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Exploring the Competitive Advantage of B2B E-Commerce Business: Bitubi Company

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Abstract. Reflecting on the success of B2C or C2C e-commerce not only in Indonesia but also worldwide, it is a unique case that B2B e-commerce struggle to achieve the same success. However, in recent years many B2B e-commerce start-ups have emerged, showcasing their respective unique selling point to tackle the various challenges present by the industry and trying to acquire as much market share as possible before the predicted boom of B2B e-commerce industry. In this research, the researcher uses Bitubi as the study case to analyze what and how its competitive advantage work against the challenges present by the industry to the extent of its position among other competitors in the industry. This research uses qualitative method with in-depth interview as the main data collection method with subjects ranging from various level of employees and MSMEs as the e-commerce user. Experienced sales team, voucher system, logistics service, and integrated technological system are some of the most impactful competitive advantages of Bitubi compared to its competitor in B2B e-commerce business. This study allows for other potential research directions such as in the context of legal and government policy.

Keywords: business-to-business; e-commerce; competitive advantage; case study

1. Introduction

Information and communication technology have brought many positive impacts in today's business world. The internet can now be used as a tool to enhance the business's world due to the rapid advancement of information and communication technology. One can reach a wider global market to gain a greater competitive advantage with the help of the internet (Lalita et al., 2021). Furthermore, efficiency in business processes is significantly enhanced through ease of transaction, system automation, customization, monitoring, data analysis, etc. Digital business has been the new era of business, especially in Indonesia, which is shown by the number of growing e-commerce. However, the current economy shows that only B2C (business to consumer) and C2C (consumer to consumer) e-commerce are thriving significantly, leaving B2B (business to business) e-commerce behind. While B2C and C2C e-commerce are still involving end customers, B2B e-commerce only involves corporations, MSMEs, and other business entities. The market in B2B e-commerce industry is wide for grasp, and Bitubi is one of the frontrunners. With monthly Gross Merchandise Value (GMV) reaching almost 9 trillion rupiah during 2020 to 2021, Bitubi keep on providing solutions for MSMEs to upscale their business into its utmost potential.

Globally, B2B e-commerce market was valued at $14.9 trillion which is five times larger than of the B2C market. Quoted from Robertson (2018), they predict that B2B e-commerce will account for 17% of all B2B sales in the U.S. by 2023, reaching the number of $1.8 trillion. B2B e-commerce in Indonesia has been thriving with an estimated value of $1.5 billion in 2018 and is anticipated to grow at a CAGR of 50-55% to reach $30 billion by 2025. MSMEs contribute to $0.5 billion in 2018 and are expected to grow to $14 billion in 2025 (Xendit, 2022). The number of successful B2B e-commerce also rises with start-ups such as Ula, Ralali, Warung Pintar, Mbiz, Bizzy group, and Bitubi have revolutionized B2B e-commerce in the Indonesian market with the main focus of shortening the supply chain. B2B e-commerce is a highly enticing prospect for Indonesia's multi-billion-dollar general FMCG trade segment (Consultancy.asia, 2021)). The potential growth of B2B e-commerce also contributed by the rise of FMCG's sector in Indonesia as B2B e-commerce drove value by streamlining supply networks resulting in a more robust demand (Howell, 2021). The Deputy Trade Minister of Indonesia, Jerry Sambuaga forecasted the B2B e-commerce market size in Indonesia can reach $21.3 billion in 2023 mentioning the myriad of opportunities that comes with it. He went on to mention how government had been using B2B e-commerce to scale up MSMEs participation in public procurement, access to loans and mentoring. Indonesia's digital penetration has jumped from 30% since 2015 to about 75% in 2020

supported by the behavioral changes in consumers due to pandemic as B2B e-commerce become the best choice for stock replenishment for business. However, a report from the Ministry of Communication and Information in 2019 shows that in 2017, 4.7 million Indonesian MSMEs are using digital platforms, or only 7.4% of all MSMEs in Indonesia proving that the digital adoption of businesses is still low despite its evident potential in upscaling their business.

Start-up as one of the hopes in driving the industry to develop digitally, several of them had collapse due to various reasons. Spokeperson of the Ministry of Communication and Information Technology, Dedy Permadi, said one of the factors in the collapse of start-up is lack of managerial expertise (Bestari, 2022). Worsen by the landscape of Indonesia as an archipelago, a collection of 17,000 islands making it tough to build an effective logistics and supply chain ecosystem. A report from L.E.K. Consulting in 2021 stated that the key in the growth of B2B e-commerce lays on the infrastructure such as logistics in complementing the B2B e-commerce ecosystem with last-mile delivery. With that in mind, several B2B e-commerce have presented a unique model with their own competitive advantage aiming to capture the growing market. Mitra Tokopedia and GrabKios have leverage on their wide range of services while Bitubi is trying to build their own ecosystem from marketplace to logistics.

Research on B2B e-commerce has been abundant about its impact on MSMEs but there has not been any that discusses the B2B e-commerce itself using specific companies as case study for a more in-depth analysis. The research suggests the importance of B2B e-commerce to MSMEs. Lin et al. (2011) did research on key adoption challenges and issues of B2B e-commerce specific to the healthcare industry, suggesting supply chain and interoperability as one of the hurdles in maximizing the potential of B2B e-commerce. Lalita et al. (2021) also did research on the success factor of B2B e-commerce in Indonesia, suggesting further research using qualitative methods about the strategy that has been implemented by B2B e-commerce providers and the expectations of the services/goods providers companies in Indonesia.

Bitubi steps in with a digital platform that connects manufacturers with retailers and wholesalers, providing them with higher sales volume, reduced operational cost, faster turnover, and lower price, as well as transparency in transaction and documentation. However, the same as many other B2B e-commerce, one of Bitubi's first stumbling blocks in the attempts to modernize traditional retail is the reluctance to adopt technology among wholesalers and retailers. Despite having thousands of sales teams across regions to reach the wholesalers and retailers, the digital adoption rate is still very low. Agung Bezharie Hadinegoro, also the CEO of one of the leading Indonesia B2B e-commerce, mentioned the three key challenges in B2B e-commerce industry which are multi-layered processes in supply chain, asymmetric information among stakeholders, and skepticism on digital adoption (Racoma, 2021). Challenges in B2B e-commerce can also be concluded into lack of end-to-end ecosystem in the industry. Warung Pintar is one of the frontrunners in building an end-to-end ecosystem in B2B e-commerce industry, started by strengthening their business model (Racoma, 2021). Meanwhile Bhinneka, one of the oldest B2B e-commerce in Indonesia founded in 1993, has been actively strengthening its B2B services by presenting an innovation called the Business Super Ecosystem (Asti, 2021).

Bitubi has a very healthy number of orders completed growth from year-to-year basis despite the pandemic that occurs within their early founding years. In 2019, they recorded around 16 thousand orders monthly grows to around 114 thousand orders monthly in 2020, 218 thousand orders monthly in 2021, and lastly 275 thousand orders monthly in 2022 (recorded until August 2022). Having such growth in number of orders on year-to-year basis are very impressive especially despite during the pandemic, they still manage to keep the average number of orders increase. With the abundance of B2B e-commerce in Indonesia, it would be thoughtful to research or explore the competitive advantage in B2B e-commerce by using the case study of Bitubi. Based on the research problems above, below is the research question:

1. What are the strategic factors that contribute to the competitive advantage of B2B e-commerce business in Bitubi?
2. How are these strategic factors implemented by Bitubi to achieve competitive advantage in the B2B e-commerce industry?

2. Literature Review

2.1 B2B E-Commerce

E-commerce itself is defined as the process of exchanging information and transactions involving goods and services using information technology (Febriantoro, 2018). E-commerce business models or electronic commerce in general can be categorized into the following categories: B2B (Business-to-business), B2C (Business-to-consumer), C2C (Consumer-to-consumer), and B2G (Business-to-government). B2B e-commerce is an internet enabled B2B technologies used by firms to perform buying, selling, and exchange of information with their supply chain partners (Alsaad et al., 2018). B2B e-commerce in this study is defined as business

activities fulfilled through use of technology in its fulfillment activities such as from procurement, manufacturing, research and development, sales, distribution of goods, services, and information among business entities to enhance competitive advantage (Collier et al., 2003).

According to Lalita et al. (2021), B2B e-commerce has changed the way transactions cross-company are held, resulting in lower costs and a more seamless supply chain management. Furthermore, B2B e-commerce also provide sellers opportunities to acquire new customers, broadens more available options for buyers, and largely reduce transaction costs by pooling buyers with automatic transactions system. A successful B2B platform is defined to be able to reduce marketing and communication costs with easier access to buyer for the business, while also allow buyers to reach a larger market with rich information, reduces overall procurement costs by effectively searching through wide number of sellers with a wide variety of goods and services (Liu et al., 2020).

Plenty of research have been done in analyzing the adoption of B2B e-commerce in MSMEs which is one of the keys in the success of B2B e-commerce. The adoption of B2B e-commerce means the usage of B2B e-commerce in their business or MSMEs which could present them many opportunities in scaling-up their MSMEs (Alsaad et al., 2018). Mohtaramzadeh et al. (2018) and Hamad et al. (2015) have done research on B2B e-commerce topics, analyzing the driving force of B2B e-commerce adoption from the perspective of its users such as MSMEs.

2.2 Competitive Advantage

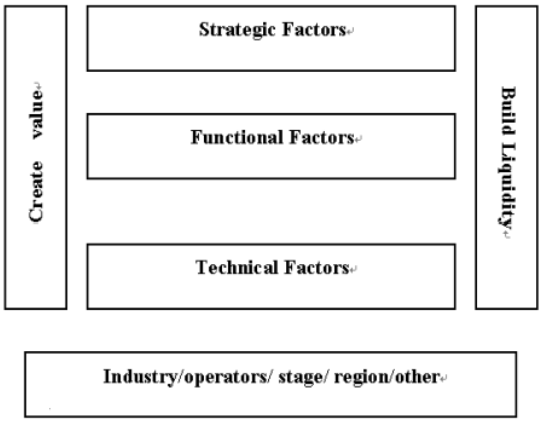
Competitive Advantage refers to the creation of value. As a result of a critical business decision, a firm can create a secured position over its competitors (Xuhua et al., 2019). Competitive advantage plays an important role in improving companies' performance (Herman et al., 2018). Zhou et al. (2005) also have done research suggesting that competitive advantage has a significant influence on firm performance. The competitive advantages can result from goods and services that exhibit outstanding differences from the typical products in the respective domain or that have a lower cost than those of the competitors (Porter, 1980).

Brunn et al. (2002) mentioned the 3C's of B2B e-commerce which is commerce, content, and collaboration are one of the most important elements in its success. It is said that those elements are inter-linked, and the challenge is in terms of how to apply them in the best possible way in a specific context and to keep pace with the development. Commerce refers to the product complexity, the available liquidity, and the maturity of trading participants towards e-commerce. Content refers to the ability to attract buyer and seller with aim on retention. Collaboration refers to how the supply chain can be streamlined by collaborating with third parties.

Li and Li (2005) mentioned three critical elements for the success of B2B e-commerce which is technical factors, functional factors, and strategic factors while also having a dynamic perspective with capturing values and building liquidity as the two important pillars. Those frameworks are to ensure profitability and the success of the marketplace.

Figure 1

A framework of the Critical Success Factors Analysis for e-Marketplace (Sourced from Li and Li, 2015)



Early propositions from above literature suggesting that B2B e-commerce such as Bitubi Company focuses on creating competitive advantage in terms of maximizing the capability of MSMEs through financing, shortening the supply chain of MSMEs through end-to-end ecosystem effort, improving the operational of MSMEs through development of Point of Sale (PoS), and/or not limited to these propositions.

2.3 Porter Generic Strategies and VRIO

According to Porter Michael (1985), there are two core competitive advantage that can be achieved by companies, low cost, and differentiation. Cost leadership strategy refers to the ability of a company to reduce costs as much as possible. Differentiation strategy refers to the ability of a company to differentiate themselves among the competitors to attract the consumers due to its uniqueness or its customization. Focus strategy refers to the ability of a company to cater the specific pool of consumers.

VRIO framework developed by Barney (2001), is a RBV or resource-based view framework used to evaluate an organization's resources and capabilities. The application of VRIO framework can answer whether the company's resources and capabilities can be considered as a strength or weakness. VRIO framework is an acronym composed of the first letters of its elements' names, namely (Barney & Wright, 1998): value, rarity, inimitability, organization. Value refers to the resource valuable in terms of neutralizing the threats and exploiting the opportunities from the environment; rarity refers to the resource rarely present among existing and potential competitor; inimitability refers to the resource expensive or impossible to imitate; organization refers to the resource used by the company, or is the company organized in a way that allows efficient usage of the resource. This study scrutinized the generic strategies and VRIO applied in Bitubi Company.

3. Methodology

The qualitative research applied one of the B2B e-commerce in Indonesia as the case study that is Bitubi Company. Case study research strategy can very well showcase the crucial parts of a business process due to its customized case on real events (Halinen & Törnroos, 2005). A case study requires an empirical analysis from recent events in real world setting with several data collection methods (Yin, 2018). The type of data collected is primary data which are obtained from semi-structured interviews (a mix of open and close ended questions), direct and indirect observations, and field notes. Using these methods of research is to achieve a more in-depth understanding of the competitive advantages and how they have positioned themselves in the market against the competitors.

Name	Position	Age	Detail
Gangga (I-1)	Associate	31-35	Mr Gangga is one of the leaders in Bitubi. He had many experiences in start-ups and a very well-known individual in start-up founder community.
Paolo (I-2)	Associate	26-30	Mr Paolo is one of the leaders in Bitubi. He handles complaints and order monitoring in Bitubi e-commerce. He had experiences in company who served e-commerce which allows him to understand a vast knowledge in terms of e-commerce.
Raka (I-3)	Officer	21-25	Mr Raka is one of the officers in Bitubi. He handles the day-to-day operation of Bitubi including order monitoring and had plenty of experiences in dealing with MSMEs as his parents are also operating MSMEs.
Arum (I-4)	Officer	21-25	Ms Arum is one of the officers in Bitubi. She also handles the day-to-day operation of Bitubi in order planning. She was recruited in Bitubi as order monitoring officer but then transferred as order planning officer. A testament to her flexibility and strong knowledge in e-commerce order management.
Aldy (I-5)	Partner MSME 1	41-45	Aldy joined Bitubi in around February 2022. He inherited this business from his parents, and he is the second generation. He admits the pressure to be successful. He is a very light and friendly person. He provides a lot of insight in terms of how Bitubi can flourish. He is one of the best sellers in Bitubi e-commerce with one of the largest transactions ever recorded in Bitubi e-commerce and known to be a very active distributor. Aldy has also supported several big companies in startup grocery industry.
Junaidi (I-6)	Partner MSME 2	31-35	Junaidi joined Bitubi in around January 2022. He is very friendly and likes to talk about business overall. He has a really great sense of business, wants to adapt to the digital world, and aims to create competitive advantage for his store. His store has been doing business since 2013. He is one of the most active seller in Bitubi and also actively give insights to Bitubi

			team.
Dewi (I-7)	Partner MSME 3	46-50	Dewi joined Bitubi in around end of January 2022. She is the to-the-point type of person. She is the largest seller in Bitubi e-commerce in Binjai area. She has been in the business for decades and have many businesses experience especially in the field of FMCG. She admits that in the recent years from 2019, the number of sales has been dropping due to the pandemic and the recession. Although, she admits Bitubi also has helped a lot in terms of surviving in this economy.
Adul (I-8)	Partner MSME 4	36	Adul joined Bitubi in around 2021 but stop for a while for unknown reason but then joined again after being approached by a salesman. He is the second generation of the MSMEs in which he inherited this business from his parents. He admires the ability of Bitubi sales team to be able to sell his products until farther district even to a large city like Makassar, since his store is in Maros. He is a friendly person and likes to provide solution during the discussion.

The sampled profile of the research will be Bitubi management ranging from non-grade level to managerial level as well as MSMEs partners to assess its competitive advantage from various point of view. The triangulation of informants and data collection methods are utilized to ensure the validity of data. Then data were analyzed using theming data and pattern coding to induce the emerging concepts contributing to the competitive advantage Bitubi Company.

4. Findings and Discussion

Latent variables are obtained through quotes from the informants. Variable refers to anything that is stipulated by the researcher as something to worked on to obtain information and data about the topic. In this case study, latent variables were obtained through interpretation from interviews, observation, and field notes.

4.1. Propositions

After defining each of the latent variable, the researcher will start making propositions to explain the contributions of the latent variables to the competitive advantage.

4.1.1 Proposition 1 (P1): Trust in the Ecosystem (V1) contributes to the Competitive Advantage (V11)

The management of Bitubi realizes the importance of trust in this industry. It is admitted by professionals that in B2B e-commerce, what is more important is trust and loyalty. Bitubi prioritize this aspect but putting a lot of effort in supporting the salesmen since they are the direct contact of Bitubi to the MSMEs. The researcher knows about this since the researcher has visit several MSMEs and see that the salesmen and the owner of the store have a very close relationship. Even the driver of Bitubi's logistical service has a tight relationship with the owner.

"In B2B e-commerce, users do not buy goods only once. Transactions in B2B are continuous though in terms of frequency B2C e-commerce is much better. B2B transactions rely a lot in trust and repetitive buying behaviour on the same seller." – Paolo (I-2)

[Field Notes 1] On June 7, 2022, I visited one of the sellers in Bitubi and witness the interaction between the owner and the salesmen. Both seem to have a close relationship. I also witness how the owner interact with the driver and put a trust with the driver to do a return task tomorrow to save the fuel of the driver. Afterwards, when I buddy-ride with the driver to drop the products to the seller, I saw that the buyer compliment how easy fast the deliver it was and believe that the driver and seller always send the right product for them.

For these reasons, Bitubi applies a trustworthy nuance for the users to create a safe environment for them to do transactions as a buyer or even as a seller. This variable is one of the important factors in the competitive advantage of Bitubi.

4.1.2 Proposition 2 (P2): Internal Management Support (V2) contributes to the Competitive Advantage (V11)

The internal management of Bitubi consists of professionals with strong background in the FMCG industry, since the B2B e-commerce is dominated by FMCG traders. With that in mind, they provide a strong support to the team and can drive the right solutions for the MSMEs. This is proven by the result

from the interview in which the employees admit that the internal management drives a lot of insight on how to tap in to the MSMEs. Other than that, the researcher also saw how the internal management creates a mindset that does not rely on money-burn in which many startups tend to do, but rather on how to be profitable despite the economic downturns.

"I think Bitubi is one of the top players in this industry, the same level with such of Bukalapak. I think this is due to the power of network because that is very crucial in this industry. From the top management and the personnel recruited in this company are very specialized in FMCG industry." – Gangga (I-1)

[Field Notes 3] On September 22, 2022, one of the top management people shared with the other employees about the progress of the Bitubi marketplace. He mentioned how it is very crucial to be assertive in what we want so that we can influence people to the goal that we aim, as long the goal is positive. He mentioned the importance of having a well-defined roadmap on where our positions right now and what we want to be, and how to achieve our goal of profitability.

The internal management also consistently provide the right solutions and develop a robust business process to support the MSMEs.

4.1.3 Proposition 3 (P3): Wholesale Pricing (V3) contributes to the Competitive Advantage (V11)

Price is certainly the key in doing business. Bitubi understands this and try to provide the cheapest price possible in the market. Principals are the key to achieve a competitive price in the market. Bitubi itself has a strong competitive advantage in terms of principals, therefore they can provide a wholesale pricing as well. Bitubi has a partnership division specifically created to hone relationships with the principals. Bitubi itself realizing its position as a B2B e-commerce displayed products by wholesaling package with wholesale price which suits the user of B2B. The researcher concludes this opinion based on the interviews but also based on the field notes when buddy-riding on deliveries to the buyer. Their connection to principals is admitted by their employees as one of their ways of achieving competitive price.

"Our price is competitive and can always adjust to the other competitors. This is due to our strong relations with our partners from our Partnership team." – Arum (I-4)

[Field Notes 2] On June 7, 2022, one of the buyers said that price in Bitubi is much cheaper than the others and they also can provide delivery service all included which is very important to minimize the cost in my business.

4.1.4 Proposition 4 (P4): Principals & Partnerships (V4) contributes to the Competitive Advantage (V11)

Principals are key in the B2B e-commerce industry that covers a lot of FMCG traders. Having a strong partnership with principals can improve the price competitiveness within Bitubi e-commerce, allowing users to buy products directly from the producers. Bitubi itself has their own dedicated partnership division to develop relationships with the principals. Furthermore, they also not only partner with multinational company, but also local company to support their products to be able to reach larger users across Indonesia. Having many experienced FMCG professional in the top management also creates a lot of advantage for them to connect with more principals. The researcher concludes this opinion based on the interviews.

"In terms of our principal, we look for local principal. Because our goal is to upscale the local business, the local MSMEs. Since we are taking product from principals, we must have the cheapest price in the market. However, we are not only selling the product but also, we introduce the product. For example, some places like Kalimantan or Papua might not have the network to supply certain products, but then we can support them. We have sent local products such as Gulavit to Papua. That is also our goal, not only profit but also, we want to introduce the local product to larger network by leveraging our strong network in Bitubi." – Gangga (I-1)

When asked about how Bitubi compares to the other competitors, one of the employees mentioned the number of principals in Bitubi is far more superior:

"But comparing to our number of principals, we are ahead." – Paolo (I-2)

4.1.5 Proposition 5 (P5): Marketing & Branding (V5) contributes to the Competitive Advantage (V11)

Bitubi understands the market that they want to tap in and customized the way they convey the message in such ways to perfectly fit into the profile of the users. The profile users of B2B e-commerce are usually entrepreneurs with a wide age range from 26 to 55. Several campaigns held were targeted to those profile users by ensuring the value of local nuance exist but still consisting of the message that tells how simple and effective when they do their business activities digitally. Seminars were also held periodically inviting sellers and buyers from Bitubi, discussing topics that revolve around digital empowerment in several cities across Indonesia. The researcher concludes this opinion based on the interviews. Admitted by employees in Bitubi e-commerce, that Bitubi has a very creative way of conveying brand message to its audiences:

"In terms of Bitubi, in terms of our branding. I think the way we put a message to our audience that is very local. Bitubi give an Indonesia nuance to our brand. It gives a lot of enthusiasm for the users, right targeted, and allow curiosity for them to want to know more about Bitubi." – Paolo (I-2)
"A creative way of socializing Bitubi apps is one of the keys (in digitalizing MSMEs). And I think that the marketing & branding team of Bitubi is very creative." – Arum (I-4)
Bitubi also making breakthrough in terms of branding which is through logistics. Bitubi put brandings on their logistics unit to improve brand awareness since the logistics unit are actively distribute the products from seller to buyer daily.
"Branding can be done in a lot of ways. Bitubi also brand themselves through our logistics unit. I am not sure about other competitors in terms of branding on their logistics. But it is proven that there are buyer or seller who register in Bitubi apps due to our logistics branding since our units travelled across cities on a daily basis." – Paolo (I-2)

4.1.6 Proposition 6 (P6): Cash-on-Delivery Payment Method (V6) contributes to the Competitive Advantage (V11)

Cash-on-delivery payment method is very important in B2B e-commerce to improve trustworthiness and to reach the MSMEs with low digital literate. Bitubi has provide this payment method to support the MSMEs in doing transactions. The implementation of COD payment method is also to fit in with the current market situation. The researcher concludes this opinion based on the interviews.
"I think that COD payment method is in a very high demand. Our target is upscaling our MSMEs, improving their demand. We need to know whether those in the urban already understand the mechanism of transfer, digital payments, etc. Hence, we are using this COD payment method to reach those markets." – Raka (1-4)
"I think this payment method is great for the business since most of our users still not digitally literate and prefer to use cash. However, it all comes back to how we manage the cases from this root itself." – Arum (1-5)

4.1.7 Proposition 7 (P7): Experienced Sales Team (V7) contributes to the Competitive Advantage (V11)

Salesmen in Bitubi is spreaded across Indonesia with quantities reaching thousands of salesmen. The goal is to provide a direct contact with the MSMEs with nationwide coverage. A direct contact to the MSMEs is to ensure the digitalization of the MSMEs are achieved since the core business of Bitubi depend on digital way of business. The researcher concludes this opinion based on the interviews.
"It is not possible (to not have sales team in a B2B e-commerce). They need sales team. Even e-commerce such as Lazada and Shopee also need sales team. Especially B2B e-commerce such as Bitubi, it is more crucial for us to have sales team because they are not digitally mature, and they need to be guided. Then they can stand on themselves." – Gangga (I-1)
Furthermore, having salesmen dedicated to sellers are also part of the effort to warrant trust for the MSMEs since it is a challenge for MSMEs to pivot their way of doing business from traditional to a digital way. Salesmen in Bitubi are said to be very helpful to the sellers by providing range of solutions to different challenges. These are acknowledgement from the MSMEs and our employees about the salesmen of Bitubi.
"Sales in Bitubi visits frequently. I think, he would visit around twice or thrice in a month. But on a busy month, they could visit almost every day. However, compared to salesmen in SRC, they only visit in the beginning to ensure the registration. Afterwards, they would only call once a month usually." – Aldy (I-5)
"Salesmen from Bitubi is very helpful for my business. With them, I can reach buyer from different city and basically increase my coverage." – Dewi (I-7)
The salesmen not only act as a salesperson that sells the product but also provides solutions to fulfill the transactions from the buyer. It is said the salesmen even go extra miles by sourcing for logistics requirement for the MSMEs.
"Our salesmen do not only promote Bitubi as a brand and help them selling product but also our application how to conduct business digitally." – Gangga (I-1)

4.1.8 Proposition 8 (P8): Strategic Voucher System (V8) contributes to the Competitive Advantage (V11)

Every e-commerce relies on voucher to create traction or demand from the users. The rule is not exception for B2B e-commerce. The main goal is to spur growth. Bitubi has a very specific way of setting voucher to meet certain terms and conditions to improve the growth and fit the buying behavior. Bitubi also presents voucher not only for the buyer but also for the seller as the provider of the goods. The researcher concludes this opinion based on the interviews. Proven by several sayings from the employees
"Voucher system I think is part of our competitive advantage. It is normal for users to expect voucher and promo when they make a purchase. Since the delivery fee charged will be a huge consideration in a

purchase decision. And as far as I see, voucher from Bitubi is always exist and targeting the right segment market. Perhaps the nominal is variative depend on the GMV ordered or the product check-out. Sometimes we can also charge a delivery fee cheaper than those in B2C e-commerce despite loading bulkier goods. This is what makes the buyer more loyal." – Paolo (I-2)

The voucher system of Bitubi also supported by the MSMEs since they can get greater benefit from it.

"Voucher is helpful. With cheaper price, I can gain profit much faster." – Dewi (1-7)

"In terms of voucher, it is very effective. Those discounts are very helpful." – Adul (1-8)

4.1.9 Proposition 9 (P9): Logistics Service (V9) contributes to the Competitive Advantage (V11)

In a business, there is always a necessity to have a logistics service involved as one of the requirements in completing a transaction, especially in the FMCG industry where the products are usually distributed in bulk quantity and in the state of physical goods.

Bitubi has launched their own logistical service to support for such conditions. The logistics are specialized in several type of large units to support bulk shipment and specified to delivery within hours to ensure the safety of the product. Having their own logistics in a B2B e-commerce is an advantage admitted by the employees as well as the sellers since seller do not have to find ways on how to deliver the product and with integrated system, Bitubi can easily fulfill the delivery demand from the e-commerce. The researcher concludes this opinion based on the interviews.

There are also sayings from the seller, claiming that logistics being the key in the competitive advantage of Bitubi. It gives the seller a more seamless business process, so that they can focus only on procurement and selling the products while Bitubi e-commerce can handle the logistics. Here are several comments from the seller:

"Logistics is the key in the competitive advantage of Bitubi. It creates a much better image for Bitubi. It can be said having logistics, create a much better business model." – Aldy (I-5)

"Logistics is the key in the competitive advantage of Bitubi. It creates a much better image for Bitubi. It can be said having logistics, create a much better business model." – Junaidi (I-6)

"Logistics (answer on what makes Bitubi standout compared to other competitors). I think Bitubi is very helpful since they not only help you sell your products with the sales team, but also provide logistics to support the distribution of my product to my buyer." – Dewi (I-7)

For these reasons, Bitubi has a leverage in terms of their logistical service. It allows them to serve the seller with much better solutions. This variable is one of the important factors in the competitive advantage of Bitubi.

4.1.10 Proposition 10 (P10): Integrated Technological System (V10) contributes to the Competitive Advantage (V11)

One of Bitubi core business is to develop digitally. They have a strong willingness to build an end-to-end ecosystem digitally to support the business process of MSMEs. Bitubi believes that it is only through transitioning to the digital, is that MSMEs can reach higher level of accomplishment. Bitubi has provided a lot of digital solutions for the MSMEs through free point-of-sale service, advanced logistics fulfillment, and many others. The researcher knows about this through interview sessions with the employees and the partner MSMEs where they admit the digital aspect is very important to the sustainability of the business. Field observations also serve several insights in this proposition.

"Our salesmen do not only promote Bitubi as a brand and help them selling product but also our application how to conduct business digitally. If we talked about self-pickup or store courier delivery method, it must be easy for any B2B e-commerce, but the challenge is to adopt business process digitally." – Gangga (I-1)

It is also supported by the Partner MSMEs, claiming its importance:

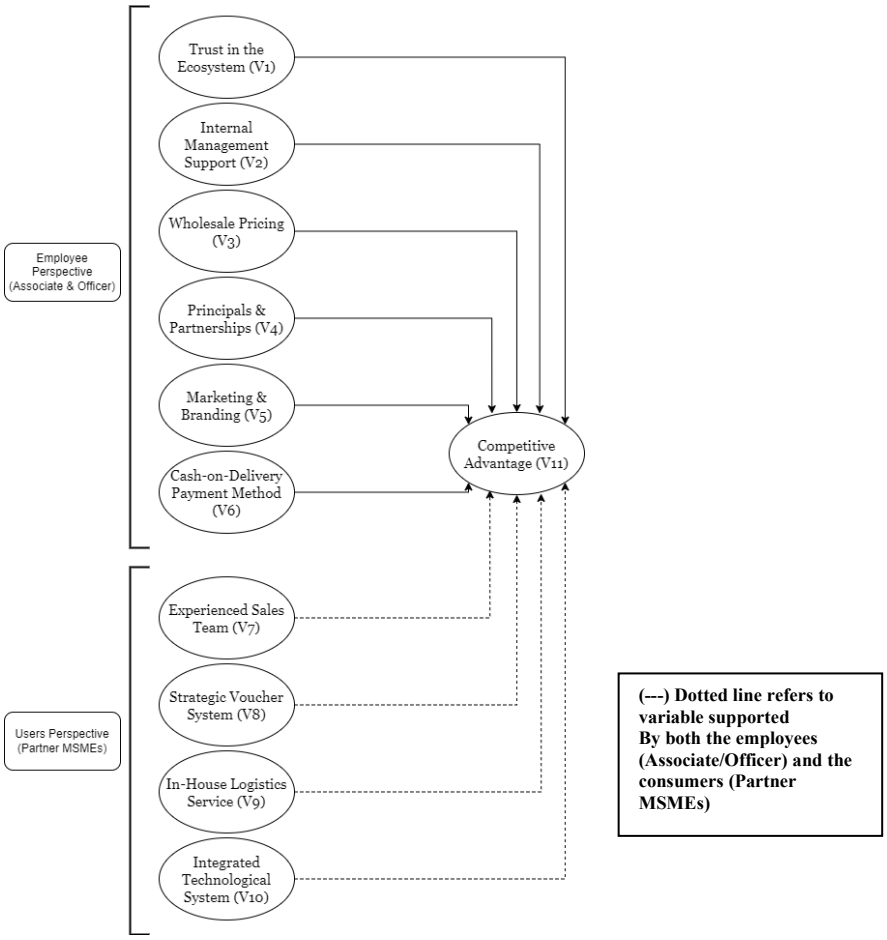
"The key is to adapt, adapt, and adapt. Technology is one of the solutions resulted from our willingness to adapt. And I think Bitubi is quite successful in that aspect." – Aldy (I-5)

[Field Notes 4] On September 22, 2022, employees of Bitubi are on a biweekly meeting with the product team to discuss how the progress of their digital feature to support their business process.

5. Conclusion, Recommendations, and Implications

There are several factors or variables that are essential for the competitive advantage of Bitubi in B2B e-commerce industry. The number of latent variables induced from the analysis are 10 variables with 10 propositions as aforementioned in the discussed findings, and the mini-model theory is illustrated as follows in Fig. 2:

Figure 2
Mini Model Theory of the Competitive Advantage of Bitubi Company in B2B e-commerce Industry



There were several limitations during the process of completing this research. First, several interviews were cut short due to urgent matters from some informants causing less optimal interview session. These informants could be revisited for further interviews. Second, some data alluding to the company's trade secrets cannot be disclosed in this study even such as the company's real name; nevertheless, this research is able to elucidate the conceptual abstracts of competitive advantage in this B2B business. Third, this research is a single instrumental case study which is limited to generalizability. Thus, further study in B2B e-commerce MSME businesses can be extended to other cases in this industry to enrich further insights.

Researchers can also engage in quantitative research with these qualitative results. This knowledge can better serve to provide further insights for B2B e-commerce businesses in the industry landscape. For practical implications, the theory constructed in this study enable Bitubi management to consider enhancing the elements that contribute essentially to the competitive advantage of the firm. With this theory, government and policy makers are also shown their influence in the B2B e-commerce ecosystem, and they can support by strengthening the trust in their institutions. Thus, this research opens up avenues for further research not only in the business segment but also in the legal and public service sector that contribute to the ecosystem.

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