

How Can Digital Strategy Help Sme's for Export Expansion of Pepper

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Abstract

This research aims to analyze how the use of digital strategies can increase of Indoeseian Pepper exports. This reserch using qualitative study methods and literature review methods as a basic for understanding the use digital strategy to provide pepper export. The results of this research can be used as recommendations for businesses, especially SMEs and for begginer exporter, to engage in pepper exports efficiently and effectively strategy.

Keywords: Export, Digital Strategy, Social Media, E-commerce, SME's

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1. Introduction

Pepper is the one of Indonesia top export comodities, such as black pepper and white pepper. Both types of pepper have successfully become superior commodities that enrich Indonesia's export market. Black pepper and white pepper are not only the pride of the country but have also gained recognition in the international market. Lampung black pepper has become one of the world's recognised pepper products. According to Putri (2023) pepper originating from Lampung province has potential in exports, several countries have become export destinations for Lampung pepper such as Vietnam, China, India and the United States. While white pepper which is a superior export commodity comes from the province of Bangka Belitung, *munthok white pepper* which is a superior commodity with taste and quality that has been known since ancient times (Purwasih et al., 2020). So according to that research before, this means that Bangka white pepper has the potential for high export value. According to Mahdi, et al (2021) Indonesia exports pepper to Vietnam, Brazil and China. Furthermore, Mahdi, et al (2021) suggest not exporting pepper to pepper exporting countries and rather suggest exporting pepper directly to non-producing countries.

Curve. 1 Export Curve 2012-2022 Acording to Central Statistic Agency

Based on data obtained from the Central Bureau of Statistics (2023), the trend of Indonesian pepper exports has tended to decline in recent years as shown in Curve 1. The decline is influenced by



problems in production and few exporters. Indonesia generally exports pepper to countries that are also pepper producers. Indonesia has problems in increasing exports, such as the small number of Indonesian exporters, while export activities are dominated by national companies and the lack of influence of SME's that moves to export independently. Based on these data, the potential for SME's to export is still lacking, considering that according to the Ministry of Finance the number of SME's in Indonesia is 64.19 million or 99% of the total business actors in 2022. So to maximise exports, the role of SME's-go export or make SME's for new start-up exporters needs to be improved. However, there are other problems if want to promote SME's to export independently. According to Rasbin

(2019), the cause of the obstacles for SME's to export is the lack of resources and knowledge of exports. Meanwhile, according to Azaria, et al (2023) SME's tend to be conservative and require education on the digital economy sector. This reason makes it difficult for SME's-scale exporters to export.

To overcome SME's difficulties in exporting, a practical solution is needed in encouraging exports by SME's. The solution is to use a digital strategy in encouraging SME's to be able to export. According to Widiyanti, et al (2020) using digital technology can make it easier to market products and easier to find business development information. Furthermore, during the pandemic, 80.6% SME's were helped by the use of the internet, especially the marketplace Widiyanti, et al (2020). If the use of the marketplace is increased to exports, especially to pepper, it cannot rule out the possibility of also increasing the potential demand for goods or services from these SME's.

This research aims to offer solutions to the problems that hinder the growth of Indonesia's pepper exports, particularly in optimising the use of social media and e-commerce. This research seeks to find strategic alternatives by utilising social media and e-commerce platforms that can help and facilitate pepper exports, both large producers and MSMEs in the global market. It is hoped that the implementation of this solution can make a positive contribution in increasing the volume and value of Indonesian pepper exports.

2. Empirical Literature Review

Export

According to Nurhakim & Satar (2015) export is the activity of buying and selling goods or services from customs areas in accordance with applicable regulations. According to B. S. Rathor (2014) export marketing is a business activity that flows goods or services to consumers in more than one country. Export is a series of buying and selling activities from the country of origin to the export destination country in accordance with applicable laws and regulations. Digital business is a business that uses technology to improve its internal and external operational advantages (Musnaini et al, 2020). So that digital business can be interpreted as a conventional business that uses digital technology as a means of increasing internal and external efficiency advantages in its operations.

Marketing

Marketing is the activity and process of promoting, selling, and distributing products or services that aim to create value for customers and provide profits for the company (Kotler & Keller, 2012). Marketing can be interpreted as an activity in creating product value against customer preferences and creating profits for the company. Value creation in marketing is a series of activities that generate the value of consumer needs and wants. So that marketing concepts and strategies must be understood by business people because they are paramount to the success of the company. According to Otero and Rolán (2016) digital marketing is a series of conventional marketing activities using tools and strategies on the internet. Digital marketing can be referred to as the process of promoting and selling products through digital technology platforms in order to create product value to consumers and make profits for companies. In the current era of information technology, the company's mastery of digital data and information is key to the company's development.

E-commerce

According to Pradana (2015) e-commerce is a transaction without physical media and the application of data exchange or network-based electronic fund transfer is applied. So e-commerce is a business approach through electronic media using networks and the internet (Pradana, 2015). Meanwhile, the use of Information and Communication Technology (ICT) and E-commerce in the Business-to-Business (B2B) business model has been shown to have a positive influence on Indonesian exports to the ASEAN region (Aryania et al, 2021).

Social Media

According to social media marketing is an effort to create graphic and written content created by the company's enlargement division team, in order to promote products or services. Meanwhile, according to Altarkait (2019) in his thesis, social media also plays an important role in digital marketing strategies. In addition, based on the conclusion of research conducted by Wut (2021), it shows that social media has a significant impact on marketing, including the influence on brand image, interaction with consumers, and influence on purchasing decisions.

Pepper

Pepper is one of Indonesia's Top export commodities, which includes both black pepper and white pepper. Based on the report of the Secretary General of Agriculture (2021) in 2020 the export value of Indonesian Pepper reached USD 160.39 billion with an export volume of 58.79 million tonnes of pepper. Lampung black pepper has become one of the world's recognised pepper products. According to Putri (2023) pepper from Lampung province has potential in exports, several countries have become export destinations for Lampung pepper such as Vietnam, China, India and the United States. Meanwhile, white pepper, which is a superior export commodity, comes from the province of Bangka Belitung, which is famous for munthok white pepper, a superior commodity with a taste and quality that has been known since ancient times (Purwasih et al., 2020).

3. Method, Data, and Analysis

According to Abdussamad (2021), a qualitative approach characterises research that investigates to understand a case or problem that does not require quantification. Furthermore, according to him, "In essence, a qualitative approach will initiate both research approaches, namely qualitative itself and quantitative. This means describing with words in a sentence arrangement that conveys the premise, hypothesis, and background of a research thought" (Abdussamad, 2021). This research uses qualitative methods and literature review methods to gain a deep understanding of the analysis of digital export strategies. This research method uses empirical data such as Journals, Books and Official government reports and aims to analyse primary data from primary sources such as. Literature analysis involves in-depth analysis and understanding of pepper exports in general, the involvement of SME's in exports and the application of digital technology in supporting exports. This research aims to provide solutions and recommendations to maximise Indonesian pepper exports through digital platforms.

4. Result and Discussion

In overcoming the various barriers to increasing pepper exports, the application of digital strategies can be an effective solution to develop the potential and enable MSMEs to become exporters. Focusing on the use of digital strategies, especially through E-commerce and social media, provides exporters with opportunities to overcome existing constraints. E-commerce, with its advantages of high efficiency and more affordable costs, allows sellers to showcase products attractively, increase customer appeal, and open the door to market expansion to the global level.

1. B2B dan B2C E-commerce Strategy

The use of e-commerce as a strategy in exporting pepper involves several strategies to maximise the potential for product acceptance from the global market. In addition, the use of B2C or business to customer platforms can be considered as a means to export, especially in encouraging SME's to export. The advantage of using a B2C platform is market access and ease of use compared to conventional export methods that require relationships and business networks. Thus, exporters have the potential to reach more potential buyers from around the world.

According to Pradana (2015) the B2B e-commerce platform is an interaction between producers and distributors or retailers. or these retailers then distribute the products to their respective consumers.	According to Pradana (2015) the B2C ecommerce platform is an e-commerce platform that purchases and sells via the internet with buyers able to directly transact without distributors or retailers.
Based on research conducted by Ueasangkomsatea P. (2015) in Thailand stated that 60% of SME's realise the benefits of using e-commerce for export.	According to Damayanti et al, (2019) utilising e-commerce can gain several advantages, such as increasing market share, reducing operational costs, expanding product range, increasing customer loyalty and improving inventory management.
Meanwhile, based on research conducted by Y.Aryania et al, (2021) the use of ICT and e-commerce (B2B) has a positive influence on Indonesia's exports to ASEAN.	According to research conducted by V. Garcia (2021) found that Amazon significantly increased the income of SME's .

Based on research proposed by Pradana (2015), Ueasangkomsatea (2015), Damayanti et al. (2019), Y. Aryania et al. (2021), and V. Garcia (2021), it can be concluded that e-commerce platforms, both

B2B and B2C, have a positive impact on exports, especially for MSMEs. The existence of e-commerce platforms allows businesses to increase efficiency in the supply chain, expand market share, reach global consumers, and increase revenue significantly. The openness of the global market through e-commerce platforms paves the way for MSMEs to go-export. Thus, in increasing pepper exports, e-commerce platforms can provide great opportunities for MSMEs or novice exporters to improve operational efficiency, increase product visibility globally and increase profits. By utilising e-commerce platforms, MSMEs and novice exporters can take advantage of global opportunities more effectively and efficiently.

With the use of e-commerce, exporters or MSMEs in carrying out pepper exports have a great opportunity to maximise their potential. Through platforms such as B2C like Amazon or B2B platforms like Alibaba, MSMEs can reach the global market more efficiently, and can also increase product competitiveness easily. Garcia's research (2021), which states the positive side of using e-commerce in increasing MSME income, provides hope that pepper exports through e-commerce can increase business income. By continuing to innovate and create the right strategy in the use of e-commerce platforms, pepper exports can not only be increased but also become more festive, such as the unique taste of the product.

In using e-commerce to the fullest, you can use strategies such as the following:

1. Set Target Market
Identify segments that move and need pepper such as chefs, cooks, or restaurant owners who are potentially the main customers of pepper products. Thus, marketing focus can be placed on the advantages and quality of pepper that matches the needs and standards desired by customers. Meanwhile, in selecting the individual consumer segment, marketing strategies can focus on quality and price. In this market segment, it is important to emphasise the quality and price offered, taking into account that the quality is proportional to the price offered.
2. Create a Promotion Strategy
In an effort to increase the competitiveness of Indonesian pepper exports, companies can consider the strategy of offering more affordable prices compared to pepper from other countries. In addition, creating a marketing strategy that emphasises quality is key to increasing product appeal.
3. Build Relationships
In building a sustainable export business, building relationships and relationships with customers is a way to retain customers. Satisfactory service can create positive feedback, so they will be loyal to the product.
4. Promotion
Use an offer or discount strategy to attract customers. For example, special discounts for bulk purchases or special offers during certain seasons.
5. Evaluation
Evaluate your marketing and sales strategies. Identify strategies and revise those that need adjustments. Always be ready to adapt to changing market trends, regulations, or competition. Flexibility in strategy can be the key to long-term success.

By effectively implementing this strategy, businesses, especially MSMEs, can maximise the potential of pepper exports through e-commerce platforms, face global market challenges, and increase product visibility.

2. Strategi Penggunaan Media Sosial

Research by Wang et al, (2017) found that engagement in digital social media marketing has a positive effect on business progress.	According to Rahardi et al (2017) "Social Media Marketing is an effort by the company's marketing department or agency public relations to create writings, images, videos, graphics, or posts on the institution's social media accounts to promote products/services so that they are known to the general public."
Based on the conclusion of M. Samat's research (2019) in the east coast region of Peninsular Malaysia, the use of social media in marketing has a major impact on the operational performance of umkm.	According to research conducted by Jafarova et al, (2022) proves that the entertainment aspect in content marketing is important to be involved in a content

Based on research by Wang et al. (2017), Rahardi et al. (2017), M. Samat (2019), and Jafarova et al. (2022), it can be concluded that the involvement of social media in digital marketing has a positive

impact on business, especially for SME's. According to Rahardi et al. (2017) through social media provides an understanding that social media is used as a tool to promote products/services to the wider community. Meanwhile, research by M. Samat (2019) in the east coast region of Peninsular Malaysia confirms that the use of social media in marketing has a major impact on the operational performance of MSMEs. While research from Jafarova et al. (2022) shows that the entertainment aspect in content marketing has an important role in increasing the attractiveness of the content.

By harnessing the potential of social media for branding and promotion, pepper export companies can expand their impact, reach global consumers, and strengthen their position in the international market. Social media is not only a promotional tool, but also a means to build strong consumer engagement, advance competitiveness, and expand business networks at the global level. So the use of Social Media in promoting Indonesian Pepper products is relevant, especially in increasing the interest and audience of social media media users.

Utilisation of social media in export strategy is an important step to expand market reach and increase product visibility, including in efforts to increase pepper exports. Along with research findings that show the positive impact of social media on business, especially for SME's and beginner exporters, social media marketing strategies are becoming increasingly important. By utilising the reach and influence of social media, businesses must design a well-thought-out strategy. Here is a branding strategy through social media.

1. Product Storytelling

According to research by Rahardi et al. (2017) who utilised the role of social media as a tool to promote products/services, the main strategy is to use social media as a platform to tell stories about the superior quality of pepper products. Use visual content and compelling narratives to explain the pepper production process, unique varieties, and health benefits. Authentic and informative storytelling will help build a strong narrative behind the brand and capture the attention of potential consumers.

2. Create Creative promotions and content

Based on the research of Jafarova et al. (2022) on the importance of entertainment aspects in content marketing, the next strategy is to make cooking videos, creative recipes, and expert testimonials can help shape a positive image and increase consumer confidence in the superiority of pepper products.

By implementing this strategy, companies can maximise the potential of social media to build a strong brand image, increase interaction with global consumers, and assist in expanding exports of pepper products to international markets. By devising a comprehensive social media strategy, companies can achieve their export goals more effectively. Successful utilisation of social media not only increases sales but also builds a positive image of Indonesian pepper products at the global level.

5. Conclusion and Implications

Conclusion

This research is based on previous studies, taking into account that social media and e-commerce can help improve the operations of SME's regionally in general. So it draws a theoretical conclusion, that the full use of social media marketing and e-commerce can help SME's in exports, especially in increasing pepper exports.

The results of this study show that social media and e-commerce, or online stores, can provide practical solutions to overcome the obstacles in increasing pepper exports through the contribution of SME's. By implementing a good and correct digital strategy, the application of social media marketing strategies and the influence of e-commerce can help SME's go-export.

However, this research still cannot answer all the challenges in increasing pepper exports. Therefore, further research on how to increase pepper exports needs to be done.

Recomendations

- SME's can learn how to use social media and e-commerce to increase exports.
- The government and related agencies help facilitate SME's to go-export, especially in increasing pepper exports by prioritising the use of e-commerce and social media.
- Massive socialisation of the use of social media and e-commerce in increasing exports by SME's.

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