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The Effectiveness of Domestic and International Exhibitions as Promotional Tools for Fostering MSMEs' Business Growth in Dinas Perdagangan Kota Balikpapan

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in strengthening regional economic resilience, yet their growth is often hindered by limited market access and promotional constraints. To address these challenges, the Balikpapan City Trade Office has facilitated MSME participation in both domestic and international exhibitions as a promotional strategy to stimulate business development. This study aims to analyze the comparative effectiveness of domestic and international exhibitions in fostering MSME growth in Balikpapan. Using a qualitative descriptive approach, data were collected through semi-structured questionnaires with MSME participants and documentation from the Trade Office, and were analyzed thematically. The findings show that domestic exhibitions generate direct and short-term benefits, including increased sales transactions, acquisition of new local customers, and enhanced national brand visibility. By contrast, international exhibitions provide long-term and strategic impacts by expanding global business networks, elevating brand credibility, and opening opportunities for export, although their outcomes require higher levels of legal, certification, and production readiness. Overall, the results suggest that domestic and international exhibitions function

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not as substitutes but as complementary promotional tools within a progressive business development pathway, and that a structured transition from domestic to international exhibitions, supported by institutional facilitation and MSME preparedness, is essential to achieve sustainable and globally competitive MSME growth.

Keywords: MSMEs; Domestic Exhibitions; International Exhibitions; Promotion Strategy; Business Growth; Export Opportunities; Balikpapan City Trade Office

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are often recognized as essential contributors to economic development in emerging countries, such as Indonesia. In East Kalimantan, precisely Balikpapan, results shown that MSMEs emerge the backbone of the local economy, yet their growth trajectory is frequently constrained by significant marketing challenges, including limited market access, low brand visibility, and intense competition, which hinder their ability to scale sustainably. To mitigate these barriers, trade exhibitions have been promoted as a communicative promotional tool, offering a platform for direct sales and network building that can catalyze business development. In alignment with this, Dinas Perdagangan Kota Balikpapan has institutionalized the facilitation of MSME participation in both domestic and international exhibitions as a cornerstone of its local economic development strategy.

However, despite the continued investment of public resources into these programs, a critical, evidence-based assessment of their comparative effectiveness remains underexplored, creating a gap in strategic policy formulation. While recent studies have examined general government support for MSMEs and the benefits of export promotion, a specific research void exists concerning the differential impacts of domestic and international exhibitions within the same regional support ecosystem. This lack of a comparative lens leaves policymakers without nuanced data to optimize program targeting and resource allocation. Therefore, to address this gap, this study is designed to systematically investigate the distinct effectiveness of these two promotional avenues. The research objectives are threefold: first, to evaluate the effectiveness of domestic exhibitions in fostering the business growth of MSMEs in Balikpapan; second, to evaluate the effectiveness of international exhibitions in fostering the business growth of MSMEs in Balikpapan; and third, to compare

the key differences in the outcomes and drivers of effectiveness between these two types of exhibitions.

Literature Review

The strategic role of government intervention in empowering MSMEs has become increasingly critical in the face of globalization and regional economic integration, such as the ASEAN Economic Community (AEC). Research indicates that in the free trade era, government agencies transition from being mere regulators to active facilitators and catalysts. A study by Juliana & Setyanto (2022) on Indonesian SMEs highlights that effective local government support, particularly in providing market information, export training, and financial assistance, is a significant determinant of successful internationalization. This aligns with the concept of "empowerment," where the government's role is to equip MSMEs with the necessary capabilities and resources to navigate a more competitive and open market landscape. Concurrently, a robust body of literature examines the distinct value propositions of trade exhibitions as a key government-facilitated tool. The strategic differences between international and domestic trade show exhibitors are well-documented.

METHODS

This study applies a qualitative descriptive approach, aiming to explore and interpret MSME actors' experiences and perceptions regarding the effectiveness of domestic and international exhibitions facilitated by Dinas Perdagangan Kota Balikpapan. The qualitative approach was chosen because this research seeks to understand phenomena holistically from the perspective of the participants rather than measuring statistical relationships among variables. According to Sugiyono (2019), qualitative research focuses on describing findings in the form of words and emphasizes meaning rather than generalization.

The data collection technique used in this study is a semi-structured questionnaire, consisting of open-ended questions that encourage respondents to express their opinions and experiences in detail. The questionnaire centers on themes including marketing impact, brand visibility, networking opportunities, sales growth, and challenges faced during participation in domestic and international exhibitions. This method aligns with Moleong (2021), who states that qualitative data collection can involve written responses that represent participants' personal interpretations of their lived experiences. Secondary data were also

obtained from documentation and reports from Dinas Perdagangan Kota Balikpapan to strengthen the credibility of findings.

Data analysis in this research follows the thematic analysis model, including data reduction, coding, categorization, and interpretation. This analytical process identifies similarities and differences in respondents' experiences between domestic and international exhibitions. Sugiyono (2019) explains that qualitative data analysis involves continuous data reduction and interpretation to form meaningful findings. To ensure validity, this study implements data triangulation, comparing respondent answers with documentary evidence. The final interpretation presents themes that reveal the strengths, challenges, and comparative effectiveness of domestic versus international exhibitions in supporting MSME business growth.

RESULTS

Overview of Respondents

The respondents in this study were micro, small, and medium enterprises (MSMEs) facilitated by the Balikpapan City Trade Office to participate in domestic and international exhibitions. The MSMEs involved came from various business sectors. Based on the questionnaire recapitulation, the most dominant business sector is food/beverage processing with 10 business actors, followed by the fashion sector with 4 business actors, and the handicraft and combined business (food and handicraft) sectors with 1 business actor each.

This diversity of sectors shows that Balikpapan City MSMEs have export potential in various fields with different product characteristics, whether culinary, crafts, or fashion-based.

In addition, most respondents have participated in exhibitions more than once, both at the national and international levels. This experience has familiarized respondents with various promotional models and marketing strategies, so that the answers provided in the questionnaire are based on real-world experience. This strengthens the reliability of the data because respondents have been directly involved in the product marketing process at exhibitions.

Thus, the respondent profile can be said to be representative in describing the readiness of MSMEs to utilize exhibition activities as a means of increasing promotion, expanding business networks, and encouraging entry into export markets.

Key Findings of the Study

Based on the results of a thematic analysis of open-ended questionnaires with MSME respondents facilitated by the Balikpapan City Trade Office, three main themes emerged regarding the effectiveness of exhibitions as a promotional tool.

1. Effectiveness of Domestic Actors

Most respondents stated that domestic exhibitions provided tangible benefits for their businesses, particularly in the following areas:

- Short-term increase in sales: Respondents reported a surge in transactions during the event. *"We were able to take orders on the spot, especially from cities around Balikpapan."*

- Addition of new local/regional customers: Many respondents gained customers from outside the city who were previously unfamiliar with their products. *"The exhibition in Samarinda gave us the opportunity to appear outside Balikpapan many new visitors."*

- Increased brand awareness in the national market: For smaller MSMEs, domestic exhibitions are a means of introducing brands/products to a wider audience. *"Previously, we were only known in our city, but after the national exhibition, our brand name began to appear on social media."*

However, some respondents also noted that the impact was short-term, namely:

- After the exhibition ended, sales volume returned to its previous state if there was no follow-up promotion. *"After the exhibition ended, sales returned to normal—unless we followed up online."*

- Price competition challenges arise because many MSME participants at the exhibition offer competitive prices. "*At the exhibition, many sell at low prices, so we have to follow the discount strategy to keep attracting visitors.*"

2. Effectiveness of International Exhibitions

Respondents who have participated in international exhibitions say that the benefits are somewhat different from those of domestic exhibitions:

- Opening up opportunities for global cooperation and networking: Although they do not directly generate mass transactions, international exhibitions help MSMEs establish contacts

with foreign buyers or partners. *"At the international exhibition, we met potential importers from Malaysia although no deal has been made yet, the opportunity is real."*

- Enhanced brand image and professionalism: International participation improves the perception that MSME products are "world-class." *"After participating in international exhibitions, local clients also gave us more trust because we had 'gone international.'"*

- Learning about export markets and international standards: MSMEs gain insight into export regulations, certification, and quality standards that they previously did not understand. *"We just found out that exporting to Europe requires CE certification—that came up in a conversation at the exhibition."*

However, several challenges also arise:

- Longer waiting times for results: Tangible results in the form of export transactions or contracts often appear several months or years later.

- Production readiness, legality, and costs: Many MSMEs admit that they are not yet ready for large-scale production, export documentation, or logistics. *"We are afraid to participate in international exhibitions because we don't have packaging that meets standards and shipping costs are still high."*

The following table summarizes the main aspects that respondents distinguished between domestic and international exhibitions:

Assessment Aspect	**Domestic Exhibitions**	**International Exhibitions**
Main Impact	Sales growth & acquisition of new local/regional customer	Global business networking & export opportunities
Duration of Impact	Short-term	Long-term
Strategic Value	National market awareness & brand exposure	Global branding position & business professionalization
Primary Challenges	Price competition, local market saturation	Product standardization, certification/legal requirements, high production scale costs
Commonly Gained Benefits	Direct on-site transactions	Establishment of international contacts/partnerships

Respondents assessed that domestic exhibitions provide faster concrete results in the form of transactions and new customers, but their effects are relatively limited in terms of global or large-scale expansion. Conversely, international exhibitions are considered strategic in the long term and for business development at the global level, even though they require greater investment in preparation.

DISCUSSION

This study produced findings on the effectiveness of domestic and international exhibitions in improving the performance of MSMEs under the facilitation of the Balikpapan City Trade Office. This discussion aims to analyze the relationship between the research results and the theory of marketing and MSME internationalization, as well as to explain the practical implications for business actors and policy makers.

Domestic exhibitions have been proven to have a direct impact in the form of increased sales, new customers, and strengthened brand awareness. This immediate impact can be understood through the Marketing Mix theory (Kotler & Keller, 2016), which states that promotional activities that allow direct contact with consumers tend to increase purchase decisions quickly because consumers can see, touch, and try the product.

In the context of MSMEs, direct contact at exhibitions also serves as a verification of product quality. MSME products that were previously only known visually through social media can be proven directly by consumers, thereby reducing the perception of purchase risk. This aligns with research by Choi (2016), which states that exhibitions create momentum for impulsive purchases based on product experience. However, the short-term nature of this impact underscores that domestic exhibitions should not be viewed as a standalone marketing tool but rather as part of a sustainable strategy. When digital marketing follow-ups are not conducted, sales return to normal post-event.

Unlike domestic exhibitions, international exhibitions have a broader strategic impact. The finding that international exhibitions do not directly generate sales but open up global networks is in line with the Uppsala Model of Internationalization theory, which explains that the global expansion of MSMEs occurs through the gradual formation of networks and market learning before export activities take place.

Participation in international exhibitions provides intangible benefits such as increased credibility, trust from global stakeholders, and a perception of professionalism. Respondents stated that international participation certificates add value to brand reputation, which in turn increases local consumer trust. Thus, the effects of international exhibitions are not only outward (towards global markets) but also inward (strengthening positions in domestic markets).

The internal readiness of MSMEs is a key determinant of follow-up success. The inability to meet export demand, limitations in certification and legality, and a lack of literacy regarding international standards are obstacles that hinder the conversion of opportunities into business contracts. This condition is in line with the findings of Singh et al. (2024), which confirm that administrative readiness and production capacity are critical variables in international business negotiations.

The results of the study show that domestic and international exhibitions cannot be positioned as two mutually exclusive options, but rather as promotional instruments that have different but complementary functions in encouraging the growth of MSMEs. Domestic exhibitions serve as a starting point that enables MSMEs to increase short-term sales, attract new customers, and build brand awareness in the national market. Meanwhile, international exhibitions serve more as accelerators that encourage business internationalization through the formation of global networks, increased brand credibility, and the opening of export opportunities. The different characteristics of their impact show that domestic exhibitions are more suitable for MSMEs in the early stages of growth, while international exhibitions are more suitable for MSMEs that already have the production capacity, quality standards, and legality to enter the global market. Thus, the ideal promotion strategy is not simply choosing one type of exhibition, but designing a business development path that begins with strengthening the domestic market through national exhibitions and continues with expansion into the global market through international exhibitions. The gradual integration of both types of exhibitions is important to ensure that MSMEs not only experience temporary sales growth, but also gain a sustainable competitive position in the long term.

The findings of this study have a number of strategic implications for the Balikpapan City Trade Office and MSME players. For the Trade Office, an export readiness mapping system is needed so that the placement of MSMEs at international exhibitions is not done

uniformly, but based on the eligibility and capacity of each business player. MSMEs that are not yet ready to enter the global market should first focus on domestic exhibitions and capacity building programs such as product certification, international standard packaging, business negotiation training, and sustainable production management. Conversely, MSMEs that are ready to export need further support in the form of global certification facilitation, access to international marketplaces, assistance in the process of contracting with foreign buyers, and post-exhibition follow-up monitoring.

The implications for MSMEs are equally important. Participation in both domestic and international exhibitions

cannot be done passively without follow-up. Business actors need to follow up through digital marketing, consumer database management, after-sales service, and product adjustments according to market needs. SMEs targeting exports must also enhance their internal readiness, including quality consistency, legal compliance, certification, and production capacity. Thus, the effectiveness of exhibitions is highly dependent on collaboration between SME readiness and government support systems. If both parties fulfill their roles optimally, exhibitions can serve as a strategic tool for regional economic development that not only drives sales growth but also accelerates SMEs' transformation toward global competitiveness.

CONCLUSION

This study concludes that domestic and international exhibitions facilitated by Dinas Perdagangan Kota Balikpapan both contribute to the business growth of MSMEs, but with distinct characteristics and outcomes. Domestic exhibitions provide direct and short-term benefits, especially in the form of increased sales transactions, acquisition of new customers, and enhanced brand awareness at the national level. Their effectiveness lies in direct interaction between MSMEs and consumers, which allows immediate product experience and purchase decisions. However, without continued marketing follow-up after the event, the impact tends to diminish as sales gradually return to normal.

International exhibitions, on the other hand, deliver long-term and strategic benefits by opening global networks, increasing brand credibility, and creating opportunities for export collaboration. Although they rarely generate instant sales, they provide MSMEs with essential learning on international market standards, certification requirements, and

professional business etiquette. The success of international exhibitions, however, is strongly dependent on the internal readiness of MSMEs including legality, production capacity, certification, and packaging that meets global standards to convert opportunities into actual export transactions.

Overall, domestic and international exhibitions should not be treated as alternatives, but rather as complementary promotional tools in the MSME development pathway. Domestic exhibitions function as the initial platform for strengthening market presence and validating product acceptance in the national market, while international exhibitions serve as an accelerator toward global competitiveness. Therefore, the most effective strategy is a staged approach beginning with strengthening the domestic market through national exhibitions and progressing to international exhibitions once MSMEs are export-ready. When government facilitation and MSME preparedness align, exhibitions can become a powerful instrument not only for increasing sales, but also for achieving sustainable and globally competitive business growth.

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