

UNDERSTANDING HOW EXPORT STIMULI, EXPORT KNOWLEDGE, PRODUCT STANDARDS, AND MARKETING STRATEGIES SHAPE THE EXPORT PERFORMANCE OF INDONESIAN MSMEs

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Abstract

This study examines how export stimuli, export knowledge, product standards, and marketing strategies shape the export performance of Indonesian MSMEs. Using a qualitative approach, semi-structured interviews with 12 MSME owners and managers were thematically analyzed. Findings reveal that unsolicited buyer inquiries and government-led trade missions often trigger market entry, while regulatory knowledge and cultural awareness sustain operations. The significance of this study lies in its dual contribution. Practically, it provides actionable insights for MSME owners, trade associations, and policymakers to design more effective export promotion policies that integrate market access with continuous capacity building. Academically, it advances business and economic studies by offering a qualitative, context-specific understanding of how internal capabilities and external factors interact to influence MSME export performance, a perspective often overlooked in quantitative research.

1. INTRODUCTION

Globalization has transformed the global business environment by reducing trade barriers, increasing cross-border transactions, and fostering deeper economic interdependence among nations. This transformation has created both opportunities and challenges for businesses, including Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. MSMEs are a vital component of Indonesia's economy, contributing significantly to GDP and employment. However, despite their domestic importance, the share of MSMEs in Indonesia's total exports remains relatively small compared to other ASEAN countries, indicating untapped potential in the global marketplace.

Several barriers hinder the internationalization of MSMEs. These include difficulties in meeting international product standards, limited access to foreign markets, insufficient export knowledge, low adoption of advanced technologies, and marketing strategies that are not fully adapted to global competition. Conversely, certain enabling factors, such as government support, participation in trade fairs, integration into international networks, and the uniqueness of local products, can serve as export stimuli that motivate MSMEs to explore and expand into foreign markets.

Export performance is shaped not only by the existence of market opportunities but also by how MSMEs perceive, acquire, and apply export knowledge; comply with product standards; and develop marketing strategies tailored to specific target markets. The ability to integrate these aspects effectively determines whether MSMEs can achieve sustainable export growth. Understanding the interplay between these factors is essential for enhancing the competitiveness of Indonesian MSMEs in the global economy.

A qualitative approach is particularly valuable for examining these dynamics because it allows for an in-depth exploration of MSME owners' and managers' lived experiences, perceptions, and strategies. While quantitative studies have provided statistical evidence on export determinants, they often overlook the contextual nuances, adaptive decision-making, and interconnections between influencing factors. Qualitative insights can capture the

complexity of the export process and provide richer, context-specific recommendations for policymakers, trade facilitators, and business practitioners.

This study addresses these gaps by employing a qualitative case study approach to investigate how export stimuli, export knowledge, product standards, and marketing strategies jointly shape the export performance of Indonesian MSMEs. While previous studies have predominantly relied on quantitative methods that focus on measurable indicators such as export volume, revenue, and market expansion, they often analyze these factors in isolation and overlook their interdependence in practice. In contrast, this study draws on the perspectives of MSME owners and managers to capture the complex, interconnected influences of these elements on export performance. By prioritizing real-world experiences, it provides context-specific insights and offers practical implications for policymakers, trade facilitators, and business practitioners seeking to enhance the international competitiveness of Indonesian MSMEs.

2. LITERATURE REVIEW

Theoretical and Conceptual Background

Previous studies provide a strong foundation for understanding the various factors influencing the export performance of MSMEs in Indonesia. Toften (2005) emphasizes the importance of information utilization in enhancing export knowledge and performance, although symbolic use of information does not have a significant effect. Samiee and Walters (1999) highlight that the stage of export development and company commitment play an important role in accessing structured export education. Similarly, Negeri and Ji (2023a) show that export knowledge, export commitment, and product adaptation are key factors affecting the export performance of coffee companies, with product adaptation acting as a mediating variable in this relationship. Morgan et al. (2012) and Durmaz and Eren (2018) stress the importance of effective marketing strategies and marketing capabilities in supporting export performance. Other studies, such as those by Chen et al. (2016) and Ribau et al. (2017b), focus more on the influence of environmental factors, government support, and entrepreneurial orientation on export success. In specific industry contexts, Maurel (2009a) demonstrates that firm size, along with management orientation and commitment, positively contributes to the export performance of wine SMEs in France. In the Indonesian context, Revindo and Gan (2016) identify three main export triggers: contact with potential international buyers, confidence in product quality, and motivation to expand market reach. These studies are relevant in developing a framework that links export stimuli, export knowledge, product standards, and marketing strategies to the export performance of Indonesian SMEs. Collectively, the findings reinforce the notion that a combination of internal company factors (knowledge and strategy) and external factors (product standards and export stimuli) can significantly impact the export success of SMEs.

2.1 Export Performance of MSMEs

Export performance in the context of Micro, Small, and Medium Enterprises (MSMEs) refers to the degree of success and effectiveness in engaging with international markets to deliver products or services. It is evaluated based on the extent to which MSMEs achieve predetermined export goals and targets, which may include sales volume, market share, profitability, and growth. Beyond reflecting internal business success, export performance contributes to broader macroeconomic objectives, such as national economic growth, foreign exchange earnings, job creation, and enhancing the competitiveness of domestic industries in the global arena. Conceptually, export performance is an integration of three main elements: performance as measurable outcomes (Garengo et al., 2005), export as the act of transferring goods or services across national borders to generate foreign exchange (Law No. 17 of 2006 on Customs), and MSMEs as productive economic units vital to national development (Tambunan, 2019).

Determinants of Export Performance

Export performance is shaped by a combination of external stimuli and internal capabilities. Entrepreneurial orientation, defined as the tendency to be proactive, innovative, and risk-taking in organizational processes and strategies, enhances MSMEs' adaptability in seizing international opportunities (Wiklund & Shepherd, 2011). Intangible resources, such as brand equity, corporate reputation, and intellectual property, provide strategic advantages in building trust and recognition in foreign markets (Molloy et al., 2011). Absorptive capacity (ACAP), the ability to identify, assimilate, and apply new knowledge from external sources, enables MSMEs to align their products and strategies with evolving market trends and technologies (Cohen & Levinthal, 1990). Competitive advantage, whether through cost leadership, product differentiation, or superior service, further drives the ability to penetrate and sustain a presence in global markets (Di Fatta et al., 2019).

2.2 Export Stimuli

A stimulus refers to something that triggers or encourages a response or reaction (Jacoby, 2002). In an economic context, stimulus denotes government policies or programs designed to encourage specific economic activities (Patterson & Beason, 2001). Export stimuli, or the desire to export, refers to the motivation or driving force among business actors, particularly Micro, Small, and Medium Enterprises (MSMEs), to engage in export activities

(Leonidou, 1998). It encompasses the intention and willingness of MSME owners to sell their products or services in international markets and to participate in cross-border trade.

Export stimuli may be triggered by various factors, such as the potential for increased revenue, market diversification, the exploitation of global trade opportunities, the success of other MSMEs, or increased competition in domestic markets (Leonidou et al., 2007). This motivation may also stem from the desire to access larger markets, extend the reach of products or services, and gain international business experience.

For MSMEs, export stimuli can serve as a strategic step toward business growth and long-term economic sustainability (Buntuang & Kornelius, 2020). It also contributes to the national economy by increasing foreign exchange earnings. Based on the above concepts, export stimuli can be defined as the motivation and driving force that encourage business actors, particularly MSMEs, to engage in export activities. It reflects the intention and willingness to sell products or services in foreign markets and actively participate in international trade.

Types of Export Stimuli

R. E. Morgan (1997) identifies several types of export stimuli that can encourage companies, including MSMEs, to participate in export activities. These stimuli play a critical role in motivating firms to explore opportunities in international markets and expand their business reach. The types of export stimuli are as follows:

- 1. Internal–Proactive Export Stimuli**

Internal–Proactive stimuli originate within the company and are proactive in nature, reflecting the firm's internal ambition and initiative to engage in export activities. Examples include a positive attitude toward exports and a strong desire to increase sales, growth, and profitability through export operations.

- 2. Internal–Reactive Export Stimuli**

Internal–Reactive stimuli also originate within the company but are reactive, emerging as a response to specific domestic market conditions. Examples include efforts to reduce risks and dependence on the domestic market by expanding the customer base through exports, or addressing challenges such as seasonal demand fluctuations or excess production capacity.

- 3. External–Proactive Export Stimuli**

External–Proactive stimuli come from outside the company and are proactive in nature, such as support from financial institutions, industry associations, and government programs offering incentives or strategic/operational assistance. Exclusive information about foreign markets and commercial opportunities from external sources can also encourage companies to expand into export activities.

- 4. External–Reactive Export Stimuli**

External–Reactive stimuli originate from external sources but arise as a reaction to specific external conditions. For example, unexpected export requests from overseas markets or favorable changes in import tariffs and foreign market regulations may trigger a company to start exporting.

2.3 Export Knowledge

Knowledge is the result of a process of understanding gained through direct experience, learning, and interaction with the environment (Duerden & Witt, 2010; Roschelle, 1997). It encompasses the acquisition of facts, comprehension of concepts, application of theories, mastery of skills, and evaluation of prevailing values. The characteristics of knowledge include an objective aspect, which can be empirically tested without being influenced by personal opinions. However, understanding and interpretation of knowledge may carry subjective elements shaped by one's background and personal perspective.

Knowledge is dynamic and continuously evolves along with the advancement of information and new discoveries, requiring regular updates to remain relevant. In the context of international trade, export knowledge refers to specific understanding and skills related to export processes and practices (Wang & Olsen, 2002). For MSME actors, export knowledge includes understanding export procedures and stages, document requirements, international market analysis, consumer characteristics, market trends, and global competitiveness (Tiwari & Korneliussen, 2018).

Export knowledge serves as a crucial foundation for MSMEs to reduce barriers and risks in cross-border trade while opening up opportunities for business growth through global market expansion. Thus, export knowledge provides a strategic base that strengthens MSMEs' position in international markets. Based on the above explanation, it can be concluded that export knowledge is the specific understanding and skills required by MSMEs to engage in export activities, covering technical, administrative, and market-related knowledge. It plays an essential role in reducing risks while maximizing opportunities for global growth.

Factors Affecting Export Knowledge

Wang and Olsen (2002) identify several key factors that influence a company's export knowledge, including for micro, small, and medium enterprises (MSMEs). The first is awareness of international business practices, which

is crucial because cultural differences significantly shape customer needs, expectations, and decision-making styles in global markets. Such awareness involves understanding the norms, etiquette, and operational approaches of foreign markets, which can be acquired directly through business experience, travel, or direct interactions with foreign partners, and indirectly through learning foreign languages, reading about target markets, or receiving advice from experienced exporters. The second factor is market information, which plays a vital role in identifying export opportunities and adapting products to meet international demands. This information can be obtained from the diaspora, individuals with expertise in international trade, or digital platforms that provide data on current and potential markets. Access to accurate and timely market information enables MSMEs to develop effective market entry strategies and remain competitive abroad. The third factor is government assistance, which often acts as a catalyst for enhancing export knowledge, especially for beginner exporters. Government support may include training programs, consultancy services, provision of market data, and incentives aimed at facilitating entry into foreign markets. For MSMEs with limited experience, such assistance is invaluable in navigating the complexities of international trade regulations and procedures, thereby increasing their capacity to compete in the global arena.

2.4 Export Product Standards

Product standards are a set of specifications or requirements that a product must meet to be marketed and used safely and effectively (Göhlich et al., 2021; McKay et al., 2001). These standards cover various aspects that determine the quality, safety, health, and sustainability of a product. Quality standards establish requirements related to raw materials, product design, and performance to ensure that the product meets the expected quality level (Dunk, 2002). Furthermore, safety standards regulate that products must be usable without endangering consumers or users (Maier et al., 2024).

In relation to product standards, health standards are also an essential component, particularly for food and beverage products, ensuring that they are safe for human consumption, including hygiene and food safety aspects (Shan et al., 2007). In addition, environmental standards require products to be environmentally friendly, minimizing negative impacts throughout their life cycle, from production to disposal. Lastly, labelling standards specify that products must have clear and accurate labels containing important information such as the product name, composition, expiration date, and usage instructions.

Export product eligibility standards are a set of criteria and requirements that must be met before a product can successfully compete in international markets (Fernandes et al., 2019). This includes various aspects ranging from product quality, safety, and health to compliance with regulations and norms of the export destination market. Exported products must meet certain quality standards, including design, raw materials, production processes, and product performance. Additionally, product safety and health must comply with applicable regulations, including health testing and correct labelling.

Clear and accurate information on product labels and packaging is also essential, including ingredient listings, usage instructions, and other relevant details. Export product standards can help build international buyer trust, enhance product competitiveness, and ensure success in the global market.

Based on the above concepts, export product standards can be defined as a set of criteria and requirements that a product must meet before it can succeed in international markets. These encompass various aspects ranging from product quality, safety, and health to compliance with the regulations and norms of the export destination market.

Dimensions of Export Product Standards

The dimensions of export product standards according to Fernandes et al. (2019) encompass several critical aspects that determine a product's success in the international market. The first is product type compatibility, which assesses how well the exported product aligns with the needs and preferences of the target market. Ensuring relevance to the tastes and demands of international consumers is essential, as products that fail to meet these expectations are less likely to be accepted. Equally important is quality compatibility, which measures whether the product meets or exceeds the standards set by foreign markets. Compliance with international regulations and consumer expectations in the destination country strengthens market acceptance and competitiveness.

Quantity compatibility refers to the alignment of the exported product's supply with the volume required by the export market. Adequate and consistent quantities help ensure that supply matches demand without causing shortages or surpluses. Another key dimension is packaging compatibility, which evaluates whether packaging adheres to destination country regulations, appeals to international consumers, and protects the product during transit. Proper packaging plays a significant role in both regulatory compliance and product appeal.

The fifth dimension, product capacity and availability, concerns the exporter's ability to produce and supply products consistently in line with market demand. Maintaining adequate production capacity is vital for fulfilling orders and preventing disruptions in the supply chain. Closely related is product adaptability, which examines the

extent to which products can be modified to meet the specific needs, regulations, and preferences of the target market. Such adaptability can enhance market acceptance and competitiveness.

Furthermore, demand potential in the export destination country evaluates the likelihood of market success by assessing consumer demand for the product. This insight aids in determining priority markets and shaping effective marketing strategies. On the other hand, trade restrictions such as tariffs, quotas, or import bans must be considered, as they can significantly influence export feasibility. Finally, incentives or facilities offered for export, including government support, logistical assistance, and promotional services, can reduce costs and increase the chances of success in foreign markets. By addressing these dimensions comprehensively, exporters can better position their products for sustained success in international trade.

2.5 Export Marketing

Marketing is a complex and strategic process that involves a deep understanding of consumer needs and wants, as well as the competitive environment (Silk, 2006; West et al., 2015). Market research plays a fundamental role in this process, enabling companies to explore consumer preferences and identify emerging market trends to develop relevant products and services (Malhotra et al., 2020; McDaniel Jr & Gates, 2018). Through a thorough understanding of the market, businesses can design effective marketing strategies that not only meet demand but also create substantial value for customers.

Beyond market analysis, marketing requires the efficient and effective distribution of products to ensure they reach consumers in a timely manner and in optimal condition. The choice of distribution channels significantly influences product availability in the market. Promotion is another critical element, allowing companies to communicate the value and benefits of their products to potential customers. Well-planned promotional campaigns can strengthen brand awareness, stimulate consumer interest, and ultimately influence purchasing decisions.

Export marketing specifically refers to the strategic approach adopted by firms to expand market share and achieve business growth through entry into foreign markets (Douglas & Craig, 1993; Osano, 2019). However, it presents unique challenges such as differences in culture and language between the home and target countries. Successful export marketing requires a deep understanding of consumer needs, preferences, and cultural norms in the target market, as well as the ability to adapt products and strategies accordingly. For Indonesian MSMEs, addressing these challenges involves conducting comprehensive market research, building strong partnerships in destination countries, leveraging digital platforms to extend market reach, and designing marketing strategies that match the characteristics of foreign markets. In essence, export marketing for MSMEs is a deliberate effort to grow internationally by understanding local market dynamics, analyzing competitors, complying with relevant regulations, collaborating with local intermediaries, and utilizing online channels such as social media to reach overseas customers.

Barriers to Export Marketing

Export marketing for MSMEs often encounters various internal and external barriers. From an internal perspective, limited knowledge of international markets, regulatory requirements, and customer preferences can hinder a firm's ability to compete globally. Many MSMEs lack the skilled human resources needed to manage export marketing effectively, which further restricts their international engagement.

Externally, MSMEs face significant market barriers, such as difficulties in building brand recognition and overcoming negative perceptions toward products from their home country. These perceptions are often compounded by complex export procedures, stringent customs regulations, and cumbersome documentation processes that slow down market entry. On an industry level, MSMEs frequently struggle to compete with larger firms that possess greater financial, technological, and logistical resources. Limited access to advanced technology and weaknesses in domestic supply chains for raw materials further exacerbate these challenges, making it more difficult for smaller enterprises to establish a strong presence in foreign markets.

Dimensions of Export Marketing

Achieving success in export marketing requires companies to understand and implement key dimensions within the context of international trade (Moghaddam et al., 2011). The first dimension is product adaptation, which involves modifying product features, designs, packaging, and functions to align with the preferences and standards of the destination market. A culturally relevant and visually appealing design can significantly increase the product's attractiveness and help differentiate it from competitors. Strong branding is equally important in building consumer trust and reputation abroad.

The second dimension is pricing strategy, which requires careful consideration of production costs, shipping expenses, applicable taxes, and competitor pricing in the export market. Selecting appropriate international trade terms is crucial to clearly define the distribution of responsibilities and risks between the exporter and the buyer.

The third dimension is distribution (place), which involves selecting effective channels to reach the target market while considering product characteristics, market segmentation, and local distribution infrastructure. Efficient logistics management is critical, encompassing documentation handling, customs clearance, and timely product delivery to minimize costs and delays.

Finally, the fourth dimension is promotion, which focuses on communicating product value effectively to the target market through advertising, digital marketing campaigns, trade fairs, and other promotional activities. To ensure effectiveness, promotional messages must be tailored to the cultural and linguistic characteristics of the destination country, thereby increasing relevance and resonance with the intended audience.

2.6 Empirical Review and Hypothesis

Empirical Review

Empirical studies on MSME export performance highlight how both internal capabilities and external market factors shape success in international markets. Toften (2005) found that effective use of market information improves export knowledge and performance, whereas symbolic use yields little impact. Samiee and Walters (1999) observed that companies with advanced export development stages and stronger commitment are more likely to access structured export education. Negeri and Ji (2023a), in their study of coffee exporters, reported that export knowledge and commitment significantly enhance performance, with product adaptation mediating this relationship. In the marketing domain, Morgan et al. (2012) and Durmaz and Eren (2018) demonstrated that well-crafted marketing strategies and robust marketing capabilities contribute to positive export outcomes. Chen et al. (2016) and Ribau et al. (2017b) emphasized the role of environmental factors, government support, and entrepreneurial orientation in driving export success. In a sector-specific context, Maurel (2009a) found that firm size, managerial orientation, and commitment boost the export performance of wine SMEs in France. In Indonesia, Revindo and Gan (2016) identified direct contact with international buyers, confidence in product quality, and motivation to expand market reach as key export drivers. Collectively, these studies suggest that export stimuli, export knowledge, product standards, and marketing strategies are interrelated factors influencing the export performance of MSMEs in emerging economies.

Research Proposition

Drawing from the reviewed literature, the present study is guided by the following propositions:

1. Export stimuli may play a crucial role in motivating Indonesian MSMEs to initiate and sustain engagement in international markets.
2. Export knowledge, encompassing awareness of international business practices, access to market information, and understanding of export procedures, may enhance MSMEs' ability to adapt and compete globally.
3. Compliance with export product standards, including product quality, packaging, adaptability, and regulatory requirements, may improve international market acceptance and competitiveness.
4. Marketing strategies that align with the preferences and characteristics of target export markets may contribute to greater export success for MSMEs.

3. RESEARCH METHODOLOGY

3.1 Research Approach

This study adopts a qualitative research approach to gain a deeper understanding of how export stimuli, export knowledge, product standards, and marketing strategies influence the export performance of Indonesian MSMEs. A qualitative approach is particularly suitable for this research because it allows the exploration of meanings, perceptions, and decision-making processes that cannot be captured through numerical data alone. Quantitative studies often provide generalizable statistical evidence but overlook contextual dynamics, adaptive strategies, and the lived experiences of entrepreneurs. In contrast, the qualitative approach provides nuanced insights into the challenges and strategies employed by MSME owners and managers as they navigate international trade.

3.2 Research Design

A multiple case study design was employed to enable a comparative exploration of MSMEs operating in different sectors and export markets. The case study method allows for an in-depth investigation of phenomena within real-life contexts, which is essential for examining the complex and interconnected factors influencing export performance. By analyzing several cases, this design not only identifies common patterns but also highlights sectoral and contextual variations, strengthening the transferability of findings. Each MSME case was treated as a unit of analysis, while cross-case analysis provided broader insights into how export stimuli, knowledge, product standards, and marketing strategies interact in practice.

3.3 Research Setting and Participants

The study focused on Indonesian MSMEs actively engaged in export activities across a range of sectors, including food and beverages, handicrafts, textiles, and agricultural commodities. These sectors were selected

because they represent significant contributions to Indonesia's non-oil exports and reflect diverse challenges in meeting international market demands. Participants were chosen using purposive sampling to ensure that only individuals with direct involvement in export activities were included. The final sample consisted of 12 participants, comprising MSME owners, senior managers, and export coordinators who were directly responsible for international trade operations. The sample size was deemed sufficient as data saturation was achieved; by the twelfth interview, no new themes emerged, indicating that the range of perspectives and experiences had been adequately captured.

3.4 Data Collection Methods

Primary data were collected through semi-structured, in-depth interviews, which allowed for both flexibility and depth in capturing participants' experiences. Each interview lasted between 60 and 90 minutes and was conducted either face-to-face or online, depending on the participants' availability. An interview guide was developed based on the literature review and research objectives, covering topics such as export motivations, acquisition of export knowledge, challenges in meeting product standards, and the formulation of marketing strategies. The semi-structured format enabled participants to elaborate freely while ensuring coverage of key themes.

To strengthen the validity of findings, document analysis was also conducted. Relevant documents included company profiles, export certificates (e.g., Certificates of Origin, Halal certificates), promotional materials, and government-issued trade reports. These documents provided supplementary evidence and served as a means of triangulation to verify interview data. Field notes were also taken during and after interviews to capture contextual observations and reflections.

3.5 Data Analysis

The data analysis process followed Braun and Clarke's (2006) six-step thematic analysis framework. First, interview recordings were transcribed verbatim and repeatedly read for familiarization. Second, initial codes were generated to identify significant concepts and patterns. Third, codes were grouped into potential themes such as "buyer-initiated export opportunities," "regulatory knowledge," and "packaging compliance." Fourth, the themes were reviewed against the dataset to ensure consistency and representativeness. Fifth, themes were defined and refined to highlight their contribution to answering the research questions. Finally, a narrative report was written, linking themes to relevant literature and theoretical perspectives. NVivo software was employed to assist in coding, organizing, and retrieving data systematically, which improved transparency and rigor in the analysis process.

4. RESULT AND DISCUSSION

4.1 Result

This study engaged 12 Indonesian MSMEs actively involved in export activities across various sectors, including food and beverages, handicrafts, textiles, and agricultural commodities. Participants were purposively selected to ensure diversity in product types, market destinations, and stages of export experience. Of the participants, seven were company owners, while five were senior managers with direct involvement in export decision-making. Export destinations included Asia, the Middle East, Europe, and North America, reflecting a broad range of regulatory and cultural contexts.

Years of export experience ranged from less than two years to over a decade, providing a variety of perspectives on both challenges and enablers of export performance. The majority of participants were based in Java and Sumatra, regions that represent significant hubs for Indonesian export-oriented MSMEs.

4.2 Discussion

4.2.1 Export Stimuli as Catalysts for International Market Entry

Buyer-Initiated Opportunities

For many MSMEs, the first step into export markets occurred not through a deliberate strategic plan, but as a reaction to unexpected interest from foreign buyers. Such opportunities often emerged from online exposure, particularly on social media, or from informal referrals via domestic networks. Several participants described these inquiries as both exciting and overwhelming, particularly because they often lacked the infrastructure or formal export readiness when the opportunity arose.

"Our first export happened after a buyer from Dubai contacted us through Instagram. At that time, we didn't even have proper export packaging, and our English was still basic. But their interest pushed us to learn quickly, within three weeks we had new labels, improved product quality, and all the required documents.", Participant 5 (Handicraft MSME)

In several cases, such buyer-initiated exports became the turning point for the business, motivating owners to professionalize operations, upgrade equipment, and learn export procedures. This aligns with Revindo and Gan (2016), who found that unplanned buyer contacts can become decisive triggers for export market entry among Indonesian MSMEs.

Government and Trade Association Initiatives

In addition to organic buyer interest, formal channels created by government agencies, export promotion boards, and trade associations played a significant role in connecting MSMEs to international buyers. These initiatives provided not only visibility but also practical assistance in overcoming initial barriers such as language, documentation, and logistics.

"We joined a government trade mission to Malaysia through the provincial industry department. They covered part of the booth cost, arranged business matching sessions, and even helped us with translation during meetings. From that trip, we secured a Malaysian distributor who has been with us for four years now.", Participant 9 (Snack Food MSME)

These accounts suggest that state-led interventions can be a critical equalizer for smaller businesses with limited resources, offering them structured exposure to global markets that they might.

4.2.2 Export Knowledge as a Strategic Enabler

Understanding International Regulations and Documentation

Participants emphasized that navigating export regulations was a steep learning curve. Those who had attended export training workshops, received mentoring, or engaged with experienced exporters described a noticeable improvement in their ability to handle the bureaucratic aspects of trade, such as customs clearance, phytosanitary certificates, and certificates of origin, without relying entirely on intermediaries.

"Before I attended the export workshop organized by the local trade office, I didn't even know what a Certificate of Origin was. I used to pay an agent to handle everything, which was expensive. Now, I can prepare all the documents myself, saving both money and time.", Participant 3 (Textile MSME)

The ability to independently manage these requirements was seen as a competitive advantage, as it reduced costs and improved transaction speed, echoing Wang and Olsen's (2002) argument on the value of structured market information.

Cultural Intelligence and Market Adaptation

Beyond procedural knowledge, cultural understanding emerged as an important determinant of export success. Participants reported that cultural norms influenced not only product preferences but also negotiation styles, communication patterns, and relationship management.

"When dealing with Japanese buyers, being too direct in negotiation can be seen as pushy. I learned to present options subtly and let them decide at their own pace. It's very different from Middle Eastern buyers, who prefer more personal and frequent communication.", Participant 8 (Agricultural Product MSME)

Some participants acquired this knowledge through trial and error, while others credited previous travel, language skills, or mentorship from experienced exporters. This adaptability was key in building long-term, trust-based relationships with international partners.

4.2.3 Product Standards as a Market Gatekeeper

Quality Compliance

Across all sectors, meeting stringent product standards was described as non-negotiable for sustaining export relationships. Even minor deviations from specifications could lead to shipment rejection, damaged reputation, and financial losses.

"We once lost an entire order to Europe because our coffee's moisture content was slightly above the limit. It was devastating, not just the cost of the shipment, but the trust we had to rebuild with the buyer.", Participant 6 (Coffee MSME)

Such experiences underscored the importance of consistent quality control systems, investment in better equipment, and strict monitoring processes before products left the warehouse.

Packaging and Labelling Requirements

For many MSMEs, packaging was initially seen as an aesthetic concern, but international buyers made it clear that it was also a matter of legal compliance and cultural adaptation. Participants reported having to redesign labels to include nutritional facts, ingredient lists, expiration dates, and certification logos in the buyer's language.

"For the Middle East, we had to redesign our labels completely, adding Arabic translations, halal certification, and even adjusting color schemes to suit market preferences. It was costly, but in the end, it opened a huge market for us.", Participant 2 (Processed Food MSME)

Compliance with packaging requirements not only ensured legal acceptance but also served as a trust signal to foreign buyers about product professionalism and reliability.

4.2.4 Marketing Strategies as Performance Drivers

Digital Marketing for Global Reach

Social media emerged as a low-cost yet powerful tool for international marketing. Instagram, Facebook, and B2B platforms like Alibaba were commonly used to showcase products, interact with buyers, and maintain brand visibility.

"Instagram is our main showroom. All of our current overseas buyers found us through posts and stories. It's cheaper than joining exhibitions, and we can reach people in different time zones instantly.", Participant 11 (Handicraft MSME)

Several participants noted that consistent posting, professional photography, and strategic use of hashtags increased their chances of being discovered by international buyers.

Product Adaptation and Market Segmentation

Adapting products for specific markets, whether in size, flavor, or design was described as essential for boosting competitiveness and securing repeat orders.

"For the European market, we created smaller packaging because customers there prefer buying in smaller portions. In contrast, for the Middle East, we increased pack sizes to suit bulk-buying habits.", Participant 4 (Snack Food MSME)

This strategic flexibility allowed MSMEs to align their offerings with local market habits, improving both acceptance and brand loyalty.

5. CONCLUSION

This study confirms that export stimuli, export knowledge, product standards, and marketing strategies jointly shape the export performance of Indonesian MSMEs, with external triggers enabling market entry and internal capabilities sustaining long-term competitiveness. The main contribution lies in revealing the lived strategies and constraints of MSMEs, offering a context-specific perspective often absent from quantitative research.

In terms of practical contribution, the findings provide actionable insights for policymakers, trade facilitators, and business practitioners. Specifically, they highlight the importance of combining market access initiatives with continuous capacity-building programs, including training, compliance assistance, and digital market access. Such integrated policies are essential to strengthen the resilience and global competitiveness of Indonesian MSMEs.

Academically, this study advances business and economic research by offering a qualitative, context-rich understanding of how internal and external factors interact in shaping export performance. Unlike prior studies that examine these determinants in isolation, this research demonstrates their interdependence, thereby enriching the theoretical discourse on MSME internationalization in emerging economies.

Limitations of the study include the relatively small and geographically focused sample as well as reliance on self-reported experiences. Future research could extend this work through larger, cross-country comparative studies to provide broader generalizability. Nonetheless, the present study contributes significantly by filling a critical gap in the literature and by providing both theoretical and practical insights into the pathways through which MSMEs can succeed in international markets.

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