


Factors Affecting Shopee Sellers Competitive Advantage And Company Performance

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Article Info	ABSTRACT
Keywords: Gamification, Competitive Advantage, Company Performance	The purpose of this study is to determine the impact of gamification on the competitive advantage and commercial performance of Shopee vendors. This study utilized a quantitative approach. One hundred Shopee vendors who use gamification techniques to improve their overall business performance and competitive advantage are the research sample. The sampling procedure used a non-probability sampling approach combined with purposive sampling techniques. In this study, the data collected through the distribution of Google Form questionnaires were processed and assessed using the PLS-SEM tool. The first finding, from this study, shows that gamification increases competitive advantage in the Shopee app. The second finding, from this study shows that gamification improves company performance in the Shopee app. The last finding, from this study shows that that gamification increases competitive advantage through company performance in the Shopee app.
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INTRODUCTION

One of the major advances that digital technology has brought about for television is its ability to offer the highest quality picture. TV show sharing has been easier with the advancement of technology. The existence of multiple television channels necessitates creativity from different media businesses; this can be utilized to showcase their individual brands, thereby transforming TV stations into boutique television. As a result, some television brands are associated with them, such as MTV, which is a music channel, and CNN, which is a news channel. Disney/ABC's ESPN for sports television, Viacom's Nickelodeon for children's segmented television, and so forth (Ayesha et al., 2022).

Apart from television, what is experiencing great development is the internet. The internet is a collection of networks that are connected to each other so that they can provide a global connection of information (Hasanah & Hariyono, 2022). The arrival of the internet will be a testimony of the advancement of technological growth. The internet is renewing the form of world nations, starting from local people to international people (Yogyakarta, 2024). In the 21st century, computers have become a very important medium in the world, coupled with other technology embedded in them, namely the internet network. The internet network is a computer network that is capable of connecting computers with each other throughout

the world, so that various kinds of information can be communicated between six parts of the world instantly (Lintasarta, 2020).

The internet has made quite a big contribution to companies, governments and society at large. The presence of the internet has supported the effectiveness and efficiency of company operations, especially its role as a means of communication, publication, and a means of obtaining various information needed by a business entity and other forms of business entity or institution (Asosiasi Penyelenggara Jasa Internet Indonesia, 2024)

In today's e-commerce development, it is a fact that buyers play a very important role in determining the company's survival. Therefore, many e-commerce companies apply the latest marketing strategies, namely prioritizing consumer expectations. However, this is recognized as a less profitable method from the entrepreneur's side. They have more to lose in profits than lose a lot of customers. They must be able to see quantity as the basis of their marketing with harder efforts and greater costs. We can see this fact in e-commerce applications which tend to burn money by providing discounts, cheaper prices, free shipping, friendly service, and so on (Rizki et al., 2024).

Basically, the fact is that Shopee marketing carries gamification by adding interesting games and various kinds of rewards to the application and carrying out brand communication, one of which is by holding promotional events every month. This is to trigger high company performance for sellers who carry out their business on Shopee so that they can achieve competitive advantage (Chatzoglou et al., 2022).

Literature Review

Gamification

Gamification is an increasingly popular concept in a variety of fields, including education, marketing, and product development, due to its ability to increase user engagement and motivation (Chen et al., 2023). Gamification refers to the application of game elements such as points, levels, challenges, and rewards in a non-game context to encourage certain behaviors (Riatmaja et al., 2024). Research on gamification shows that the application of game elements can increase user (Zafar et al., 2024)s intrinsic and extrinsic motivation. Intrinsic motivation is enhanced through elements that support a sense of achievement, autonomy, and mastery, while extrinsic motivation is boosted by external rewards such as points or prizes (Sharma et al., 2024). However, some studies also highlight that the effects of gamification may vary depending on the application context and user characteristics (Thomas et al., 2023).

Competitive Advantage

Competitive advantage is a fundamental concept in strategic management that refers to the ability of a company to create greater value than its competitors (Warr, 1994). This concept is the foundation for business strategies that aim to achieve a dominant position in the market and ensure long-term profit sustainability (Christensen, 2001). There are two main strategies for achieving competitive advantage: cost leadership and differentiation (Barney, 1995). Cost leadership means that companies strive to be the lowest cost producer in their industry, allowing them to offer lower prices to consumers or enjoy higher profit margins (Ma,

2000). On the other hand, a differentiation strategy focuses on creating a unique product or service that customers are willing to pay a premium price for.

Company Performance

Company performance is one of the most frequently researched variables in management, accounting, and finance because it is a key indicator of a company's success (Greenley, 1986; Sigler & Haley, 1995). Company performance reflects the extent to which the company achieves its stated objectives, whether in terms of profitability, operational efficiency, or other strategic achievements (Wall et al., 2004). Company performance can be measured in various ways, including financial metrics such as net income, return on assets (ROA), return on equity (ROE), and profit margins. In addition, some studies also use non-financial metrics, such as customer satisfaction, product innovation, and market share, to assess company performance more comprehensively (Ortiz-Martínez et al., 2023). This approach is often referred to as the balanced scorecard, which emphasizes the importance of looking at performance from multiple perspectives, not just the financial side (Finegold et al., 2007).

METHOD

The research method used in this research is a quantitative approach (Sugiyono, 2022). In this research, the population used is sellers who sell their goods using the shoppe application as a means. And determining the sample uses a purposive sampling technique because sampling is taken with certain considerations or criteria that must be met. The types of data used in this research are primary data and secondary data. The data collection method in this research was carried out by distributing questionnaires. The scale used to measure is a scale with an interval of 1 - 5, from strongly disagree to strongly agree (Putra & Keni, 2020). In measuring respondents' answers, filling out the questionnaire was measured using a Likert scale (Hapy Linawati et al., 2023). Data processing in this research uses smartPLS SEM (Partial Least Square - Structural Equation Modeling) software. PLS has the ability to explain the relationship between variables and the ability to carry out analyzes in one test (Ghozali, Imam, 2015)

RESULTS AND DISCCUSION

Research result

Instrument Test

The analysis method using Partial Least Square (PLS) is a variance-based Structural Equation Modeling (SEM) model (Ghozali, 2021). Evaluation of the Partial Least Square (PLS) model is based on 2 fundamental evaluations, namely model evaluation of outer model measurement results and evaluation of the structural model (inner model). The validity test criteria in a study refer to the magnitude of the outer loading of each indicator on the latent variable. Evaluation of the outer model measurements using the Partial Least Square (PLS) test, which is a multivariate statistical technique that can handle many response variables and explanatory variables at once. The test will be described as follows:

Measurement Model (Outer Model)

Convergent Validity

Convergent validity is used to calculate the validity of reflexive indicators as variable measurements which can be seen from the outer loading of each variable indicator. If the outer loading value is above 0.70, the instrument is said to have a good validity value (Sarwono & Handayani, 2021). The outer loading value that is still acceptable is 0.50 and below the value of 0.50 can be excluded from the analysis (Ghozali & Fuad, 2008).

Table 1 Outer Loadings Result

Indicator	Latent Variable Score	Loading Limit	Information
X1.1	0,766	0,5 – 0,7	Valid
X1.2	0,594	0,5 – 0,7	Valid
X1.3	0,761	0,5 – 0,7	Valid
Y1.1	0,864	0,5 – 0,7	Valid
Y1.2	0,812	0,5 – 0,7	Valid
Y1.3	0,853	0,5 – 0,7	Valid
Y2.1	0,817	0,5 – 0,7	Valid
Y2.2	0,722	0,5 – 0,7	Valid
Y2.3	0,733	0,5 – 0,7	Valid

Source: Processed primary data, 2024

From the research results it can be seen that the cross loading between indicators and variable measuring constructs is greater than 0.50 – 0.70. This shows that each indicator has good reliability and is suitable to be continued in research.

Composite Reliability

To carry out reliability tests on questionnaires or instruments in this research, use the Cronbach's Alpha method via the Algorithm Report menu by looking at the Quality Criteria Composite Reliability value in the Smart PLS application program. The results are declared reliable if the correlation value is above 0.70 (Muqorrobin, 2010). Thus the instrument being tested can be declared reliable, meaning that as a measurement tool, the instrument can measure consistently (Ghozali, 2014). The results of the reliability test can be seen in the following table:

Table 2 Composite Reliability Result

Variable	Composite Reliability	Criteria
Gamification (X)	0,777	0,70
Competitive Advantage (Y1)	0,830	0,70
Company Performance (Y2)	0,862	0,70

Source: Processed primary data, 2024

By looking at table 2 above, it can be seen that the Composite Reliability value is greater than 0.70. This means that the indicators measuring the construct show satisfactory results, namely greater than the standardization value of 0.70. This explanation can be interpreted as

meaning that the variables gamification, competitive advantage, and company performance can provide relatively the same results when measured again on the same subject.

Discriminant Validity

The criteria for measuring discriminant validity for each construct with the correlation between the construct and other constructs in the model is by comparing the Average Variance Extracted (AVE). If the AVE value for each construct is greater than the correlation between other constructs, it means that the model has sufficient discriminant validity.

Table 3 Discriminant Validity Result

Variable	Average Variance Extracted (AVE)
Gamification (X)	0,542
Competitive Advantage (Y1)	0,622
Company Performance (Y2)	0,610

Source: Processed primary data, 2024

Based on the results of the discriminant validity test, it can be seen that the construct AVE for each variable shows that the AVE value has exceeded the requirement of 0.5, so it can be concluded that the construct value for the research variable has good discriminant validity value.

Inner Model

This research uses the Structural Equation Model (SEM) technique, which functions to determine the effect of Gamification on competitive advantage and company performance. The test results obtained the following results:

Table 4 The Equation of Partial Least Square (PLS) Gamification on Competitive Advantage and Company Performance

	Original Sample	Sample Mean	Standard Deviation	T Statistics
Gamification → Competitive Advantage	0,333	0,355	0,106	3,151
Gamification → Company Performance	0,268	0,279	0,109	2,467
Gamification → Competitive Advantage → Company Performance	0,337	0,337	0,098	3,447

Source: Processed primary data, 2024

Based on the table above, to find out Gamification on competitive advantage and company performance, it is expressed using the following equation:

$$Y1 = 0.333$$

$$Y2 = 0.268 X + 0.337 Y1$$

From this equation it shows that:

- In the original sample for the Gamification variable, a positive parameter value was obtained of 0.333 and the statistical T value was 3.151, meaning that the higher the influence of Gamification, the higher the influence on competitive advantage.

- b. In the original sample for the Gamification variable, a positive parameter value was obtained of 0.268 and the statistical T value was 2.467, meaning that the higher the influence of Gamification, the higher the influence on company performance.
- c. In the original sample for the Gamification variable, a positive parameter value was obtained of 0.337 and the statistical T value was 0.3447, meaning that the higher the influence of Gamification, the higher the influence on competitive advantage and company performance.

Hypothesis testing

Table 5 Gamification Partial Least Square (PLS) Path Equation on competitive advantage and company performance

Direction of influence	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Gamification → Competitive Advantage	0,333	0,355	0,106	3,151	0,002
Gamification → Company Performance	0,268	0,279	0,109	2,467	0,014
Gamification → Competitive Advantage → Company Performance	0,337	0,337	0,098	3,447	0,001

Source: Processed primary data, 2024

The Effect of Gamification on Competitive Advantage

Based on the output results, the statistical T values and P values for the influence variable Gamification (X1) on Competitive Advantage (Y1) are 3.151 and 0.002 respectively. So the T statistical value is $3.151 > 1.96$ and the P value is $0.002 < 0.050$. This explanation can be interpreted as meaning that the test accepted the first hypothesis, meaning that there is a significant influence of Gamification (X1) on competitive advantage (Y1).

The Effect of Gamification on Company Performance

Based on the output results, the statistical T values and P values for the influence variable Gamification (X1) on company performance (Y2) are 2.467 and 0.014 respectively. So the T statistical value is $2.467 > 1.96$ and the P value is $0.014 < 0.050$. This explanation can be interpreted as meaning that the test accepted the second hypothesis, meaning that there is a significant influence of Gamification (X1) on Company Performance (Y2).

The Influence of Gamification on Company Performance through Competitive Advantage as a Mediator

Based on the output results, the statistical value of T and the P value for the variable of the influence of Gamification (X1) on company performance (Y2) through competitive advantage (Y1) as a mediator are 3.447 and 0.001, respectively. So the statistical value of T is $3.447 > 1.96$ and the P value is $0.001 < 0.050$. This explanation can be interpreted that the

test accepts the third hypothesis, meaning that there is an influence of Gamification (X1) on company performance (Y2) through competitive advantage (Y1) as a mediator.

R-square testing

R-square predictive relevance functions to measure how well the model constructs the observed values produced by the model and also estimates the parameters. The model is predictively relevant if the R-Square value > 0 , conversely if the R-Square value ≤ 0 indicates the model lacks predictive relevance. In this research, the calculation process was assisted by the Smart PLS program as explained in the following table:

Table 6 R-Square Value

	R Square	R Square Adjusted
Effect of Gamification on competitive advantage	0,111	0,102
Effect of Gamification on company performance	0,245	0,230

Source: Processed primary data, 2024

The Gamification variable on competitive advantage has an R-Square value of 0.102, as indicated by the explanation of the above table. Because the R-Square value is greater than zero, the model is considered to have predictive relevance. It is possible to interpret this reasoning by saying that a variation of the Gamification variable model with a 10, 2% variance can account for the competitive advantage variable. In the meantime, the R-Square value of the Gamification variable's impact on business performance was 0.230; this means that the R-Square value is greater than zero, indicating that the model has predictive validity. It is possible to understand this argument by assuming that variances in the Gamification variable model of 23% account for the corporate performance variable.

Discussion

The Effect of Gamification on Competitive Advantage

The results show that the first hypothesis, gamification has a significant effect on competitive advantage, indicating that the application of game elements in business strategy can provide a substantial advantage for companies. Gamification, often thought of as a tool to increase engagement and motivation, has a more profound impact in the context of competitive advantage (Thomas et al., 2023). By utilizing gamification, companies can create unique and engaging experiences for customers and employees, which in turn are difficult for competitors to replicate (Sharma et al., 2024). The competitive advantage gained through gamification can arise from various aspects. One of them is increased customer loyalty (Zafar et al., 2024). When game elements, such as rewards, points, or challenges, are integrated into interactions with customers, it can drive desired behaviors, such as increased frequency of purchase or product recommendations to others. In addition, gamification can also increase employee engagement, which in turn leads to higher productivity and innovation within the company (Chen et al., 2023).

The Effect of Gamification on Company Performance

The results show that the second hypothesis, gamification has a significant effect on company performance, which reveals the strategic role of gamification in improving various

aspects of business performance. The application of game elements in a business context not only serves to increase engagement, but also directly contributes to the achievement of better business outcomes. Gamification can improve company performance through various mechanisms. First, by motivating employees more effectively. Gamification elements such as rewards, challenges and point systems can encourage employees to achieve work targets with more enthusiasm. This not only increases productivity but can also create a more dynamic and collaborative work environment. For example, employees who engage in a good gamification program tend to be more proactive in innovating and solving problems, which in turn improves the company's operational efficiency. The results of this study confirm that gamification is not just a tool to attract attention, but can also be a key driver in improving company performance (Ma, 2000). Proper integration of gamification elements into business processes can help companies achieve better results, both in terms of improving internal efficiency and creating more value for customers (Warr, 1994). This shows that gamification has great potential to become an integral part of a company's strategy in achieving competitive advantage and superior performance (Christensen, 2001).

The Influence of Gamification on Company Performance through Competitive Advantage as a Mediator

The results show that the third hypothesis, gamification has a significant effect on firm performance through competitive advantage as a mediator, revealing that a complex relationship exists between gamification, competitive advantage and business performance. This finding highlights that gamification not only has a direct impact on firm performance but also enhances that performance through the creation of competitive advantage. Gamification can drive competitive advantage by creating unique and innovative experiences for customers and employees. For example, by integrating game elements such as rewards, competitions and challenges in business processes, companies can increase customer and employee engagement. This increased engagement, in turn, can result in strong differentiation in the marketplace, where companies are able to offer value that competitors cannot easily replicate (Wall et al., 2004). This competitive advantage becomes a strategic asset that enables companies to maintain or even improve their market position (Aziz et al., 2023; Helmi et al., 2022; Indratno et al., 2021; Rokhmawati et al., 2022, 2023; Supardin, 2022; Supardin et al., 2018; Supardin, Anas, et al., 2022; Supardin, Dharasta, et al., 2022; Supardin, Indratno, et al., 2022). Thus, this study emphasizes the important role of competitive advantage as a mediator in the relationship between gamification and firm performance. This means that to maximize the benefits of gamification, companies should focus not only on implementing the game elements themselves but also on how those elements can be used to create and maintain a sustainable competitive advantage (Ortiz-Martínez et al., 2023). This will ensure that the positive impact of gamification on business performance is maximized and sustainable in the long run (Finegold et al., 2007).

CONCLUSION

Based on the findings of this study, it can be concluded that gamification plays an important role in improving the competitive advantage and business performance of companies. The

first hypothesis stating that gamification has a significant influence on competitive advantage has been proven correct. This suggests that implementing gamification elements in a company's strategy can provide an edge that differentiates the company from its competitors, whether through increased innovation, better customer experience or improved employee engagement. The second hypothesis was also confirmed, where gamification was shown to have a significant influence on business performance. These results indicate that companies that implement gamification are not only able to create a competitive advantage but can also improve various aspects of business performance, including productivity, efficiency, and profitability. Gamification helps in motivating employees and improving interactions with customers, which ultimately has a positive impact on business outcomes. Furthermore, the third hypothesis which states that gamification has a significant effect on business performance mediated by competitive advantage is also proven to be true. This suggests that competitive advantage serves as an important mediating factor in the relationship between gamification and business performance. In other words, gamification can improve business performance indirectly through increasing the company's competitive advantage.

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