

MSME Internationalization Strategy Towards Global Business Competition Case Study on CV. Dua Putri Sholehah “HUNAY” Probolinggo

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Abstract: *In the Indonesian economy, Micro, Small and Medium Enterprises are the business group that has the largest number and has proven to be resistant to various shocks from the economic crisis. MSMEs are encouraged to be able to expand to the global market, not just on a national scale. Strategy is very important to determine the company's success in achieving its long-term goals. By choosing the right strategy for a particular company position, a company will have a competitive advantage. The aim of this research is to find out what is the most appropriate strategy for CV. Dua Putri Sholehah "Hunay" Probolinggo as MSMEs in facing global business competition. This research method uses SWOT analysis and IFAS, EFAS, by previously collecting data through interviews, questionnaires, observations and also literature studies. The results of this research indicate that the strategy that must be carried out by CV. Dua Putri Sholehah "Hunay" is in quadrant I, namely the quadrant that supports an aggressive growth strategy which shows that this company has the strength to take advantage of existing opportunities, especially in export development. Currently the organization is in a strong condition so it is possible to continue to expand by opening branches to the countries it will target, increasing growth and achieving maximum progress.*

Keywords: *Strategy, Internationalization MSMEs, Business Global, SWOT*

INTRODUCTION

Global Business Competition is getting tougher from year to year with various types of business competition. Global competitive business is like entering a duel in an arena. Business people and marketing managers in the era of globalization are entering an era of total competition. They are entering an era where winning the competition will become increasingly difficult in tight competition. The ability of society's competitiveness in the demands of globalization opens up opportunities for the business world to grow into increasingly high quality with efficiency and of course competitiveness. The business function that has an interest in supporting adaptation to the external environment is marketing. Countries in the world are preparing to face an era where national borders no longer have any significance, the opening of domestic markets for foreign products and the invasion of culture from countries exporting these products.

Not all countries are ready to face this era, but as said by, for better or worse, we are thrust into it, the impact can be felt by all of us. Therefore, these countries are encouraged to compete in a free market and as in any competition, of course there are losers and winners. In creating new products and competing products with other products, we must be able to develop existing products into extraordinary products. In this case, by improving the quality, updating the shape, or beautifying the product packaging. Innovation strategy is a way to overcome business competition, there is no harm in trying it immediately to increase competitiveness.

The competition that occurs between business actors provides consumers with benefits in the form of offering cheaper prices and increasing the number of alternative choices of goods or services offered. This alternative choice provides consumers with the opportunity to choose similar goods or services that have the best quality at relatively cheaper prices compared to other similar goods or services. However, in an increasingly globalized situation and conditions, a "competitive advantage" is required to be able to compete in international trade. International trade is an important aspect of the economy in every country. In the era of globalization, international trade has become a necessity for every nation and country that wants to progress, especially in the economic sector.

Each company adopts a different strategy in achieving its goals. Strategy is not just a plan, strategy is a unified plan, namely a strategy that ties all parts of the company together. A comprehensive strategy is a strategy that covers all important aspects of the company. According to Marrus in Umar (2021), strategy is defined as a process of determining plans by top leaders that focus on the long-term goals of the organization, accompanied by the preparation of a method or effort on how to achieve these goals. Strategy is specifically defined as action that is incremental (always improving) and continuous, and is carried out based on the perspective of what customers expect in the future (Ryenaya & Mahbubi 2021). According to Wheelen (2016), strategic management is a series of decisions and managerial actions that lead to the development of effective strategies to achieve company goals with S.W.O.T analysis.

In the Indonesian economy, MSMEs are the business group that has the largest number and has proven to be resistant to various kinds of economic crisis shocks. Based on previous research on MSME Readiness Strategies in Facing Global Competition (Arifin and Wibowo, 2015) economic globalization is a process of global economic activity that involves countries throughout the world. One of the impacts that occurs is the existence of free trade. Micro, Small and Medium Enterprises (MSMEs) must be able to expand to the global market, not just on a

national scale. The invitation for MSMEs in this country to compete in the global market is a good thing.

Indirectly, the invitation to compete in the global market will increase new understanding for MSME players on how to advance their products to countries in the world. It also has an impact on their turnover, if consumers from abroad are interested in buying MSME products, income will increase, so the cost of living will improve. For the country too, inviting MSME players to compete in the global market will result in an improvement in the country's economy. In particular, labor absorption will increase and the country's foreign exchange will also increase. Thus, inviting MSME players to compete in the global market is something good and must still be supported.

Increasing the creativity of MSME players is a necessity to be able to compete in the global market. There must be many new product innovations produced by MSMEs that have never been marketed. Products created by MSMEs must be attractive and attractive to the world market. Both in the form of crafts, fabric products, Indonesian culinary delights, superior coffee and other creative works. With innovation, it will attract consumer attraction. Something new is a magnet for consumers to buy a product. Therefore, MSME players are expected to be creative in producing a product to be on par with global products. Of course, global competition is more difficult than national level competition. Global products certainly offer quality products and attract consumer attention. So, MSMEs in Indonesia must be able to think about beating the quality of global products, or at least the quality of the products produced by MSMEs can compete equally with global products. The government must also motivate MSMEs to explore their creativity in producing products on an international scale. MSME players must be confident to compete in the global market.

The important thing to pay attention to in order to compete in the global market is to follow the latest developments, MSME players must be able to use online applications to market their products to other countries. Based on previous research regarding Analysis of MSME Empowerment and Increasing Competitiveness in the Global Market Stage, (Mahfud & Mulyani, 2017) that the strategy to anticipate increasingly open and competitive market mechanisms, especially in the Asean region, is market control, which is a prerequisite for increasing the competitiveness of MSMEs. In order to dominate the market, MSMEs need to get information easily and quickly, both information regarding production markets and production factor markets to expand the marketing network for products produced by MSMEs. There are so many important things that MSMEs must pay attention to in facing global business competition, and to be able to have a competitive edge. So it is necessary to conduct a study on

MSME strategies in facing current global business competition, especially CV Dua Putri Sholehah, often called Hunay, is an MSME that operates in the food industry which is included in the creative economy by using shallots as a processed product into snacks or snack chips.

LITERATURE REVIEW

Internationalization

Marketing experts define internationalization as a sequential (gradual) and orderly process of a company's involvement in international business and the changes that occur in organizational form as a result of this process (Andersen, 2007). Caloaf & Beamish (1995) define internationalization as a process where companies adapt their operations (strategy, structure, resources) to the international environment. Beamish, et al. (1997) continues the definition of internationalization as a process in which companies increase their awareness of the influence of international activities in the future and increase and conduct transactions with companies in other countries. Another definition of internationalization is presented by Zweig (2002) as the flow of goods, services and people across national borders, thereby increasing the share of transnational markets compared to domestic companies, which is followed by a decrease in the level of regulation between countries in the process of this flow.

Meanwhile, The Group of Lisbon (1995) combines economic and social internationalization where internationalization is defined as the flow of raw materials, semi-finished materials, finished products, services, money, ideas and people between two or more countries. Smallbone (in Nelly & Krzysztof, 2012) underlines that internationalization consists of several processes including the internationalization of markets, production, capital, labor and regulations. Welch and Luostarinen (1988) define 2 internationalization as the involvement of a country in international operations both at the national and corporate levels. From the definitions above, we can draw conclusions regarding the general definition of international, namely as a process where companies gradually increase awareness of foreign markets and involve themselves in business activities with other countries and take into account aspects of the company's strategy, structure and resources to achieve targets. organization. This definition tends to explain certain patterns, namely the company's pattern of conducting international business, but this definition is intended as a platform to explain the basic principles of company involvement in international markets by considering that this involvement does not happen suddenly (over night), but requires a thought process, action, and follow-up. The definition and concept of internationalization above must be differentiated from the meaning of

multinationalization or transnationalization, which is characterized by fundamental differences in the relocation/flow of resources, especially capital and labor (The Group of Lisbon, 1995).

In this context, multinationalization is a narrow term for internationalization where activities are carried out mostly by companies in terms of acquisitions or collaboration between companies, while internationalization includes all international activities. Multinationality is also considered multiterritorialization, especially from a sociological point of view (Nelly & Krzysztof, 2012).

Globalization Economy

Globalization involves economic integration, cross-border policy transfer, knowledge transmission, cultural stability, reproduction, relationships, and discourses of power, which is a global process, a concept, a revolution, and an endeavor of a global market free from sociopolitical control. Yucel, et al. (2019) revealed that globalization includes the following seven dimensions: economic, namely globalization related to trade, money, companies, banking and capital; politics, namely globalization related to science, government, war, peace, IGOs (Intergovernmental organizations).

Economic globalization has created a business environment that makes it necessary to review the management principles used by companies to be able to survive and grow among world-class competitors. In order to survive and grow in this changing business environment, company management needs to change their management paradigm so that their attitudes and actions in running the business become effective.

Broadly speaking, economic globalization is characterized by the following four processes: mobility, simultaneity, the search for freeways, and pluralism (Aprilia & Ulfi Dista, 2018). The combination of these four processes has resulted in increased cross-border activity between countries and the use of information technology which makes it possible to communicate information throughout the world almost instantaneously. In terms of mobility, economic globalization causes the flow of capital, workforce and ideas to become smoother. If in the past, only capital flowed smoothly in almost all corners of the world, economic globalization has now expanded the mobility process to the workforce and ideas. Especially at this time, ideas very easily penetrate borders between countries through global media, computers and telecommunications. High-speed information transfer allows the transfer of information via computers and telecommunications without hindrance by the power of any country's government. The development of information technology such as the internet and electronic mail has made the flow of ideas between individuals penetrate borders between countries.

Economic globalization is also marked by an increasing process of pluralism, which means that the parent company can no longer control all the affairs that occur in each of its subsidiaries. This era has made the business environment very turbulent. This turbulent business environment makes centralized decision making no longer effective. With the increasingly turbulent business environment, companies require speed of response to every change that occurs. Such a situation can only be faced if the company organization is decentralized in such a way that decision-making authority rests with leaders who are close to the business environment they face.

Environment Business Global

Currently, competition has shifted from fighting for market share to fighting for opportunity share. In this regard, Ginting (2018) revealed that there are two aspects of reasons that cause a business organization to fail to compete. First, many organizations fail to escape from the past, namely the ability to abandon old paradigms in dealing with current business strategies. Second, many organizations fail to predict the future (invent the future), namely creating the future with a collective learning process that is able to integrate core competencies that are very unique or distinctive, both intra and inter-company (distinctive core competencies). . The latter is very useful for seizing opportunity share.

Rapid and pervasive economic globalization has changed the business environment not only to become very turbulent, but there has also been a shift in power in the market. If previously it was producers who determined what products and services would be provided on the market, now it has changed to customers who are in control of the business by determining the products and services they need, and which must be fulfilled by producers. For this reason, companies need speed of response to changes that occur and therefore there must be decentralization in the decision-making process. However, decentralizing decision-making authority to lower-level management is not enough, because there must be empowerment of employees by making company employees have the authority to have access to various information centers and use them as a basis for making decisions on work that is their responsibility, without authorization. from managers above him. Moreover, in the era of information technology, the characteristics of the business environment faced by companies are marked by a shift in work trends towards knowledge based due to the increasingly extensive use of smart technology in company operations. Smart technology does not determine what must be done or how to do it, but rather depends on the creativity of knowledge workers. Employee empowerment can make knowledge workers creatively apply the knowledge they master to create products and services that provide the best value to customers.

Strategy And Management Strategy

Strategy is a tool to achieve goals, in its development the concept of strategy must continue to develop and everyone has a different opinion or definition regarding strategy. Strategy in the business world is really needed to achieve the vision and mission that has been implemented by the company, as well as to achieve targets or goals, both short-term and long-term goals. According to Tjiptono (2016), the term strategy comes from the Greek word *strategia*, which means the art or science of becoming a general. Strategy can also be interpreted as a plan for the distribution and use of military force in certain areas to achieve certain goals.

Business strategies include geographic expansion, diversification, acquisition, product development, market penetration, tightening, divestment, liquidation, and joint ventures. Strategy is a potential action that requires top management decisions and large amounts of company resources. Rangkuti (2018) believes that strategy is a comprehensive master plan, which explains how the company will achieve all the goals that have been set based on the mission that has been previously set. According to Pearce II and Robinson (2018), strategy is a large-scale plan, with a future orientation, to interact with competitive conditions to achieve goals. So strategy is an action or activity carried out by a person or company to achieve the targets or objectives that have been set. According to Kirovska (2017), strategic management is a proactive process to achieve long-term compatibility of related areas in the planned tourism sector. Meanwhile, according to York and Miree (2021), strategic management is a challenging business program to teach because it integrates both conceptual and operational management levels.

RESEARCH METHOD

The type of research used in this research is descriptive research. The descriptive method is a method used to analyze data by describing or illustrating the data that has been collected as it is without intending to make conclusions that apply to the general public or generalizations (Sugiyono, 2007: 147).

This research was conducted at CV Dua Putri Sholehah "HUNAY" which is located at Tegal Rejo Village rt2 rw 3 Dringu District, Probolinggo Regency, East Java. The data sources in this research consist of primary data and secondary data. Primary data was obtained from direct observation and interviews with respondents. Meanwhile, secondary data is complementary data obtained from various related agencies and literature that supports this research. The data collection technique was carried out from the results of interviews with the management of CV Dua Putri Sholehah and respondents' answers to the questionnaire that had

been given previously. Next, data analysis uses descriptive statistics (Mellita et al., 2020). Meanwhile, strategic planning (strategic planner) must analyze the company's strategic factors (strengths, weaknesses, opportunities and threats) in the current conditions. This is called Situation Analysis. The most popular model for situation analysis is SWOT Analysis, to formulate company strategy. This analysis is based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats. The strategic decision making process is always related to the development of the company's mission, goals, strategies and policies.

RESULT AND DISCUSSION

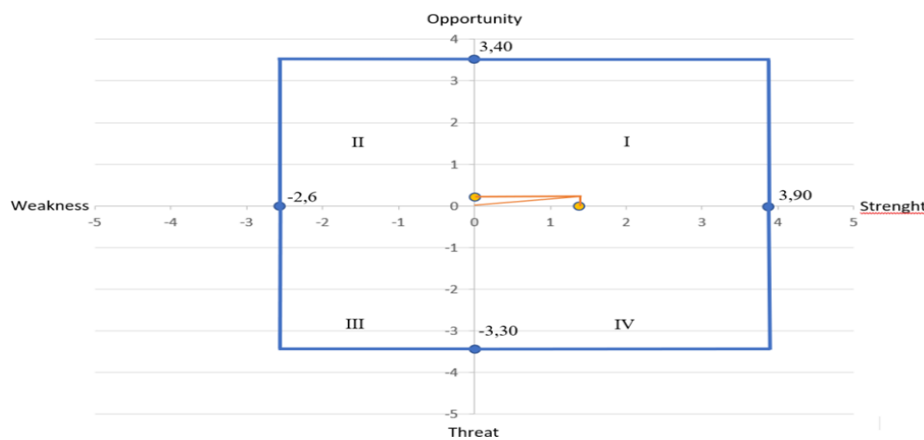
CV Dua Putri Sholehah is a company that operates in the snack food sector in the form of snacks or chips made from shallots which is oriented towards improving the welfare of the community around the company who work as shallot farmers. CV. Dua Putri Sholehah is a company located in Tegal Rejo Village, rt2 rw 3, Dringu sub-district, Probolinggo district, East Java. The products produced from shallot farming will produce superior snack products in the form of snacks or onion chips and are expected to grow quite rapidly. Currently CV. Dua Putri Sholehah already exports to several foreign countries. Countries that are export destinations include America, Australia and Singapore.

The results of the research can reveal the strengths and weaknesses as well as the opportunities and threats that CV may face. Dua Putri Sholehah, Based on the IFAS and EFAS matrices, the total score for strengths is: 3.90, weaknesses: -2.6, opportunities: 3.40, and threats: -3.30, as stated in table 1 and table 2 below;

Table 1. IFAS Analysis (Internal Strategic Factors Summary)				
No	Internal Strategic Factors	Weight	Ratings	Mark
	Strength			
1	Diversity of products sold	0,20	4	0,80
2	Strategic location of the company	0,20	4	0,80
3	Raw materials from own garden	0,25	4	1,00
4	Use of Information Technology	0,25	4	1,00
5	Product Design	0,10	3	0,30
	Amount	1,00		3,90
	Weakness			-
1	Availability of human resources	0,40	2	0,80
2	Availability of Working Capital	0,30	3	0,90
3	Collaboration with stakeholders	0,30	3	0,90
	Amount	1,00		2,60
Source	Data Processing Results			

Table.2. IFAS Analysis (External Strategic Factors Summary)				
No	Internal Strategic Factors	Weight	Ratings	Mark
Opportunity				
1	Development of market demand	0,20	4	0,80
2	Government support regarding tax incentives	0,20	3	0,60
3	Formation of the Malmin Association	0,20	3	0,60
4	The production results have been recognized inte	0,20	3	0,60
5	IT Development	0,20	4	0,80
Amount		1,00		3,40
Threat				
1	Stability of currency exchange rates	0,30	3	0,90
2	Government regulations regarding taxes	0,20	4	0,80
3	Long administrative process	0,20	4	0,80
4	There are substitute products	0,10	2	0,20
5	Transportation related to product delivery	0,20	3	0,60
Amount		1,00		3,30
Source	Data Processing Results			

So it can be described in the SWOT matrix as shown in Figure 1 below:



Picture 1. Matrix SWOT

Source : Data Processing Results

Apart from that, determining the coordinates of the image is as follows:

1. Internal Analysis Coordinates: (Total strength score - Total weakness score) = (3.90 - 2.6) = 1.3
2. External Analysis Coordinates: (Total opportunity score - Total threat score) = (3.40 - 3.30) = 0.1

Based on figure 1 above, it can be seen that CV Dua Putri Sholehah "HUNAY" is located in Quadrant I which has a weight (Progressive). Good value in the company's internal factors, namely strengths and company external factors, namely opportunities. So CV Dua Putri Sholehah "HUNAY" quadrant I, namely the quadrant that supports an aggressive growth strategy which shows that this company has the strength to take advantage of existing opportunities, meaning that the organization is in a strong condition so that it is possible to continue to expand by opening branches to the countries it will target, increase growth and achieve maximum progress. Which has a good value weight in the internal environment in the strength position, in the quadrant in the external environment. So it can be concluded that the

position in the production of snacks or onion chip snacks at CV. Dua Putri Sholehah "HUNAY" based on the SWOT quadrant is in quadrant I or the first quadrant (Aggressive), which means that it shows that in CV Dua Putri Sholehah "HUNAY" daughters have good strengths that can be utilized as opportunities to encourage product introductions to the global market in order to advance the company.

The strategy that should be implemented at CV Dua Putri Sholehah "HUNAY" in quadrant I is a market development strategy, by means of digital marketing and increasing cooperative relationships with other parties such as support from the government and food and beverage associations, adding menu variations, and opening branches in another place.

CONCLUSION

Based on the results of the SWOT analysis above, the strategy that must be carried out by CV Dua Putri Sholehah "HUNAY" is in quadrant I, namely the quadrant that supports an aggressive growth strategy which shows that this company has the strength to take advantage of existing opportunities, meaning that the organization is in a strong condition so it is very It is possible to continue to expand by opening branches to target countries, increasing growth and achieving maximum progress. Even though there are several weaknesses, it has good strengths that can be used as opportunities to encourage the introduction of authentic Indonesian onion products to the global market in order to advance the company.

So, several strategies that must be carried out by CV Dua Putri Sholehah in facing global business include: a) carrying out extensive market development both regionally, nationally and internationally, collaborating with the Government to make it easier to export abroad in dealing with regulations. other countries. b) carry out continuous promotions or online promotions such as using websites, Instagram, YouTube and other online media, c) join associations in Indonesia to gain relationships or collaboration with various parties, especially parties abroad to improve exports, d) increase the number of outlets not only in the city of Probolinggo, but also open branches in other cities that are still close to raw material commodity centers, e) improve the processing technology of onion chips products to speed up the product production process.

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