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GROWTH PATTERNS OF MSMEs THROUGH THE USE OF DIGITAL PLATFORMS: A CASE STUDY OF MARKETPLACE ADOPTION IN THE FASHION SECTOR

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Abstract
The digitization of MSMEs is commonly understood through a dichotomy that positions marketplaces as neutral instruments, while business actors are viewed as the sole source of agency. This perspective overlooks how entrepreneurs' goals, strategies, and decisions are shaped through their interactions with digital platforms. This article examines the adoption of the Shopee marketplace by two fashion SMEs in West Java, Fameloriginal and Naylatuhijab, through the lens of Actor–Network Theory (ANT), using Bruno Latour's concept of translation as the primary analytical framework, complemented by Michel Callon's concept of market performativity. A qualitative case study approach was employed, with data collected through in-depth interviews with both business owners. The findings indicate that, in these two cases, the shift to Shopee constituted a detour that not only changed sales channels but also redirected entrepreneurs' goals toward new strategies, including social media integration, influencer collaborations, multiple store accounts, and official websites. Shopee's visibility algorithm appeared to mediate sellers' decisions, while differences in resource capacity were associated with distinct adaptation patterns between the two SMEs. These findings suggest that, in the cases examined, marketplaces functioned not merely as neutral transaction platforms but as market agencements that shaped entrepreneurial practices while exposing limitations in platform support. Accordingly, policies promoting MSME digitalization should move beyond encouraging onboarding toward strengthening platform governance, particularly by improving transparency and the distribution of algorithmic visibility to better support the long-term sustainability and competitiveness of MSMEs.

Keywords: MSMEs, Marketplaces, Actor-Network Theory, Translation, Market Performativity

INTRODUCTION

Indonesia's retail sector is rapidly shifting from brick-and-mortar stores to online marketplaces. This shift is not merely a change in distribution channels, but a transformation in how the market is structured. The value of transactions on national marketplaces reached USD 52.93 billion in 2023 and is projected to grow to USD 86.81 billion by 2028, while their share of total retail sales rose from 23 percent in 2019 to about 32 percent in 2023 (Mordor Intelligence, 2023). SMEs contribute about 60 percent to Indonesia's economic structure (Ministry of Cooperatives and SMEs, 2021), so the government sees opportunities in marketplaces as a way to expand market access for small businesses. However, digitization through marketplaces does more than just expand market access. The process also changes how businesses make decisions, develop strategies, and interact with the market. Therefore, digitization can be understood as a change in the configuration of the market itself.

The takeoff of Indonesia's marketplaces was indeed slower compared to the United States, which began this trend with the emergence of Amazon and eBay in 1995. In Indonesia, the early stages of online transactions actually grew out of the Kaskus forum and its Buy-Sell Forum amid limited payment and logistics infrastructure, leading to the emergence of informal intermediaries such as joint accounts to compensate for the lack of transaction guarantees. When Tokopedia (2009) and Bukalapak (2010) emerged with a C2C model, followed by Shopee's entry in 2015 with a mobile-first approach, social commerce, free shipping, and an escrow system, the new online transaction ecosystem truly consolidated. This sequence is important to note because it demonstrates that every time one barrier is overcome, a new actor enters and reshapes the market a pattern that lies at the core of our theoretical argument.

Rather than being a completely open space, marketplaces establish new selection mechanisms through algorithms, seller classifications, reputation systems, and product visibility settings. The issue is that the open access to marketplaces gives rise to asymmetric competition (Gillespie, 2018; Srnicek, 2017; van Dijck et al., 2018). Buyers compare prices across stores directly, while the platform shapes perceptions through seller classifications such as Shopee Mall, Star and Star+, and Non-Star which influence purchasing decisions. As a result, SMEs with limited financial capacity find themselves in a structurally less advantageous position compared to medium and large enterprises. This situation raises issues that have not been extensively addressed in the literature on SME digitalization. The question is no longer whether marketplaces increase market access, but rather how SME actors' willingness to choose, decide, and survive within marketplaces is formed, and to what extent platforms help construct it.

Most research on SME digitalization explains the success of marketplace use through business owner characteristics, such as digital literacy, innovation capacity, or entrepreneurial orientation. From this perspective, technology is treated as an instrument used to achieve goals that business owners already possess. Existing literature often relies on the same dichotomy: the separation between humans as agents of agency and technology as a passive object. Within this framework, marketplaces are viewed as neutral tools simply to be used, and the success of digitalization is treated as a function of individual creativity. Such a separation, as demonstrated by Yuliar (2009), perpetuates a determinism that requires revision because it fails to treat social and technical elements symmetrically. Building on these limitations, this article employs Actor–Network Theory (ANT) to treat humans and marketplaces as actants that mutually shape one another through processes of translation (Latour, 1999). The analysis is then expanded through Callon's (2016) concept of "market agencement" to explain how relationships among actants not only shape individual actions but also generate market mechanisms.

Based on these issues, this article has three objectives. First, to describe the processes and transformations involved in the formation of business units up to their use of marketplaces. Second, to examine the extent to which the subject-object dichotomy can be transcended relationally in explaining field findings. Third, to assess the extent to which marketplaces truly accommodate the interests of MSMEs as intended by policy. The observations are limited to the Shopee app and two active clothing sellers, Fameloriginal and Naylatuhijab, so the findings are in-depth and contextual.

LITERATURE REVIEW

The Subject-Object Framework: Technology as an Extension of Human Will

The subject-object framework is rooted in the philosophy of technology, which breaks down technology into human-centered aspects. Mitcham (1994) distinguishes four modes of technological manifestation as objects, knowledge, activities, and volition and asserts that knowledge and volition are rooted in human beings, from which technical activities and objects emerge. Within this framework, the marketplace is positioned as an artifact that extends human agency, with sellers who, by their own volition, use the platform to overcome the constraints of space and time. This line of thinking effectively explains why the creativity and knowledge of business actors appear to be decisive, but it stops short at the assumption that volition originates purely from within the subject.

This weakness becomes even more apparent when the subject-object framework is confronted with findings from economic anthropology. Geertz (1973) and Malinowski (1922) demonstrate that technology is embedded in cultural practices and is never truly separate from the social relations that underpin it. In other words, treating the marketplace as a passive object overlooks the way the artifact itself reshapes the practices of its users. This tension paves the way for a second pole, which rejects a strict separation between the acting subject and the acted-upon object (Yuliar, 2009).

Collective Relations: Actor-Network Theory and Translation

Actor-Network Theory (ANT), developed by Latour (2005), extends the concept of an actor to non-human entities. Technology is no longer viewed as a tool, but as an actant possessing the capacity to act and to help shape social reality. A marketplace is a network node linking sellers, buyers, logistics providers, payment systems, and algorithms all possessing distributed agency. In Indonesia, this framework has been systematically translated by Yuliar (2009), who argues that a symmetrical analysis of social and technical elements is a prerequisite for understanding the governance of technology.

Translation is the core perspective that this article provides. Instead of being considered as four different analytical techniques, translation, composition, reversible blackboxing, and delegation should be regarded as four different sides of the same phenomenon, namely the technical mediation (Latour, 1999). Thus, this article considers translation as the main concept while the rest of the moments are its analytical perspectives. Translation means the change in the purpose caused by the interactions between two actants leading to the combination of purposes which differ from their initial aims. Composition highlights the fact that actions cannot be assigned to an individual actor; rather, actions arise due to the interconnections between actants. Blackboxing means that when there appears a complex system that works effectively, this system is seen as an entity not because it is hidden from others, but because its effectiveness makes its complexity invisible. This box can be reversed in case the network is disrupted. Delegation means the delegation of activities from one actant to another, even to non-human objects.

The concept of a "detour" connects these two parts. When the initial course of action is interrupted, actors take a detour by involving new actants, and it is precisely through this detour that the original goal is transformed into a new one (Latour, 1999). Therefore, the detour is where will is formed exactly the gap that cannot be explained by the subject–object dichotomy.

Synthesis: The Market as a Performative Agencement

The economic sociology approach is used to bridge the analysis of inter-actor relations with the perspective of the market as an agencement. Polanyi (1944) notes that the economy is embedded in social relations and institutions, so the market is never purely mechanical. Callon (2016) refines this through the concept of market-agencements: the market is not a static interface between sellers and buyers, but rather a socio-technical arrangement that is constantly being shaped. Crucial to our argument, Callon (2016) distinguishes "interface-markets" where innovation is directed toward mitigating competition from "market-agencements," where innovation is itself an expression of competition. Marketplaces like Shopee align more closely with the second type: every feature, framing, and algorithm serves as a device that shapes behavior while simultaneously functioning as an arena where competition is played out.

These three theoretical sources operate in layers. The subject–object framework (Mitcham, 1994) explains why sellers' will and knowledge appear to be determinative, but it stops at a separation that fails to account for the origin of that will. Actor-network theory (Latour, 1999), through a translational approach, attempts to address this separation by demonstrating that marketplaces help shape will through mediation; humans and technology are no longer viewed as separate subjects and objects, but as actants that mutually constitute one another. Market performativity (Callon, 2016) then extends this relational reading to the market level, where framing and singularization take place. Therefore, this article's argument seeks to transcend the subject–object dichotomy relationally, elevating it to the market level; through this framework, it is hoped that the dynamics of MSME digitalization can be fully explained.

An additional layer reinforces this framework in the realm of development. Marais (2014) extends the concept of translation to development studies by drawing on complexity theory, arguing that development is a nonlinear process of translation that is sensitive to initial conditions. The implication is clear: the success of an intervention cannot simply be replicated in another context because it depends on a unique sequence of local translations. For this article, Marais's argument serves as a theoretical framework for understanding why two sellers on the same platform, with different resource capacities, follow distinct trajectories and yield inconsistent outcomes. The digitalization of MSMEs is not a ready-made recipe to be applied, but rather a translation process that is always context-dependent.

The Research's Position Relative to Existing Literature

Platform dominance over SMEs is not a new topic (Cusumano et al., 2019; Cutolo & Kenney, 2021; Nambisan et al., 2019; Parker et al., 2016). A number of studies analyze this through the lens of critical political economy and platform studies, highlighting how digital platforms reshape markets, labor, and institutions (van Dijck et al., 2018) and accumulate value through control over data and infrastructure (Srnicek, 2017). Within this framework, visibility algorithms (Bucher, 2018; Gillespie, 2018), rating systems, and advertising costs are commonly viewed as instruments of power that place SMEs in a subordinate position, and solutions are formulated at the structural level such as algorithmic regulation, data transparency, and value redistribution. This paradigm's focus is strong in identifying inequalities, but it tends to start from structure to explain behavior, thereby assuming that platform pressures operate uniformly across all SMEs.

This research provides another perspective that differs in both methodological and substantive terms. Contrary to starting from structural perspectives, it takes on board the promise made by Actor-Network Theory of beginning from materialities and then seeing the patterns and eventually structures as traceable effects of the former (Yuliar, 2009; Latour, 1999). From such a perspective, the notion of "hidden power," which is suggested by structuralist approaches, becomes the issue of traceable mediation, not a deliberate hiding of something but rather a process that becomes natural as the network becomes stable. The cases analyzed further demonstrate how the pressure from the platform may vary depending on the resources available to SMEs, which is not seen by the perspectives where the dominance of the platform works in the same way across all SMEs. Thus, it is possible to say that the approach to human-technology relationships based on materiality may be useful when analyzing the digitalization of MSMEs and providing a critical perspective on the digitalization policy. Such a connection is underresearched in the studies on digital platforms in Indonesia.

The exploration of these sociotechnical interrelationships has, in fact, been pioneered by a number of empirical papers, such as Tatnall and Burgess (2005), who examined the adoption of small business portals, as well as a series of studies by Eze et al. (2012; 2014) that discussed the dynamic roles of human and non-human actors in the adoption of information technology by micro-entrepreneurs. In the domestic context, Trianggono et al. (2018) have also utilized the same lens to map networks of actors in the governance of local economic spaces. However, these empirical studies generally still treat digital technology merely as an external tool or an instrument for innovation adoption. These studies have not yet addressed how marketplaces function as a “market-agencement” (Callon, 2007) a heterogeneous collective arrangement in which algorithms, platform rules, economic calculations, and digital materiality actively construct, shape, and transform the economic actions of MSME actors themselves.

METHOD

This study employs a qualitative approach using an instrumental case study design to examine the mediation mechanisms underlying marketplace adoption from the perspective of Actor–Network Theory (ANT). This design was selected because ANT emphasizes tracing the formation of actor networks as longitudinal and context-dependent processes. Consequently, an in-depth examination of a small number of cases was considered more appropriate than large-scale surveys, which typically capture conditions at a single point in time. Informants were selected through purposive sampling based on three criteria. First, both were active Shopee sellers in the fashion sector with more than five years of business experience, enabling the reconstruction of their trajectories before and after marketplace adoption. Second, they represented contrasting levels of resource capacity (maximum variation sampling): Fameloriginal, an SME with limited resources whose owner maintained a primary occupation outside the business, and Naylatuhijab, an SME that had expanded into manufacturing with greater capital and labor capacity. This variation enabled an examination of how differences in resource capacity were associated with the formation of actor networks from an ANT perspective. Third, both informants were willing to share detailed information about their business operations, allowing for in-depth data collection suited to the objectives of the study.

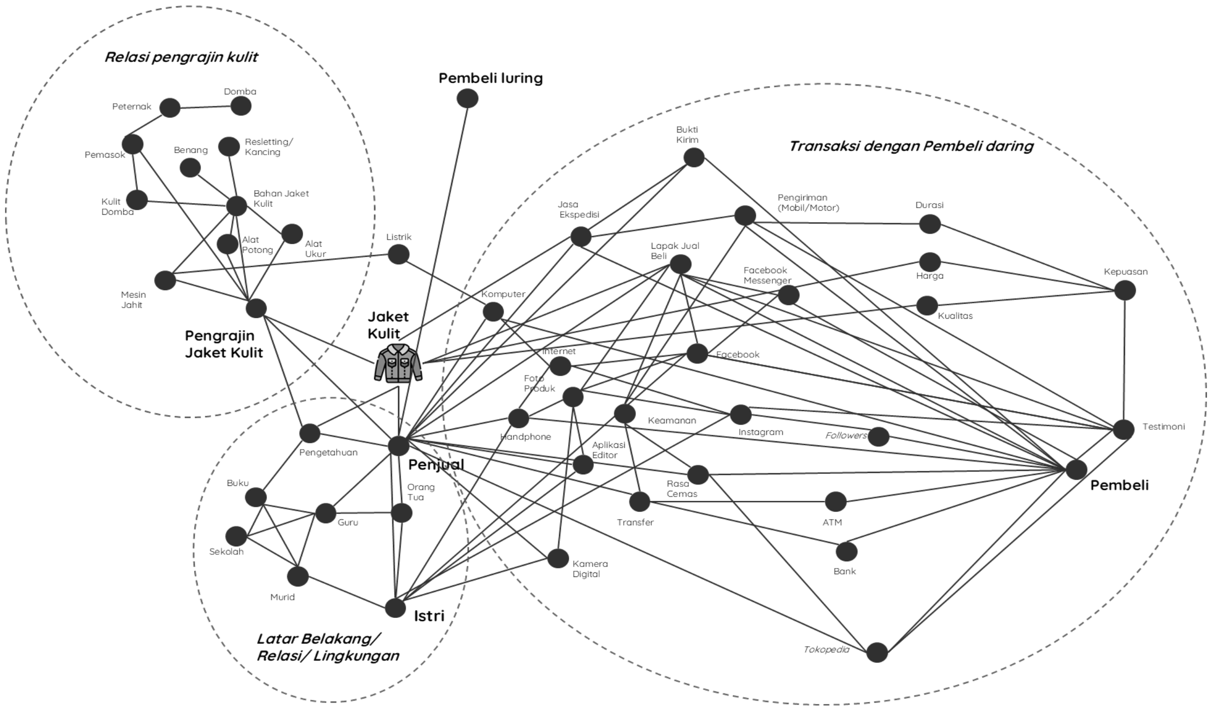
The primary data were collected by means of semi-structured, in-depth interviews in two sittings per informant. Audio recording of all interviews, transcription, and double-checking of the results ensured reliability of the data gathered. Additional field observations at one of business locations added to the insights into routine operations at work. The secondary data was obtained from the reports published by APJII, Google-Temasek-Bain, and other government policy papers for triangulation of interview data, field observations, and general trends in digital economy in Indonesia. Data was manually analyzed through re-reading of interviews and coding of their contents without any use of specialized qualitative data analysis programs. It was done according to the main steps of Actor-Network Theory, namely mapping of actor networks before and after the marketplace detour, analyzing the process of translation and composition, identifying the patterns of reversible blackboxing, and delegation of the processes between business actors and digital platforms. These stages were implemented consecutively as each step provided grounds for the subsequent one. Due to the reconstruction of business trajectories based on retrospective accounts by informants, it was acknowledged that there could be a problem with the possible recall bias regarding the events that had happened more than five years ago. To prevent such a possibility, interview data were double-checked against field observations and other sources when possible.

RESULTS AND DISCUSSION

Establishment of the Business Unit and Early Detour

Fameloriginal

The first informant lived in Garut and worked as a contract teacher; he then started a business to supplement his income by dropshipping leather jackets and men’s clothing from artisans in Garut. He marketed the products through a Facebook marketplace because its reach extended beyond his local area, but he faced a fundamental problem: there was no guarantee of transaction security, so both sellers and buyers were anxious about the potential for fraud. This challenge prompted him to open a store on Tokopedia, which acted as an intermediary guaranteeing payment and delivery. When sales declined and he moved to Bandung accompanied by a career change he discontinued the leather jacket business, marking a second turning point that would later lead him to Shopee with a different product line.

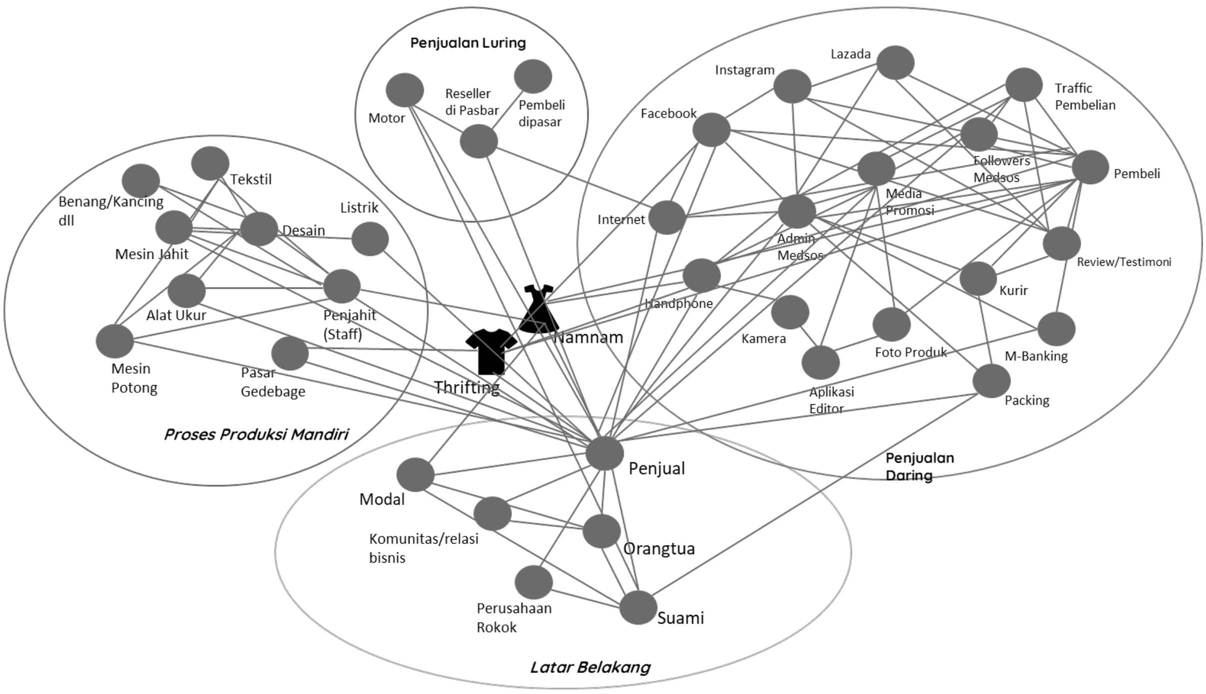


Source: Analysis Results, 2025

Figure 1. Fameloriginal’s Journey Before Shifting to the Shopee Marketplace

Naylatuhijab

The second informant grew up in an entrepreneurial family and started a thrift clothing business while in college, later transitioning to becoming a hijab manufacturer with initial capital in the form of a sewing machine provided by her husband and parents. She initially used a consignment system at Pasar Baru in Bandung until she faced a major setback: a merchant returned goods worth 35 million rupiah that were supposed to have already been sold. This loss forced her to sell her products online herself, initially through Lazada. When Lazada’s promotional features proved ineffective, she switched to Shopee. This history mirrors the pattern seen with the first informant: each disruption triggered a detour involving new actors.



Source: Analysis Results, 2025

Figure 2. Naylatuhijab's Association Before Taking a Detour to the Shopee Marketplace

Policy Context and the Decision to Join Shopee

It should be emphasized that the decision on using Shopee made by these two informants was taken in the context of larger processes associated with the development of digital economy in Indonesia. Indeed, the number of Internet users increased to 78.19 percent in 2023, meaning that there are 215.63 million users out of 275.77 million people, while it was only 64.8 percent in 2018 (APJII, 2023). E-commerce became the major sector contributing to the development of the digital economy at both national and regional levels. According to the projections included in the e-Conomy SEA report, the digital economy of Indonesia will produce the Gross Merchandise Value (GMV) equal to around USD 110 billion in 2025, and it might be expected to reach USD 210-360 billion in 2030 (Google, Temasek, & Bain, 2023). In this regard, the growth of popularity of Shopee among MSMEs of Indonesia can be seen in the broader context of the country's digitalization. In particular, according to national surveys, approximately 39-50 percent of MSMEs of Indonesia use Shopee as the main marketplace.

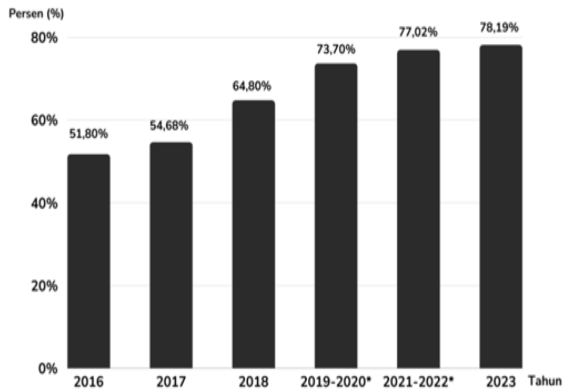
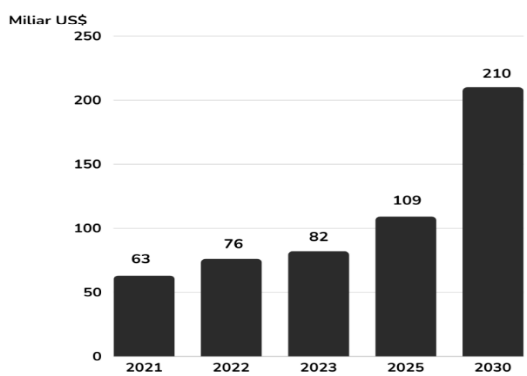


Figure 3



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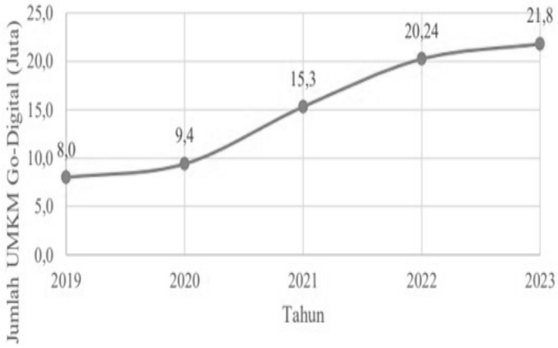


Figure 5

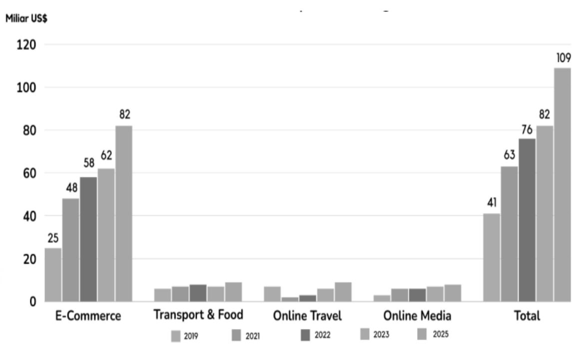


Figure 6

Source: APJII, 2023

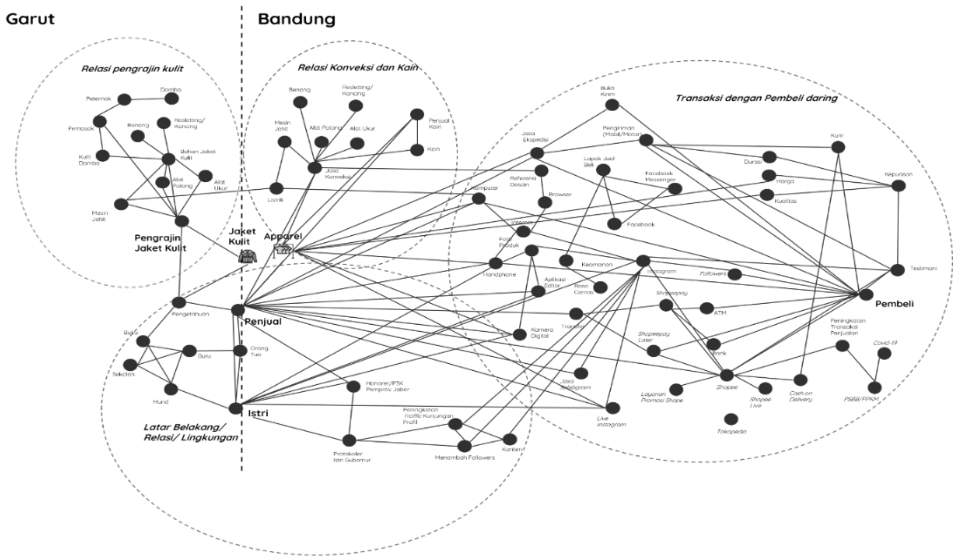
Figure 3-6. Internet penetration, the value of the digital economy, statistics on MSMEs going digital, and the sector's contribution to Indonesia's digital economy

The government has introduced a series of interventions, including the e-Commerce Roadmap, Government Regulation No. 80 of 2019 on Trade via Electronic Systems, a requirement for at least 40 percent of government procurement to be allocated to micro, small, and medium enterprises (MSMEs) and cooperatives under the Job Creation Law, as well as the "Proudly Made in Indonesia" National Movement and joint training programs with e-commerce platforms. All of this demonstrates that the government views marketplaces as instruments of empowerment. However, as the following section shows, it is precisely this instrumental perspective that will be put to the test by field findings.

The Dynamics of Shopee Usage

Fameloriginal

Interest in running a business resurfaced when the informant's wife designed clothing that received a positive response on social media, prompting him to shift to women's apparel and focus his sales on Shopee. Rather than building the store's reputation through the platform's paid features, the owner relied on Instagram content and influencer endorsements to drive followers to his store. Sales peaked during the 2020–2021 pandemic but then declined as new competitors flooded Shopee. The owner briefly tried TikTok Shop, which generated a more positive response, but returned to Shopee after TikTok Shop was blocked. Notably, the owner hardly used any of Shopee's internal features including Shopee Live due to time constraints stemming from her primary profession.

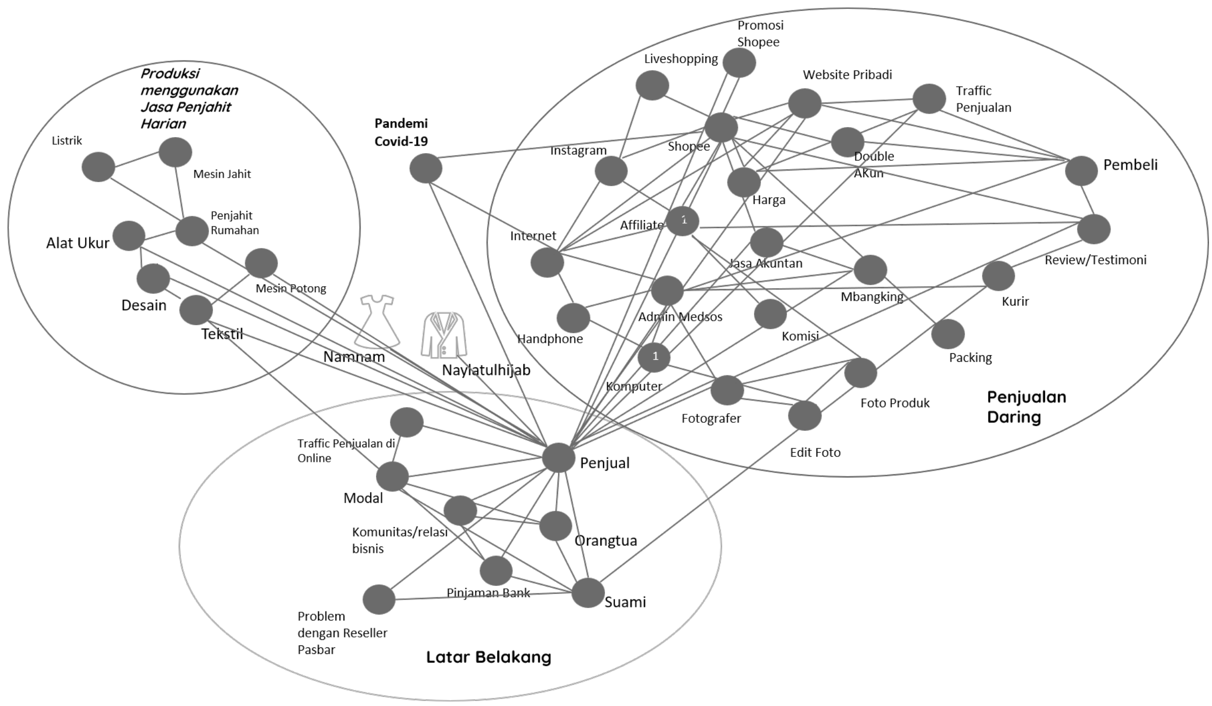


Source: Analysis Results, 2025

Figure 7. Fameloriginal Association after taking a detour to the Shopee marketplace

Naylatuhijab

The second informant took the opposite approach. The owner upgraded their store to Shopee Mall, registered their brand, and actively used Shopee Ads, flash sales, and major promotional campaigns because they saw a significant impact on sales. The owner abandoned Shopee Live, which required specialized communication skills, and redirected the budget for admin salaries toward affiliate services and influencer collaborations whose reach extended beyond Shopee users. The owner even created more than one store with different narratives, photos, and prices to reach different segments, and built an official website to strengthen the brand's credibility. The contrast with the first informant is clear: resource capacity determines whether adaptation leads to the platform's paid features or to solutions outside the platform.



Source: Analysis Results, 2025

Figure 8. Naylatuhijab Association after taking a detour to the Shopee marketplace

Limitations of the Subject–Object Framework

When viewed through the subject–object framework (Mitcham, 1994), both informants emerge as active subjects who use the marketplace as a tool to expand their business reach, and their creativity is a determining factor in their success. The first informant optimizes social media, while the second informant optimizes the platform's marketing features. So far, this framework is adequate. However, it stops precisely at a crucial point: it assumes that the will and knowledge regarding the use of the marketplace originate purely from within the informants themselves, without explaining how the idea emerged or what shaped it. It is precisely in this gap that the collective relations framework is needed (Yuliar, 2009).

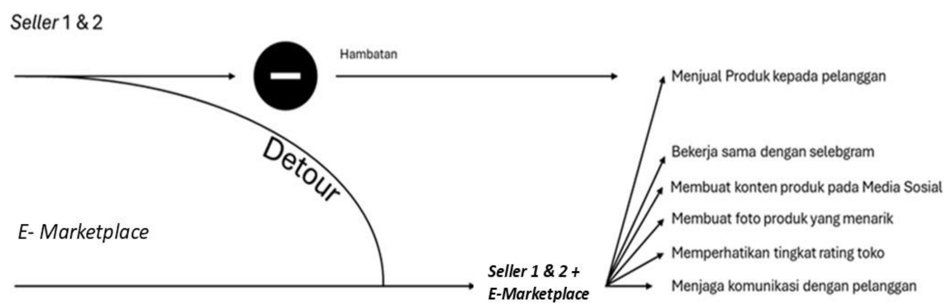
Translation as the Primary Lens: Human and Non-Human Collectives

This section employs translation as the primary lens, then applies it through the moments of delegation and blackboxing most relevant to the data. As emphasized in 2.2, the four moments of mediation constitute dimensions of a single process; therefore, their composition is viewed as integrated with translation through the mapping of actant associations on the sociogram, while delegation for which the data is most substantial is given greater emphasis.

Translation: A Shift in Purpose through a Detour

The informants' second detour to the marketplace resulted in an unexpected shift in objectives, and this serves as evidence that the marketplace acts as an actant, not a passive tool (Latour, 1999). The initial objective, which was simply to sell products, was translated into a series of new objectives: creating engaging photo and video content, collaborating with influencers, utilizing paid marketing features, and maintaining communication with customers. The primary trigger was the limited visibility of products due to the platform's non-neutral algorithm an algorithm that actively directs interactions based on the logic of relevance, popularity, and seller performance. In other words, the marketplace does not wait to be commanded; it demands that sellers adapt, and it is this demand that reshapes their goals.

This shift is visualized as a composition when the associations of actors are mapped before and after Shopee, as shown in the sociogram. Fameloriginal was originally associated with leather artisans, Facebook, Tokopedia, and smartphones, then shifted to Shopee, garment manufacturers, Instagram, TikTok, and Instagram influencers. Naylatuhijab moved from sewing machines, Pasar Baru vendors, employees, and Lazada to Shopee Mall, admins, editors, the Shopee Affiliate program, Instagram influencers, and freelance tailors. Since actions result from the associations of many actants, these differences in composition explain why two sellers on the same platform follow different trajectories a nonlinearity precisely predicted by a translational reading of constructionism (Marais, 2014).



Source: Adapted from Latour's Detour Model, 1999

Figure 9. The translational mediation process of Fameloriginal and Naylatuhijab within the human–technology collective relationship

Delegation: Shopee as the Recipient of Business Task Delegation from Owners

Delegation, which represents the delegation of commercial activities to Shopee as a non-human actant (Latour, 1999), is one of the most tangible types of mediation observed in the data. For Fameloriginal, delegation started because of a lack of transaction security on Facebook and lower sales on Tokopedia and involved delegating transaction security, order handling, and logistics activities to Shopee while using social media for promotions. For

Naylatuhijab, financial losses due to traditional market vendors resulted in the delegation of distribution, logistics, and trust-building to Shopee Mall and the gradual replacement of the traditional market by Shopee Mall.

However, delegation does not necessarily involve Shopee but includes the entire sociotechnical network as it consists of couriers, payments, social media, and buyers whose coordination is needed for delegation to work rather than delegation itself. Thus, delegation is highly flexible and can be reconfigured when new problems arise. This dynamic explains the concept of blackboxing and how the stabilized sociotechnical network can be un-blackboxed during disruptions.

Reversible Blackboxing: When the Box Is Reopened

As a black box, Shopee condenses the complexity of algorithms, logistics, and payments into a seamlessly functioning interface; this complexity ceases to be questioned not because it is concealed, but because the network operates stably (Latour, 1999). However, this box is reversible. When the network is disrupted, sellers reopen it: Fameloriginal tried TikTok Shop when Shopee sales declined, while Naylatuhijab reduced its administrative staff and switched to affiliate marketing for cost efficiency. These two maneuvers confirm that network stabilization is never final; it can be opened and reorganized whenever an interruption or new need arises.

Marketplaces as Agencement: Bargaining Power and Its Limits

Shopee's Bargaining Power for MSMEs

At the market level, Shopee demonstrates tangible bargaining power for MSMEs in three ways. First, market reach: informants receive orders from outside their local area, thereby reducing geographical barriers in line with the notion that marketplaces enable MSMEs to reach consumers across regions. Second, accessibility and flexibility: a part-time worker and a homemaker can still conduct business alongside their primary roles, as the marketplace reduces the need for physical mobility. Third, transaction security: the escrow system alleviates the fear of fraud that was previously inherent in buying and selling via Facebook. These three factors explain why, within Callon's (2016) framework, marketplaces function as market devices that facilitate encounters between sellers and buyers.

When the Agencement Is Not Entirely Beneficial

Nevertheless, there are some limits to the ability to bargain. On the other hand, market performativity also illustrates how constrains are inherent in the platform itself. The algorithms of visibility on the website hinder the exposure of the new sellers' items, so these sellers have to spend money on advertising and promotion (Curchod et al., 2020; Kellogg et al., 2020). Therefore, seller categorizations and paid visibility systems should be understood as not neutral tools of the platform but as instruments for shaping users' behavior according to the needs of the platform (Callon, 2016). Being a part of the SEA Group, Shopee operates using the profit-oriented business model, and not being a public institution that supports SMEs. In such a way, the initial incentives that attracted users might become later on more financial burden for the companies due to increased administration costs and subsidies.

This challenge prompted both informants to adjust their strategies by relying more heavily on social media for promotion and direct engagement with potential buyers. From an ANT perspective, these responses are consistent with Callon's (2016) argument that, within market-agencements, innovation is not an attempt to reduce competition but an expression of competition itself. Fameloriginal, operating with more limited resources, gradually reduced its reliance on Shopee's features and instead emphasized creative content and influencer collaborations. In contrast, Naylatuhijab, with greater resources, continued to utilize Shopee's features while simultaneously developing external channels, including affiliate programs and an official website. These two cases suggest that business outcomes are shaped not only by the platform itself but also by the interactions among actors operating under different resource conditions. This interpretation is also consistent with Marais's (2014) concept of translation in development, which views digitalization as a non-linear process shaped by initial conditions; consequently, similar interventions may produce different outcomes across business contexts. As competitive conditions continue to evolve, innovations such as the current use of social media are likely to become widely adopted, encouraging entrepreneurs to continuously develop new strategies in response to changing market dynamics (Callon, 2016).

Reevaluating the Government's SME Digitalization Agenda

The findings above call for a reinterpretation of the government's SME digitalization agenda, and this reinterpretation must be grounded in observable evidence. Three key points identified through the networks of the two informants point to issues that have been overlooked thus far.

Metrics That Measure Onboarding, Not Sustainability
The first thing that stands out is what the government is measuring. Criticism of these digitalization success indicators aligns with global concerns highlighting that government interventions in developing countries tend to be biased toward early adoption (OECD, 2021; World Bank, 2021). The "Proudly Made in Indonesia" National Movement, PaDi UMKM, the goal of digitizing tens of millions of MSMEs, and training programs like Shopee's MSME Campus all measure success based on the number of MSMEs that join the platform (onboarding). However, the stories of Fameloriginal and Naylatuhijab reveal something these metrics fail to capture: joining the platform is actually the point where the problems begin, not where they end. Once registered, both immediately faced visibility algorithms that required advertising spending for their products to be seen. In other words, onboarding metrics count the entry point and ignore what happens after that point is passed yet that is precisely where the fate of MSMEs is truly determined. This observation aligns with platform economics research showing that value accumulation is concentrated among infrastructure controllers, not among users at the network's edge (Srnicek, 2017).

Paid Algorithms as a Filtering Mechanism
Furthermore, this second point becomes even more concrete at the platform level. Shopee's visibility algorithm is not a passive backdrop; it is an active filter that determines who is seen and who is overlooked, linking that visibility to a willingness to pay. Fameloriginal, with limited resources, cannot afford to purchase visibility through ads and opts instead to turn to social media and influencers, while Naylatuhijab, with greater capital, purchases it through Shopee Ads while simultaneously building external channels. Herein lies the contradiction in the government's agenda: the state subsidizes MSMEs' entry costs through training and assistance, while partnering with platforms whose systems actually push small-capital MSMEs to the bottom of the shelf, where they are rarely seen by buyers. Therefore, the informants' detour outside the platform is not merely a creative strategy; it is empirical evidence that the platform alone is insufficient, and that policy designs equating presence on the platform with empowerment have misread the field.

From Detour to Patterns of Dependency
Moreover, the informants' second move can be viewed from a pattern perspective. In this case, the informants created alternative channels outside Shopee using social media, influencers, and the official website of Naylatuhijab. In turn, this pattern demonstrates something beyond personal preferences: the attempt to create alternative channels to limit dependence on one channel controlling visibility, transactional infrastructure, and data flows. Following user-friendly conditions by the creation of additional fees and shipping subsidy reductions after achieving market domination, dependence turned into vulnerability. The discovered pattern demonstrates a new form of dependency showing that despite the reduction of barriers for including platforms, control of visibility, transactional infrastructure, and data flows leads to the change of bargaining asymmetry between the MSMEs and the platform (van Dijck, Poell, & de Waal, 2018). In terms of the development agenda, this discovery implies that it is necessary for the state to play not only the role of enabler but to address the problem of visibility distribution when creating official empowerment infrastructure using private marketplaces.

CONCLUSION

With respect to the digitization of micro, small, and medium enterprises (MSMEs), this study provides a relational perspective, going past the conventional distinction of subject-object. The subject-object distinction (Mitcham, 1994) gives a reason why agency and creativity of the sellers are critical, but it does not provide information regarding how such agency and creativity are shaped. With the help of Latour's translation (1999), the study suggests that, in the two cases reviewed, the marketplace played a role as an actant in shaping the entrepreneurial agency. Through the use of Shopee, not only were there changes in selling strategies but also new goals for the entrepreneurs. This includes incorporating social media, collaborating with influencers, as well as building up official websites. Using Callon's (2016) market performativity perspective, in these two cases, the marketplace acts as a market agencement that not only transforms market relations but reveals how the marketplaces constrain the process of digitalization of the MSMEs. Finally, these findings can be used to analyze the digitalization of MSMEs in Indonesia. In both the cases reviewed, metrics related to onboarding give priority to the market entrance rather than sustainability. Moreover, the constraints that platform mechanisms (visibility algorithms) impose on the limited resources of SMEs become clear. Taken together, these results show that accessibility, adaptability, transaction security, resource capacity, and platform features define how the marketplace contributes to MSME development.

The results show that, apart from encouraging the use of digital platforms byMicro, small, and medium-sized enterprises (MSMEs), policy makers need to look at how the platform mechanism works and its impact on the participation and competitiveness of such firms in the digital market. Instead of focusing on the number of firms on board, digitalization policies need to incorporate sustainability measures, such as firm growth, transaction efficiency, and the sustainability of digital business operations. In addition, the firms will require assistance in order to make use of platform resources that enhance the visibility and reach of their products. Policy makers can work together with the marketplace providers in order to create special zones where newly joined MSMEs will have their own space so that the visibility of their products is not affected by advertising costs or the capability of purchasing promotion services. At the same time, capacity building measures can encourage the MSMEs to adopt diverse digital marketing methods and develop their sales channels, which means that they will not depend on one marketplace in the future.

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