



Review Article

# Export MSME Case Study: Coffee Wood Dog Chew – Transforming Waste into Global Market Opportunity

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**Abstract:** Coffee wood products, natural pet chews, have emerged as one of the unique export commodities developed by Micro, Small and Medium Enterprises (MSMEs) PT Eco Choo in Indonesia. This article presents a case study on export dynamics in the coffee wood MSME sector, secondary data analysis comes from online news, company website, books and articles. The analysis includes the profile of MSMEs, product characteristics, global market penetration strategies, determinants of success and challenges faced. The findings show that the high global demand for eco-friendly pet products is a major driver. Success relies heavily on the ability to consistently maintain quality, product and service safety, manage raw material supply chains, utilize digital marketing, and comply with destination market regulations.. This case study of the coffee wood sector underlines the potential of a creative economy based on local natural resources, while highlighting the importance of quality standards and global market understanding for MSMEs looking to upgrade.

**Keywords:** Coffee Wood Dog Chew; Eco-Friendly Pet Products; Internasional Market; Sustainability

## 1. Introduction

Indonesia is among the 5 most coffee-producing countries in the world. Indonesia produces 9.7 million bags of coffee, weighing 60 kg per bag. Indonesia's tropical climate is ideal for coffee growth. Sufficient rainfall, warm temperatures, fertile soil create a favorable environment for coffee cultivation (Gusti, M., T., 2024). Central Java is one of the provinces as a national coffee producing center. Coffee centers in Central Java include Temanggung, Magelang, Kudus, Semarang, and others. The coffee products are not only consumed by the people of the country but also exported abroad. One of them is robusta and arabica coffee from coffee business actors in Temanggung Regency, Central Java who export to a number of countries, including Egypt, Turkey, Kuwait, and Dubai. Exports to Egypt amounted to two containers each containing 19.2 tons of coffee and the first export to Iran was 18 tons of coffee (Suyitno, H., 2022).

However, so far, coffee wood waste has rarely been used optimally. This coffee wood waste is used by creative businesses to become high-quality products so that it can penetrate the export market. One of the business actors named Dewi Harlas in Purworejo Regency got the idea to make dog bite toys from coffee wood by looking at the many raw materials, piles of coffee wood and coconut fiber that were only thrown away or burned. She tried business opportunities by utilizing coffee wood waste and also coconut coir into dog chew which turned out to be quite high demand abroad. The price of the toys ranges from 5-25 USD per piece (Heksantoro, R., 2025).

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## 2. Literature Review

Internationalization of MSMEs is a process in which MSMEs enter the international market. There are various ways for MSMEs to enter the international market, including through direct and indirect exports. Marketing MSME products indirectly is done through intermediaries or third parties, while marketing products directly, MSMEs export products directly to buyers abroad.

There are several theories related to the internationalization of MSMEs, such as Economic Model, The Uppsala Model, Network or Relationship Model and Born Global Model (Doole, et. al., 2022). The economic model focuses on the cost of participating in the market. This model is based on whether external transactions are greater than internal transactions. This model is also related to the processes used when companies consider the life cycle of their products. The life cycle of a product that after reaching the domestic market, the company allows it to continue to develop in foreign markets. This theory seeks to answer the question: should a firm enter a foreign market; in which markets the company should invest; And how should companies regulate the market? (Doole, et. al., 2022).

The Uppsala Internationalization Model or often referred to as the Uppsala Model or U-Model was first introduced by Johanson and Vahlne (1977). This model explains how a business develops in the international market through several stages, namely first, there is no regular export activity, second, exports through independent representatives (agents), third through foreign sales subsidiaries and fourth through foreign production/manufacturing subsidiaries (Wach, 2021).

Network or Relationship Model says that social and business networking relationships between suppliers, customers, competitors, family, friends, and other stakeholders provide opportunities, support, and inspiration for internationalization. The relationship relies on technical knowledge, markets, and economic interdependence, but maintaining the relationship is the key (Doole, et. al., 2022).

Born Global Model is a business model that since its inception has had a global orientation and directly targets the international market. The business has a competitive and innovation-based advantage that attracts global customers (Doole, et. al., 2022).

The main difference between domestic marketing and marketing on an international scale is the complexity and multidimension of the foreign markets in which the Company operates. International Marketing involves operations in a number of foreign markets, where uncontrollable variables differ significantly from one market to another. In addition, controllable factors, such as cost and pricing structures, advertising opportunities, and distribution infrastructure, also tend to differ significantly. It is these differences that lead to complexity in international marketing. Therefore, the Company requires knowledge of complexity, including an understanding of environmental analysis. According to Doole, et. al. (2022) an analysis of the international marketing environment can use the PESTLE (Political, Economic, Social/cultural, Technological, Legal and Environmental/sustainability) approach.

## 3. Method

This study uses a qualitative method from case study. Qualitative research is a method for investigating and comprehending the significance that people or groups assign to a social or human issue. Emerging questions and methods, data that is usually gathered in the participant's environment, data analysis that builds inductively from specifics to broad themes, and the researcher's interpretations of the data's meaning are all part of the research process (Creswell, J., W., & Creswell, J., D., 2018).

For the case study, researchers search data through online news, company website, books and articles. Data collection time is from 2024-2025. Sample of this case study is PT Eco Choo. Dewi Harlas as the owner of the company. PT Eco Choo is a business that creates premium dog chew toys made from nature's finest materials, such as coffee wood, cinnamon wood and coconut fibers. PT Eco Choo is located in Pekutan Village, Bayan District, Purworejo Regency, Central Java. Coffee wood, cinnamon wood and coconut rope dog chew are produced in several villages, such as Boro Wetan, Popongan, Winong Kidul, Sokowaten, Condongsari, Sawit, Golok and Candingsian, Purworejo Regency (Akhmad, N., 2025).

#### 4. Results and Discussion

Green entrepreneurship fosters public awareness of the environment. Increasing green awareness and knowledge can lead to an increase in entrepreneurs who care about the environment. Companies that expand their markets based on an environmental orientation through eco-friendly products innovation, green technology, and green management practices are more likely to gain sustainable competitive advantage. Eco-friendly products will directly affect marketing performance. Green market orientation strategy improves business performance (Rahman, I., et al., 2023).

One of the businesses operating in the environmentally friendly pet industry is a business that produces dog toys in the form of dog chews made from coffee wood for beloved dogs. Companies in the United States that produce coffee wood dog chew, for example peaksnpaws, topdogchews and woodies, while in Germany for example, canophera. In Indonesia, starting from the phenomenon of a lot of coffee wood waste that is wasted or used only as firewood, a business actor from Purworejo, Central Java, has an idea to utilize this waste into more valuable and quality products. MSME named PT Eco Choo produces dog toys derived from coffee wood, cinnamon wood waste and coconut fibers, such as Coffee, Cinnamon and Coconut Rope Dog Chew.



Figure 1. Coconut Rope Dog Chew (Source: <https://ecochoo.id/>)

PT Eco Choo specializes in producing premium dog chew toys using natural ingredients like cinnamon and coffee wood. The raw material for coffee wood dog chew uses wood from the stem or branch of a coffee plant (usually Arabica or Robusta) that is no longer productive to produce coffee beans. Coffee Wood Dog Chew is an eco-friendly and natural dog chew. These chews are a fantastic substitute for conventional chews made of plastic or synthetic materials because they are made from coffee wood that is sourced sustainably. With an emphasis on sustainability and pet safety, the products are made to last as long as possible, encourage dogs to have healthy teeth, and are devoid of chemicals and other dangerous materials. The wood's natural fibers support healthy teeth and gums by lowering the accumulation of plaque and tartar. There are no dangerous preservatives or additives in coffee wood chews. They are a fantastic choice for dogs who are voracious chewers because they are also sturdy and long-lasting. Coffee Wood Dog Chew products have a variety of size (XS, S, M, L, XL) to suit the size of the dog.



#### Size XL

Diameter: 4,8 CM - 5,5 CM

Width/Length: 22 CM

Figure 2. PT Eco Choo Coffee Wood Dog Chew (Source: <https://ecochoo.id/>)

PT Eco Choo works with local coffee farmers to source raw materials while empowering them economically, processing waste into global products. Although the raw materials for the toys are still supplied from Temanggung, Wonosobo and Yogyakarta.

The production location of Coffee Wood Dog Chew is in several Astra's assisted villages, namely Desa Sejahtera Astra in Purworejo Regency. Desa Sejahtera Astra is one of the Corporate Social Responsibility (CSR) programs of PT Astra International Tbk which focuses on four pillars, namely Astra Sehat (health), Astra Hijau (environment), Astra Cerdas (education) and Astra Kreatif (entrepreneurship). Companies that have high profitability and large scale companies such as PT Astra International Tbk need to align social welfare and environmental conservation. CSR does not only function to maintain public relations and corporate interests but also to boost the value of the company itself (Handayati et al., 2022).

Desa Sejahtera Astra is located in Boro Wetan, Popongan, Winong Kidul, Sokowaten, Condongsari, Sawit, Golok and Candingasian, Purworejo Regency. Astra's assisted village program has increased community income by 70%, created 80 new jobs, and empowered 1,100 communities in the production and export chain. PT Eco Choo itself empowers 150 artisans and 130 of them are housewives.



**Figure 3. PT Eco Choo Raw Materials From Local Coffee Farmers (Source: <https://ecochoo.id/>)**

From 2021 to 2024 this business has successfully penetrated the export market to various countries such as the UK, US, Russia, Czechoslovakia, Serbia, Mexico, Brazil, Zimbabwe, Nigeria, India, Turkey and Saudi Arabia. Product shipments are worth IDR 35 billion, which will be delivered in stages in 2025. The success of exports is inseparable from the collaboration of various parties, including Astra's collaboration with the Ministry of Trade of the Republic of Indonesia and the Ministry of Villages and Development of Disadvantaged Regions of the Republic of Indonesia. The most important key to export success is that export products must be of good quality and have competitiveness to penetrate the international market.

The MSME export market penetration strategy in Purworejo Regency includes several aspects such as brand positioning (100% natural and non-toxic, dental health benefits, environmental sustainability), meeting export product requirements such as animal health standards from the destination country, having its own website that displays products, history, production processes, missions, contact information, and product delivery strategies directly to buyers abroad and collaboration with various parties in Indonesia. Brand positioning is a competitive advantage owned by PT Eco Choo. Building a competitive advantage means entrepreneurs like building a wall in the market that concerns potential customers and competitors. If the wall is built high, it will be difficult for competitors outside the wall to enter the market and compete with businesses that have such a competitive advantage (Sudarmiatin & Suharto, 2016). Digitalization increases the effectiveness and efficiency of company. Rapid expansion and greater scalability are made possible by digitalization, which eventually raises the value of these micro and small enterprises (Sugangga et al., 2024).

In the early stages, PT Eco Choo focused on the domestic market. Commitment to quality and service, quickly made PT Eco Choo gain a superior reputation. Armed with feedback from customers, PT Eco Choo always improves its business processes. Sustainability is the main point of business in utilizing coffee wood, renewable natural resources and coffee wood that is waste from coffee bean production. This sustainability

focus has received a positive response from environmentally conscious consumers in the domestic market to the international market. Product exports will initially be to several countries irregularly, then in 2025 exports will be carried out regularly to several countries. The business model of PT Eco Choo is Business to Business (B2B). The transaction is carried out between PT Eco Choo and other companies abroad. This stage is in line with one of the theories of the internationalization of MSMEs, namely the Uppsala Model. This business develops in the international market through several stages. First, marketing was carried out in the domestic market, then export activities were irregular and currently exports are carried out periodically to several countries.

If viewed from the analysis of the international marketing environment with the PESTLE approach, then this business can be described as follows:

1. Political factor, there is no conflict between the Indonesian state and the export destination country. Politics in the destination country is safe, so PT Eco Choo can export smoothly. Domestic political conditions also support this effort to market abroad, such as government support in product delivery.
2. Economic factor, PT Eco Choo understands the market needs and policies of each destination country.
3. Social factor, PT Eco Choo understands that the social conditions between Indonesia and export destination countries are the same in terms of consumer behavior towards eco-friendly pet products, products that are not only safe for pets but also environmentally responsible.
4. Technological factor, PT Eco Choo applies technology through websites with good SEO, attractive design, easy to use, relevant and quality content for digital marketing. This website is intended to display information about the company, products and contacts.
5. Legal factor, PT Eco Choo follows the rules regarding product safety for animals, follows the rules of domestic and destination exports.
6. Environment/sustainability factors, PT Eco Choo holistically encourage sustainable growth, maintain global economic equilibrium, and safeguard our common environment.

Based on the analysis of the international marketing environment with the PESTLE approach, PT Eco Choo was able to survive in the domestic and international markets for 6 years. One of the challenges faced by PT Eco Choo is competition from similar products in the domestic market as well as in the international market such as peakspaws, topdogchews and woodies brands from the United States and canophera from Germany.

## 5. Conclusions

MSMEs exporting coffee wood products in Indonesia are an interesting example of how agricultural waste can be processed into value-added products that are in demand by the global market. Driven by the trend of eco-friendly pet products, MSMEs in this field have great opportunities. However, success relies heavily on the ability to consistently maintain quality, product and service safety, manage raw material supply chains, utilize digital marketing, and comply with destination market regulations. This case study of the coffee wood sector underlines the potential of a creative economy based on local natural resources, while highlighting the importance of quality standards and global market understanding for MSMEs looking to upgrade.

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