



Innovative Customer Relationship Management (CRM) Development in Marketplace: The Case Study of Tokopedia

Heribertus Elingga Ajitrisna¹, Bambang Syairudin²

elingga.ajitrisna@gmail.com¹, bambangsyairudin@gmail.com²

^{1,2} Magister Inovasi Sistem dan Teknologi, Institut Teknologi Sepuluh Nopember

Article Information

Received : 5 Jul 2024
Revised : 23 Jul 2024
Accepted : 8 Aug 2024

Keywords

Tokopedia, Customer Relationship Management (CRM), marketplace, market segmentation, customer loyalty

Abstract

This study examines Tokopedia's innovative Customer Relationship Management (CRM) development in the Indonesian marketplace landscape, driven by technological advancements and shifting consumer behaviors. The research employs a two-pronged approach: data collection from Tokopedia's website and analysis using the McKinsey 7S Framework. Objectives include understanding Tokopedia's strategies to attract and retain customers through personalized marketing, customer feedback integration, and loyalty programs. The results indicate that Tokopedia's cohesive CRM approach, emphasizing shared values, leadership style, and skilled workforce, effectively enhances customer satisfaction and loyalty. This integrated strategy has contributed to Tokopedia's substantial growth and competitive edge in the dynamic marketplace ecosystem. Future research could explore Tokopedia's CRM effectiveness compared to competitors and the potential of targeted market segmentation strategies.

A. Introduction

The marketplace landscape in Indonesia has experienced substantial growth, driven by advancements in information technology and changing consumer behaviors. This transformation necessitates innovative strategies for Customer Relationship Management (CRM) to sustain competitive advantage and ensure customer loyalty. Digital marketing and technological advancements have reshaped the marketplace industry. According to We Are Social, as of January 2021, the world population was estimated to be around 7.83 billion people, with 4.66 billion internet users (59.5 percent) [1]. In Indonesia, 25% of internet users actively engage in marketplaces and e-marketplaces using computers or laptops, while 80% use mobile phones for their online shopping activities [2]. This shift towards digital platforms has necessitated the implementation of effective digital marketing strategies to attract and retain customers. CRM systems are pivotal in maintaining and enhancing customer interactions. Effective CRM strategies involve leveraging data analytics to understand customer behaviors, preferences, and feedback, which in turn allows for personalized marketing efforts and improved customer service [3].

Indonesia's retail sector is booming, experiencing annual growth of 10-15% [4]. Hypermarkets dominate the market, followed by minimarkets and supermarkets. Retailing involves selling goods and services directly to consumers, extending beyond physical stores to include service provision. This necessitates differentiating between retailers based on whether they primarily focus on merchandise or services. As competition intensifies, retailers are adopting various strategies to attract and retain customers. Modern retail has shifted its focus from price to enhancing customer service, with CRM being a key strategy. CRM is a multi-stage process designed to identify, acquire, retain, and develop customers. By prioritizing strong customer relationships, CRM fosters long-term, profitable interactions, making it an essential aspect of retail success [5]. Effective CRM builds customer loyalty and positive word-of-mouth, delivering value that leads to customer satisfaction and loyalty. Loyal customers not only return for repeat purchases but also promote the business to others, influencing new customers to engage. CRM provides a competitive edge by offering superior value compared to competitors, achieved by fostering strong emotional connections with customers, reducing customer churn, and securing a sustainable advantage.

The intense competition within Indonesia's retail sector, fueled by both domestic and foreign players, highlights the critical role of CRM in this research. By implementing robust CRM strategies, Indonesian retail companies can cultivate customer loyalty, a key factor for success in this competitive landscape [5]. E-CRM, or electronic CRM, further strengthens these strategies by integrating them with digital platforms to provide a seamless and efficient customer experience. This study explores the concept of CRM through the perspectives of Kincaid (2003) and Jagdish et al. (2001). Kincaid emphasizes the strategic aspect of CRM, highlighting the use of information, processes, technology, and people to manage customer interactions throughout their entire lifecycle – encompassing marketing, sales, services, and support [6]. Jagdish et al. (2001) further elaborate on CRM as a comprehensive strategy and process focused on acquiring, retaining, and partnering with selective customers [7]. This collaborative approach aims to create

superior value for both the company and the customer. Building on established CRM frameworks, leading Indonesian marketplace platforms like Tokopedia have tailored their approaches to suit their diverse customer bases. Tokopedia's innovative CRM strategies focus on personalized marketing, integrating customer feedback, and fostering loyalty programs – all designed to enhance customer satisfaction and build long-term engagement. Recent studies showcase Tokopedia's success: the platform attracts millions of monthly users with high engagement rates, likely driven by its effective CRM and digital marketing efforts. Personalized marketing campaigns, for example, have reportedly led to a significant increase in user retention and satisfaction.

This research emphasizes the critical importance of CRM in the Indonesian retail landscape, where fierce competition exists from both domestic and foreign companies. By adopting robust CRM strategies, Indonesian retailers can cultivate customer loyalty, a vital element for success in this competitive environment [5]. E-CRM, or electronic CRM, takes these strategies a step further by integrating them with digital platforms, creating a smooth and efficient customer experience. Leading Indonesian marketplace platforms, like Tokopedia, have built upon established CRM frameworks and tailored them to their extensive and diverse customer bases. Tokopedia's innovative CRM approach focuses on three key areas: personalized marketing, incorporating customer feedback, and fostering loyalty programs. These strategies all aim to enhance customer satisfaction and build long-term engagement. Recent studies demonstrate Tokopedia's success. The platform boasts millions of monthly users with high engagement rates, likely driven by their effective CRM and digital marketing strategies. For example, implementing personalized marketing campaigns has reportedly led to a significant increase in user retention and satisfaction.

This research examines how Tokopedia's user interface (UI) and user experience (UX) design contribute to its successful CRM strategies. In the digital shopping world, UI/UX design is crucial. A well-designed interface not only attracts users but also keeps them engaged by offering an intuitive, efficient, and enjoyable experience. For Tokopedia, prioritizing UI/UX ensures users can navigate the platform easily, find products quickly, and complete transactions smoothly. This positive experience is essential for CRM because it directly impacts customer satisfaction and loyalty. Tokopedia's focus on UX optimization ensures a seamless and user-friendly interface with fast loading times, easy navigation, and responsive design across devices, ultimately enhancing the overall shopping experience. Tokopedia's innovative CRM approach exemplifies the importance of integrating digital marketing techniques with CRM practices to boost customer loyalty and satisfaction. By applying the McKinsey 7S Framework, this study systematically analyzes Tokopedia's strategy, structure, systems, shared values, style, staff, and skills. This framework provides a comprehensive understanding of how these elements work together to support effective CRM implementation and drive sustained business growth. By examining Tokopedia's innovative CRM strategies through this lens, the study highlights how these practices contribute to customer loyalty and satisfaction in the competitive marketplace landscape.

B. Research Method

This research employs a two-pronged approach to examine Tokopedia's competitive strategies in the global marketplace landscape. First, data is collected directly from the Tokopedia website (July 2024 version). This data focuses on strategies the company has implemented to attract consumer interest and provide satisfactory customer service experiences. Second, the collected data is analyzed using the McKinsey 7S Framework. This framework sheds light on the various measures Tokopedia has undertaken to achieve a competitive advantage in the global marketplace.

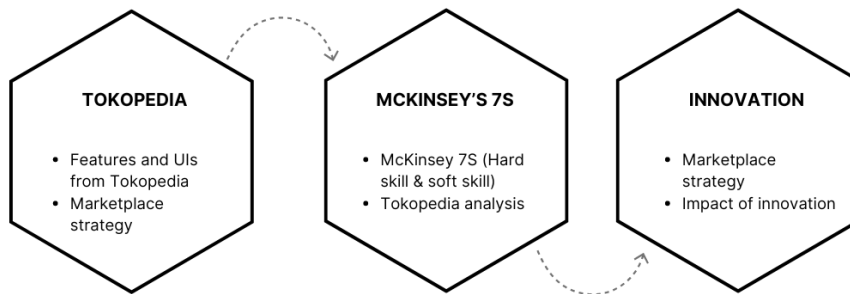


Figure 1. Tokopedia Analysis Process

In this study, the McKinsey 7S Framework [8] serves as the analytical lens to examine Tokopedia, a leading Indonesian marketplace platform (see Figure 1). This framework dissects an organization into seven critical but interrelated elements categorized as hard and soft skills. The McKinsey 7S Framework consists of:

1. **Strategy:** The organization's long-term plan to achieve its goals and maintain a competitive advantage.
2. **Structure:** The formal organizational design, including hierarchy, departments, and chain of command.
3. **Systems:** The daily processes and procedures employees utilize to complete tasks. This encompasses both business processes and information systems that support operations.
4. **Shared Values:** The core values that define the company culture and guide employee behavior.
5. **Style:** The leadership style of top management and how they implement strategies.
6. **Staff:** The employees and their capabilities, encompassing recruitment, training, and motivation.
7. **Skills:** The specific skills and competencies of the workforce that provide a competitive edge.

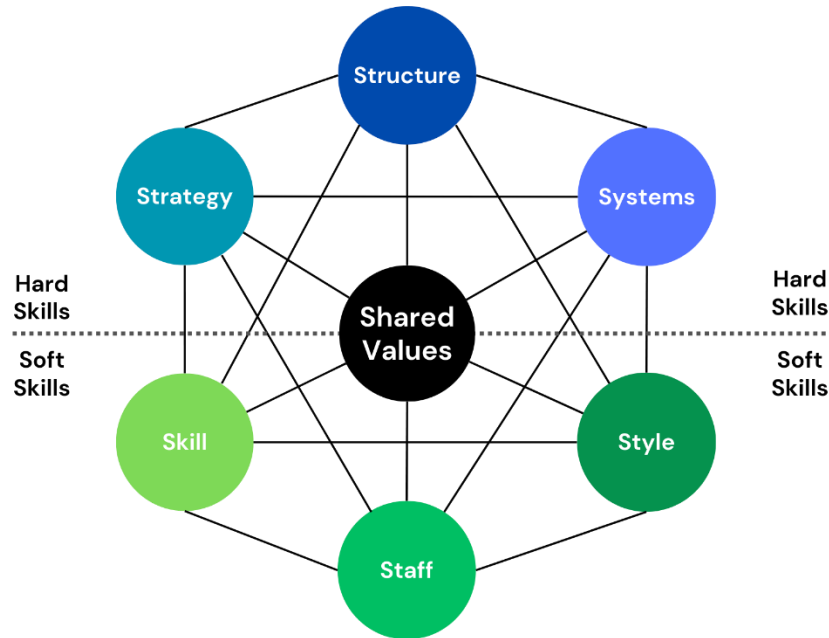


Figure 2. The 7 Stages of McKinsey [8]

The McKinsey 7S Framework categorizes the factors influencing organizational success into two areas: hard skills and soft skills (see Figure 2).

1. Hard skills represent the formal and planned aspects of an organization:
 - Strategy: A long-term plan to maintain a competitive advantage in the marketplace, providing Tokopedia with a clear direction to achieve its goals. Without a well-defined strategy, an organization would be like a ship sailing without a destination. Formulating a strong strategy requires careful analysis of the current and future activities of competitors within the business environment.
 - Structure: How the organization is structured, encompassing departments, hierarchy, and chain of command. A well-defined structure ensures alignment between the company's shared vision and its strategic goals and objectives.
 - Systems: The information technology systems and processes that support the daily operations of the organization.
2. Soft skills focus on the less tangible aspects of an organization's culture:
 - Shared Values: The core values that define the company culture and guide employee behavior.
 - Style: The leadership style and how managers implement strategies.
 - Staff: The capabilities and development of the workforce, including recruitment, training, and motivation.

The McKinsey 7S Framework offers a valuable tool to analyze how Tokopedia's internal environment fosters successful customer relationship management (CRM) in the marketplace landscape. By examining the interconnected elements of strategy, structure, systems, shared values, style, staff, and skills, the framework sheds light on how Tokopedia's internal factors contribute to effective CRM practices.

C. Result and Discussion

Tokopedia Program Webpage

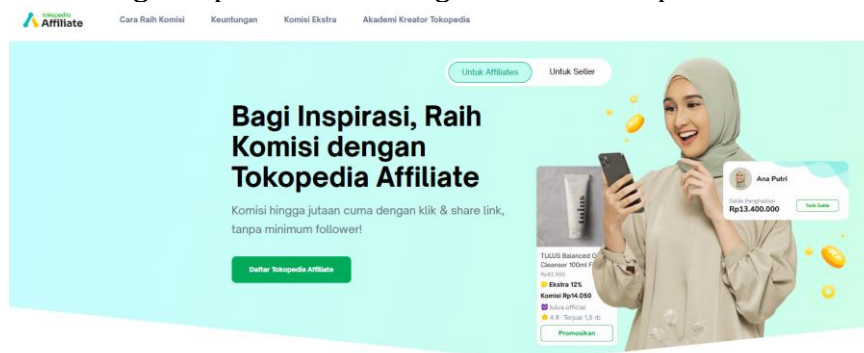
This study employs the McKinsey 7S Framework [8] to examine Tokopedia, a leading Indonesian marketplace platform. The framework dissects an organization into seven critical elements categorized as hard and soft skills. This analysis begins with a focus on shared values, the core element that binds the remaining factors together.

Shared values serve as the foundation for any organization, shaping its vision and guiding employee behavior [9]. Tokopedia's vision acts as a guiding principle for all members, aiming to be concise, memorable, and inspirational. An effective vision should provide direction, focus organizational efforts, and attract stakeholders. Ultimately, it describes the ideal future state and desired levels of service, product quality, and cost efficiency. Tokopedia's vision, "to create a safe, convenient, and empowering online shopping experience," encapsulates its core values. This vision is further embodied in the principles of "Selalu Ada Selalu Bisa" (Always Here, Always Able) and "Mulai Aja Dulu" (Start Now).

Selalu Ada Selalu Bisa emphasizes Tokopedia's continuous availability and capability to meet customer needs. This translates into an intuitive user interface with a clean layout and well-organized product categorization, facilitating easy product discovery. Tokopedia's three-step transaction process (adding to cart, selecting shipping/payment, and completing purchase) ensures a convenient shopping experience, aligning with its commitment to customer accessibility.

Mulai Aja Dulu encourages customers to take the first step towards a fun and engaging shopping experience. Tokopedia offers weekly deals, reward programs, and shopping coupons, fostering a positive shopping environment. Features like personal profiles, wish lists, points, bonuses, and social media sharing further enhance customer engagement. This principle embodies the idea of making the shopping experience enjoyable and straightforward for customers.

Through an examination of these elements within the current iteration of Tokopedia, this research aims to uncover the key factors that contribute to the platform's enduring competitive advantage in the marketplace.



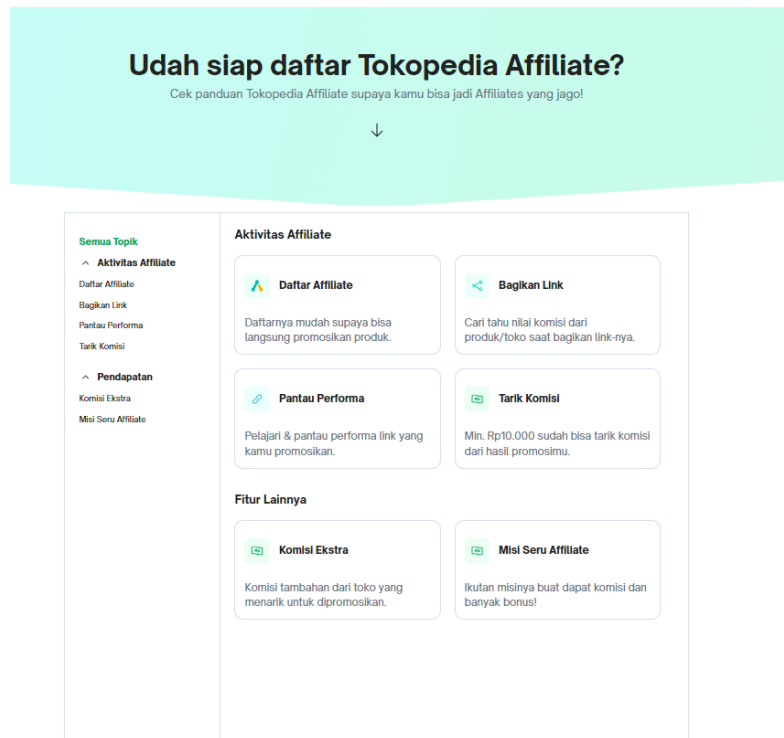


Figure 3. Tokopedia Affiliate Program Webpage

An analysis of the Tokopedia Affiliate Program webpage (see Figure 3) and the program's features underscores its emphasis on ease of use and maximizing affiliate earning potential. This focus is evident in the streamlined registration process and accessible requirements. Tokopedia further empowers affiliates with resources like Kuncie & Tokopedia Academy, which equip them with the skills to enhance their promotional efforts. Becoming a Tokopedia affiliate is a straightforward process. Users can register online and immediately begin promoting products or stores through shareable links. Tokopedia's affiliate program offers a performance-based commission structure, where affiliates earn commissions based on their sales. To incentivize participation, Tokopedia provides additional features such as increased commissions for promoting specific stores and bonus opportunities through missions. Notably, the program boasts commission rates up to 30%, placing it among the most competitive in the industry. Tokopedia's approach to affiliate partnerships stands in contrast to that of Blibli.com. Blibli.com's onboarding process involves data verification calls and in-office training sessions for merchants. While Blibli.com offers comprehensive support through merchant tools and ensures quality logistics, Tokopedia prioritizes flexibility and speed, allowing affiliates to quickly begin earning commissions.

Tokopedia's Strategic Approach to Partnerships

Tokopedia's strategic approach to partnerships centers on three pillars: selection, pricing, and service quality. The platform offers a vast product selection and collaborates with brands to strengthen their online presence. Competitive pricing is achieved through supplier and bank partnerships that facilitate

promotional programs. Sustainability is ensured by prioritizing customer satisfaction, providing a seamless shopping experience, and offering ongoing support to both affiliates and merchants. This comprehensive strategy fosters a dynamic and sustainable marketplace ecosystem, making Tokopedia a compelling choice for both sellers and consumers.



Figure 4. Tokopedia's Merchant Corner

As Figure 4 illustrates, Tokopedia's Merchant Corner boasts a streamlined registration process, allowing merchants to set up their online stores with minimal effort. This aligns with information on the Tokopedia platform itself, where data confirms a simplified registration requiring just a few clicks. Tokopedia's commitment to ease of use goes beyond registration. The platform offers a comprehensive suite of features to support merchants throughout their journey, including marketing tools and sales analytics. These empower merchants to gain valuable customer insights and optimize their promotional strategies, propelling their businesses forward.

A leader in Indonesian marketplace, Tokopedia, caters to a vast user base of 18 million monthly active users, offering them a marketplace with an impressive network of 14 million merchants [10], [11]. This extensive reach is backed by a robust logistics network, supported by reliable partners, to ensure nationwide delivery, reaching even remote areas of Indonesia. Tokopedia doesn't stop there; they provide peace of mind with comprehensive after-sales service to address any product issues that may arise. This comprehensive support system fosters trust

with both merchants and customers, contributing to a smooth shopping experience for everyone.

Tokopedia prioritizes product quality. They guarantee the authenticity of all products on their platform, with over 1.8 billion products from trusted brands and sellers. This commitment builds trust with consumers and positions Tokopedia as a reliable marketplace. Furthermore, Tokopedia caters to diverse buying behaviors by offering no minimum order requirement, welcoming purchases of both single items and bulk quantities. Tokopedia's program offers several benefits that position merchants for success. Competitive product pricing is achieved through partnerships with suppliers and banks, facilitating promotional programs to attract customers. Figure 5 also highlights various payment options available, including Cash on Delivery (COD), a popular method in Indonesia. This flexibility in payment options caters to a wider audience and removes potential barriers for customers.

Tokopedia's success rests on a strategic focus on three pillars: selection, pricing, and service quality. The platform's vast product selection caters to diverse consumer needs, while collaboration with established brands strengthens their online presence. Competitive pricing strategies ensure merchants can remain attractive to customers. Finally, Tokopedia prioritizes service quality, emphasizing customer satisfaction and providing ongoing support to its merchant base. This commitment to all stakeholders – merchants, customers, and partners – fosters a sustainable and dynamic marketplace ecosystem. The platform's user base continues to grow, with around 18 million monthly active users. The recent integration with TikTok Shop further expands Tokopedia's reach, potentially connecting merchants with up to 143 million monthly active users in Indonesia. This combination of a robust marketplace program, a vast and engaged user base, and strategic partnerships positions Tokopedia as a leader.

Tokopedia Business Partners

As Figure 5 illustrates, Tokopedia prioritizes building strong relationships with business partners. They achieve this through special programs that offer valuable support and information. Tokopedia seeks passionate and creative partners who share their vision of empowering Indonesia through marketplace. This collaborative spirit extends to their company culture, which emphasizes teamwork and a shared sense of purpose. Tokopedia fosters a work environment that values its employees. These values encourage employees to strive for excellence, prioritize customer needs, and take pride in their work. Tokopedia also emphasizes open communication, acceptance, and teamwork, fostering a positive and collaborative work atmosphere. "Customer Focus" is another core principle at Tokopedia. This translates to prioritizing customer needs and working backwards to ensure a seamless shopping experience. The company motto "Selalu Ada Selalu Bisa" (Always Here, Always Able) reinforces their commitment to reliability and being readily available to address customer needs. Tokopedia's motto "Mulai Aja Dulu" (Just Start) embodies their philosophy of encouraging initiative and action. This applies to both their partners and users. Tokopedia empowers individuals to take the first step and pursue their entrepreneurial dreams. Tokopedia recognizes that its employees are its greatest asset. They focus on creating a comfortable and

inspiring work environment that fosters continuous learning and development. This investment in their people equips Tokopedia with the knowledge and expertise needed to thrive in the competitive marketplace landscape. In essence, Tokopedia's commitment to collaboration, a positive work environment, customer focus, and employee development positions them as a strong player in the Indonesian marketplace ecosystem.



Figure 5. Tokopedia Business Partners

Payment Methods on Tokopedia's Platform

Figure 6 showcases the extensive array of payment methods available on Tokopedia's platform. This variety caters to the diverse needs of its user base, ensuring a smooth and convenient shopping experience for all. Tokopedia offers a comprehensive suite of options, including:

1. E-wallets: GoPay, OVO, and LinkAja
2. Virtual Accounts
3. Bank Transfers: Likely includes transfers from major Indonesian banks like BRI and Mandiri.
4. Installment Plans: GoPayLater and credit card installments (Tokopedia, n.d.), particularly attractive for users who prefer to spread out their payments.
5. Cash on Delivery (COD): A popular option in Indonesia, providing flexibility for those who prefer to pay upon receiving their orders.
6. Other Options: BRI Ceria, BCA KlikPay, Mandiri Clickpay, Jenius Pay, JakOne Mobile, credit card installment plans without a credit card, and payments through physical outlets (Gerai).

This strategic approach to payments aligns with Tokopedia's commitment to its core values of "Mulai Aja Dulu" (Just Start) and "Selalu Ada Selalu Bisa" (Always Here, Always Able)" (Tokopedia, n.d.). By providing a multitude of payment options, Tokopedia removes barriers to entry and caters to users at every level, fostering a more inclusive marketplace that benefits both customers and merchants.

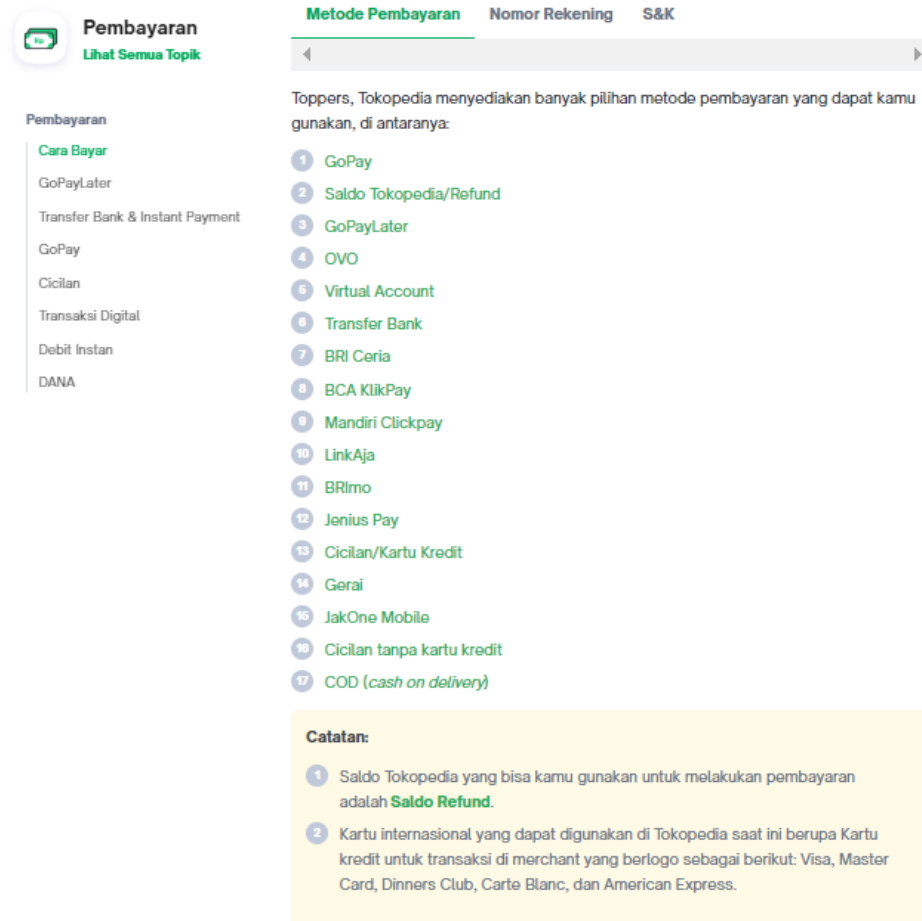


Figure 6. Payment Methods Available on Tokopedia's Platform

Tokopedia's Global Dominance

Tokopedia's roadmap to global dominance, illustrated in Figure 7, is a three-pronged strategy that balances immediate operational improvements with long-term innovation and strategic expansion.

Operational Growth focuses on building a strong foundation. Tokopedia prioritizes nurturing customer relationships through effective CRM strategies, attracting new customers through targeted marketing, and retaining high-value users. They refine their market reach by segmenting audiences and tailoring offerings to specific demographics and locations. Additionally, strategic expansion into new markets with favorable demographics fuels Tokopedia's growth. They continuously develop innovative service offerings to differentiate themselves from competitors and improve business efficiency.

Innovative Growth emphasizes redefining the marketplace landscape. Tokopedia fosters a culture of innovation by investing in research and development to create new products and services. They also reimagine existing offerings to unlock new functionalities. Recognizing the power of collaboration, Tokopedia partners with established and emerging players to develop comprehensive solutions and strengthen brand management. This may involve knowledge sharing, joint ventures, or co-creation of new business models.

Strategic Growth focuses on transforming the marketplace landscape. Tokopedia aspires to become a leader in specialized areas within the marketplace ecosystem. They achieve this by developing deep expertise and building the infrastructure necessary to support their focus areas. Furthermore, they expand their reach by diversifying into new product categories and potentially acquiring competitors. Tokopedia actively explores alternative business models and ventures to stay ahead of the curve, managing risks and seizing new opportunities. By strategically segmenting markets and locations, Tokopedia ensures sustainable growth in the long run.

Together, these initiatives contribute to growth. A mix of different strategies fosters both short-term and long-term growth, each with varying levels of risk and business impact. The approach to achieving growth depends on the specific marketplace company and can be influenced by both internal and external factors. It requires aligning with what is suitable for the market and the organization. Growth involves an marketplace company leveraging its assets, such as brands and relationships, and aligning them with the best market opportunities to generate profits. This alignment is a creative process, matching the strongest assets with the best opportunities. The company then explores how different asset combinations can drive innovative growth. The most effective initiatives are combined and assessed as part of an initiative portfolio, aimed at achieving operational growth with the fastest results and minimal impact [12], [13].

Marketplace companies aim for substantial growth. While innovative growth takes longer, it eventually makes a noticeable difference. These companies also pursue strategic growth, which involves slower processes but yields significant results. Similar to other managed portfolios, the challenge is balancing straightforward initiatives with more strategic, high-impact investments [14], [15]. The ideal "growth center" within an marketplace company is the marketing and commercial director, even though this is a relatively new role. This position integrates a focus on sales and marketing with pricing and profit strategies, thus becoming a key driver of growth for the entire business. Consequently, marketplace companies require growth acceleration [16]. Accelerating growth involves more than just increased effort; it entails aligning with the market's pace, even though the business can significantly influence the market. A well-managed growth portfolio can be accelerated through various methods. There are three innovative platforms built upon previous ones to achieve this acceleration.

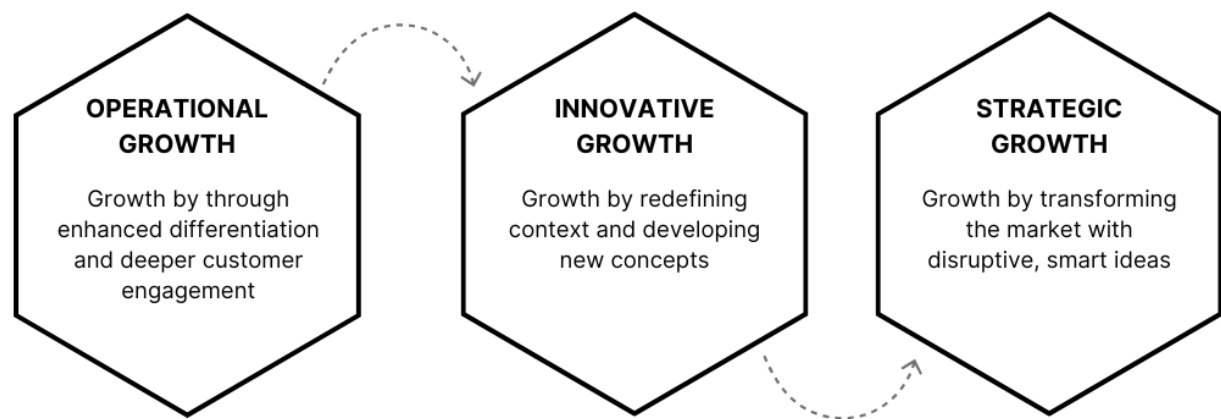


Figure 7. Tokopedia's Roadmap to Global Dominance

Marketplace Growth through Innovative Inspiration-Strategy Leadership

Figure 8 illustrates Tokopedia's comprehensive strategy for accelerating growth in the dynamic marketplace landscape. They prioritize agility through faster decision-making, rapid development (achieved through outsourcing, in-market trials, and adaptable strategies), and a keen understanding of market trends. Tokopedia takes their customer focus beyond basic CRM segmentation. They consider how these segments will influence their market penetration strategy, allowing for more targeted marketing and personalized customer experiences that foster stronger relationships and loyalty. Additionally, Tokopedia embraces calculated risks by developing innovations alongside long-term strategic plans. Internally, they cultivate a creative environment and seek partnerships that fuel growth. By strategically allocating resources and prioritizing key markets, Tokopedia ensures focused growth initiatives. This aligns with Chris Zook's emphasis on continuous innovation for survival in a competitive landscape. Furthermore, Tokopedia leverages a unique segmentation strategy (also depicted in Figure 9) to identify high-growth areas, explore untapped opportunities, and avoid saturated markets. They categorize markets as "hot locations" with high growth potential, "cold locations" with undiscovered opportunities, and "black locations" representing outdated markets. This colorful segmentation allows Tokopedia to stay ahead of the curve and maintain its competitive edge. By combining agility, innovation, and strategic segmentation, Tokopedia positions itself for sustainable growth in the ever-evolving marketplace.

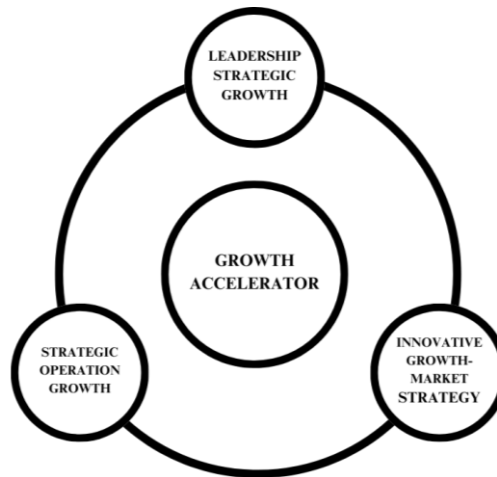


Figure 8. Accelerating the Growth of Marketplace Companies through Innovative Inspiration-Strategy Leadership (adapted from [16])

Figure 9 depicts Tokopedia's approach to identifying and capitalizing on strategic market segments within the marketplace landscape. By understanding these distinct customer groups, Tokopedia can pinpoint the most promising opportunities, anticipate competitor moves, and plan for future developments. Their strategic segmentation categorizes markets as follows:

1. **Hot Locations:** These high-demand areas represent established markets with intense competition from various brands. Examples include popular product categories like smartphones, multimedia devices, and smart TVs. While competition is fierce, these segments also offer high potential rewards.
2. **Cold Locations:** Early adopters and trendsetters gravitate towards these markets, seeking out novel and unique products. This includes emerging niches or trends like innovative Korean cuisine or smart car technology. Cold locations represent potential future hotspots that Tokopedia can explore for future growth.
3. **White Locations:** Unexploited opportunities reside in these nascent markets. Examples include innovative retail experiences that leverage interactivity or cashless payment systems. White locations hold significant growth potential as they represent uncharted territory.
4. **Black Locations:** Traditional products and industries experiencing decline fall within this category. Examples include outdated technologies like traditional photography or older car manufacturing methods. Black locations are moving away from market relevance and are best avoided by Tokopedia.

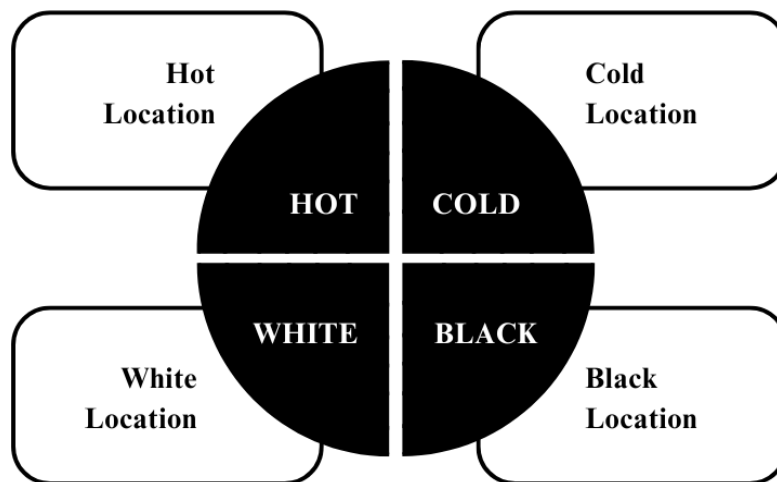


Figure 9. Location Sharing in Marketplace and Innovation Strategies (adapted from [16])

By strategically allocating resources and tailoring approaches to these different segments, Tokopedia can maximize growth and stay ahead in the competitive marketplace landscape. Their ability to identify and capitalize on hot and cold locations ensures they remain leaders in innovation and customer engagement. Additionally, exploring white locations keeps Tokopedia at the forefront of emerging market trends. This strategic segmentation aligns with Tokopedia's ongoing efforts to enhance its platform, introduce new features, and adapt to market changes. As Fisk (2008) explains, understanding the marketplace landscape empowers companies to navigate and leverage different market conditions effectively [17]. It is important to note that Tokopedia's success goes beyond just innovative products, especially when targeting high-growth markets. As the text mentions, Tokopedia fosters strong strategic partnerships with established brands and distributors, which CRM principles can also support. Collaborating with these powerful partners grants Tokopedia the necessary resources and market insights to effectively navigate and penetrate new market segments. This approach strengthens Tokopedia's market position and ensures they can offer comprehensive solutions that cater to the evolving needs of their diverse customer base. By leveraging these partnerships, Tokopedia can maintain its competitive edge and drive significant growth in the dynamic world of marketplace.

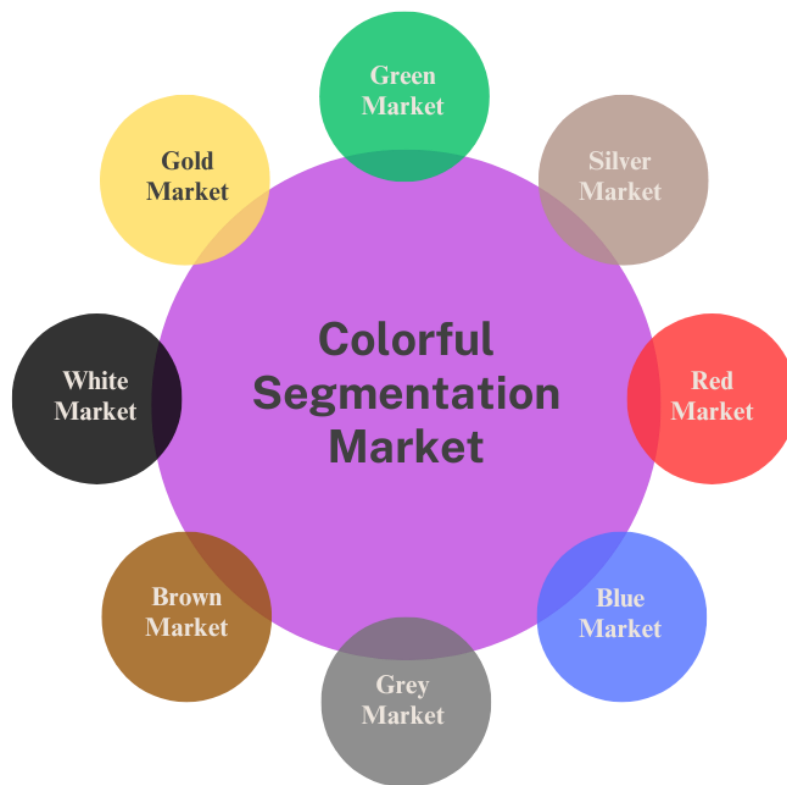


Figure 10. Colorful Segmentation Market

Figure 10 illustrates the colorful market segmentation strategy for Tokopedia, highlighting diverse consumer groups and market opportunities. This segmentation is crucial for Tokopedia's growth and aligns with the McKinsey 7S Framework to support strategic planning and execution.

1. **Green Market:** Represents environmentally conscious consumers who prioritize sustainability and ethical products. These customers are concerned with issues like environmental impact, local community support, and personal well-being.
2. **Silver Market:** Encompasses the older generation, particularly baby boomers, who have significant purchasing power. This group values quality and reliability and is an essential target for products and services catering to their lifestyle and needs.
3. **Red Market:** Includes emerging markets with rapid economic growth, such as the former Soviet Union states now part of the European Union. These markets present opportunities due to their booming economies and entrepreneurial spirit.
4. **Blue Market:** Represents the rise of technology-driven economies in regions like Southern Africa, Brazil, India, and Dubai. These areas are shifting from low-cost manufacturing to high-tech industries, driven by business acumen and ambition.
5. **Gray Market:** Targets tech enthusiasts and early adopters who are eager to embrace the latest gadgets and innovations. This segment is characterized by a strong desire for cutting-edge technology and unique personal productivity tools.

6. **Brown Market:** Focuses on fashion trends and authenticity. Consumers in this segment are influenced by fashion cycles and seek unique, authentic products that stand out.
7. **White Market:** Consists of budget-conscious consumers who prioritize affordability. This segment is crucial for products and services that offer value for money, such as low-cost airlines and budget-friendly retail options.
8. **Gold Market:** Represents the luxury goods market, which is rapidly growing across Asia and other key markets. Consumers in this segment are drawn to high-end, prestigious brands and are willing to pay a premium for luxury products.

In Figure 9 and Figure 10, it is evident that strategy plays a crucial role in developing an marketplace company like Tokopedia. This strategic focus must be supported by other operational factors. The McKinsey 7S Framework provides a comprehensive approach to understanding and optimizing these factors. Figure 10 highlights the importance of innovation in Structure, Style, and Systems. For Tokopedia, the location structure is a key factor that must be precisely determined to expand in the marketplace market. Tokopedia needs to adopt a distinct style to stand out against competitors and implement a precise targeting system. By doing so, Tokopedia can identify the right dimensions of Structure, Style, and System, such as general aggressiveness and capability.

1. **General:** This refers to the presence of many competitors in the marketplace industry, including potential competitors who have established their market locations first. Understanding the competitive landscape helps Tokopedia strategize effectively.
2. **Aggressiveness:** This involves evaluating how aggressively competitors are implementing their location strategies. Competitors with highly creative and effective strategies pose a greater threat than those without such strategies. Tokopedia needs to be vigilant in assessing these competitive dynamics.
3. **Capability:** This pertains to the financial strength of the location. Tokopedia must assess the financial capacity of a market location and determine which products can be successfully sold there.

Figure 10 emphasizes the importance of Strategy, Staff, and Skills in market segmentation. After determining the location, market segmentation should be more specific. Tokopedia requires reliable human resources to support expansion and robust sales capabilities to drive massive sales. The strategy must align with Tokopedia's vision and mission. Staff and skills specifications are critical to face global competition effectively.

1. **Competitor-Type:** Salespersons with great ambition to win and derive satisfaction from defeating rivals. This type will expand market segments rapidly if aligned with segmentation strategy.
2. **Ego-Driven Type:** Salespersons who seek acknowledgment regardless of others. This type is generally unsuitable for marketplace companies as they can cause problems.

3. Type Achiever: A rare type of salesperson who expands market segments slowly but consistently achieves goals. This type is highly recommended for Tokopedia.
4. Service-Oriented Type: Salespersons with excellent communication skills. They help maintain and expand market segments by building and nurturing customer relationships.

Figure 10 demonstrates the importance of Strategy, Staff, and Skills in Tokopedia's market segmentation efforts after determining the location. Once the location is established, Tokopedia needs to focus on segmenting the market more specifically to optimize growth and customer engagement. In the Staff and Skills section, Tokopedia requires reliable human resources to support its expansion efforts. This includes having a robust sales force capable of driving substantial sales growth. The strategy employed must align with Tokopedia's vision and mission, ensuring coherence across all levels of operation. Specific staff and skills requirements are essential for Tokopedia to remain competitive on a global scale. Sales personnel play a critical role in this strategy and can be categorized into four key types:

1. Competitor-Type: Salespersons with a strong ambition to win and satisfaction derived from outperforming rivals. When integrated with a segmentation strategy, this type can rapidly expand market segments.
2. Ego-Driven Type: Salespersons who seek personal acknowledgment regardless of team dynamics. This type is generally unsuitable for marketplace companies like Tokopedia, as they tend to cause internal problems.
3. Type Achiever: A rare type of salesperson who steadily expands market segments while consistently achieving set goals. This type is highly recommended for Tokopedia due to their reliable performance.
4. Service-Oriented Type: Salespersons with excellent communication skills who help maintain and build market segments by fostering strong customer relationships. They are crucial for maintaining and expanding Tokopedia's customer base.

These strategic, staff, and skills considerations ensure that Tokopedia can effectively segment its market, as illustrated in the colorful segmentation model. This model helps Tokopedia tailor its approach to various consumer groups and market opportunities, enabling the company to meet diverse needs and capture significant market share. By focusing on these elements, Tokopedia can enhance its market positioning and drive sustainable growth. The colorful segmentation market visualizes different market opportunities, allowing Tokopedia to apply targeted strategies that maximize impact and competitive advantage in the dynamic marketplace landscape.

D. Conclusion

Tokopedia's strategic focus on growth initiatives, coupled with its organizational structure, technological systems, shared values of customer centricity, leadership style, skilled workforce, and unique competencies, all work together to ensure effective CRM implementation. By prioritizing all seven elements, Tokopedia achieves a cohesive CRM approach that aligns with its overall business goals. This integrated strategy enables them to deliver a consistent and high-quality customer experience, fostering loyalty and driving sustainable growth in the dynamic marketplace landscape. The McKinsey 7S Framework proves valuable in analyzing Tokopedia's customer relationship management (CRM) strategies. Each element, from strategic growth initiatives to staff skillsets, contributes to effective CRM. Tokopedia's focus on all seven elements fosters a cohesive, customer-centric approach aligned with business goals. This integrated strategy delivers a consistent and high-quality customer experience, driving loyalty and growth. Further research could explore how Tokopedia leverages each 7S element and compare its CRM effectiveness with competitors. Additionally, exploring the potential of market segmentation, aligned with Fisk's (2008) concept of a "close category strategy" – focusing on innovative offerings and adjacent consumer segments within specific geographic areas while maximizing existing capabilities – could lead to enhanced customer satisfaction and profitability [17].

E. Acknowledgment

I would like to express my sincere gratitude to my fellow System Innovation and Technology Master's students at Institut Teknologi Sepuluh Nopember for their stimulating discussions and collaborative spirit.

F. References

- [1] S. Kemp, "Digital 2021: The Latest Insights into the 'State of Digital,'" *We are Social*, 2021. <https://wearesocial.com/uk/blog/2021/01/digital-2021-the-latest-insights-into-the-state-of-digital/>.
- [2] M. Devita, Z. M. N. Nawawi, and N. Aslami, "E-Commerce Shopee Marketing Strategy in International Business," *J. Soc. Res.*, vol. 1, no. 1, pp. 27–31, 2021, doi: 10.55324/josr.v1i12.350.
- [3] M. H. Syaifullah, W. Pebrianti, N. Afifah, Juniwati, and A. Jaya, "The influence of electronic customer relationship management on customer loyalty with customer satisfaction and customer experience as mediation," *J. Ekon.*, vol. 13, no. 01, pp. 215–227, 2024, doi: 10.54209/ekonomi.v13i01.
- [4] Euis Soliha, "Analisis Industri Ritel Di Indonesia," *J. Bisnis dan Ekon.*, vol. 15, no. 2, pp. 128–143, 2008.
- [5] S. S. D. Tan, "Customer Relationship Marketing dalam Bisnis Ritel," *J. Ilm. Mhs. Manaj.*, vol. 2, no. 3, pp. 1–7, 2013, doi: 10.4337/9781800883284.customer.relationship.marketing.
- [6] J. W. Kincaid, *Customer relationship management: getting it right!* Prentice Hall, 2003.
- [7] J. N. Sheth, P. Atul, and G. Shainesh, *Customer Relationship Management: Emerging Concepts, Tools, and Applications*. New Delhi: Tata McGraw-Hill Education, 2001.

- [8] M. M. Ravanfar, "Analyzing Organizational Structure based on 7s model of McKinsey," *Int. J. Acad. Res. Bus. Soc. Sci.*, vol. 5, no. 5, pp. 43–55, 2015, doi: 10.6007/ijarbss/v5-i5/1591.
- [9] A. A. Kennedy and T. E. Deal, *No Title*. Addison Wesley Publishing Company, 1982.
- [10] JPNN, "Tokopedia & ShopTokopedia Rekap Tren Belanja Online Sepanjang Semester I 2024, Meningkat!," 2024. <https://www.jpnn.com/news/tokopedia-shoptokopedia-rekap-tren-belanja-online-sepanjang-semester-i-2024-meningkat>.
- [11] K. Safitri and A. Ika, "Jumlah Penjual di Shop Tokopedia Naik 20 Persen pada 2024," *Kompas*, 2024. <https://money.kompas.com/read/2024/06/13/090000126/jumlah-penjual-di-shoptokopedia-naik-20-persen-pada-2024-?page=all#:~:text=Director of Corporate Affairs Tokopedia,14 juta pada tahun 2023>.
- [12] K. Ileska, "Customer Satisfaction Index – as a Base for Strategic Marketing Management," *TEM J.*, vol. 2, no. 4, pp. 327–331, 2013, [Online]. Available: www.temjournal.com.
- [13] F. C. Lunenburg, "Organizational Structure: Mintzberg's Framework," *Int. J. Sch. Acad. Intellect. Divers.*, vol. 14, no. 1, pp. 1–8, 2012, [Online]. Available: <https://platform.europeanmoocs.eu/users/8/Lunenburg-Fred-C.-Organizational-Structure-Mintzberg-Framework-IJSAID-V14-N1-2012.pdf>.
- [14] D. A. Mcfarlane, "The strategic importance of customer value," *Atl. Mark. J.*, vol. 2, no. 1, pp. 62–75, 2013, [Online]. Available: <https://digitalcommons.kennesaw.edu/amj>.
- [15] I. Gamayanto, F. E. Nilawati, and - Suharnawi, "Pengembangan dan Implementasi dari Wise Netizen (E-Comment) di Indonesia," *Techno.Com*, vol. 16, no. 1, pp. 80–95, 2017, doi: 10.33633/tc.v16i1.1323.
- [16] I. Gamayanto and H. Christian, "The Development of Innovative CRM E-Commerce: The Case of Blibli.Com," *Binus Bus. Rev.*, vol. 9, no. 1, pp. 29–38, 2018, doi: 10.21512/bbr.v9i1.4100.
- [17] P. Fisk, *Business genius: A more inspired approach to business growth*. UK: Capstone Publishing Ltd., 2008.