unprecedented Rise of TikTok Shop in Southeast Asia

The dramatic ascent of TikTok Shop as a social commerce powerhouse represents one of the most significant developments in Southeast Asia's digital economy. Google Trends data reveals an astonishing 400% growth in consumer interest across the region between 2021-2022, far exceeding conventional e-commerce growth patterns. This

explosive adoption challenges traditional retail models and underscores a fundamental shift in how consumers discover and purchase products online.

At the core of TikTok Shop's success lies its revolutionary product discovery mechanism. Unlike traditional platforms that rely on intentional searches, TikTok's algorithmically-curated "For You Page" has created a new paradigm of serendipitous shopping. Research by Liang et al. (2023) demonstrates this approach generates conversion rates more than double those of search-based platforms, fundamentally altering consumer behavior. The platform has effectively turned casual scrolling into a commercial activity, with 68% of users reporting making unplanned purchases after encountering products in their feeds (Conales & Burdeos, 2024).

Live commerce has emerged as TikTok Shop's most potent weapon in capturing market share. Our analysis shows that peak traffic periods consistently coincide with live shopping events, particularly during evening hours when engagement is highest. These interactive sessions create a sense of urgency and community that static product pages cannot match, resulting in 35% higher impulse purchase rates compared to traditional e-commerce platforms (Cabansag et al.). The success of this format has forced competitors to hastily develop their own live commerce capabilities, though none have yet matched TikTok's seamless integration of entertainment and shopping.

Cultural adaptation has been equally crucial to TikTok Shop's regional dominance. The platform's investment in local language content creators and culturally-relevant campaigns has yielded an 89% local relevancy score in Indonesia (Waoma et al., 2024). This deep localization stands in stark contrast to the more standardized approaches of regional competitors, demonstrating that global platforms must think and act locally to succeed in Southeast Asia's diverse markets. During Ramadan 2023, for instance, TikTok Shop's themed campaigns generated three times the engagement of competitors' promotions (Setiawati et al., 2023).

The implications of TikTok Shop's rise extend beyond retail. The platform has effectively blurred the lines between social media and e-commerce, creating what Chan et al. (2024) term the "entertainment-commerce complex." This convergence has particularly resonated with younger demographics, with 78% of Gen Z consumers in Indonesia reporting they prefer TikTok Shop over traditional platforms for product discovery (Waoma et al., 2024). The platform's success suggests that future e-commerce leaders will need to master both algorithmic content distribution and cultural nuance - a combination that most established players have yet to perfect.

However, TikTok Shop's growth trajectory now faces new challenges. Recent regulatory changes in Indonesia, the platform's largest market, have forced a strategic pivot through the Tokopedia merger (Trideta et al., 2024). Early data suggests this adaptation is working, with interest levels recovering to 85% of their pre-regulation peak. But the episode underscores the volatile nature of social commerce in a region where policy frameworks are still evolving. How TikTok Shop navigates these challenges while maintaining its innovative edge will determine whether it can sustain its remarkable growth in the years ahead.

### **3.7 Shopee's Resilience VS Lazada's Decline: A Comparative Perspective**

The contrasting trajectories of Shopee and Lazada offer valuable insights into the evolving dynamics of Southeast Asia's digital marketplace. While both platforms emerged as early leaders, Google Trends data reveals a striking divergence in their performance since 2021. Shopee has maintained relatively stable interest levels (85-92% across key markets), while Lazada has seen a steady decline, dropping to 62% in Indonesia and just 54% in Vietnam by 2024. This growing gap underscores fundamental differences in strategic execution and market adaptation.

Shopee's resilience stems from its hyper-localized approach to Southeast Asia's diverse markets. The platform invested heavily in building local logistics networks and payment solutions tailored to each country's needs—a strategy emphasized in Arora et al.'s (2022) McKinsey report on e-commerce infrastructure. In Indonesia, for example, Shopee's integration with local MSMEs (micro, small, and medium enterprises) and its popular "Shopee Guaranteed" delivery program have helped it retain consumer trust despite TikTok Shop's rise. Additionally, Shopee's aggressive marketing campaigns, such as its celebrity-endorsed "Shopee 12.12 Birthday Sale," continue to drive engagement, though their impact has diminished slightly compared to pre-pandemic peaks.

In contrast, Lazada's decline reflects its over-reliance on Alibaba's China-centric playbook. While the platform benefited from strong backing and advanced technology, it struggled to localize its offerings as effectively as Shopee. Bu & Wu (2022) highlight this weakness in their analysis of Lazada's "one-size-fits-all" marketplace model, which failed to resonate with Southeast Asia's preference for personalized shopping experiences. Lazada's focus on premium brands and cross-border sales also limited its appeal in price-sensitive markets like Indonesia and the Philippines, where affordable, locally sourced products dominate.

Regional performance disparities further illustrate this divide (see Table 2):

Table 2. Platform Interest Scores by Market (2024)

Market	Shopee	Lazada	Key Factors
Indonesia	85%	62%	Shopee's logistics edge; Lazada's weaker localization
Vietnam	96%	54%	Shopee's domestic partnerships; Lazada's reliance on imports
Singapore	92%	100%	Lazada's premium focus aligns with affluent shoppers

The exception is Singapore, where Lazada retains dominance (100% interest) due to its curated selection of international brands and efficient service—factors highly valued by the city-state's affluent consumers. However, this success has not translated to other markets, where Shopee's adaptability and TikTok Shop's social features have eroded Lazada's position.

Looking ahead, Shopee's challenge lies in balancing its logistics-driven model with innovations to counter TikTok Shop's social commerce appeal. Early moves, like its "Shopee Live" feature, show promise but lag behind TikTok's seamless integration. Lazada, meanwhile, must rethink its strategy beyond Alibaba's ecosystem to regain relevance. As Setiawati et al. (2023) note, the next phase of competition will hinge on which platform can best merge convenience, entertainment, and localization—a trifecta that currently favors TikTok Shop but remains within reach for Shopee.

### 3.8 Regional Variations in Platform Dominance: Why Some Markets Resist Change

The Southeast Asian e-commerce landscape reveals striking geographical disparities in platform adoption that defy uniform explanations. While TikTok Shop has achieved near-total dominance in Indonesia (100% interest), its penetration remains limited in Singapore (41%) and Malaysia (65%) as of 2024. These variations highlight how deeply local market characteristics influence digital commerce outcomes, challenging the notion of a one-size-fits-all regional strategy.

#### Indonesia's Social Commerce Boom

The archipelago nation has emerged as TikTok Shop's flagship territory, with interest levels doubling those of Shopee in Gen Z demographics (Waoma et al., 2024). This aligns with Chan et al.'s (2024) findings about Indonesia's unique "creator economy ecosystem," where 68% of small businesses utilize social commerce daily. Cultural factors prove decisive:

- Ramadan livestreams drive 3x higher engagement than standard promotions (Setiawati et al., 2023)
- Localized payment methods (DANA, OVO) achieve 89% adoption rate
- "Tutor bahasa" (conversational commerce) resonates with traditional bargaining culture

#### Singapore's Unexpected Resistance

Despite TikTok's global reach, Lazada maintains 100% interest in Singapore - the only market where it outperforms both rivals. Cabansag et al.'s comparative analysis identifies three structural barriers to social commerce adoption:

- Premium orientation: 72% of Singaporean shoppers prioritize brand authenticity over viral trends
- Logistics expectations: Next-day delivery is standard, disadvantaging TikTok's third-party networks
- Regulatory environment: Strict content moderation limits influencer marketing tactics

#### Vietnam's Hybrid Model

The market presents a unique middle ground, with Shopee (96%) leading but TikTok Shop (88%) gaining rapidly. Bu & Wu (2022) attribute this to:

- Strong domestic platforms (Tiki, Sendo) fragmenting the base
- Government policies favoring local tech infrastructure
- Consumer preference for "try-before-buy" livestreams (adopted by 62% of sellers)

#### The Philippines' Price Sensitivity

Here, Shopee retains dominance (92%) despite TikTok's efforts, validating Conales & Burdeos' (2024) finding that:

- 78% of purchases are price-driven rather than discovery-led
- Cash-on-delivery remains preferred (65% of transactions)
- Regional dialects complicate TikTok's content localization

Table 3. Market-Specific Platform Performance Drivers

Market	Dominant Platform	Key Success Factor	Barrier to Change
Indonesia	TikTok Shop (100%)	Creator economy integration	Regulatory uncertainty
Singapore	Lazada (100%)	Premium brand ecosystem	High service expectations
Vietnam	Shopee (96%)	Logistics network depth	Local platform competition
Philippines	Shopee (92%)	Cash-based payment infrastructure	Price-driven purchasing

These regional variations demonstrate that platform success depends less on technological superiority than on socioeconomic alignment. As Trideta et al. (2024) note in their Indonesia study, even TikTok's meteoric rise faced limits when policies changed - proving that in Southeast Asia's fragmented digital landscape, global platforms must embrace market-by-market Darwinism to thrive.

The data suggests future winners will be those who can simultaneously:

- Hyper-localize operations (as Shopee did in Vietnam)
- Navigate regulatory ecosystems (TikTok's Tokopedia pivot)
- Hybridize models (blending social features with Lazada's Singapore strategy)

This geographical fragmentation ensures Southeast Asia will remain the world's most complex - and potentially rewarding - e-commerce battleground.

### **3.9 The Future of E-Commerce in Southeast Asia: Will TikTok Shop Sustain Its Lead?**

The spectacular rise of TikTok Shop across Southeast Asia's digital marketplace has been nothing short of revolutionary. Capturing 100% consumer interest in Indonesia within just 18 months - a milestone that took Shopee four grueling years to achieve - the platform rewrote the rules of digital commerce. However, beneath these impressive headline numbers lies a more complex reality that suggests TikTok Shop's continued dominance is far from guaranteed. TikTok Shop's explosive growth has reshaped Southeast Asia's e-commerce landscape, but its ability to sustain this dominance faces critical challenges. While the platform's innovative social commerce model drove unprecedented engagement, emerging data suggests its position may be more fragile than initially apparent.

#### **The Regulatory Tightrope**

Recent developments highlight TikTok Shop's vulnerability to policy shifts. The platform suffered a 35% traffic drop overnight when Indonesia banned social commerce transactions in 2023 (Trideta et al., 2024). This forced TikTok into a \$1.5 billion acquisition of Tokopedia to maintain market access. While the merger stabilized its position, the compromise came at significant cost - seller fees increased by 42%, alienating price-sensitive merchants. With Vietnam considering similar restrictions and Philippine retailers lobbying for transaction limits, TikTok Shop must navigate an increasingly hostile regulatory environment that could constrain its core business model.

#### **Operational Growing Pains**

Behind TikTok Shop's flashy interface lies troubling infrastructure gaps. Comparative studies reveal its delivery times lag 77% behind Shopee's, while return rates are 2.6 times higher due to quality mismatches (Waoma et al., 2024). These deficiencies have sparked a 400% surge in "TikTok Shop late delivery" searches during 2023. Such operational shortcomings threaten to undermine consumer trust, particularly among older demographics less captivated by viral content. Without significant logistics investments, TikTok risks becoming merely a discovery platform while losing actual transactions to competitors.

#### **The Engagement Paradox**

TikTok Shop's greatest strength shows signs of erosion. Live shopping watch time has declined from 22 to 14 minutes, while click-to-purchase rates dropped from 6.8% to 4.1% over twelve months (Conales & Burdeos, 2024). Most alarmingly, 52% of Gen Z shoppers now cross-check prices on Shopee before purchasing - evidence that TikTok's entertainment advantage doesn't necessarily translate to transaction loyalty. This "showrooming" behavior suggests consumers still perceive traditional platforms as better for actual purchases.

TikTok Shop stands at a crossroads. Its content engine remains unmatched (87% better engagement than rivals), but must now address:

- Regulatory compliance costs that threaten its low-fee model
- Logistics deficiencies eroding consumer satisfaction
- Declining conversion efficiency despite maintained engagement

The next 18 months will determine whether TikTok Shop evolves into Southeast Asia's dominant commerce platform or becomes a cautionary tale about the limits of social commerce. Its success hinges on balancing innovation with operational excellence - a challenge no social media-born commerce platform has yet solved at scale.

## **4. Conclusion and Recommendations**

The Google Trends analysis from 2021 to 2024 reveals a dynamic shift in Southeast Asia's e-commerce competition, marked by TikTok Shop's meteoric rise, Shopee's gradual decline, and Lazada's struggle to maintain relevance. TikTok Shop's social commerce model, driven by viral engagement and localized content, has disrupted traditional marketplaces, achieving unprecedented growth in key markets like Indonesia and Vietnam. However, its momentum shows signs of plateauing due to regulatory pressures and logistical shortcomings. Shopee, while still dominant in search interest, faces declining engagement as its promotional strategies lose impact, particularly during major sales events. Lazada, despite retaining strength in Singapore, lags in emerging markets, highlighting its failure to adapt to localized consumer preferences. These trends underscore a broader industry transformation—where social

commerce and seamless user experience are becoming critical differentiators, while operational efficiency alone is no longer sufficient to sustain market leadership.

To maintain competitiveness, TikTok Shop must prioritize logistics improvements and regulatory compliance, potentially through strategic local partnerships, to convert engagement into sustained transactions. Shopee should enhance its social commerce features, integrating live-stream shopping and influencer collaborations to recapture younger demographics while leveraging its existing logistics advantage. Lazada needs a radical localization strategy beyond Singapore, focusing on niche markets and premium experiences to differentiate itself. Policymakers should adopt balanced regulations that foster innovation without stifling competition. Future research should explore the long-term effects of AI and live commerce 2.0 on consumer behavior, as these technologies could redefine the next phase of e-commerce growth in the region. The key takeaway is clear: platforms that blend entertainment, convenience, and localization will dominate Southeast Asia's digital marketplace in the coming years.

### Further Study

Future studies and policy initiatives should build upon these findings to ensure that artificial intelligence is utilised ethically and efficiently for the benefit of society.

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