

# Digital-Based Internationalization Strategy In Penetrating The Global Market: A Case Study On Footwear MSMEs in Mojokerto

Original Article

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## Abstract

This research aims to analyze the digital-based internationalization strategy implemented by "Kenzi" Mojokerto footwear MSMEs, as part of creative industry players in the Mojokerto footwear center, which is known to have hundreds of craftsmen with national and international standard product quality. This research uses a qualitative approach with a case study design on "Kenzi" MSMEs that have penetrated foreign markets through digital channels. Data collection techniques were carried out through in-depth interviews, observations, and documentation, with data analysis using interactive models. The results of the study show that the "Kenzi" MSME internationalization strategy is carried out through the optimization of the global marketplace, social media, and strengthening digital branding to increase product visibility in the international market. Competitive advantage lies in product design that is adaptive to global trends, local craftsmanship-based quality, and production flexibility. However, the challenges faced include limited production capacity, suboptimal digital literacy, and the complexity of international export and logistics regulations. This research contributes to the development of a contextual digital-based internationalization strategy model for footwear MSMEs, especially in the Mojokerto area, as the center of the footwear industry, and becomes the basis for policy recommendations in encouraging MSMEs to go global.

**Keywords:** MSMEs Footwear Kenzi Mojokerto, Digital Internationalization, Export Strategy, Footwear Industry, Global Market

## 1. Introduction

The development of economic globalization and advances in digital technology have driven significant changes in business competition patterns, especially for Micro, Small, and Medium Enterprises (MSMEs). In this context, internationalization is no longer the exclusive domain of large companies but has become a strategic opportunity for MSMEs to expand the market and increase competitiveness. Digitalization plays a key role in the process, as it allows MSMEs to access international markets at a relatively lower cost through the utilization of information technology, e-commerce, and other digital platforms (Rosyidah et al., 2023). Digital transformation has been proven to be able to improve operational efficiency, expand marketing networks, and open access to real-time global market information (Pratama & Munawaroh, 2025).

In Indonesia, MSMEs make a significant contribution to the national economy, both in terms of labor absorption and as a contributor to the Gross Domestic Product. However, the



participation rate of MSMEs in export activities is still relatively low compared to their potential. This shows that there is a gap between domestic strength and the global competitiveness of MSMEs. Wisaka's research (2025) shows that only a small percentage of MSMEs can penetrate the international market, which is caused by limited digital literacy, low human resource capacity, and a lack of effective global branding and marketing strategies. In addition, structural challenges such as limited access to international networks, export regulations, and policy support are also obstacles in the process of internationalization of MSMEs (Ariyani, 2022).

In facing these challenges, digital-based internationalization strategies are becoming an increasingly relevant approach. The use of global marketplaces, social media, and business websites allows MSMEs to penetrate the market more flexibly and adaptively. The study of Fitriyani et al. (2025) confirms that digitalization combined with product innovation and globalization strategies can increase the readiness of MSMEs in facing global competition. In addition, the use of e-commerce not only expands market reach but also increases interaction with international consumers as well as accelerates the process of cross-border transactions (Silviawati et al., 2025). This shows that digitalization is not just a supporting tool, but has become a major determinant in the success of the internationalization of MSMEs.

Mojokerto, especially the Trowulan area, is known as one of the centers of the footwear industry that has great potential to be developed for the global market. One of the business actors that has begun to adopt this strategy is the "Kenzi" footwear MSMEs, which focus on the production of footwear with local design characteristics and craftsmanship quality. However, like other MSMEs, the internationalization process still faces various obstacles, both in terms of production capacity, digital literacy, and understanding of global market dynamics. Therefore, an in-depth study is needed to understand how digital-based internationalization strategies can be effectively implemented in the context of local MSMEs.

Based on this description, this research is important to conduct a comprehensive study of digital-based internationalization strategies in "Kenzi" footwear MSMEs in Mojokerto. This study is expected to make a theoretical contribution to the development of literature related to the internationalization of MSMEs and provide practical implications for business actors and policy makers in encouraging MSMEs to be able to compete in the global market sustainably.

### **Problem Formulation**

Based on the background that has been described, the formulation of the problem in this study is as follows:

- 1) How is the digital-based internationalization strategy implemented by "Kenzi" footwear MSMEs in Mojokerto in penetrating the global market?
- 2) What digital platforms and channels are used by "Kenzi" MSMEs to support marketing and product export activities to the international market?
- 3) What are the competitive advantage factors that "Kenzi" MSMEs have in facing competition in the global market?
- 4) What are the obstacles and challenges faced by "Kenzi" MSMEs in the digital-based internationalization process, both from internal and external aspects?
- 5) What is the model of an effective and sustainable digital-based internationalization strategy to be applied to footwear MSMEs in Mojokerto, based on the case study of MSME "Kenzi"?

## 2. Literature Review

The internationalization of digital-based MSMEs is an important strategy in facing global competition in the era of digital economic transformation. Digitalization allows MSMEs to expand international market access through the use of e-commerce, global marketplaces, social media, and digital communication technology at a more cost-efficient cost than conventional methods. Research by Rosyidah et al. (2023) explains that digitalization is able to reduce geographical barriers and improve the ability of MSMEs to reach international consumers. In addition, digital transformation also contributes to increasing operational efficiency, strengthening marketing networks, and accelerating access to real-time global market information (Pratama & Munawaroh, 2025). In this context, digital capabilities are no longer only a supporting factor but have developed into a source of competitive advantage for MSMEs in the internationalization process.

On the other hand, the success of the internationalization of MSMEs is not only determined by the use of technology, but also influenced by product quality, innovation, market orientation, and adaptability to global consumer needs. Fitriyani et al.'s (2025) research confirms that a combination of digitalization, product innovation, and glocalization strategies can increase the readiness of MSMEs to face the international market. However, various challenges are still faced by MSMEs, such as low digital literacy, limited production capacity, complexity of export regulations, and high international logistics costs (Wisaka, 2025). Therefore, a digital-based internationalization strategy model is needed that integrates internal capabilities, the use of digital technology, and the development of global business networks so that MSMEs are able to compete sustainably in the international market.

## 3. Methods

The research method used in this study is a qualitative approach with a case study design to gain an in-depth understanding of digital-based internationalization strategies in "Kenzi" footwear MSMEs in Mojokerto. This approach was chosen because it is able to explore the phenomenon contextually and comprehensively in the real environment of MSMEs, especially in the face of digital transformation and global market expansion. Case studies are considered relevant in examining the dynamics of internationalization strategies that are influenced by internal and external factors simultaneously (Rosyidah et al., 2023). The subjects of the research are determined purposively, namely, business owners, digital marketing managers, and parties directly involved in export activities and the use of digital platforms.

Data collection techniques are carried out through in-depth interviews, direct observation of operational and digital marketing activities, as well as documentation in the form of business archives, sales data, and social media content. The use of these various techniques aims to obtain valid and comprehensive data, considering that the digitization of MSMEs involves various aspects such as technology, marketing, and management (Morisson & Fikri, 2024). To improve the validity of the data, this study uses the triangulation technique of sources and methods, so that the information obtained can be tested for consistency from various perspectives.

Data analysis was carried out using an interactive model, which included the stages of data reduction, data presentation, and conclusion drawing repeatedly and systematically. In addition, this study also uses a thematic analysis approach to identify digital strategy patterns, forms of global market adaptation, and success factors for the internationalization of MSMEs. This approach is relevant because digitalization has proven to be a major catalyst in expanding

international market access and increasing the competitiveness of MSMEs through the use of e-commerce, social media, and data-based technology (Irawan, 2024).

With this method, the research is expected to be able to produce findings that are not only descriptive but also analytical in explaining how digital-based internationalization strategies can be applied effectively to local MSMEs. In addition, the results of this study are also expected to make a practical contribution in formulating a digital-based MSME development model that is adaptive to the demands of the global market and the dynamics of digital economy transformation (Wisaka, 2025).

## 4. Results and Discussion

### 4.1. How is the digital-based internationalization strategy implemented by "Kenzi" footwear MSMEs in Mojokerto in penetrating the global market

The implementation of the digital-based internationalization strategy implemented by "Kenzi" footwear MSMEs in Mojokerto shows an adaptive approach in utilizing the digital ecosystem to penetrate the global market. This strategy begins with the use of international e-commerce platforms and social media as the main means of expanding market reach. "Kenzi" MSMEs actively use channels such as global marketplaces and Instagram to build brand visibility, display product catalogs, and establish direct interaction with overseas consumers. This approach is in line with the findings that digitalization allows MSMEs to reduce geographical barriers and marketing costs in the internationalization process (Rosyidah et al., 2023). In addition, the digital branding strategy is also an important element, where "Kenzi" highlights the uniqueness of the design, handmade quality, and local identity as differentiating values in the global market.

From the operational side, "Kenzi" MSMEs implement a flexible demand-based production system (made-to-order), so that they are able to adjust product specifications to international consumer preferences. This shows a strong market orientation, which, according to Irawan's research (2024), is a key factor in the success of MSME expansion into the global market. In addition, the use of digital communications such as WhatsApp Business and business email speeds up the process of negotiations and cross-border transactions, thereby increasing operational efficiency. However, the implementation of this strategy still faces several obstacles, such as limited production capacity, fluctuations in international logistics costs, and an understanding of export regulations that are not optimal.

Overall, the digital-based internationalization strategy implemented by "Kenzi" MSMEs can be categorized as a "digital-based global born" model on a micro scale, where the use of technology is the main enabler in international market penetration. The success of this strategy is not only determined by the use of technology, but also by product adaptability, quality consistency, and responsiveness to global market dynamics. Thus, the integration between digital capabilities and entrepreneurial orientation is the main key in encouraging local MSMEs to compete globally.

### 4.2. What digital platforms and channels are used by "Kenzi" MSMEs to support marketing activities and product exports to the international market

"Kenzi" footwear MSMEs in Mojokerto utilize various platforms and digital channels as the main instruments in supporting marketing activities and product exports to the international market. One of the main channels used is global marketplaces such as Alibaba and Etsy, which allow "Kenzi" to reach international buyers directly, both in business-to-

business (B2B) and business-to-consumer (B2C) schemes. Through this platform, MSMEs can display product catalogs professionally, manage communication with foreign buyers, and conduct cross-border transactions in a more structured manner. The use of this global marketplace has proven to be effective in expanding market access and increasing MSME export opportunities (Silviawati et al., 2025).

In addition to the marketplace, social media channels are also an important pillar in Kenzi's digital strategy, especially through Instagram and TikTok. Instagram is used as a digital storefront to build visual branding through product photos, storytelling, and international customer testimonials. Meanwhile, TikTok is used for creative content-based marketing strategies (content marketing) that can increase engagement and awareness globally. This approach is in line with the digital marketing trend that emphasizes the importance of product visualization and direct interaction with consumers (Irawan, 2024).

On the other hand, MSMEs "Kenzi" also use WhatsApp Business as the main communication channel in the negotiation process and international customer service. The platform allows for fast, personalized, and efficient communication, especially in handling custom requests and technical product discussions. In addition, the use of a simple business website also functions as an official digital identity that increases business credibility in the eyes of global buyers. Overall, the combination of global marketplaces, social media, and digital communication applications forms an integrated marketing ecosystem that supports the "Kenzi" MSME internationalization process. The integration of these channels not only expands market reach but also improves promotion effectiveness, transaction efficiency, and the quality of relationships with international customers.

#### **4.3. What are the competitive advantage factors that "Kenzi" MSMEs have in facing competition in the global market**

The competitive advantage factor that "Kenzi" footwear MSMEs have in facing competition in the global market can be analyzed from a combination of internal capabilities and value-based differentiation strategies. First, "Kenzi" has an advantage in the quality of handmade-based products, where the production process is carried out with a high level of precision and consistent quality control. This adds value to mass-produced products, especially in international markets that value craftsmanship and authenticity. In addition, the use of materials such as quality leather and neat finishes strengthens the positioning of the product as a premium value item. Second, design differentiation is an important factor. "Kenzi" MSMEs can adapt to global trends without leaving their local identity, resulting in products that are unique and not easy to imitate. The ability to do custom designs according to buyers' requests is also a strategic advantage, because it increases flexibility and customer satisfaction. In this context, market orientation and trend-sensing skills are key to winning the competition.

Third, from the operational side, "Kenzi" has the flexibility of small-medium scale production, which allows the implementation of a made-to-order system. This model not only reduces the risk of overproduction but also provides an advantage in meeting specific demands from the international market quickly and adaptively. This flexibility is rare for large manufacturers, who tend to be rigid in mass production systems. Fourth, the use of digital branding and marketing strategies through platforms such as Instagram and TikTok strengthens global visibility and expands market reach. Engaging visual content, product storytelling, and direct interaction with consumers increase brand awareness and trust of international buyers. This shows that competitive advantage comes not only from the product, but also from effective digital communication capabilities.

Fifth, customer relationships built personally through channels such as WhatsApp Business are a differentiating factor. Fast response, flexible communication, and responsive service increase customer loyalty and strengthen repeat orders from overseas buyers. Overall, the competitive advantage of "Kenzi" MSMEs lies in the integration between product quality, design differentiation, operational flexibility, and digital capabilities. This combination forms a competitive advantage that is difficult to replicate (sustainable competitive advantage) and is the main foundation for facing competitive dynamics in the global market.

#### **4.4. What are the obstacles and challenges faced by "Kenzi" MSMEs in the digital-based internationalization process, both from internal and external aspects**

"Kenzi" footwear MSMEs in the digital-based internationalization process face various obstacles and challenges that come from internal and external aspects. From the internal side, one of the main obstacles is the limitation of production capacity, especially because the production system is still handmade, based on the scale of micro-small businesses. This condition makes it difficult for MSMEs to meet large amounts of demand consistently, especially when there is a surge in demand from the international market. In addition, the limitation of human resources (HR), especially in terms of digital literacy and global platform management capabilities, is a significant challenge. Mastery of digital marketing strategies, market analysis, and export management has not been fully optimal, thus hampering the effectiveness of global market penetration. From the managerial aspect, another obstacle that arises is the limitation of business capital, which has an impact on low investment in technology, product development, and international branding. In fact, to compete in the global market, high-quality standards, product certification, and packaging that meet the expectations of international consumers are needed. In addition, "Kenzi" MSMEs also face challenges in maintaining product quality consistency when the scale of production increases, which has the potential to affect the brand's reputation in the global market.

Meanwhile, from the external side, the main challenge lies in the complexity of export regulations and international trade procedures, such as licensing, quality standards, and the requirements of export-import documents that are often changing. This requires a deep understanding and high adaptability. In addition, relatively high and fluctuating international logistics costs are also a serious obstacle, especially for MSMEs with limited production scale. Another factor that is no less important is the increasingly fierce global competition, where "Kenzi" MSMEs have to compete with producers from other countries who have advantages in price, technology, and a wider distribution network.

In the digital context, challenges also arise in the form of algorithms of digital platforms such as Instagram and TikTok that are constantly changing, thus demanding the adaptation of content strategies in a sustainable manner. In addition, reliance on third-party platforms is also at risk of policy changes that can affect market visibility and performance. Overall, the obstacles and challenges faced by "Kenzi" MSMEs reflect the gap between the potential for digitalization and the internal readiness of the business. Therefore, an internal capacity building strategy and continuous external support are needed so that the digital-based internationalization process can run optimally and sustainably.

#### **4.5. How is the model of an effective and sustainable digital-based internationalization strategy to be applied to footwear MSMEs in Mojokerto, based on the case study of MSMEs "Kenzi"**

An effective and sustainable digital-based internationalization strategy model for footwear MSMEs in Mojokerto, based on the case study of MSME "Kenzi", can be formulated as an integrative model based on digital capabilities, global market orientation, and a local value-based digital internationalization model. This model emphasizes the synergy between the use of digital technology and strengthening competitive advantages based on the characteristics of local products. In the first stage, this model starts from strengthening the internal foundation (internal readiness), which includes improving product quality, standardizing production, and developing human resources, especially in digital literacy and export management. MSMEs need to ensure that the products produced have quality consistency and are able to meet international market standards. This stage is crucial because digitalization without internal readiness will result in unsustainable market penetration.

The second stage is digital capability development through the use of various platforms such as Instagram, TikTok, and global marketplaces such as Alibaba. At this stage, MSMEs not only play a role as technology users but also as actors who are able to manage content strategies, digital branding, and global consumer behavior analysis. Multi-channel integration (omnichannel strategy) is important to increase the visibility and effectiveness of marketing. The third stage is global market penetration and adaptation (market entry and adaptation), where MSMEs must be able to adjust product design, prices, and communication strategies to the characteristics of the target market. The "Kenzi" case study shows that made-to-order production flexibility and custom design capabilities are the advantages in meeting the specific needs of international consumers. This approach reflects a strategy of globalization, which is to combine local values with global preferences.

The fourth stage is strengthening networking and collaboration, both with logistics partners, export aggregators, and the international business community. This collaboration is important to overcome resource constraints and expand market access. In addition, the support of institutions such as the government and digital platforms is also a supporting factor in accelerating the internationalization process. The last stage is sustainability and scalability, which emphasizes sustainable innovation, digital performance evaluation, and market diversification. MSMEs need to utilize data from digital activities to make continuous improvements, both in products and marketing strategies. Sustainability is also determined by the ability to maintain quality, build customer loyalty, and manage global risks such as fluctuations in logistics costs and regulatory changes. Overall, this model emphasizes that the success of the internationalization of MSMEs does not only depend on the adoption of digital technology, but also on the integration of internal capabilities, market strategies, and the holistic use of the digital ecosystem. This model is applicable and can be replicated by other MSMEs in the footwear sector and similar creative industries.

## **5. Conclusion**

Based on the results of the discussion, it can be concluded that the digital-based internationalization strategy implemented by "Kenzi" footwear MSMEs in Mojokerto shows effectiveness in expanding global market access through the integrated use of the digital ecosystem. The use of digital platforms such as social media, global marketplaces, and business communication applications can increase product visibility, strengthen branding, and facilitate direct interaction with international consumers. This success is supported by its

competitive advantages, such as the quality of craft-based products, design differentiation, and production flexibility that is adaptive to the needs of the global market. However, the internationalization process still faces various obstacles, both from internal aspects such as limited production capacity, digital literacy, and capital, as well as from external aspects such as the complexity of export regulations, high logistics costs, and increasingly fierce global competition. Therefore, a more comprehensive and sustainable strategy is needed.

The digital-based internationalization strategy model produced in this study emphasizes the importance of integration between internal readiness, strengthening digital capabilities, global market adaptation, and network development and collaboration. With this approach, MSMEs are not only able to penetrate the international market but also maintain sustainability and increase competitiveness in the long term. Thus, digitalization can be a strategic instrument in encouraging local MSMEs, especially the footwear sector in Mojokerto, to transform into competitive business actors at the global level.

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