

Resilience and Risk-averse Exporting Behavior: Case Studies on Sporadic Exports by Non-food MSMEs under Rumah BUMN Jakarta

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Abstract—There is observed demand for Indonesian non-food goods; however, data show that this sector continues to underperform. Among Indonesian MSMEs, a pattern of sporadic exporting behaviour has been observed to be the preferred method of internationalization. To investigate further, this study employs a qualitative approach to examine three Indonesian MSMEs, their sporadic exporting experiences, and the various factors that influence the decision to pursue gradual or sporadic exports. This study analyses three units of analysis: sporadic exports, resiliency, and risk-aversion, to examine the decision-making behind sporadic exports, the resiliency strategies employed by MSMEs, and the influence of risk aversion. This study finds that risk ultimately drives the decision to export sporadically, due to high costs and general inexperience. It is from said inexperience that MSMEs prefer gradual exports and “learning-by-exporting”. Resiliency is built through experience and by mitigating costs through intermittent, gradual exports to build solid foundational knowledge. Furthermore, the findings suggest that sporadic exports are a necessary, but ideally temporary, solution. To achieve regular exports, Indonesian MSMEs lack regular buyers and would benefit from well-designed government programs to mentor and financially support them.

Keywords—Indonesian MSMEs, Sporadic Exports, Resilience, Risk-Aversion, Case Study.

I. INTRODUCTION

There is no doubt about the power that Micro, Small, and Medium Enterprises (MSMEs) have on the economy. International trade statistics indicate a global demand for Indonesian goods, particularly non-food products. The Indonesian fashion sector shows significant demand for modest fashion, as evidenced by the substantial profits generated at the latest Jakarta Muslim Fashion Week 2026. Beyond fashion, the handicraft sector has the potential to grow and thrive globally. The demand for

Indonesian handicraft goods is fueled by the thriving artisan community, appealing to the global market's aim of sustainability and authenticity amidst the saturation of mass-produced goods. Despite the number of active MSMEs in Indonesia, Indonesian MSMEs' contribution to

exports continues to lag. There are significant challenges MSMEs face that deter them from exporting. Indonesian MSMEs have limited export orientation and market integration, leading them to focus on local demand. This is the safest option for MSMEs, as many have thrived domestically but have limited their exposure to international markets. Many MSMEs gradually or sporadically engage in foreign markets [1]. This sporadic exporting behavior manifests as more of a “reactive” response to incoming orders rather than an initiative-taking global market penetration strategy. Despite the tens of millions of MSMEs actively operating in Indonesia, the transition from domestic players to consistent international exporters remains stagnant. MSMEs in Jakarta often have production capacity and adhere to quality standards for global markets. Yet, international sales data show volatility where firms “exit and re-enter the market” based on convenience [2]. The decision-making process for MSMEs regarding international expansion is most often hindered by hesitation and risk aversion [1]. MSMEs avoid risk for fear that potential losses may erode their socio-economic wealth, with financial losses reflecting poorly on the brand and the firm's status, leading to stagnation and resistance to fully committing to foreign markets [1]. Risk-averse behavior in Indonesia is attributed to the low wealth of most Indonesians and a lack of education on evaluating and mitigating risk [3]. Beyond internal constraints, MSMEs are often burdened by external pressures, including foreign regulations and export-related logistical costs. Resilience is an essential skill that encompasses the ability to respond, adapt, and recover from shocks and is critical for firms to sustain operations under extreme conditions [4]. Exporting requires firms to be capable, experienced, and knowledgeable about the target country; however, SMEs most often lack the necessary resources and must rely on foreign collaboration to withstand disruptions in the host country [4].

To consistently export, Indonesian MSMEs rely on partnerships to mitigate predicted risks and on direct aid from the government or from someone with experience and knowledge of the host country. Thriving in both home and host countries demands that MSMEs be resilient individually, as firms, and as an industry [5]. This study aims to investigate: (1) the influence of sporadic exports on the resilience of MSMEs in Jakarta, (2) the resiliency strategies employed by MSMEs when

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exporting sporadically, and (3) the contribution of Risk-Averse Behavior in the decision-making of export frequency.

II. LITERATURE REVIEW

A. Sporadic Exports

Sporadic exporting is disordered export activity over an extended period. This behavior is driven by risk aversion and differing market focus [1, 2]. MSMEs hesitate to invest and commit to exporting due to inexperience and to mitigate the risk of entering a foreign market [1, 4, 5]. Furthermore, sporadic firms choose not to pursue exports beyond unsolicited orders abroad due to a strong, profitable domestic presence [7]. Sporadic exports remain very appealing to most, as sporadic firms are open to export opportunities when given regular support and ease.

B. MSME Resilience

Resilience encompasses the strategies employed by MSMEs to adapt to unmitigated disruptions and challenges [4, 8, 9] and the ability to survive them. True operational resilience in MSMEs is exemplified by a firm's ability to cope with such disruptions effectively while continuing day-to-day activities [5]. Anticipating disruptions requires firms to manage their resources, particularly financial resources, effectively to mitigate risk.

C. Risk-aversion

Risk aversion is a behavioral tendency and attitude that guides MSMEs in choosing among options with uncertain outcomes [10, 11]. Risk-averse behavior evaluates the risk of each option and selects the choice with the lowest risk and the highest return [12, 13]. As an extension of risk aversion, loss aversion evaluates risk in terms of potential loss [14]. This study measures risk aversion through a firm's low or zero tolerance for risk rather than neutrality or tolerance [13, 15].

E. Research Framework

To effectively depict the research design, the input-process-output (IPO) framework is used to visualize the inputs, outputs, and process steps behind sporadic exporting [16]. The following framework helps this study visualize the process of sporadic exporting by encompassing the broader context of MSMEs' decision-making and behavior.

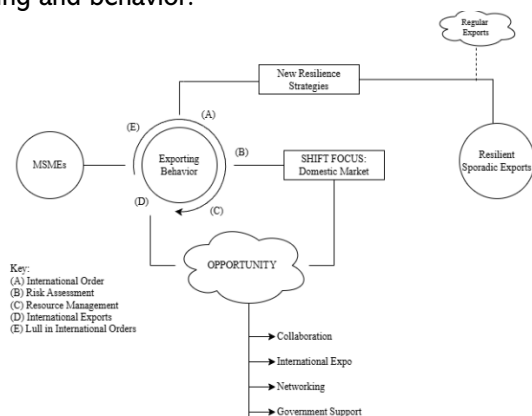


Figure 1. Research Framework

III. METHODOLOGY

The qualitative research method focuses on directly exploring the motivations and behaviors behind the human experience [17]. This study uses a case study approach to collect insightful data that illustrate the full narrative context beyond this case, exploring how MSMEs face hurdles in the exporting process across different aspects, such as how they evaluate risk, how they self-sustain, and the factors contributing to sporadic export behavior. Moreover, this employs narrative analysis. A narrative analysis allows this study to thoroughly dissect and interpret the stories, experiences, and narratives shared by MSMEs that choose to export sporadically rather than persistently. Primary data were collected through a series of interviews with three key informants and one supporting informant to triangulate the findings. The three key informants are MSMEs that have exported, and one supporting informant provides a third-person perspective on the exporting and logistics process.

• Mrs. Weni Indrawan – Owner of “Bendera.co,” standing for the fashion and apparel sector. • Mr. Thio Siujinata – Owner of “Craftote,” standing for the handicraft sector. • Mrs. Indari Umiyasih – Owner of “La Suntu Tastio,” standing for the fashion and accessories sector, particularly in bags and souvenirs. • Mr. Antoni Tampubolon – Head Director and Lead Commissioner of the Indonesian International Trade Professional Certification Institute (LSPPII).

This study uses purposive sampling to select the most suitable informants based on specific criteria. The sampled MSMEs were sourced from data from Rumah BUMN Jakarta and cross-checked against company profiles to ensure exporting experience. This study examines anecdotal evidence from three MSME owners with at least 3 years of sporadic or non-routine export experience. The MSMEs studied are from the Rumah BUMN Jakarta MSME community and include non-food MSMEs that have been active for at least 5 years. This study triangulates by analyzing perspectives outside the MSMEs themselves; therefore, it will also conduct an interview with a staff member of LSPPII as a supporting informant, representing a broader view of the more logistical aspects of exporting, including the certification process. The additional informant was sampled through recommendation based on the criteria of experience with MSMEs and exporting. To ensure the privacy of the informants, each informant signed an informed consent form.

IV. FINDINGS AND DISCUSSION

A. INPUT: MSME Environment

This study shows that sporadic exports result from a lack of awareness among Indonesian MSMEs, who prefer to learn by exporting. No MSME wants to come to a new country blind. LSPPII mentions that MSMEs today are not aware of the foundational information in exporting and rely on “learning by doing” [6]. There is a risk of making mistakes throughout the process and falling back further, but sometimes knowledge is only gained through experience. “They don’t understand it at all. MSMEs still think in a ‘learning-by-doing’ way.” (LSPPII) “As soon as a problem arises, for example, they’re cheated by a

buyer, and then they look for information. It still 'takes time'" (LSPPII)

Indonesian MSMEs are creative and attractive to buyers abroad; however, the majority struggle to secure regular buyers to export consistently. Government support has been provided in the form of business matching opportunities, but these are limited. LSPPII explains that this has pushed MSME owners, who already juggle heavy workloads, to find buyers on their own and set up deals. In the ever-growing market, buyers need responses to be lightning fast.

"It's just that we need to expand our wings a lot to introduce the Craftote brand and do a lot of business matching." (Craftote) Indonesian MSMEs have expressed a strong desire to export but remain hesitant, resulting in irregular export patterns. As LSPPII states, there is still a growing demand for Indonesian non-food goods abroad. "Meanwhile, from abroad, what they need are products that are natural and handmade, and Indonesia excels in these products." (LSPPII)

When entering a new market, various factors pose threats to MSMEs seeking to export. Risk aversion is deeply ingrained in both sporadic exporting behavior and MSME resilience. The exporting process is littered with a variety of risks, from entry costs, logistics, and the buyers themselves. Because of these risks, MSMEs are hesitant to export [13].

"Indeed, the problem with exports is the shipping costs." (Bendera.co)

The safest avenue to avoid such risks is through government help, such as the Ministry of Trade facilitating the logistics if the buyer has a good rapport. Each MSME studied mentions that in these cases, the logistics channels provided by the Ministry of Trade are usually the best option. Without channels, the risks are far greater.

"Yes. There are usually government facilities for MSMEs. For example, when they bring their products, they can have luggage" (Bendera.co)

B. PROCESS: The Sporadic Exporting Loop

Entering the process loop, there are circumstances that MSMEs need to consider to ensure a smooth export process. Once a buyer is secured, the exporting process begins, encompassing risk, resource, and production assessment. Each MSME reports that orders so far have not reached mass-production levels, typically being smaller bulk or individual orders. Wholesale saves MSMEs more money per unit. However, orders such as these are rarer.

"For example, if it's for export, it's better to sell wholesale, like that." (Craftote)

Each MSME has had a less-than-ideal experience with problematic buyers. To mitigate the risks, MSMEs ensure safeguards are in place against exploitation, such as MoUs and deposits.

"The down payment is a binding sign for us, 'Oh, so this person is serious'" (La Suntu Tasio)

"The MOU is what strengthens it. After careful consideration, we really have to pay attention to the points and articles stated in the MOU." (Bendera.co)

To ensure their long-term livelihood, each MSME has its own access to materials through suppliers or sources directly from its network of artisans [4, 5] and practices a level of resource management, as shown in Figure 1, node (C). The human capital of each MSME is the heart and soul of the firm. Craftote works closely with associations of local artisans, and La Suntu Tasio has a

team of artisans who sew and operate the production machinery. Bendera.co, Craftote, and La Suntu Tasio motivate their human capital in diverse ways. Bendera.co and La Suntu Tasio demonstrated good leadership [5] by motivating their teams and communicating that, even in these challenging times, they must persevere.

"How do you do it? Learn, that's it. I motivate my craftsmen. If we don't learn, we won't survive." (La Suntu Tasio)

"Whatever conditions occur, we must be able to survive; we must be able to keep holding on." (Bendera.co)

Craftote echoes this strategy, holding the perspective that there are no "off days" in the sense that to move forward is to keep moving, whatever the challenge. This strategy reflects the level of perseverance of a resilient MSME, "preserve functioning," as described by [8].

"Yes, the term is 'no turning back', we can't go backward, right?" (Craftote)

Bendera.co and La Suntu Tasio take the initiative to reward the demanding work of their craftsmen and artisans as needed, provide bonding outings, and foster an enjoyable work environment for their team. Craftote collaborates directly with local artisans whose specialties and skills are passed down as tradition. Craftote has rewarded them with prizes and accolades, only to learn that the artisans are satisfied with just being paid for their work and the acknowledgment. After a successful export, a lull in international orders often occurs. This can be attributed to buyer scarcity and limitations. SMEs often enter and exit export markets opportunistically, despite their desire to export. The studied MSMEs align with [17]'s definition, given that opportunistic exports result from a lack of buyers and channels to facilitate exporting. La Suntu Tasio explains: "When it comes to routine exports, it's the buyers, more buyers." (La Suntu Tasio) Findings further explain sporadic exports as a gradual process of internationalization, which coincides with the gradual increase in export commitment [18]. Although sales and orders may slow down, MSMEs do not necessarily lose commitment; they are more likely to shift their focus to the existing domestic market rather than go all in on exporting. "That's why exporting is a bit complicated. The Indonesian market is also good, you know" (La Suntu Tasio) "So, the downside is that if we export, it's a hassle at the beginning, but it's less so later. But if we're doing it locally, it's not a hassle at the beginning, and it's not really a hassle recently." (Craftote) In Bendera.co's and Craftote's case, they do not prioritize one market over the other, but they do manage both markets simultaneously to balance between them. The irregularity in exporting is echoed in [1], where this sporadic behavior is preferred. This method provides a degree of flexibility in their strategy, adapting to serve both domestic and international markets. "Actually, I want both to be equal. So, Indonesia can also advance abroad, and Bendera will still be there." (Bendera.co)

Adding to the perspective of MSMEs and the domestic market, findings do show a gradual process of internationalization [1, 7]. Indonesian MSMEs sporadically export as a stepping stone towards finding more routine buyers while building a strong domestic market and presence. "Maybe we should just attend exhibitions and do business matching more often, so we know which buyers we can target... But we really need to expand our reach to introduce the Craftote brand and do more business matching." (Craftote)

C. OUTPUT: Resiliency Strategies by MSMEs

In uncertain circumstances, MSMEs employ resilience strategies beyond sporadic exports to maintain, sustain, and grow the firm. The resilience strategies used by MSMEs to sustain their businesses corroborate earlier findings on firm resilience. Previous literature has consistently defined resiliency in terms of how firms can adapt to unmitigated challenges and shocks. Indonesian MSMEs exemplify considerable resilience in their strategies. First is the MSMEs' capacity to adapt to shocks [8, 9, 19]. Craftote exemplifies learning from unmitigated shocks [4, 19]. Craftote was quick to learn and research the cause of fatal mistakes, committing to meeting with an expert to consult on what went wrong. Craftote is fully committed to improving and compensating the buyer.

"Okay, we'll give it to (customer). But after that, I'll find out more, not just compensation... So, I learned." (Craftote)

Diversification is not only a strategy to combat challenges but also a way to continuously innovate and remain competitive. Bendera.co and La Suntu Tastio similarly deal in fashion and accessories, so they innovate with their product to adapt to current trends. Bendera.co particularly also adopts new technology to streamline the production process [8].

"So, like before, we still used manual printing, right, for t-shirts. It turns out digital printing now exists, so we're following suit." (Bendera.co)

"So, we have to monitor what styles are currently in and what people are interested in." (La Suntu Tastio) The exporting process of MSMEs involves a learning-by-doing approach, as supported by [6], which finds that learning-by-exporting improves productivity by building experience. This study corroborates the phenomena as detailed and described by LSPPII. This learning-by-doing approach is heavily influenced by risk aversion, specifically due to perceived uncertainty, as a method to "test the waters" [6]. MSMEs do not fully commit to exporting to avoid high sunk costs, gain useful capabilities from global buyers and competitors, and meet stochastic demand in home markets [1]. This theory is reflected perfectly in the findings; MSMEs prefer to work through trusted and reliable channels to get buyers as well. "We have B2C, B2B, B2G, and government. These three are actually quite strong, but we just haven't gotten the channels yet." (Craftote)

V. CONCLUSION

In conclusion, sporadic exports align with previous studies and are among the initial steps in the gradual internationalization of Indonesian MSMEs. Pursuing irregular exports is a result of buyer scarcity; however, it is a key determinant of an MSME's export longevity, as it serves as a stepping stone for growth in the international market and for attracting more routine buyers. This strategy allows MSMEs to gradually gain experience and work towards more persistent exports, thus staying resilient. Although there are sufficient opportunities for growth in the domestic market, MSMEs feel unsatisfied with the existing facilities. Growth and resilience in MSMEs involve fostering human capital, adaptation, and innovation to remain competitive. Risk is a contributing factor in the decision to export sporadically and plays a

distinct role in MSMEs' resilience. Sporadic exports alleviate the pain points of high logistics costs and the uncertainty of success in foreign markets. Theoretically, this study furthers the understanding of sporadic exports by MSMEs. This study examines the stories of MSMEs through a case study, analyzing the current state of sporadic exports. There is room to expand the understanding of "learning by exporting" and how it particularly contributes to sporadic exports. Future studies may choose to employ the quantitative method to examine a larger population of Indonesian MSMEs. In practice, it is worth noting that for MSMEs looking to export, a sporadic approach is a useful starting point but is not sustainable in the long term, as export frequency depends on routine buyers' schedules. MSMEs can also consider more international market research to examine the best pricing strategies to help better alleviate costs. The government may consider providing further support to MSMEs by facilitating logistical funding and educational programs that connect MSMEs with export experts. LSPPII provides valuable insights and actionable steps for institutions by collaborating with universities to engage students with the foundational knowledge to guide and mentor MSMEs through the export process, drawing on their studies.

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