

Survival Strategies for the Internationalization of Small and Medium-sized Enterprises under Global Economic Fluctuations

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Abstract: Global economic fluctuations pose significant challenges to the survival and development of Small and Medium-sized Enterprises(SMEs), but also provide new opportunities for their internationalization. The strategies for SMEs to seek survival and development in the international market are mainly reflected in flexible market adaptation ability, differentiation of products and services, enhancement of innovation ability, and diversification of financing channels. By analyzing the dynamic changes in the current international market, SMEs need to actively adjust their strategic planning, make reasonable use of digital tools and platforms, and improve market penetration and brand influence. Strengthening international cooperation and resource sharing, integrating into the global supply chain system, so as to achieve sustainable development. The internationalization path of SMEs should focus on risk management, reducing the negative impact brought by uncertainty through in-depth understanding of the policy environment and cultural differences in the target market. In summary, SMEs need to flexibly use various strategies under the background of economic fluctuations to achieve their internationalization goals and enhance competitiveness.

1. Introduction

1.1. Research Background

Against the background of today's continuous deepening of globalization and economic integration, Micro, Small and Medium-sized Enterprises (MSMEs), as a key component of the economic system, are increasingly valued in the process of internationalization. The instability caused by global economic fluctuations has a significant impact on the survival and development of MSMEs. International market competition is heating up, and trade barriers The complex and changing policy environment has caused MSMEs to face multiple challenges in expanding their international business, including financing difficulties and market demand fluctuations caused by the financial crisis. With the rapid development of science and technology, digital technology has gradually penetrated into all walks of life, creating new opportunities for MSMEs. In order to develop international markets more flexibly and seek survival and development in the uncertainty of the global economy, MSMEs urgently need to explore global survival strategies that meet their own characteristics, and improve their competitive advantages and risk resistance. The research on the global survival strategies of MSMEs is conducive to providing theoretical frameworks and practical Practice guidance, and then contribute to the sustainable and stable development of the economy.

1.2. Research Significance

In the environment of increasing global economic fluctuations, MSMEs are facing complex market conditions and a changeable external environment. The successful promotion of globalization plays a key role in the stability and growth of the national economy. Exploring the global survival strategies of MSMEs is conducive to identifying the advantages and disadvantages of MSMEs in global market competition, and providing theoretical support for policymakers to more effectively promote the globalization process of MSMEs. Through the systematic analysis of the challenges and opportunities faced by MSMEs in the globalization stage, provide practical strategic guidance for operators and

help them take effective measures to cope with the uncertainty brought about by economic fluctuations. The study of the global survival strategy of MSMEs has enriched the research content in the field of international economy and management, promoted the development of relevant theories, provided reference for MSMEs in other economies, and promoted the sustainable development of the global economy. This research has important practical value and theoretical significance, and plays a positive role in improving the international competitive status and economic resilience of MSMEs.

2. Overview Related to the Internationalization of MSMEs and Global Economic Fluctuations

2.1. Definition and Internationalization Characteristics of MSMEs

MSMEs refer to enterprise types within a specific country or region that are classified according to standards such as the number of employees, operating revenue, and asset scale, with relatively small scale and high flexibility^[1]. The standards for defining MSMEs vary among countries. In China, such enterprises are usually classified based on the number of employees and operating revenue. Their core characteristics lie in strong market adaptation ability and flexible operation systems. The globalization characteristics of MSMEs are mainly reflected in the following aspects: the ways MSMEs enter the international market are diverse, often expanding overseas business through direct export, agency cooperation, and franchising; due to limitations in resources and financing ability, MSMEs often choose markets with lower risks and lower investment costs for layout; in the globalization process, MSMEs focus on innovation and differentiated development, using flexible organizational structures to respond quickly to market changes. The study of the globalization characteristics of MSMEs helps understand survival and development strategies under the background of globalization and provides guidance for practical operations.

2.2. The Connotation and Main Manifestations of Global Economic Fluctuations

Global economic fluctuations refer to the joint action of economic cycles, policy changes, market dynamics and other factors, triggering the phenomenon that global economic activities alternate between expansion and contraction^[2]. Fluctuations are specifically reflected in changes in economic growth rate, involving the ups and downs of the currency exchange rate, trade, and capital flow investment environment. The main characteristics including the instability of economic growth, the cycle of economic crisis, recession and recovery, manifested as fluctuations in international trade, frequent adjustment of transnational investment, and global supply chain restructuring, etc. Global economic fluctuations exacerbate market uncertainty, and enterprises face more risks when making globalization decisions. Economic fluctuations lead to frequent adjustment of monetary policies in various countries, affecting exchange rate fluctuations, and directly related to the export costs and competitive advantages of MSMEs. In this environment, MSMEs need to meet the challenges brought by global economic fluctuations by flexibly adjusting their strategies, optimizing resource allocation and diversifying market expansion, and strive to achieve stable development in the process of spherification.

2.3. The Dual Impact of Global Economic Fluctuations on the Internationalization of SMEs

From a positive perspective, economic fluctuations have prompted MSMEs to explore new markets and business opportunities to make up for the shortcomings of the local market. Economic uncertainty has pushed enterprises to accelerate the globalization process and reduce single market risks by expanding diversified income channels. Global economic development has promoted the growth of market demand in some countries or regions, creating new export channels for the products or services of MSMEs. On the contrary, economic fluctuations have also brought many challenges to the globalization of MSMEs, such as the uncertainty of the financing environment, and the intensification of economic fluctuations have made banks and other financial institutions more strict in the approval of loans for MSMEs. It affects the stability of the capital chain; exchange rate fluctuations and trade policy uncertainty have a significant impact on the cost control and profitability of MSMEs. In the face of the dual effects of economic fluctuations, MSMEs need to strengthen

market analysis and risk assessment, flexibly adjust globalization strategies, and achieve sustainable development [3].

2.4. The Necessity for SMEs to Build Survival Strategies

MSMEs often have relatively scarce resources. When encountering market difficulties and uncertainty, they lack the strong crisis resistance ability of large enterprises. Formulating systematic survival strategies helps enhance adaptability and advantage position, and efficiently respond to changes in the external environment. The construction of survival strategies can help MSMEs clarify market positioning and optimize resource allocation. Through flexible strategy adjustment and quick response, they can seize sudden market opportunities. Establishing a sound crisis management mechanism can improve the enterprise's ability to cope with financial fluctuations, policy changes, and market demand changes, and reduce potential losses. Optimizing survival strategies helps enhance the innovation ability of MSMEs and improve their position in the global value chain, striving to maintain continuous survival and development in intense international competition. Building survival strategies is a key link for MSMEs to achieve globalization goals and improve economic adaptability and advantage position.

3. Challenges of the Internationalization of SMEs under Global Economic Fluctuations

3.1. Market Demand Contraction and Intensified Trade Barriers

Global economic fluctuations often cause a reduction in market demand. During economic downturns or periods of increased uncertainty, the purchasing power of consumers and enterprises is suppressed, and this affects the international sales performance of MSMEs. The decline in market demand leads to inventory backlog and capital turnover difficulties. To keep competitive advantages, MSMEs are forced to take price reduction and other promotion measures in the international market. This reduces profit margins and limits sustainable development ability. The upgrading of trade barriers makes the globalization process of MSMEs more complex. Governments of various countries raise tariffs and strengthen supervision of non-tariff barriers to protect their own economies, which has a significant impact on the exports of MSMEs. Increased barriers raise the cost and risk of entering specific markets and force MSMEs to spend more time and resources studying policies and regulations of different markets [4]. Under the dual pressure of market demand contraction and intensified trade barriers, MSMEs need to adjust business strategies and seek new development opportunities and breakthrough paths.

3.2. Narrowed Financing Channels and Rising Cost Pressure

Against the background of global economic fluctuations, MSMEs are facing the problem of narrowing financing channels. The credit approval standards of traditional financial institutions are becoming stricter and stricter, and it is difficult for many MSMEs to obtain the necessary financial support, which affects the globalization process and market expansion ability [5]. The financing difficulties make MSMEs open up new markets, Investment in improving product quality and promoting technological innovation is limited, which exacerbates the disadvantage in international market competition. Economic fluctuations often cause fluctuations in raw material costs and increases in labor costs, leading to an increase in overall operating costs, seriously compressing profit margins, and even causing some small, medium and micro enterprises to fall into operating difficulties. Under the tight capital chain, enterprises have to take measures to cut expenses, which will affect product quality and service level, and damage brand reputation. In the face of tightening financing channels and increasing cost pressure, MSMEs need to explore diversified financing channels to attract venture capital, through equity financing, and seek government support. Accompanying relationships, etc., actively optimize operation management, improve efficiency performance, and consolidate its competitive advantage in the international market..

3.3. Supply Chain Interruption and Increased Operating Risks

SMEs usually rely on a relatively single resource supply channel, and their adaptability is

relatively limited. Once the supply of key raw materials or components is interfered, it will directly cause production interruption and delivery delays, affecting customer satisfaction and market credibility. The intensification of operational risks comes from the short-term impact of supply chain breakage, which affects enterprises. Long-term development plans constitute obstacles; in the international arena, SMEs need to pay more attention to the stability and security of transnational supply chains. The uncertainty and volatility in the supply chain make SMEs face greater risks in inventory allocation and demand forecasting, which often leads to idle resources and rising costs. In order to cope with the problems caused by supply chain interruptions, small and medium-sized enterprises should strengthen and expand cooperation with suppliers, build a flexible supply chain network, implement efficient risk response strategies, enhance the resilience of overall operations, and strive to ensure steady progress in the unstable global economic context.

3.4. Intensified International Competition and Compressed Profit Margins

The fluctuations of the global economy have made the competition in the international market more and more heated. Enterprises from all over the world are competing to enhance foreign investment and market expansion, which has put heavy pressure on the globalization process of SMEs. Against the background of the influx of many international competitors, SMEs in terms of pricing strategies, product quality and service levels Facing serious challenges, they have to continue to strengthen their core competitiveness to compete for a limited market share. In order to consolidate their market advantages, SMEs are often forced to adopt a price reduction strategy, which directly leads to the compression of profit margin, which in turn affects the ability of sustainable development. Compared with large enterprises, which usually have superior resource integration ability and market influence, SMEs are often at a disadvantage in the process of winning customers and expanding the market. The international market pays more and more attention to technological innovation and brand value. SMEs need to increase their investment in research and development and marketing to meet market needs. This further compresses the profit margin. SMEs have adopted flexible business models, innovated products and services, improved their market position through differentiated competition, and tried their best to ensure their survival and development in the fierce international competition.

4. Survival Strategies for the Internationalization of SMEs under Global Economic Fluctuations

4.1. Market Diversification and Precise Positioning Strategies

Market diversification means that enterprises expand to different regions, industries and customer groups to disperse potential market risks and resist the negative impact caused by the decline in single market demand ^[6]. This move creates new sources of income, which helps SMEs to enhance the international influence of their brands. Accurate market positioning strategies are very important. Small enterprises need to analyze the demand trends and consumer preferences of different markets, and strive to ensure that products and services meet specific market needs. Through market research, consumer feedback, competitive analysis and other methods, enterprises can formulate targeted market entry plans and accurately locate high-value market segmentation. To improve the added value and profit margin of products, in order to effectively implement market diversification and accurate positioning, SMEs need to flexibly adjust their marketing strategies, use digital marketing and social media platforms, strive to ensure the accuracy and efficiency of information dissemination, and enhance the competitiveness and survival basis in the international market.

4.2. Digital Empowerment and Business Model Innovation

Digital empowerment can enhance the operational efficiency of enterprises, bring more accurate market interpretation and customer recognition, and help small, medium and micro enterprises identify emerging market opportunities and consumption trends ^[7]. With the help of big data analysis, artificial intelligence and cloud computing and other technologies, MSMEs can optimize production

processes, reduce costs and improve product quality, and achieve More efficient resource allocation, such business strategy innovation is also an important means for small, medium and micro enterprises to cope with economic fluctuations. By reshaping the value chain and profit model, MSMEs can explore new income channels through platform economy, sharing economy or personalized services. Adapting to the ever-changing consumer needs, change helps to strengthen the flexibility and adaptability of enterprises, occupy an advantageous position in international market competition, build a digital marketing network to expand customer scope, improve brand exposure, and achieve faster market feedback and business expansion. Through digital empowerment and business strategy Innovation allows MSMEs to gain sustainable development momentum in an unstable economic environment.

4.3. Flexible Supply Chain and Cost Control Strategies

The flexible supply chain enhances the rapid adaptability of enterprises to market changes. When encountering emergencies and demand fluctuations, SMEs need to achieve rapid resource adjustment with the help of diversified supplier strategies and agile logistics deployment, and use cutting-edge information technology and data analysis means to track the actual operation of the supply chain in real time, early Identify potential hidden dangers and implement corresponding measures to significantly reduce the risk of supply chain interruption ^[8]. SMEs must pay attention to cost control, optimize production links through lean management, achieve efficient utilization of resources, reduce unnecessary expenses, improve the economic efficiency of the whole chain, and build a scientific budget management system and performance evaluation mechanism. It is conducive to stimulating employees' cost awareness and realizing the overall operational efficiency of enterprises. With flexible supply chain and lean cost management, SMEs can consolidate their competitive advantages and maintain sustainable development in the international market.

4.4. Strategic Alliances and Resource Integration Strategies

By building cooperative relationships with other enterprises, MSMEs can share resources, reduce costs, and achieve complementary advantages in technology, market, talents and other fields. Strategic alliances help enterprises to generate synergy, jointly respond to market changes and competitive pressures, and expand their market share ^[9]. MSMEs can cooperate with large enterprises. Establish cooperation with industry or industry partners, and quickly develop new markets with the help of market channels and brand influence. The resource integration strategy focuses on improving management efficiency and response speed by optimizing internal resource allocation and sharing external resources. MSMEs should actively join industry associations or chambers of commerce. With the help of collective forces to exchange information and resources, enhance their market adaptability and innovation potential, explore the integration of resources in different industries through cross-field cooperation, and explore new business models and market opportunities. With efficient strategic alliances and resource integration, small, medium and micro enterprises can achieve sustainable development in an uncertain economic environment.

5. Factors Influencing the Effectiveness of Survival Strategy Implementation in SMEs

5.1. Enterprise Resources and Capability Endowments

Resources are a key element for the growth of enterprises. Sufficient capital support can lay the foundation for market expansion, innovation and talent absorption. SMEs need to use diversified financing channels, including equity financing, debt financing and government support, to make every effort to ensure the continuous inflow of capital, and the professional literacy of enterprise human capital is efficient for strategy. Implementation is particularly crucial. Enterprises with high-level and specialized teams can better adapt to the market environment and achieve transformation and breakthroughs. Technical strength is the core driving force for SMEs to strengthen their competitive advantages. Continuous research and development focuses on improving the market competitiveness of products and catering to the evolving consumer needs. Enterprise social capital

and network resources play a significant role in the implementation of strategies. By building good ties with internal and external stakeholders in the industry, SMEs can obtain valuable information and assistance. In the global economic fluctuation environment, they are good at using their own resources and ability advantages to implement efficient survival strategies, which is conducive to SMEs. Enhance adaptability and adaptability, and achieve sustainable growth.

5.2. Precision and Effectiveness of Government Support Policies

Policy formulation should be closely combined with the actual needs of MSMEs, and provide targeted financial assistance, tax incentives, skill cultivation and other measures to promote the enhancement of reform strength and market expansion ^[10]. In the process of policy implementation, the government should pay attention to efficient support for MSMEs, and strive to ensure the rational allocation and use of resources, and avoid resource waste and injustice occur, and regular evaluation of policy effect and market response is the key to improving policy effectiveness. Through research and data analysis, the government can adjust the policy direction in a timely manner to meet market changes and enterprise demands. Communication and collaboration between the government and MSMEs is particularly important. Building a good communication mechanism can enable enterprises to better understand relevant policies, enhance the openness of policy implementation, and improve the sense of participation and enthusiasm of enterprises. In the context of global economic fluctuations, accurate and efficient government support policies can provide a solid support foundation for MSMEs, and help them truly achieve sustainable globalization development.

5.3. Collaborative Stability across the Industry Chain

Efficient coordination enables enterprises upstream and downstream of the industrial chain to optimize resource allocation, reduce operating costs, and consolidate overall competitive advantages ^[11]. When all links in the industrial chain establish close cooperation, MSMEs can adapt to market changes faster and significantly improve the flexibility of responding to fluctuations and adjusting supply. High-quality industrial chain coordination can reduce the risk of uncertainty. Through information and resource sharing, enterprises can accurately predict market trends, improve production plans, and ensure timely delivery of products. On the contrary, if the cooperation between upstream and downstream enterprises is loose, it will cause problems such as information deviation, resource redundancy, and decline in output quality, which will damage the profit margin and market positioning of MSMEs. SMEs need to take the initiative to deepen communication with suppliers and customers, build a system of mutual trust and cooperation, enhance the overall resilience of the industrial chain, effectively respond to various challenges under economic fluctuations through coordination and stable upstream and downstream links, and achieve the vision of sustainable global development.

5.4. Uncertainty in the International Trade and Economic Environment

Factors such as changes in international market policies, the strengthening of trade barriers, exchange rate fluctuations and geopolitical turmoil have made the market environment unstable, forcing SMEs to face more variables when formulating strategies. Uncertainty increases the operating costs of enterprises, resulting in the loss of market opportunities, while SMEs rely on their keen market insight And rapid response ability, able to adapt to the continuously changing international pattern, uncertainty prompts SMEs to pay more attention to market research and risk assessment, and implement dynamic adjustments to reduce potential losses. The efficient crisis response mechanism helps enterprises maintain a competitive advantage in complex environments. Through the flexible application of diversified market entry strategies and response plans, strive to ensure sustainable development in an unstable international economic and trade environment, and to deal with uncertainty in a flexible and innovative way, so that SMEs can improve the adaptability and survivability of the international market.

6. Conclusion

Against the background of increasing global economic fluctuations, this article deeply explores the serious challenges faced by micro-enterprises in the globalization process and puts forward targeted survival strategies. Micro-enterprises can effectively resist external risks by implementing market diversification, digitally empowering transformation, and building flexible supply chain alliances. These strategies The implementation effect is affected by multiple external conditions such as the strength of enterprises, government support policies and industrial chain synergy. Micro-enterprises must take into account internal and external development, which requires the government and all sectors of society to form a synergy to jointly create a more flexible global development environment. These also help achieve sustainable growth in the complex and changing global economic landscape.

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