Introducing Market Access Using Trade Map to Export Products for a Micro and Small Entrepreneur in Bandung

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Abstract
Rahsa Nusantara is an Indonesian start-up established in 2016 with a specialization in crafting natural products derived from local ingredients. One of their products is Sukhaloka, a natural collagen booster extracted from taro’s tuber. This product is rich in hyaluronic acid, offering hair, skin, and nail’s health benefits. As Rahsa Nusantara aims to expand globally, the company faces challenges in gaining international market access. In response, a community empowerment program was conducted by Universitas Padjadjaran, collaborating with the Free Trade Agreement (FTA) Center. The program involved two weeks of preparation, foreign market research, and a virtual consultation session with FTA Center expert. The findings highlighted the potential export destinations, such as Japan, where the demand for collagen products is notably high. The FTA Center expert provided valuable insights and recommendations, including product positioning, cost breakdown, and the importance of certifications for specific markets. The program successfully equipped Rahsa Nusantara with knowledge and tools for effective market entry. The study concludes by emphasizing the need for ongoing collaboration, continuous market research, and the implementation of expert advice for sustained success in international trade.

1. INTRODUCTION
Rahsa Nusantara is an Indonesian start-up categorized as a micro and small entrepreneur that creates products made from the goodness of nature, herbs, and spices for a healthy and conscious daily life of present and future generations. This start-up was established in 2016 and is still thriving up until now. They prioritize natural local ingredients for their products and strive for an ethical and sustainable process. Rahsa Nusantara’s products are popularly known in Indonesia as jamu. With 45 stock-keeping units, these jamu are divided into seven series: Jagad Series, Prayaguna Series, Shot Series, Basic Series, Sari Series, Rasana Series, and Sukhaloka Series.

Among the various products made by Rahsa Nusantara, Sukhaloka has become the primary focal point for this project. Sukhaloka is the first natural collagen booster in Indonesia, and its main ingredient is Colocasia esculenta extract, commonly known as taro. This plant originates from the humid tropical rainforest of Southeast Asia, encompassing India. However, numerous researchers conclude that pinpointing a single center of origin for taro is not feasible. In Indonesia, taro is reasonably easy to cultivate because of its tropical climate. It can be easily grown in lowland or highland areas without requiring plenty of water for cultivation. Many variations of taro affect the taste and aroma of the tuber (Amala & Rahmawati, 2021).

Generally, people in Indonesia use taro for an energy source as the starch content in this tuber is very high (18.02%). Another nutritional content also includes sugar (1.42%), protein (11%), minerals consist of calcium (0.028%) and phosphorus (0.061%), along with other nutrients such as vitamin C, thiamin, niacin, and riboflavin (Temesgen & Ratta, 2015; Yuliatmoko & Satyatama, 2012). They usually consume taro after boiling, blanching, stewing, steaming, frying, or pressure cooking the tuber. These methods have proven to enhance digestibility, boost the availability of nutrients, and reduce both anti-nutritional...
elements and the risk of foodborne diseases.

Furthermore, these heating processes also affect taro’s composition, such as mineral content, phytochemical components, and antinutrient (oxalate and phytate) contents. Hence, the combination of the heating temperature and time must be programmed to preserve the nutrients while deactivating the anti-nutritional factors of taro. If the process is done correctly, it can increase antioxidant activity, the level of crude fat, crude protein, and crude fiber. Moreover, it is beneficial in addressing non-communicable diseases like obesity, heart disease, high blood pressure, diabetes, cancer, and gastrointestinal disorders due to its high fiber content (Soudy et al., 2010).

Rahsa Nusantara transforms taro’s tuber into powder extract. This extract contains hyaluronic acid, which significantly affects skin aging. This is because as a person gets older, hyaluronic acid production will decrease, and skin moisture will be lost. Hyaluronic acid is a glucosaminoglycan that has the unique property of binding and retaining water molecules. Hyaluronic acid is a substance that is produced naturally in the body and produces natural collagen. The antioxidant activity of taro extract has the potential to capture superoxide radicals, thus protecting skin cells from oxidative damage and speeding up wound healing because it is anti-inflammatory. Because of its great benefits to the nails, skin, and hair, this product has the potential to generate significant sales not only at the domestic level but also at the global level. Hence, Rahsa Nusantara intended to export this product abroad.

We have entered an era where economic globalization has become an international agenda that is inevitable for all countries. The derivative program of economic globalization—developing free trade—has also been implemented gradually in most specific regions worldwide. Free trade itself is a separate variant of international trade. International trade is defined as a transactional activity for goods and services carried out by economic actors between countries. Meanwhile, free trade is international trade without entry barriers such as tariffs, quotas, import duties, export duties, and dumping (Firmansyah & Hendra, 2015).

One example of a free trade agreement that involves Indonesia is the Regional Comprehensive Economic Partnership (RCEP). This free trade agreement also involves nine other countries in ASEAN, such as Brunei Darussalam, Laos, Cambodia, Myanmar, Malaysia, Philippines, Singapore, Thailand, and Vietnam. In addition, the five partner countries involved are China, South Korea, Japan, Australia, and New Zealand. RCEP agreement was signed on 15th November 2020 by those ASEAN countries and five partner countries at the 37th ASEAN Summit in 2020, which was held virtually with Vietnam as the host.

RCEP agreement has the following benefits: First, it is beneficial to expand and deepen Indonesia’s economic linkages and connectivity with partner countries in the region, opening opportunities and providing preferential access for businesses in the region. Second, the average tariff removal is around 92% of goods traded between RCEP parties. Additional preferential market access exists for certain products, including mineral fuels, plastics, other chemical products, and various processed foods and beverages in specific RCEP markets such as China, Japan, and Korea. Another benefit is the simplified Rules of Origin, which gives business actors greater flexibility to take advantage of preferential market access benefits. Regional accumulation provisions will also allow businesses to take advantage of regional supply chains. The next benefit is simplified customs procedures and enhanced trade facilitation provisions that enable efficient administration of procedures and rapid release of goods, including rapid release of consignments and perishable goods within 6 hours of arrival. The fourth benefit is increased commitment above the existing ASEAN Plus One FTA, including Professional Services, Research and Development, Computers and Related Services, Distribution and Logistics Services. Moreover, RCEP is committed to prohibit performance requirements for investors and provisions to lock in future relaxation measures and mitigate backtracking. Other benefits include expanded coverage and commitment to new areas such as e-commerce, competition policy, and intellectual property rights (Free Trade Agreement Center, 2023).

Rezasyah et al. (2020) organized an information dissemination activity between entrepreneurs in Garut and government facilitators represented by the Free Trade Agreement (FTA) Center Bandung. This activity was conducted because only a few local entrepreneurs in Garut understand the strategy and technical aspects of exporting their products abroad. They aim to increase the understanding of methods and customs of shipping Indonesian products overseas. The information dissemination increases the local entrepreneurs’ knowledge and provides a follow-up action plan to establish the next stage of communication between entrepreneurs and the FTA Center in Bandung.

Besides, Mostafiz et al. (2023) conducted a case study to predict the performance of export-manufacturing firms by setting up expertise in international market knowledge and recognizing opportunities. They found that early-stage firms achieve superior performance from institutional knowledge and foreign business through improved exploration opportunities. Meanwhile, well-established firms thrived by leveraging internationalization knowledge and cultivating their capability to harness opportunity.

Fatta et al. (2019) researched the effect of export knowledge to determine export strategy, commitment, and performance in the carpet industry. The results state that export knowledge directly impacts the strategy, commitment, and performance of product exporting. In this case, Indian carpet exports face significant challenges, such as issues with its raw materials, which is wool, shortage of labor for carpet weaving, and insufficient organizational management, which adversely affect both productivity and quality due to the lack of export knowledge.

Supporting previous studies mentioned above, Hoque et al. (2022) wrote about a positive correlation between an
export firm’s internationalization absorption strategies and export performance. Additionally, knowledge absorption affects export performance. The research also highlights that market exploitation’s direct and indirect effects are more prevailing when the competition level is low. Meanwhile, market exploration’s direct and indirect effects on export performance are more prevailing when the competition level is high.

In 2023, Rahsa Nusantara, which has been distributing its products to various regions in Indonesia, started to target a broader market abroad. According to Hatta Kresna, the Chief Executive Officer, Rahsa Nusantara is currently exploring opportunities in the international market with their suppliers in Australia and South Korea (Yulianti, 2023). The exploration stage is at the due diligence. It is an effort or process to gather and analyze information before deciding or completing a transaction in a way that absolves a company from legal responsibility for any resulting damage or loss (Chen, 2023). In developing Rahsa Nusantara’s business, many students of Universitas Padjadjaran have been participating as intern known as Peramu Rahsa in Kampus Merdeka Sanggar Rahsa. Rahsa Nusantara has become one of the company partners of the Ministry of Education, Culture, Research, and Technology of the Republic of Indonesia since 2021 in the program Magang dan Studi Independen Bersertifikat (MSIB) Kampus Merdeka.

This program is part of the Ministry of Education and Research and Technology’s Independent Learning (Merdeka Belajar) policy, bringing universities closer to business and industry. Furthermore, it provides professional experiences for the students and creates a professional workforce. The participating students get support to develop their hard and soft skills through experiences in the work field. Through the students centered learning process, they are required to create innovations and be independent in finding knowledge from reality in the field, involving skill aspects such as problem-solving, cooperation, self-management, social interaction, fulfillment of performance demands, as well as achieving targets and goals (Herlina, 2021; Kampus Merdeka, n.d).

The issue that Rahsa Nusantara faces regarding their business development is their inability to gain Sukhaloka’s international market access. As part of Kampus Merdeka Sanggar Rahsa batch 5, Business Development Officer intern, the writer is helping Rahsa Nusantara gain international market access in exporting their product. Since the writer recognized that the competition level in the international market is very high, notwithstanding its great potential, it is crucial for an Indonesian entrepreneur, namely Rahsa Nusantara, to possess proficient foreign market knowledge before implementing product export.

2. METHOD

Before the FTA Center carried out the information dissemination activity, two weeks of preparation were needed in order to observe current Rahsa Nusantara’s business development, find out what information this company would like to know regarding product export, and do foreign market analysis for collagen booster products. In addition, scheduling meetings between the FTA Center and Rahsa Nusantara also takes time. This activity took place from October to November 2023 involving Francesca Klarensia Angela as the Business Development Officer intern at Rahsa Nusantara and Universitas Padjadjaran student who implemented the activity as well as the foreign market researcher; Mr. Affabile Rifawan as the lecturer who proposed and guided the implementation of this activity; Mr. Lukas Tjahjadi from the FTA Center who shares his knowledge as an expert in the field of international promotion and marketing; and Ms. Hilmi Agnia who arranges the meeting schedule from the FTA Center parties.

After the writers learned about Rahsa Nusantara’s need to obtain international market access for their product, Sukhaloka, the writer, conducted foreign market research and analysis. After that, she shared the results with the business development staff of Rahsa Nusantara. Following
that action, the FTA Center, especially Mr. Lukas Tjahjadi, provided training materials or became the government facilitator, which could teach the process of searching for buyers and international market analysis in product export. Rahsa Nusantara is expected to apply this knowledge in the future to export Sukhaloka successfully.

In Figure 1, the writers show the series of activities, starting from the observation, the implementation of the knowledge sharing session between FTA Center and Rahsa Nusantara which were held virtually via Zoom Meeting on 15th November 2023, until the evaluation from Rahsa Nusantara regarding the knowledge sharing meeting.

3. RESULT AND DISCUSSION

It has been stated earlier that Indonesia has been involved in various free trade agreements. One of them is the RCEP trade participated in by countries in ASEAN and five partner countries, including South Korea. This agreement offers several critical benefits to Indonesia. Firstly, it facilitates expanding and deepening economic ties with partner countries in the region, providing preferential access and business opportunities. Secondly, the agreement involves a significant tariff removal, covering approximately 92% of traded goods among RCEP parties, with additional market access for specific products in key markets like China, Japan, and South Korea. Lastly, the RCEP agreement includes simplified Rules of Origin, regional accumulation provisions, streamlined customs procedures, and enhanced trade facilitation, promoting efficient administration and rapid release of goods within 6 hours of arrival and increased commitments in various sectors beyond the existing ASEAN Plus One FTA. Therefore, Indonesian entrepreneurs need to take advantage of this agreement to improve Indonesia’s economic conditions through export-import activities.

A critical aspect that needs to be understood in product export activities is determining the export countries and obtaining market access. However, many entrepreneurs still do not understand the technicalities and strategies for exporting their products to international markets. Based on the abovementioned issue, collaborative training and knowledge sharing were conducted to increase knowledge about exporting Rahsa Nusantara’s products abroad. Before the knowledge sharing was organized, the writer had already done foreign market research.

The foreign market research was done using Trade Map. Trade Map or market access map is an analytical portal that can help users access, compare, analyze, and download customs tariffs, export tariff quotas, trade solutions, and non-tariff measures that apply to certain commodities or goods in international markets. As a portal developed by the UNCTAD/WTO International Trade Center (ITC), this portal is a solution for conducting market research, identifying market potential, and product diversification (ITC, 2014). Apart from that, there is also information presented in tables, graphs, and maps based on product groups and country groups for export or import purposes.

Based on the findings from foreign market research on Trade Map, Sukhaloka is a collagen booster product from 17 types of amino acids and contains 12.33% Hyaluronic Acid to help maintain healthy skin, nails, hair, and joints. This product is included in HS code 350400, peptones and their derivatives, other protein substances, and their derivatives.

Based on the information from the ITC (2023) as shown in Table 1, the top countries importing collagen products the most are: 1) The United States of America, with an average value of $607,065.60 from 2018 to 2022; 2) The Netherlands, with an average value of $416,735.60 from 2018 to 2022; 3) Japan, with an average value of $306,857.00 from 2018 to 2022; 4) Germany, with an average value of $302,378.40 from 2018 to 2022. Therefore, it is indicated that the demand for collagen products is notably high in the United States, the Netherlands, Japan, and Germany.

Japan is one of the four countries that is a partner of the Free Trade Agreement (FTA) Center Indonesia and ratified the RCEP agreement. Therefore, Sukhaloka products have the most significant potential for export to that “cherry blossom” country. Following up on the result, the writer listed 87 importing companies in Japan for collagen booster products, including Filmolux Co., Ltd., Kyoritsu Chemical Co., Ltd., Load Japan, Inc., and the list goes on. However, the collagen booster product from Rahsa Nusantara exported to Japan might have competition from China, New Zealand, and the United States of America.

On 15th November 2023, the consultation session with the FTA Center was held in a relaxed atmosphere for 1 hour. The material provided during the session is about theoretically and practically gaining market access for Sukhaloka products abroad. After all the material was given, a question-and-answer session was opened between the FTA Center and the Rahsa Nusantara team. The Business Development Officer teams from Rahsa Nusantara actively asked questions and understood the material well. From the consultation session, Mr. Lukas Tjahjadi, an expert at the FTA Center, also mentioned various to-do lists that Rahsa Nusantara must do next.

Table 1. Top importing countries for product with HS code 350400 (collagen booster) (ITC, 2023)

<table>
<thead>
<tr>
<th>Importers</th>
<th>Imported Value in 2018</th>
<th>Imported Value in 2019</th>
<th>Imported Value in 2020</th>
<th>Imported Value in 2021</th>
<th>Imported Value in 2022</th>
<th>Average Imported Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>341,551</td>
<td>515,143</td>
<td>544,500</td>
<td>728,966</td>
<td>905,168</td>
<td>607,065</td>
</tr>
<tr>
<td>Netherlands</td>
<td>287,147</td>
<td>356,076</td>
<td>432,858</td>
<td>478,990</td>
<td>528,607</td>
<td>416,735</td>
</tr>
<tr>
<td>Japan</td>
<td>250,925</td>
<td>274,498</td>
<td>295,891</td>
<td>336,978</td>
<td>375,993</td>
<td>306,857</td>
</tr>
<tr>
<td>Germany</td>
<td>213,767</td>
<td>265,678</td>
<td>275,826</td>
<td>326,419</td>
<td>445,202</td>
<td>302,378</td>
</tr>
</tbody>
</table>
This to-do list consists of: First, product positioning in comparison with Japan. Evaluating the product’s pricing strategy involves understanding its position relative to similar products in the markets of Japan. According to Ekmekçi (2010), companies run in uncertain market conditions, intense competition, fast technological development, and shorter product life cycles. Hence, effective product positioning is crucial to achieving a competitive advantage for the companies; in other words, the product could stand out from competitors in these regions.

After that, Rahsa Nusantara needs to do a cost breakdown and make sure to spare the cost of packaging. Breaking down the cost structure, particularly the cost of goods sold (COGS), provides insight into the various components, including allowances for packaging and other associated expenses. The strategy involves ensuring that the pricing does not fall into the lower-end segmentation, emphasizing the importance of maintaining a certain level of quality and value. Moreover, value addition and target consumer communication must be implemented. Emphasizing the need for value addition, such as the potential collagen production stimulated by taro (Colocasia esculenta), underscores the unique selling proposition that should be communicated to the target consumers. Rosser Reeves first proposed the term unique selling proposition in the mid-20th century.

This communication strategy is crucial for conveying the product’s additional benefits and value to its intended audience. It is important to present what competitors do not offer with a unique quality. Before the unique selling point is shaped, the company must understand its market and customers through research and analysis. Then, the company positions its product in the minds of its customers. This unique selling proposition can influence how the product will be perceived by consumers (Breuer & Hallmann, 2011).

Thirdly, identifying the target consumer’s age group is essential for effective segmentation. The recommendation to use endorsements from individuals within the same age group as the target audience enhances relatability and credibility, aligning the marketing efforts with the preferences of the intended consumers.

The strategy to sell products abroad is entirely different from selling them domestically. Therefore, Rahsa Nusantara needs a strategic approach from scratch or, in other words, “start again from 0”. The reference to starting from 0 indicates a strategic approach to understanding the direction and goals right from the beginning. This strategic planning aims to account for and justify every production cost, contributing to a comprehensive and accountable business strategy. Before exporting, a clear understanding of the target market and alignment with its requirements is crucial. Establishing the target market’s specifics and adapting to its requirements ensures a smoother export process and compliance with local regulations. Rahsa Nusantara may also adopt a strategy where end-users become acquainted with the product before actively seeking importers. This approach prioritizes building awareness and demand directly among consumers before engaging with intermediaries in the distribution process.

Lastly, for the technical aspects like certificates, FTA Center highlights the importance of obtaining certifications specific to each market, such as BPOM or HCCP for Japan, to ensure compliance with regulatory standards in these countries. Importers entering the pharmaceutical category in these markets may face additional requirements, emphasizing the need to consider regulatory aspects thoroughly. Besides, when targeting a market like Japan, the FTA Center suggested creating a dynamic website that identifies the user’s IP address and automatically translates the content into the local language, enhances user experience, and ensures content relevance. Overall, the results of knowledge-sharing session meeting with FTA Center Expert summarized in Figure 2.

4. CONCLUSION

The community empowerment activities conducted by the student and lecturer of Universitas Padjadjaran in
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CONFLICT OF INTERESTS

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ITC. (2023). List of importers for the selected product: 3504 peptones and their derivatives; other protein substances and their derivatives. *Trade Map*. [https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1%7C7C%7C%7C%7C3504%7C%7C4%7C1%7C1%7C%7C%7C2%7C1%7C1%7C1](https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1%7C7C%7C%7C%7C3504%7C%7C4%7C1%7C1%7C%7C%7C2%7C1%7C1%7C1)


