

Thailand’s E-Marketplace Oligopoly: SCP Analysis, Economic Implications, and ASEAN Policy Benchmarking

Patpong Angkahirun

Faculty of Economics, Rangsit University, Thailand
 Email: Patpong.a@rsu.ac.th

Abstract

This study examines the competitive structure and economic effects of Thailand's E-Marketplace, using the Structure-Conduct-Performance (SCP) framework as the primary analytical framework, supported by Two-sided Market Theory, Transaction Cost Theory, and Platform Economy concepts. The analysis shows that Thailand's E-Marketplace market is oligopolistic, dominated by foreign platforms that hold about 95–100% of the market. This results in two economic effects: positive impacts, such as increased consumer surplus, creation of digital jobs, and cross-border export opportunities for SMEs via E-commerce; and negative impacts, including risks of market dominance, fee hikes, barriers to entry, concerns over imported product quality, unfair competition, and issues related to technology dependence and data security. The study also conducts a policy benchmarking analysis across four ASEAN countries—Indonesia, Vietnam, Malaysia, and the Philippines—chosen through policy diversity criteria and purposive sampling. Five policy recommendations are proposed to strengthen Thailand's digital economic sustainability within the ASEAN DEFA framework: (1) enforcing import taxes on small-parcel trade; (2) regulating platform dominance and fee practices; (3) establishing an Online Sellers Association; (4) mandating platform data and algorithm transparency with Data Localization; and (5) promoting SME access to AI tools and E-Marketplace export channels.

Keywords: *e-marketplace competition, cross-border e-commerce, oligopoly market, network effects, policy benchmarking, digital economic sustainability.*

1. Introduction

Over the past decade, e-commerce market values across ASEAN countries have grown dramatically, particularly following the COVID-19 pandemic (TMO Group, 2023). International trade patterns in Thailand and throughout Southeast Asia have shifted significantly from traditional forms toward cross-border e-commerce platforms. Entrepreneurs and consumers have increasingly turned to online channels for buying and selling goods and services. The expansion of digital infrastructure and policies supporting digital transformation has improved access to online services and broadened digital economic opportunities (OECD, 2024).

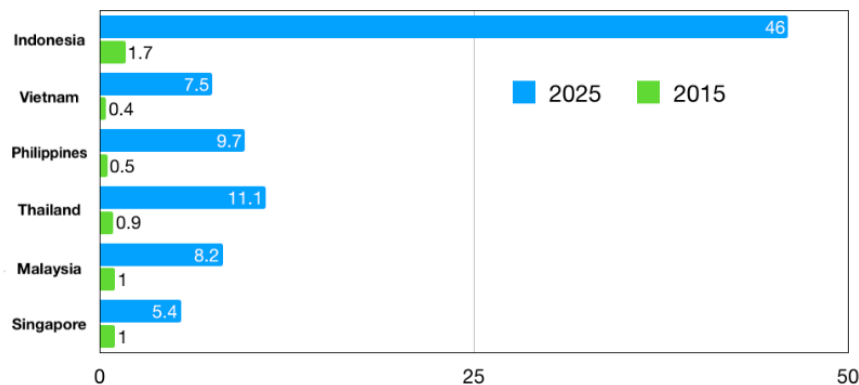


Figure 1 Southeast Asia eCommerce (USD billion).

Note. From *Southeast Asia E-Commerce Market*, by TMO Group, 2023 (<https://www.tmogroup.asia/insights/southeast-asia-e-commerce-market/>). Copyright 2023 by TMO Group

Within this expansion of e-commerce, the most significant business model is the E-Marketplace - a specific form of e-commerce in which platforms function as digital intermediaries connecting buyers and sellers. Rochet and Tirole (2003) explain that platforms in two-sided markets must attract and coordinate participation from both user groups simultaneously in order to create value.

In the Thai and ASEAN context, E-marketplaces hold the highest market value share in B2C e-commerce, dominated by transnational platforms including Shopee, Lazada, and TikTok Shop - all operating as cross-border E-marketplaces connecting foreign sellers directly to consumer markets. This raises policy questions regarding digital platform governance and the protection of domestic SME entrepreneurs (Electronic Transactions Development Agency [ETDA], 2024; Google et al., 2025). This study addresses these questions through policy benchmarking across selected ASEAN member countries.

Despite this growth, critical challenges persist. The rapid rise of cross-border e-commerce has transformed international trade from bulk trade toward high-frequency small-parcel trade, shifting the structure of regional commerce from Business-to-Business (B2B) toward cross-border Business-to-Consumer (B2C) (Mínguez & Minondo, 2024). Thailand's e-commerce market reached THB 5.51 trillion (approximately USD 172 billion) in 2024, growing at +6.2% year-on-year, with the online retail and wholesale sector comprising 58.7% of the total (ETDA, 2024).

Competition among Thailand's three dominant E-Marketplace platforms and a recent entrant reflects intense oligopolistic rivalry across both price and non-price dimensions. Shopee employs a user-centric platform strategy; Lazada differentiates through Confidence Commerce; TikTok Shop disrupts with Shoppertainment and Live Commerce; while TEMU, a new entrant, pursues Cost Leadership with Factory-to-Consumer pricing. This multi-dimensional rivalry shapes the competitive landscape examined through the SCP framework in this study (Forbes Thailand, 2024, 2026; Liang & Phutrakul, 2025).

Despite growing e-commerce literature, limited research examines Thailand's E-Marketplace competitive structure through the SCP framework combined with ASEAN policy benchmarking. This study addresses that gap by integrating industrial organization analysis with comparative policy evidence from four ASEAN economies. In this context, digital economic sustainability can be conceptualized as the capacity of digital markets to sustain inclusive growth, fair competition, and consumer welfare over the long term, requiring policy frameworks that balance innovation, competition, and consumer protection (OECD, 2024).

2. Objectives

The objectives of this study are explicitly specified as follows:

- 1) To examine the role and growth trends of the E-marketplace market in ASEAN and Thailand.
- 2) To analyze the Oligopoly competitive structure and economic impacts of E-marketplace platforms on consumers, SME entrepreneurs, and Thailand's trade system.
- 3) To propose policy recommendations for promoting Thailand's sustainable cross-border digital trade, drawing on Policy Benchmarking from ASEAN member countries.

3. Materials and Methods

3.1 Research Methodology

This study employs a qualitative, desk-based research design combining three complementary approaches. First, a systematic literature review covering Two-sided Market Theory, Transaction Cost Theory, Platform Economy concepts, and the SCP framework, conducted via Google Scholar and Scopus-indexed journals, supplemented by institutional reports (2000–2026), using keywords such as "platform competition," "two-sided markets," and "e-commerce policy regulation." Second, secondary data analysis drawing on government databases, regulatory documents, and industry reports, including the ETDA, the Bank of Thailand (BOT), and the *e-Conomy SEA series* (Google et al., 2024, 2025). Third, comparative policy analysis applying policy benchmarking across four ASEAN countries—Indonesia, Vietnam, Malaysia, and the Philippines—selected through policy diversity criteria and purposive sampling. Together, these methods enable both structural market analysis and evidence-based policy recommendations.

3.2 Literature Review

Two-sided Market Theory and Platform Economy

Rochet and Tirole (2003) established the foundational theory of two-sided markets, arguing that digital platform businesses such as E-marketplaces succeed when platforms can simultaneously attract both sellers and consumers, with cross-side network effects playing a critical role in shaping platform pricing strategies.

Digital Technology and International Trade Costs

Meng et al. (2024) found that digital technology reduces trade costs through improvements in information efficiency, logistics coordination, and payment systems, reinforcing the competitive advantages of cross-border e-commerce platforms.

Oligopoly Market Structure and the SCP Framework

Caves (1964) developed the Structure-Conduct-Performance (SCP) framework for analyzing oligopolistic market structures. This framework can be directly applied to Thailand's E-Marketplace market, where three dominant players hold approximately 95–100% market share, and where competition affects consumers, small sellers, and the overall market growth value.

Transaction Cost Theory

Transaction Cost Theory (Williamson, 1985) explains E-Marketplace expansion through reduced transaction costs across the value chain—search costs (product search), review systems for buying decisions, inventory optimization (JIT), digital contracting and online payments—enabling SME cross-border access without traditional distribution channels.

Platform Economy and Network Effects

Parker, Van Alstyne, and Choudary (2016) Parker et al. (2016) explain that the primary driver of the digital economy is network effects—demand-side economies of scale that occur when users create value for other users, differing from the industrial era's reliance on supply economies of scale. This explains why large E-Marketplace players in Thai and ASEAN markets enjoy competitive advantages: the more sellers and consumers that join, the greater the platform's value, making market entry increasingly difficult for new players (Parker et al., 2016).

Platform Capitalism and Data-Driven Power

Srnicek (2017) conceptualizes platform capitalism as a business model in which platforms extract data as raw material, reinforcing market concentration through network effects and ecosystem control. Zuboff (2019) extends this further, arguing that platforms commodify behavioral data into prediction products designed to anticipate and shape user actions — a dimension of platform power where value increasingly derives from behavioral surveillance rather than transaction mediation alone.

Together, these perspectives explain E-Marketplace competition across three dimensions: network effects and platform lock-in (Two-sided Market Theory; Platform Economy); cost reduction enabling SME cross-border access (Transaction Cost Theory; Digital Technology and Trade Costs); and data-extractive power amplifying market concentration (Platform Capitalism; Surveillance Capitalism). The SCP Framework integrates these dimensions into a unified analytical structure linking market concentration, platform conduct, and economic outcomes. Yet how these forces operate within Thailand's E-Marketplace — where foreign platforms hold approximately 95–100% market share — remains underexplored. This study addresses that gap through SCP analysis and comparative policy benchmarking across four ASEAN economies.

3.3 Conceptual Framework

Drawing from the literature review, the study employs the Structure-Conduct-Performance (SCP) Framework as the conceptual guide. The framework assumes that market structure influences platform conduct, which subsequently determines market performance outcomes and policy implications:

1. STRUCTURE (Independent Variable)

- Growth of cross-border e-commerce in ASEAN and Thailand
- Digital technology reduces trade costs
- E-marketplace as the primary B2C business model
- Oligopoly market structure

2. CONDUCT (Process)

- Competitive Strategy: Price & Fee Competition, Content-driven Commerce & Shoppertainment

- Entry Barrier: Network Effects & Transaction Cost Reduction
- Data Extraction & Algorithmic Control (Platform Capitalism; Surveillance Capitalism)

3. PERFORMANCE (Outcomes)

- Positive impacts
- Negative impacts

4. POLICY IMPLICATIONS

- Benchmarking: Indonesia, Vietnam, Malaysia, Philippines
- Recommendations for Thailand's digital economic sustainability

4. Findings

4.1 ASEAN and Thai E-Commerce Market Value

4.1.1 ASEAN E-Commerce Market Value and Growth Trends

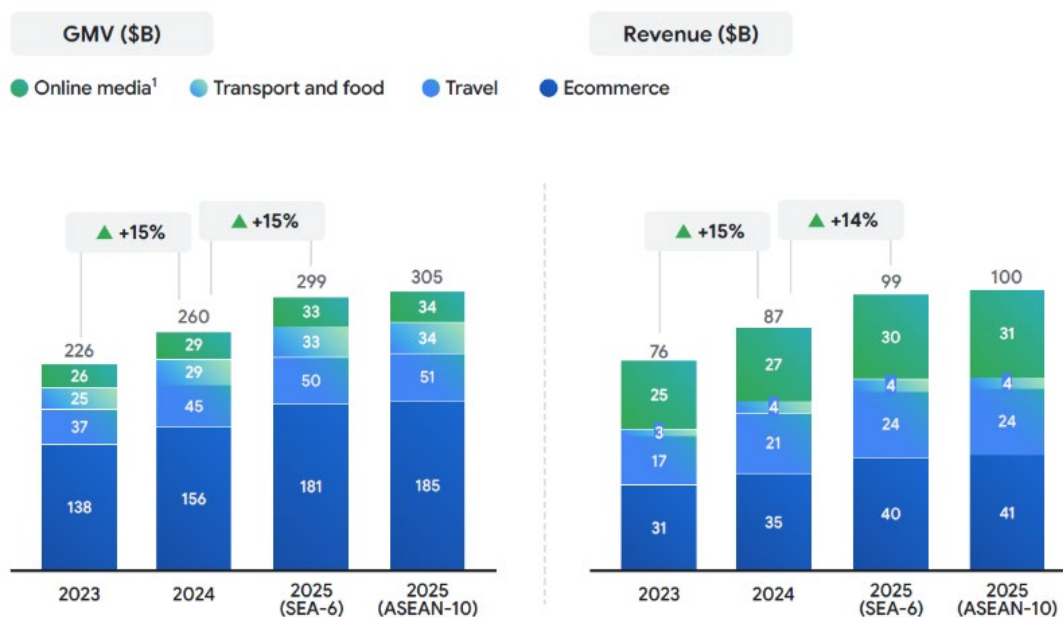


Figure 2 Digital Economy GMV and Revenue – ASEAN-10

Note. From *e-Economy SEA 2025*, by Google, Temasek, and Bain & Company, 2025 (<https://economysea.withgoogle.com>). Copyright 2025 by Google, Temasek, and Bain & Company

ASEAN is one of the fastest-growing digital economy regions in the world, with a combined population exceeding 695 million and continuously increasing internet access rates. The *e-Economy SEA 2025* report states that the Gross Merchandise Value (GMV) of the ASEAN-10 digital economy in 2025 reached USD 305 billion, growing 15.0% year-on-year, with e-commerce accounting for the highest GMV proportion, followed by travel and transportation (Google et al., 2025). In 2025, e-commerce GMV across SEA-6 economies reached USD 181 billion, representing a 16% year-on-year increase from USD 156 billion in 2024. E-commerce constituted approximately 60% of total Digital Economy GMV and 40% of total digital revenue in the same year.

4.1.2 Thai E-Commerce Market Value and Growth Trends

Thailand is among the highest-growth digital economies in ASEAN. From a domestic measurement perspective, the ETDA reported that Thailand's total electronic transaction value in 2024 reached THB 5.51 trillion (approximately USD 172 billion), growing 6.2% year-on-year. Within this, the online retail and wholesale sector recorded the highest

share at THB 3.23 trillion — growing 6.8% year-on-year and representing 58.7% of total electronic transaction value (ETDA, 2024; see Table 1).

From a regional comparative perspective, the *e-Economy SEA 2024* report estimated Thailand's total Digital Economy GMV at USD 46 billion in 2024, of which e-commerce GMV accounted for USD 26 billion — equivalent to approximately 56.5% of total Digital Economy GMV, a proportion broadly consistent with the ETDA domestic survey findings. e-commerce GMV grew 19% year-on-year and is forecast to reach USD 60 billion by 2030, more than doubling the 2024 figure (Google et al., 2024; see Figure 3)

Table 1 Thailand Digital Economy Value by Business Sector (2022–2024)

Digital Business Sectors	Trillion Baht				Growth		
	2022	2023	2024		2022	2023	2024
E-commerce	2.83	3.03	3.23	58.7%	8.9%	6.9%	6.8%
Online Travel & Accommodation	0.43	0.46	0.51	9.2%	20.9%	6.5%	11.4%
Manufacturing	0.70	0.76	0.78	14.2%	24.3%	8.1%	3.7%
ICT Services	0.30	0.32	0.33	6.0%	5.5%	7.1%	2.5%
Logistics & Delivery Services	0.55	0.56	0.58	10.6%	-3.8%	1.1%	4.6%
Digital Entertainment & Media	0.03	0.03	0.03	0.5%	24.1%	10.6%	7.0%
Insurance Services	0.01	0.01	0.01	0.3%	215.6%	144.2%	3.9%
Other Service Activities	0.02	0.03	0.03	0.5%	22.0%	16.7%	7.6%
Total Digital Economy Values	4.87	5.19	5.51	100%	10.1%	6.6%	6.2%

Note. Adapted from *Report on the Survey of E-Commerce Value in Thailand 2024*, by Electronic Transactions Development Agency, 2024 (https://www.eta.or.th/th/Useful-Resource/publications/value_ecom67.aspx). Copyright 2024 by Electronic Transactions Development Agency.

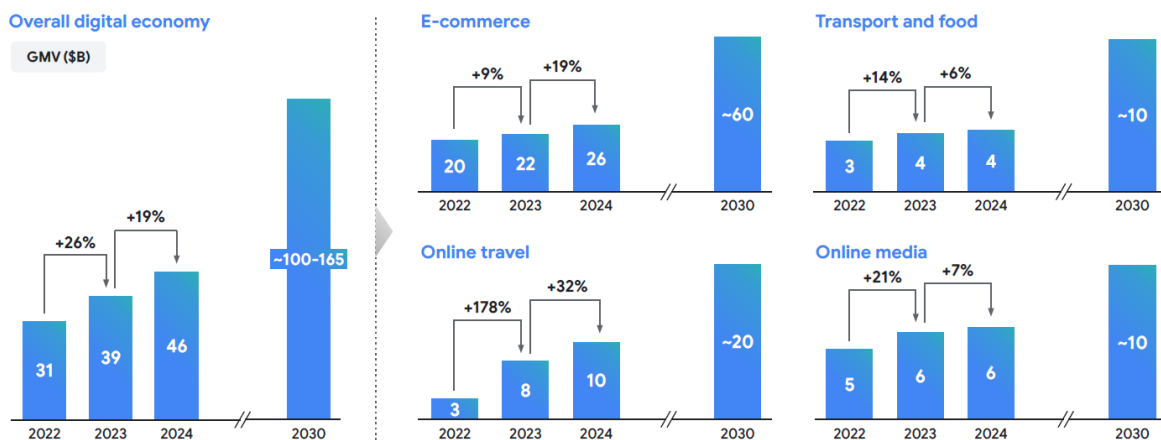


Figure 3 Digital Economy GMV and Revenue – Thailand

Note. From *e-Economy SEA 2024*, by Google, Temasek, and Bain & Company, 2024 (<https://economysea.withgoogle.com>). Copyright 2024 by Google, Temasek, and Bain & Company.

4.1.3 Small-Parcel Trade Import Value

Cross-border e-commerce has transformed international trade from bulk B2B shipments to high-frequency B2C small-parcel deliveries (Mínguez & Minondo, 2024). This transformation is driven in part by digital technologies that reduce international trade costs through improvements in logistics integration, digital payment systems, and platform coordination efficiency (Meng et al., 2024).

Reflecting this trend, Thailand's 2024 express-lane imports reached 150 million parcels valued at USD 1,288 million (+20% YoY from 2023; +52% YoY from 2022), with 77% originating from China—primarily

apparel, plastic goods, and electrical appliances—which were previously exempt from duties under the THB 1,500 threshold (Bank of Thailand, 2025).

In response, Thailand abolished the de minimis exemption effective January 1, 2026, requiring import duties from the first baht to promote fair competition and improve revenue collection efficiency (Chuansanoh, 2026).

4.2 E-Commerce Platform Models in Thailand

Thailand’s e-commerce market value in 2024, categorized by buyer-seller characteristics, comprised: B2C (Business-to-Customer) at 50.7%, B2B (Business-to-Business) at 39.2%, and C2C (Consumer-to-Consumer) at 10.1% (Electronic Transactions Development Agency, 2024; Rachataanon et al., 2020). Within B2C e-commerce, E-Marketplaces held a 44% market share, Social Commerce 36%, and E-Tailers 20% (Kasikorn Research Center, 2025). When TikTok Shop’s hybrid social-commerce characteristics are considered, the share of E-Marketplaces may be higher, reflecting the increasing convergence between social commerce and platform-based transactions. Table 2 presents the revenue and market share of major E-Marketplace platforms operating in Thailand in 2024.

Table 2. *E-Marketplace Platform Income in Thailand (2024)*

#	E-Marketplace Platform	Income - 2024 (Million Baht)	Share	Net Income (Million Baht)	Note
1	Shopee	49,965	55%	4,637	Since 2015
2	Lazada	28,291	31%	836	Since 2012
3	TikTok Shop	12,066	13%	-3,678	Since 2022
	NocNoc	322	0%	-1,123	Cease operation in 2026
	JD Central	Na	-	Na	Cease operation in 2023
	Temu	0	-	0	Started operation in Nov. 2024
	Line shopping	Na	-	Na	Considered Social Commerce
Total E-Marketplace value		90,644	100%		

Note. Adapted from *Company Financial Data and Analytics*, by CredenData, n.d. (<https://data.creden.co>). Copyright by CredenData.

5: Discussion: SCP Analysis and Comparative Policy Implications

5.1. Competitive Strategies and SCP Analysis of Thailand's E-Marketplace

Shopee, Lazada, and TikTok Shop collectively account for nearly the entire B2C E-Marketplace segment (CR3 \approx 95–100%), based on the author’s calculation from platform revenue data (see Table 2), indicating an oligopolistic market structure. The B2C e-commerce market reached THB 770 billion in 2025, with E-Marketplaces accounting for approximately 50% of this GMV value, affecting approximately 43.5 million consumers, over 3 million small sellers, and local producers (The Bangkok Insight, 2026). Entry barriers are reinforced by network effects, capital requirements for logistics integration, platform ecosystem lock-in, and switching costs for both sellers and consumers - characteristic conduct mechanisms within the SCP framework.

Such competitive behaviour reflects Bertrand-type competition (Bertrand, 1883) involving both price rivalry and non-price differentiation - particularly price-war behaviour in the form of Crazy Brand Mega Offer (CBMO) campaigns such as 11.11, discount coupons, free shipping, fast delivery, installment payment options, and consumer review incentives. Furthermore, platforms extract data to consolidate market power (Srnicek, 2017) and commodify user behavior into prediction products (Zuboff, 2019), reinforcing their oligopolistic control over the ecosystem.

Shopee's Competitive Strategy

Shopee was founded in Singapore and entered the Thai market in 2015. Shopee currently holds the market leadership position in E-Marketplace with the highest revenue and has been profitable continuously since 2023. Shopee's primary strategy is a 'User-Centric Platform Strategy' that integrates technology, consumer behavior, and comprehensive marketing across four main dimensions: (1) User Experience; (2) Mobile First; (3) Platform Ecosystem, using user behavioral data to develop Shopee Live, Shopee Video, and Shopee Affiliate Program; and (4) Segmented Marketing - designing campaigns covering four consumer groups (Forbes Thailand, 2024).

Lazada's Competitive Strategy

Lazada, under the Alibaba Group, was the first E-Marketplace platform to enter the Thai market in 2012, initially operating as an online retail store before transitioning to a full marketplace model in 2016. Lazada's primary strategy is 'Confidence Commerce'-focusing on quality and brand trust-backed by four approaches: (1) promoting LazMall as a hub for authentic brands; (2) exclusive brand partnerships; (3) enhanced customer experience with 30-day returns and trade-in services; and (4) 'Lazzie AI' which increased order rates by 40% and achieved a 61% weekly user return rate (Forbes Thailand, 2026).

TikTok Shop's Competitive Strategy

TikTok Shop's primary strategy is Shoppertainment - transforming e-commerce from shelf-based selling to Content-driven Commerce that combines entertainment, community, and shopping. Its strategic formula integrates content, experience, and creator engagement, with the majority of GMV generated by Thai creators. LIVE Commerce has grown substantially, and TikTok Shop dominates Thai LIVE Commerce viewership. This strategy aligns with findings that Video Commerce is a key growth driver of e-commerce in Southeast Asia (Google et al., 2024, 2025)

TEMU's Competitive Strategy

TEMU, a Chinese e-commerce platform under PDD Holdings, officially registered and commenced Thai operations in late 2024. Using a Cost Leadership strategy (Porter, 1980), TEMU focuses on selling low-priced goods from Chinese factories directly to consumers (Factory-to-Consumer), offering discounts up to 90%. However, TEMU has not achieved its expected success in the Thai market due to three main factors: (1) consumer uncertainty about product quality; (2) platform experience that did not meet expectations; and (3) platform credibility issues. This reflects that Thai consumers value quality and reliability no less than price (Liang & Phutrakul, 2025).

5.2 Economic Impacts of E-Marketplace Oligopoly

Positive Impacts

B2C e-marketplaces accounted for approximately 3.9% of Thailand's GDP in 2024, based on the author's calculation using industry data. The growth of e-commerce has also generated spillover effects across related sectors, including e-logistics, e-payment systems, and manufacturing (Kasikorn Research Center, 2025). In addition, the expansion of digital commerce has created new employment opportunities requiring emerging digital skills, particularly in delivery services, digital marketing, and content creation (Rachataanon et al., 2020). E-marketplace also creates revenue for SME entrepreneurs, both as sellers and in logistics. As of February 28, 2026, the Department of Business Development reported 115,496 online business operators receiving the DBD Registered mark. The Department has also promoted Thai entrepreneurs in online marketing and digital-era sales innovation, generating combined sales exceeding THB 727 million (Department of Business Development, 2025). Additionally, Thai consumers, estimated at 43.5 million online shoppers in 2025, enjoy greater product and service choice at competitive prices, representing a meaningful increase in consumer surplus.

Negative Impacts

Thailand's E-marketplace market is characterized as an Oligopoly in which foreign platform operators collectively hold approximately 95–100% market share, creating risks of monopolization and market dominance. Without appropriate regulatory measures, Thai entrepreneurs may find themselves without bargaining power, and small businesses may be adversely affected by unilateral platform fee adjustments. A notable example occurred in July 2024 when Shopee Thailand raised commission rates up to 13% for certain product categories, from the previous 10%, higher than competitors Lazada (maximum 10%) and TikTok Shop (maximum 8%) (Bangkok Biznews, 2024). In 2026, Shopee announced a further fee increase, effective April 7, 2026, applying differentiated fee structures across seller channels (Mall sellers up to 15.25%; non-Mall sellers up to 13.38%) and product categories, with fashion products facing the highest increases (Prachachat Business, 2026). Such pricing practices may also be interpreted as a form of price discrimination, as fees vary across seller groups and product categories, and can be viewed within the broader context of platform pricing structures in digital markets (Rochet & Tirole, 2003; Parker et al., 2016).

Many countries have implemented de minimis exemption policies setting minimum import values for tax and customs procedure exemptions to facilitate small-parcel trade. However, this policy opened channels for tax avoidance, product quality issues, and unfair competition. Multiple countries, including the US, Europe, and ASEAN members, have progressively abolished such policies (Department of International Trade Promotion, 2025). Consumer complaints regarding the quality and standards of goods from online purchasing led Thailand's Office of the Consumer Protection Board (2024) to introduce the 'Dee-Delivery' measure, effective October 3, 2024, which grants consumers

three key rights: the right to inspect goods before payment, the right to refuse payment for defective or non-conforming products, and the right to request a refund within five days.

The growth of e-commerce introduces data security risks covering financial information, credit card data, and personal information of consumers (ETDA, 2024). Beyond these fundamental vulnerabilities, this oligopoly exacerbates data power asymmetry, platform lock-in, and behavioral surveillance risks (Srnicsek, 2017; Zuboff, 2019). Furthermore, these data-driven advantages, combined with the nature of E-marketplace businesses relying on network effects and economies of scale, make market entry exceedingly difficult for new operators—as evidenced by the closure of both JD Central and NocNoc, the two Thai-owned E-marketplace platforms.

Lastly, traditional retail market values have declined continuously, falling from a 92.6% market share in 2015 to an estimated 82.5% in 2021, in the opposite direction to e-commerce growth (Rachataanon et al., 2020).

5.3 ASEAN Policy Benchmarking and Implications for Thailand

During 2021–2025, ASEAN's digital economy grew rapidly, with total value exceeding USD 300 billion in 2024 and projected to reach USD 1 trillion by 2030 (Google et al., 2024). ASEAN member countries have accelerated the development of the ASEAN Digital Economy Framework Agreement (DEFA) to reduce cross-border trade transaction costs by approximately 10–15% by 2026 (ASEAN Secretariat, 2024). This study examines Policy Benchmarking from four countries selected through policy diversity criteria and purposive sampling.

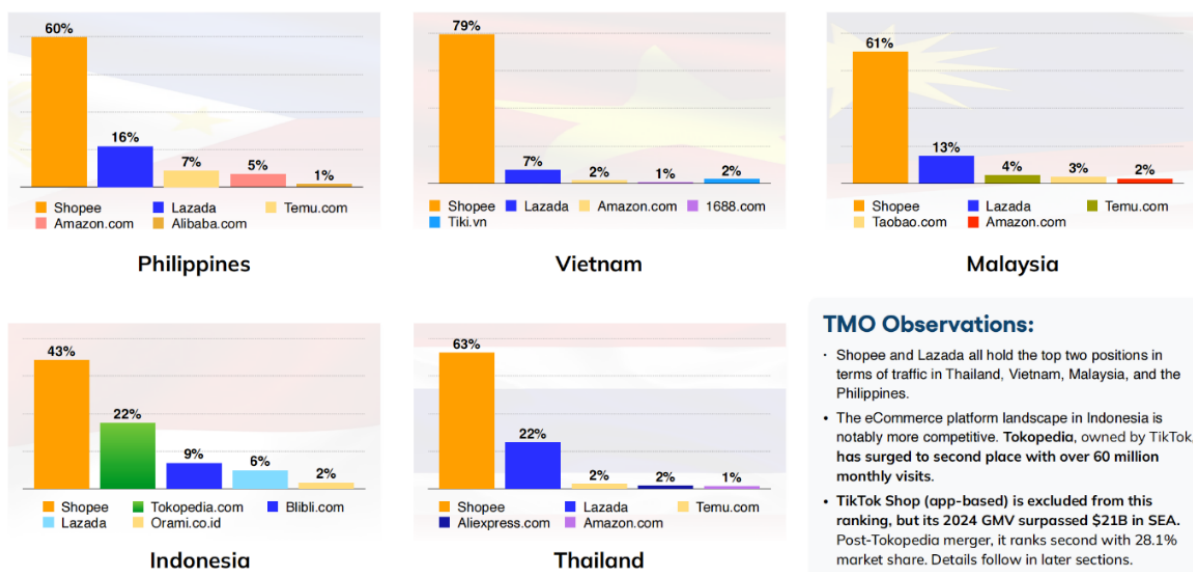


Figure 4 Top SEA E-commerce Platforms by Traffic Share (January–March 2025, excluding TikTok Shop)

Note. From *Must-know Southeast Asia online marketplaces*, by TMO Group, 2025 (<https://www.tmogroup.asia/insights/must-know-southeast-asia-online-marketplaces/>). Copyright 2025 by TMO Group

Indonesia: Platform Regulation and Domestic Entrepreneur Protection

Indonesia is ASEAN's largest E-marketplace with a GMV of approximately USD 65 billion in 2024. Traffic share from January to March 2025 was dominated by Shopee (43%), Tokopedia (22%), and Blibli (9%)—the latter two representing the most successful local E-marketplace cases in ASEAN (Google et al., 2024; TMO Group, 2025). The Indonesian government implemented three regulatory approaches: (1) Minister of Trade Regulation No. 31/2023, requiring Social Commerce platforms to separate social media and E-marketplace roles clearly; (2) setting minimum import prices of USD 100 for certain product categories to reduce impacts on domestic SMEs; and (3) supporting Tokopedia in building a digital ecosystem for over 21 million MSME operators (Ministry of Trade of Indonesia, 2023)

Vietnam: Cross-border E-commerce Export Promotion

Vietnam is one of the fastest-growing E-marketplace countries in ASEAN, with a GMV of approximately USD 22 billion in 2024, growing at over 20% annually, reflecting its consistent long-term expansion in the digital economy. Shopee dominated the market with a 79% traffic share from January to March 2025, followed by Lazada with 7%, reflecting risks of foreign platform dominance similar to Thailand, with only Tiki.vn as a local platform holding a 2% share (Google et al., 2024; TMO Group, 2025). The Vietnamese government pursued two main policy approaches: (1) cross-border e-commerce export strategy-designating cross-border e-commerce exports as a key strategy for 2026–2030 to create SME online export incubation centers in every region (Asia Business Outlook, 2025); and (2) The national e-commerce master plan targets an average annual growth rate of 20% in B2C e-commerce revenue, with the sector projected to contribute 10–11% to the national GDP by 2030 under Master Plan 1568/QD-BCT (Ministry of Industry and Trade of Vietnam, 2025).

Malaysia: Regulatory Policy and Trade Promotion for E-marketplace Sustainability

Malaysia shares a border with Thailand and has an e-marketplace GMV valued at approximately USD 16 billion in 2024, growing at 8.5%. Shopee led the market with a 61% traffic share from January to March 2025, followed by Lazada with 13% and Temu with 4% (Google et al., 2024; TMO Group, 2025). Malaysia uses two main mechanisms to balance Fiscal Policy and Trade Promotion: (1) Low-Value Goods Tax (LVGT)-Malaysia was the first ASEAN country to enforce a 10% sales tax on imported goods valued under RM 500, to create fair competition between imports and goods produced by domestic SMEs (Ministry of Finance Malaysia, 2023); and (2) MATRADE Digital Programs-providing direct grants to SMEs of RM 20,000 for training, digital marketing, and platform fee payment, to promote SME access to cross-border e-commerce (Malaysia External Trade Development Corporation, 2024).

Philippines: Advanced Legislation for Consumer Protection and Trade Fairness

The Philippines has an e-marketplace GMV valued at approximately USD 21 billion in 2024, growing 23% from the previous year, indicating rapid recent expansion with significant future growth potential. Shopee accounted for a 60% traffic share from January to March 2025, followed by Lazada with 16% and Temu with 7% (Google et al., 2024; TMO Group, 2025). The Philippine government implemented two main regulatory approaches: (1) Internet Transactions Act 2023 (ITA)-online consumer protection legislation fully effective from June 2025, covering B2C and B2B transactions including foreign platforms without domestic offices, combined with mandatory automatic 1% withholding tax from sellers (Republic of the Philippines, 2023); and (2) Philippine Development Plan 2023-2028 - a strategic blueprint promoting digital transformation and MSME competitiveness through capacity-building programs in digital marketing, digital payments, and online market access (National Economic and Development Authority, 2023).

Note: Singapore is the origin of both Shopee and Lazada and therefore plays the role of platform exporter rather than recipient of foreign platform dominance. The policy context and challenges for Singapore differ significantly from those of Thailand and the countries studied, making direct application of Singapore's Policy Lessons to Thailand contextually inappropriate.

6. Research Limitations

This study relies on secondary data and qualitative analysis, which limits causal inference. Furthermore, findings may not be fully generalizable to all ASEAN markets due to institutional differences. Future research could apply quantitative methods: first, utilizing primary financial statements from Thailand's Department of Business Development, disaggregated by sales category and weighted by average platform fee rates, to derive more precise GMV and market share estimates; and second, survey-based structural equation modelling (SEM) to test causal relationships between network effects and platform market outcomes.

7. Conclusion

The findings of this study may be summarized across seven conclusions:

- 1) Thailand's E-Marketplace market will continue to grow and play an important role in both domestic e-commerce and international trade, increasing consumer surplus, employment, and export opportunities through e-commerce channels.

- 2) The transition to E-Marketplace has impacted traditional retail businesses. Affected businesses need to adjust strategies across both supply chains and workforce skill development.
- 3) Analysis through the SCP framework reveals that Thailand's E-Marketplace market exhibits an oligopoly structure in which three foreign platforms hold approximately 95–100% market share. This has led to competition in pricing, fees, and content-driven commerce. Although consumers benefit, network effects and economies of scale create market entry barriers that block new service providers - particularly domestic Thai platforms, two of which have already ceased operations.
- 4) Thailand's E-Marketplace market exhibits intense multidimensional competition, encompassing price rivalry, customer service responsiveness, logistics efficiency, and rapid technological disruption, including Video Commerce and AI adoption - consistent with the Bertrand Model and Platform Economy theory (Bertrand, 1883; Parker et al., 2016), requiring Thai SMEs to continuously adapt their competitive strategies to ensure long-term business sustainability.
- 5) Thai consumers value quality and platform reliability no less than price, consistent with the TEMU case in which Price Leadership has not yet achieved significant market performance in the Thai market.
- 6) The policy approaches of ASEAN member states - Indonesia, Vietnam, Malaysia, and the Philippines - provide valuable benchmarks for strengthening Thailand's E-Marketplace governance. These lessons, combined with active engagement in the ASEAN Digital Economy Framework Agreement (DEFA) (ASEAN Secretariat, 2024), offer Thailand a strategic foundation for developing effective and regionally coherent digital economy policies.
- 7) A critical policy imperative emerges from the structural duality of Thailand's E-Marketplace market: while competition at the seller level exhibits characteristics of Monopolistic Competition, the overall market structure remains Oligopolistic, with Shopee commanding over 55% market share and all three major platforms being foreign-owned. The government must therefore prioritize establishing a balanced regulatory framework to ensure digital economic sustainability across all dimensions: consumers, small entrepreneurs, and platform providers.

Policy Recommendations

These policy recommendations are grounded in the SCP framework, Transaction Cost Theory, and Platform Economy concepts reviewed in this study, addressing structural market concentration, platform conduct, and digital trade governance. Based on the findings, five policy recommendations are proposed:

- 1) Strictly and continuously enforce import taxes on small-parcel trade to elevate imported product standards, reduce unfair competition with Thai SMEs, and improve government revenue collection efficiency.
- 2) Regulate platform market dominance, particularly Price Discrimination behavior and unilateral fee increases, which affect both consumers and small sellers.
- 3) Establish an Online Sellers Association to represent small sellers in negotiations with platforms and to develop E-Marketplace promotion and regulatory measures jointly.
- 4) Regulate platform data usage policies and algorithm transparency, incorporating algorithmic governance to mitigate data-driven concentration and behavioral surveillance (Srnicek, 2017; Zuboff, 2019), and consider Data Localization to reduce risks arising from foreign platforms controlling nearly the entire data value chain (OECD, 2024).
- 5) Promote Thai SME access to AI tools for market analysis, content creation, and store management on global platforms, using E-Marketplace as an export channel.

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