

## Promotion of Aceh MSME Products in Malaysia: Looking for Export Opportunities

Ghassan Raid Mutha Athif<sup>1</sup>, Sartiyah<sup>2\*</sup>, Nurshahira Binti Bustami<sup>3</sup>, Aris Mahmudi<sup>4</sup>, Altamis Ahnaf<sup>5</sup>, Nuraidar<sup>6</sup>, A. Rahmad Adi<sup>7</sup>, Irfan Fajri<sup>8</sup>, Mhd Yavishan Novinda<sup>9</sup>, Ferizal<sup>10</sup>, Safrida Ulyati<sup>11</sup>, Noor Azuddin Bin Yakob<sup>12</sup>

<sup>1,2,4,5,6,7,8,9,10,11</sup> Fakultas Ekonomi dan Bisnis, Universitas Syiah Kuala

<sup>3,12</sup> Graduate School of Business, Universiti Kebangsaan Malaysia

**Corresponding Author:** Sartiyah [sartysabang@usk.ac.id](mailto:sartysabang@usk.ac.id)

### ARTICLE INFO

*Keywords:* Export Opportunities, MSMEs, Product Promotion

*Received :* 11, September

*Revised :* 13, October

*Accepted:* 15, November

©2023 Athif, Sartiyah, Bustami, Mahmudi, Ahnaf, Nuraidar, Adi, Fajri, Novinda, Ferizal, Ulyati, Yakob:

This is an open-access article distributed under the terms of the

[Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

The Promotion of Aceh MSME Products in Malaysia initiative by the Faculty of Economics and Business, Syiah Kuala University, aims to explore export opportunities for products of Micro, Small, and Medium Enterprises (MSMEs) students fostered by lecturers. The community service method for increasing MSME product exports is carried out by providing training and promotion of student MSME actors and the products produced. That is following various other community service activities, namely conducting training on human resource management, especially actors and employees, and promoting MSMEs products. Post-training results on MSME products and student actors showed significant improvement in MSME management and product quality. The results of this service focused on the introduction and exhibition of MSME products at international events at Universiti Kebangsaan Malaysia.

## **INTRODUCTION**

Exports play a crucial role in the economy of countries and regions because they increase foreign exchange (Putri, 2019). High exports also overcome the trade balance and balance of payments deficit (Hamdani, 2018). The Minister of Finance of the Republic of Indonesia also emphasized that increasing exports is needed to boost economic growth (Situmorang, 2018). However, based on 2020 Central Statistics Agency data, Indonesia's export value only reached US\$13.07 billion, showing a decrease of 4.62 percent compared to the previous month and 8.36 percent compared to the same month the previous year (Central Statistics Agency, 2020). The decline in exports was due to significant demand and economic activity weakening due to the COVID-19 pandemic (Anggraeni, 2020).

Micro, Small, and Medium Enterprises (MSMEs) have great potential to participate in international trade through export activities. Exports can be a significant source of income for MSMEs, enabling them to grow their businesses, reach global markets, and increase their competitiveness. As support for the Indonesian economy, Micro, Small, and Medium Enterprises (MSMEs) also show a low export contribution because they only reach 14 percent of the total national export value annually (Nasution, 2020). The Ministry of Cooperatives and SMEs stated that the number of MSMEs in Indonesia is enormous because it reaches 99.99 percent of all business actors in Indonesia, with a total of 62.9 million business units (Haryati & Hidayah, 2018). With such a large number, MSMEs in Indonesia can absorb around 97 percent of the workforce. The Minister of Cooperatives and SMEs of the Republic of Indonesia said that the number of national exports increased in the third quarter of 2021, with the export value increasing by 22.71 percent compared to the third quarter of 2020, which was 17.24 percent. In 2022, Indonesian MSME exports currently only reach around 15 percent of total national exports, far behind other countries such as Singapore at 41 percent and China at 60 percent. However, of this amount, the number of MSME exports will still be 15.65 percent in 2022.

In anticipating the condition of exports of Indonesian MSME products, which are still relatively small, the Faculty of Economics and Business Syiah Kuala University is concerned and is trying to find and open export opportunities for MSME products in Aceh. These efforts are expected to strengthen the regional economy in supporting the national economic development vision. The Faculty of Economics and Business Syiah Kuala University realizes the importance of improving the ability to manage MSME businesses, especially the younger generation, to strengthen their business capabilities and support the local and national economy. Several previous services have shown a positive impact on increasing the capabilities of service partner MSMEs after implementing the training (BZ et al., 2019; Hibatullah et al., 2021; I. Majid et al., 2021; M. et al. et al., 2022; Mulyany et al., 2023). The lecturers, together with students from the Faculty of Economics and Business, Syiah Kuala University, have played a role in developing various community service programs by providing training and guidance to MSMEs, especially MSMEs, students from the Faculty of Economics and Business, Syiah Kuala University. The program is an introduction and exhibition of MSME products at Universiti Kebangsaan Malaysia. That is to

increase interest among actors in Malaysia to get to know these MSME products so that they can be better known in the international market.

## **IMPLEMENTATION AND METHODS**

This Community Service activity was carried out directly on 6-19 December 2022 with the theme Promotion of Aceh MSME Products in Malaysia: Looking for Export Opportunities at Universiti Kebangsaan Malaysia. This activity significantly impacted students and lecturers in Malaysian and Indonesian MSMEs. The activities of the community service team led by a lecturer at the Faculty of Economics who is also the Aceh MSMEs coach, Dr. Iskandar Madjid, together with other lecturers and students, presented training material about excellent and competitive products, introducing products in the form of food and beverage products, especially coffee, food, clothes, and bags typical of Aceh and other Acehnese crafts.

The service activities include exhibitions and introductions to the products in question, accompanied by presentations about business phenomena, changes in consumer behavior, and international market opportunities for MSME products. The strategy for increasing MSME exports is most studied through service and previous research, namely, training, and increased promotion. Another method to encourage increased MSME exports is training in human resource management, especially MSME actors and employees, following several studies (Sukesti & Iriyanto, 2011; Widyatmini et al., 2013; Ristiyawan & Tandora, 2019; and Rasbin, 2019). Training methods for preparing financial reports and business planning were also adopted according to studies (Pramuka, 2013; Almilia et al., 2013), as well as training in production (Rasbin & Ginting, 2011).

## **RESULTS AND DISCUSSION**

The role of MSMEs in the Indonesian economy is very strategic because they make a massive contribution of more than 60% to Indonesia's Gross Domestic Product, with an average of IDR 8,573 trillion annually. This contribution indicates immense employment opportunities for MSMEs, reaching 97% of the total Indonesian workforce of around 116 million Indonesian MSMEs (2023). This picture shows that MSMEs are the backbone of the economy in Indonesia because they have created jobs, increased and equalized income, and supported economic growth.

MSMEs always face the problem of competition with large companies with better technology, resources, networks, and experience. Education and training are essential because they can encourage MSMEs to become competitive actors in an increasingly tight global market. Several pieces of training can contribute to increasing the competitiveness of MSMEs, including increasing skills and knowledge in producing, product innovation in form and packaging, increasing access to resources, and developing networks abroad. By utilizing global e-commerce platforms and foreign trade reach by getting business partners, you can expand the reach of MSME products. The pinnacle of success of MSMEs can be assessed by expanding broad market access, encouraging increased sales, diversifying consumer-based products, and not depending on local and domestic markets.

This service activity is carried out in several stages. The first is to plan service programs and activities to be carried out on 15-30 November 2022. This stage consists of activities:

- (1) Analyzing problems and identifying MSMEs owned by students.
- (2) Develop and determine training materials by MSME supervisor lecturers, namely lecturers from the Faculty of Economics and Business, Syiah Kuala University, and Universiti Kebangsaan Malaysia in collaboration. The material prepared includes MSME management and human resources, improving product quality according to export standards, marketing, and promotion, as well as the importance of applying technology.
- (3) Product Exhibition Planning (Selection of student MSME products according to exhibition and promotion criteria; determining marketing and promotion strategies and business relationship strategies for MSMEs to gain opportunities in the international market).



**Figure 1. Providing material for student**

The opening of the service event and the provision of training materials were carried out by MSME supervisor lecturers from the Faculty of Economics, Syiah Kuala University, and Universiti Kebangsaan Malaysia (Figure 1), which was attended by MSME students with great enthusiasm (Figure 2). Providing material regarding education, business management, product innovations, and strengths in preparing oneself to choose a career in entrepreneurship after students graduate from college.



**Figure 2. Students from both Universities in Training and Promotion Activities**

Management and entrepreneurship training and education for students in managing MSMEs gives hope that they will grow in enthusiasm and strength to be firm in developing their business so that one day they can become entrepreneurs. Yurmaini and Anshari's (2019) research found that Professional Training increases students' interest in pursuing a career in their field. Moreover, ListiaListiana and Afifudin (2020) added that the more frequently someone attends training, the broader their insight and expertise will be to carry out their work in their field. Badulescu (2010) and Jabanur (2017) found that training affected MSME actors in developing an entrepreneurial attitude, namely increasing self-confidence, leadership spirit, courage to make decisions and face risks, task-oriented and future-oriented. Student MSME training focusing on product quality is the most crucial topic in these service activities because products will be the primary assessment in every promotional event at home and abroad. As the American Society for Quality Control explains by Evans and Dean Jr. (2003), the quality of a product is the characteristic of a product and service in its ability to meet the requirements set for a product that wants to follow the standards of an activity.

Following Tjiptono (2008), the quality of a product can be determined only after carrying out a series of assessments using various criteria as follows.

- (1) Performance or performance. Performance is a product related to the main characteristics of a product from the functional aspect of a product, which plays a vital role in purchasing that product.
- (2) Features or Product. Features Several different ways of improving product performance are called "features."
- (3) Reliability or reliability. Reliability is the extent to which a product can be relied upon under various conditions and circumstances.
- (4) Conformance or Suitability. That is an evaluation aspect regarding the suitability of specifications that consumers desire, is a choice and must continue to develop.
- (5) Durability or Endurance. Durability refers to a product's shelf life or valuable life as a reflection of how long the product will last.
- (6) Serviceability or Service. The service in question refers to product competence, such as the product's ease of use, responsiveness, and service capabilities.
- (7) Aesthetics or Aesthetics. Aesthetics is a subjective product assessment based on individual considerations and reflections.
- (8) Perceived Quality or Impression. Consumers perceive and retain information and judgments indirectly, even though less information is available. Maximizing product quality means maximizing consumer satisfaction (Kotler & Keller, 2016). Consumer satisfaction can be a competitive force against other products.



The results of providing insight into improving product quality will increase insight and become a reason for MSME students to make changes and improve product quality according to the demands of consumer development and market competition, both domestic and international. Research by Christanti Anita (2016) states that entrepreneurship training positively impacts the forming entrepreneurial attitudes and better thought patterns and abilities. Entrepreneurship training plays a role in forming entrepreneurial attitudes among training program participants to start and advance businesses and see other business opportunities that can be run. Finally, exposure to community service can increase students' MSME business income, as research on entrepreneurship training and MSME business management influences the income of MSME actors Rafidah (2019) and Rahamdiawati (2021).

The final activity, as the most important event of this service, was an exhibition of MSME products for students from both countries. From the Faculty of Economics and Business, Syiah Kuala University displays Aceh's various typical products and advantages, including Central Aceh Gayo coffee, Acehese clothing and bag crafts, food, and other typical Acehese products.



**Figure 3. Student Product Exhibition**

One export opportunity for MSMEs is that the food and beverage sector have significant export opportunities because their products have local uniqueness and distinctive tastes. Food and drinks typical of a region or country often attract international consumers who want to try exotic foods or authentic local products. For example, MSMEs that produce traditional foods, snacks, specialty drinks, or organic foodstuffs can export their products to international markets and introduce local delicacies worldwide. The Indonesian MSME food and beverage industry is currently significantly developed. Exports of MSME products from the food sector increased from January to July 2020. Exports during that period increased to US\$4.3 billion, an increase in the same period in 2019 of US\$4.1 billion. That means our export data can still increase or decrease (Ukmindonesia.id: 2023). The development of food and beverage exports illustrates that interest in food and beverages from Indonesian MSMEs is relatively high and is increasing. That is one of the motivations for opening

opportunities to export MSME products to the international market. The MSME product exhibition for Acehese and Malaysian students was held to introduce, attract interest, and even expand the market reach of student MSME products in the neighboring country of Malaysia as the closest area, which most likely has a good impression of Aceh.

## CONCLUSIONS AND RECOMMENDATIONS

The implementation of the MSME product exhibition is in collaboration with the Malaysian National University, trying to gain partnerships with universities, companies, and associations operating in the export and import sector as business partners. This collaboration is carried out so that MSME products receive impressions, criticism, and suggestions as practical knowledge for product improvement to meet international standards and compete in the global market. That is the first step in gaining access and opportunities in international markets, as well as for business expansion and establishing business relationships that can help Indonesian MSMEs expand markets and reduce production costs to reduce costs towards global markets that are profitable for MSMEs.



Figure 4. Collaboration in the USK and UKM Student Product Exhibition

The results of the evaluation of service activities that have been carried out with student MSMEs in two countries are, first, the main challenge for MSMEs, students at the Faculty of Economics and Business, Syiah Kuala University, is to improve product quality to meet international standards, by carrying out product improvements such as product certification, training, and development. Business and the use of modern technology in product development. Second, MSMEs must strive to reduce production and marketing costs by establishing business partnerships abroad and utilizing digital platforms such as e-commerce and social media to encourage MSMEs to reach global consumers at relatively low costs and compete in the global market.

The expected impact of training for MSMEs for students at the Faculty of Economics and Business, Syiah Kuala University, is the sustainability of MSMEs, increasing productivity and skills in product quality and managerial improvement. Moreover, the most important thing is that the impact of this service is to form a strong, sustainable entrepreneurial spirit and high creativity in facing increasingly tight global market competition.

## **ACKNOWLEDGMENT**

This article is based on the report on international community services conducted by lecturers of the Faculty of Economics and Business, Universitas Syiah Kuala (USK) Indonesia, collaborating with lecturers from Universiti Kebangsaan Malaysia (UKM) Malaysia.

## **REFERENCES**

- Almilia, L. S., Diptyana, P., Budisusetyo, S., & Nita, R. A. (2013). Comparative managerial practice and export potential of small medium enterprises in Indonesia. *International Journal of Entrepreneurship and Small Business*, 20(1), 35-62
- Amir, M. S. (2004). *Strategi memasuki pasar Ekspor*. PPM: Jakarta.
- Andrianto, M. S. (2016). Strategi kesiapan UMKM Bogor dalam menghadapi persaingan global. *MANAJEMEN IKM: Jurnal Manajemen Pengembangan Industri Kecil Menengah*, 11(2), 97-102. <https://doi.org/10.29244/mikm.11.2>.
- Anggraeni, R. (2020). Ekspor Indonesia anjlok 8,3% jadi USD13 miliar Strategi peningkatan Export. (Amardianton Amri) hal. 50-68 65 pada Agustus 2020. Diakses dari <https://economy.okezone.com/read/2020/09/15/320/2277917/eksporindonesia-anjlok-8-3-jadi-usd13-miliar-pada-agustus-2020> pada tanggal 30 Oktober 2020.
- Badan Pusat Statistik. (2020). Ekspor Agustus 2020 mencapai US\$13,07 miliar dan impor Agustus 2020 sebesar US\$10,74 miliar. Diakses dari <https://www.bps.go.id/pressrelease/2020/09/15/1682/ekspor-agustus2020-mencapai-us-13-07-miliardan-impor-agustus-2020-sebesar-us-10-74-miliar-.html> pada tanggal 30 Oktober 2020.
- Badulescu, Alina. (2010). Entrepreneurial Training and The Attitude toward Entrepreneurship. Assessing the Impact of AntrES Programme. University of Oradea. *Jurnal Department of Economics*.
- Evans, J.R. dan Dean Jr., J.W. (2003) *Total Quality: Management, Organization and Strategy*. Ohio: South-Western.
- Hamdani, T. (2018). Di hadapan pengusaha, Sri Mulyani jelaskan pentingnya pacu ekspor. Diakses dari <https://finance.detik.com/beritaekonomibisnis/d-4154382/dihadapan-pengusaha-sri-mulyanijelaskan-pentingnya-pacu-ekspor/> pada tanggal 30 Oktober 2020.
- Hibatullah, M. Z., Aufar, A., Nawari, M. S., Razali, M. I., & Halim, H. (2021). *Community Service: COVID-19 Pandemic and its Impact on Student Entrepreneurs in Indonesia and Malaysia*.



- Kotler, P. dan Keller, K.L. (2016) *Marketing Management*. London: Pearson Education.
- Listiana, A. O., Diana, N., & Afifudin. (2020). Pengaruh Lingkungan Kerja, Pengakuan Profesional, Pelatihan Profesional Dan Nilai - Nilai Sosial Terhadap Pilihan Karir Mahasiswa Sebagai Akuntan Publik (Studi Kasus Pada Mahasiswa Jurusan Akuntansi Di Universitas Islam Malang). *Jurnal Ilmiah Riset Akuntansi*, 09(11), 80-97
- Majid, I., Syahrizal, T. M., Dawood, T. C., Riyaldi, M. H., Umuri, K., & Halim, H. (2021). *How to Start Business and Maintain its Survival during the COVID-19 Pandemic Crisis?*
- Majid, M. S. A., Muhammad, Z., Seftarita, C., Faisal, F., Sari, D., Halim, H., & Fahlevi, F. (2022). *Post COVID-19 Homestay Promotion Strategy at Sebrang Takir, Terengganu, Malaysia*.  
<https://doi.org/10.47310/iarjtbm2022.v02i04.001>
- Mulyany, R., Muhammad, S., Geumpana, T. A., Halim, H., & Pertiwi, C. D. (2023). A Potential Framework For an Impactful Technopreneurship Education. *Indonesian Journal of Business and Entrepreneurship (IJBE)*, 9(2), 208.
- Masduki, Teten (2023). Temu Bisnis Nasional UMKM yang diselenggarakan oleh Direktorat Pengabdian kepada Masyarakat Universitas Gadjah. [Kementerian Koperasi dan Usaha Kecil dan Menengah - kemenkopukm.go.id](http://kemenkopukm.go.id).
- Pramuka, B. A. (2013). Adopsi teknologi UMKM berorientasi ekspor untuk pelaporan keuangan: studi di Kabupaten Banyumas. *Sustainable Competitive Advantage (SCA)*, 3(1).
- Putri, A. S. (2019). Ekspor: Pengertian dan manfaatnya. Diakses dari <https://www.kompas.com/skola/read/2019/12/11/145215469/ekspor-pengertian-dan-manfaatnya?page=all> pada tanggal 30 Oktober 2020.
- Rafidah. (2019). The Effect of Business Capital, Length of Business and Entrepreneurship Attitude to The Income and Welfare of The Family Women of Batik Craftsmen in Danau Teluk Jambi City. *Journal of Islamic Economics and Business Studies*. 4(2). DOI: <http://dx.doi.org/10.31332/lifalah.v4i2.1628>
- Rahamdiawati, Devi. (2021). Pengaruh Modal Usaha dan Sikap Kewirausahaan Terhadap Pendapatan Usaha Kecil (Mikro) di Kawasan M. Said Samarinda. *Jurnal Administrasi Bisnis*.
- Rasbin, Ari Mulianta Ginting (2011). Upaya Peningkatan Ekspor Sektor Usaha Mikro, Kecil dan Menengah Melalui Peningkatan Daya Saing Produk. *Jurnal Ekonomi & Kebijakan Publik*, Vol. 2, No. 1, Juni 2011. pp 495-526.
- Ristyawan, M. R., & Tandra, H. (2019). Model artificial intelligence berbasis resource base view untuk menciptakan keunggulan kompetitif ekspor UMKM Kota.
- Ristyawan, M. R., & Tandra, H. (2019). Model artificial intelligence berbasis resource base view untuk menciptakan keunggulan kompetitif ekspor UMKM Kota Pontianak. *Kajian*, 24(3), 181-190.

*Athif, Sartiyah, Bustami, Mahmud, Ahmaf, Nuraidar, Adi, Fajri, Novinda, Ferizal, Ulyati, Yakob*

- Sukesti, F., & Iriyanto, S. (2011). Pemberdayaan UKM: Meningkatkan komoditas unggulan ekspor UKM dalam rangka pengembangan ekonomi daerah (studi pada UKM di Jawa Tengah). In Prosiding Seminar Nasional & Internasional(Vol. 1, No. 1).
- UKMIndonesia (2023), [Data UMKM, Jumlah dan Pertumbuhan Usaha Mikro, Kecil, dan Menengah di Indonesia - UKMINDONESIA.ID](#). dikutip 12 oktober 2023.
- Widyatmini, W., Dananjaya, I., & Sunarti, T. (2013). Grand strategi pengembangan UKM berorientasi ekspor.Prosiding PESAT,5.
- Yurmaini, & Anshari, K. (2019). Faktor-Faktor Yang Mempengaruhi Pemilihan Karir Mahasiswa Jurusan Akuntansi Sebagai Akuntan Publik (Studi Kasus Pada Mahasiswa Jurusan Akuntansi Fakultas Ekonomi Universitas Al Washliyah Medan). *Ihtiyath: Jurnal Manajemen Keuangan Syariah*, 3(1), 3-22.