

**THE MASTERY OF BASIC COMMUNICATION SKILLS OF FOREIGN LANGUAGES AS ONE OF THE EFFORTS IN IMPROVING MARKET-ACCESS AND PRODUCT-EXPORT PERFORMANCE OF SMALL AND MEDIUM ENTREPRISES IN INDONESIA**

**Aris Budi Setyawan**

Business and Entrepreneur Diploma Programme, Gunadarma University  
[arisbudi@staff.gunadarma.ac.id](mailto:arisbudi@staff.gunadarma.ac.id)

**Ichwan Suyudi**

Faculty of Letters, Gunadarma University  
[ichwan@staff.gunadarma.ac.id](mailto:ichwan@staff.gunadarma.ac.id)

**Abstract**

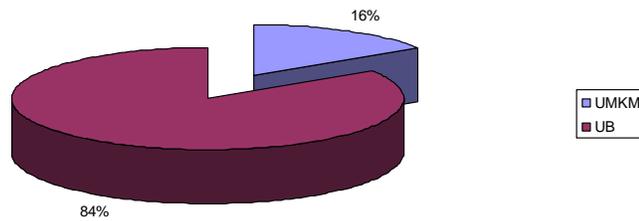
*The strength of small and medium enterprises (SMEs) is still relying on the local market, though they have given significant contributions to the Indonesian economy. This is due to the fact that they have not utilized global market. This can be seen from export-market share of SMEs which is still low (15.91%). One of the constraints of SMEs in accessing global market is most of the marketing staffs of SMEs have not mastered the basic-communication skills in a foreign language (English). Therefore, they find difficulties in communication to other people from other countries and this will cause some opportunities to open new market cannot be gained.*

*This paper is a preliminary study for field research that will be conducted in early September 2012. This study will produce a simple guide on basic-communication skills for the purposes of marketing activities of SMEs particularly in improving access to global markets. By mastering the basic-communication skills in opening new channels to overseas market, it is expected that the export performance of SMEs will be increased and their role for national economy will be more significant.*

**Keywords:** *Basic-communication skills in foreign language, SMEs, global market access*

**A. Introduction**

The role of small and medium scale enterprises (SMEs) in Indonesia's economy is always greater than the role of large-scale businesses. Until 2010, the contributions of SMEs in Indonesia's national income amounted to 57.12%, while large-scale business contributed only 42.88%. Similarly, in terms of employment, SMEs are able to absorb much more labor than large-scale businesses. Until 2010, the labor force that is able to be absorbed by the SMEs is almost by 99.5 million or 97.22% of total employment. However, the role or contribution is still derived from domestic economic activity in Indonesia.



Sources: Ministry of Cooperatives and SMEs in Indonesia, 2011

Figure 1. National Export Market Share, 2010

Until now, the value of commodity exports from small-scale enterprises is still very low from the total value of Indonesia's exports. Figure 1 shows that, by 2010, the contribution of exports from micro, small and medium enterprises is still very small 15.91% (16%) of the total national exports. The low value of exports or foreign economic activity of SMEs is due to several factors, such as: the lack of product diversification, the unqualified commodities, export administrative constraints, the lack of mastery of a foreign language as communication media to enter the global market. Therefore, some efforts should be made to the resolution of these issues so that SMEs does not only contribute positively to the local economy, but also participate in the global market. This is due to the fact that the potential export products of SMEs is very large (Refinaldy, 2004).

This paper is intended to give solution to the one of the obstacles faced by SMEs in accessing export markets or global market, through increasing the mastery of the basic-communication skills in foreign languages, particularly in English, such as: offering products orally and in writing, receiving orders orally and by mail, and other basic language skills.

The importance of mastering English as an international language can not be avoided. It is a must. English as a means of verbal communication has penetrated in almost every aspect of human life in this world.

One of the articles focuses on language in the internationalization of the firm is Crick (1999). This article investigates the use of language within UK small and medium- sized firms with export. The result from a large survey points to the conclusion that most firms are aware of the importance of languages but this is not reflected in their daily work and not within the recruitment and training of personnel.

Furthermore Crick explains that the use of foreign languages being one of the most salient elements of the communication of internationally working firms. The immediate research context is set by two studies referred to by Crick reporting: 1) that approximately 33% of English companies experience language problems in their contact with foreign markets, 2) that UK companies in general are losing valuable trading opportunities because they lack language skills in certain languages

According to Berger (1998), he works as a consultant in team building processes and in his article he identifies the cross cultural skills that are essential for the communication with others for whom English is not their first language.

Related with the role of foreign language ability in international marketing, Swift (1991) suggests that the importance of language is more than much recent language-oriented literature would have us believe. Looks at how and why language can become a barrier to communication, and then details the uses of a foreign language in marketing operations. Concludes by suggesting that language is the key to achieving market “closeness”, and it is for this reason that it is important.

Furthermore, Elisabeth Lord Stuart, Operations Director of the U.S.-Algeria Business Council, states that the lack of language skills among U.S. businessmen is an enormous barrier to increasing greater U.S. participation in overseas markets. Without appropriate language abilities in house, companies miss formal proposals and informal leads for business they could deliver overseas.

Therefore, in this paper we highlight the importance of mastering the English language skills for marketing agents, especially in small and medium enterprise sector whose human resources still have lack knowledge in English, so they find barriers to market their products. This situation will cause difficulty to build relationships with customers, vendors, and partners from overseas.

Beside mastering basic-communication skills, knowledge of the culture of a country and region is just as important as knowledge of the language. This is an integral part of a skill set not only for global professionals, but for any successful professional operating in a multicultural market.

## **A. Research Method**

The object of the research in this paper is small and medium enterprises (SMEs) located in Bekasi,, West Java. The focus of the issue is the communication problems in foreign language for the purposes of access to overseas markets or export. Samples were taken by purposive to the SMEs under supervision of Cooperative Council and SMEs in Bekasi.

This paper is a preliminary study for the field research that will be carried out in September 2012. The study was a descriptive study constructively, to bring out a brief guide of how to communicate in foreign language, that is English, that can be used by SMEs for overseas marketing activities.

## **B. Result dan Discussion**

In practice, there are many situations in which SMEs miss the opportunity to get buyers from other countries because they find difficulties to communicate with them in English. So, this will cause constraints to market the products to the global market.

The following situations describe the problem faced by SMEs:

First, when SMEs joined a trade exhibition, some of the visitors from abroad dropped in their outlets to see and observe the products they sell. The obstacle that may arise is the communication barrier between the sales agent of SMEs and the visitors. They cannot serve, offer and explain their products in English. This situation will result in losing potential opportunities to find a buyer from abroad. Therefore, some basic communication skills need to be trained to them, such as:

- *Good morning/afternoon /evening ...*
- *Welcome to our outlet ... please come in and have a look .....*
- *What can I do for you Sir/Madame?*
- *We have / provide products such as ....*
- *Which products do you like ...*
- *Please have a look on this .....*
- *Excuse me, this is our brochures...*
- *We give special discount for you .....*
- *Can we have your business card Sir/Madame ....*
- *Can we have your email address Sir/Madame ....*
- *See you ... and thank you for visiting our outlet Sir/Madame ....*

Secondly, in the marketing activities, when SMEs got a call from potential buyers from other countries. The problems sometimes arise when staffs of SMEs could not answer or respond to the caller who is potential buyer. This situation will result in losing opportunities to sell the products. Besides, this will bring into the negative impact on the credibility of the business. Therefore some basic skills in English communication need to be trained to the staffs of SMEs, such as:

- *Hello, this is SMEs..... good morning/afternoon/evening*
- *This is ..... who is on the line?*
- *What can I do for you Sir/Madame?*
- *Could you please repeat your phone number again?*
- *We will send you our offer as soon as possible*
- *Thank you for calling ...*

Language barrier may occur when SMEs receive letters or emails from prospective buyers from other countries. They still find obstacles to understand the content of the letters/emails and also they find troubles to answer them in English. Similarly, this situation will happen when SMEs would like to send letters/emails to offer products to potential buyers abroad. In this case, SMEs can actually utilize Google translate application to translate letters/emails to be sent. In the global era, the mastery of technology is also a must.

Therefore, in fact, SMEs have to start and get used to using a foreign language in its marketing activity, particularly for export-oriented SMEs. According to Stern (1984)

Language is a set of habits; teach the language not about the language. It needs repetitions and satisfactions.

Mastery of a language can not be learned in a short time. SMEs should continuously use both in everyday communication and in special occasions, such as in an exhibition or other business meetings forum.

By having fluent English communication, it is believed that the possibilities and opportunities to get new channels in the transaction will be obtained.

### **C. Conclusion and Suggestion**

The significant contribution and role of small and medium scale enterprises in the Indonesian economy can be enhanced by encouraging and improving the performance of the marketing and export of the products of SMEs into global markets. One of the efforts to solve the problems in exporting the products can be solved by improving the language skills of the marketing staffs, particularly in basic communication skills. The fluent and understandable communication will help much in introducing and negotiating products with overseas enterprises. Thus, this must be one of the priority efforts should be pursued by small and medium-sized businesses.

In the future, this effort needs support from all parties, especially the government and universities to facilitate the SMEs to improve their communication skills in foreign languages, so that SMEs can access foreign markets easily. Facilities, especially in terms of mentoring and providing training, can create conditions that make it possible for SMEs to learn to communicate in foreign language continually so that this becomes a positive habit.

### **D. Reference**

- Andersen, Helle, Erik S. Rasmussen, *The Role of Language Skills in Corporate Communication, Paper for the Nordic Workshop on Interorganisational Research, No.12, Kolding 16. – 18. August 2002*
- Berger, Mel.1998. Going global: implications for communication and leadership training. *Industrial and Commercial Training*, 30(4): 123-27
- Kementrian Koperasi dan UMKM Republik Indonesia, 2011, *Data Usaha Mikro Kecil Menengah Umkm Dan Usaha Besar Ub Tahun 2006-2010*
- Neddy Refinaldy, 2004, *Prospek Pengembangan Ekspor UKM, Infokop No. 25 Tahun XX*, page 99-106
- Stern, Hans Heinric, (1984) *Fundamental Concepts of Language Teaching*. Edition, 5. Oxford: Oxford University Press

Swift, Jonathan S., (1991) "Foreign Language Ability and International Marketing",  
European Journal of Marketing, Vol. 25 Iss: 12, pp.36 – 49