

# Addressing Market Access Challenges for MSMEs through the Merdeka Belajar Kampus Merdeka (MBKM) Program

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**Abstract.** Micro, Small, and Medium Enterprises (MSMEs) are pivotal to Indonesia's economy. However, the majority, especially micro-enterprises, encounter ongoing difficulties in expanding their operations. Restricted market access, deficient value propositions, and inadequate technological adoption are principal obstacles impeding their growth. This study investigates the obstacles encountered by micro-enterprises in reaching larger markets, emphasizing results from the Studi Independen program implemented under the Merdeka Belajar Kampus Merdeka (MBKM) initiative at CIAS (Corporate Innovation Asia). The study employed the Business Model Canvas (BMC) framework to analyze 26 MSMEs, revealing persistent challenges in customer segmentation, distribution channels, and market alignment. The study emphasizes the transformative capacity of organized frameworks and digital integration in overcoming these obstacles. Significant outcomes encompass the successful utilization of digital instruments, including e-commerce platforms, which markedly expanded market access for involved enterprises. The results highlight the necessity of incorporating academic-industry partnerships to enhance micro-enterprises and connect theoretical knowledge with practical application. This study enhances the discourse on MSME development by providing practical strategies to improve market orientation and strengthen resilience within Indonesia's entrepreneurial ecosystem.

**Keywords:** MSMEs, Market Access, Business Model Canvas, MBKM Program.

## Introduction

Micro, Small, and Medium Enterprises (MSMEs) are integral to Indonesia's economy, significantly contributing to employment generation and economic stability (Ruslaini, 2021). Micro-enterprises constitute 99.62% of all MSMEs in the nation, underscoring a significant imbalance in scalability and growth (Muhamad, 2023). Notwithstanding their significant contributions, MSMEs frequently encounter considerable obstacles, such as restricted access to formal market avenues, financial inclusion, and technological adaptation (Rahman, 2016). These challenges are especially evident in micro-enterprises, where limited resources and dependence on informal networks impede their capacity for effective scaling.

In response to these challenges, the Indonesian government launched the Merdeka Belajar Kampus Merdeka (MBKM) initiative, encompassing programs like Magang dan Studi Independen Bersertifikat (MSIB). These programs seek to connect academic knowledge with industry practices (Salim, 2024), equipping students with entrepreneurial skills and promoting collaboration with MSMEs to tackle practical business challenges (Paneo, 2023). Nonetheless, although initiatives such as MSIB aim to improve operational capabilities, their direct influence on addressing fundamental MSME issues, including access to wider markets and long-term viability, remains inadequately examined (Gusfi et al., 2024).

Market access has become a significant and enduring challenge for MSMEs, with research indicating shortcomings in customer segmentation, insufficient value propositions, and poorly developed distribution channels (Nikmah et al., 2020; Permana et al., 2021). Research indicates that inadequate technological know-how and deficient market strategies are pivotal factors hindering MSMEs from effectively scaling operations (Thamrin, 2017). Furthermore, challenges like compliance with formal market standards and utilizing digital platforms intensify the competitive disadvantages encountered by micro-enterprises (Marlina & Sunarsih, 2023).

The utilization of analytical instruments like the Business Model Canvas (BMC) provides a methodical framework for recognizing and resolving these impediments. Research indicates that the Business Model

Canvas (BMC) assists micro-enterprises in aligning their offerings with market demands by identifying essential deficiencies in value propositions, customer relationships, and distribution strategies (Irianto et al., 2023; Osterwalder, 2010). Analyses from BMC conducted on 26 MSMEs during a *Studi Independen* program at CIAS (Corporate Innovation Asia) identified persistent challenges regarding market access, reinforcing previous studies that highlight the necessity for strategic business planning and improved support systems (Gusfi et al., 2024; Paneo, 2023).

This paper seeks to address these gaps by examining the primary barriers preventing MSMEs—particularly micro-enterprises—from scaling up to small-scale businesses. Through qualitative analysis of data derived from BMC and video pitches developed during the CIAS *Studi Independen* program, this research aims to uncover underlying factors limiting market access and propose actionable recommendations to enhance the synergy between educational programs and practical business support.

## Methods

This study adopts a qualitative descriptive design to explore the factors hindering micro-enterprises in Indonesia from scaling up to small businesses, focusing on data collected during the *Studi Independen* program under the Magang dan Studi Independen Bersertifikat (MSIB) framework at Corporate Innovation Asia (CIAS). A total of 26 MSMEs from industries such as food and beverages, retail, and small-scale manufacturing participated in the study, selected purposively to ensure diversity and relevance. Data collection utilized the Business Model Canvas (BMC) and video pitch reviews. The BMC, collaboratively developed by student consultants and business owners, provided structured insights into critical elements like value propositions, customer segments, and distribution channels. Video pitches created during the program were analyzed to supplement the BMC findings, focusing on challenges related to market access and scalability.

## Result and Discussion

This study highlights significant challenges faced by MSMEs in Indonesia, particularly concerning market access, as demonstrated by the *Business Model Canvas* (BMC) analyses. The Customer Segments, Customer Relationships, and Channels components of the BMC showed the most frequent flaws. Many businesses failed to define their target market; some tried to engage too large or incompatible sectors, resulting in unsatisfactory results. Furthermore, a mismatch between the offered value and the expectations of the target consumer groups usually resulted in Value Propositions failing to fulfill the demands of their intended audience. Frequently, these misalignments arose from a production-centric mindset, in which MSMEs prioritized product development over recognizing and addressing specific market challenges. As a result, these goods generally lacked relevance and effect, reducing market adoption and scalability.

To address these misalignments, this study used theoretical models that provide organized techniques for rationalizing corporate strategy, with an emphasis on market access and value proposition creation. The dependence on subjective, experience-based decision-making has emerged as a significant internal obstacle. Many MSMEs actors functioned intuitively, frequently ignoring objective, empirically supported models. This method not only resulted in trial-and-error cycles, but it also decreased the effectiveness of strategic planning. To address these inclinations, theoretical frameworks like as the *Value Proposition Canvas* and *Design Thinking* were used, which provide systematic, evidence-based methods to improve decision-making effectiveness.

The use of the *Value Proposition Canvas* was helpful in aligning firm products with consumer wants. This methodology allowed for a more in-depth understanding of market expectations by leveraging empathy-driven tools like *Customer Emphasize*. For example, Eremde selected Gen Z women as its ideal client niche by examining consumer preferences, purchasing behavior, and lifestyle habits. This approach was aided by *Simon's decision-making* approach (Intelligence, Design, and Choice), which stressed obtaining relevant facts (Intelligence), developing different solutions (Design), and selecting the best method (Choice). Using these approaches, Eremde effectively repositioned its value proposition to engage with its target demographic, including innovative tastes and branding strategies that appealed to Gen Z sensibilities while relying on Shopee as the most efficient sales channel.

Another important technique used was *Design Thinking*, which stresses iterative issue resolution via observation, ideation, and prototyping. This paradigm pushed firms to immerse themselves in consumer experiences, which allowed them to discover pain areas and develop solutions accordingly. For example, brainstorming approaches such as *Crazy 8* and *prioritization matrices* encouraged the production of concrete ideas, such as improving product packaging and marketing campaigns to directly target client preferences.

These methods not only improved customer interactions, but also closed significant market gaps, enhancing product adoption and scalability.

Additional, *Frugal Innovation* offers MSMEs a cost-effective solution to market access difficulties. MSMEs may save money while retaining quality by concentrating on resource efficiency and product simplicity. This method enables enterprises to develop cheap products that address the unique needs of underdeveloped markets, therefore contributing to both sustainability and competitiveness. MSMEs, for example, can employ local resources, eliminate waste, and provide products suited to local preferences, allowing them to stand out in the market (Kusumawardhany et al., 2022; Zhang et al., 2024). Furthermore, when paired with *Blue Ocean Strategy*, *Frugal Innovation* enables organizations to identify unexplored market segments, generating new demand without direct rivalry (Reniasi et al., 2022). Thus, *Frugal Innovation* offers an efficient, practical answer for MSMEs seeking to optimize resources and grow their market reach. Furthermore, combining *Blue Ocean Strategy* with inexpensive innovation will help MSMEs discover undiscovered market opportunities. MSMEs might avoid direct rivalry by focusing on developing new demand in a mostly uncontested market segment. *Frugal innovation*, when paired with *Blue Ocean Strategy*, enables enterprise to not only answer current market demands but also innovate in ways that differentiate their services, guaranteeing they inhabit an area with low competition and strong demand (Reniasi et al., 2022). This technique assists organizations in identifying their specialty, lowering costs, and establishing market leadership in new areas.

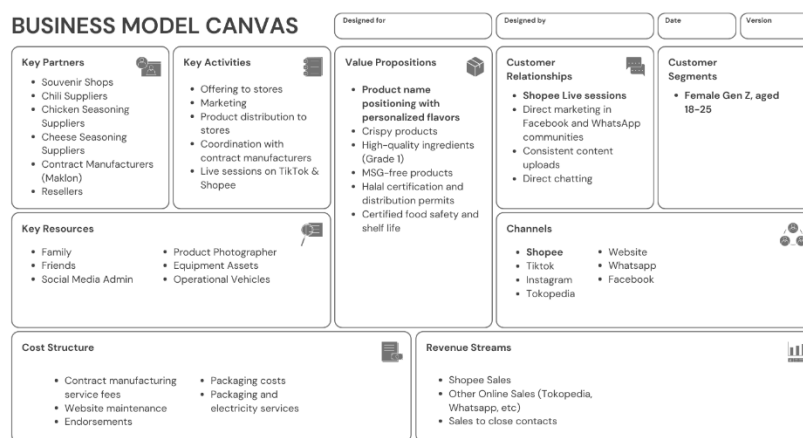


Figure 1. BMC of Eremde Micro-Entreprise

The Studi Independen program at Corporate Innovation Asia (CIAS) demonstrated the actual application of these academic frameworks. Eremde's utilization of the *Value Proposition Canvas*, *Simon's decision-making framework*, and *Design Thinking* approaches led to a considerable increase in market alignment and customer engagement. Eremde reduced market gaps and boosted scalability by using Shopee as its major sales channel and adopting Gen Z-friendly branding.

Companies like Rentalaja have proved the effectiveness of these techniques. Rentalaja demonstrated the transformational power of combining theory and practice, as constant use of rationalized frameworks in decision-making resulted in major gains. These findings highlight the importance of implementing market-oriented initiatives, as well as the critical role that programs like CIAS's Studi Independen play in closing knowledge gaps for micro-enterprises and students.

This study emphasizes the need of using theory-driven frameworks to solve the complex issues confronting MSMEs in Indonesia. The combination of the *Business Model Canvas*, *Value Proposition Canvas*, *Design Thinking*, and *Frugal Innovation* offers complete solutions for improving market access, aligning value propositions, and optimizing resource use. These findings emphasize the importance of programs like CIAS' Studi Independen in closing knowledge gaps for both businesses and students. These programs empower MSMEs to implement innovative, scalable methods by combining theoretical rigor and practical application, building resilience and competitiveness in the entrepreneurial ecosystem.

## Conclusion

This study identifies the substantial challenges encountered by MSMEs in Indonesia, especially regarding market access and alignment of value propositions. The application of frameworks such as the *Business Model Canvas* (BMC), *Value Proposition Canvas*, and *Design Thinking* reveals that numerous MSMEs face challenges in identifying and targeting appropriate customer segments, leading to misaligned value propositions. The dependence on subjective decision-making, along with the lack of strategic planning, intensifies these challenges, hindering effective business scaling.

The findings highlight the necessity of employing theoretical models to direct MSMEs towards more systematic, data-informed decision-making. The incorporation of models such as *Simon's decision-making* framework offers practical and objective solutions that allow businesses to realign their strategies and enhance service to their target customers.

*Frugal Innovation* presents a feasible alternative for MSMEs encountering resource limitations. Focusing on cost-effective, sustainable, and locally adapted solutions enables MSMEs to improve competitive advantage, decrease operational costs, and access underserved markets. The integration of *Frugal Innovation* with strategic frameworks such as *Blue Ocean Strategy* enables businesses to identify unexploited market opportunities, facilitating growth and sustainable success.

In summary, MSMEs in Indonesia can significantly benefit from the integration of theory-driven frameworks and innovation strategies, into their business practices. Programs like CIAS's *Studi Independen* are essential for addressing knowledge gaps, equipping MSMEs with the necessary tools to enhance their business models, increase market access, and promote sustainable growth. By adopting these strategies, MSMEs can navigate market obstacles and succeed in a progressively competitive business landscape.

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