



From Local to Global: The Internationalization Process of SMEs Based on the Uppsala Model (A Case Study of Atika Shuttlecocks)

1st Agus Salim*

2nd Sudarmiatin

3rd Heri Pratikto



Universitas Negeri Malang

Abstract

This study aims to analyze the internationalization process of Small and Medium Enterprises (SMEs) through a case study of Atika Shuttlecocks using the Uppsala Model framework. The research adopts a qualitative approach with a case study method, where data were collected through in-depth interviews with the business owner and supported by secondary data from relevant academic literature. Data analysis was conducted using thematic analysis based on the components of *state aspects*, *change aspects*, and *network* within the Uppsala Model. The findings reveal that the internationalization process occurs progressively through the development of *market knowledge* and *market commitment*, which are acquired through direct interactions with international buyers. In addition, marketing activities via social media function as *current activities* that drive *commitment decisions*, particularly in terms of product adaptation and business strategy adjustments. The study also finds that digital networks, especially social media platforms, play a significant role in accelerating access to international markets and reducing barriers to expansion. Furthermore, the results indicate that SME internationalization does not fully follow the incremental pattern proposed in the traditional Uppsala Model. Instead, it reflects a combination of gradual learning processes and opportunity-driven expansion facilitated by digital networks. This study contributes to the literature by enhancing the understanding of SME internationalization dynamics in the digital era, particularly by integrating traditional and contemporary perspectives on global market expansion.

Keywords: SME Internationalization, Uppsala Model, Digitalization

*Correspondence: agus.salim.2504139@students.um.ac.id

1. Introduction

Micro, Small, and Medium Enterprises (SMEs) play a strategic role in the national economy, particularly in generating employment and driving economic growth. In many developing countries, SMEs serve as the backbone of the economy; however, their contribution to international trade remains relatively limited compared to large firms (Wright et al., 2007). This condition indicates that the potential of SMEs in the global market has not been fully optimized. In the era of globalization, economic competition is no longer confined to domestic markets but has expanded into global competition. Therefore, the ability of SMEs to engage in internationalization has become increasingly important. Internationalization not only provides access to broader markets but also fosters improvements in competitiveness, product quality, and business innovation (Calheiros-Lobo et al., 2023).

One of the most widely used approaches to understanding the internationalization process is the Uppsala Model, which explains that firms expand into international markets incrementally based on accumulated experience and learning (Wright et al., 2007). The model emphasizes the interaction between a firm's conditions (*state aspects*) and its dynamic processes (*change aspects*). *State aspects* consist of *market knowledge* and *market commitment*, where market knowledge develops gradually through direct experience in international activities, while market commitment reflects the extent of a firm's involvement in foreign markets. As knowledge increases and uncertainty decreases, firms tend to progressively strengthen their commitment to international markets. Conversely, *change aspects* include *current activities* and *commitment decisions*, which represent the dynamic nature of the internationalization process. Ongoing activities serve as the primary source of experiential learning, influencing firms' strategic decisions to expand their presence in global markets. Furthermore, recent developments in the Uppsala Model highlight the critical role of *networks* in accelerating internationalization, where relationships with customers, business partners, and digital platforms facilitate market access and reduce uncertainty. Accordingly, SME internationalization can be understood not only as a gradual process but also as one shaped by the interaction between experiential learning, strategic decision-making, and business networks. This transformation has led to the emergence of more flexible and opportunity-driven internationalization patterns, enabling SMEs to enter global markets without relying on traditional distribution channels (Lee et al., 2022; Yordanova et al., 2024). In addition, digital platforms have accelerated interactions between business actors and international consumers (Zhang et al., 2025). Despite these growing opportunities, SMEs continue to face various challenges in implementing internationalization strategies. Common barriers include limited resources, lack of export experience, logistical constraints, and differences in international standards and market preferences (Chishty et al., 2025; Okpara & Kabongo, 2010). These challenges highlight the gap between the potential and the readiness of SMEs to compete in the global market.

In this context, it is important to understand how the internationalization process of SMEs unfolds in practice, particularly among businesses that originate from a small scale and operate with limited resources. One relevant SME to be examined is Atika Shuttlecocks, a business engaged in the production of sports equipment. This enterprise is characterized as a family-based business, with production processes involving local labor and utilizing social media as a primary marketing channel. Moreover, shuttlecock products possess specific characteristics that require adjustments to meet international standards and market preferences. This condition highlights that internationalization is not solely related to market access, but also to the firm's ability to adapt its products to the requirements of global markets.

Although numerous studies have examined SME internationalization, most have predominantly focused on quantitative approaches and general factors such as export performance and digitalization. These studies tend to lack an in-depth understanding of the internationalization process from the perspective of business actors, particularly in SMEs that grow organically without formal export planning (Calheiros-Lobo et al., 2023; Chishty et al., 2025). Furthermore, the application of internationalization models such as the Uppsala Model in the context of digitally oriented SMEs remains empirically limited. On the other hand, the rapid development of digitalization suggests that SME internationalization does not always follow the incremental stages proposed by the Uppsala Model, but can instead occur more rapidly and be driven by emerging opportunities. This indicates a potential interaction between traditional internationalization approaches and digitally enabled processes, which has not been extensively explored in prior research. Based on this gap, this study offers novelty by examining the internationalization process of SMEs through a qualitative case study approach grounded in the direct experiences of business actors. Unlike previous studies that rely heavily on quantitative methods and focus on general determinants of internationalization, this research highlights the contextual dynamics of internationalization within a digitally oriented SME. Moreover, this study integrates the Uppsala Model perspective with digital internationalization phenomena, thereby providing new insights into how gradual and opportunity-driven processes occur simultaneously in SME internationalization practices.

2. Method, Data, and Analysis

This study employs a qualitative approach using a case study method, aiming to analyze the stages of SME internationalization based on the Uppsala Model perspective. This approach was chosen as it enables an in-depth understanding of the international expansion process experienced directly by business actors, particularly in the context of small enterprises that develop gradually through experiential learning. The object of this study is Atika Shuttlecocks, an SME engaged in the production of sports equipment that has conducted export activities. The selection of the research object was carried out using purposive sampling, based on the consideration that the enterprise possesses relevant internationalization experience suitable for analysis using the Uppsala Model framework. The data used in this study consist of both primary and secondary data. Primary data were obtained through in-depth interviews with the business owner, focusing on internationalization experiences, market entry processes, strategies employed, and challenges encountered during international expansion. The interviews were conducted in a semi-structured manner to allow for more flexible and in-depth data exploration. The interviews were carried out through online media, depending on the availability of the informant. Meanwhile, secondary data were collected from various sources, including academic journals, books, and relevant research reports on SME internationalization and the Uppsala Model, which were used to support data analysis and interpretation. Data analysis was conducted using thematic analysis, aimed at identifying patterns of internationalization stages emerging from the interview data. The analysis process involved data reduction, categorization, and interpretation. In this study, the analysis focused on grouping data based on the stages of internationalization in the Uppsala Model, ranging from initial domestic market activities to increased commitment in international operations. To ensure data validity, this study employed a triangulation technique by comparing interview findings with the Uppsala Model framework and insights from previous studies. Thus, the findings are expected to provide a comprehensive understanding of the SME internationalization process from local to global markets.

3. Result and Discussion

Result

State Aspects: Market Knowledge dan Market Commitment

The findings indicate that the internationalization process of Atika Shuttlecocks began with the development of *market knowledge*, which was gradually acquired through direct interactions with international buyers. Knowledge of foreign markets such as consumer preferences, product specifications, and business communication patterns was not obtained through formal planning, but rather through practical experience in sales activities.

“Pengalaman berkomunikasi dengan buyer luar negeri berbeda... mereka lebih detail terhadap produk.”

“Communicating with international buyers is different... they tend to be more detail-oriented regarding the product.”

This finding suggests that the business owner not only gained technical knowledge about the product but also developed an understanding of international customer expectations, which tend to be more specific and detail-oriented compared to domestic markets. In addition, differences in communication styles and service expectations became part of the learning process that shaped a more comprehensive understanding of global markets. As interactions with international buyers increased, the business owner began to identify patterns in international market demand, including preferences related to product quality and performance. This indicates that *market knowledge* is not static but continuously evolves along with the frequency and intensity of interactions in export activities.

Furthermore, the increase in *market commitment* is reflected in changes in business strategies, particularly in the adjustment of product quality to meet international market standards.

“Kami merubah kualitas produk sesuai keinginan buyer... kecepatan shuttlecock disesuaikan.”

“We adjusted the product quality according to buyer requirements... the shuttlecock speed was modified accordingly” (translated from Indonesian).”

This adjustment not only demonstrates responsiveness to market demand but also reflects a greater allocation of resources and attention toward the international market segment. In other words, the business owner no longer merely sells existing products but begins to develop products specifically tailored to global market requirements.

Moreover, the increase in commitment is also evident in the willingness of the business owner to continuously learn and implement ongoing product improvements. This indicates that internationalization not only contributes to increased sales but also drives a transformation in the firm’s mindset and business strategy.

Thus, *market knowledge* and *market commitment* develop simultaneously and reinforce each other throughout the internationalization process.

Change Aspects: Current Activities dan Commitment Decisions

From the perspective of *change aspects*, the findings indicate that *current activities*, particularly sales conducted through social media, serve as the initial point of SME engagement in international markets. These activities are carried out directly through digital platforms such as Instagram and WhatsApp, enabling direct interaction with international buyers without intermediaries.

“Kami menjual langsung melalui direct message di Instagram dan lanjut ke WhatsApp.”

“We sell directly through Instagram direct messages and then continue the communication via WhatsApp.”

This finding suggests that social media functions not only as a promotional tool but also as a primary channel for distribution and communication in export activities. Through these platforms, the business owner is able to interact directly with international consumers, build trust, and conduct negotiations in a flexible manner. In addition, these activities serve as an important learning mechanism for the business owner. Through direct communication with buyers, the business owner gains insights into market needs, payment systems, and international shipping procedures. Thus, *current activities* not only generate transactions but also create experiential learning that enhances the knowledge and capabilities of the business owner in navigating global markets.

Furthermore, the experience gained from these activities leads to the emergence of *commitment decisions*, defined as decisions to increase the level of engagement in international markets. These decisions are reflected in the business owner’s efforts to improve product quality, adjust specifications according to market demand, and seek solutions to logistical challenges.

“Kami mencari rekanan cargo yang bisa memberikan harga sesuai dengan keinginan buyer.”

“We look for cargo partners who can offer pricing that meets the buyer’s expectations.”

This finding indicates that strategic decisions in the internationalization process are not limited to product-related aspects but also encompass operational dimensions such as logistics and distribution. The business owner actively seeks alternative solutions to overcome export barriers, reflecting an increasing level of commitment and readiness to engage in international activities. Furthermore, these decisions are not made in isolation but emerge as part of a continuous learning process. This demonstrates a strong linkage between ongoing activities and strategic decision-making, forming a dynamic learning cycle within the SME internationalization process.

Network: Peran Jaringan dalam Mempercepat Internasionalisasi

The findings indicate that *network* plays a highly significant role in the internationalization process of Atika Shuttlecocks. In this context, social media functions not only as a marketing tool but also as a medium for building relationships with international consumers.

"Kebanyakan buyer saya datang dari konten di Instagram."

"Most of my buyers come from content on Instagram."

This finding suggests that the presence of digital platforms enables SMEs to directly access global markets without relying on traditional distribution networks. In this regard, social media acts as a bridge that connects business actors with international consumers in a faster and more efficient manner. Moreover, networks established through digital interactions also contribute to building trust between the business owner and consumers. Trust becomes a crucial factor in international transactions, particularly for SMEs that do not yet possess a strong global reputation. Through direct communication and timely responses, the business owner is able to create more personalized and sustainable business relationships.

Furthermore, networks function as a source of market information and opportunities. Through interactions with international buyers, the business owner gains insights into market trends, consumer preferences, and potential expansion opportunities into other countries. This indicates that networks not only play a role in market expansion but also in enhancing the learning capacity of SMEs. Thus, networks can be viewed as a factor that accelerates the internationalization process, transforming what is initially a gradual process into a more dynamic one. The role of digital networks in this study demonstrates that SME internationalization is not solely determined by experiential learning, but also by the ability to leverage technology to build and expand global business relationships.

To provide a more systematic understanding of the internationalization process experienced by Atika Shuttlecocks, the findings of this study are formulated into a conceptual model based on the Uppsala Model framework. This model integrates empirical findings derived from interviews with the core components of the Uppsala Model, namely *state aspects*, *change aspects*, and *network*. The resulting model not only represents the stages of internationalization conceptually but also illustrates how the process unfolds in practice within the context of a digitally oriented SME. In addition, the model highlights the role of digital networks as a factor that accelerates the internationalization process, thereby providing a more contextualized perspective compared to the traditional Uppsala Model.

The figure below presents the internationalization model of Atika Shuttlecocks based on the findings of this study.

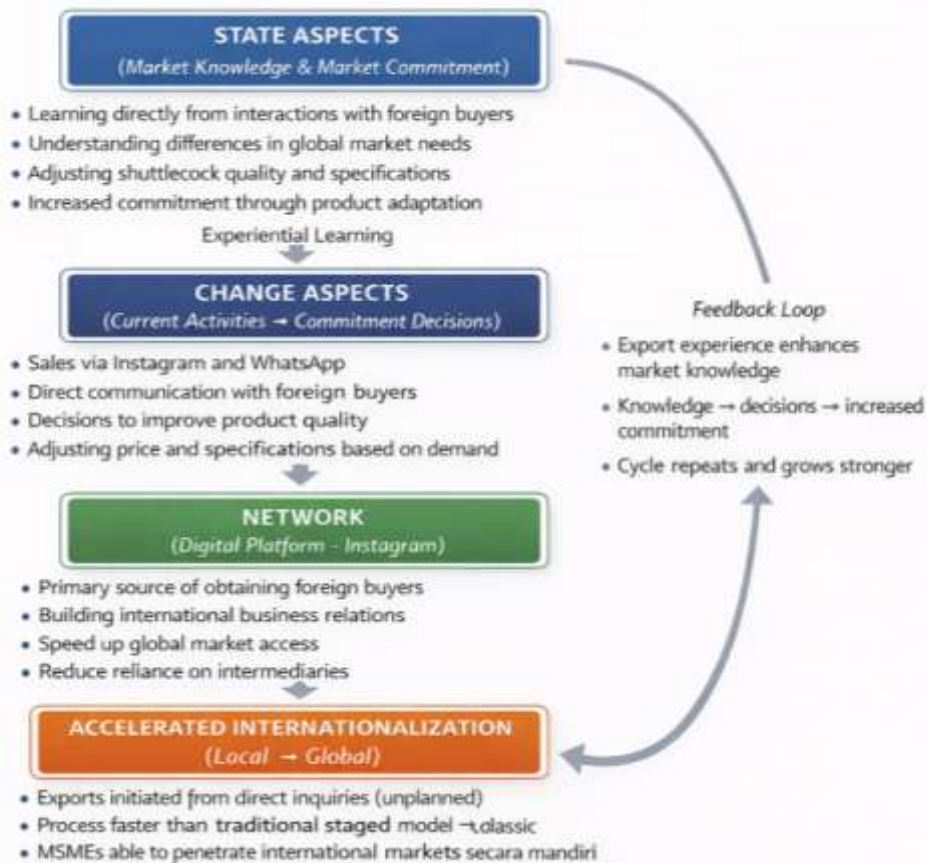


Figure 1. Internationalization Model of Atika Shuttlecocks Based on Uppsala Model

Discussion

State Aspects: Market Knowledge dan Market Commitment

The findings indicate that *market knowledge* within Atika Shuttlecocks develops through direct experience gained from interactions with international buyers. This process reflects the concept of experiential learning within the Uppsala Model, which emphasizes that market knowledge is acquired gradually through engagement in international activities (Johanson & Vahlne, 2009). In the context of SMEs, resource limitations often prevent formal market research, leading business actors to rely primarily on direct interactions as their main source of market information. As this knowledge increases, *market commitment* also strengthens, as evidenced by product adaptation and the adjustment of specifications to meet international market preferences. This suggests that SME commitment to global markets is more operational than structural, manifested through improvements in product quality and responsiveness to customer demands. These findings are consistent with previous studies indicating that international commitment is driven by the accumulation of experience and market knowledge (Lu & Beamish, 2001; Onkelinx & Sleuwaegen, 2026).

Furthermore, the development of *market knowledge* also reflects elements of cross-cultural learning, as the business owner becomes increasingly aware of differences in expectations between international and domestic consumers. These differences extend beyond product quality to include communication styles, timeliness, and service standards. This highlights that internationalization requires not only product adaptation but also adjustments in business behavior and practices. In addition, the strengthening of *market commitment* can be observed in the consistency of the business owner in maintaining relationships with international buyers. This commitment is not limited to short-term transactions but extends to efforts in building long-term business relationships through consistent product quality and continuous communication. Therefore, within the SME context, *market commitment* is not solely associated with market expansion but also with sustaining long-term international business relationships.

Change Aspects: Current Activities dan Commitment Decisions

From the perspective of *change aspects*, the findings indicate that *current activities*, particularly marketing and sales conducted through social media, serve as the initial point of SME engagement in international markets. These activities function not only as transactional mechanisms but also as learning platforms that enable business actors to directly understand the characteristics of global markets. This supports the argument that operational activities constitute the primary source of knowledge development in the internationalization process (Johanson & Vahlne, 1977). Furthermore, these activities lead to the emergence of *commitment decisions*, defined as decisions to increase the level of involvement in international markets. These decisions are reflected in efforts to improve product quality, adjust specifications, and respond to global market demands. In this context, decision-making evolves dynamically based on accumulated

experience and emerging opportunities, which aligns with the concept of international entrepreneurship (Knight & Cavusgil, 2004; Oviatt & McDougall, 2005).

In addition, digitally driven *current activities* indicate a transformation in SME operational patterns, shifting from a locally oriented approach to a more globally interactive one. The use of social media as a primary channel not only reduces entry barriers to international markets but also enables business actors to test market responses directly with minimal cost. This suggests that digital activities function as a flexible and adaptive mechanism for market exploration in the internationalization process. Moreover, the dynamics of *commitment decisions* reflect an iterative learning process, where each decision is shaped by prior experience and market feedback. In this regard, decisions related to product quality improvement and specification adjustments are not merely reactive but also demonstrate the ability of business actors to anticipate international market needs. As a result, decision-making becomes increasingly strategic as experience and confidence in engaging with global markets grow. Additionally, direct engagement with international buyers contributes to the development of managerial capabilities, particularly in areas such as negotiation, customer service, and cross-border transaction management. This indicates that internationalization impacts not only sales performance but also enhances the internal capacity of SMEs. Therefore, *change aspects* reflect not only changes in activities but also the transformation of organizational capabilities in responding to global market dynamics. These findings also suggest that SME internationalization does not always follow the linear pattern proposed by the traditional Uppsala Model. In practice, decisions to increase commitment can occur relatively rapidly when business actors gain direct access to international markets. This is consistent with studies indicating that SMEs can experience accelerated internationalization through the exploitation of market opportunities and global networks (Ciravegna et al., 2014).

Network: The Role of Networks in SME Internationalization

The findings indicate that *network*, particularly through digital platforms such as Instagram, plays a highly significant role in accelerating the internationalization process. Digital networks enable more open and geographically unrestricted market access, allowing business actors to directly reach international consumers without relying on conventional distribution structures. This condition suggests that the presence of digital platforms has shifted the role of traditional networks toward a more technology-based system, where business relationships can be established rapidly through continuous online interactions. In this context, networks function not only as marketing channels but also as mechanisms for trust-building between business actors and international consumers. Intensive interactions through social media facilitate the development of more personalized relationships, which in turn enhance customer loyalty and the sustainability of transactions. This is particularly important for SMEs that have not yet established a strong global reputation, making trust a critical factor in the internationalization process.

Within the development of the Uppsala Model, networks are viewed as a key factor that enables firms to access market information and business opportunities (Johanson & Vahlne, 2009). In the context of Atika Shuttlecocks, social media serves as the primary medium for reaching global consumers while simultaneously building international business relationships. This indicates that digitalization has transformed internationalization patterns from a traditionally incremental process into a more flexible and opportunity-driven one. These findings are consistent with the concept of digital internationalization, where digital technologies enable SMEs to access global markets more quickly and efficiently (Autio & Zander, 2016; Nambisan et al., 2019). Moreover, digital platforms act as learning mechanisms that allow business actors to receive real-time feedback and adapt their business strategies responsively (Lee et al., 2022; Yordanova et al., 2024). Therefore, digital networks not only accelerate the internationalization process but also enhance the adaptive capacity of SMEs in responding to global market dynamics. Overall, the internationalization of Atika Shuttlecocks can be understood as a combination of gradual experiential learning and the strategic utilization of digital networks as an acceleration factor. This suggests that while the Uppsala Model remains relevant, it needs to be interpreted more flexibly in light of technological advancements and the evolving dynamics of global markets.

4. Conclusion and Implications

This study demonstrates that the internationalization process of Atika Shuttlecocks can be effectively explained through the Uppsala Model, particularly through the interaction between *state aspects* and *change aspects*. The process unfolds incrementally through the development of *market knowledge* gained from direct interactions with international buyers, which subsequently drives *market commitment* in the form of product adaptation and strategic adjustments. In addition, social media-based *current activities* serve as the primary channel for accessing global markets while simultaneously acting as a learning mechanism that leads to *commitment decisions*. The findings also highlight the significant role of *network*, particularly digital platforms, in accelerating the internationalization process, indicating that SME internationalization is not entirely linear but rather a combination of gradual learning and opportunity-driven expansion.

Based on these findings, SMEs are encouraged to optimize the use of digital technologies to access international markets, while enhancing their capabilities in understanding global market characteristics and adapting products accordingly. Strengthening operational capacities such as logistics, payment systems, and cross-border business communication is also essential to support sustainable export activities. Furthermore, governments and relevant stakeholders are expected to provide greater support through digital training programs, market access facilitation, and the simplification of export procedures. Future research is recommended to expand the scope of analysis by involving a broader range of SMEs and employing diverse methodological approaches to generate a more comprehensive understanding of SME internationalization.

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