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MANAGEMENT

Internationalization of Born-Digital Firms: A Multi-Case Study of Indonesian Tech Unicorns

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ABSTRACT

Purpose: This study investigates the mechanisms through which born-digital firms and technology companies enter international markets, utilizing the theoretical framework of the Uppsala internationalization model.

Method: A qualitative multi-case study methodology was employed, incorporating secondary data sourced from corporate reports, industry news, and academic literature to analyze market entry modes, internationalization process strategies, and motivations for foreign market engagement.

Result: The findings indicate that fintech companies such as Xendit and Kredivo adopt more cautious, regulation-driven strategies, often engaging in strategic partnerships and joint ventures. In contrast, digital firms like Gojek and Traveloka are inclined to pursue rapid and high-commitment internationalization through a combination of virtual presence and subsidiary offices. The study underscores the continued significance of psychic distance, as all firms initially expand into Southeast Asian markets that are geographically and culturally proximate.

Practical Implications for Economic Growth and Development: The findings provide valuable insights for management regarding strategic decision-making in the internationalization process, highlighting the necessity for entry modes to be tailored to sector-specific contexts. The empirical results further demonstrate that successful internationalization requires a dual strategy that integrates virtual presence with localized approaches.

Originality/Value: This study contributes to the existing literature by illustrating how born-digital firms are redefining traditional internationalization pathways, with particular emphasis on the roles of digital infrastructure, regulatory adaptation, and ecosystem integration in their foreign expansion endeavors.

Keywords: *Born Digital Firms, Internationalization, Uppsala Model, Virtual Presence*

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INTRODUCTION

The advent of digital technologies has significantly altered the dynamics of International Business (IB) by enabling firms to operate across borders with unprecedented ease. Digital technologies facilitate both established and nascent firms in their international expansion by allowing them to seize opportunities with reduced financial burdens and risks typically associated with traditional foreign investments, owing to scalable platforms and robust digital infrastructure (Brouthers et al., 2022). According to the United Nations Conference on Trade and Development (UNCTAD, 2017), digitalization is not only transforming businesses in technologically advanced countries but is also fostering entrepreneurial ventures and expansion in developing nations, enabling them to close the developmental gap. In recent years, Indonesia, as a developing country, has experienced a substantial transformation in digital technology. The rapid increase in internet users, bolstered by advancements in technological infrastructure, has propelled the growth of various digital platforms (Badan Pusat Statistik, 2022). This development positions Indonesia at the forefront of Southeast Asia's digital economy, contributing to domestic innovation and enhancing the region's global digital footprint.

Given the diversity of digital firms, this study specifically examines digital platform providers that offer services capable of radically disrupting industries and transforming existing business models (Evans & Schmalensee, 2016; Watanabe et al., 2016). These digital firms are established on a foundation of digital infrastructure from inception, with their core activities inherently reliant on digital formats. Therefore, a digital firm will be defined as an entity that fully integrates digital technology into its production, operations, and product delivery from its outset (Monaghan et al., 2020). Furthermore, these firms are characterized by rapid international expansion and growth, which instigates fundamental changes within traditional firms and industries (Stallkamp & Schotter, 2021; Drori et al., 2024). Additionally, digital firms are often associated with the concept of being "global by default," due to their ability to scale internationally through the utilization of digital channels, which marks a distinct departure from traditional Multinational Enterprises (MNEs) (Birkinshaw, 2022). This raises an important question regarding their characteristics: do digital firms adhere to the same internationalization processes as traditional MNEs?

Historically, International Business (IB) theory has examined various international strategies, including location choice, speed of internationalization, entry mode selection, and knowledge transfer. Johanson and Vahlne (1990) conducted a seminal study on a firm's internationalization, emphasizing the progressive acquisition, integration, and application of knowledge regarding foreign markets and operations, which enables firms to incrementally increase their commitments. The premise is that firms acquire market information through experiential learning derived from existing business activities, subsequently leveraging this experiential market knowledge to identify business opportunities, thereby expediting their internationalization process and mitigating uncertainty. Subsequent research has corroborated the incremental nature of the internationalization process. Cavusgil (1984) proposed a five-stage model of international engagement, encompassing pre-involvement, reactive/opportunistic, experimental, active, and committed involvement, which elucidates how firms' strategic orientations and managerial attitudes evolve as they accumulate global experience. Similarly, Thomas and Araujo (1985) underscored the significance of managerial learning in international expansion, asserting that managers' behaviors regarding innovation adoption and their perceptions are shaped by their firms' engagements in overseas markets. Research by Calof and Viviers (1995) and Lau (1992) further affirmed the traditional perspective of incremental internationalization, yielding notable findings that suggest differences in internationalization strategies between small and large firms.

Nevertheless, more contemporary studies indicate that firms may diverge from this established pattern (Autio & Zander, 2016). Bhatti et al. (2022) revealed that digital firms tend to expand more rapidly and broadly by establishing multiple marketplaces without adhering to the gradual accumulation process typical of traditional firms. These entities are capable of positioning products and markets swiftly (Hennart, 2014; Autio, 2017) and employ adaptations such as language translation (Mahnke & Venzin, 2003) to navigate barriers. Digital firms leverage online platforms or marketplaces to achieve rapid internationalization characterized by high levels of digitalization (Shaheer & Li, 2020) and utilize significant digital capabilities to coordinate value chain activities (Hazarbassanova, 2016). Born-digital firms are predisposed to pursue unconventional entry strategies, including virtual presence and managed ecosystems (Brouthers et al., 2022). A virtual presence denotes entry into an international market solely through digital means, without establishing a physical footprint (Nambisan, 2022). Conversely, a managed ecosystem involves providing digital infrastructure and creating a global platform for value creation and collaboration (Brouthers et al., 2022). In contrast, traditional Multinational Enterprises (MNEs) typically adhere to conventional entry strategies, such as exports, licensing, or foreign direct investment (FDI), to facilitate their internationalization (Yang et al., 2025). Nonetheless, digital firms do not entirely eschew traditional methodologies; they may still establish subsidiaries or pursue FDI for specific objectives, such as accessing complementary local resources or enhancing their physical presence in critical markets (Stallkamp & Schotter, 2021).

The study makes a significant contribution by investigating the internationalization stage of Indonesia-born digital firms, a topic that remains underexplored in the international business literature, particularly from the perspective of emerging markets. Furthermore, the research offers empirical insights into how born-digital firms can circumvent the conventional gradual internationalization process articulated by Johanson and Vahlne (1990), introducing a digital dimension and revealing new emerging patterns that have not been captured by existing traditional theories.

Born-digital firms are characterized by their foundational reliance on digital technologies from inception (Stallkamp & Schotter, 2021; Monaghan et al., 2020) and their integration into a digital ecosystem that fosters open innovation and co-development through loosely coupled partnerships (Nambisan, 2017; Yoo et al., 2010). This approach enhances their capacity for innovation and responsiveness in the international market (Nambisan, 2017). Another defining feature is their "lean internationalization" process (Autio & Zander, 2016), as these firms operate in an asset-light manner (Parente et al., 2018) and do not require ownership of substantial physical assets (UNCTAD, 2017), distinguishing them from traditional brick-and-mortar enterprises.

This study aims to enhance the internationalization framework by integrating the characteristics of born-digital firms to further develop the theoretical discourse. The primary objective of this research is to investigate the internationalization framework of Indonesian born-digital firms, with particular emphasis on early-stage expansion through the lens of Uppsala Internationalization Theory. Specifically, this study seeks to address the following research question: How do Indonesian born-digital firms navigate the internationalization process?

METHOD

The present study employs a qualitative research methodology that adheres to an inductive and interpretive framework as established by Eisenhardt (1989) and Yin (2013), and it utilizes a multi-case study approach. This exploratory research aims to generate novel insights into the internationalization processes of born-digital firms, particularly focusing on how these firms expand in light of their inherent "global by default" characteristics. The study incorporates the Uppsala Model to elucidate the role of experiential knowledge and the sequential nature of international expansion. Rather than testing specific hypotheses, the research seeks to develop explanations and enhance theoretical understanding through an analysis of case studies.

The investigation relies on secondary data, which were collected through a comprehensive examination of online news articles, annual reports, international databases, published academic research, and insights from scholarly studies (e.g., Monaghan et al., 2020; Stallkamp & Schotter, 2021). To discern international growth patterns, the research employed a multi-case study approach (Eisenhardt, 1989). Multiple sources were utilized to cross-verify the accuracy of the data, thereby enhancing its reliability. However, the generalizability of the findings is acknowledged to be limited. Consequently, the results should be interpreted as exploratory (Yin, 2013), with the intention of formulating propositions or hypotheses regarding the internationalization of born-digital enterprises from emerging economies, rather than providing definitive falsifications of existing theories.

The present study examines born-digital enterprises in Indonesia. With a population exceeding 280 million, Indonesia ranks among the most populous nations globally, offering significant opportunities for the expansion and transformation of digital firms. In 2018, the digital economy contributed $56.4 billion to Indonesia's GDP and generated approximately 5.7 million new jobs (INDEF & LDP, 2019), underscoring its socioeconomic significance. Despite facing global socioeconomic challenges, Indonesia has demonstrated resilience and growth in its digital economy (Fauziah & Kori, 2024).

The criteria for the case study are as follows: First, the firms must be Indonesian and born-digital since their inception. Second, the firms must have attained a unicorn valuation (exceeding US$ 1 billion). Lastly, the firms must have pursued international expansion. Based on these criteria, four firms were selected for the study: Gojek (ride-hailing), Traveloka (online travel agency), Xendit (financial technology), and Kredivo (financial technology). All four entities are digital-native businesses that utilize internet-based platforms to deliver essential services, such as ride-hailing, digital payments, trip booking, and buy-now-pay-later financing. Each firm was established post-2010, with Gojek and Traveloka launching in the early 2010s and Xendit and Kredivo emerging in the mid-2010s. All firms have actively pursued global expansion, primarily within Southeast Asia, and are prominent players in Indonesia's digital economy. Given that all selected firms are Indonesian, the availability of data is notably high.

RESULT AND DISCUSSION

Profile of Selected Indonesian Born-Digital Unicorns

Table 1 presents the profiles of the born-digital firms analyzed in this study, utilizing data sourced from PitchBook. The table encompasses details regarding each firm's sector classification, market valuation, total employee count, and the range of products or services offered. Notably, among the firms examined, Gojek ranks as the largest in terms of both market valuation and total workforce, and it also represents the oldest born-digital firm within the sample. In recent years, the rapid expansion of financial technology in Indonesia has facilitated the emergence of two fintech companies that have experienced significant growth over the past six to seven years, ultimately attaining unicorn status.

Table 1. Company Profile

Company	Year	Industry	Valuation (USD)	Total Employee	Products/ Services
Gojek	2010	Super App (Ride-hailing, Delivery, Payment)	±$10 Billion	4,778	GoRide, GoCar, GoFood, GoSend, GoPay
Traveloka	2012	Online Travel Agency (OTA)	±$3 Billion	3,222	Flight & Hotel Booking, Travel Packages, Financial Services
Xendit	2015	Fintech (Digital Payments)	± $1 Billion	630	Payment Gateway, Payouts, Remittance, Cross-Border Payments

Company	Year	Industry	Valuation (USD)	Total Employee	Products/ Services
Kredivo	2016	Fintech (Digital Credit, BNPL)	± $2.4 Billion	1,864	PayLater, Bill Payment, Personal Loans

Source: PitchBook Data Inc (2024)

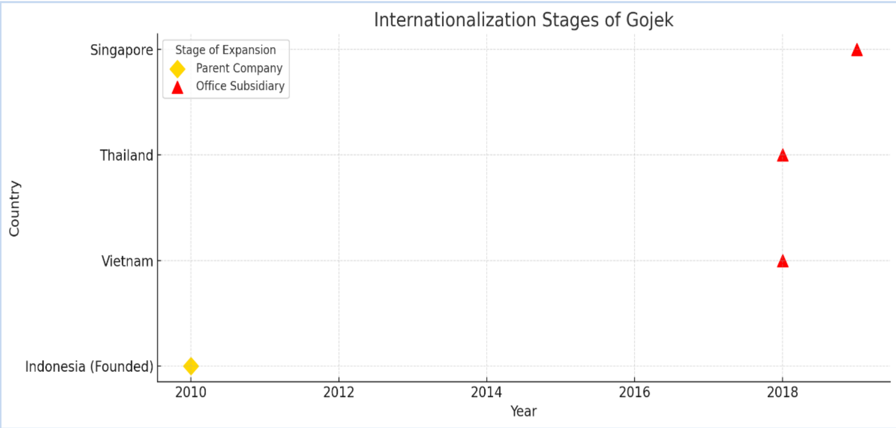
Internationalization Stages of Gojek

Gojek commenced its international expansion in 2018 primarily as a strategic response to increasing regional competition, particularly following Grab's acquisition of Uber's Southeast Asian operations. This development reinforced Grab's market dominance and highlighted the imperative for Gojek to preserve its regional relevance and counteract Grab's expanding ecosystem. With an allocated budget of US$500 million for expansion, Gojek directed its focus toward significant Southeast Asian markets. Its inaugural international foray occurred in Vietnam on August 1, 2018, through a wholly-owned subsidiary established in Ho Chi Minh City. The company engaged with local leadership and appointed Nguyen Vu Duc as Chief Operating Officer to facilitate market adaptation and regulatory compliance, operating under the localized brand name "Go-Viet." Initially, Gojek concentrated on motorbike ride-hailing (GoRide) and delivery services (GoSend), subsequently broadening its offerings to include car ride-hailing (GoCar) in 2022. In the same year, Gojek also established a strategic partnership that integrated MoMo, a Vietnamese e-wallet, into the Gojek app in Vietnam. This collaboration enabled Gojek to leverage MoMo's ecosystem of over 31 million users and address the increasing demand for contactless payment solutions, particularly during the COVID-19 pandemic (Gojek, 2024). Gojek operated in Hanoi and Ho Chi Minh City, which collectively have a population of 20 million.

In December 2018, Gojek initiated its expansion into the Thai market by launching under the brand "GET." Pinya Nittayakasetwat was appointed as the CEO of the Thai subsidiary, tasked with overseeing the local team based in Bangkok. GET provided a range of services, including motorbike ride-hailing (GET WIN), food delivery (GET Food), and logistics services (GET Delivery) (Ellis Tech Asia, 2019). Historically, Thailand has demonstrated a robust market for food delivery and review platforms. Gojek further enhanced its market presence by partnering with Line Messenger, one of the most widely used applications in Thailand (Freishclad, KrAsia, 2018). GET established connections with over 50,000 drivers and 30,000 merchants in Bangkok. Additionally, Gojek introduced GetPay, an e-wallet function, through strategic partnerships with local banks such as Kasikorn Bank and Siam Commercial Bank (Setboonsarng, 2019).

In January 2019, Gojek officially extended its expansion into Singapore by establishing a subsidiary and regional office. The company formed strategic alliances with local enterprises, including DBS Bank for in-app ride booking payments and ComfortDelGro Taxi to bolster its ride-hailing service (GoTaxi), thereby facilitating market adoption. The Singapore office also functioned as Gojek's regional headquarters, coordinating strategic and operational activities. Unlike its approach in other markets, where Gojek transferred its core technology and infrastructure to local teams, the company did not adopt a highly localized branding strategy in Singapore. In addition to establishing subsidiaries, Gojek employed virtual entry modes in its international expansion. The app-based model enabled Gojek to offer services in countries such as Singapore, Vietnam, and Thailand prior to fully establishing local operations. This illustrates Gojek's integration of digital and physical strategies, employing technology for rapid market access while simultaneously investing in local subsidiaries as necessary (Stallkamp & Schotter, 2021).

Figure 1. Internationalization Stages of Gojek

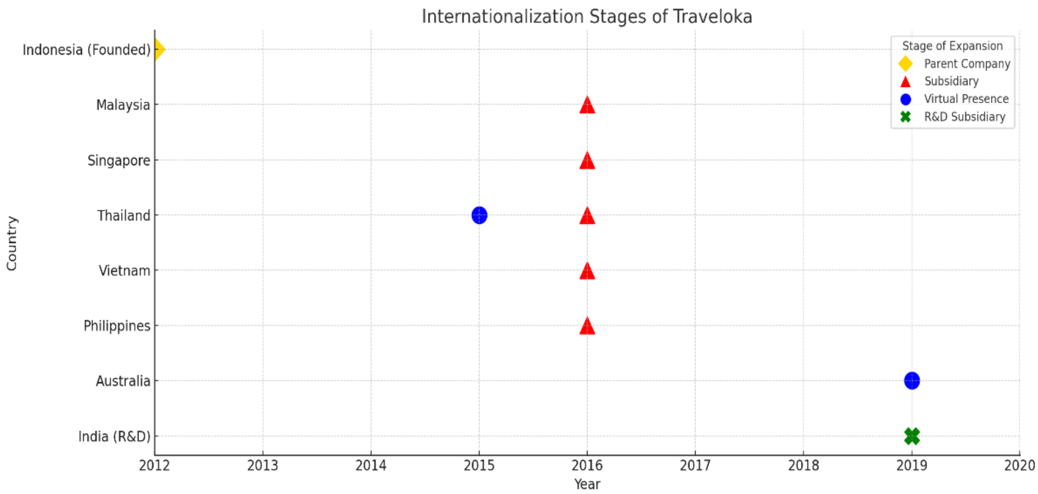


Source: Processed data (2025)

Internationalization Stages of Traveloka

Traveloka's internationalization commenced in 2015 with its entry into the Thai market, achieved without a traditional physical presence. Instead, the company utilized its digital platform to provide services directly to consumers, thereby aligning with a virtual entry mode. In 2016, Traveloka further expanded by establishing subsidiary offices in key Southeast Asian markets, including Thailand, Malaysia, Singapore, Vietnam, and the Philippines, as part of its comprehensive Southeast Asia rollout. While the core services of flight and hotel bookings remained consistent across these markets, notable differences were present, such as the initial exclusivity of train bookings to Indonesia. Furthermore, Traveloka adapted its services to accommodate local languages in each respective market.

Figure 2. Internationalization Stages of Traveloka



Source: Processed data (2025)

In 2019, Traveloka extended its reach beyond Southeast Asia by entering the Australian market, where it offered flight bookings, hotel accommodations, travel packages, and activity services. This expansion was bolstered by a strategic partnership with the Indonesian Ministry of Tourism. In Australia, Traveloka operated solely through its digital infrastructure, maintaining no physical office presence, thereby exemplifying its virtual market entry strategy. That same year, the company also introduced multi-currency payment features, allowing customers to transact in local currencies across various regions. Additionally, Traveloka established a research and development (R&D) subsidiary in Bangalore, India, which plays a pivotal role in supporting the company's technological innovation through advanced infrastructure designed to enhance global team collaboration.

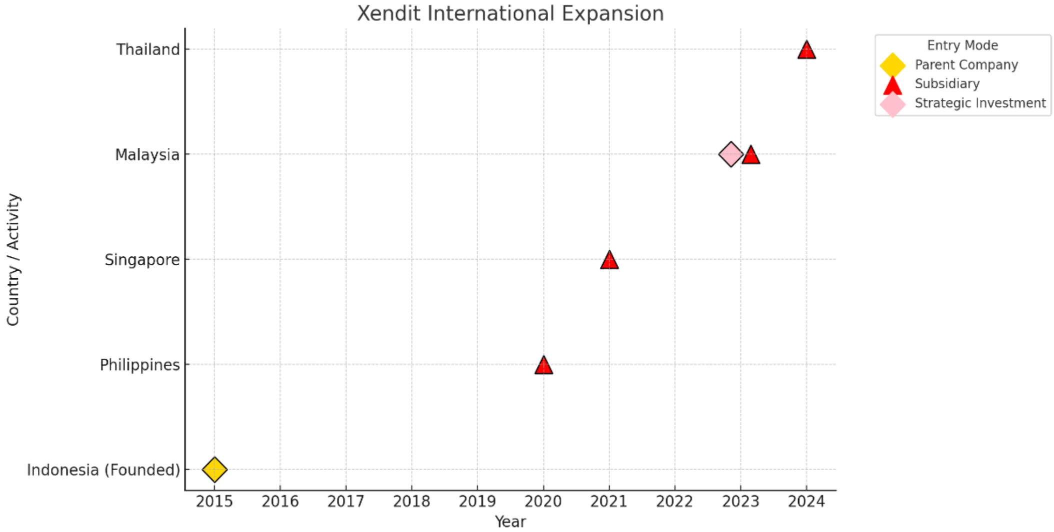
Internationalization Stages of Xendit

Xendit initiated its international expansion in 2020, commencing with the Philippines. The company recognized the distinctive business environment in this region, particularly following a request from one of its major clients, Grab, for a direct debit service—an offering that was previously absent in the local market. In response, Xendit localized its product and introduced a new solution specifically tailored to the needs of the Philippines, exemplifying adaptive innovation. In 2021, Xendit officially launched Xendit Philippines Inc., establishing a wholly owned subsidiary and securing regulatory approval from the Bangko Sentral ng Pilipinas (BSP) as an Operator of Payment System (OPS). By 2023, Xendit broadened its scope by registering XenRemit Inc., thereby entering the remittance and digital asset transfer sectors under a distinct BSP license.

In Malaysia, Xendit established a local subsidiary and made a strategic investment in Payex, a fintech licensed by Bank Negara Malaysia, by 2023. This partnership enabled Xendit to leverage Payex's local regulatory status and network while contributing its regional payment infrastructure and cross-border expertise, thereby accelerating merchant acquisition and market growth. Additionally, Xendit established an office in Singapore in 2021, which serves as a regional hub for cross-border payment services across Southeast Asia. Most recently, in 2024, Xendit expanded into the Thai market by establishing physical operations in Bangkok and appointing Tessa Wijaya, one of Xendit's co-founders, as CEO of Xendit Thailand, thereby reinforcing its commitment to localized leadership and market-specific strategies.

Across all markets, Xendit integrates virtual infrastructure through API-based platform access with localized entry strategies, which include the formation of subsidiaries, regulatory licensing, and strategic partnerships with local firms to attain financial legitimacy and ensure regulatory compliance. The following outlines the stages of internationalization undertaken by Xendit.

Figure 3. Internationalization Stages of Xendit

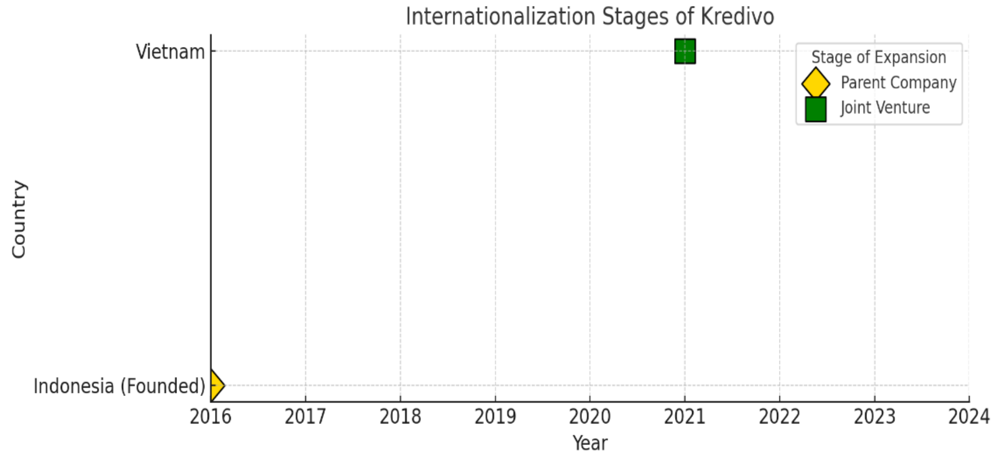


Source: Processed data (2025)

Internationalization Stages of Kredivo

Kredivo commenced its internationalization efforts in 2021 with its entry into the Vietnamese market. Vietnam was chosen due to its low credit card penetration, burgeoning middle class, and demographic parallels with Indonesia. Credit card usage in Vietnam represents only 4.1% of the population, with the majority of transactions still conducted in cash (Pertiwi & Nistanto, 2021). According to the Global E-commerce Trends report by J.P. Morgan (2024), Vietnam's credit card penetration was recorded at a mere 0.11 cards per capita, while the e-commerce market in the country was valued at approximately US$9 billion in 2019. This market is anticipated to experience robust double-digit growth, bolstered by a new generation of digital natives, with approximately 37.9% of the population aged 24 years or younger. The Buy Now, Pay Later (BNPL) sector is also witnessing rapid expansion, with payment volumes projected to increase by at least 137.3%, reaching US$491.3 million in 2020. In light of these opportunities, Kredivo established a joint venture with Phoenix Holdings, a Vietnam-based family investment firm, thereby creating the Kredivo Vietnam Joint Stock Company. The services introduced in this market encompass bill payments, personal loans, and pay-later options. To facilitate local adaptation, the platform was localized in Vietnamese to enhance accessibility and user experience. Additionally, the company has set its sights on expansion into Thailand and the Philippines by 2025.

Figure 4. Internationalization Stages of Kredivo



Source: Processed data (2025)

Table 2. Comparison Table of Born-Digital Internationalization Stages

Company	Year	Market	Entry Mode	Virtual Entry Used	Description
Gojek	2018	Vietnam	Office Subsidiary	Yes	Localized brand (*Go-Viet*), local COO, offered GoRide/GoSend, later GoCar
	2018	Thailand	Office Subsidiary	Yes	Localized brand (*GET*), local CEO, added food/logistics, Line integration
	2019	Singapore	Office Subsidiary	Yes	Less localization, used original brand, strategic partners (DBS, ComfortDelGro)

Company	Year	Market	Entry Mode	Virtual Entry Used	Description
Traveloka	2015	Thailand	No Physical Subsidiary	Yes	No office, Online Travel App (OTA) services via platform, local language
	2016	Thailand	Office Subsidiary	Yes	Local office, OTA platform, local language
	2016	Malaysia	Office Subsidiary	Yes	Local office, services in local language
	2016	Vietnam	Office Subsidiary	Yes	Local office, OTA localized in language
	2016	Philippines	Office Subsidiary	Yes	Local office, OTA platform, local language
	2019	Australia	No Physical Subsidiary	Yes	Fully digital, no office, multi-currency, supported by Indonesia Tourism
	2019	India	R&D Subsidiary	No	No market presence but to support innovation and global team collaboration
Xendit	2020	Philippines	Office Subsidiary	Yes	Localized direct debit product, regulated by BSP
	2021	Singapore	Office Subsidiary	Yes	Regional office.
	2023	Malaysia	Office Subsidiary	Yes	Regional office, API-driven infrastructure
	2023	Malaysia	Strategic Partnership	Yes	Strategic investment in Payex, local license & expansion
	2024	Thailand	Office Subsidiary	Yes	Physical office, local CEO, tailored B2B fintech solutions
	2024	Vietnam	No Physical Subsidiary	Yes	Fully digital, no office, multi-currency, managed by headquarter
Kredivo	2021	Vietnam	Joint Venture	Yes	App localized to Vietnamese, services: BNPL, personal loans, bill payment

Source: Processed data (2025)

Discussion

According to Gojek's internationalization process (see Figure 1), it is evident that Gojek commenced its expansion eight years post-establishment, following its success in the Indonesian market, which occurred two years after achieving unicorn status. Gojek selected the wholly owned subsidiary model as its entry strategy for Vietnam, Thailand, and Singapore, facilitating rapid growth by establishing management offices in these regions. The company completed its international expansion within a mere six months. Rather than initiating its market entry with low or minimal commitments to gain market insights, Gojek opted for a high-commitment strategy through the establishment of subsidiaries. This approach is characteristic of born-digital firms, which typically function with relatively light asset structures that facilitate the replication of their business models across international borders. The subsidiary offices were tasked with managing operations in each host country, led by local management as previously noted. Moreover, this strategy provided Gojek with an opportunity to understand the local market environment, as the company commenced operations in only one or two cities within each host country. Over time, the firm's services evolved, allowing for the formation of strategic partnerships. Gojek strategically selected markets that were geographically and culturally proximate to the Southeast Asian region, where cultural similarities and consumer behaviors contributed to a perceived reduction in uncertainty during market expansions. The increasing demand for ride-hailing and on-demand services further motivated Gojek's entry into these markets. Notably, Gojek's strong brand trust and seamless digital ecosystem in its home country endowed the company with the confidence to replicate its successes in the Southeast Asian market. Gojek recognized that its success was also contingent upon the support of local stakeholders; thus, the company adopted a highly localized strategy for its market expansions. The brand names "Go-Viet" and "GET" were chosen for the Vietnamese and Thai markets, respectively. Additional localization strategies included distinct branding visuals: Go-Viet utilized red and yellow colors, while GET employed yellow, diverging from Gojek's "Green Ranger" identity in Indonesia. The findings underscore the challenges encountered by born-digital enterprises. Despite its swift internationalization, the significance of market knowledge and experiential learning remains paramount for achieving success in foreign markets.

In a parallel examination of Traveloka's internationalization in the Online Travel Agency (OTA) sector, the company initiated its global expansion three years after its founding. Traveloka adopted a rapid internationalization strategy, establishing five office subsidiaries concurrently in Malaysia, Singapore, Thailand, Vietnam, and the Philippines. Notably, the company initially entered the Thai market by establishing a virtual presence, thereby making the application accessible without the establishment of a physical subsidiary. This approach suggests an intention to learn from the market, consistent with the Uppsala model. However, this virtual entry was promptly succeeded by the establishment of a physical subsidiary once Traveloka secured partnerships with at least 33 merchants and airlines across the Southeast Asia region, reflecting a transition to a higher commitment entry mode aligned with the principles of sequential internationalization. Traveloka employs a more centralized strategy, with international operations managed from its headquarters in Indonesia, contrasting with Gojek's highly regionalized and decentralized approach. While Gojek typically targets specific cities within a country upon market entry, Traveloka is capable of servicing broader customer bases since its operations are not contingent upon third-party availability. Nonetheless, Traveloka adopts limited localization primarily through the integration of domestic payment systems and the provision of local language options. Subsequently, Traveloka entered the Australian market, which is geographically and culturally more distant, after acquiring substantial market intelligence in Southeast Asia. This expansion was facilitated by a collaboration with Indonesia's Ministry of Tourism and serves as a strategic gateway to accessing markets characterized by greater psychic distance. In India, Traveloka refrained from establishing consumer-facing services, opting instead to create a research and development subsidiary to foster innovation and technological advancement. The company is currently exploring further expansion opportunities, with Japan identified as a potential new market (Traveloka, 2024).

Conversely, born-digital firms in the fintech sector, such as Xendit and Kredivo, exhibit a preference for a slow and gradual commitment in their internationalization processes rather than pursuing rapid entry into multiple markets. Xendit initiated its international expansion five years post-establishment, employing a high-commitment strategy through wholly owned subsidiaries and targeting countries with closer psychic distance (see Figure 3). Unlike Gojek and Traveloka, which pursued rapid expansion, Xendit has expanded more consistently. In the Malaysian market, a strategic agreement enabled Xendit to circumvent regulatory delays. Given the specific licensing requirements for payment services in Malaysia, partnering with Payex ensured regulatory compliance. Kredivo, the youngest of the four digital firms discussed, has also recently begun its international growth through joint ventures. This strategy indicates that Kredivo will enter markets slowly and cautiously, thereby mitigating risks by leveraging Phoenix Holdings' local expertise and networks. Kredivo has eschewed more aggressive or direct methods of international market entry that other born-digital firms might pursue, opting instead for a collaborative approach prior to assuming full control. The joint venture allows Kredivo to maintain control over its core technology and brand while sharing operational and regulatory risks with its local partner. The relatively prolonged and gradual market entry strategy is attributable to the nature of the financial technology industry, which is heavily regulated in host countries, necessitating caution during market entry.

Consequently, both firms must cultivate alliances or partnerships to establish their presence in international markets.

Interestingly, all four companies analyzed in this study exhibit a tendency to expand into geographically and culturally proximate countries, particularly within Southeast Asia. This observation aligns with the Uppsala model's emphasis on psychic distance, wherein firms select markets that are closer and more familiar as initial targets for expansion (Johanson & Vahlne, 1977). Although born-digital firms possess "asset-light" and "global by default" characteristics, they still require a degree of adaptation when entering foreign markets due to variances in psychic dimensions, including language, market behavior, and regulatory environments. Therefore, selecting countries with close psychic distances enables these firms to accumulate experiential learning prior to venturing into more distant and complex markets. This pattern is particularly evident in Traveloka's internationalization process. Furthermore, the findings indicate that the primary motivation for international expansion among Indonesian born-digital firms is market-seeking, aimed at capturing larger user bases and fulfilling demand in new markets. Southeast Asia, characterized by significant urban growth and increasing digital adoption (Mulia, 2019), has emerged as an attractive target region for Indonesian born-digital firms such as Gojek, Traveloka, and Kredivo.

When Indonesian born-digital firms pursue global expansion, they frequently employ a dual approach, establishing wholly owned subsidiaries while simultaneously entering markets virtually (Hennart, 2014; Autio, 2017). These firms can deliver services across borders via their digital platforms; however, they often necessitate the establishment of a tangible physical presence to secure regulatory approval and gain the trust of customers and stakeholders. This necessity is particularly pronounced in Southeast Asia, where local regulatory frameworks and consumer expectations are often robust. The dual approach enables companies to grow digitally while simultaneously localizing their services through partnerships and operational offices. Born-digital firms such as Gojek, Traveloka, Xendit, and Kredivo exemplify this strategy by offering digital services while concurrently expanding their physical operations. Thus, while establishing a physical presence ensures long-term integration and compliance with legal frameworks, entering new international markets through virtual modalities creates an initial point of contact that facilitates exploration and entry. The dual strategy underscores that virtual entry is a critical component of internationalization rather than a distinct method of market entry, affirming its practicality within the contemporary marketplace.

CONCLUSION

The purpose of this study is to examine and explore the internationalization framework of Indonesian born-digital firms, with a particular emphasis on early-stage expansion through the lens of Uppsala Internationalization Theory. This study adopts an inductive and interpretive approach, utilizing a multi-case study methodology to generate new insights.

The results indicate that Indonesian born-digital firms exhibit variability in their initial internationalization strategies. For instance, Gojek and Traveloka demonstrate a tendency to expand internationally at a rapid pace, having entered multiple markets within a relatively short timeframe. This observation aligns with existing research regarding the speed of internationalization, revealing that digital firms can achieve a higher rate of international expansion compared to traditional multinational enterprises (MNEs) (Birkinshaw, 2022; Mithani, 2023; Stallkamp & Schotter, 2021; Schu & Morschett, 2017). Conversely, fintech-born digital firms, such as Xendit and Kredivo, adopt a more cautious approach due to regulatory barriers. In such instances, the establishment of strong local partnerships is often essential for effective market entry and operational success. Furthermore, the findings indicate that Indonesian born-digital firms typically select countries with lower psychic distance as their initial market entry points to accumulate experiential learning before venturing into markets characterized by higher psychic distance.

Most Indonesian born-digital firms internationalize with a relatively high level of commitment, leveraging a dual-mode strategy that encompasses both virtual presence and the establishment of physical office subsidiaries. Additionally, these firms tend to localize their services or products to align with the specific demands of foreign markets. For example, Gojek entered Vietnam under the localized brand Go-Viet, while Traveloka adapted its platform to accommodate local languages and currencies in response to market requirements. This dual-mode entry strategy (digital and physical) is consistent with the research conducted by Brouthers et al. (2022).

The findings of this study carry practical implications for strategic decision-making within digital firms. Born-digital firms should adapt their international expansion strategies according to industry-specific characteristics. For instance, fintech firms may need to adopt a more cautious and compliance-driven approach due to regulatory requirements and often demanding partnerships with host countries. In contrast, online travel agencies (OTAs) and on-demand service firms can achieve rapid scaling through both digital channels and physical subsidiaries (dual-mode strategy).

When selecting international markets, managers should consider psychic distance factors such as language, culture, consumer behavior, and regulatory environments, in addition to geographic proximity. The case studies reveal that all Indonesian born-digital firms implement a degree of localization in their internationalization initiatives to enhance customer acceptance and operational effectiveness. Consequently, although born-digital enterprises are frequently described as "global by default," managers must meticulously assess the appropriate level of localization necessary for a successful market launch and long-term sustainability.

While this study focuses on the early-stage foreign expansion of born-digital companies, the relationship between rapid, high-commitment entry methods and sustained profitability, as well as long-term competitive advantage, remains ambiguous. Future research should investigate the performance of born-digital foreign subsidiaries, particularly in relation to intellectual property (IP) risks. Given that digital firms primarily rely on proprietary technology, understanding how these assets are protected in foreign markets—especially those characterized by lax intellectual property enforcement—would provide valuable insights into risk mitigation strategies during the internationalization process (Zhu & Qian, 2015).

Future studies could also explore whether internationalization stimulates continuous innovation within born-digital firms. The competitive advantage of these firms is significantly dependent on their technological capabilities; thus, it is vital to comprehend how entering foreign markets may influence their innovation activities. The current findings suggest this potential, as evidenced by Traveloka’s establishment of an international R&D subsidiary following its international expansion. Further research could investigate whether internationalization serves as a catalyst for innovation and how firms manage innovation across borders (Du et al., 2023; Ding et al., 2021).

Another promising area for future research is the role of institutional support in the home country. Many Indonesian born-digital firms have achieved considerable success in their home market, bolstered by government support and protection. Given the institutional diversity present in Southeast Asia, it would be advantageous to examine how varying regulatory frameworks, digital infrastructure, and governmental support may influence the ability of born-digital firms to replicate their business models abroad, particularly from an institutional perspective (Tse et al., 2021).

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