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Platform Concentration, Shoppertainment and Regulatory Re-Ordering: An Analysis of Vietnam's E-commerce Market, 2018–2026

Ha Thi Thu Thuy
Thanh Do University, Hanoi, Vietnam

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Corresponding Author: **Ha Thi Thu Thuy**

Abstract
Vietnam has one of the fastest-growing e-commerce markets in the world, yet its structure is changing as quickly as its size. This paper analyses the current state of Vietnamese business-to-consumer (B2C) e-commerce between 2018 and 2026, drawing on official statistics from the Ministry of Industry and Trade, platform-level data from Metric and YouNet ECI, the e-Conomy SEA reports, the Vietnam E-Business Index and a document analysis of the legal and fiscal framework. The study combines growth decomposition, concentration measures (Herfindahl-Hirschman Index and leader gap), seller-side intensity ratios, spatial comparison and a target-gap and scenario exercise. B2C revenue rose from US$8.06 billion in 2018 to about US$31 billion in 2025, a compound annual growth rate of 21.2%, and reached about 10% of total retail sales. Roughly 45% of this growth came from more online shoppers and 55% from higher spending per shopper. The market is highly concentrated: Shopee and TikTok Shop together hold about 97–98% of marketplace sales, and the HHI has stayed close to 4,850–5,000 even as TikTok Shop's share rose from 23% in early 2024 to 43.4% in the first half of 2026. We describe this as a contestable duopoly in which rivalry intensifies without any reduction in concentration. Growth is increasingly driven by value rather than volume: in the first half of 2026, sales rose 44.1% while items sold rose only 13.7%, and official Mall stores, under 4% of shops, earned more than a third of revenue. Spatial gaps remain wide, with Hanoi and Ho Chi Minh City scoring roughly six times the national average on the E-Business Index. A sequence of reforms from late 2024 to 2026, including platform tax withholding, the end of the low-value import exemption and the Law on E-commerce 2025, is re-ordering the market toward formality and traceability. The paper concludes with policy proposals on competition, seller inclusion, regional diffusion and cross-border governance.

Keywords: e-Commerce, Platform Competition, Market Concentration, Social Commerce, Livestream, e-Commerce Law, Vietnam

JEL Classification: L81; L86; L11; D40; K20; O53

1. Introduction

E-commerce has become the largest single component of Vietnam's digital economy. It accounts for about two-thirds of the internet economy's gross merchandise value (GMV) and is projected to reach US$32 billion in GMV in 2026, up 22% on the previous year (Google, Temasek & Bain & Company, 2026; VietNamNet, 2026a) [24, 75]. Official estimates from the Ministry of Industry and Trade (MoIT) put B2C e-commerce revenue at about US$31 billion in 2025, roughly 10% of total retail sales of goods and consumer services, with growth of about 25% (SGGP, 2025; Dan Tri, 2025) [47, 18]. Vietnamese consumers spent more than VND 1.17 trillion, about US$44.5 million, every day on the four largest platforms in 2025 (VnExpress, 2026) [83].

Growth on this scale has been accompanied by three profound changes. The first is a reshuffling of market leadership. In early 2024 Shopee held more than two-thirds of marketplace sales; by the third quarter of 2026, the gap between Shopee and TikTok Shop had narrowed to less than two percentage points (Vietnam.vn, 2026a) [69]. Lazada and Tiki, once important competitors, have been reduced to a combined share of about 2–3%. The second is a change in what consumers buy and from whom: official brand stores are taking a growing share of sales, higher-value products are gaining ground, and tens of thousands of small shops record no orders at all. The third is a regulatory re-ordering. Between November 2024 and July 2026, Vietnam required cross-border platforms to register, abolished the tax exemption for low-value imports, made platforms responsible for

withholding taxes on behalf of household sellers, and adopted its first Law on E-commerce.

These changes raise questions that a simple account of market growth cannot answer. Is the market becoming more competitive or more concentrated? Who benefits from growth: new consumers, existing consumers spending more, large brands, or small sellers? Is e-commerce narrowing or widening the gap between the two largest cities and the rest of the country? And how far has the country moved toward the targets it set itself for 2025, and what is realistic for 2030?

This paper addresses these questions through a structured analysis of the current state of Vietnam's B2C e-commerce market. It makes three contributions. It reconciles the different measures of market size, which vary by a factor of more than two depending on scope. It applies standard industrial organisation measures, the Herfindahl-Hirschman Index (HHI) and leader gap, to quarterly platform data from 2024 to 2026, which reveals a pattern of stable concentration combined with intense rivalry. And it links the market changes to the sequence of fiscal and legal reforms, which allows a first assessment of how regulation is shaping market structure.

The paper proceeds as follows. Section 2 reviews the literature and presents the analytical framework. Section 3 explains the data and methods. Section 4 presents the results. Section 5 discusses them, Section 6 offers policy implications, and Section 7 concludes.

2. Literature review and analytical framework

2.1 E-commerce and its measurement

E-commerce is commonly defined as the sale or purchase of goods or services conducted over computer networks by methods specifically designed for receiving or placing orders (OECD, 2019a) [43]. Early work emphasised the transaction-cost reductions that allow buyers and sellers to meet without physical proximity (Zwass, 1996) [88]. Subsequent research has shown that online marketplaces significantly weaken the effect of distance on trade, because they reduce information and trust frictions (Lendle *et al*., 2016) [37]. Laudon and Traver (2021) [35] distinguish between business models (B2C, B2B, C2C and others) and between channels (web stores, marketplaces and social commerce), a distinction that is important for measurement.

Measurement varies widely. National authorities often estimate B2C revenue from enterprise and household surveys. Industry trackers measure the GMV recorded on a few marketplaces, while consultancies estimate gross transaction values across a wider set of online channels. Because these scopes differ, figures for the same country and year can diverge considerably. A careful analysis must therefore state which measure is being used and avoid mixing scopes when computing growth or shares.

2.2 The economics of platforms

Most Vietnamese online retail takes place on multi-sided platforms. Rochet and Tirole (2003) [46] and Armstrong (2006) [2] showed that platforms set prices on both sides of the market to internalise cross-side network effects: more buyers attract more sellers, and vice versa. Because of these effects, platform markets tend toward concentration, sometimes to a single dominant firm (Katz & Shapiro, 1985) [32]. Yet concentration does not necessarily mean absence of competition. Where users multi-home, where switching costs are low, and where a challenger can bring a large user base from an adjacent market, a concentrated market can remain contestable (Baumol *et al*., 1982; Cennamo & Santaló, 2013) [9, 11]. Hagiu and Wright (2015) [25] emphasise that the boundary between platforms and resellers is fluid, which allows firms to compete on different combinations of control and openness.

The entry of social and video platforms into commerce illustrates this. A social video platform already has a large user base and data about user preferences; adding a shopping function allows it to enter a marketplace market with an immediate advantage on the demand side. This "adjacent entry" is central to understanding recent changes in Vietnam. Khan (2017) [33] and later competition authorities have also highlighted the risks that dominant platforms pose, including self-preferencing, data advantages and the ability to raise fees for sellers who have few alternative channels.

2.3 Consumer adoption and social commerce

The adoption of online shopping has been studied mainly through the technology acceptance model (Davis, 1989) [19] and its extensions, notably UTAUT2 (Venkatesh *et al*., 2012) [69], which add hedonic motivation, habit and price value to the usefulness and ease-of-use constructs. Trust is a central factor because buyers cannot inspect goods before purchase (Gefen *et al*., 2003) [23]. Research on livestream and video commerce shows that real-time interaction, entertainment and the perceived authenticity of sellers increase trust and engagement (Cai *et al*., 2018; Wongkitrungrueng & Assarut, 2020) [10, 87]. In this "shoppertainment" model, discovery and purchase happen in the same place, which changes the competitive advantage from the size of the product catalogue to the quality of content and recommendation algorithms.

2.4 Regulation, taxation and the formalisation of online trade

As e-commerce grows, governments face three regulatory problems: consumer protection (counterfeits, misleading advertising, poor after-sales service), fair competition between domestic sellers and cross-border sellers, and tax compliance by large numbers of small online sellers. The OECD (2019b) [44] has documented a shift toward making platforms responsible for collecting value-added tax on sales they facilitate, because platforms have the transaction data that tax authorities lack. Many countries have also removed or lowered de minimis thresholds for low-value imports to reduce the advantage of cross-border sellers. These measures tend to formalise the market, raising compliance costs for small sellers while improving traceability and revenue collection.

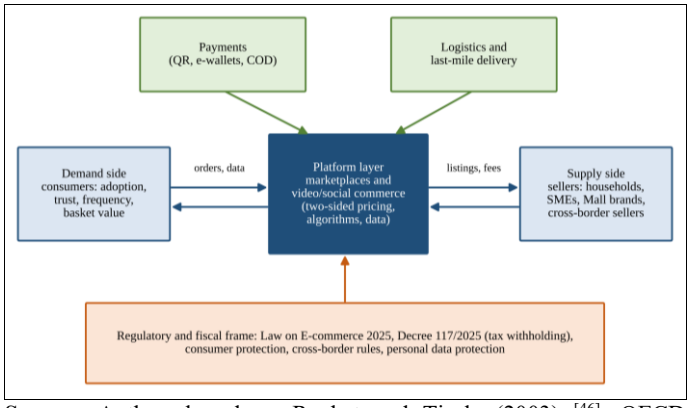
2.5 Studies on Vietnam and the research gap

Research on Vietnamese e-commerce has concentrated on consumer behaviour, mostly through survey-based models of purchase intention, and on descriptive overviews of market growth (for example, Nguyen *et al*., 2025) [42]. Official white papers and industry reports provide rich data but rarely apply analytical tools from industrial organisation. To our knowledge, no published study has measured concentration in Vietnam's marketplace sector over the period of TikTok Shop's rise, linked seller-side indicators with market structure, or assessed how the 2024–2026

regulatory sequence relates to observed market changes. This paper addresses these gaps.

2.6 Analytical framework

Fig 1 shows the framework used in the analysis. The platform layer sits between consumers and sellers and earns revenue through fees and advertising, while collecting data from both sides. Two enabling systems, payments and logistics, determine transaction costs. The regulatory and fiscal framework shapes the conditions for all participants. The analysis follows this structure: demand side (Section 4.3), platform layer (4.4), supply side (4.5), spatial distribution (4.6), enablers and cross-border trade (4.7) and regulation (4.8).



Source: Author, based on Rochet and Tirole (2003) [46], OECD (2019a) [43] and Laudon and Traver (2021) [35].

Fig 1: Analytical framework of the e-commerce ecosystem

Table 1: Data sources

Domain	Indicators	Source	Period
Market size	B2C revenue; share of retail sales; online shoppers; spending per shopper	MoIT / iDEA, Vietnam E-commerce White Papers; MoIT statements	2018–2025
Alternative size estimates	E-commerce market size; e-commerce GMV	VECOM (EBI 2025, 2026); Google, Temasek & Bain (e-Conomy SEA 2025, 2026)	2024–2026
Platform market	Sales on four platforms; market shares; items sold; active shops; Mall shops	Metric; YouNet ECI; Momentum Works	Q1 2024–Q3 2026
Consumers	Purchase frequency; device; motives; video commerce	VECOM; e-Conomy SEA; industry surveys	2024–2026
Spatial	Provincial EBI scores; domain distribution	VECOM EBI 2025, 2026	2025–2026
Cross-border and tax	Online exports and imports; parcel flows; tax measures	Digital Trade Project; customs and tax authorities	2024–2026
Legal framework	Decrees, laws, decisions	Official documents	2013–2026

Source: Compiled by the author.

3. Data and Methods

3.1 Data

The study uses secondary data from the sources listed in above Table 1. Official data from MoIT and its E-commerce and Digital Economy Agency (iDEA) are used for B2C revenue, shares of retail and consumer indicators. Platform-level data come from Metric, which tracks sales on Shopee, TikTok Shop, Lazada and Tiki, and from YouNet ECI, which uses a different sampling method. The Vietnam E-Business Index (EBI) of the Vietnam E-commerce Association (VECOM) is used for spatial comparison. Legal documents are used for the institutional analysis.

3.2 Methods

Six analytical techniques are combined.

Growth analysis and decomposition. Compound annual growth rates are computed as $\text{CAGR} = (X_{end}/X_{start})^{1/n} - 1$. B2C revenue R is decomposed as $R = N \times s$, where N is the number of online shoppers and S is spending per shopper. Taking logs, the contribution of the number of shoppers to revenue growth is:

$$\frac{\ln(1+g_N)}{\ln(1+g_N)+\ln(1+g_s)}$$

Market concentration. The Herfindahl-Hirschman Index is computed as $\text{HHI} = \Sigma_i s_i^2$, where s_i is the market share of platform i in percent. The HHI ranges from near zero to 10,000. Under the 2010 US Horizontal Merger Guidelines, a market with an HHI above 2,500 is considered highly concentrated; the 2023 Merger Guidelines lowered this threshold to 1,800. Because Metric reports Lazada and Tiki jointly in some periods, the residual share is treated as one firm, which slightly overstates the HHI (by at most a few points). The leader gap, the difference between the shares of the first and second platforms, is used as a measure of rivalry.

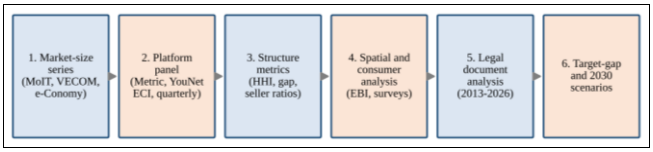
Seller-side intensity. The revenue intensity of a seller group is its share of sales divided by its share of shops. A value of 10 means that the average shop in the group earns ten times the market average.

Value-volume analysis. The change in average value per item is computed as $(1+g_{value})/(1+g_{volume}) - 1$.

Spatial comparison. Provincial EBI scores are compared using the ratio of the top score to the national mean.

Target-gap and scenario analysis. Outcomes for 2025 are compared with targets in the national e-commerce master plan for 2021–2025, and growth paths to 2030 are simulated under alternative growth rates.

Fig 2 summarises the research process.



Source: Author.

Fig 2: Research process

3.3 Limitations of the data

Platform trackers estimate sales from publicly visible data on product listings, so their figures exclude off-platform sales, sales on brand websites and social media sales outside the four platforms. They also differ from each other; for example, YouNet ECI estimated nine-month GMV in 2026 at VND 411.8 trillion with growth of 22%, while Metric estimated nearly VND 442 trillion with growth of 44.5% (Tuoi Tre News, 2026; Vietnam.vn, 2026a) [58, 69]. The analysis uses Metric as the main series for consistency and cites YouNet ECI where it provides additional detail. Official figures for 2025 are preliminary.

4. Results: The current state of Vietnam's e-commerce market

4.1 Market size and growth

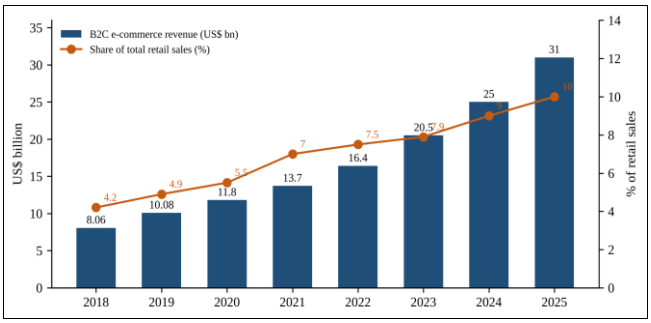
Table 2 and Fig 3 present the official series for B2C e-commerce. Revenue grew from US$8.06 billion in 2018 to US$10.08 billion in 2019, the first year it exceeded US$10 billion, and then to US$11.8 billion in 2020 (iDEA, 2020; Bao Dau Tu, 2020) [28, 8]. The pandemic years accelerated adoption: revenue reached US$13.7 billion in 2021, US$16.4 billion in 2022 and US$20.5 billion in 2023, when growth was about 25% (VCCI, 2024) [61]. The market exceeded US$25 billion in 2024, up about 20%, and is estimated at about US$31 billion in 2025, up about 25% (MoIT, 2025a; SGGP, 2025) [39, 47].

Table 2: B2C e-commerce in Vietnam, 2018–2025

Year	B2C revenue (US$ bn)	Growth (%)	Share of retail sales (%)	Online shoppers (million)	Spending per shopper (US$)
2018	8.06	30	4.2	39.9	202
2019	10.08	25	4.9	44.8	225
2020	11.8	18	5.5	49.3	240
2021	13.7	16	7.0	54.6	251
2022	16.4	20	7.5	57.0	288
2023	20.5	25	7.8–8.0	61.0	336
2024	> 25	20	≈ 9	n.a.	n.a.
2025 (est.)	≈ 31	≈ 25	≈ 10	≈ 60% of population	n.a.
CAGR 2018–2025	21.2%				
CAGR 2018–2023	20.5%			8.9%	10.7%

Note: Growth rates are those reported by MoIT and may differ slightly from rates computed from the rounded levels. CAGRs are computed by the author.

Sources: iDEA Vietnam E-commerce White Papers (2019–2024); Nguyen *et al*. (2025) [42]; VCCI (2024, 2025) [61, 62]; MoIT (2025a) [39]; SGGP (2025) [47]; China Briefing (2026) [13].

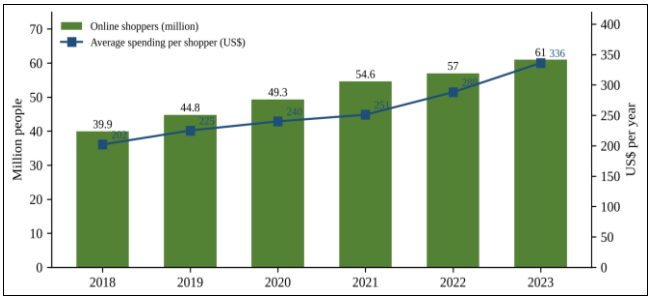


Source: Author, based on MoIT/iDEA data.

Fig 3: B2C e-commerce revenue and share of retail sales, 2018–2025

Over 2018–2025, B2C revenue grew at a CAGR of 21.2%, nearly quadrupling, and its share of total retail sales more than doubled from 4.2% to about 10%. In 2025, with total retail sales of goods and consumer services of about US$269 billion (VOV, 2026a) [86], B2C e-commerce at US$31 billion represented roughly 11.5% by the author's calculation, consistent with official statements that the share is "about 10%" to "nearly 12%" depending on the retail base used (Bao Chinh Phu, 2025a) [5].

Fig 4 decomposes the growth. Between 2018 and 2023, the number of online shoppers grew at 8.9% a year, from 39.9 million to 61 million, while average spending per shopper grew at 10.7% a year, from US$202 to US$336. Using the log decomposition described in Section 3.2, about 45% of revenue growth came from more people shopping online and about 55% from each shopper spending more. Since roughly 60% of the population now shops online (China Briefing, 2026) [13], the room for growth through new users is narrowing. Future growth will depend increasingly on higher spending per user, which is consistent with the shift to higher-value products documented in Section 4.5.



Source: Author, based on iDEA white papers as compiled by Nguyen *et al*. (2025) [42].

Fig 4: Online shoppers and average spending per shopper, 2018–2023

The momentum has continued into 2026. In the first half of the year, sales on the four main platforms reached VND 291.6 trillion (about US$11 billion), up 44.1% on the same period of 2025 (Fint, 2026) [22], and in the first nine months they reached nearly VND 442 trillion, up 44.5%, with 3.28 billion items sold (Vietnam.vn, 2026a) [69]. Total retail sales over the same nine months were VND 5,925.7 trillion (Source of Asia, 2026) [48], so the four platforms alone

accounted for about 7.5% of retail sales, compared with roughly 6.1% for the full year 2025 (author's calculation using US$16.4 billion in platform sales and US$269 billion in retail sales). The MoIT has set a target of about US$37 billion for the e-commerce market in 2026 (Dan Tri, 2025) [18].

4.2 Why the estimates differ

Table 3 shows that estimates of the size of the market in 2025 range from about US$16 billion to US$38.5 billion. The range reflects scope, not contradiction.

Table 3: Alternative estimates of Vietnam's e-commerce market in 2025

Estimate	Value (US$ bn)	Growth (%)	Scope
Metric, four platforms	16.4 (VND 429.7 trn)	34.75	Sales on Shopee, TikTok Shop, Lazada, Tiki
YouNet ECI, tracked platforms	≈ 17.4	≈ 26	Tracked marketplace GMV
e-Conomy SEA, e-commerce GMV	25 (2025 edition); ≈ 26 implied by 2026 edition	17	Online physical goods, main channels
MoIT, B2C revenue	≈ 31	≈ 25	B2C goods and services online (excluding finance, games)
MoIT/MST year-end estimate, e-commerce revenue	≈ 36	22–25	Broader e-commerce revenue
VECOM, e-commerce market	38.5	21	Goods and services, all online channels

Note: The 2025 value implied by the 2026 edition of e-Conomy SEA is 32/1.22 ≈ 26.2.
Sources: VnEconomy (2026a) [78]; VnMarketInsights (2026) [84]; Vietstock (2025) [76]; Vietnam Briefing (2026) [64]; SGGP (2025) [47]; VietnamPlus (2026) [71]; Dai Bieu Nhan Dan (2026a) [16].

Two lessons follow. The four marketplaces captured about US$16.4 billion, or about 53% of the MoIT's B2C estimate. The other half of the B2C market therefore flows through other channels: social networks outside the marketplaces, brand websites and apps, online services such as travel and food delivery, and smaller platforms. Second, the growth rates are not comparable across scopes. The four-platform series grew 34.75% in 2025, faster than the broader market, partly because sales are migrating from other channels onto the two leading platforms. Analysts and policymakers should avoid using marketplace growth as a proxy for the growth of e-commerce as a whole.

4.3 The demand side: Who buys, how and why

Table 4 summarises key consumer indicators. Online shopping is now routine. Consumers make about four online purchases a month on average (Thoi bao Tai chinh, 2024; Invest Vietnam, 2026) [55, 31], and a recent survey found that 62.8% of digital consumers buy on e-commerce platforms at least once a week (China Briefing, 2025) [12]. Almost all online shopping is done on smartphones (Payments CMI, 2025) [45].

Table 4: Selected consumer and channel indicators

Indicator	Value	Year	Source
Share of population shopping online	≈ 60%	2025	China Briefing (2026) [13]
Online purchases per month (average)	≈ 4	2024	Thoi bao Tai chinh (2024) [55]
Digital consumers buying weekly on platforms	62.8%	2025	China Briefing (2025) [12]
Consumers shopping via smartphone	96%	2024	Payments CMI (2025) [45]
Daily consumer spending on four platforms	US$44.5 m (VND 1.17 trn)	2025	VnExpress (2026) [83]
Video commerce transactions	≈ 1.3 bn (+60%)	2025	VietNamNet (2025a) [72]
Video commerce share of e-commerce GMV, SEA	≈ 25%	2025	Bain & Company (2025) [4]
Firms rating social networks "highly effective" for sales	45% (vs 35% for websites)	2026	China Briefing (2026) [13]
Shoppers wanting stricter standards for delivery providers	85%	2025	Tuoi Tre News (2025b) [57]

Source: Compiled by the author.

The most important behavioural change is the rise of video and livestream commerce. Vietnam has become the second-largest video commerce market in Southeast Asia, with about 1.3 billion transactions in 2025, up 60% (VietNamNet, 2025a) [72]. Across the region, video commerce now accounts for about a quarter of e-commerce GMV (Bain & Company, 2025) [4]. This model blends entertainment with purchasing and allows sellers to demonstrate products and answer questions in real time, which, as the literature suggests, raises trust (Wongkitrungrueng & Assarut, 2020) [87]. It is also the main source of TikTok Shop's advantage, as discussed below.

Consumers are also becoming more discerning. The EBI 2026 survey found that product quality, the reputation of the website or app and the variety of goods were the most important factors in online purchase decisions (Dai Bieu Nhan Dan, 2026b) [17]. One in three shoppers will stop buying from a seller after a late delivery or an unclear refund policy (Inside Retail, 2025) [30], and 85% believe platforms should impose stricter standards on logistics providers (Tuoi Tre News, 2025b) [57]. The market is moving from a phase in which low prices and free shipping drove adoption to one in which reliability, authenticity and service quality determine loyalty.

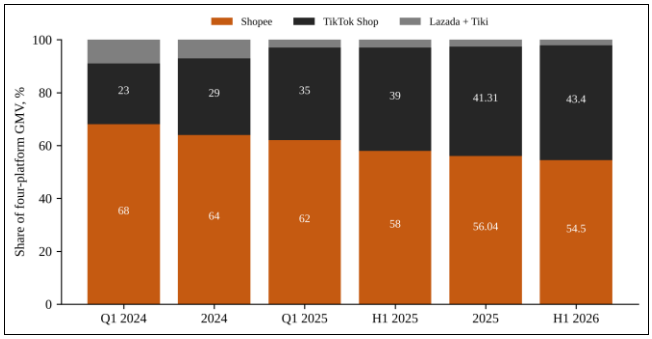
4.4 The platform layer: A contestable duopoly

Table 5 and Fig 5 trace market shares on the four main platforms. In the first quarter of 2024, Shopee held 68% and TikTok Shop 23% (VnExpress, 2025a) [80]. For full-year 2024, the shares were Shopee 64%, TikTok Shop 29%, Lazada 6% and Tiki 1% (VnExpress, 2025b) [81]. By 2025, Shopee's share had fallen to 56.04% and TikTok Shop's had risen to 41.31%, while Lazada and Tiki together had only about 3% (VnEconomy, 2026a) [78]. In the first half of 2026, Shopee held 54.5% and TikTok Shop 43.4% (ACN Newswire, 2026) [1]. In the third quarter of 2026, the gap between them fell to 1.7 percentage points, from 14.3 points a year earlier (Vietnam.vn, 2026a) [69].

Table 5: Market shares, concentration and leader gap on the four main platforms

Period	Shopee (%)	TikTok Shop (%)	Lazada + Tiki (%)	HHI	Leader gap (pp)
Q1 2024	68	23	9	5,234	45.0
2024	64	29	7 (6 + 1)	4,974	35.0
Q1 2025	62	35	3	5,078	27.0
H1 2025	58	39	3	4,894	19.0
2025	56.04	41.31	2.65	4,854	14.7
H1 2026	54.5	43.4	2.1	4,858	11.1
Q3 2026	n.a.	n.a.	n.a.	n.a.	1.7

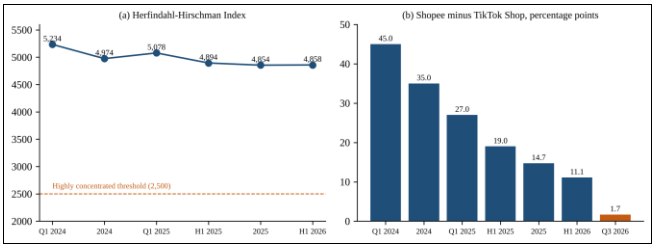
Note: HHI and leader gap computed by the author. For 2024, Lazada and Tiki are entered separately; in other periods their combined share is treated as one firm.
Sources: Metric data reported in VnExpress (2025a, 2025b) [80, 81], VnEconomy (2025, 2026a) [77, 78], ACN Newswire (2026) [1] and Vietnam.vn (2026a) [69].



Source: Author, based on Metric data.

Fig 5: Market shares on the four main platforms, Q1 2024 to H1 2026

Fig 6 brings out the central structural finding. The HHI stayed within a narrow band of about 4,850–5,230 throughout the period, roughly twice the 2,500 threshold for a highly concentrated market under the 2010 US merger guidelines and nearly three times the 1,800 threshold in the 2023 guidelines. At the same time, the leader gap fell from 45 points to under 2 points. In other words, the market did not become less concentrated; instead, the identity and balance of the leaders changed. Share moved from Shopee and from the smaller players (Lazada and Tiki) to TikTok Shop, so the sum of squared shares hardly moved.



Source: Author's calculations based on Metric data.

Fig 6: Concentration and rivalry: HHI and leader gap, 2024–2026

This is the pattern the literature describes as a contestable but concentrated platform market. TikTok Shop's entry was an adjacent entry: it brought an existing user base, a recommendation algorithm trained on viewing behaviour, and a content format (short video and livestream) that the incumbents lacked. Its sales grew 69% year on year in the first half of 2025, compared with 16% for Shopee (VnExpress, 2025c) [82], and by 2026 it dominated fashion, with 68.1% of men's and 64.5% of women's fashion sales (VnEconomy, 2026b) [79]. Shopee responded by building its own livestream and short-video features. Lazada's and Tiki's revenues fell by 43.5% and 66.6% respectively in the first quarter of 2025 (VietNamNet, 2025b) [73], showing that platforms unable to match either scale or content were pushed to the margins.

For consumers, this rivalry has meant better services, more promotions and richer content. For sellers, the picture is more mixed. With two platforms controlling nearly the whole marketplace channel, sellers have limited bargaining power over fees. Reports in 2026 pointed to higher platform fees and stricter operating requirements, which merchants experience as rising costs (China Briefing, 2026; Vietnam News, 2026a) [13, 66]. A duopoly can be fiercely competitive for users while still exercising considerable power over the sellers that depend on it.

4.5 The supply side: consolidation and premiumisation

Table 6 brings together seller-side indicators. Three trends are visible.

Table 6: Seller-side indicators on the main platforms

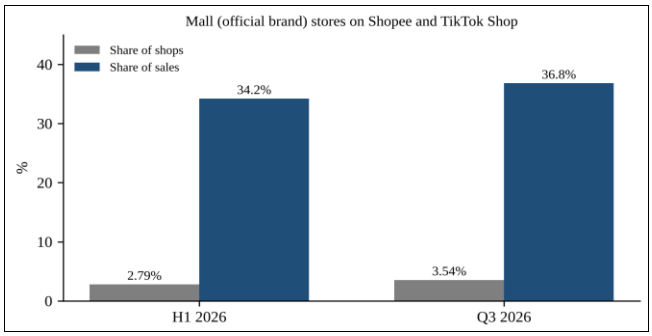
Indicator	Value	Period	Source
Active shops with sales	601,780 (−7.43%)	2025	VnMarketInsights (2026) [84]
Active shops with sales	613,800 (+14.11%)	H1 2026	Fint (2026) [22]
Shops with no orders	> 80,000	H1 2025	The Investor (2025a) [52]
Shops with no orders over three months	> 56,000	Q3 2026	Vietnam.vn (2026b) [70]
Mall shops: share of shops / share of sales (Shopee + TikTok Shop)	2.79% / 34.2%	H1 2026	ACN Newswire (2026) [1]
Mall shops: share of shops / share of sales (Shopee + TikTok Shop)	3.54% / 36.8%	Q3 2026	Vietnam.vn (2026b) [70]
Revenue growth of Mall stores	+54% (with 6% fewer Mall sellers)	H1 2026	China Briefing (2026) [13]
Share of revenue from items above VND 1 million	> 18%	H1 2026	China Briefing (2026) [13]
Violating shops removed for counterfeit, banned or untraceable goods	> 13,700	2025	Asia News Network (2026) [3]

Source: Compiled by the author.

The first trend is consolidation. In 2025 the number of shops generating sales fell by 7.43% to about 601,780 even as total sales rose by about 35%. Tens of thousands of shops record no orders in a given period: more than 80,000 in the first half of 2025 and more than 56,000 over the third quarter of 2026 (The Investor, 2025a; Vietnam.vn, 2026b) [52, 70]. The rebound in active shops in the first half of 2026 (+14.11%) suggests that the market is still attracting new sellers, but that many struggle to sustain sales.

The second trend is the rise of official brand stores. Mall stores accounted for only 2.79% of shops on Shopee and TikTok Shop in the first half of 2026 but 34.2% of sales; by the third quarter, the figures were 3.54% and 36.8%. Their revenue intensity, the ratio of sales share to shop share, was about 12.3 in the first half and 10.4 in the third quarter,

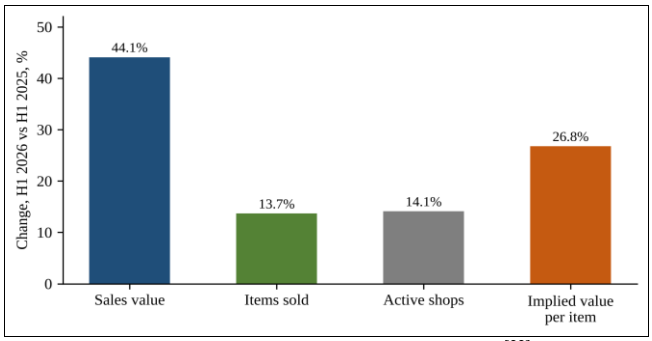
meaning that an average Mall store earns ten to twelve times as much as an average shop (Fig 7). Mall store revenue grew 54% in the first half of 2026 even though the number of Mall sellers fell 6% (China Briefing, 2026) [13].



Source: Author, based on Metric data reported in ACN Newswire (2026) [1] and Vietnam.vn (2026b) [70].

Fig 7: Concentration of sales in official Mall stores, 2026.

The third trend is premiumisation. In the first half of 2026 sales rose 44.11% while items sold rose only 13.67%, implying an increase of about 26.8% in average value per item (Fig 8). Products priced above VND 1 million contributed more than 18% of revenue (China Briefing, 2026) [13]. Over the first nine months of 2026, the average value per item sold was about VND 135,000 (VND 442 trillion divided by 3.28 billion items). Consumers are buying fewer cheap, unbranded items and more branded and higher-value goods.



Source: Author's calculations based on Fint (2026) [22].

Fig 8: Growth in sales value, items sold, active shops and implied value per item, H1 2026 versus H1 2025

These trends are related. As consumers demand authenticity and reliable service, and as the regulatory and tax environment raises compliance costs, sales shift toward larger, formal sellers. Enforcement has also tightened: more than 13,700 shops were removed from platforms in 2025 for selling counterfeit, banned or untraceable products (Asia News Network, 2026) [3]. For household businesses and micro-sellers, the market is becoming more demanding.

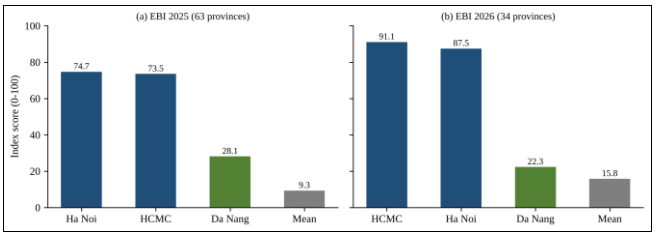
4.6 The spatial dimension

E-commerce development is highly uneven across the country (Table 7, Fig 9). In the EBI 2025, covering 63 provinces before the administrative merger, Hanoi scored 74.7 and Ho Chi Minh City 73.5, compared with 28.1 for third-placed Da Nang and a national average of 9.3 (Vietnam News, 2025) [65]. The top score was eight times the mean. In the EBI 2026, covering the 34 provinces and cities formed after the merger, Ho Chi Minh City scored 91.1 and Hanoi 87.5, against 22.3 for Da Nang and an average of 15.8 (Stockbiz, 2026) [49]. The top-to-mean ratio fell to 5.8, but this partly reflects the merger itself, which combined lagging provinces with stronger neighbours and so raised the average mechanically.

Table 7: Spatial disparities in e-commerce development

Indicator	EBI 2025 (63 provinces)	EBI 2026 (34 provinces)
Highest score	74.7 (Ha Noi)	91.1 (HCMC)
Second	73.5 (HCMC)	87.5 (Ha Noi)
Third	28.1 (Da Nang)	22.3 (Da Nang)
National average	9.3	15.8
Ratio of top score to average	8.0	5.8
Third-placed score as % of top score	37.6%	24.5%
Share of .VN domains in Ha Noi and HCMC	n.a.	63.3% (≈ 22% of population)

Note: Ratios computed by the author.
Sources: Vietnam News (2025) [65]; Stockbiz (2026) [49]; Dai Bieu Nhan Dan (2026a) [16].



Source: Author, based on VECOM data reported in Vietnam News (2025) [65] and Stockbiz (2026) [49].

Fig 9: Vietnam E-Business Index: the two leading cities versus the rest

The gap between the two megacities and the next tier is widening rather than narrowing: Da Nang's score fell from 37.6% to 24.5% of the top score. Hanoi and Ho Chi Minh City account for 63.3% of the country's .VN domain names while being home to about 22% of the population (Stockbiz, 2026) [49]. Most specialised e-commerce training is also concentrated there. VECOM has noted that the target of balancing e-commerce transactions 50–50 between the two cities and the rest of the country by 2025 was not achieved (Dai Bieu Nhan Dan, 2026a) [16]. On the demand side, rural consumers have joined the market in large numbers, but on the supply side, sellers, services and skills remain concentrated in the two largest cities.

4.7 Payments, logistics and cross-border trade

Payment infrastructure has ceased to be a major barrier. QR-code payments more than doubled in both number and value in 2025 (Vietnam News, 2026b) [67], and about 87% of adults had a bank account (VietNamNet, 2025c) [74]. Cash on delivery remains common in e-commerce, but its role is gradually shrinking as platforms integrate e-wallets and bank transfers.

Logistics is now the more pressing constraint. Delivery volumes have surged, and consumers and sellers report concerns about speed, damage and returns (Tuoi Tre News, 2025b) [57]. The sector is also consolidating: Ninja Van suspended its express delivery operations in Vietnam (VOV, 2025) [85]. Rising logistics and platform costs were highlighted as a key pressure on merchants in 2026 (Vietnam News, 2026a) [66].

Cross-border trade raises particular policy questions (Table 8). In 2024, Vietnam's online exports of goods were about US$1.7 billion and online imports about US$2.4 billion, a deficit of about US$0.7 billion (Tap chi Cong Thuong, 2025) [50]. Industry estimates put cross-border sales at about 10% of e-commerce (Inside Retail, 2024) [29], and up to five million low-value parcels a day were reported to enter Vietnam from China through e-commerce channels (Tuoi Tre News, 2025a) [56]. E-commerce exports were estimated to grow strongly in 2025, to nearly US$2 billion (The Star, 2025) [54].

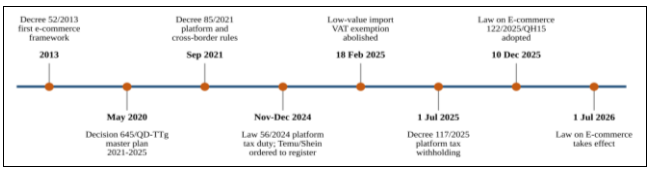
Table 8: Cross-border e-commerce: flows and policy responses

Item	Detail	Date
Online goods exports / imports	US$1.7 bn / US$2.4 bn	2024
Low-value parcels from China	Up to 5 million a day	2025
Temu and Shein	Ordered to halt operations until registered with MoIT; Vietnamese app suspended	Nov–Dec 2024
VAT and import duty exemption for goods under VND 1 million via express delivery	Abolished (exemption originally from 2010)	18 Feb 2025
Automated VAT collection on low-value express imports	Introduced by customs	1 Aug 2025
Proposed reduction of import duty exemption threshold	From VND 1 million to VND 100,000 per shipment	Proposal, 2026
Law on E-commerce, Article 27	Registration and local presence obligations for foreign platforms	Effective 1 Jul 2026

Sources: Tap chi Cong Thuong (2025) [50]; Tuoi Tre News (2025a) [56]; The Investor (2024, 2025b) [51, 53]; Inside Retail (2024) [29]; Vietnam News (2026c) [68]; Conventus Law (2026) [14].

4.8 The legal and fiscal framework

Vietnam's e-commerce regulation has evolved from a decree-based framework to a statutory one (Fig 10, Table 9). Decree 52/2013/ND-CP was the first comprehensive framework for e-commerce. Decree 85/2021/ND-CP extended it to platforms and cross-border activity. The national master plan for 2021–2025, approved by Decision 645/QD-TTg in 2020, set quantitative targets. Between late 2024 and mid-2026, the pace of reform accelerated sharply.



Source: Author.

Fig 10: Milestones in e-commerce regulation, 2013–2026

On the fiscal side, the amendments to tax laws under Law 56/2024/QH15, effective 1 April 2025, made e-commerce platforms with a payment function responsible for withholding and paying taxes on behalf of household and individual sellers (MISA, 2025) [41]. Decree 117/2025/ND-CP, issued on 9 June 2025 and effective 1 July 2025, set out the procedures, covering both domestic and foreign platforms (EY Vietnam, 2025) [21]. In practice, platforms deduct value-added tax and personal income tax from each seller's revenue at the rates applicable to household businesses, for example 1% VAT and 0.5% personal income tax on the distribution of goods. This shifted tax collection from millions of small sellers to a handful of platforms that already hold the transaction data, in line with the international trend described by the OECD (2019b) [44].

Table 9: Main changes introduced by the Law on E-commerce 2025 compared with the previous framework

Area	Before (Decrees 52/2013 and 85/2021)	Law on E-commerce No. 122/2025/QH15
Legal level	Government decrees	Statute passed by the National Assembly (444 of 446 votes), 7 chapters and 41 articles
Platform types	Focus on websites and marketplaces	Covers intermediary platforms, social networks engaged in e-commerce and integrated platforms
Seller identification	Registration information, limited verification	Identification of sellers through the national VNeID system for domestic sellers; documentation for foreign sellers
Livestream and social selling	Not specifically regulated	Clarified obligations for social media commerce and livestream sales
Cross-border platforms	Registration thresholds (Vietnamese domain, language or > 100,000 transactions a year)	Dedicated article on cross-border e-commerce; registration and local presence obligations
Content and takedown	Limited	Platforms must remove illegal content at the request of competent authorities
Effective date	2013; 2021	1 July 2026

Sources: MoIT (2025b) [40]; Bao Chinh Phu (2025b) [6]; Legal500 (2026) [36]; Duane Morris (2026) [20]; Conventus Law (2026) [14]; LuatVietnam (2026) [38]; The Investor (2024) [51].

The new law has several aims: to trace sellers and limit counterfeits and intellectual property violations, to enable tax authorities to identify taxable activity, to regulate social and livestream commerce that had grown outside the scope of the old decrees, and to place cross-border platforms on an equal footing with domestic ones (Bao Chinh Phu, 2025b; Conventus Law, 2026) [6, 14]. Taken together with the tax reforms, it marks a shift from a policy of "promotion first" to one of "orderly growth".

The early evidence suggests that the market has absorbed these changes without losing momentum. Sales grew by more than 40% in the first half of 2026, even with higher fees and stricter rules (China Briefing, 2026) [13]. Industry commentators argue that the tax decrees pushed out much of the grey-market cross-border selling that had undercut domestic sellers (ACN Newswire, 2026) [1]. However, the formalisation also raises entry costs for the smallest sellers and contributes to the consolidation described in Section 4.5.

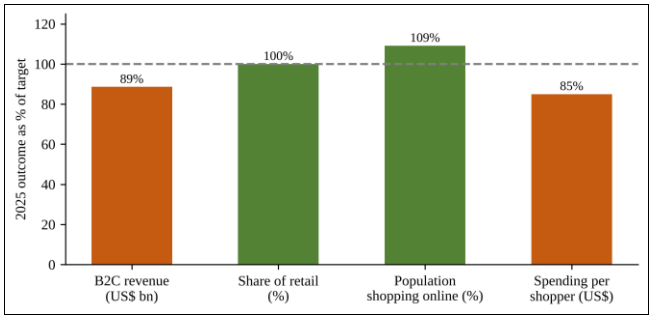
4.9 Targets achieved and the road to 2030

Table 10 and Fig 11 compare the 2025 outcomes with the targets of the national e-commerce master plan for 2021–2025, which aimed for B2C revenue of US$35 billion, a 10% share of retail sales, 55% of the population shopping online and average annual spending of US$600 per shopper (iDEA, 2020) [28].

Table 10: Achievement of the 2021–2025 e-commerce master plan targets

Target (Decision 645/QD-TTg)	Target for 2025	Outcome in 2025	Achievement (%)
B2C revenue	US$35 bn	≈ US$31 bn	≈ 89
Share of total retail sales	10%	≈ 10%	≈ 100
Share of population shopping online	55%	≈ 60%	≈ 109
Average annual spending per shopper	US$600	≈ US$510 (author's estimate)	≈ 85
Balance of transactions between Ha Noi/HCMC and other localities	50/50	Not achieved	n.a.

Note: Spending per shopper estimated by the author as US$31 billion divided by about 61 million online shoppers (60% of a population of about 101.7 million).
Sources: iDEA (2020) [28]; SGGP (2025) [47]; China Briefing (2026) [13]; Dai Bieu Nhan Dan (2026a) [16]; author's calculations.

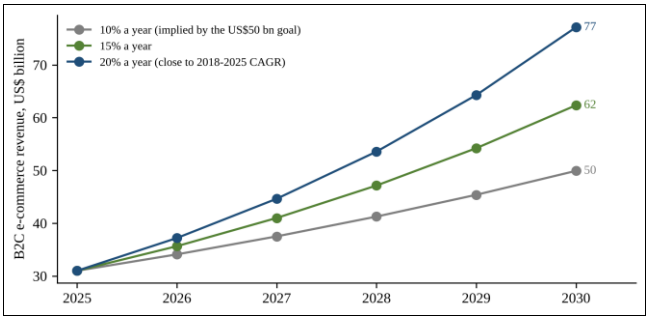


Source: Author's calculations.

Fig 11: 2025 outcomes as a percentage of master-plan targets

The record is mixed but respectable. Adoption targets were met or exceeded: about 60% of the population shops online, above the 55% target, and the share of retail sales reached about 10%. Value targets were missed by 11–15%: revenue reached about 89% of the target and spending per shopper about 85%. The distributional target of balancing transactions between the two largest cities and the rest of the country was not met.

For 2030, MoIT expects the market to reach about US$50 billion (Bao Chinh Phu, 2025a) [5]. Fig 12 shows what different growth rates would imply. Growth of 10% a year from US$31 billion in 2025 would produce about US$50 billion in 2030; 15% would produce about US$62 billion, and 20%, close to the 2018–2025 average, about US$77 billion. The US$50 billion goal therefore implies a slowdown to about 10% a year, half the historical pace. e-Conomy SEA projects e-commerce GMV of US$61 billion in 2030 (VietNamNet, 2026a) [75], and other projections assume continued growth of about 20% a year (Hanoi Times, 2026) [26]. The official target appears conservative, which leaves room either to raise it or to shift attention toward qualitative goals such as regional balance, seller inclusion and exports.



Source: Author's calculations.

Fig 12: B2C e-commerce revenue to 2030 under alternative growth scenarios

4.10 Vietnam's position in Southeast Asia

Regional data help put these findings in perspective (Table 11). According to Momentum Works, marketplace GMV across Southeast Asia reached US$128.4 billion in 2024, up 12%, with the region processing an average of 43.6 million online orders a day (Bao Chinh Phu, 2025c) [7]. Indonesia remained by far the largest market at US$56.5 billion, or 44% of the regional total, but its growth slowed to about 5% amid platform mergers. Thailand followed with US$23.5 billion, and Vietnam and the Philippines each recorded about US$16 billion, ahead of Malaysia at US$11.5 billion (VnExpress, 2025b) [81].

Table 11: Marketplace GMV in Southeast Asia, 2024

Country	Marketplace GMV 2024 (US$ bn)	Share of regional total (%)	Note
Indonesia	56.5	44	Growth slowed to about 5%
Thailand	23.5	18	
Viet Nam	16.0	12	Shopee 65%, TikTok Shop 28%, Lazada 6%, Tiki 1%
Philippines	16.0	12	
Malaysia	11.5	9	
Southeast Asia (total)	128.4	100	Includes Singapore

Note: Shares computed by the author; they do not add to 100 because Singapore is not shown separately.
Sources: Momentum Works data reported in VnExpress (2025b) [81] and Bao Chinh Phu (2025c) [7].

Three comparisons are instructive. In scale, Vietnam is a middle-sized market, about 28% the size of Indonesia's marketplace sector. In growth, it is among the leaders: the e-Conomy SEA 2026 report expects Vietnam's e-commerce GMV to grow 22% in 2026, the fastest in the region, compared with a regional e-commerce market that reached about US$185 billion in GMV in 2025 with growth of about 16% (Bain & Company, 2025; VietNamNet, 2026a) [4, 75]. In structure, Vietnam stands out for the speed of TikTok Shop's rise. Across the region, Shopee remains the leader,

but the e-Conomy SEA and industry reports note that the gap with TikTok Shop is narrowest in Vietnam, where TikTok Shop holds more than 40% of the market (KrASIA, 2026) [34].

These comparisons suggest that Vietnam is not simply following the regional pattern but, in some respects, leading it. Its consumers moved to video commerce earlier and more completely than consumers in larger markets, and its regulatory response, combining platform tax withholding, seller identification and a dedicated e-commerce law, is among the most comprehensive in the region. Vietnam may therefore serve as an early indicator of how platform competition and regulation will evolve elsewhere in Southeast Asia.

5. Discussion

5.1 Growth with consolidation

The results describe a market that is growing fast while consolidating on every side. On the platform side, two firms control almost the entire marketplace channel. On the seller side, official stores that make up less than 4% of shops earn more than a third of sales, and the number of active shops fell in 2025 even as sales rose by a third. On the demand side, growth now comes more from higher spending per consumer than from new consumers. And spatially, sellers, services and skills are concentrated in Hanoi and Ho Chi Minh City.

This combination is consistent with the economics of platforms. Network effects and data advantages favour scale, and as consumers become more experienced, they reward reliability and authenticity, which favours established brands. Formalisation through tax withholding and seller identification adds fixed compliance costs that weigh more heavily on small sellers. Each of these forces is reasonable on its own. Together they point toward a market in which the gains from e-commerce accrue increasingly to large platforms and large sellers.

5.2 Concentration is not the same as lack of competition

The second finding qualifies the first. Measured by the HHI, Vietnam's marketplace sector has been highly concentrated throughout 2024–2026. Yet market leadership has changed faster than in almost any other large e-commerce market in the region. A challenger rose from under a quarter of the market to near parity with the incumbent in about two and a half years, and two established platforms lost almost all their share. This is not the picture of an entrenched monopoly.

The explanation lies in adjacent entry and low switching costs. TikTok Shop did not have to build a user base; it converted viewers into buyers. Consumers multi-home easily between apps on their phones. Sellers also multi-home, listing on both platforms. Under these conditions, the market behaves like a contestable duopoly in which concentration is high but the threat of displacement is real (Baumol *et al*., 1982; Cennamo & Santaló, 2013) [9, 11].

This has implications for competition policy. Static concentration measures alone would suggest intervention, but the evidence of rapid share shifts suggests that the market remains contestable on the consumer side. The more relevant risk lies on the seller side. When two platforms together account for almost all marketplace sales, sellers have limited alternatives if both raise fees or change rules. Competition authorities should therefore focus less on market shares and more on platform conduct toward sellers: fee changes, ranking and self-preferencing, data access and the terms of exclusive promotions.

5.3 Premiumisation and the changing role of e-commerce

The value-volume analysis shows that the average value per item rose by about 27% in a single year. Combined with the growth of Mall stores and of products above VND 1 million, this suggests that e-commerce in Vietnam is moving beyond its origins as a channel for cheap, small items. It is becoming a mainstream retail channel for branded goods, electronics and fashion. That transition brings Vietnam closer to more mature markets, where online retail competes directly with modern offline formats.

It also changes the inclusion question. In the early phase, e-commerce lowered entry barriers for micro-sellers and household businesses, many of them outside the two largest cities. Evidence from China shows that such access can raise incomes in rural areas, although the gains are concentrated among those able to sell rather than only buy (Couture *et al*., 2021) [15]. In Vietnam's current phase, the barriers to selling successfully are rising: content production for livestreams, compliance with tax and identification rules, logistics standards and advertising spending. Without targeted support, the benefits of e-commerce for small rural producers may narrow even as rural consumers buy more.

5.4 Regulation as a driver of market structure

The fourth finding is that regulation has become a driver of market structure. The registration requirements for cross-border platforms in late 2024, the abolition of the low-value import exemption in February 2025, tax withholding by platforms from July 2025 and the Law on E-commerce from July 2026 have together changed the rules of the game. They have narrowed the cost advantage of cross-border sellers, raised the cost of informality and increased platform responsibility for the behaviour of sellers.

So far, these reforms have not slowed growth; sales in the first half of 2026 grew faster than in 2025. They have, however, accelerated the shift toward formal and larger sellers. This is an acceptable trade-off if it improves consumer protection and tax fairness, but it should be accompanied by measures that lower compliance costs for small sellers. The experience of other countries that made platforms responsible for VAT collection shows that clear, simple rules and digital tools for small sellers are essential to avoid pushing them back into informal social-media selling outside the regulated platforms (OECD, 2019b) [44].

5.5 SWOT synthesis

Table 12 summarises the findings.

Table 12: SWOT assessment of Vietnam's e-commerce market, 2026

Strengths	Weaknesses
B2C revenue CAGR of 21.2% over 2018–2025; about 10% of retail sales	Very high platform concentration (HHI about 4,850); limited seller bargaining power
About 60% of the population shops online; four purchases a month on average	Tens of thousands of inactive shops; rising costs for small sellers
Leading regional market for video commerce; strong mobile and payment infrastructure	Wide gap between Ha Noi/HCMC and other localities; 50/50 target missed
Comprehensive legal framework from 2026	Online trade deficit; dependence on foreign-owned platforms

Opportunities	Threats
Premiumisation and rising spending per shopper	Platform fee increases and changes in rules imposed on sellers
Cross-border e-commerce exports for Vietnamese products	Continued inflow of low-value imports competing with domestic producers
Tax withholding and VNeID identification improve trust and fairness	Compliance costs pushing micro-sellers into unregulated channels
AI-driven recommendations and Vietnamese-language content	Counterfeits, data breaches and logistics failures eroding trust

Source: Author's synthesis.

Table 13: Policy matrix for Vietnam's e-commerce market

Issue	Evidence from this study	Proposed measures	Lead institutions
Platform power over sellers	HHI about 4,850; two platforms hold about 98% of marketplace sales	Transparency rules on fees, ranking and delisting; advance notice of rule changes; complaint mechanisms for sellers; monitoring by the competition authority	MoIT (iDEA), National Competition Commission
Exclusion of small sellers	Active shops fell 7.4% in 2025; Mall stores earn 10–12 times the average	Simplified tax procedures and pre-filled declarations; free training on livestream selling and compliance; shared fulfilment services for micro-sellers	MoIT, Ministry of Finance (Tax Department), provinces
Regional imbalance	Top EBI score about six times the average; 63% of .VN domains in two cities	Provincial e-commerce programmes linked to OCOP and local specialities; regional fulfilment centres; e-commerce training in provincial universities and vocational schools	Provinces, MoIT, Ministry of Education and Training
Cross-border competition	Online imports exceed exports; up to 5 million low-value parcels a day	Consistent enforcement of VAT and registration; risk-based customs controls; support for Vietnamese sellers on global platforms	Ministry of Finance (Customs), MoIT
Consumer protection	13,700 shops removed in 2025; consumers demand stricter logistics standards	Effective implementation of VNeID seller identification; fast-track dispute resolution; service standards for delivery partners	MoIT, Ministry of Public Security
Measurement	Estimates range from US$16 bn to US$38.5 bn	Official publication of a consistent series with defined scope; platform data reporting under the new law; separate statistics for social commerce	National Statistics Office, MoIT

Source: Author.

6. Policy implications

Above Table 13 links the main findings to policy measures.

Two priorities stand out. The first is to make the new legal framework work for small sellers. The Law on E-commerce and Decree 117/2025 shift responsibility to platforms, which is efficient for tax collection and traceability. The authorities should use the data that platforms now hold to make compliance simpler for small sellers, for example through automatic calculation and pre-filled declarations, rather than adding separate reporting obligations.

The second is to move the policy target from size to distribution and value. With adoption targets met and the market growing faster than the official 2030 goal implies, further quantitative targets for B2C revenue add little. More useful targets for 2026–2030 would address the share of sales by sellers outside the two largest cities, the value of e-commerce exports of Vietnamese products, the share of small sellers that remain active over time and consumer complaint resolution rates.

7. Conclusion

This paper has analysed the current state of Vietnam's e-commerce market between 2018 and 2026. The market has grown at more than 20% a year and reached about 10% of retail sales. The analysis shows that this growth has been accompanied by consolidation on every side: two platforms dominate the marketplace channel, official stores capture a growing share of sales, spending per consumer now drives growth more than new users, and the two largest cities dominate the supply side. At the same time, the platform market remains contestable, as TikTok Shop's rapid rise shows. A wave of regulatory reform between 2024 and 2026 has re-ordered the market toward formality and traceability without slowing its growth.

The study has limitations. It relies on secondary data, and the platform trackers it uses observe only the four main marketplaces. The concentration analysis covers marketplace sales, not the whole e-commerce market, and the HHI would be lower if social commerce outside the marketplaces and brand websites were included. The analysis is descriptive and does not establish causal links between specific reforms and market outcomes. Future research could use seller-level data to examine who exits and who grows after the tax reforms, assess the effects of the Law on E-commerce once data after July 2026 are available, and measure the welfare effects of platform competition for consumers and sellers.

Vietnam's e-commerce has passed its adoption phase. The next phase will be judged less by how much is sold online than by who sells, from where, and on what terms.

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Data availability: All data are publicly available from the sources cited. Calculations are available from the author on request.

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