Design of Cashew Marketing Strategy Through Evaluation of Export Potential to Enter the Global Market (Case Study of Mrs. Tini's MSMEs in Ciputat)

Thiersyanda Revikhansyah  
Fakultas Ekonomi Dan Bisnis, Universitas Padjadjaran, Jatinangor  
Email: thiersyanda20001@mail.unpad.ac.id

ABSTRACT

This study aims to identify market expansion opportunities and address the administrative barriers MSMEs Kacang Mete Bu Tini face in exporting fresh or dried shelled cashew nuts with HS Code 080132 to Malaysia and Thailand. MSMEs Kacang Mete Bu Tini encounter significant administrative obstacles due to the lack of essential export documents such as quality certificates, certificates of origin, etc. These obstacles slow the market expansion and reduce the product's competitiveness in international markets. The research conducted through Revealed Comparative Advantage (RCA) analysis shows that Indonesian cashew nuts have significant comparative advantages in the Malaysian and Thai markets, with RCA values reaching 3.318911 in Malaysia and 2.556656 in Thailand. An RCA value greater than one indicates a comparative advantage in both markets. Regarding competitive advantage, Malaysia holds a "Rising Star" position with an annual export market share growth of 0.281030 percent and a cashew market growth of 0.180204 percent per year. In contrast, Thailand is in a "Retreat" position with an annual export market share growth of -0.509915 percent and a cashew market growth of -0.009638 percent per year, indicating a decline in demand and less satisfactory export performance. The conclusion is that Malaysia is a more suitable export destination for Cashew Nut Bu Tini MSMEs, given the higher RCA value and more favorable market position. MSMEs Kacang Cashew Bu Tini needs to promptly complete the necessary administrative documents to enhance product competitiveness and expand export markets.

Keywords: Export, Cashew Nuts, Revealed Comparative Advantage, Export Product Dynamic, Malaysia, Thailand, Administrative Barriers.

INTRODUCTION

Background

Various agreements between countries have been formed to facilitate cross-border trade and investment (Li et al., 2018). One of the early examples is the General Agreement on Tariffs and Trade, commonly known as GATT, which is the predecessor of the World Trade Organization (WTO) to regulate global trade since January 1, 1995, signaling that the era of free trade has begun (Makuch, 2014). The marketing of domestic products and the context of free trade has expanded opportunities for traders to market to the international market (Tao, 2024).

Globalization has changed the face of international trade, making it more inclusive and connected (Zahoor et al., 2023). With the establishment of the GATT, which later became the WTO, countries are committed to reducing barriers to trade and investment (Sagio, 2024). Globalization allows products and services to cross national borders more easily, strengthening
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economic ties and accelerating growth (РУДА & КРАУС, 2024). This creates opportunities for traders to expand the market through international trade (Galimova et al., 2023). International trade is an economic phenomenon triggered by each country's uneven resources and needs (Reinert, 2024). The diversity of natural and human resources and the production of goods and services that vary between countries create a solid basis for economic exchange through export and import activities (Susanto et al., 2024). These factors encourage each country to participate in international trade to meet growing domestic needs and exploit their peculiarities in a particular production (Sousa et al., 2020). Thus, international trade not only serves as a channel for meeting needs but also as a tool to improve the economic welfare of each party involved, and this process is expected to generate mutually beneficial benefits for all countries involved in such trade (Salvatore, 2020).

In the global trade arena, traders will be involved as exporters or importers who have a key role in linking the diversity of needs and resources owned by countries (Singh et al., 2024). By taking advantage of differences in production costs and prices between countries, they effectively meet international market demand (Tien & Ngoc, 2019). Exporters and importers proactively adapt their strategies to meet changing demand and competitive markets (Keskin et al., 2021). Recent studies have shown that this trade activity expands access to goods and services and becomes a key driver for innovation and economic expansion, providing consumers with more choices and for producers with access to new markets.

Globalization and free trade have accelerated economic exchanges between countries, with the WTO at the core of this system, reducing barriers and strengthening economic linkages (Suksom, 2024). The uniqueness of each country's resources and its evolving needs form the basis of international trade (Anand et al., 2021). This allows countries to trade based on their production specializations. Exports and imports are becoming important tools in improving the well-being of the global economy, with traders playing a crucial role in meeting the needs of dynamic markets, leading to innovation, and opening up new opportunities for producers and wider choices for consumers.

According to data from the Indonesian Ministry of Trade in Table 1.1, the value of Indonesia's exports shows a significant positive trend in total exports from 2018 to 2022. Overall, Indonesia's exports have experienced an increase trend of 12.85% over the past five years. Despite the decline in oil and gas exports, which showed a decrease of -2.51%, the non-oil and gas sector has shown strong growth, with an increase of 14.09%.

In the last five-year period, the progress seen in the value of Indonesia's exports has been greatly influenced by the performance of the non-oil and gas sector. In contrast to the oil and gas sector, which shows slower development, the development of non-oil and gas processed exports is the main factor contributing to the country's foreign exchange. The report released by the Central Statistics Agency (BPS) and subsequently analyzed by the Ministry of Trade shows that of the various categories of non-oil and gas exports that contribute to international trade, Indonesia's food industry has become the dominant pillar in terms of export foreign exchange receipts, especially measured by consistent achievements over the past three years. This fact underscores the food industry's importance in Indonesia's export economy and emphasizes the need for trade strategies that further strengthen the sector. One of the non-oil and gas sectors contributing to export value is the primary sector of Indonesia's excellence, which is the export activities of the food and beverage industry, a primary need.

The food and beverage sector has become one of Indonesia's contributors to the value of non-oil and gas exports. As one of the world's leading cashew nut producers, Indonesia takes advantage of the ideal climatic and soil conditions for producing this commodity, which is popular in the domestic market and great demand in the international market. There is a demand
for cashews in international trade, categorized as Coconut, Brazil Nuts and Cashews (HS Code 0801). International demand for fresh or dried cashews, peeled (HS Code 080132), as a derivative of this category, is growing.

The need for cashews in Indonesia shows a significant domestic consumption and export trend. Cashew production in Indonesia has fluctuated, but in 2018, it was recorded at 136,402 tons. Around 71,644 tons were exported, valued at 38.3 million US dollars. This shows that cashew nut production in Indonesia can meet domestic needs and provide a significant surplus for the export market. Cashews, in particular, have recorded increased demand due to their versatility, from direct consumption as a snack to use in the culinary industry. Indonesia's comparative advantage in cashew nut production has enabled the country to export in large volumes and earn significant foreign exchange from the trade of this commodity. Indonesia has shown the ability to significantly meet the domestic needs of cashews to export. In 2018, Indonesia's cashew nut production reached around 95,000 tons annually, with almost 50% of the production being exported. This shows that domestic needs have been met and production is in surplus.

Through various programs, the Indonesian government has improved the production and quality of cashews, such as through the superior cashew nut development program, which aims to improve quality and productivity so that it can compete with other largest cashew nut-producing countries in the world. In addition, innovations in packing and packaging have also been carried out to meet international standards and increase the competitiveness of Indonesian cashew nut products in the global market. With the quality improving, Indonesian cashews have managed to penetrate the export market to various countries, showing that domestic needs are more than enough to be met. The government's efforts to improve the quality standards of cashews for export, including certification and compliance with international standards, have helped maintain and improve the reputation of this product in the global market. Trade promotion initiatives, participation in international food exhibitions, and free trade agreements have also expanded the reach of Indonesia's cashew export market.

According to data from the International Trade Center (ITC), the importing country of fresh or dried cashews peeled from Indonesia over the past 5 years is Malaysia, with the highest number of export values, followed by Thailand. The value of imports carried out by Malaysia reaches 23% annually, and Thailand reaches 22.8% annually, equivalent to the value of the whole world, which continues to grow. Based on this data, market opportunities in Malaysia & Thailand are very open for the export of shelled cashews. This striking comparison confirms that Malaysia and Thailand offer significant market opportunities, with high demand for Indonesian cashews, reflected in the actual export value far exceeding the estimated export potential from the previous year. This clearly indicates the untapped opportunities for Indonesian MSMEs to pursue and fill the space in these markets with quality cashew nut products.

Data from Vtops.com states that cashews are very popular in Malaysia due to several main factors. First, increasing health awareness among consumers has led to a preference for nutritious snacks such as cashews, which are rich in healthy fats, fiber, vitamins, and minerals. Second, the diverse use of cashews in Malaysian culinary culture, ranging from traditional dishes, dim sum, and cakes, has also contributed to the widespread appeal of cashews.

In addition to the interest of the people of export destination countries with cashews, Indonesia, Malaysia, and Thailand have bilateral trade cooperation between countries that make it easier for the three countries, as members of ASEAN, to participate in the ASEAN Free Trade Area (AFTA) is one of the agreements that provides ease of conducting international trade for the three countries to create an environment that allows products from member countries move more freely, support regional economic growth and increase international competitiveness. The AFTA agreement has the ASEAN Trade in Goods
Agreement (ATIGA), which aims to increase free trade between member countries by reducing tariffs and other trade barriers. ATIGA facilitates bilateral trade cooperation between the two countries by creating a more conducive environment for cross-border trade and investment. In addition to ATIGA, the three countries have bilateral agreements to strengthen trade and economic ties. This cooperation covers various sectors and reflects the close economic ties between Indonesia, Malaysia, and Thailand. This agreement facilitates the exchange of goods, services, and investments and creates new opportunities for businesses and MSMEs to enter new markets and take advantage of a wider distribution network, namely the Regional Comprehensive Economic Partnership (RCEP).

The Regional Comprehensive Economic Partnership (RCEP), as the world’s largest free trade agreement, involves 15 countries covering 30% of global GDP. This agreement provides new opportunities for Indonesia to market its products, such as cashews, to a wider market, including countries in the Asia Pacific. By leveraging more flexible rules of origin and a commitment to open up more sectors, RCEP can assist Indonesia, Malaysia, and Thailand in increasing exports and imports between the two countries. Through RCEP, Indonesian MSMEs, particularly, have a golden opportunity to integrate into regional and global supply chains, encourage innovation, and increase business scale. This will allow MSMEs to participate in intra-ASEAN trade and more broadly in the Asia-Pacific region. RCEP also promises to simplify trade procedures that will provide direct benefits for MSMEs in navigating the complexities of exports and imports.

Within the framework of this cooperation, there are opportunities for the two countries to collaborate in increasing cashew nut production capacity, product research and development, and joint marketing to increase products’ added value and competitiveness in the international market. With this cooperation framework, Indonesia can take advantage of the opportunities to increase exports of its products, including cashews, which have strong demand in Malaysia. This initiative increases trade volume and supports both countries' economic growth by opening greater market access for entrepreneurs and MSMEs.

Bu Tini Cashew MSMEs, specializing in producing fresh cashews with HS Code 080132, stands on the verge of a significant opportunity to enter the export market. Given the wealth of raw cashew production in Indonesia, this opportunity can bring MSMEs like Mrs. Tini to the international stage based on Figure 1.3, which shows the sale of fresh or dried cashew products peeled by Mrs. Tini's MSMEs in the last four years with the choice of destinations to Malaysia or Thailand as a promising initial target market. However, the transition from local to international markets requires fulfilling a series of strict administrative requirements, including quality certification, food safety standards, and bilateral trade regulations.

To equip Bu Tini Cashew MSMEs with the necessary tools to operate effectively in the export ecosystem, this study aims to outline and simplify the administrative processes needed. This includes the preparation of export documents, an understanding of ASEAN trade regulations through ATIGA RCEP, and competitive pricing strategies. In addition, the study will provide an in-depth analysis of the challenges faced, such as logistics requirements, and identify strategies that can take advantage of the advantages offered by regional trade agreements. The main goal is to assist Bu Tini Cashew MSMEs not only in expanding the market but also in selecting the most appropriate countries to expand the market to ensure sustainable growth and long-term success in the international arena.

Problem Formulation

Based on the background that has been described earlier, the researcher has the following problem formulation:

1. What strategy can Mrs. Tini MSMEs use to expand the market through the export of cashew nut products?
2. How can Mrs. Tini's MSMEs overcome administrative and regulatory barriers for the export of cashew nut products?

**Research Objectives**

Based on the formulation of the problem that has been formulated, the objectives of this research are as follows:

1. Formulating strategies that can be carried out by Mrs. Tini MSMEs to expand the market through the possibility of exporting cashew nut products to potential countries
2. Providing solutions to Bu Tini’s MSMEs over administrative and regulatory obstacles for the export of cashew nut products

**Research Benefits**

1. **For Academics**
   
   It is hoped that the results of this study can help future researchers as a reference for the design of a strategy for expanding cashew exports to potential countries in ASEAN. In addition, this research can provide broad insights and contributions to the understanding of administrative requirements and export regulations, as well as success factors in conducting international trade.

2. **For Practitioners**

   This research is expected to be a convenience for Bu Tini Cashew MSMEs in preparing export administrative requirements, understanding export regulations, and providing advice on strategy design for expanding to the international market.

**RESEARCH METHODOLOGY**

3.1 **Planning Systematics**

In this final project, the researcher designs a scheme of research stages or a research framework that maps the step by step of the research process from the initial phase to finding the purpose of the research, referring to the conclusions and main findings of this research.

**SCHEME OF RESEARCH STAGES**

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<tr>
<th>Step</th>
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<td>Identification Of Problems</td>
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<td>Data Retrieval</td>
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<td></td>
<td>Revealed Comparative Advantage (RCA) Analysis</td>
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<td>Export Product Dynamic (EPD) Analysis</td>
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<td>Strategy Placement</td>
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<td>Presentation of RCA Analysis &amp; EPD Analysis</td>
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*Figure 3.1 Research Stage Scheme*
3.2 Place and Time of Research

This research was carried out in the micro, small, and medium enterprises (MSMEs) unit of Mrs. Tini, which is located on Jl. Cipunegara No. 101, Cipayung, Ciputat District, South Tangerang City, Banten 15411. The design of the strategy and final project will be carried out for three months, namely, February 2024 to May 2024.

3.3 Research Object

The object in this study is Marketing Strategy for Cashew Peanut Export of Mrs. Tini MSMEs, while the subject in this study is Mrs. Tini MSMEs as micro, small, and medium business units that will start exporting.

RESULTS AND DISCUSSION

It is known that the sales volume of cashew nut products (in Kg) from 2020 to 2023 Bu Tini Cashew MSMEs have experienced a significant increase in sold stock and turnover. In this period, the stock sold increased from 2944 kg to 6736 kg, while the turnover increased from IDR 441,600,000 to IDR 1,010,400,000. The largest increases occurred between 2021 and 2022, as well as from 2022 to 2023, with an increase of more than 40% in both periods. Overall, there was a gradual increase of 9.48% from 2020 to 2021, then jumped to 43.19% from 2021 to 2022 and increased again by 45.96% from 2022 to 2023. This shows positive and significant growth in MSME sales and revenue.

From national sales and export capacity of cashew nuts, MSMEs from 2020 to 2023 show fluctuations in production capacity, national sales, and export capacity. Production capacity decreased from 8,258 Kg in 2020 to 6,980 Kg in 2021, down by 15.47%, but increased to 8,470 Kg in 2022 with an increase of 21.36% and reached 10,667 Kg in 2023 with an increase of 25.97%. National sales continue to increase every year, from 2,944 Kg in 2020 to 3,223 Kg in 2021, experiencing an increase of 9.46%, then soaring to 4,615 Kg in 2022 with an increase of 43.21%, and reaching 6,736 Kg in 2023 with an increase of 45.97%. Meanwhile, export capacity decreased from 5,314 Kg in 2020 to 3,757 Kg in 2021, a significant decrease of 29.29%, but slightly increased to 3,855 Kg in 2022 with an increase of 2.61% and 3,931 Kg in 2023 with an increase of 1.97%. A significant decline in export capacity in 2021, followed by a small increase in the following years, shows that domestic demand is increasing strongly, but Bu Tini Cashew MSMEs continue to produce cashew nuts in large quantities, making it possible to export cashew nut products.

The problem experienced today is in preparing for the desired export because Mrs. Tini's Cashew MSMEs do not yet have export preparation documents. The documents required for export include a Trade Business License (SIUP), Taxpayer Identification Number (NPWP), and Certificate of Origin (SKA) issued by the relevant government agency. In addition, MSMEs need to understand export procedures, including how to manage Customs and obtain food safety certification if products are exported to certain countries that have strict standards. This administrative problem is the main obstacle that must be resolved immediately so that the export process can run smoothly. In addition to document problems, MSME owners want to know the most appropriate destination country among the two options of potential export countries, namely Malaysia and Thailand. To determine the most suitable export destination country, an in-depth market analysis is required. This analysis includes market demand, consumer preferences, regulations and quality standards that apply in each country. Malaysia and Thailand, although both in the Southeast Asian region, have different market characteristics. Malaysia is known for its stricter import regulations, especially regarding food products, while Thailand has a more open market, and the Competition is quite fierce. Under ideal conditions, the export process can take about 1 to 3 months if all documents and certifications have been completed and approved. However, the time required can be longer if
there are obstacles in the administrative or certification process. Therefore, MSME owners need to prepare all documents and understand each stage of the export process well to accelerate the time needed for export.

In facing these various challenges, joining the Indonesian Cashew Nuts Association (INACANAS) can provide many benefits. INACANAS can provide many benefits for Bu Tini Cashew MSMEs, including support in the form of comprehensive training on export procedures, document management, and international regulations that must be complied with. INACANAS provides up-to-date information on requirements and quality standards in various export destination countries. In addition, INACANAS offers an extensive network with other exporters and importers, allowing Bu Tini Cashew MSMEs to establish strategic partnerships that can help in product marketing and distribution. The logistics support provided by INACANAS facilitates the process of shipping products abroad, including customs clearance and coordination with shipping service providers. With the help of INACANAS, Bu Tini Cashew MSMEs can be better prepared to face administrative and regulatory export requirements and gain wider and targeted market access, increasing the chances of success in the international market. On the other hand, exports provide full control over the entire process and faster decisions, but high costs, greater risk, and limitations in market access and logistical support can be significant challenges. The decision between exporting alone or with INACANAS must consider the balance between full control and comprehensive support to optimize the chances of success in the global market.

4.2 Data Analysis

A. Cashew Export Value from Indonesia

It is known that the export value of fresh or dried cashews, namely, shredded cashews (HS Code 080132), will be from Indonesia to Malaysia and Thailand from 2018 to 2022. Every year, the value of exports is measured in USD. This data provides an overview of the performance of Indonesia's trade with Malaysia in five years.

In 2018, Indonesia's exports to Malaysia reached 4,154,000 USD, while Thailand reached 7,333,000 USD, with a difference of 3,179,000 USD higher to Thailand. In 2019, exports to Malaysia fell to 3,007,000 USD, down by 27.6% from 2018, and to Thailand fell to 6,189,000 USD, down by 15.6%, with a difference of 3,182,000 USD higher to Thailand. In 2020, exports to Malaysia declined again to 2,864,000 USD, down by 4.8% from 2019, and to Thailand to 3,517,000 USD, down by 43.2%, with a difference of 653,000 USD higher to Thailand. In 2021, exports to Malaysia continued to decline to 2,542,000 USD, down by 11.2% from 2020, and to Thailand to 3,032,000 USD, down by 13.8%, with a difference of 490,000 USD higher to Thailand. In 2022, exports to Malaysia recovered significantly to 4,120,000 USD, an increase of 62.1% from 2021, and to Thailand increased to 4,028,000 USD, an increase of 32.9%, with a difference of 92,000 USD higher than Malaysia. Overall, exports to both countries showed significant fluctuations, with exports to Thailand likely to be higher except in 2022, when exports to Malaysia were slightly higher.

B. Total Cashew Exports by the World

Based on Table 4.4, the total score export of fresh or dried cashew products, peeled HS Code 080132 by the world in five years, namely 2018 to 2022, shows that the value of exports in that period has fluctuated. In 2018, the world's total exports reached 4,930,216,000 USD, with exports to Malaysia amounting to 24,179,000 USD and Thailand amounting to 84,387,000 USD. In 2019, total world exports declined to 4,663,033,000 USD, down by 5.4% from the previous year, with exports to Malaysia falling to 21,619,000 USD and to Thailand falling to 79,176,000 USD.

In 2020, total world exports continued to decline to 4,293,725,000 USD, down by 7.9% from 2019, with exports to Malaysia falling to 17,457,000 USD and to Thailand falling to 65,973,000 USD. In 2021, there was an increase in total world exports to 4,715,705,000 USD,
up by 9.8% from 2020, with exports to Malaysia increasing to 25,080,000 USD while exports to Thailand decreased slightly to 65,384,000 USD. In 2022, total world exports declined again to 3,998,558,000 USD, down by 15.2% from 2021, with exports to Malaysia falling to 22,168,000 USD but exports to Thailand increasing slightly to 65,601,000 USD. These fluctuations reflect variability in global demand as well as market dynamics in Malaysia and Thailand, with a general downward trend in total world exports except in 2021, which experienced a temporary recovery.

C. Total Exports of All Commodities by the World

Based on Table 4.5, the total value of exports of all commodities by the world in the five-year period, namely 2018 to 2022, has fluctuated. In 2018, the world's total exports reached 19,328,414,044,000 USD, with exports to Malaysia amounting to 217,664,499,000 USD and to Thailand amounting to 251,099,199,000 USD, 33,434,700,000 USD higher to Thailand. In 2019, total world exports declined to 18,760,986,149,000 USD, down 2.9% from 2018, with exports to Malaysia falling to 204,988,314,000 USD and to Thailand falling to 240,139,196,000 USD, higher by 35,150,882,000 USD to Thailand. In 2020, total world exports continued to decline to 17,511,577,681,000 USD, down 6.7% from 2019, with exports to Malaysia declining to 189,559,672,000 USD and to Thailand falling to 208,615,061,000 USD, higher than 19,055,389,000 USD to Thailand. In 2021, total world exports experienced a significant recovery to 22,146,825,040,000 USD, up 26.5% from 2020, with exports to Malaysia increasing to 238,321,107,000 USD and to Thailand increasing to 269,102,030,000 USD, 30,780,923,000 USD higher to Thailand. In 2022, total world exports continued to increase to 24,707,495,155,000 USD, up 11.6% from 2021, with exports to Malaysia increasing to 295,092,902,000 USD, and to Thailand increasing to 306,260,910,000 USD, 11,168,008,000 USD higher to Thailand. During this period, total world exports and exports to Malaysia and Thailand showed a downward trend until 2020, followed by a significant recovery in 2021 and a further increase in 2022, with exports to Thailand consistently higher than Malaysia each year.

D. Total Exports of All Commodities by Indonesia

Overall, based on Table 4.6, the total export value of all commodities by Indonesia in the period 2018 to 2022 has fluctuated in export value. In 2018, Indonesia's total national exports reached 180,215,036,000 USD, with exports to Malaysia amounting to 9,436,721,000 USD and to Thailand amounting to 6,818,949,000 USD. In 2019, total national exports decreased to 167,682,996,000 USD, down 7% from 2018, with exports to Malaysia falling to 8,801,815,000 USD and to Thailand decreasing to 6,218,393,000 USD. In 2020, total national exports continued to decline to 163,306,490,000 USD, down 2.6% from 2019, with exports to Malaysia declining to 8,130,627,000 USD and to Thailand decreasing to 5,112,862,000 USD. In 2021, total national exports increased significantly to 231,587,887,000 USD, up 41.8% from 2020, with exports to Malaysia increasing to 11,967,891,000 USD and to Thailand increasing to 7,967,891,000 USD and to Thailand increasing to 11,967,891,000 USD, up 41.8% from 2020, with exports to Malaysia increasing to 11,967,891,000 USD and to Thailand increasing to 7,087,712,000 USD. In 2022, total national exports continued to increase to 291,979,103,000 USD, up 26.1% from 2021, with exports to Malaysia increasing to 15,452,430,000 USD and to Thailand increasing to 8,169,361,000 USD. Overall, Indonesia's total exports showed a downward trend through 2020, followed by a significant recovery in 2021 and a further increase in 2022. Exports to Malaysia and Thailand also showed a similar pattern, with a greater increase in Malaysia than in Thailand during the recovery period.

4.2.1 Analysis of Research Results

A. Revealed Comparative Advantage (RCA) Analysis

Based on RCA analysis, the export performance of fresh or dried cashews from Indonesia to Malaysia and Thailand during the 2018-2022 period shows a strong comparative advantage. Reports from the Asian Development Bank (2022) emphasized that market diversification and
increased production efficiency are the keys to increasing the competitiveness of fresh or dried cashew exports, peeled. The data in Table 4.7 reveals that the RCA value for Indonesian cashews in Malaysia reached 3.318911, and in Thailand, it was 2.556656. This shows that Indonesia has a significant comparative advantage in cashew exports to the two countries.

The results obtained show that the RCA value (Revealed Comparative Advantage) fresh or dried cashew products, peeled with HS Code 080132 in Malaysia and Thailand during the period 2018 to 2022, it can be concluded that Indonesia has a significant comparative advantage in cashew exports to the two countries. The average of Indonesia's cashew exports to Indonesia's total exports to Malaysia is 0.000323, while the average of world cashew exports to total world exports is 0.000098, resulting in an RCA value of 3.318911 which means that the score shows that Indonesia's cashew exports share to its total exports is more than three times the share of cashew exports at the global level, signifies a very strong comparative advantage in Malaysia. On the other hand, the average of Indonesia's cashew exports to Indonesia's total exports to Thailand is 0.000736, while the average world cashew exports to total world exports is 0.000288, resulting in an RCA value of 2.556556. Although lower than Malaysia, this score still shows a strong comparative advantage in Thailand, with Indonesia's cashew export share more than double the share of cashew exports at the global level. An RCA value higher than 1 in both countries indicates that Indonesia has a comparative advantage in this commodity, with a greater advantage in Malaysia compared to Thailand. Research by Zahir & Sanawiri (2018) supports these results, showing that Indonesian-peeled fresh or dried cashews have a comparative advantage in the international market during 2011-2015.

B. Export Product Dynamic (EPD) Analysis

The EPD analysis was used to analyze the performance of Indonesia's cashew logs exports to Malaysia and Thailand from the perspective of competitive advantages. Based on Table 4.8, the analysis is very detailed for Export Product Dynamics fresh or dried cashew products, peeled (HS Code 080132) in Malaysia and Thailand during the period 2018 to 2022, showing that there are significant differences in market dynamics in the two countries.

In Malaysia, the average export market growth is 28.103%, and the average cashew market growth is 18.0204%, which puts Indonesia's cashews in the position of "Rising Star." This shows that the overall export market and cashew market in Malaysia are growing well. Market "Rising Star" indicates that the product is in the up-and-coming category and gaining market share, reflecting strong growth potential and further expansion opportunities in the Malaysian market. In contrast, in Thailand, the average growth of the export market is -50.9915% and the average growth of the cashew market is -0.9638%, putting this product in the position of "Retreat." The growth of the export market of -50.9915% means that Indonesia's export market to Thailand experienced a very significant decline during the period, reflecting drastically declining market conditions and a decrease in overall demand or competitiveness of Indonesian products in Thailand. The growth of the cashew market of -0.9638% shows that the export market, specifically for cashews, has also experienced a slight decline, although not as large as the decline in the overall export market. Market "Retreat" indicates that the product is losing market share and competitiveness, reflecting the great challenges and the need for different strategies to increase competitiveness and market share in Thailand. This difference underscores the importance of a different strategic approach for each market to maximize the export potential of Indonesian cashews.

The analysis shows that Indonesian cashew logs have a bright outlook in Malaysia due to significant growth in exports and market demand, while Thailand faces challenges with declining demand and unsatisfactory export performance. With a deep understanding of cashew export dynamics based on EPD analysis, Indonesia can formulate more effective strategies to improve the competitiveness and export performance of these products in Indonesia's international market in both destination countries, while the growth value of the
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Cashew market indicates the overall market growth for cashew products in both countries. Strong economic growth in Malaysia may have driven an increase in cashew demand, while economic conditions in Thailand may not be as good as Malaysia's. Based on data excerpts from UN Comtrade 2023, competition from other countries such as Vietnam and India, which are known as large producers of cashews, also affected Indonesia's export performance in the Thai market. Product quality and efficiency in production and distribution play an important role in international competitiveness, and Indonesia may have an advantage in terms of quality and lower production costs in Malaysia than in Thailand (Zahir & Sanawiri, 2018).

4.2 Strategy Placement

In this study, based on the results of the analysis of RCA and EPD countries that can be the destination of Cashew MSMEs Bu Tini is Malaysia, then strategy placement can be carried out with the STP method (Segmenting, Targeting, and Positioning) to achieve the planned goals.

A. Segmenting

a) Demographic Segmentation: The main focus is on large importers and distributors engaged in the import and distribution of food products, as they have a large purchasing capacity and an extensive distribution network. This segmentation allows for more effective marketing and distribution strategies to reach consumers, given that these companies process cashews into various products such as snacks and ready-to-eat foods. Retailers and supermarkets, including hypermarkets and retail stores, are also an important segment as they sell cashews directly to end consumers in various package sizes located in urban and suburban areas across Malaysia.

b) Geographical Segmentation, based on data from the Export Potential Map provided by the International Trade Center (ITC), the Selangor region, with access to Port Klang, one of the largest ports in Malaysia, offers superior logistics infrastructure to support the export of large quantities of cashews. In addition, Johor, which is home to Johor Port and close to Singapore, has excellent access to international trade. Kuala Lumpur, as the capital and major business center, has an extensive distribution network and a large consumer market, making it an ideal target for cashew exports. Data from the Export Potential Map shows that these regions have high demand and great market potential for Indonesian cashew nut products, so focusing on these regions will allow for a more effective and optimal export strategy.

c) Psychographic Segmentation: Health-conscious consumers are the main target because they are looking for healthy snacks that are free of additives and rich in nutrients, are often active in physical activity and follow healthy food trends. In addition, premium consumers who are looking for high-quality and exclusive products are also important, as they are willing to pay more for quality products and shop at premium stores. Finally, environmental consumers who care about the sustainability and environmental impact of the products they buy prefer products that are produced sustainably with eco-friendly packaging. With a focus on health-conscious, premium, and environmentally conscious consumers, cashew marketing and distribution strategies from Indonesia to Malaysia can be tailored to reach the most relevant and potential consumer groups, maximizing marketing effectiveness and increasing market penetration in Malaysia.

d) Behavioral Segmentation in Segmentation is perfect for consumers who are looking for health and nutritional benefits from cashews, such as protein, fiber, and healthy fat content, as well as those who prioritize quality and taste. In addition, consumers who focus on price and value are looking for products at affordable prices but still with quality. Brand loyalty also plays an important role, with loyal consumers who always buy from a particular brand because they are satisfied with the quality and experimental consumers who love to try new
brands and products. The occasions of use also vary, with daily consumption as a healthy snack or addition to food, purchases for special occasions such as parties and family gatherings, and business use by companies that buy in bulk to be processed or resold. By understanding these consumer behaviors, cashew marketing and distribution strategies from Indonesia to Malaysia can be tailored to reach the most relevant and potential consumer groups.

**B. Targeting**

To target fresh or dried cashew exports, peeled *(HS Code 080312)* from Indonesia to Malaysia can be focused on the household consumer segment in large cities with high purchasing power and awareness of healthy food, modern retailers such as AEON, Tesco, and Giant looking for high-quality products, specialist stores that focus on organic products and premium foods, and the food industry that uses cashews as a raw material.

**C. Positioning**

Fresh or dried cashews, peeled from Indonesia, are premium products of superior quality that offer the best size, taste, and purity. Highlight its health benefits, such as being high in protein and rich in nutrients, as well as being preservative-free, to appeal to health-conscious consumers. Affirm that these products have been certified halal, which is very important for Muslim consumers in Malaysia.

**4.3 Export Preparation Guide for Cashew MSMEs Bu Tini’**

**4.3.1 Export Requirements**

In an effort to carry out export activities, Bu Tini Cashew MSMEs must meet several requirements. The following are details of the requirements that must be met by Bu Tini Cashew MSMEs in planning exports to Malaysia:

**A. Identification of the Packaging Quality of Bu Tini Cashew Peanut MSME Products**

Based on the packaging that has been used by Bu Tini Cashew MSMEs, as shown in Figure 4.2, several identifications can be made to improve and meet export requirements.

![Image of packaging](image-url)

**Figure 4.1. Packaging of Cashew Nut MSME products Bu Tini**

*Source: Bu Tini Cashew MSMEs*

Here are some identifications and improvements that can be made by Bu Tini Cashew MSMEs based on the standards from the site *Malaysian Ministry of Health* for Fresh or Dried Cashew Nut products, Peeled *(HS Code 080132)*:

**1. Packaging Materials**
The packaging material used by Cashew Peanut MSMEs is plastic with a thickness of 0.250 mm but has not met the export requirements to use polypropylene (PP) or polyethylene (PET) plastic packaging with ISO 9001:2015 certification, which guarantees quality and in accordance with operational procedures.

2. **Labeling**

The label on the packaging of Bu Tini Cashew MSMEs only includes the product name and production address, while according to the packaging standards, the label on the product must include important information such as the product name, ingredient list, weight or contents, expiration date, manufacturer's name and address, and allergen information. All of this information must be available in English or Bahasa Malaysia.

3. **Hygienic Standards**

To ensure that product packaging meets high hygiene standards, it is necessary to select materials that have been tested and approved for contact with food. Packaging tests such as leak and strength tests should be performed to ensure the packaging can protect the product from damage and contamination. Strict hygiene practices should be implemented during the packaging process, including the use of gloves, masks, and workers' regular handwashing. The use of vacuum sealing techniques and strong seals is necessary to keep the packaging tightly sealed, preventing the entry of air and contaminants. In addition, the management of storage and transportation conditions, including temperature and humidity control, is essential to maintain product quality. These guidelines refer to standards set by regulatory bodies such as FDA and EFSA, as well as ISO standards related to quality management in packaging production.

4. **Halal Certification**

Halal certification for cashew nut products is an important step to ensure that the product meets the halal standards that have been set by the competent authorities. This certification process involves a thorough examination of the entire production chain, from the source of raw materials to the processing and packaging process. Cashews that have received halal certification guarantee that there are no ingredients or processes that are contrary to Islamic Sharia principles. Institutions such as the Halal Product Assurance Agency (BPJPH) and LPPOM MUI in Indonesia are responsible for conducting audits and inspections to ensure compliance with halal standards. This process involves not only document verification but also field inspections and laboratory testing if required. After the product is declared halal, the company will get a halal certificate that is usually valid for two years and must be renewed before the expiration date. The official halal label is then placed on the product packaging, giving Muslim consumers confidence that the product is safe and in accordance with Islamic teachings. With halal certification, cashews can be accessed by a wider market, including countries with a majority Muslim population, thereby increasing export opportunities and product competitiveness in the global market.

**CONCLUSION**

Conclusion In this study are as follows: The strategy that can be carried out by Mrs. Tini's MSMEs to expand the export market of cashew nut products is through the *Revealed Comparative Advantage* (RCA) analysis, which shows that Indonesia's cashew export share to its total exports is more than three times the share of cashew nut exports at the global level with an RCA score of 3.318911. This score indicates a very strong comparative advantage in Malaysia compared to Thailand, which has an RCA score of 2.556556. An RCA score higher than 1 in both countries shows that Indonesia has a higher comparative advantage than Malaysia. The market position of fresh or dried cashew commodities peeled with HS code 080132 based on *Export Product Dynamic* (EPD) analysis, has opportunities in the Malaysian market.
market with the 'rising star' market position indicating that the product is in the rising category and gaining market share, reflecting strong growth potential and opportunities for further expansion in the Malaysian market. Bu Tini MSMEs can overcome administrative and regulatory obstacles for the export of cashew nut products, namely by improving the quality of the plastic packaging used, including packaging labels covering all important information, namely the list of ingredients, net weight, expiration date, allergen information, and halal product certification. For the fulfillment of administrative requirements, Cashew MSMEs Bu Tini can meet several export requirements, namely business legality, which includes business identification numbers, micro and small business licenses, and taxpayer identification numbers (NPWP)

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