

Influential Factors of Sustainability in Indonesia Wealth Tech Sector

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ABSTRACT

This study investigates the key factors influencing the competitiveness of wealth tech firms in Indonesia, a sector that remains underdeveloped compared to global counterparts such as Toss, SoFi, Ping An. While global players leverage integrated platforms and internal data capabilities to drive user loyalty and value creation, Indonesian wealth tech companies primarily function as digital distribution channels. **Using a combined** approach of Porter's Diamond Model, Value Rarity Inimitability Organization (VRIO) analysis, and Structural Equation Modeling Partial Least Squares (SEM PLS), this research analyzes data from 317 financial industry respondents. **Results reveal that** only two internal resources existing customer base and corporate branding offer sustainable competitive advantages. External factors such as government regulation, supporting industries, and firm strategy also significantly shape competitiveness, though internal innovation, data integration, and personalized user engagement remain limited. **The findings highlight** the need for Indonesian wealth tech firms to invest in organizational readiness, ecosystem collaboration, and regulatory engagement to transition from support platforms to fully autonomous digital financial ecosystems. **This study offers** theoretical and practical implications for enhancing strategic positioning within Indonesia's digital finance sector.

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1. INTRODUCTION

Recent academic studies indicate that Indonesia's financial sector, encompassing both banking and non banking institutions, is experiencing dynamic development amid strong macroeconomic fundamentals. The banking sector demonstrates high levels of stability and resilience, underpinned by robust Capital Adequacy Ratios (CAR), sound liquidity management, and consistent profitability [1, 2]. As financial intermediaries, banks continue to play a vital role in the national economy by channeling funds from surplus to deficit units, thereby facilitating payment systems and supporting sustained economic growth. Parallel to this, Non Bank Financial Institutions (NBFIs) including microfinance entities, insurance providers, and financing companies are expanding rapidly. These institutions offer diversified financial products and services that complement traditional banking, such as investment financing, insurance, and alternative credit solutions.

Despite facing regulatory complexities and heightened competition, NBFIs present significant growth potential, driven by the increasing demand for more accessible, innovative, and flexible financial services. This evolution in institutional performance is mirrored by a broader shift in consumer behavior, as Indonesians

increasingly adopt digital financial services [3]. The acceleration of digital transformation has been particularly evident in the exponential growth of the digital economy, which reached USD 76 billion in 2022, USD 80 billion in 2023, and USD 90 billion in 2024. Projections estimate this figure could reach between USD 200 and 360 billion by 2030.

Amid this transformation, the government continues to pursue policies aimed at fostering economic growth and maintaining macroeconomic stability [4, 5]. Recent measures include holding interest rates steady at 6% and implementing a down streaming policy to boost the value of domestic production by processing raw materials locally. These strategies also seek to build long term economic resilience, particularly in response to global disruptions such as climate related shocks to food prices. Within this policy landscape, Digital Financial Services (DFS) encompassing digital payments, digital lending, digital wealth, and digital insurance have maintained strong momentum, even under tighter regulatory scrutiny. As highlighted in the southeast asia economy report, the Gross Transaction Value (GTV) of DFS has increased year over year, reflecting growing consumer adoption and the maturing digital finance ecosystem in Indonesia [6, 7].

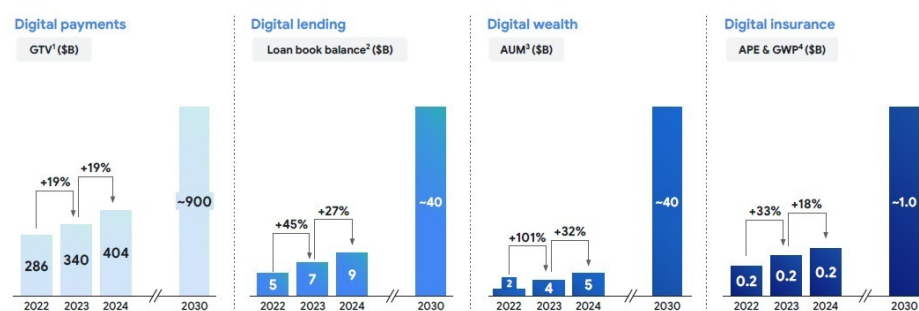


Figure 1. GTV of DFS

As shown in Figure 1, the Indonesian financial services sector is experiencing rapid digital transformation, driven by the growing adoption of fintech across banking and non banking institutions [8, 9]. Within this ecosystem, wealth tech has emerged as a platform based model that integrates investment, insurance, financing, and financial planning services to support customers throughout their financial lifecycle. However, unlike fully integrated wealth tech platforms in advanced markets such as toss from south korea, sofi from united states, and ping an from china, indonesian wealth tech platforms largely function as digital distribution channels rather than autonomous financial service providers, limiting personalization, data integration, and customer loyalty [10, 11].

Regulatory developments further shape this condition. Wealth tech is categorized under the aggregation cluster, a classification that does not yet reflect its strategic and technological complexity. Although platforms such as moxa demonstrate the potential for service integration across banking, insurance, and financing, their value creation remains constrained by limited internal capabilities, fragmented ecosystems, and regulatory ambiguity [12, 13]. Prior VRIO based studies indicate that only customer base and corporate branding constitute sustainable competitive advantages, while other organizational resources remain weak or easily imitated. Moreover, despite expectations that digital transformation would reduce costs, indonesian wealth tech firms face high infrastructure and marketing expenditures, resulting in prolonged investment burning phases and weak monetization [14].

These challenges highlight a critical gap between global wealth tech development and its indonesian implementation [15, 16]. While global wealth tech emphasizes end to end portfolio management, robo advisory, and data driven personalization, indonesian platforms primarily act as intermediaries that forward customer data to partners for validation and decision making. This creates an implementation gap where cost optimization through digitalization is offset by rising customer acquisition and retention costs. Additionally, indonesia's wealth tech sector remains underregulated, and future licensing is expected to favor capital intensive conglomerate backed players due to security, compliance, and technological requirements [17, 18].

This study addresses these knowledge and contextual gaps by proposing an integrated competitiveness model that combines internal resource based analysis or VRIO with external ecosystem dynamics or Porter's Diamond Model, empirically validated using SEM PLS. Unlike prior studies that examine these frameworks separately, this research operationalizes diamond model constructs through ecosystem mapping and VRIO

derived indicators, bridging qualitative strategic theory with quantitative validation [19, 20]. The findings demonstrate that sustainable competitiveness in indonesia's wealth tech sector is driven not solely by innovation capability, but by the alignment of organizational readiness, ecosystem collaboration, and regulatory support contrasting with evidence from developed markets.

Positioned within a technopreneurship perspective, this study frames wealth tech platforms as technology driven entrepreneurial entities that orchestrate innovation, platform integration, and multi stakeholder collaboration among fintech firms, banks, regulators, and technology providers [21, 22]. Beyond firm level competitiveness, wealth tech development contributes to the achievement of SDGs 8 economic growth, SDGs 9 innovation and infrastructure, and SDGs 17 partnerships, reinforcing its role as a strategic enabler of sustainable and inclusive digital economic growth in emerging markets such as indonesia.

2. LITERATURE REVIEW

Porter defines competitiveness as a combination of the end results of a company's goals or mission and the strategies to achieve them [23, 24]. According to prescott and grant, corporate level competitiveness is the ability of a company to adapt to market changes and competition to expand its business and profits. Successful implementation of sustainable practices in corporate strategies requires strong collaboration between companies, government agencies, and other stakeholders.

It can be concluded that the key aspect of competitiveness is the advantage over competitors in utilizing capabilities to achieve goals. Competition is the ability of a company to adapt to market changes and competition to increase profits, market share, and business scale [25, 26]. Several competitive strategy models are used to analyze competitive advantages and create a competitive edge, including porter's generic competitive strategy model, porter's diamond model, porter's five forces model of competitiveness, and the company competition model. Competitive strategies are determined by efforts to create a competitive advantage for an organization. Competitive strategies are not universally applicable to all industries or companies.

According to porter, a country gains a competitive advantage if its companies are competitive [27, 28]. A country's competitiveness is determined by the industry's ability to innovate and enhance its capabilities. Companies gain competitive advantage due to pressure and challenges. Companies benefit from domestic market competition, aggressive domestic suppliers, and local markets with high demand. Differences in national values, culture, economic structure, institutions, and history all contribute to success in competition. Companies become competitive through innovation, which can include technical improvements in production processes or product quality [29, 30]. Michael porter further proposed the Diamond Model (DM), which consists of four determinants of National Competitive Advantage (NCA). Competitive advantage analysis can be used as a tool to measure private benefits, with economic activities measured by market prices and prevailing exchange rates. This framework provides a systematic way to evaluate how national conditions shape firm performance and productivity. It also helps policymakers and industry leaders identify strategic areas for improving competitiveness in both domestic and international markets.

Porter's diamond model, developed by michael porter, is an analytical framework used to examine the competitiveness of domestic firms within an external competitive environment, with the objective of strengthening industries to sustain competitive advantages in international markets [31, 32]. The model explains that national competitiveness is shaped by the interaction of four core determinants, namely factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry, complemented by the roles of government and opportunity. Factor conditions refer to the availability and quality of production inputs such as labor, natural resources, capital, and infrastructure. According to porter, these factors are not inherited but created through continuous investment, innovation, and development. Interestingly, resource scarcity, or factor disadvantage, often enhances competitiveness by encouraging efficiency and innovation, whereas resource abundance may lead to inefficiency and waste [33, 34]. Human resources, in particular, play a critical role, as skilled labor evolves through knowledge development, technological change, and innovation. While countries with abundant natural resources, such as saudi arabia in oil production, demonstrate competitiveness through resource endowment, porter emphasizes that limited natural resources can stimulate countries to innovate and develop new competitive strengths.

2.1. SEM PLS

SEM is a technique used to build and test general statistical models, typically in the form of causal models, which include confirmatory factor analysis, path analysis, and regression [35, 36]. SEM combines

factor analysis and correlation analysis of each variable to identify structural relationships between measurable and unmeasurable variables. The purpose of SEM is to investigate measurement models or structural models. SEM involves simultaneous modeling of more than one dependent variable explained by one or more independent variables, dependent variables can also act as independent variables, causal models and path model analysis.

In SEM, there are two main types of variables, namely latent variables and manifest or observed variables [37, 38], providing an analytical foundation that supports evidence based innovation and data driven decision making aligned with SDGs 9 on industry, innovation, and infrastructure. Latent variables are constructs that cannot be measured directly and are typically represented by oval shapes in SEM diagrams. These latent variables consist of exogenous constructs, which function as independent variables that influence other variables, and endogenous constructs, which are variables that are directly or indirectly influenced by the independent variables. Manifest or observed variables, on the other hand, are measurable indicators used to explain or represent the latent variables. These variables are obtained from field surveys and serve as empirical measurements that capture the underlying dimensions of the latent constructs.

2.2. VRIO Analysis

This study examines internal capabilities influencing competitive advantage using the VRIO framework, where corporate branding reflected through corporate values, perceived benefits, and brand associations is treated as a strategic resource, capital represents financial capacity to sustain operations and long term growth, and innovation capability reflects the ability to generate new value through technical and strategic knowledge in dynamic digital finance environments together, these internal resources form the basis for assessing firm level competitiveness in the wealth tech sector [39, 40]. VRIO analysis evaluates company resources including financial, human, material, and intangible assets such as information and knowledge to identify competitive strengths and weaknesses and assess competitive advantage from a Resource Based View (RBV) perspective, where firms create greater economic value than competitors through valuable, rare, inimitable, and non substitutable resources. Typically complementing external analysis such as pestel, VRIO focuses on internal organizational conditions, helping management evaluate resources in greater detail and identify opportunities for improvement by leveraging internal capabilities [41, 42].

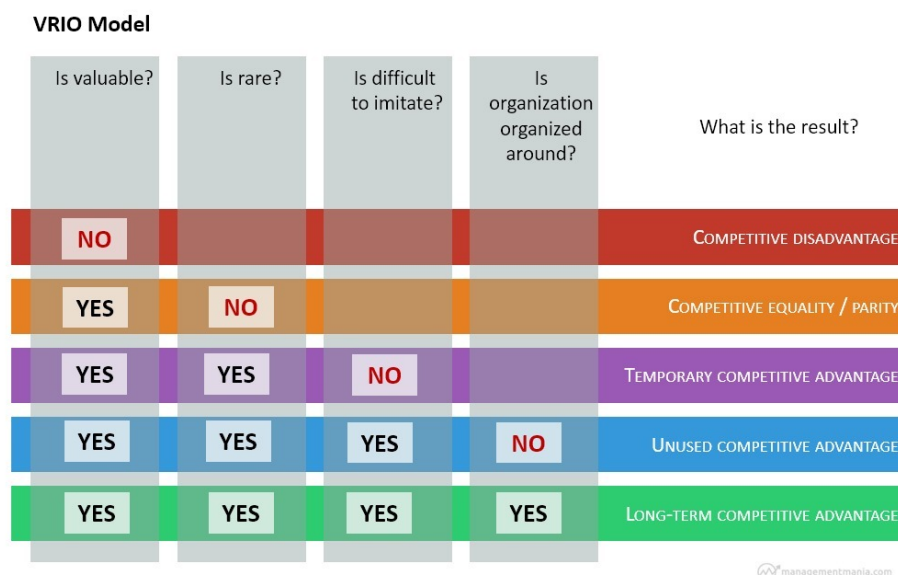


Figure 2. VRIO Model

As illustrated in Figure 2, based on previous research, this study adopts an integrated analytical approach by employing VRIO analysis and SEM PLS, combined with Porter's Diamond Model and a comprehensive literature review, to systematically address the research question concerning the key factors that influence the competitive advantage of wealth tech in Indonesia.

3. RESEARCH METHODS

This study employs a mixed method approach combining qualitative and quantitative techniques to examine the factors influencing wealth tech competitiveness in Indonesia through two main stages: variable and indicator development using VRIO analysis, and hypothesis testing using SEM PLS [43]. In the first stage, variables and indicators were formulated based on VRIO analysis, drawing primarily from prior research that mapped the aggregation ecosystem of wealth tech platforms using NVivo to identify latent variables, particularly strategic resources and capabilities relevant to competitiveness. This content analysis was reinforced by a comprehensive literature review to validate the constructs and integrate theoretical insights from international studies in digital finance, financial technology, and competitive advantage. The conceptual synthesis was then used to develop additional indicators for quantitative modeling, which were combined with the original indicators from the ecosystem mapping study to form a refined measurement model representing both firm-level internal resources and broader ecosystem and regulatory factors [44]. In the second stage, data were collected through a structured questionnaire distributed to 317 respondents from the Indonesian financial industry who work in institutions collaborating with or operating wealth tech platforms and possess knowledge or experience in wealth management, with responses measured using a five-point Likert scale. Data were analyzed using SEM PLS with WarpPLS version 7.0, suitable for small to medium samples and non-linear modeling, enabling simultaneous evaluation of measurement and structural models to assess indicator reliability and the significance of relationships among variables, thereby capturing the multidimensional nature of competitiveness in the wealth tech sector [45, 46].

The final set of latent variables and indicators, derived from the VRIO analysis, NVivo-based ecosystem mapping, and supporting literature, was then integrated into a comprehensive structural model. This model captures the relationships between internal capabilities, external conditions, and competitive advantage in the wealth tech sector. The conceptual framework used in the SEM PLS analysis is illustrated in Figure 3.

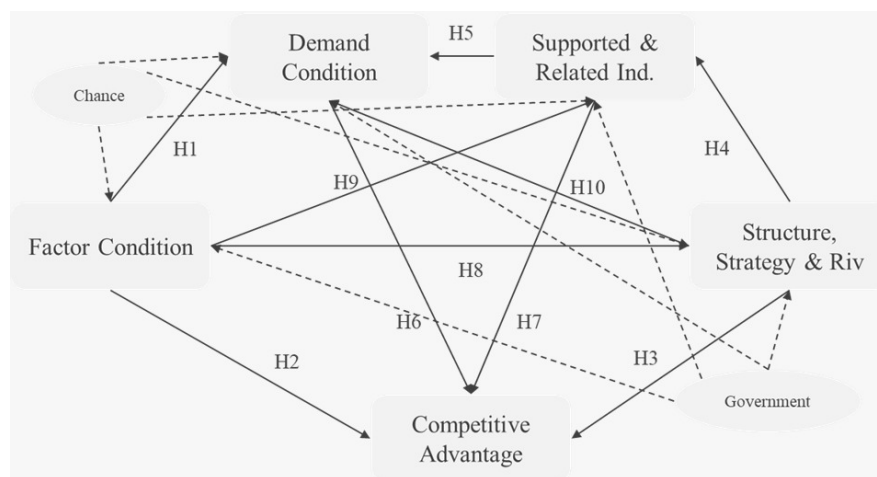


Figure 3. Diamond Porter

The Figure 3 illustrates the relationship between seven concepts: demand condition, supported and related industry, firm structure strategy and rivalry, factor conditions, chance, government, and competitive advantage. The influence within variables is indicated by the direct arrow connecting each variable [7, 23]. This model highlights the influence of each variable on competitive advantage based on the literature review, while the parameters for each variable were derived from mapping the aggregation ecosystem combined with previous studies. The author mapped the Michael Porter Diamond framework based on this ecosystem mapping to examine the relationships among variables as part of a strategic framework for improving competitive advantage. In this case, the author excluded supply chain management because the variables of government and chance are considered more relevant to the topic of competitive advantage. However, there are no previous studies that state a direct correlation between government and chance and competitive advantage. Therefore, this study attempts to explore these relationships conceptually within the proposed framework. This approach allows the model to capture broader environmental influences that may shape competitive dynamics. It also provides a basis for future empirical research to further examine the contextual effects of these variables.

Table 1. Classification of Literature

Variables	Parameters	References
Demand Conditions	Customer Engagement	[1]
	Personalization as value added	
	Financial goals	
	Customer Satisfaction	
	Customer Loyalty	
Factor Conditions	Customer Experience	[2]
	Human Resource	
	Capital	
Related & Supported Industries	Direct customers	[14]
	Direct suppliers	
	Marketing activity	
	Cross sell & up sell	
	Corporate branding	
Firm Strategy, Structure, and Rivalry	Innovation capabilities	[48]
	Business model	
	Integrated services for data aggregation	
Government	Customer Focus	[49]
	Data and risk management	
	Government agencies & regulatory	
	Regulation	
Chance	Future's Regulation	[6]
	Cyber security	
Competitive Advantage	Data privacy	[7]
	Augmented reality	
Competitive Advantage	Digital transformation	[8]
	Sustainable Business	
	Cost leadership (more cost efficient)	

As shown in Table 1, this study examines the key factors that influence competitive advantage within Indonesia's wealth tech sector by applying Porter's Diamond Model, which is systematically adapted into measurable empirical indicators. The proposed conceptual framework is empirically tested using the structural equation modeling partial least squares SEM PLS approach, drawing on primary data collected from 317 practitioners in the financial industry. These respondents represent a broad range of organizational positions, from operational staff to senior management, all of whom possess relevant professional experience in wealth management services.

The study proposes twelve hypotheses examining the positive and significant effects of factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry on competitive advantage, while also incorporating government and chance as key contextual variables with direct, interrelated, and mediating influences. By integrating these elements, the research captures the dynamic interaction between firms' internal capabilities and the external business environment. This comprehensive approach empirically extends classical strategic management theory, particularly Porter's Diamond Model, by contextualizing it within Indonesia's evolving digital finance and wealth technology ecosystem, contributing both to theoretical development and practical understanding of competitive advantage in technology driven financial services.

4. RESULTS AND DISCUSSION

Evaluating the structural model represents a crucial stage in the analytical process, as it determines whether the relationships among the examined variables are properly specified, statistically sound, and consistent with established theoretical frameworks. Through this evaluation, researchers can assess the extent to which the proposed model accurately captures the underlying causal linkages between the constructs. In this study, the assessment of the structural model ensures that the interrelationships among demand conditions, related and supporting industries, firm structure, strategy and rivalry, factor conditions, chance, government, and competitive advantage are coherently represented.

By confirming the alignment between empirical findings and established theoretical expectations, the evaluation of the structural model significantly enhances both the validity and reliability of the overall analysis. This alignment indicates that the proposed relationships among the constructs are not only empirically supported but also conceptually consistent with the underlying theoretical framework. As a result, the structural model serves as a credible representation of the mechanisms through which the examined variables operate.

Moreover, this evaluation process is essential to ensure that the model adequately captures the complexity of the competitive environment in which firms operate. By accounting for the interrelationships among multiple determinants, the model provides a comprehensive and robust explanation of how these factors interact to influence competitive advantage within the studied context. Consequently, the validated structural model offers a solid foundation for drawing meaningful theoretical insights and practical implications from the research findings.

4.1. Result

4.1.1. VRIO Analysis

To comprehensively understand the internal factors influencing the competitiveness of wealth technology firms in Indonesia, this study applies the VRIO framework to systematically evaluate firm specific resources and capabilities based on their value, rarity, imitability, and organizational support across nine key indicators. The findings show that all indicators are considered valuable, contributing to value creation and strategic positioning, while several resources including the existing customer base, marketing activities, and innovation capabilities are also rare, providing differentiation within the industry. However, most resources demonstrate low inimitability and are not fully supported by internal organizational systems, indicating limited readiness to leverage them effectively. Overall, only existing customer and corporate branding meet all four VRIO criteria, suggesting that sustainable competitive advantage depends primarily on these two internal factors, highlighting the strategic need to strengthen organizational support and enhance resource inimitability to transform current strengths into long term competitive advantage.

Table 2. VRIO Analysis

No	Indicator	Valuable	Rare	Inimitable	Organization	Competitive Advantage
1	Existing Customers	YES	YES	YES	YES	Long Term Competitive Advantage
2	New Customers	YES	NO	NO	NO	Competitive Parity
3	Direct Suppliers	YES	NO	NO	NO	Competitive Parity
4	Integrated Services	YES	YES	YES	NO	Unused Competitive Advantage
5	Marketing Activity	YES	YES	NO	NO	Temporary Competitive Advantage
6	Cross and Up Sell	YES	YES	NO	NO	Temporary Competitive Advantage
7	Corporate Branding	YES	YES	YES	YES	Long Term Competitive Advantage
8	Capital	YES	NO	NO	NO	Competitive Parity
9	Innovation Capabilities	YES	YES	NO	NO	Temporary Competitive Advantage

As shown in Table 2, analysis of nine indicators from five experts shows that sustainable competitive advantage mainly comes from the existing customer base, which fulfills all VRIO criteria valuable, rare, difficult to imitate, and well organized consistent with Jay Barney. Corporate branding at astra financial provides only temporary advantage, while cross and up selling and innovation are limited and replicable marketing, capital, suppliers, and integrated services achieve parity, and new customer acquisition is a competitive disadvantage. In line with Michael Porter's Diamond Model, firms should strengthen human capital and technology, target underserved demand, build fintech partnerships, and integrate branding and agility. For Indonesia's wealth tech ecosystem, priorities include formalized brand and retention management, digitally native acquisition strategies, stronger innovation, and optimized cross selling and integrated services.

4.2. Data Analysis

4.2.1. Inner and Outer Model Evaluation

Evaluation of the measurement model shows that all indicators have outer loading values above 0,70, confirming satisfactory convergent validity and demonstrating that they appropriately represent their respective latent constructs competitive advantage, demand conditions, factor conditions, and firm strategy, structure, and rivalry. Construct reliability is also supported by acceptable composite reliability and average variance extracted values, indicating strong internal consistency. After validating the measurement model, structural testing using SEM PLS with bootstrapping reveals significant relationships at the 5% level, where factor conditions and firm strategy, structure, and rivalry directly influence competitive advantage, while demand conditions affect it indirectly through related and supporting industries. Overall, the findings confirm that internal resources and external conditions jointly shape wealth tech competitiveness in Indonesia, with a moderate R^2 showing the model explains a substantial share of variance and effectively captures key drivers in the evolving digital finance ecosystem.

Table 3. Profile Variable

Indicator	Loading Factor
Factor Condition (FC: Cronbach's Alpha = 0,724, CR = 0,829, AVE = 0,547)	
Innovation Capabilities (FC1)	0,731
Human Resources (FC2)	0,764
Capital (FC3)	0,744
Infrastructure (FC4)	0,721
Demand Condition (FC: Cronbach's Alpha = 0,762, CR = 0,841, AVE = 0,515)	
Customer Experience (DC1)	0,726
Domestic throughput (DC2)	0,739
Customer Satisfaction (DC3)	0,776
Personalization as a value added (DC5)	0,778
Related & Support Industries (FC: Cronbach's Alpha = 0,761, CR = 0,840, AVE = 0,515)	
Direct suppliers (RS2)	0,753
Quality of financial services (RS3)	0,816
Quality of financial services (RS4)	0,758
Access suppliers of financial industry (RS5)	0,734
Firm Strategy (FS: Cronbach's Alpha = 0,807, CR = 0,858, AVE = 0,466)	
Stability in the price of wealth tech services (FS2)	0,802
Stability in the price of wealth tech services (FS5)	0,832
Business Model (FS6)	0,808
Role of Government (RG: Cronbach's Alpha = 0,828, CR = 0,886, AVE = 0,660)	
Regulation (RG1)	0,794
Regulation (RG2)	0,785
Regulation (RG3)	0,841
Government agencies & regulatory (RG4)	0,827
Firm Strategy (FC: Cronbach's Alpha = 0,660, CR = 0,786, AVE = 0,426)	
Geopolitical events (RC2)	1,000
Competitiveness Advantage (FC: Cronbach's Alpha = 0,864, CR = 0,902, AVE = 0,647)	
Constantly develop new products (CA1)	0,834
Innovation in the process (Better service competence and quality) (CA2)	0,815
Marketing innovation as a search for creative and new solutions to problems & needs (CA3)	0,808
Constantly develop new products (CA4)	0,796
Cost leadership (more cost efficient) (CA5)	0,767

The Table 3 presents a comparative reflection on global wealth tech leaders from south korea, sofii from the united states, and ping an from china shows highly integrated digital ecosystems combining financial and non financial services, leveraging cross functional data to personalize offerings, enhance user experience, and support lifelong customer relationships. In contrast, the sector in Indonesia remains at an early developmental stage, where most internal resources are valuable but not yet rare, inimitable, or well organized only existing customer bases and corporate branding provide sustained advantage, largely due to conglomerate

backing rather than platform driven innovation. Other capabilities innovation, marketing, and cross selling remain fragmented, limiting the conversion of internal strengths into customer focused value despite positive links between resource strength and competitive outcomes. External demand factors such as personalization and user experience are recognized but underutilized, while ecosystem collaboration among partners, suppliers, and infrastructure remains insufficient to drive breakthrough innovation, and regulatory support has not yet produced frameworks enabling seamless data use, cross sector partnerships, and platform interoperability.

Table 4. SEM PLS Path Analysis Hypothesis Summary

No	Relations	P-Value	Significant
1	Demand Conditions → Competitive Advantage	0,003	Significant
2	Factor Conditions → Competitive Advantage	0,037	Significant
3	Factor Conditions → Demand Conditions	0,117	Not Significant
4	Factor Conditions → Firm Strategy, Structure and Rivalry	0,000	Significant
5	Factor Conditions → Related & Supporting Industries	0,000	Significant
6	Firm Strategy, Structure and Rivalry → Competitive Advantage	0,000	Significant
7	Firm Strategy, Structure and Rivalry → Demand Conditions	0,058	Not Significant
8	Firm Strategy, Structure and Rivalry → Related & Supporting Industries	0,000	Significant
9	Role of Chance → Firm Strategy, Structure and Rivalry	0,231	Not Significant
10	Role of Government → Factor Conditions	0,000	Significant
11	Role of Government → Firm Strategy, Structure and Rivalry	0,000	Significant

Table 4 presents the VRIO analysis of internal capabilities, showing that innovation capability and corporate branding provide a sustained competitive advantage by being valuable, rare, difficult to imitate, and well organized, while capital availability, though valuable, lacks rarity and inimitability, indicating that financial resources alone are insufficient for long term competitiveness. SEM PLS results in Table 4 further reveal that innovation capability has the strongest positive effect on competitive advantage, emphasizing the dominant role of technological innovation and adaptive capacity in shaping wealth tech competitiveness in Indonesia. Additionally, ecosystem collaboration significantly enhances platform performance, and regulatory readiness exerts an indirect yet meaningful influence, highlighting that competitiveness arises from the interaction of internal innovation strengths and external ecosystem support rather than isolated firm capabilities.

4.3. Discussion

4.3.1. Integrated Analysis of Internal and External Drivers of Wealth Tech Competitiveness

The findings confirm that both internal capabilities and external conditions jointly shape wealth tech competitiveness in Indonesia, where the combined use of VRIO analysis and Michael Porter's Diamond Model, tested through SEM PLS, provides a multidimensional framework for understanding strategic advantage and the importance of aligning firm resources with market and institutional dynamics. Empirically, the sector operates within a developing digital financial ecosystem dominated by conglomerate backed platforms such as Moxa under Astra Financial, where brand strength and existing customer bases are primary differentiators amid limited innovation autonomy and evolving regulation led by OJK (Otoritas Jasa Keuangan), while high acquisition costs, digital literacy gaps, and heavy technology investment create a persistent divide between transformation goals and operational realities. Integrating VRIO and the Diamond Model shows that only existing customer bases and corporate branding provide sustainable advantage, supported by strong factor conditions such as skilled labor, capital, and infrastructure, yet many valuable resources remain weakly organized and easily imitated, indicating that firms must embed strategic assets within robust organizational systems, as without

effective integration even rare and valuable capabilities cannot sustain competitiveness in a fast moving and highly regulated digital finance environment.

5. MANAGERIAL IMPLICATIONS

The findings of this study provide several actionable managerial implications for wealth tech firms operating in indonesia's digital finance ecosystem. First, given the strong influence of innovation capability identified through SEM PLS analysis, firms should prioritize data integration across platforms by developing unified data architectures that consolidate customer, transaction, and portfolio data. This integration enables advanced analytics, personalized investment recommendations, and more effective risk management.

Second, wealth tech firms should strengthen customer lifecycle management by leveraging digital touchpoints throughout acquisition, onboarding, engagement, and retention stages. The results indicate that competitiveness is enhanced when firms align technological capabilities with customer centric processes, suggesting the need for automated onboarding, artificial intelligence driven advisory services, and continuous engagement mechanisms to increase customer trust and long term value.

Third, regulatory readiness emerges as a critical external factor shaping competitiveness. Managers should proactively align business models with regulatory frameworks by embedding compliance by design principles into platform development. Strategic collaboration with regulators and industry associations can reduce compliance uncertainty, accelerate innovation approval processes, and enhance ecosystem legitimacy, in line with SDGs 17 on partnerships for the goals. Finally, the ecosystem oriented nature of wealth tech competitiveness implies that firms should not pursue innovation in isolation. Strategic partnerships with banks, fintech startups, and technology providers should be actively managed to complement internal resources, enhance interoperability, and scale innovation across the digital finance value chain.

6. CONCLUSION

This study examines the determinants of wealth tech competitiveness within indonesia's digital finance ecosystem by integrating internal capabilities and external ecosystem factors. The findings demonstrate that innovation capability plays a central role in shaping competitive advantage, while ecosystem collaboration and regulatory readiness further strengthen platform performance. These results confirm that wealth tech competitiveness in emerging markets is not driven solely by firm level resources, but by the dynamic interaction between technological capability, institutional support, and ecosystem alignment.

By integrating the VRIO framework, Porter's Diamond Model, and SEM PLS, this research contributes both theoretically and methodologically to the technopreneurship and digital finance literature. The study extends existing strategic management perspectives by empirically validating how traditionally qualitative frameworks can be operationalized and tested within a unified model. This approach provides a more nuanced understanding of platform based competitiveness in developing digital economies.

From a practical perspective, the findings offer valuable insights for wealth tech managers and policymakers. Firms are encouraged to prioritize innovation driven data integration, customer centric lifecycle management, and proactive regulatory alignment, supporting SDGs 8 on decent work and economic growth and SDGs 9 on industry, innovation, and infrastructure. At the policy level, fostering collaborative digital finance ecosystems can enhance sustainable economic growth, innovation capacity, and inclusive financial development. Future research may extend this framework by incorporating longitudinal data or conducting cross country comparisons in order to gain a more comprehensive understanding of the evolution, dynamics, and emerging patterns within wealth tech ecosystems.

7. DECLARATIONS

7.1. About Authors

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7.2. Author Contributions

Conceptualization: PM, NA, ZA and DI; Methodology: PM, NA, ZA and DI; Software: PM, NA, ZA and DI; Validation: PM, NA, ZA and DI; Formal Analysis: PM, NA, ZA and DI; Investigation: PM, NA, ZA and DI; Resources: PM, NA, ZA and DI; Data Curation: PM, NA, ZA and DI; Writing Original Draft Preparation: PM, NA, ZA and DI; Writing Review and Editing: PM, NA, ZA and DI; Visualization: PM, NA, ZA and DI; All authors PM, NA, ZA and DI, have read and agreed to the published version of the manuscript.

7.3. Data Availability Statement

The data that support the findings of this study are available from the corresponding author upon request.

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The authors received no financial support for the research, authorship, and/or publication of this article.

7.5. Declaration of Conflicting Interest

The authors declare that they have no conflicts of interest, known competing financial interests, or personal relationships that could have influenced the work reported in this paper.

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