

## Internationalization Strategies for Coffee SMEs through Freight Forwarding Services from an Indirect Export Marketing Perspective

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### ABSTRACT

This study aims to understand how coffee MSMEs implement internationalisation strategies by utilising freight forwarder services through an indirect export approach. The methodology employed is qualitative in nature, with an exploratory-descriptive focus, wherein data was collected through in-depth interviews, observation and documentation, and subsequently analysed interactively. The research findings indicate that SMEs tend to opt for indirect exports due to resource constraints, limited export knowledge, and regulatory hurdles. In practice, freight forwarders act not only as logistics providers but also as gateways to global markets and supporters of administrative processes. They also assist SMEs in learning about export procedures. However, this strategy has its drawbacks, such as limited market control and low added value, meaning SMEs need to gradually enhance their capabilities.

## INTRODUCTION

The global coffee industry is currently undergoing a significant transformation known as *The Fourth Wave of Coffee*. In this phase, global consumers no longer prioritize quantity alone but highly value quality, traceability, and the socio-economic narrative behind the product (International Coffee Organization, 2023). The continuous growth in global coffee consumption, particularly in developed and emerging markets in Asia, creates significant opportunities for producing countries. However, increasingly stringent global standards regarding sustainability certification, food safety, and carbon emissions within the logistics supply chain present new challenges that local coffee producers must address.

Economic globalization has driven businesses, including micro, small, and medium-sized enterprises (MSMEs), to focus not only on domestic markets but also to expand their reach into international markets. Internationalization has become a critical strategy for enhancing competitiveness, expanding market share, and ensuring business sustainability amid increasingly intense global competition. According to Bianchi and Wickramasekera (2016), the internationalization of MSMEs is influenced not only by internal company factors but also by the ability of business actors to strategically leverage business networks and global market opportunities. This indicates that engagement in international markets can improve business performance, innovation, and operational efficiency of MSMEs (Knight & Liesch, 2016; OECD, 2021).

Indonesia, as the world's fourth-largest coffee producer, possesses a comparative advantage in the form of a diverse range of *specialty* coffee varieties. The global trend toward *single-origin coffee* presents a significant opportunity for regions such as Blitar, Kediri, and Jombang as well as the surrounding areas of in East Java to enter the international market as coffee producers. The characteristics of these regions, situated on mountain slopes, have enabled the successful cultivation of Liberica, Robusta, and Arabica coffee varieties, which are highly favored by the international market. Additionally, they have successfully cultivated new coffee varieties capable of penetrating niche segments of the international market. This demonstrates that coffee produced in these regions can compete and be accepted by the international market, which demands high-quality standards on the global stage. Nevertheless, the contribution of Indonesian SMEs to total national exports remains relatively low. Most regional coffee SMEs still face classic challenges such as limited market information, low managerial capabilities, complex certification standards, and the complexity of export procedures (OECD, 2021; International Trade Centre, 2020).

In addressing these complexities, one adaptive strategy employed by SMEs is the use of *indirect export* mechanisms. This approach is considered more suitable for SMEs as it reduces the risks, costs, and bureaucratic complexities associated with independent export activities (Hessels & Terjesen, 2010). In practice, the role of *freight forwarders* emerges as that of strategic facilitators that go beyond mere logistics functions. *Freight forwarders* assist businesses with export documentation (*Certificate of Origin, Phytosanitary certificates*), cross-border shipping, and compliance with dynamic international trade regulations, allowing SMEs to focus on improving quality and increasing production capacity to meet the needs of the international market.

The role of *freight forwarders* can be viewed as an integral part of the international marketing system because they help bridge the “psychological” and administrative gaps between regional SMEs and global buyers (Hollensen, 2020). However, on the other hand, this reliance on third parties also presents unique challenges for SMEs, such as limited control over the distribution chain and the potential for increased operational costs that can erode profit margins (Knight & Liesch, 2016).

Until now, discussions about SMEs “going global” have often focused too much on internal matters, such as product innovation and capital constraints. In reality, for coffee farmers in regions like Blitar, Kediri, or Jombang, the main issue isn’t just about producing great-tasting coffee, but how to get the product overseas efficiently. This is where the role of *freight forwarders* becomes crucial yet is often overlooked. Logistics, in fact, is a far more significant barrier than import tariffs. By utilizing *indirect export* channels, SMEs are actually laying the groundwork for scaling up. Collaborating with agents or intermediaries is not merely about shipping goods, but a strategy to aggressively penetrate broader global market networks. Through this collaboration, SMEs can expand without having to worry about complex operational risks, allowing them to remain focused on maintaining quality while gradually strengthening their competitive edge in the global coffee market.

Based on the above discussion, there is a research gap regarding how the internationalization strategies of regional coffee SMEs can be optimized through the use of intermediary services. Therefore, this study aims to conduct an in-depth examination of "Internationalization Strategies for Coffee SMEs Through Freight Forwarder Services in the Context of Indirect Export Marketing." This study is expected to provide a comprehensive understanding of the role, process, and challenges of implementing this strategy, while also offering practical contributions to enhancing the competitiveness of local coffee SMEs in the international market.

## LITERATURE REVIEW

### *Theory of Internationalization (Uppsala Model)*

The Uppsala Model is one of the fundamental theories explaining the process of corporate internationalization, first introduced by Jan Johanson and Jan-Erik Vahlne in 1977. This model emphasizes that internationalization occurs incrementally, where companies increase their involvement in foreign markets as they accumulate knowledge and experience. In the early stages, companies tend to choose low-risk market entry forms, such as indirect exports, before moving on to higher-commitment forms such as direct exports or foreign investment. This process is influenced by the concept of “psychic distance” – that is, differences in culture, language, and business systems between countries that can act as barriers to international expansion (Johanson & Vahlne, 2017). Thus, experience-based learning becomes the key to reducing uncertainty and increasing a company’s confidence to expand into global markets.

As globalization progresses, the Uppsala model has been updated to emphasize the importance of networks in the internationalization process. In their revision, Jan-Erik Vahlne and his colleagues highlight that the success of internationalization is not only determined by a company’s internal experience but also by its ability to build and leverage business relationships with international partners (Johanson & Vahlne, 2015). These networks enable companies, including SMEs, to gain access to market information, resources, and business opportunities that were previously difficult to reach. In the context of SMEs, this approach is highly relevant because limitations in internal resources can be overcome through collaboration with external actors such as export agents or freight forwarders. Therefore, the Uppsala Model not only explains the phased patterns of internationalization but also underscores that relationships and trust within business networks are key factors in accelerating the expansion process into international markets.

### **Indirect Export Marketing**

Indirect export marketing is a common internationalization strategy used by companies, particularly micro, small, and medium-sized enterprises (MSMEs), to enter global markets with relatively lower risk. In this approach, companies do not engage in direct export activities but instead rely on intermediaries such as export agents, trading houses, or international distributors. According to Philip Kotler and Kevin Lane Keller (2015), indirect exporting allows companies to leverage the expertise and networks of third parties in managing international marketing processes, including distribution, promotion, and sales in foreign markets. This strategy is highly relevant for MSMEs that face limitations in terms of resources, knowledge of global markets, and managerial capabilities to handle the complexities of international trade.

Furthermore, from an international marketing perspective, indirect exporting functions not only as a distribution mechanism but also as an adaptation strategy to address a company's internal limitations. Svend Hollensen (2020) explains that the use of intermediaries in exporting allows companies to reduce financial and operational risks while accelerating access to international markets through the networks already established by third parties. Additionally, research by Hessels and Terjesen (2010) indicates that the decision to use indirect exports is often influenced by resource constraints and the level of uncertainty in foreign markets. Thus, this strategy serves as a rational initial choice in the internationalization process, before companies transition to more direct forms of export as their experience and capabilities grow.

### *The Role of Freight Forwarders*

A freight forwarder is an intermediary in international logistics who plays a role in managing the process of shipping goods from the country of origin to the destination country efficiently and in compliance with regulations. In international trade practice, freight forwarders act not only as carriers but also as coordinators who manage various operational aspects such as mode of transport selection, handling of export-import documents, customs clearance, and shipping insurance. According to the International Federation of Freight Forwarders Associations (FIATA), freight forwarders function as "architects of transport," designing and managing global distribution chains to ensure they operate effectively and efficiently. Additionally, Svend Hollensen (2020) emphasizes that, in the context of international marketing, freight forwarders are a vital component of the global distribution system because they help companies access foreign markets without needing to maintain their own logistics infrastructure.

Furthermore, the role of freight forwarders has also evolved as facilitators of internationalization, particularly for SMEs with limited resources and export knowledge. Freight forwarders can assist businesses in understanding export procedures, meeting regulatory requirements, and mitigating risks associated with cross-border shipments. From a network theory perspective, the presence of freight forwarders enables companies to access a broader global business network, including connections with importers, distributors, and agents in international markets. This aligns with Jan-Erik Vahlne's (2009) view, which emphasizes that business relationships and networks are key to the internationalization process. Thus, freight forwarders not only function as logistics service providers but also as strategic partners who contribute to facilitating the indirect export marketing process and accelerating SMEs' access to global markets.

### ***Internationalization of Coffee***

The internationalization of coffee commodities is the process of expanding the market for coffee products from domestic to international markets through various export strategies, both direct and indirect. As an agricultural commodity, coffee possesses unique characteristics, namely being highly influenced by geographical quality (origin), international standards, and the ever-evolving preferences of global consumers. According to the International Coffee Organization, global coffee trade has increased in tandem with rising global consumption and the specialty coffee trend, which demands high quality and supply chain transparency. A study by Ponte (2002) in *\*World Development\** indicates that the global coffee market has undergone a transformation toward a buyer-driven value chain system, where quality standards, certification, and branding are key factors in determining a product's competitiveness in international markets. Furthermore, research by Neilson, Pritchard, and Yeung (2014) in *\*Global Networks\** emphasizes that integration into global value chains is a critical element in the internationalization of agricultural commodities, including coffee, as it enables producers to access broader markets, technologies, and information. Thus, the success of coffee internationalization is determined not only by production capacity but also by the ability to meet global standards and establish a position within the international value chain.

In the context of SMEs, the internationalization of coffee faces more complex challenges, particularly regarding resource constraints, access to market information, and global distribution networks. Therefore, the internationalization strategy for coffee SMEs is generally implemented in stages by leveraging intermediaries as part of an international business network. This approach aligns with the network-based internationalization concept proposed by Johanson and Vahlne (2015), which emphasizes the importance of relationships and trust in expanding access to global markets. Furthermore, research by Humphrey and Schmitz (2002) in the *IDS Bulletin* explains that participation in global value chains can enhance upgrading opportunities for small businesses, whether in terms of processes, products, or marketing functions. Meanwhile, according to the International Trade Centre (2020), the success of coffee exports is heavily influenced by businesses' ability to integrate production, quality, marketing, and logistics in a cohesive manner. Thus, the internationalization of the coffee commodity is not merely a process of market expansion but also reflects the structural transformation of SMEs as they adapt to the increasingly competitive and standardized demands of the global market

## METHODOLOGY

This study employs a qualitative approach using a descriptive-exploratory research design to deeply understand the phenomenon of coffee SME internationalization strategies through the utilization of *freight forwarder* services from an *indirect export* marketing perspective. This approach was chosen because it enables the exploration of meaning, processes, and business actors' experiences in a contextual manner, particularly in navigating the complex dynamics of the international market. Thus, this study focuses not only on the results but also on the processes and interactions among the actors involved in export activities.

The research was conducted on coffee SMEs that have engaged in or are currently engaged in export activities, whether directly or indirectly, with a focus on regions possessing potential for coffee commodity development. Research subjects include owners or managers of coffee SMEs, as well as intermediaries or related stakeholders such as trade offices or export communities. Informants were selected using *purposive sampling*, based on specific criteria such as experience in export activities and involvement in the internationalization process, to ensure the collection of relevant and in-depth information.

Data collection techniques in this study were conducted through *in-depth interviews*, observation, and documentation. Interviews were conducted using a semi-structured approach to explore information regarding internationalization strategies, the implementation of *indirect export* marketing, and the role of *freight forwarders* in supporting the export process. Observations were conducted to understand the operational activities of SMEs and the distribution flow of coffee products within the export chain, while documentation was used to supplement data in the form of export documents, business profiles, and other supporting data. Data analysis was performed using an interactive model comprising three main stages: data reduction, data presentation, and drawing conclusions. Data reduction was performed by selecting and focusing on data relevant to the research objectives, which were then presented in the form of descriptive narratives for ease of understanding. Subsequently, conclusions were drawn in stages while continuously verifying findings based on data collected in the field. This analysis process was conducted simultaneously throughout the study to yield a comprehensive understanding.

To ensure the validity of the data, this study employs source triangulation and methodological triangulation, specifically by comparing information obtained from various informants and utilizing diverse data collection methods. Additionally, *member checks* were conducted with informants to ensure that the researcher's interpretations align with actual conditions. Thus, the research results are expected to possess high levels of validity and credibility and to provide both scientific and practical contributions to the development of internationalization strategies for coffee SMEs

## RESULTS AND DISCUSSION

### *Characteristics of Coffee SMEs and Global Market Orientation*

Research findings indicate that coffee MSMEs are dominated by the processing of Robusta coffee with small to medium scale production capacities, and some are beginning to cultivate Arabica to cater to the specialty coffee segment. Additionally, these coffee MSMEs are cultivating coffee with a fruity aroma a hallmark of the region to position it as a product capable of penetrating the global market. These characteristics reflect the position of SMEs as actors in the global value chain, which remains at the level of basic production and processing. This finding aligns with Ponte's (2002) research, which states that the global coffee industry is buyer-driven, where actors in developing countries tend to occupy downstream positions with limited access to higher value added opportunities. Furthermore, the involvement of SMEs in global value chains, as explained by Neilson, Pritchard, and Yeung (2014), indicates that access to international markets is heavily influenced by businesses' ability to meet quality standards and build relationships with global actors. The research findings indicate that local coffee SMEs are striving to grow by establishing quality standards tailored to the destination countries within the international market. These SMEs collaborate with various stakeholders and utilize rare coffee cultivation commodities to develop strategic steps for entering the international market.

In terms of the motivations for internationalization, this study found that the primary drivers for coffee SMEs stem from the increasingly competitive domestic market and the existence of global demand for high-quality coffee. These conditions reinforce the argument put forth by Paul and Rosado-Serrano (2019) that the internationalization of SMEs is often triggered by a combination of push factors (domestic market saturation) and pull factors (international market opportunities). Furthermore, the global trend toward specialty coffee, as highlighted by Samper, Giovannucci, and Vieira (2017), provides an incentive for SMEs to improve product quality and pursue differentiation based on geographical origin. Thus, the global market orientation of coffee SMEs is not merely a reactive response to the limitations of the local market but also an adaptive response to shifts in global consumer preferences. The research findings also indicate that the active involvement of SMEs in mentoring processes and collaborations with various farmers of rare coffee commodities demonstrates a strong interest in competing with other coffee commodities in various developing countries.

However, the internal readiness of SMEs remains the primary obstacle in the internationalization process. This study found that limitations in human resources, a lack of understanding regarding export procedures, and the failure to meet international certification standards constitute significant barriers. These findings are consistent with the research by Knight and Liesch (2016), which emphasizes that the international knowledge gap is one of the primary barriers in the internationalization process of SMEs. Furthermore, from the perspective of the Uppsala Model (Johanson & Vahlne, 2009), this situation indicates that SMEs are still in the early stages of internationalization, where the level of commitment to foreign markets remains low due to limited experience and knowledge.

Furthermore, these internal limitations drive SMEs to adopt indirect export strategies as an adaptive mechanism for entering global markets. This aligns with the findings of Hessels and Terjesen (2010), who state that companies with resource constraints tend to choose indirect exports to reduce operational risks and complexity. In this context, the use of intermediaries such as freight forwarders can be understood as part of a network-based internationalization strategy, in which SMEs leverage external relationships to access global markets (Johanson & Vahlne, 2009). Thus, the results of this study confirm that the characteristics of coffee SMEs exhibit a pattern of gradual internationalization influenced by internal constraints and mediated by network-based collaborative strategies.

### *Indirect Export Strategies and the Role of Freight Forwarders in the Internationalization of Coffee SMEs*

The research findings indicate that coffee SMEs tend to use indirect export strategies as the primary mechanism for entering international markets. This strategy involves utilizing intermediaries such as exporters, aggregators, or freight forwarders to handle distribution and marketing processes in foreign markets. This choice is based on the internal limitations of SMEs, particularly regarding export knowledge, market access, and managerial capabilities in managing international activities. This finding aligns with the research by Hessels and Terjesen (2010), which states that companies with limited resources tend to choose indirect export channels as a strategy to reduce operational risks and complexity. Thus, indirect export serves as a strategic adaptation for SMEs in addressing internal capability limitations.

In practice, freight forwarders do not merely act as logistics service providers but also serve as key facilitators in the internationalization process of SMEs. Research findings indicate that freight forwarders or aggregators assist SMEs in various aspects, such as handling export documentation, cross-border goods shipment, and compliance with international trade regulations. This role reinforces the perspective of the International Federation of Freight Forwarders Associations, which states that freight forwarders act as “architects of transport” managing the entire international distribution chain. Furthermore, from an international marketing perspective, this role can be understood as part of the global distribution system that enables SME products to reach international markets without needing their own infrastructure (Hollensen, 2020).

Furthermore, the findings of this study indicate that freight forwarders also serve as knowledge intermediaries entities that bridge the knowledge gap for SMEs regarding export procedures and the dynamics of international markets. This aligns with the revision of the Uppsala Model by Johanson and Vahlne (2009), which emphasizes the importance of networks in the internationalization process. In this context, freight forwarders become part of a business network that enables SMEs to gain access to information, market relationships, and export opportunities that were previously difficult to reach. Additionally, research by Paul and Rosado-Serrano (2019) confirms that participation in international networks can accelerate the internationalization process, particularly for companies with limited internal resources.

However, SMEs' reliance on freight forwarders also raises several strategic implications. Research findings indicate that while indirect export strategies facilitate access to international markets, SMEs face limitations in controlling the market, establishing direct relationships with buyers, and developing long-term marketing strategies. This aligns with the findings of Knight and Liesch (2016), who state that the use of intermediaries in exports can reduce a company's opportunities to develop direct market knowledge. Furthermore, from a global value chain perspective, the position of SMEs that rely on intermediaries tends to be at a lower level of value addition (Ponte, 2002).

Thus, the results of this study indicate that freight forwarders play a dual role in the internationalization of coffee SMEs: as operational facilitators and strategic mediators in indirect export marketing. This role enables SMEs to overcome internal limitations and access global markets more quickly. However, on the other hand, dependence on intermediaries must be managed strategically so as not to hinder the learning process and the enhancement of SME capabilities in the long term. Therefore, the indirect export strategy through freight forwarders can be understood as an initial stage in a phased internationalization process that has the potential to evolve toward more independent engagement in the future.

### **Marketing Mechanisms for Indirect Export Through Freight Forwarders**

Research findings indicate that the indirect export marketing mechanism through freight forwarders for coffee SMEs operates through stages that integrate marketing and logistics functions into a single, interconnected system. These SMEs target international markets by combining the unique quality of their commodities with support from large institutions to prepare products that meet international market quality standards. In the initial stage, SMEs establish relationships with intermediaries whether exporters or freight forwarders who possess international market networks. In practice, freight forwarders not only serve as providers of shipping services and export administrative support but also act as the initial link between SMEs and foreign buyers. Through this collaboration, the coffee SMEs were able to secure a contract to ship 12 tons of raw coffee beans of the fruit variety to a neighboring country of Indonesia, valued at approximately 300 million. This finding reinforces Hollensen's (2020) view that international distribution channels play a strategic role in opening global market access for companies with limited resources. Furthermore, from a network perspective, relationships with intermediaries reflect the importance of networks in the internationalization process, as explained by Johanson and Vahlne (2009). In line with this, Freeman, Edwards, and Schroder (2006) emphasize that small-scale companies heavily rely on external networks to gain access to international markets and overcome internal limitations.

In the next stage, the marketing process is carried out through coordination between SMEs and intermediaries regarding product specifications, quality, pricing, and adaptation to international market needs. SMEs adapt their products based on buyer demand mediated by intermediaries, while freight forwarders ensure the readiness of logistics and export documentation. This mechanism indicates that certain marketing functions are delegated to external parties as a form of efficiency. This aligns with Hessels and Terjesen (2010), who state that companies with limited resources tend to rely on intermediaries in conducting international marketing activities. Additionally, Paul and Rosado-Serrano (2019) emphasize that participation in international networks can accelerate the internationalization process of SMEs. In this context, the observed pattern also aligns with the “born global” concept, where companies can enter international markets from the outset by leveraging networks and strategic partners (Cavusgil & Knight, 2015).

Furthermore, during the distribution stage, freight forwarders manage the process of shipping products to destination markets while considering cost efficiency, time, and compliance with international regulations. This role is crucial in maintaining coffee quality and ensuring the sustainability of supply to global markets. From a global value chain perspective, distribution efficiency is a key factor in enhancing product competitiveness (Ponte, 2002). Additionally, Neilson, Pritchard, and Yeung (2014) emphasize that integration into global value chains requires the ability to manage market connectivity and distribution. In this context, freight forwarders serve as enablers connecting SMEs to the international trading system. Furthermore, Lu and Beamish (2001) demonstrate that engagement in international activities, including through distribution networks, can enhance firm performance, particularly when supported by appropriate strategies.

Beyond operational functions, research findings also indicate that freight forwarders act as knowledge intermediaries, helping SMEs understand export procedures and the dynamics of international markets. This role is crucial because most SMEs lack prior export experience. Within the Uppsala Model framework, international learning occurs through interactions with actors within business networks (Johanson & Vahlne, 2009). In line with this, Knight and Liesch (2016) emphasize the importance of accumulating international knowledge in enhancing a company’s ability to compete in global markets. Furthermore, Oviatt and McDougall (2005) state that companies can accelerate internationalization by leveraging global networks and external resources without having to go through traditional step-by-step phases.

However, the mechanism of indirect export marketing through freight forwarders also has limitations, particularly regarding SMEs' limited control over the market and minimal direct interaction with end consumers. This impacts their ability to build a brand and directly understand global market preferences. This situation aligns with the findings of Hessels and Terjesen (2010) as well as Knight and Liesch (2016), which indicate that the use of intermediaries can hinder the market learning process. Therefore, although this mechanism is effective as an initial strategy, efforts to strengthen internal capabilities are necessary so that SMEs can gradually increase their direct involvement in international marketing activities.

Thus, the indirect export marketing mechanism through freight forwarders for these coffee SMEs serves not only as a distribution system but also as a network-based strategy that facilitates accelerated access to global markets. The integration of marketing, logistics, and learning functions indicates that this strategy is effective in the short term; however, it must be followed by the development of internal capabilities so that SMEs can achieve self-reliance in internationalization in the future. Currently, from a technical standpoint, SMEs are demonstrating a significant transition toward export independence through a collaborative ecosystem. Although they cannot yet be said to be exporting entirely independently, SMEs no longer sell their coffee to middlemen for the international market; they have gained bargaining power by signing trade contracts with foreign buyers. This demonstrates that regional SMEs going international have successfully gained recognition in the international market by leveraging their own identity.

### ***Challenges and Sustainability of the Indirect Export Strategy***

Research findings indicate that the indirect export strategy implemented by regional coffee SMEs facilitates access to international markets; however, it also presents various structural and strategic challenges. One of the primary challenges is the limited control SMEs have over the export market, particularly regarding pricing, relationships with buyers, and product marketing strategies. In the indirect export scheme, the role of intermediaries becomes dominant, so that SMEs tend to be in a passive position in the distribution chain. This condition aligns with the findings of Hessels and Terjesen (2010), who state that companies using indirect exports often lose control over international marketing activities due to their dependence on third parties. Furthermore, from a global value chain perspective, this position can result in MSMEs deriving only limited value added since they are not directly involved in downstream activities such as branding and distribution (Ponte, 2002).

Another challenge is the limited international learning process experienced by SMEs. Since interactions with global markets are mediated by intermediaries, SMEs do not gain direct experience in understanding consumer preferences, market regulations, or the dynamics of international competition. This has the potential to hinder the enhancement of internal capabilities in the long term. Within the framework of the Uppsala Model, this situation indicates that the process of accumulating market knowledge becomes suboptimal due to the lack of direct engagement with the international environment (Johanson & Vahlne,

2009). In line with this, Knight and Liesch (2016) emphasize that direct engagement in international markets is crucial for building market knowledge, which serves as the foundation for strategic decision-making regarding global expansion.

In addition to these challenges, the sustainability of indirect export strategies is also a key concern. Research findings indicate that while this strategy is effective as an initial step toward internationalization, long-term reliance on intermediaries can hinder the independence of SMEs in developing export markets. Therefore, a strategic transformation is needed – moving beyond mere reliance on indirect exports toward enhancing internal capabilities to enable more independent export operations. This aligns with the perspective of Paul and Rosado-Serrano (2019), who state that the internationalization of SMEs is dynamic and evolves alongside the company's growing experience and resources.

Nevertheless, the sustainability of the indirect export strategy can still be maintained if SMEs are able to utilize it as a means of learning and strengthening international business networks. From a network theory perspective, engagement with intermediaries such as freight forwarders can serve as an entry point for SMEs to build relationships with global actors and expand market access (Johanson & Vahlne, 2009). Additionally, this strategy can provide operational stability in the short term, particularly for SMEs that are not yet fully prepared for direct exports. Therefore, the indirect export strategy should be positioned as an initial stage in a sustainable internationalization process, where SMEs gradually enhance their capacity, knowledge, and autonomy in managing export activities.

Thus, this discussion underscores that the indirect export strategy plays a crucial role in opening global market access for coffee SMEs, yet it also presents challenges related to control, learning, and value addition. The sustainability of this strategy heavily depends on SMEs' ability to manage their reliance on intermediaries and gradually develop internal capabilities, thereby enabling them to transition toward a more independent and highly competitive internationalization model.

## CONCLUSIONS AND RECOMMENDATIONS

This study concludes that the internationalization strategies of coffee SMEs tend to be implemented gradually through an *indirect export* approach as a form of adaptation to internal limitations. The characteristics of SMEs dominated by small to medium-scale operations, limited human resources, and suboptimal compliance with certification and legal standards are the primary factors driving the selection of indirect export strategies. On the other hand, the increasing demand for high-quality coffee in the global market and market saturation domestically are the main drivers for SMEs to expand their market reach to the international level.

Furthermore, this study found that *freight forwarders* play a strategic role that extends beyond logistics functions, acting as both facilitators and mediators in the *indirect export* marketing process. The marketing mechanisms that have emerged demonstrate an integration of distribution, marketing, and knowledge-sharing functions, where *freight forwarders* not only assist with shipping and export documentation but also contribute to opening market access and transferring knowledge related to export activities to SMEs. This reinforces the importance of a network-based approach in the internationalization process, where the involvement of external actors is key to overcoming SMEs' internal limitations.

However, the *indirect export* strategy also presents challenges, particularly regarding SMEs' limited control over international markets, restricted direct interaction with consumers, and the potential for low value-added gains. Long-term reliance on intermediaries risks hindering the learning process and the development of SMEs' internal capabilities. Therefore, the sustainability of this strategy heavily depends on SMEs' ability to utilize *indirect export* as a learning tool while gradually enhancing their capacity to move toward more independent export operations.

Thus, this study confirms that the internationalization strategy of coffee SMEs through *freight forwarders* from an *indirect export* marketing perspective is an effective first step in accessing global markets. However, to achieve sustainable competitiveness, a strategic transformation is required that leads to enhanced internal capabilities, strengthened business networks, and the development of more independent and long-term oriented marketing strategies

## ADVANCED RESEARCH

This study opens opportunities for more in-depth follow-up research on SME internationalization strategies, particularly within the context of network-based *indirect export* marketing. Future research could employ a *mixed-methods* approach to empirically test the impact of *freight forwarders'* roles on export performance, market expansion, and the sustainability of SME operations. Additionally, longitudinal studies are essential to understand the strategic transformation from *indirect* to *direct export* as part of a phased internationalization process, as outlined in *the Uppsala Model* and *Born Global Theory*. Further research could also delve into the role of *freight forwarders* as *marketing intermediaries* not merely in logistics but also in knowledge transfer, value creation, and the development of international business networks. On the other hand, the integration of digitalization aspects such as the use of international e-commerce platforms, digital marketing, and logistics information systems also needs to be explored to examine how technology can accelerate the internationalization of coffee SMEs. Cross-sectoral and cross regional comparative research is also recommended to develop a more comprehensive, adaptive, and practical internationalization strategy model to support the competitiveness of SMEs in the global market.

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