

Digital-Based Internationalization Strategy In Penetrating The Global Market: A Case Study On MSMEs Who Are Motorcycle Seat Craftsmen In Mojokerto

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Abstract

This research aims to analyze the internationalization strategy applied by MSMEs of seat materials "CV. Mitra Jaya Sadel" in Mojokerto in an effort to penetrate the global market. The research approach uses qualitative methods with case study designs to explore in depth the processes, challenges, and success factors in international expansion. Data was obtained through in-depth interviews, observations, and documentation of business owners and operational activities related to global marketing. The results of the study show that the strategy of internationalization of MSMEs "CV. Mitra Jaya Sadel" is supported by the use of digital platforms, improving the quality of products based on export standards, and strengthening business networks through international partnerships and marketplaces. In addition, competitive advantages such as competitive prices, production flexibility, and design innovation are key factors in increasing global competitiveness. However, there are several obstacles faced, such as limited access to international market information, obstacles to export regulations, and limited human resources in mastering foreign technology and languages. This research provides implications that strengthening digital literacy, government policy support, and human resource capacity development are important elements in encouraging the successful internationalization of MSMEs in the upholstery industry at the global level.

Keywords: Internationalization of MSMEs, seat materials, global strategy, digitalization, competitiveness, MSME CV. Mitra Jaya Sadel Mojokerto

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in the Indonesian economy, both as a contributor to the Gross Domestic Product (GDP) and as a labor absorber. However, despite its huge contribution at the domestic level, the participation rate of Indonesian MSMEs in the global market is still relatively low. A study by Wisaka (2025) shows that only about 4% of MSMEs are involved in export activities, so there is a significant gap between domestic strength and international market penetration. This condition indicates that the internationalization of MSMEs is still a challenge that needs serious attention, especially in the face of the dynamics of globalization and increasingly competitive international competition.



In the context of globalization, MSMEs are required to be able to adapt to rapid changes in the business environment, including the development of digital technology, changes in consumer preferences, and global quality standards. Fitriyani, Mustofa, and Yunus (2025) emphasized that digitalization and product innovation are key factors in increasing the readiness of MSMEs to enter the global market. Strategies such as the use of social media, e-commerce, and product development based on international market needs have been proven to be able to significantly expand the market reach of MSMEs. This shows that digital transformation is no longer an option, but a necessity for MSMEs who want to compete at the global level.

In addition, the strategy of internationalization of MSMEs is also inseparable from theoretical approaches such as the Uppsala Model and network theory. Zefanya et al. (2024) explained that the process of internationalization of MSMEs takes place gradually through increasing market knowledge and strengthening international business networks. In practice, the success of global market penetration is greatly influenced by the ability of MSMEs to build business relationships, understand the characteristics of the destination market, and adapt marketing in accordance with the local context in the destination country. Thus, internationalization is not just about exporting products, but also involves a continuous process of learning and adaptation.

On the other hand, various challenges are still the main obstacles for MSMEs in global expansion. Wisaka (2025) identifies several main obstacles, such as low digital literacy, limited access to international market information, weak branding strategies, and limited human resource capacity in managing global marketing. These findings are in line with the research of Annazwa and Faradila (2025), which states that MSMEs need to adopt adaptive strategies such as operational digitalization, market diversification, and ecosystem collaboration to increase resilience and competitiveness amid global pressures. Without the right strategy, MSMEs will find it difficult to compete with large companies and imported products that have advantages in terms of capital, technology, and distribution networks.

In the local context, MSMEs in the upholstery industry in Mojokerto are one of the potential sectors that have a great opportunity to penetrate the global market. This industry has advantages in production flexibility, labor skills, and the ability to customize designs according to consumer needs. However, like MSMEs in general, business actors in this sector also face various limitations, especially in terms of international market access, product standardization, and optimal use of digital technology. Therefore, the right internationalization strategy is needed so that MSMEs of upholstery materials can increase their competitiveness in the global market.

Case study on MSMEs "CV. Mitra Jaya Sadel" in Mojokerto is relevant for further study, because it can provide an empirical picture of how local business actors develop digital-based internationalization strategies and product innovation. Additionally, this research is important for identifying the key success factors and obstacles encountered during the internationalization process. Thus, the results of the research are expected to contribute both theoretically and practically to the development of an effective and sustainable MSME internationalization strategy model, especially for the upholstery industry sector in Indonesia.

Problem Formulation

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

- 1) What is the condition and readiness of MSMEs for seat materials "CV. Mitra Jaya Sadel" in Mojokerto in the face of the internationalization process towards the global market?
- 2) What are the internationalization strategies implemented by MSMEs "CV. Mitra Jaya Sadel" in expanding the market to a global level?
- 3) What are the factors that make MSMEs' competitive advantages," CV. Mitra Jaya Sadel", in competing in the international market?
- 4) What are the obstacles and challenges faced by MSMEs "CV. Mitra Jaya Sadel" in the process of internationalization, both from internal and external aspects?
- 5) How is the model of an effective and sustainable digital-based internationalization strategy to be applied to MSMEs of upholstery materials in Mojokerto, based on a case study of MSMEs "CV. Mitra Jaya Sadel"?

2. Literature Review

The internationalization of Small and Medium Enterprises (SMEs) has become an important strategic issue in the era of globalization and digital transformation. SMEs are increasingly required to expand beyond domestic markets by adopting adaptive business strategies, digital technologies, and innovation-oriented approaches. Digitalization plays a significant role in improving SMEs' readiness to compete in global markets through the utilization of e-commerce, social media, and digital marketing platforms (Pratama & Munawaroh, 2025). In addition, the Uppsala Model explains that internationalization is a gradual process in which firms enhance their market knowledge and international commitment over time. Zefanya et al. (2024) emphasized that business networking and international partnerships are essential factors that support SMEs in entering foreign markets. Furthermore, Fitriyani et al. (2024) argued that product innovation and market adaptation are critical elements for SMEs to sustain competitiveness in international markets, particularly in industries with rapidly changing consumer preferences.

Previous studies also highlighted that SMEs face multiple barriers in the internationalization process, including limited digital literacy, inadequate human resources, restricted access to international market information, and complex export regulations. Wisaka (2025) found that only a small percentage of Indonesian SMEs actively participate in export activities due to structural and managerial constraints. Similarly, OECD (2023) reported that insufficient technological capability and weak branding strategies hinder SMEs from achieving sustainable global expansion. To overcome these challenges, scholars suggest integrating digital capability, innovation, and network expansion into internationalization strategies. Autio and Zander (2021) explained that digital platforms enable SMEs to reduce geographical barriers and improve market accessibility, while Paul and Rosado-Serrano (2023) stressed the importance of strategic collaboration and global business ecosystems in accelerating SME international growth. Therefore, digital-based internationalization strategies are increasingly recognized as effective approaches for enhancing SME competitiveness and long-term sustainability in global markets.

3. Methods

This study uses a qualitative approach with a case study design to gain an in-depth understanding of the internationalization strategy applied by MSMEs of upholstery materials "CV. Mitra Jaya Sadel" in Mojokerto, in penetrating the global market. The qualitative approach was chosen because it is able to examine social phenomena and business behavior contextually and produce a deep understanding of the realities experienced by business actors (Rustamana et al., 2024). The case study design is used because it allows researchers to intensively explore a single business unit in a real context, especially related to the dynamics of complex and multidimensional MSME internationalization strategies.

The subjects of the study were determined using the purposive sampling technique, which is the deliberate selection of informants based on the consideration that they have knowledge and direct involvement in business activities, such as MSME owners, employees, and relevant business partners. This technique is considered effective in qualitative research because it is able to produce in-depth and relevant data to the focus of the research. Data collection was carried out through in-depth interviews, direct observation of production and marketing activities, and documentation in the form of business records and digital activities. This combination of techniques is important to explore the phenomenon comprehensively and increase the depth of research data (Rofiah, 2021).

To ensure the validity of the data, this study uses triangulation techniques, both source and method triangulation. Triangulation is a crucial approach in qualitative research that enhances the validity and credibility of findings by comparing data from multiple sources and data collection techniques (Meydan & Akkaş, 2024). In addition, this study also applies member checking as an effort to verify the results of interpretation with informants. The triangulation approach has been proven to be able to produce more accurate and comprehensive findings than the use of a single method (Nurfajriani et al., 2024).

Data analysis was carried out using an interactive model that included data reduction, data presentation, and conclusion drawing on an ongoing basis. In addition, this study also uses a thematic analysis approach to identify patterns, themes, and strategies that emerge from field data. Thematic analysis is an effective method in qualitative research to systematically understand the meanings and patterns in non-numerical data (Rustamana et al., 2024). The analysis process is carried out iteratively from the data collection stage to the final interpretation, so as to allow researchers to find relationships between concepts that are relevant to the MSME internationalization strategy. With this methodological approach, the research is expected to be able to produce valid, in-depth, and contextual findings, as well as make an empirical contribution to the development of an effective and sustainable digital-based internationalization strategy for MSMEs, especially in the upholstery industry sector in Mojokerto.

4. Results and Discussion

4.1. Result 1 about figures The Condition and Readiness of MSMEs Upholstery Materials "CV. Mitra Jaya Sadel" in Internationalization

The condition and readiness of MSMEs of seat materials "CV. Mitra Jaya Sadel" in Mojokerto in facing the internationalization process can be analyzed through aspects of digital readiness, human resource capacity, and product quality. In general, MSMEs in Indonesia have a large contribution to the economy, but the participation rate in exports is still low, at around 4%, which shows a gap between domestic potential and global readiness (Wisaka, 2025). In this context, MSMEs "CV. Mitra Jaya Sadel" can be categorized as a business with

growth potential, but still faces challenges in terms of digital readiness and international market access. Digital readiness is an important indicator because digital transformation has been proven to be able to increase operational efficiency and open up global market access (Pratama & Munawaroh, 2025).

In terms of human resources, the readiness for internationalization is greatly influenced by the ability of business actors to manage digital marketing and understand the dynamics of the global market. Research by Anam et al. (2024) confirms that strengthening human capital and digital marketing capabilities is a key factor in the success of MSME expansion into the international market. This shows that MSMEs "CV. Mitra Jaya Sadel" needs to improve competence in aspects of technology, foreign languages, and global business management to be able to compete internationally. In addition, product readiness is also an important factor, especially in meeting export quality standards and global market preferences. Fitriyani et al. (2024) stated that product innovation and digitalization are a strategic combination in increasing the readiness of MSMEs to face globalization.

However, there are various limitations that are still faced, such as a lack of access to international market information, limited global business networks, and a lack of institutional support. This condition is in line with the finding that many MSMEs are not optimally prepared due to the limitations of digital literacy and international branding strategies (Wisaka, 2025). Therefore, the readiness of MSMEs "CV. Mitra Jaya Sadel" can be said to be at the emerging readiness stage, where the potential already exists, but still needs to be strengthened in the digital aspects, human resources, and global networks to be able to compete optimally in the international market.

4.2. Internationalization Strategy for MSMEs "CV. Mitra Jaya Sadel" in Expanding Global Markets

The internationalization strategy implemented by MSME "CV. Mitra Jaya Sadel" in expanding the global market can be analyzed through digital-based approaches, product innovation, and strengthening business networks. In the era of the digital economy, the use of digital marketing is the main strategy used by MSMEs to penetrate the international market. The use of social media, e-commerce, and search engine optimization (SEO) has been proven to be able to increase product visibility and reach global consumers more broadly (Mala et al., 2024). This strategy allows MSMEs "CV. Mitra Jaya Sadel" to overcome geographical limitations and distribution costs that have been the main obstacles in exports.

In addition, product innovation strategies are also an important factor in increasing global competitiveness. MSMEs "CV. Mitra Jaya Sadel" can develop the design of the seat material that follows international trends and adjust product specifications to the needs of the global market. Fitriyani et al. (2024) emphasized that digitalization-based product innovation and the "glocalization" approach can help MSMEs adapt local products to the tastes of the global market. This shows that the internationalization strategy focuses not only on marketing but also on adapting products to suit international consumer standards and preferences.

On the other hand, the internationalization strategy also involves strengthening business networks and partnerships. This approach is in line with Uppsala's network theory and model, which emphasizes the importance of business relationships in expanding global market access. Zefanya et al. (2024) stated that the success of the internationalization of MSMEs is greatly influenced by the ability to build relationships with international partners, distributors, and global trade platforms. In the context of MSMEs "CV. Mitra Jaya Sadel", this strategy can be realized through participation in global marketplaces, collaboration with exporters, and involvement in international exhibitions.

However, the effectiveness of this strategy is highly dependent on the digital leadership of business actors. Adaptive and innovative leadership is able to encourage business transformation and increase the competitiveness of MSMEs in the global market (Mala et al., 2024). Thus, the strategy of internationalization of MSMEs "CV. Mitra Jaya Sadel" can be categorized as a digital-based strategy and innovation, supported by strengthening business networks. This strategy is considered effective in increasing global market access, although it still requires optimization in terms of human resource capacity and long-term strategy sustainability.

4.3. Competitive Advantage of MSMEs "CV. Mitra Jaya Sadel" in the International Market

The competitive advantage of MSMEs "CV. Mitra Jaya Sadel" in competing in the international market can be seen from the combination of cost efficiency, production flexibility, and the ability to innovate products that are adaptive to market needs. From the perspective of the resource-based view (RBV), competitive advantage arises when MSMEs can utilize unique resources that are difficult for competitors to replicate (Barney et al., 2021). MSMEs "CV. Mitra Jaya Sadel" has the advantage of a relatively low production cost structure compared to manufacturers from developed countries, so it is able to offer a more competitive price without sacrificing quality. In addition, production flexibility is an added value because MSMEs can customize the design of the seat materials according to international customer demands, including customization in colors, textures, and motifs.

Another advantage lies in the ability to innovate products based on global market trends. Research by Hapsari et al. (2023) shows that product innovation and market orientation have a significant influence on the competitiveness of MSMEs in the international market. In this case, MSMEs "CV. Mitra Jaya Sadel" can develop upholstery products that follow global automotive and furniture trends, thereby increasing the relevance of products in the export market. In addition, the use of digital platforms as a means of promotion and distribution is also a strategic advantage, as it allows MSMEs to reach the global market at a more cost-efficient time (Nambisan et al., 2022). Thus, the combination of cost efficiency, flexibility, innovation, and digitalization is the main foundation of MSMEs' competitive advantage." Mitra Jaya Sadel".

4.4. Obstacles and Challenges in the Internationalization Process

Even though it has great potential, MSMEs' CV. Mitra Jaya Sadel also faces various obstacles in the internationalization process, both from internal and external aspects. From the internal side, the limitation of human resources is the main challenge, especially in the mastery of foreign languages, digital marketing, and understanding of export-import regulations. A study by the OECD (2023) shows that low human resource capacity is one of the main obstacles to MSMEs entering the global market. In addition, limited capital also affects the ability of MSMEs to improve product quality, conduct international certification, and expand distribution networks.

From the external side, the obstacles faced include the complexity of international trade regulations, strict product quality standards, and the high level of global competition. Research by Ciravegna et al. (2022) confirms that regulatory barriers and market access are significant factors that hinder the internationalization of MSMEs, especially in developing countries. In addition, limited access to international market information is also a serious obstacle, because MSMEs often do not have adequate data on consumer preferences, market trends, and competitor strategies. Another challenge is the dependence on global digital platforms that have high competition, so MSMEs must be able to build a strong branding so

as not to sink in the market. Therefore, the obstacles faced by MSMEs, "CV. Mitra Jaya Sadel," are multidimensional and require an integrated strategic approach.

4.5. Effective and Sustainable Digital-Based Internationalization Strategy Model

Based on the case study of MSMEs "CV. Mitra Jaya Sadel", an effective and sustainable digital-based internationalization strategy model can be formulated through the integration of three main components, namely digital capability, market adaptation, and network expansion. First, digital capability includes the ability of MSMEs to utilize digital technology for marketing, transactions, and global business communication. The use of international e-commerce, social media, and SEO-based websites is an important element in increasing product visibility (Autio & Zander, 2021). Second, market adaptation emphasizes the ability of MSMEs to adapt products to global market needs, including quality, design, and consumer preferences. This is in line with the concept of "glocalization," which combines local excellence with global needs (Knight & Liesch, 2022).

Third, network expansion is a strategy to strengthen business networks through partnerships with distributors, exporters, and international trade platforms. Recent research shows that business networks have a crucial role in accelerating the internationalization process of MSMEs (Paul & Rosado-Serrano, 2023). This model also needs to be supported by digital leadership that is able to direct business transformation sustainably. In addition, strategic sustainability can be achieved through increasing human resource capacity, collaboration with the government and supporting institutions, and utilizing MSME export programs. Thus, this digital-based internationalization strategy model not only focuses on market expansion, but also on strengthening internal capabilities and adapting to global dynamics, so as to be able to create a sustainable competitive advantage for MSMEs in upholstery materials in Mojokerto.

5. Conclusion

Based on the results of the discussion, it can be concluded that MSMEs, such as "CV. Mitra Jaya Sadel" in Mojokerto has considerable potential to penetrate the global market, although their level of internationalization readiness is still at a developing stage. Competitive advantages, such as competitive prices, production flexibility, product innovation capabilities, and the use of digital technology, are important capital in increasing competitiveness in the international market. However, MSMEs "CV. Mitra Jaya Sadel" also face various obstacles, both from internal aspects such as limited human resources, digital literacy, and capital, as well as from external aspects such as export regulations, global quality standards, and fierce market competition. Therefore, an integrated and sustainable internationalization strategy is needed. Digital-based strategy models that prioritize strengthening digital capabilities, market adaptation, and business network expansion have proven to be an effective approach in supporting the MSME internationalization process. With the support of increasing human resource capacity, collaboration with various parties, and optimal use of technology, MSME "CV. Mitra Jaya Sadel" has the opportunity to expand the global market sustainably and increase its contribution to the regional and national economy.

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