

Strategies For The Internationalization Of Spice Smes Through Exports: A Case Study Of PT Adore Rempah Indonesia

Arif Wicaksono ¹, Sudarmiati ², Heri Pratikno ³

^{1,2,3} Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

Corresponding e-mail: arif.wicaksono.2404139@students.um.ac.id , sudarmiati.fe@um.ac.id, heri.pratikto.fe@um.ac.id

Abstract

This study aims to analyze the internationalization strategies of micro, small, and medium-sized enterprises (MSMEs) in the spice sector through export mechanisms, using PT Adore Rempah Indonesia as a case study. The study employs a qualitative approach using the case study method. Data collection was conducted through in-depth interviews, field observations, and documentation related to production processes, quality control, packaging, and the management of international market networks. Data analysis was performed descriptively using the Uppsala Model and the Resource-Based View perspectives. The results indicate that the success of a company's internationalization strategy is influenced by several key factors: consistent product quality, strengthening partnerships within the supply chain, implementing product differentiation, and holding certifications that support international trade standards. Additionally, the internationalization process occurs gradually through market learning, adaptation to the needs of international buyers, and the development of global business networks. The research findings confirm that the integration of internal resource strengths, product innovation, and compliance with international standards is a key factor in enhancing the competitiveness of spice SMEs in the global market. This study implies that strengthening production capacity, improving product quality, and developing international partnership networks should be key strategies in promoting the sustainability of SME exports in the spice sector.

Keywords: Internationalization of SMEs, spice exports, product quality, international certification, business strategies

INTRODUCTION

The international market creates new opportunities for companies to expand their business reach to various countries in the context of economic globalization. Micro, small, and medium-sized enterprises (MSMEs) can seize these opportunities to enter the global market. The internationalization of MSMEs involves implementing strategies to enhance the competitiveness of domestic products in order to expand market share. This competitiveness is achieved through improved product quality, innovation, and operational efficiency. The flexibility of MSMEs and their ability to utilize local resources make them the primary drivers of non-oil and gas exports in developing countries (Johanson & Vahlne, 2009).

Indonesia possesses significant potential in international trade based on agricultural commodities, particularly spices. Since the early days of global trade, Indonesia has been known as one of the world's major spice production centers, possessing a comparative advantage in various commodities such as nutmeg, cloves, pepper, and vanilla. Among these commodities, vanilla (*Vanilla planifolia*) is a high-value economic commodity due to its widespread use as a raw material in the food, beverage, cosmetics, and pharmaceutical industries. Global demand for natural vanilla continues to rise in line with shifting consumer preferences that increasingly prioritize the use of natural ingredients over synthetic ones in various consumer products.

According to data from the Food and Agriculture Organization (FAO), Indonesia is one of the world's largest vanilla producers after Madagascar. Indonesia's vanilla production is estimated to reach approximately 2,300 tons per year, or about 30% of the world's total vanilla production. Vanilla production in Indonesia involves approximately 30,000 farmers cultivating over 9,500 hectares of land spread across various regions such as Java, Bali, Nusa Tenggara, Sulawesi, and Papua. This situation indicates that the vanilla commodity holds significant potential for supporting the development of the agribusiness economy and improving the welfare of farmers in Indonesia.

Table 1. Global Vanilla Production

No	Country of Origin	Quantity (tons)	Production Share
1	Madagascar	±3.000	40%
2	Indonesia	±2.300	30%
3	Uganda	±1.200	16%
4	Papua New Guinea	±500	7%
5	Other countries	±600	7%

Source: FAO Statistics (2023)

However, despite its substantial production capacity, Indonesia's vanilla export performance remains relatively limited compared to its potential. International trade data indicates that Indonesia's share of the global vanilla market is still around 2.6%, placing the country seventh among the world's vanilla exporters. Meanwhile, major producing countries such as Madagascar continue to dominate the global vanilla export market with a share of over 40% of world trade (International Trade Centre, 2023; FAO, 2023). This gap between production capacity and export performance indicates that Indonesia still faces various challenges in enhancing the competitiveness of its vanilla commodity in the international market.

The global vanilla market shows a significant growth trend. The value of the global vanilla market is projected to exceed USD 1.2 billion by 2025, with growth driven by rising demand from the premium food and beverage industry, bakery products, perfumes, and natural cosmetics. Countries such as the United States, France, Germany, and the Netherlands are the primary global markets for vanilla due to their high consumption of products based on natural flavors

Table 2. Destination Countries for Indonesian Vanilla Exports

No	Country	Export Share
1	United States	60%
2	Netherlands	8%
3	France	7%
4	China	6%
5	Canada	4%
6	Other countries	15%

Source: Ministry of Trade (2023)

Although market opportunities are vast, the development of Indonesia's vanilla exports still faces various challenges, including product quality limitations, production fluctuations due to climatic conditions, limitations in international certification standards, and weak supply chain integration between farmers and spice processing companies. Therefore, effective business strategies are needed to enhance the competitiveness of Indonesian vanilla products in the global market.

One approach that can be used to improve export performance is through corporate internationalization strategies. According to the Uppsala theory of internationalization, companies typically enter international markets gradually, starting with export activities before

increasing their business commitment in foreign markets. In the context of SMEs, export strategies are often the primary choice because they carry relatively lower risks compared to direct foreign investment.

In practice, the success of SME internationalization is determined not only by export capabilities alone but also by other factors such as product quality, product differentiation, supply chain strengthening, and the possession of international certifications. These factors are particularly important in agribusiness commodity trade, which heavily relies on consistent quality and market trust.

One company operating in the spice processing and export sector in Indonesia is PT Adore Rempah Indonesia. This company develops various vanilla-based products such as vanilla beans, vanilla extract, and vanilla powder, which are marketed to various countries. The company's strategies for developing international markets are worth examining as they provide insights into SME internationalization practices within the spice agribusiness sector.

However, research on SME internationalization strategies in the spice sector, particularly regarding vanilla, remains relatively limited. Most previous studies have focused on SME internationalization in the manufacturing or creative industries, while studies on spice exporting companies are still rare. Therefore, this study aims to address this gap by analyzing SME internationalization strategies through vanilla exports at PT Adore Rempah Indonesia.

Based on this background, this study aims to analyze SME internationalization strategies through vanilla exports as well as the factors influencing export success at PT Adore Rempah Indonesia

LITERATURE REVIEW

Internationalization of MSMEs

Internationalization is the process by which a company increases its involvement in cross-border business activities through various means, such as exports, licensing, franchising, strategic alliances, and foreign direct investment. For micro, small, and medium-sized enterprises (MSMEs), internationalization often begins with export activities because they require relatively lower investment and involve a more manageable level of risk compared to other forms of international expansion.

One widely used theory to explain the process of corporate internationalization is the Uppsala Internationalization Model. This theory explains that companies enter international markets gradually through a process of learning and accumulating experience in foreign markets. Companies typically start with indirect exports, then progress to direct exports, and eventually build stronger business networks in international markets (Johanson & Vahlne, 2009).

In the context of SMEs, the internationalization process is influenced not only by market experience but also by innovation capabilities, business networks, and access to global market information. Knight and Cavusgil (2004) explain that firms with a global orientation from the outset (born-global firms) tend to be more adaptive to changes in international markets and have greater opportunities to thrive in global trade.

Export Strategies in International Trade

Exporting is one of the primary strategies companies use to enter international markets. Through exporting, companies can expand their markets without having to make direct investments in the target country. Export strategies offer various benefits to companies, including increased sales volume, market diversification, and enhanced global reputation.

According to Porter (1985), a company's success in international markets is heavily influenced by the competitive advantages it possesses. These advantages can be achieved through product differentiation strategies, cost efficiency, or a focus on specific market segments.

In the agribusiness sector, export strategies are heavily influenced by several key factors, including product quality, the stability of raw material supply, compliance with international standards, and the company's ability to build a global distribution network. Therefore, companies that can maintain product quality and supply consistency have a greater chance of succeeding in international trade.

The Resource-Based View (RBV) in Competitive Advantage

The Resource-Based View (RBV) theory explains that a company's competitive advantage stems from its ability to manage unique, valuable, scarce, difficult-to-imitate, and hard-to-replace resources (Barney, 1991). These resources may include physical assets, technology, organizational capabilities, or business networks owned by the company.

In the agribusiness industry, strategic resources can include the quality of raw materials, partnership relationships with farmers, product processing technology, and the company's reputation in international markets. Companies capable of effectively managing these resources will possess a stronger competitive advantage in international trade.

Additionally, supply chain integration is also a crucial component of an agribusiness company's competitive advantage. Strong partnership relationships between the company and farmers can enhance the consistency of raw material quality and ensure production stability.

Product Differentiation Strategy

A differentiation strategy is one of the generic strategies that companies can use to create a competitive advantage in the market. Differentiation is achieved by creating products with unique characteristics that provide added value to consumers (Porter, 1985).

In the spice industry, product differentiation can be achieved through various means, including improving product quality, developing value-added processed products, utilizing organic certification, and innovating in product packaging. Products with higher value-added typically command higher selling prices in international markets.

A differentiation strategy also enables companies to enter premium market segments that have lower levels of competition but offer higher profit margins.

Certifications and International Standards

In international trade, product certification is a key factor in determining export success. Certification serves as a guarantee of product quality and as a mechanism to boost consumer confidence in traded products.

Some certifications commonly used in agribusiness trade include organic certification, Hazard Analysis Critical Control Point (HACCP), and the ISO Food Safety Management System. Holding international certifications enables companies to enter premium markets with higher quality standards.

Table 3. Certificate Types and Their Functions

No	Types of Certifications	Functions
1	HACCP	Ensuring food safety
2	ISO 22000	Food safety management system
3	ISO 9001	Quality management system
4	Organic Certification	Products free of synthetic chemicals
5	Halal Certification	Compliance with Sharia principles
6	Good Manufacturing Practices (GMP)	Hygienic production standards
7	Phytosanitary Certificate	Ensuring pest-free products

source: processed by researcher, 2026

In addition, certification also helps companies build their reputation and boost international buyers' confidence in the products they market

Review of Previous Research

To understand the development of research on the internationalization of SMEs and export strategies, the following is a summary of several previous studies

Tabel 4. Findings From Previous Articles

Researchers	Year	Research Focus	Key Findings
Johanson & Vahlne	2009	Corporate internationalization models	Internationalization occurs gradually through a process of market learning
Knight & Cavusgil	2004	Born-global firms	Companies that are globally oriented from the outset expand more rapidly in international markets
Barney	1991	Resource-Based View	Competitive advantage stems from the company's unique resources
Porter	1985	Competitive strategy	Product differentiation is one of the key strategies for winning in the marketplace
Leonidou et al.	2010	Export strategies for SMEs	Export success is influenced by managerial capabilities and business networks

source: processed by researcher, 2026

Based on a review of the literature and previous research, it can be concluded that the success of SME internationalization is influenced by several strategic factors, including:

- 1) export strategies as the initial step in a company's internationalization
- 2) competitive product quality in the global market
- 3) supply chain integration with raw material suppliers
- 4) product differentiation that provides added value
- 5) possession of international certifications to enhance market confidence

These factors are particularly critical in the trade of agribusiness commodities such as vanilla, which heavily rely on product quality and supply consistency. Therefore, this study analyzes how these factors are applied in the internationalization strategies of spice exporting companies, specifically PT Adore Rempah Indonesia.

METHOD

This study employs a qualitative approach using a case study design. This approach was chosen to gain an in-depth understanding of the internationalization strategies

implemented by the company. The study was conducted at PT Adore Rempah Indonesia, a spice processing and export company. Research data was obtained through in-depth interviews with company management and relevant parties. Field observations were conducted to observe the production, packaging, and export processes. Documentation included company reports and trade documents. Data analysis was performed using a thematic analysis approach, which involved identifying patterns and key themes emerging from the interview results and observations.

RESULT AND DISCUSSION

Research Gap (Novelty of the Study)

The internationalization of SMEs has become a key topic in strategic management and international business studies. Numerous studies indicate that exporting is the primary strategy used by SMEs to enter global markets, as it involves relatively lower risks compared to foreign direct investment. However, most research on SME internationalization still focuses on the manufacturing and creative industries, while studies specifically examining internationalization strategies for SMEs in the spice sector—particularly vanilla—remain relatively limited.

Previous studies have highlighted the importance of digital marketing strategies and digital leadership in enhancing SME export performance. On the other hand, research on the spice trade indicates that Indonesia possesses a comparative advantage in spice commodities; however, competitiveness in the global market still requires improvements in quality, product differentiation, and adherence to international standards. Additionally, case studies on vanilla exports reveal that spice export companies face challenges in formulating international market strategies and managing supply chains with local farmers.

Based on this review, there is a research gap: limited research examining the internationalization strategies of SMEs in high-value spice commodities such as vanilla. There is a scarcity of studies integrating export strategies, product differentiation, and supply chain strengthening within the context of spice SME internationalization. There is also a lack of research based on case studies of spice export companies in Indonesia.

Thus, this study contributes by analyzing the internationalization strategies of SMEs at PT Adore Rempah Indonesia as a vanilla exporter through a case study approach.

Research Conceptual Model

Based on the theory of SME internationalization and the results of field interviews, this study developed the following conceptual model. The main variables of SME internationalization strategies are influenced by several strategic factors, including Product Quality,

Supply Chain Partnerships, Product Differentiation, and International Certification, which subsequently impact the Company's Export Performance.



Fig.1 Conceptual Model

Interview Results Coding Table

A thematic analysis was conducted by identifying the main themes from the interviews with the management of PT Adore Rempah Indonesia

Table 5. Interview Results

Topics	Informant's Statement	Interpretation
Export strategies	The company markets its products through foreign buyers and international trade shows	Direct exports as an initial strategy for internationalization
Farmer partnerships	The company provides guidance on vanilla cultivation to farmers	Strengthening the supply chain improves the quality of raw materials
Product differentiation	The products include not only dried vanilla but also vanilla extract and powder	Value-added strategies to enhance competitiveness
Product certification	Foreign buyers require quality standards and certifications	Certification boosts market confidence
Export challenges	Vanilla prices fluctuate, and production depends on the weather	Risks in the global commodities market

source: processed by researcher, 2026

Thematic Analysis of Interview Results

Thematic analysis was used to identify patterns of meaning emerging from interviews with business operators, managers, or stakeholders involved in the export process of food products or spices. This approach aims to systematically explore the experiences, perceptions, and strategies employed by business operators in navigating the dynamics of international trade. Through the process of data coding and thematic grouping, several key themes were identified that explain the critical factors in export success.

Product Quality as the Primary Competitive Factor

Interview results indicate that product quality is a fundamental factor determining export success. Informants stated that international markets have far stricter quality standards than domestic markets. This includes aspects of cleanliness, moisture content, aroma, color, and product consistency.

In the context of spice exports such as vanilla, product quality is assessed not only by physical appearance but also by post-harvest processing standards. Fermentation, drying, and storage processes are critical factors determining a product's market value globally. Some informants noted that international buyers tend to prefer suppliers capable of maintaining consistent quality over the long term.

This finding aligns with the Resource-Based View theory, which states that a company's competitive advantage can be derived from internal resources that are valuable, rare, difficult to imitate, and hard to substitute (Barney, 1991). In the context of export-oriented SMEs, product quality can be viewed as a strategic resource capable of enhancing competitiveness in the global market.

The Theme of Supply Chain Partnership

The second theme that emerged from the interviews was the importance of partnerships within the supply chain. Business operators stated that export success cannot be achieved individually but requires collaboration with various parties, such as farmers, processors, distributors, and exporters.

Partnerships with farmers are crucial for ensuring a steady supply of high-quality raw materials. Some informants explained that they provide guidance to farmers regarding cultivation techniques and harvesting processes to maintain raw material quality. Additionally, long-term relationships with suppliers help ensure supply stability when market demand increases.

Partnerships within the supply chain reflect the presence of relational resources within the organization. From the perspective of Resource-Advantage Theory, strong

relationships with suppliers, farmers, and distribution partners constitute strategic resources capable of creating a competitive advantage, as these relationships are difficult for competitors to replicate (Hunt & Morgan, 1995).

The Theme of Product Differentiation in International Market Strategies

The next theme is product differentiation as a strategy to enhance a product's appeal in international markets. Informants stated that Indonesian spice products possess unique characteristics that can serve as a competitive advantage over products from other countries.

This differentiation can be achieved through several methods, such as more modern and attractive packaging, the development of derivative products, highlighting the product's geographical identity, and innovation in the form of processed spices. This differentiation strategy is crucial because the global market is highly competitive and flooded with similar products from other countries. By creating added value in products, businesses can strengthen their bargaining position in international trade. According to Porter (1985), product differentiation is one of the primary strategies for creating a competitive advantage in a competitive market.

Certification as a Tool for Building Market Trust

Interview results also indicate that certification is a key factor in building international market trust. Informants stated that many importers require specific certifications before entering into trade partnerships.

Some frequently mentioned certifications include food safety certification, halal certification, organic certification, and international quality standard certification. The presence of certification assures consumers that the produced goods meet internationally established safety and quality standards. Additionally, certification facilitates market access and expands trade networks.

These findings support the concept of institutional legitimacy, namely that organizations must meet applicable standards and regulations to be accepted within the global market system (Scott, 2014).

Theme: Internationalization Strategies for SMEs

The final theme emerging from the interviews is the internationalization strategies implemented by business operators. Informants explained that the export process does not occur directly but involves several stages of adaptation.

Some of the strategies employed include participating in international trade fairs, establishing partnerships with exporters, utilizing digital platforms for global marketing, and building networks with foreign buyers.

These internationalization strategies indicate that SMEs need to develop the ability to adapt to changes in the global market. This ability relates to the concept of dynamic capabilities, which refers to an organization's capacity to adjust its resources and strategies in response to a dynamic business environment (Teece, 2018).

CONCLUSION AND SUGGESTION

This study shows that the success of food and spice exports is determined not only by production capacity alone, but also by the ability of business actors to manage various strategic resources in an integrated manner. The results of the analysis indicate that product quality, partnerships within the supply chain, product differentiation, and the possession of international certifications are key factors that play a role in strengthening business internationalization strategies. Synergy among these factors will strengthen the capacity of MSMEs to expand access to export markets and improve international trade performance sustainably.

Thus, strengthening the capacity of MSMEs to manage strategic resources is a crucial step toward enhancing the competitiveness of Indonesian food and spice products in the global market.

REFERENCES

- Albert Humphrey. (2005). SWOT Analysis for Management Consulting. Stanford Research Institute Report.
- Badan Pusat Statistik. (2024). Statistik Ekspor Indonesia 2023–2024. Jakarta: BPS.
- Badan Pusat Statistik. (2024). Statistik Perdagangan Luar Negeri Indonesia. Jakarta.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Benjamin M. Oviatt., & Patricia P. McDougall. (1994). Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1), 45–64.
- Direktorat Jenderal Perkebunan. (2023). Statistik Perkebunan Unggulan Nasional: Vanili. Jakarta: Kementerian Pertanian.
- Food and Agriculture Organization. (2023). FAOSTAT Agricultural Production Data: Vanilla and Spices. Rome.
- Gary A. Knight., & S. Tamer Cavusgil. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, 35(2), 124–141.

- Hill, Charles W. L.. (2014). *International Business: Competing in the Global Marketplace*. New York: McGraw-Hill Education.
- Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *Journal of Marketing*, 59(2), 1–15.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *Journal of Marketing*, 59(2), 1–15.
- International Trade Centre. (2023). *Trade Map: Global Trade Statistics for International Business Development*. Geneva.
- Jan Johanson., & Jan-Erik Vahlne. (1977). The internationalization process of the firm: A model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23–32.
- John H. Dunning. (1988). The eclectic paradigm of international production: A restatement and some possible extensions. *Journal of International Business Studies*, 19(1), 1–31.
- Kementerian Perdagangan Republik Indonesia. (2023). *Statistik Perdagangan Rempah Indonesia*. Jakarta: Kemendag.
- Robert D. Hisrich., Michael P. Peters., & Dean A. Shepherd. (2017). *Entrepreneurship* (10th ed.). New York: McGraw-Hill Education.
- S. Tamer Cavusgil., Gary Knight., & John R. Riesenberger. (2020). *International Business: The New Realities*. Pearson Education.