

## Green Marketing Strategy to Overcome Barriers Exports of Micro, Small and Medium Enterprises (MSMEs)

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### Abstract

This study aims to explain the transformation of MSME marketing strategies in general through a green marketing approach to overcome export barriers. This study focuses on handicraft and beverage MSMEs in South Kalimantan Province. The research method uses a qualitative approach with a sample of 30 respondents, consisting of business actors and consumers from various districts in South Kalimantan, Indonesia. The results show that the marketing mix of MSMEs (products, prices, promotions, and distribution) has not been effective in overcoming export barriers. The product and price of MSMEs are relatively good, but the promotion and distribution aspects are still weak. In addition, the internal and external factors of MSMEs are not optimal. Field data reveal the awareness of MSME actors towards environmentally friendly marketing aspects, such as the use of green packaging and sustainable promotion, which is a new focus in interpreting research results with a green marketing approach. Thus, the green marketing approach provides a new perspective for the transformation of MSME marketing strategies to be more comprehensive and sustainable in facing export challenges. This change in marketing strategy is expected to increase the readiness and competitiveness of MSME exports. In addition, government support in the form of regulations, marketing channels, and adequate access to capital is important so that MSMEs are better prepared to enter the export market.

**Keywords:** Green Marketing; MSMEs; Handicrafts; Beverage; Export.

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**INTRODUCTION**

MSMEs as the Micro, Small, and Medium Enterprises sector have development needs that include marketing, operational, human resources, environmental, and financial aspects. From a strategic management perspective, all of these aspects are positioned as strategic resources that determine competitiveness, especially when MSMEs begin to adopt an environmentally friendly marketing approach or green marketing (Barney, 1991). The green marketing approach is becoming increasingly important as global consumers demand products that not only have economic value but also meet sustainability standards, resource efficiency, and environmental responsibility. Unfortunately, the implementation of MSME marketing practices in Indonesia is still low, including in the environmental dimension; therefore, sustainability-based development strategies are not optimal (Patma et al., 2021). This condition highlights the need to increase the capacity of MSME actors to understand, design, and consistently implement green marketing strategies.

When facing an economic crisis, MSMEs have proven to have strong resilience and are even more adaptive than large companies. Business flexibility, a simple organizational scale, and the ability to innovate based on market needs are the main factors for this resilience (OECD, 2021). The implementation of green marketing also strengthens this resilience because environmentally oriented products are increasingly in demand by consumers during crisis periods, which triggers changes in consumption patterns towards sustainability. Simultaneously, MSMEs play a strategic role in encouraging economic productivity through job creation and income equity (McKenzie, 2017). The transformation of MSMEs through green marketing strategies can increase added value, expand the segment of consumers who care about the environment, and open access to export markets.

The structural characteristics of MSMEs make this sector relatively resilient to global shocks. First, the lack of involvement in external debt reduces the risk of exchange rate volatility (OECD, 2021). Second, limited access to formal banking paradoxically reduces the risk of financial contagion during a global financial crisis (World Bank, 2022). Third, the use of local raw materials allows MSMEs to apply the principle of a green supply chain in the form of a short, efficient, and environmentally friendly supply chain (UNCTAD, 2023). Fourth, export orientation based on regional products such as handicrafts, organic commodities, and creative products provides opportunities to position MSME products as competitive and eco-friendly (International Labour Organization [ILO], 2021). Thus, green marketing strategies not only increase competitiveness but also strengthen resilience, reputation, and international market access.

The problems encountered with MSME export products originating from South Kalimantan are not significant. This is inversely proportional to the number of MSMEs, which reached 364,628 across 13 districts/cities (Table 1), with a total export realization percentage of no more than 7% annually over the last five years (2020–2024).

**Table 1. South Kalimantan MSMEs and Product Export Volume 2020–2024**

Regency/City	Number of MSMEs (2022)	Exports (Tons)				
		2020	2021	2022	2023	2024
Banjarmasin	37.214	520	545	590	615	650
Banjarbaru	10.869	310	340	355	380	400
Banjar	67.655	480	495	515	530	560
Barito Kuala	36.455	250	270	285	300	320
Tapin	9.274	160	175	190	210	230
South Hulu Sungai	59.283	140	150	165	180	195
Hulu Sungai Tengah	28.574	150	165	180	195	210
Hulu Sungai Utara	39.733	130	145	160	175	190
Tabalong	18.890	260	275	290	305	330
Balangan	8.478	120	135	150	165	180
Kotabaru	8.408	420	440	465	490	515
Tanah Bumbu	4.473	380	400	430	450	480

Regency/City	Number of MSMEs			Exports (Tons)		
	(2022)	2020	2021	2022	2023	2024
Tanah Laut	35.322	350	370	390	410	435
TOTAL	364.628	3.670	3.905	4.165	4.405	4.695
% increase	-	-	6,4	6,66	5,76	6,58

Source: South Kalimantan Cooperatives and SMEs Office and South Kalimantan Provincial Trade Office, 2025

Various studies on export barriers have shown that product quality is a major challenge. Giovani (2025) emphasized that export rejections generally occur because quality standards have not been met. Through green marketing, MSMEs can highlight environmental certification, raw material quality, and environmentally friendly production processes as differentiating values to enter the global market. In South Kalimantan, the Trade Office and SME Cooperative Office play important roles in encouraging socialization, mentoring, and policies that facilitate the measurable implementation of green marketing.

### Literature Studies

In marketing, there is a strategy called the marketing mix, which plays an important role in influencing consumers to buy a product or service offered by the company. The elements of the marketing mix consist of all the variables that the company can control to satisfy consumers. Kotler and Keller (2024) stated that the marketing mix is a collection of controlled tactical marketing tools consisting of products, prices, venues, and promotions that a company needs to generate the response it wants in the target market.

In this study, we analyze green marketing as a series of marketing activities that integrate the principles of environmental sustainability through the use of environmentally friendly raw materials, efficient production processes, green packaging, and marketing communication that emphasizes ecological responsibility. This variable describes the extent to which MSMEs implement environmentally sound marketing practices to increase product value and meet global market standards. Green marketing indicators are: (1) Green Product, products using environmentally friendly raw materials to reduce hazardous materials in the production process; (2) Green Packaging, the use of biodegradable or recyclable packaging to support waste reduction; (3) Green Process, energy and water efficiency in the production process to reduce pollution and production waste; and (4) Green Promotion, marketing communication highlighting sustainability aspects to provide product information along with environmental benefits.

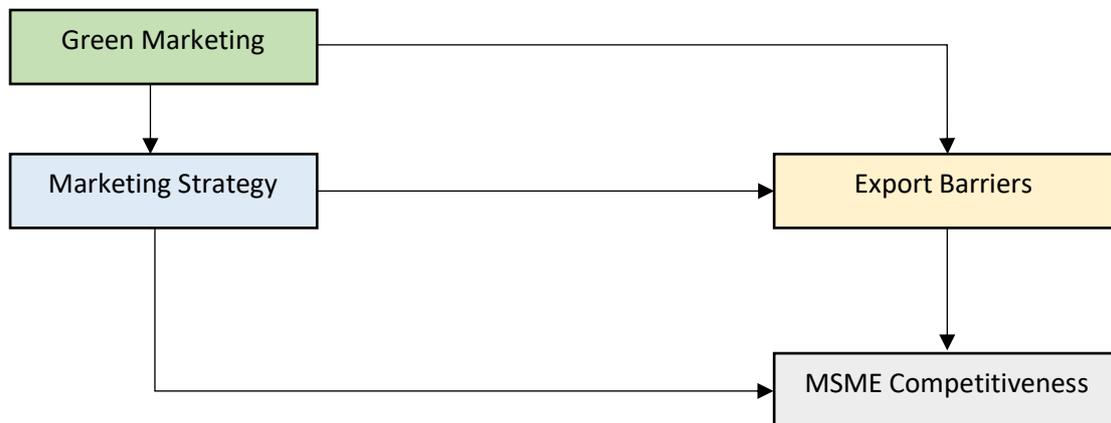
**Table 2. The theory used in this study**

Theory	Details
Resource-Based View Theory (RBV)	The competitive advantage of MSMEs is determined by strategic resources such as marketing capabilities, operational competence, quality of human resources, environmental management, and finance (Barney, 1991). In the context of this research, green marketing is seen as a new strategic resource that provides value, is rare, difficult to replicate, and is irreplaceable, thereby increasing the competitiveness and export opportunities of MSMEs.
Sustainability Marketing Theory	This theory emphasizes the importance of marketing that considers economic, social, and environmental aspects. The implementation of green marketing through the use of environmentally friendly raw materials, green product design, sustainable packaging, and responsible marketing communication can increase the perception of quality and international consumer trust (Peattie & Crane, 2005).
Competitive Advantage Theory	Competitive advantages can be gained through product differentiation, cost efficiency, process innovation, and environmental sustainability. Green marketing is a differentiation strategy that strengthens the reputation of MSMEs, increases global consumer loyalty, and reduces export barriers because product quality meets international standards (Porter & Kramer, 2011).

MSME export research shows that technical barriers, regulations, product quality, and lack of environmental certification are the main challenges for MSMEs that want to enter the global market (OECD, 2021; Giovani, 2025). The implementation of green marketing helps overcome these barriers by improving product quality, meeting green standards, and expanding the marketing network.

**METHOD**

Qualitative research uses a case study research design in the sense that the researcher focuses on only one phenomenon that is chosen and wants to be understood in depth, ignoring other phenomena (Sugiyono, 2022). The determination of samples in qualitative research is carried out when the researcher begins to enter the field and during research. Samples are determined if the number of workers is less than 20, but the type of product and the scale of production or turnover allow for export, then it is included in the study. In general, the number of MSMEs in South Kalimantan Province in 2024, according to the South Kalimantan Provincial Cooperatives and SMEs Office through the Central Statistics Agency of South Kalimantan, will be 364,628. The sample was taken proportionally according to the number of MSMEs of each type in the South Kalimantan region, which amounted to 30 people, consisting of MSMEs in the handicrafts and food/beverage sectors that have used environmentally friendly raw materials. The research model is shown in Figure 1.



**Figure 1. Green Marketing Impact Model on MSME Competitiveness**

According to Miles, Huberman, and Saldaña (1994), the interactive model data analysis technique consists of four stages that must be carried out, namely data collection, data reduction, data presentation, and conclusion drawing and verification. At this stage, the researcher carried out the data collection process using data collection techniques that had been determined from the beginning, with the criteria presented in Table 3.

**Table 3. Research Data Collection Criteria**

Criterion	Variables Considered
1 Skilled Workforce (skilled) Training that has been attended Work experience	Education level
2 Raw Materials (manufacturing) Raw material procurement price Perishability of raw materials (easy to damage) Continuity of raw materials Quality of raw materials	Availability/convenience of raw materials
3 Capital Working capital requirements Accessibility to financing sources	Initial investment needs
4 Production/Business Facilities	Availability/ease of acquisition

Criterion	Variables Considered	
5	Price Technology Convenience (acquiring technology)	Technology needs
6	Promo Mass Media and Online Vouchers/Discounts	Publications and promotions
7	Socio-Cultural (endogenous factors) Community acceptance Hereditary	Local characteristics
8	Business Management Bookkeeping Management Licensing	Ease of management
9	Market Availability Ease of distribution	Marketing reach/region
10	Pricing	Price stability
11	Labor Absorption	Ability to absorb Labor
12	Contribution to the regional economy	The number of business types affected by the existence of these businesses (backward & forward linkages)

## RESULTS AND DISCUSSION

This research focuses on Micro, Small and Medium Enterprises (MSMEs) in the South Kalimantan region, especially in the food/beverage and handicraft sectors. The selection of locations and business groups is based on the significant growth of MSMEs in this area and the great potential of local products to be developed for the global market through more adaptive, sustainable, and value-added marketing practices. The green marketing approach is the main perspective, considering the change in global consumer behavior that increasingly pays attention to sustainability in the production process, product quality, and environmental impact of each value chain activity.

This study examines aspects of regional policies related to MSME empowerment. One of the important findings is that most districts/cities in South Kalimantan do not have special regulations in the form of Regional Regulations on MSME empowerment, except for the City of Banjarbaru, which has Regional Regulation No. 7 of 2015, as can be seen in Table 4. The lack of regulation has impacted the limited mentoring programs, certification facilitation, and structured marketing support. This affects the ability to implement sustainable marketing practices, including green marketing, which requires quality standards, transparency, and better supply chain management.

**Table 4. Regulation and Support of Local Governments for MSME Empowerment**

No.	Local Government	Existence of Regulations	Policy Support
1.	South Kalimantan Provincial Government	There is not yet	-
2.	Banjarmasin	There is not yet	Proker 2500 WUB
3.	Banjarbaru	There is a Regulation	There is a Guardian SE
4.	Banjar	There is not yet	-
5.	Barito Kuala	There is not yet	-
6.	Balangan	There is not yet	-
7.	Hulu Sungai Selatan	There is not yet	-
8.	Hulu Sungai Tengah	There is not yet	-
9.	North Hulu Sungai	There is not yet	-
10.	Kotabaru	There is not yet	-
11.	Tabalong	There is not yet	-
12.	Tanah Bumbu	There is not yet	-
13.	Tanah Laut	There is not yet	-
14.	Tapin	There is not yet	-

The main data for the research were obtained from various local government agencies as official sources for MSMEs and trade development, namely, the South Kalimantan Provincial Cooperatives and SMEs Office, the South Kalimantan Provincial Trade Office, and the Central Statistics Agency. These three institutions provide macro data on the number of active MSMEs, export development, number of workers by business scale, and dynamics of cross-border trade. This data strengthens the contextual analysis of the research, which is further deepened with micro information based on interviews with 30 MSME informants (Table 5). The informants were selected purposively because they actively run their business and are considered to have real experience related to marketing challenges, product development, and efforts to penetrate foreign markets.

**Table 5. Informant Data from MSME Actors**

No.	Name of the Informant	Business Name	Regency/City	Type of Business
1	Achmad Iswanto	Iwan Sasirangan	Banjar	Sasirangan Fabric Crafts
2	M. Mahfud	PT Masindo	Banjar	Beverage (Agarwood Tea)
3	Sri Hidayah	Tenun Pagatan Galuh Marege	Banjarmasin	Weaving Crafts, Fashion
4	Alfisah	Aisy	Banjarbaru	Food (Onion Steak)
5	Susanti	Nafizha	Banjarbaru	Bag & purse crafts
6	Nilowati	Rumah Kacang Dede	Banjarbaru	Food (nuts)
7	Tina Aulia	Tiara Cookies	Kotabaru	Food (pastries)
8	Abd. Aziz	Toko Tenun Salmah	Tanah Bumbu	Pagatan Typical Weaving Crafts
9	Hendra	Gulanau	HST	Beverages (palm sugar syrup)
10	Sri Yati	Hj. Ati	HST	Food (Kidney beans)
11	Noor Jannah	Putri	Barito Kuala	Food (Cassava chips)
12	Abdul Hadi	Dammi	Balangan	Food (Mandai chips)
13	Aulia Rahman	Sambal ARB	Banjarmasin	Food (Assorted sambal)
14	Hj. Henny Rusilawati	Diyang Kinjut	Banjarbaru	Embroidery Sasirangan Crafts
15	Bobby Bahrul IMM	ABBA Cokelat	Banjarbaru	Food (Earth Stake Chocolate)
16	Siti Mariyana	Al Firdaus	Banjarbaru	Purun woven crafts
17	Elvina	Vina Coffee Mengkudu	Kotabaru	Beverages (Noni coffee)
18	Tety Ekowati	Chico Handmade	Banjarbaru	Craft Knitted Bags
19	Noor Asyiah	Snack Zein	Banjarbaru	Food (Pastries)
20	Bakti Siswandari	Baktifood	Banjarbaru	Food (Processed fish)
21	Rini Wardani	Rini Amplang	Banjarbaru	Food (Amplang fish)
22	Hariah	Biota Laut	Kotabaru	Food (Selengat Shredded Fish)
23	Dwi Bagong	Makyem	Banjarbaru	Food (Fried onions)
24	M. Ryan Perdana	Casheila Food	Banjarbaru	Food (Processed fish)
25	Linda Maya	Bunga Tanjung	Tabalong	Food (Shredded fish)
26	Nining Eko Puji	KWP Sehat Sejahtera	Tanah Laut	Beverages (Packaged ginger)
27	Siti Nor Sehat	Mujisela Creafty	HST	Water hyacinth handicraft
28	Makiudin	Makin Jaya Agung	Banjarbaru	Beverage (processed agarwood)
29	Diktiarni	Bakhalan.Go	Balangan	Bamboo Woven Crafts
30	Muslimah	KUB Karya Bersama	Tapin	Purun Crafts

### Characteristics of Informants and Potential of Local Products

The 30 MSME informants involved in this study have diverse business backgrounds, including sasirangan cloth crafts, Pagatan weaving, purun bag crafts, various processed local foods, and typical drinks such as palm sugar syrup and agarwood tea (Table 5). This diversity reflects South Kalimantan's rich local resources that have the potential to be developed through green marketing strategies, especially in the following dimensions:

### **Environmentally friendly local raw materials**

Many handicraft products use natural materials such as purun, rattan, bamban, water hyacinth, and other natural fibers that can be categorized as green products. This can provide a differentiation advantage when packaged correctly.

### **Local cultural values**

Products such as sasirangan fabric or Pagatan weaving have high historical and cultural value, so it is very potential to use a cultural-based green branding approach, which is a brand built on the values of tradition, sustainability, and conservation.

### **Export potential**

Some products, especially agarwood tea, purun craft, and knitting crafts, are in demand by overseas consumers. However, global market penetration is greatly influenced by the readiness of legal documents, quality certifications, and compliance with green production standards.

Through interviews, most of the informants showed a commitment to improving product quality, especially in terms of design, durability, and creativity. However, not many people understand that these practices can be developed within the framework of green marketing, such as the use of environmentally friendly packaging, energy efficiency in production, or the delivery of sustainability messages in promotions.

### **Analysis of Green Marketing in the Structure of MSME Marketing Mix**

To deepen the analysis, this study adapted the concept of the green marketing mix developed by Peattie and Crane (2005) and Ottman (2017), namely green product, green price, green place, and green promotion. This perspective provides an overview of how MSMEs can increase their competitiveness through sustainable marketing practices.

### **Green Product**

South Kalimantan MSME products have the potential to be developed as green products. Many craft businesses use raw materials that are easily decomposed, sourced from nature, and processed using traditional non-machine techniques. However, to strengthen the green image, some important elements still need to be improved.

Quality standardization (SNI or destination country-specific certification);

Halal certification for food/beverage products; and

Brand certification to protect intellectual property.

Sustainable raw material certification (natural handicrafts only)

Packaging is an important consideration. Most MSMEs still use plastic packaging owing to cost factors and ease of production. In the concept of green products, packaging not only functions aesthetically but must also minimize environmental impact and increase quality perception.

### **Green Price**

Pricing by MSMEs is still dominated by:

Raw material price

Labor costs

Packaging

Distribution

Promotion

From the perspective of green marketing, prices can be communicated as a reflection of sustainable quality. Products that use eco-friendly materials or ethical production processes can be priced at a premium, to the extent that consumers understand the added value. However, many MSMEs have not taken advantage of value-based green pricing strategies, and sustainability excellence has not yet become an explicit part of price communication.

### **Green Place (Distribution)**

The distribution of MSMEs is greatly aided by land, sea, and air expedition services. However, the cost of logistics abroad remains a significant obstacle. One of the informants who already has an export-import permit gets a lighter tariff, but most of the others still have difficulty penetrating foreign markets because of the following reasons:

The absence of integrated distribution facilities;

Limited export marketing channels for MSME products;

Lack of cooperation with export aggregators.

Within the framework of green marketing, distribution should focus on energy efficiency, carbon footprint, and green logistics alternatives; however, this is not yet a priority.

### **Green Promotion**

Promotion is the most practiced element by MSMEs through:

Face-to-face sales;

Print and online media;

Exhibitions and expos;

Endorsement of figures;

Word of mouth.

However, sustainable promotion, such as conveying messages about natural ingredients, ethical processes, or the positive social impact of MSMEs, is still rarely carried out. In fact, green promotion can enhance a positive image and expand the market.

### **MSME Marketing Strategy Towards the Global Market**

Based on field findings, the marketing strategy carried out by MSMEs still uses the traditional 4P marketing approach and has not yet thoroughly integrated the concept of sustainability. Innovative products already exist, but their legality and standardization are inadequate. The price has been carefully calculated; however, it does not yet reflect the green value. Distribution is adequate at the local scale but not competitive for export. Intensive promotion is carried out, but the sustainability message, which is the focus of green marketing, has not been explicitly communicated.

This study identified five structural constraints that hinder MSMEs in export activities. First, limited capital restricts their ability to meet high international demand. Second, the lack of complete legal documents, particularly quality certifications and export permits, poses a significant barrier. Third, overseas distribution and promotion channels remain limited. Fourth, local products often face difficulties entering the global market due to differing consumer preferences. Fifth, the absence of strong regional regulations to support MSME development except in Banjarbaru weakens institutional support.

These obstacles indicate that MSMEs require a more structured and sustainable ecosystem to strengthen their export capacity and develop effective green marketing strategies.

Therefore, this study emphasizes the need for several strategic efforts: (1) education for MSMEs on the benefits and implementation of green marketing; (2) government facilitation in quality certification and green branding training; (3) collaboration with export institutions to expand green marketing channels; and (4) strengthening the MSME ecosystem through supportive regulations and long-term assistance programs

### **Supporting Solutions for Strengthening MSME Exports**

To strengthen the competitiveness of MSMEs in South Kalimantan within the context of green marketing and export development, this study proposes several strategic recommendations.

First, local governments need to strengthen regulations and support programs for MSMEs. This can be achieved through the formulation of regional regulations, facilitation of product certification, promotional support, and the expansion of market access.

Second, MSMEs must establish standardized quality management systems and ensure compliance with destination-country requirements, including the Indonesian National Standard (SNI) and international halal certification.

Third, MSME actors should enhance creativity, innovation, and production capacity to meet the demands of global consumers and maintain consistent product quality.

Fourth, brand positioning based on local values and sustainability principles needs to be strengthened. This can be implemented through storytelling strategies that highlight natural ingredients, local cultural identity, and environmentally friendly production practices.

Finally, access to capital should be expanded through partnership schemes, buyout systems, and financing support from financial institutions as well as government-backed funding programs.

## **CONCLUSION**

The results of the analysis and discussion of this study show that the implementation of green marketing significantly affects the success of MSME businesses and plays a role in overcoming export barriers. Green marketing strategies, which include the use of eco-friendly materials, sustainable packaging, and communication of sustainability values, have been proven to increase global consumer confidence and strengthen the competitive position of products. These findings confirm that sustainability orientation is not only an ethical demand but also a business strategy that can increase competitiveness, expand market access, and reduce the risk of export regulation. In addition, the competence of business actors and the effectiveness of sustainability-based digital promotion strengthen the impact of green marketing on export performance.

Based on these results, several suggestions can be made. MSME actors need to strengthen their capacity to implement environmentally friendly practices consistently, especially in product design, raw materials, and marketing communication. Governments and supporting agencies should provide targeted training programs on green certification, export standards, and sustainable branding strategies. Meanwhile, advanced research can expand the scope of variables, such as green product innovation or digital readiness, to enrich the understanding of the determinants of sustainability-based export success. Thus, collaborative efforts can accelerate the transformation of MSMEs into a green business model that is globally competitive.

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