

Evaluation of the Effectiveness of the Customer Focus Theory Method in Product and Service Development

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ABSTRACT

This research aims to evaluate and compare the customer-focused marketing strategies implemented by sellers on Shopee and TikTok Shop in Indonesia. Using a qualitative approach and a case study design, data were collected through in-depth interviews, participatory observation, and document analysis. Sellers who have been operating for at least one year with significant interaction and sales volume were selected as participants. The study explores the marketing strategies applied by sellers to enhance customer engagement, adapt to market changes, and utilize platform features that focus on customer experience.

The findings reveal differences in the approaches of both platforms: Shopee sellers emphasize data-driven personalization through features such as promotions, discounts, and product reviews, while TikTok Shop sellers prioritize entertainment content and direct interaction with customers through TikTok Live and influencer collaborations. Thematic and comparative analysis identifies differences in the use of personalization, engagement strategies, and data utilization between the two platforms. This study provides insights into customer-focused e-commerce marketing practices and offers implications for sellers and platform developers to optimize their strategies in improving customer relationships and sales performance.

Keywords: Customer focus, Marketing strategies, TikTok Shop, Shopee

A. PENDAHULUAN

The rapid development of digital technology has significantly driven the growth of the e-commerce industry, transforming the way consumers shop and interact with products and services. According to Kotler & Keller (2016), digital advancements have enabled companies to better understand customer preferences and create more effective marketing strategies. In this context, e-commerce has become one of the sectors experiencing intense competition, especially in Southeast Asia, which has a high level of digital adoption (Statista, 2023).

The competition between Shopee and TikTok Shop has become fiercer due to changing consumer behavior that prioritizes a fast, interactive, and personalized shopping experience. A study by Rahayu & Day (2020) shows that the Customer Focus Theory plays a key role in enhancing the competitiveness of e-commerce. By understanding customer preferences and behavior, companies can

develop more effective marketing strategies and increase consumer loyalty.

According to research by Latansyah et al. (2024) customer-oriented competitive strategies have a significant impact on marketing performance in e-commerce. This study analyzes how Shopee and TikTok Shop implement Customer Focus Theory Analysis to understand consumer needs and behavior, and how these strategies contribute to their success in a competitive market. The research findings suggest that service personalization, customer engagement, and data-driven innovation are key factors in improving e-commerce platform competitiveness.

E-commerce has become one of the fastest-growing sectors, allowing anyone to become a seller without needing a physical store. Shopee, as a traditional catalog-based marketplace, provides various features for sellers such as Shopee Ads, Shopee Live, and promotional programs like Free Shipping, Flash Sale, and Cashback (Chen & Lee, 2022). Shopee also has a store rating system, product reviews, and a chat feature that facilitates interaction between sellers and buyers (Rahayu & Day, 2020). With these strategies, sellers can increase their product visibility and build customer trust.

TikTok Shop, on the other hand, adopts a more innovative approach by combining shopping with short-form entertainment content. Sellers on TikTok Shop not only rely on product catalogs but also need to engage in live shopping, collaborate with influencers, and utilize algorithm-based recommendation marketing strategies (Zhang et al., 2023). This format allows sellers to reach a broader audience and boost sales conversions through viral content (Ding & Ali, 2022).

The competition between sellers on Shopee and TikTok Shop has intensified as consumer behavior shifts towards faster, interactive, and trend-based shopping experiences. A study by Kotler & Keller (2016) shows that in modern e-commerce, a customer-centric approach is crucial for sellers to survive in competition. Sellers who can understand customer behavior, use the right marketing strategies, and maximize

platform features are more likely to succeed (Latansyah et al., 2024).

Based on this background, this study aims to evaluate the strategies used by sellers on both Shopee and TikTok Shop using a customer-oriented theory in product and service development. By understanding how the strategies of sellers on both platforms adapt to market changes and customer needs, as well as the challenges and advantages of each platform, this research is expected to provide insights for e-commerce sellers in designing more effective strategies to enhance their competitiveness in an increasingly dynamic digital market.

B. METODOLOGI

The research approach used is qualitative with a case study design. This study focuses on data collection through in-depth interviews, participatory observation, and document analysis.

A. Lokasi dan Waktu Penelitian

This research was conducted online via the WhatsApp application, identifying and interviewing active sellers on Shopee and TikTok Shop in Indonesia. The Shopee and TikTok Shop sellers selected for the study have been operating for at least one year and have significant interaction rates and sales volumes.

B. Jenis dan Cara Pengumpulan Data

In-depth Interviews

Semi-structured interviews were conducted with sellers on Shopee and TikTok Shop to gather information regarding the marketing strategies they implement, adaptations to market changes, and the use of platform features focused on customer experience.

Participatory Observation

The researcher observed interactions between sellers and customers on both platforms, including through Shopee Live, TikTok Live, as well as promotions and other features used by the sellers.

Document Analysis

The researcher analyzed promotional materials, product reviews, and customer feedback available on the platforms to understand customer perceptions and responses to the strategies implemented by the sellers.

C. Analisis Data

Thematic Analysis

Data from the interviews and observations will be analyzed using thematic analysis, focusing on identifying key themes related to the customer-centric strategies used by the sellers. The data will be categorized and coded to identify patterns, similarities, and differences in marketing practices implemented by sellers on both platforms.

Comparative Analysis

The researcher will compare findings from Shopee and TikTok Shop to identify the strengths and weaknesses of each platform in terms of customer-focused marketing strategies.

C. HASIL DAN PEMBAHASAN

This research aims to evaluate and compare the marketing strategies based on the Customer Focus Theory employed by sellers on the Shopee and TikTok Shop platforms. Data were collected through in-depth interviews with ten sellers who have at least one year of experience and have been active on both platforms. The findings are also linked to literature and previous studies to provide a more comprehensive context.

A. Shopee Seller Strategies

1. Service Personalization and Customer Data Usage

Most sellers on Shopee emphasize the importance of personalization in enhancing the customer experience. Sellers use the "Shopee Live" feature to directly interact with the audience and provide product recommendations that align with their preferences. As found in Latansyah et al. (2024), personalization based on customer data is crucial in building long-term customer relationships. One seller

mentioned that using customer data through analysis of previous purchases allows them to offer more targeted promotions.

2. Promotions and Discounts Programs

Shopee sellers focus more on utilizing promotional features such as Free Shipping and Flash Sale to attract customers. All interviewed sellers acknowledged that timely discount programs can significantly boost sales conversion. Chen & Lee (2022) found that discount and cashback features on Shopee serve as key drivers in increasing transaction volume, which was reflected in the practices shared by the sellers interviewed.

3. Store Ratings and Product Reviews

Shopee sellers heavily rely on store ratings and product reviews to build customer trust. They believe that positive ratings can enhance credibility and encourage further purchases. This aligns with the findings of Rahayu & Day (2020), who stated that product reviews can improve customer experience and positively impact sales.

B. TikTok Shop Seller Strategies

1. Entertainment Content and Interactivity

Sellers on TikTok Shop leverage the power of short video content to attract audiences and create a more enjoyable shopping experience. All sellers on TikTok Shop use TikTok Live to interact with audiences in real time, introduce their products, and answer questions. This creates a closer relationship with customers. As found in Zhang et al. (2023), this entertainment-based approach has proven effective in increasing audience engagement and sales conversion. Berman & Thelen (2018) also found that entertainment elements in e-commerce can strengthen the appeal and interaction between sellers and consumers.

2. Collaboration with Influencers

All sellers interviewed on TikTok Shop rely on influencers to expand their reach. Collaborating with influencers allows them to create more engaging content and tap into the influencer's audience. This finding aligns with Ding & Ali (2022), who mentioned that influencer

marketing on social media platforms can significantly increase product visibility and drive sales. Leung & Bai (2020) also showed that influencers play a crucial role in driving e-commerce growth through user-generated content.

3. Use of Algorithms and Personalization

Sellers on TikTok Shop also make use of TikTok's recommendation algorithm to reach a wider audience. They believe that TikTok's powerful algorithm can bring their products to audiences who are genuinely interested. This supports the findings of Latansyah et al. (2024), which stated that data-driven algorithms can help sellers more effectively target customers based on their preferences. Kim & Kim (2019) also emphasize that using data-based algorithms can maximize personalization and improve sales conversion rates.

C. Comparison of Shopee and TikTok Shop Strategies

1. Personalization vs. Entertainment

From the interview results, it was found that Shopee is more focused on data-driven personalization and direct interaction through chat and Shopee Live features. On the other hand, TikTok Shop emphasizes entertainment and video content to attract audiences. Both platforms have effective customer-focused approaches, but with different focuses. Shopee is more structured in its product personalization approach, while TikTok Shop prioritizes a fun and engaging shopping experience. Pereira & Ritcher (2021) also revealed that entertainment through social media can boost engagement, which aligns with this finding.

2. Customer Engagement

Customer engagement is higher on TikTok Shop due to the entertainment and interactivity elements offered. Sellers on TikTok Shop can directly interact with their audience through TikTok Live and influencers, creating more personal relationships. In contrast, Shopee tends to focus more on a structured transaction process using promotions and product

reviews to build customer trust. Jiang & Tan (2021) stated that social interaction plays a vital role in e-commerce platforms, which is clearly felt on TikTok Shop.

3. **Data-Driven Innovation:** TikTok Shop excels in using algorithms to personalize the shopping experience. Sellers on TikTok Shop rely more on data-based recommendations to reach a wider audience. Shopee, while using customer data to offer discounts and promotions, has not fully optimized its algorithmic potential for product personalization. Huang & Benyoucef (2017) pointed out that the success of e-commerce largely depends on the ability to fully utilize customer data.

Table 1. Comparison of Seller Strategies on Shopee and TikTok Shop

Aspect	Shopee	TikTok Shop
Personalization	Focus on discounts, promotions, and chat features	Focus on video content, live shopping, and influencers
Customer Engagement	Interaction via chat and Shopee Live	Direct interaction through TikTok Live and influencers
Data Usage	Customer data for targeted promotions	Recommendation algorithms for product personalization
Strengths	Promotional programs and data-driven discounts	Entertainment content and influencer collaborations

D. KESIMPULAN DAN SARAN

1. Kesimpulan

This research shows that the marketing strategies based on the Customer Focus Theory employed by sellers on Shopee and TikTok Shop have different approaches, yet both are effective

in enhancing engagement and sales conversion. Sellers on Shopee focus more on product personalization through customer data, promotional programs like discounts and Free Shipping, as well as building credibility through product reviews and ratings. In contrast, sellers on TikTok Shop prioritize entertainment elements by leveraging short video content, live interactions via TikTok Live, and collaborations with influencers to expand their reach.

While both platforms successfully adopt customer-focused strategies, Shopee is more structured in utilizing customer data for personalized offers, while TikTok Shop places more emphasis on creating an enjoyable and interactive shopping experience. Both use data-driven technologies, but TikTok Shop relies more on recommendation algorithms for product personalization, whereas Shopee is more focused on data-driven promotions.

2. Saran

1. For Sellers on Shopee

Sellers could expand the use of algorithms or artificial intelligence to enhance product personalization. By utilizing customer data more effectively, Shopee can offer more accurate and relevant product recommendations, and increase customer engagement through more interactive content, such as using video or live streaming features that are already available.

2. For Sellers on TikTok Shop

TikTok Shop should continue to strengthen the use of entertainment content and direct interaction with audiences. While influencer collaborations have proven effective, sellers can focus more on developing strategies to drive conversions through deeper customer data utilization, such as personalized promotions or offers based on audience behavior.

3. For Both Platforms

Both platforms can take advantage of current trends to integrate

entertainment and interactivity with advanced algorithms to enhance the customer experience. Additionally, more training or education for sellers on how to use data and analytics technology effectively could help increase the success of their marketing strategies on both platforms.

By continuing to innovate and align marketing strategies with technological developments and customer needs, both Shopee and TikTok Shop can strengthen their position as competitive and relevant e-commerce platforms in the market.

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