

# **DEVELOPING MARKETING STRATEGY OF MADANA TILES SURABAYA TO ENTER THE NEW MARKET ON SOUTHEAST ASIA:**

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## **ABSTRACT**

Madana Tiles is the first cement tile company in Surabaya city. Due to being produced entirely by hand, the Tile of Madana Tiles is assured of its authenticity and uniqueness. With a periodically supervised production process, it allows us to control the entire process with the best results and competitive pricing. Cement tiles have been used and produced in Indonesia for tens or even hundreds of years, and have become part of Indonesian culture, therefore, the vision of madana tile is to preserve the culture by introducing its products and providing opportunities to the community by opening employment. Of course we also want to work with architects, interior designers, and customers as much as possible so as to enable the creation of innovations in design. Customers can also design their own tile design.

Madana Tiles already has a web, but the web is not yet complete including catalogs. The incomplete Web can make consumers unable to guess what kind of tiles Madana Tiles produces. We from team 21 have some ideas that can help marketing tiles Madana Tiles is by using the catalog as a means of promotion. We will make the catalog in the form of e-catalog (2D) and real catalog (3D). Why do we recommend Madana Tiles to create an e-catalog, because on the web Madana Tiles below has a complete catalog so that consumers who see the web can not choose the tile design variations. As for the 3D catalog, consumers can see directly the variations, designs and colors of the finished tiles.

Our team chose the Southeast Asia sector because there are several opportunities. Cambodia, Laos, Malaysia, Singapore, Thailand. Among its centralized locations, the country wants to expand its trade and investment activities, has abundant natural resources and has advanced technology and economics.

**Keywords:** *Tiles, Catalog Promotions, Marketing Strategy, Export, Southeast Asia*

## 1. COMPANY PROFILE

Company Profile is short description which, among other items of information, includes firm's history, number and quality of its human, financial, and physical resources organizational and management structure, past, current and anticipated performance, and its reputation, and the standing of its goods or services. (Business Dictionary)

Madana tiles is a company tegel handmade that has theme old style and the vintage. The owner has been conducting research since 2015. On 2016 this tegel company has been running and newly formed CV. Mahadina kreasitama in 2017. Madana tile formed because there were plant tegel similar who has been standing for a long time in Yogyakarta City and needs process of 8-12 months to make it. The process of making tegel is need a long time to do that's has caused consumers can change their mind for not order in Yogyakarta City. Then the establishment of madana tiles receive the ball so consumers flocked to madana tile. Madana tiles be one of them plant tegel in East Java so that people should not be all the way to Yogyakarta and madana tiles able to compete in Jakarta and Bali by the raw materials that has good , strong and having the value of quality to the higher of now competitors. The most crucial step in strategic planning is formulating the vision and mission statements. Strategic planning success depends largely on the proper identification and formulation of the vision and mission statements. They add to the organizational identity (Ozden, 2011). The following is the vision and mission of madana tiles:

### 1.1 Madina Tile's Vision

Being firm the best in tile industry, full of power inventiveness and innovation, and able to contribute means for the development of society and the state

### 1.2 Madina Tile's Mission

Upholds the quality products and services with apply the principle of efficiency consistently , so that capable of producing pottery of good quality and affordable by customers.

Apply production process a dynamic, creative and innovative.

### 1.3 Madina Tile's Organizational Structure

Dimas Pramudita Sudibyo as President Director.

Billy Joy Suryata as Commissioner.

Edward Yapeter as Commissioner.

Agus as Head Of The Factory.

Jamal as Head Of Machine Division.

### 1.4 Current Situation

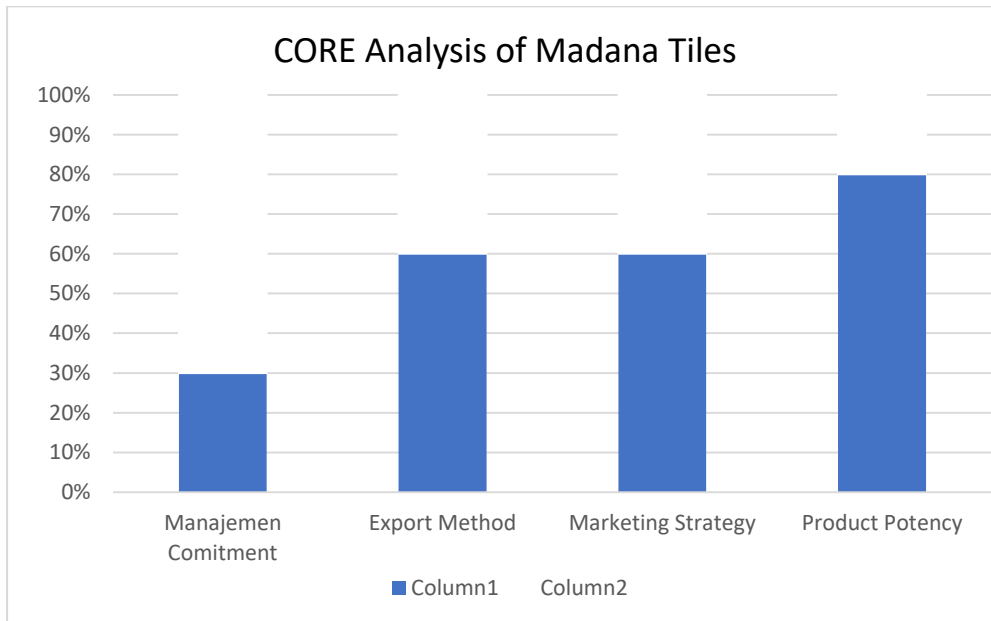
MadanaTiles is not yet ready to be export's tegel now due to restrictions in labor and the number of the machine. MadanaTiles can still compete inside the country because of Madana Tiles always keep the quality control on tile and the worker.

**Address:** Jl. Raya Kelurahan Lontar No.10Surabaya-60216

**Website:** <http://www.madanatiles.com>

**PIC:** Billy Joy Suryata 081259595979 - [cs@madanatiles.com](mailto:cs@madanatiles.com)

## 1. COMPANY READINESS ANALYSIS



**Picture 1.1** The Analysis Strategy of Madana Tiles.

Here are the steps to prepare a company to be ready enter the overseas market: First, the company must clearly articulate the reasons why it wants to be involved in international business. Objectives and goals of international expansions are an essential prerequisite for the entire international market entry strategy. The next process is the firm must define of product or products it wants to deliver to a foreign market. At this point it is essential to determine the distinctive features of the product in terms of price, quality and other characteristics and verify whether they are still unique in non-domestic markets. Managers also have to consider the global product life cycle as well as the scope and costs of adapting products to foreign markets (Root, 1994). Company must choose the Country market selection in international expansion identify the target market which it wants to offer its product. This is known as International Market Aelection (IMS).

The company still focusing on domestic area it's because of they are open since 2015 and lack of workers so it will be need of some experience too. This company have some workers for it's need to complete the domestic consumer and just take a order from Indonesia region only. In this year they want add some machine for production and some workers. After field visit from the team, the owner set a goal that next year he will prepare the company for go international and they are proud if team can help the company to register company for export and how to export (The step for What-to-do and the needs for export). The company have do export to Singapore on 2016 because they have a friend on that country and this friend's company need some tegel. The conclusion is what company do is ready for go international right now but depends on order because he still needs some workers and the machine for manage the export.

## 2. RECOMMENDED PRODUCT IDEA

Madana Tiles have vintage color tints with a unique tile design as they are fully hand-produced. In addition to accepting orders with existing tile designs from Madana Tiles, the company also accepts consumers who want to design and determine the colors of the tiles to be ordered to maintain their uniqueness. Madana Tiles already has a web, but the web is not yet complete including catalogs. The incomplete Web can make consumers unable to guess what kind of tiles Madana Tiles produces. We from team 21 have some ideas that can help marketing tiles Madana Tiles is by using the catalog as a means of promotion. We will make the catalog in the form of e-catalog (2D) and real catalog (3D). Why do we recommend Madana Tiles to create an e-catalog, because on the web Madana Tiles below has a complete catalog so that consumers who see the web can not choose the tile design variations. As for the 3D catalog, consumers can see directly the variations, designs and colors of the finished tiles.

## 3. COUNTRY SELECTION

Our team has choose on Southeast Asia sector because there's some oppurtunities. Cambodia, Laos, Malaysia, Singapore, Thailand. On this below we will explain why we choose this countries.

**Cambodia** is underdeveloped but due to its centralized location, cheap labor, and abundant agriculture, it has become very attractive to foreign investors.

Opportunities:

Mining due to untapped reserves.

Extensive land for agriculture.

Ancestral sites for tourism.

Infrastructure projects to find a solution to the underdeveloped situation in Cambodia.

**Laos** a landlocked country who seeks to extend itself into the free market economy and to expand its trade and investment activity.

Opportunities:

Rich sources of hydropower and low domestic demand lead to more energy exports. More energy exports will also lead to a demand in equipment, parts, and components for harnessing electricity.

Mineral production has increased and due to commodity price increase, this has made the country more interested in mining development. In light of this, it comes naturally that mining equipment would also be in demand.

Tourism as a means of generating foreign revenue due to rugged terrain and affordable prices.

The environment in Laos is in need of rehabilitation and the environmental sector provides opportunities to those who wish to take part in the restoration of Laos' resources.

**Malaysia** ,This country has been blessed with natural resources and has become a source of high tech goods and electronic services.

Opportunities:

Notable gas and oil reserves that attract foreign investors.

The country aims to be the center for the aerospace industry specializing in aircraft maintenance, repair, and overhaul.

In the agriculture, food, and beverage sector, there is a demand for convenience foods, processed commodities, health, and organic foods that the country cannot supply on its own.

**Singapore** ,This small ASEAN country prides itself in an advanced, modern economy. It is known as the most open economy in the world for foreign trade and investment.

Opportunities:

Singapore deals in imports of electronic supplies and continuously finds ways to develop it.

Developing oil and gas petrochemical refining industries.

In an effort to know more about science, devices and instruments needed for this is in demand.

Environmental science is considered a priority. Thus, clean technology development will appeal to scientific talent and foreign investment.

Information technology generates a big portion of the country's revenue and they have decided to invest heavily on this sector.

A continuous effort in pursuing pharmaceuticals and bio-medical technology has led to more opportunities in resources needed for doing such.

**Thailand** ,The second-largest economy and the country that has withstood challenges and whose economy is growing despite it all.

Opportunities:

A leading automotive manufacturing center in Asia constantly attracting foreign investors.

Information technology constantly being worked on for improvement and more room for opportunities.

#### **4. MARKETING STRATEGY**

Kotler and Armstrong (2012, p.66) describe an organization's marketing environment as a combination of actors and forces which affect success of a company in building and maintaining its relationship with target customers, consequently affecting profitability of an organization. Segmentation and targeting of customers allows the marketer to deliver a product within the target audience needs and wants (Pickton and Broderick, 2005: 373). In marketing, segmenting, targeting and positioning (STP in short) is a broad framework that

summarizes and simplifies the process of market segmentation. Market segmentation is a process, in which groups of buyers within a market are divided and profiled according to a range of variables, which determine the market characteristics and tendencies. The processes of segmentation, targeting and positioning are parts of a chronological order for market segmentation.

## **5.1 Segmentation, Targeting and Positioning**

Segmenting is the act of dividing a market into different buyer groups that may require separate marketing products and / or combinations of marketing. Segmentation comprises identifying the market to be segmented; identification, selection, and application of bases to be used in that segmentation; and development of profiles.

Madana Tiles market segmentation based on geography factor shows that the tiles of Madana Tiles can be marketed not only in urban areas only. Tegel Madana Tiles not only can be used for cafes in urban areas, but these tiles can be used in homes.

Madana Tiles market segmentation based on demographic factors shows that Madana Tiles focuses more on architects, interior designers and people who will design tiles from the cafe to be built. However, this company will continue to serve orders from individuals.

Madana Tiles market segmentation based on psychographic factors shows that Madana Tiles can be ordered by middle to upper class. The purchase price of Madana Tiles tiles is rather expensive because the unique design and fully hand-made requires a considerable amount of power.

Targeting is an act of evaluating the liveliness of the attractiveness of each market segment and selecting one or more of these market segments to enter. Targeting is the process of identifying the most attractive segments from the segmentation stage, usually the ones most profitable for the business. According to Business Dictionary Targeting is selection of potential customers to whom a business wishes to sell products or services. The targeting strategy involves segmenting the market, choosing which segments of the market are appropriate, and determining the products that will be offered in each segment. Targeting from Madana Tiles are the architects and interior designers.

Positioning is "the act of designing the company's offering and image to occupy a distinctive place in the minds of the target market "(Kotler and Keller 2008 p. 268). Positioning is the act of putting the competitive position of the product and the proper marketing mix on every target market. Positioning is the final process, and is the more business-orientated stage, where the business must assess its competitive advantage and position itself in the consumer's minds to be the more attractive option in these categories. The result is a persuasive reason why the target market should buy the product or products (Kotler and Keller, 2009: 308).

Madana Tiles in terms of variety, design, and color tend to be superior to other tile companies. Company tiles Madana tiles have many variations with unique designs because they are hand drawn and vintage colors.

## **Pricing Strategy**

Pricing decisions are more than just a 'mechanical' exercise of adding margins for profit to costs. Price setting must become an integral part of the marketing strategy of the company and must be consistent with corporate and marketing objectives and other elements of the

mix. In addition to these inputs to pricing decisions, the marketer must also consider demand, cost and competitors. Although cost-based and competitor-based pricing methods can be used, they suffer from major weaknesses. The most useful approach is a marketing-oriented one that does not neglect costs and competitors, but is one that is essentially based on customers and their perceptions of value. A whole set of complex factors affect pricing decisions, making this in fact one of the most complex and difficult areas of strategic market planning. If anything, this complexity is compounded by the dynamic nature of pricing with so many developments affecting the pricing process. (Universitas Narotama).

According to the firm's type of clients, demand and vision, a clear pricing strategy must be elaborated in order to maximize its profits under its constraints. The price, as we saw, represents much of the product or service image and positioning, being a critical factor to determine whether a company has a successful or unsuccessful path. With this work we hope to have identified the most important pricing strategies in a clear manner, supported by pertinent and applicable examples. (Professor Rui de Carvalho)

What we use for the pricing strategy is Prestige Pricing because marketing strategy where prices are set higher than normal because lower prices will hurt instead of helping sales, such as for high-end perfumes, jewelry, clothing, cars, etc. Also called image pricing. The tile pricing is look for customer demand and it's difficult.

## **Distribution Channel**

In its broadest sense, when it refers to the whole economic system, distribution is the allocation of income and assets within one society. In business economics, distribution relates to the allocation of goods to the recipients. In general, distribution includes all activities that enable the transfer of material and/or economic power over tangible and/or intangible goods from one economic subject to another (Wirtschaftsleyikon24.net, 2011). According to business dictionary distribution channel is the path through which goods and services travel from the vendors to the consumer or payments for those products travel from the consumer to the vendors.

Analytically, distribution is defined as: the road (trail) that goods take between the time of conclusion of the production and the final entry on the market; the distribution channels (the participants to the successive movement of goods along this route); the physical workflows facing goods on that route (sorting, pre or packaging, handling, transportation, storage, etc.) that raise their value (and price); their economic transactions (selling-buying, leasing, consignment, etc.) supposed at their successive passage through each ring, until the entry into consume, by which it is gained the successive transfer of ownership upon the goods from one market agent to another; the physical distribution or logistics, with all components of the technical system that perform operations (network units, machinery and equipment, personnel etc.); the chain of decisions that transfers involve, closely related to those of other components of the marketing mix. (Adrian GHERASIM).

Madana Tiles use the advantages from the Interior Designer because only the designer can manage what mode is consumer love on design. The designer also can provide the consumer that who is use him to design oftenly so it will help Madana Tiles will to give the tiles on his design.

## **Promotion Strategy**

Relationship marketing as contrasted to transaction marketing involves relational exchanges that trace to previous agreements. There are four types of buyer-seller relationships – bilateral relationships, seller-maintained relationships, buyer-maintained relationships, discrete exchanges (Dwyer, Schurr and Oh 1987). Consumers in today's marketplace are enlightened and empowered by the information that they have at their disposal from the internet and from many other sources. Their access to supply sources has expanded dramatically beyond their immediate locality by virtue of catalogs, the internet, and other media. Consumers have the opportunity to compare prices, quality, and service. In turn, they demand competitive prices, high quality, tailored or customized products, convenience, flexibility, and responsiveness. They tend to have a low tolerance level for poor quality in products and or service. However, this is not the case of Opoku Trading as the finding indicated that management has not done well to establish cordial relationship with their customers. Again, the analysis and discussions also indicated that most of the customers are between the ages of 18 and 24 meaning they are youth who are fascinated by technology. Besides, they also constitute the working population and do not have the time to go to the shop floor to buy but prefer to shop online. (European Journal of Business and Innovation Research)

Madana Tiles will use pull strategy promotion. The goal of pull marketing is to get the customers to come to you, hence the term pull, where marketers are attempting to pull customers in. Common sales tactics used for pull marketing include mass media promotions and media social, word-of-mouth referrals and advertised sales promotions. From a business perspective, pull marketing attempts to create brand loyalty and keep customers coming back.

## **5. EXPORT PROCESS**

What is must ready for the document, licensing, and a means of transportation, but first step is the company must have the NIK(Nomor Induk Kepabean). NIK we can get it through online with customs website ([www.beacukai.go.id](http://www.beacukai.go.id)). Second step is The requirements that in accordance with goods or commodities which are considered profitable that what we would do the export, Where to do the export that's on government regulation.

Licensing agreement in order PDE export:

Letter request to customs.

Copy of Akta Pendirian Perusahaan dan SK Pengesahannya.

Copy of Akta Perubahan dan SK pengesahannya.

Copy of NPWP.

Copy of Surat keterangan Terdaftar Pajak.

Copy of Pengukuhan Pengusaha Kena Pajak.

Copy of Surat Keterangan Domisili.

Copy of SIUP.



Copy of Tanda Daftar Perusahaan (TDP).

Copy of Identitas Penanggung jawab Perusahaan (Direksi).

Authenticof Surat Kuasa /Surat Tugas Pengurusan Nota Kesepakatan PDE Eksport.

Authenticof Company Profile.

How's the processing order of an export order is going:

### **Having an Export Order:**

Processing of an export order starts with the receipt of an export order. An export order, simply stated, means that there should be an agreement in the form of a document, between the exporter and importer before the exporter actually starts producing or procuring goods for shipment. Generally an export order may take the form of proforma invoice or purchase order or letter of credit.

### **Examination and Confirmation of Order:**

Having received an export order, the exporter should examine it with reference to the terms and conditions of the contract. In fact, this is the most crucial stage as all subsequent actions and reactions depend on the terms and conditions of the export order.

The examination of an export order, therefore, includes items like product description, terms of payment, terms of shipment, inspection and insurance requirement, documents realising payment and the last date of negotiation of documents with the bank. Having being satisfied with these, the export order is confirmed by the exporter.

### **Manufacturing or Procuring Goods:**

The Reserve Bank of India (RBI), under the export credit (interest subsidy) scheme, extends pre-shipment credit to exporter to finance working capital needs for purchase of raw materials, processing them and converting them into finished goods for the purpose of exports. The exporter approaches the bank on the basis of laid down procedures for the pre-shipment credit. Having received credit, the exporter starts to manufacture/procure and pack the goods for shipment overseas.

### **Pre-Shipment Inspection:**

There are number of-goods whose export requires quality certification as per the Government of India's notification. Consequently, the Indian custom authorities will require the submission of an inspection certificate issued by the competent and designated authority before permitting the shipment of goods takes place.

Inspection of export goods may be conducted under:

Consignment-wise Inspection

In-process Quality Control, and

Self-Certification.

The Inspection Certificate is issued in triplicate. The original copy is for the customs verification. The second copy of the certificate is sent to the importer and the third copy remains with the exporter for his reference purpose.

### **Goods to Port of Shipment:**

After the excise clearance and pre-shipment inspection formalities are completed, the goods to be exported are packed, marked and labeled. Proper marking, labeling and packing help quick and safe transportation of goods. The export department takes steps to reserve space on the ship through which goods are to be sent to the importer.

The shipping space can be reserved either through the clearing and forwarding agent or freight broker who works on behalf of the shipping company or directly from the shipping company. Once the space is reserved, the shipping company issues a document known as Shipping Order. This order serves as a proof of space reservation.

If goods are sent through a road carrier to the port, no specific formality is involved. In case, the goods are sent by rail to the port of shipment, allotment of wagon needs to be obtained from the Railway Board.

### **Port Formalities and Customs Clearance:**

Having received the documents from the export department, the clearing and forwarding agent takes delivery of the cargo from the railway station or the road transport company and stores it in the warehouse. He also obtains customs clearance and permission from the port authorities to bring the cargo into the shipment shed. The custom department grants permission for export at the office of the customs and physical verification of goods in the shipment shed. The clearance for export is given on the Shipping Bill.

The clearing and forwarding agent is required to submit the following documents with the Customs House for obtaining customs clearance and permission:

Shipping Bill

Contract Form

Letter of Credit, if applicable

Commercial Invoice

GR Form

Inspection Certificate

AR4/AR4A Form

Packing List, if needed

After receiving documents from the export department, the clearing and forwarding agent presents the Port Trust Document to the Shed Superintendent of the port. He obtains carting order bringing the cargo to the transit shed for physical examination by the Dock Appraiser.

### **Certificate of Origin:**

On receipt of above documents from the forwarding agent, the exporter now applies to the Chamber of Commerce for a Certificate of Origin and obtains it. If the goods are exported to countries offering GSP concessions, the exporter needs to procure the GSP Certificate of Origin from the concerned authority like Export Inspection Agency.

### **Dispatch of Shipment Advice to the Importer:**

At last, the exporter sends 'Shipment Advice' to the importer intimating the date of shipment of the consignment by a named vessel and its expected time of arrival at the destination port of the importer.

The following documents are also sent to the importer to facilitate him for taking delivery of the' consignment:

- Bill of Lading (non-negotiable copy)
- Commercial Invoice
- Packing List
- Customs Invoice

### **Submission of Documents to Bank:**

At the end of the process, the exporter presents the following documents to his bank for realisation of his amount due to the importer:

- Commercial Invoice
- Bank Certification
- Certificate of Origin
- Commercial Invoice
- Packing List
- Letter of Credit
- Marine Insurance Policy
- GR Form
- Bill of Lading
- Bill of Exchange

### **Claiming Export Incentives:**

On completion of the processing of an export order at the three levels of shipment i.e., pre-shipment, shipment and post-shipment, the exporter claims for export incentives admissible to him/her.

## **6. EXPORT RISK**

Furniture export products, Indonesia has many entrepreneurs who have some good designs for furniture. Data analysis notes that foreign countries love handicrafts in Indonesia, this makes many orders from Indonesia to export these handicrafts to their country. In line with government regulations, furniture export permit must be granted special permit. Many of the risks companies will face when exporting. Risk is a combination of probability and level of consequence (Ale2002).

There's some export risk that exist if we dont manage it:

### **Commercial or credit risk**

At export as the domestic market, the failure of the buyer generates unpaid invoices. The nature of this risk depends on the local legislation on bankruptcies.

If it is necessary to ensure the solvency of the customer, it is also important to obtain information about its ability to meet its commitments. This behavioral aspect is essential in Export business because it is not always possible to obtain financial information because of the local culture and practices. Moreover, good financial statements provide no guarantee if the company has a habit of not respecting its obligations. Credit risk should be assessed as accurately as possible and should be covered by one or more appropriate tools.

### **Political risk**

It is the risk of occurrence of political events (war, social instability, bankruptcy of state, etc.) in the buyer's country which may affect the interests of the seller, that are economic and / or human. This type of event can disrupt or cancel trade transactions to the detriment of the seller and generate outstanding invoices. This risk applies to private and especially public purchasers.

If it occurs, remedies are very uncertain for the seller and may take a long time to complete. It is therefore necessary to

anticipate this risk and to cover it.

### **Currency exchange risk**

When the currency of the seller and the buyer are different, any change in the exchange rate has negative effects on one of the two actors. If the sale is made with the currency of the buyer, the risk is supported by the seller who can see the benefits of the sale melting due to devaluation of the currency of the customer. The evolution of the exchange rate can have several economic and political backgrounds that are not necessarily predictable.

### **Bank risk**

This is the risk that a bank does not meet its commitments or because it is not impartial (connivance with the buyer), or because it is not solvent. If this is the case, guarantees obtained from them may not be honored, which can lead to outstanding. Problems are common concerning transactions by cash against documents or letter of credit (without confirming and notifying bank).

### **Delivery risk**

The Incoterm defined during commercial negotiation has a major impact on the responsibility of actors including the seller in the delivery of the goods. It can be brought to bear hazard beyond its control if the transfer of responsibility was poorly negotiated. This risk must be considered and narrowed by commercial negotiation (obtaining a more advantageous incoterm) or, if this is not possible, by insurance.

### **Contractual risk**

If it is the buyer law, the risk to the seller is not having the necessary skills in-house with consequences a commercial contract which includes clauses against him (no liability limit, no limit commitment ... etc..) and, in case of dispute, having to perform an action in the country of the buyer with all the uncertainties that this entails.

## **7. RECOMMENDATION**

The risk has been explained on top and there's some recommendation for Madana Tiles that's will often are found on the export things.

### **Foreign Exchange Fluctuations Risks**

Normally export invoices are made in foreign currencies. If the exporter has invoiced as buyer's currency, he will be subjected to risk of foreign exchange fluctuations. If the foreign currency depreciates in terms of currency of domestic country of exporter, exporter will receive lesser amount in terms of such currency of exporter's country. In the same circumstances, if the exporter's currency depreciates, exporter stands to gain.

If the exporter negotiated his documents with bank under Letter of Credit, the bank will be bearing the risk. However, if the exporter has sent the bill for collection, the exchange rate on the date of receipt of foreign currency in India will be given to the exporter. If export bill has discounted (purchased) also bank absorbs such exchange rate fluctuation as exporter already received his amount immediately up on such purchase. If there is intervening difference in the exchange rate between the date of giving the bill for collection and the date of realization, exporter stands to lose or gain, depending on the trend in fluctuation.

### **Risk of loss or damage of goods in exports**

Buyer or Seller covers insurance against goods exported based on the delivery terms agreed between buyer and seller. If Ex works shipment, the insurance on exported goods is covered by the buyer/importer. Insurance on export goods under FOB, CFR terms are also covered by importer/buyer.

Under a shipment of CIF,CIP,DAP,DDP,DDU, etc., insurance is paid by Seller of export goods. I have written detailed articles about Incoterms in this website. You may go through the same to have more information.

Once you got intimation about cargo loss or cargo damage, immediately you have to intimate the insurance company about the same. Insurance company appoints a surveyor to survey the goods with the required documents. You can get claim from general insurance companies who are involved in undertaking coverage for exporters.

### **Commercial risk of export**

Commercial Risks which includes Insolvency of the buyer, Protracted default in payment (Importer has to pay within four months of due date) and Under special circumstances specified in the policy, buyer's failure to accept the goods though there is no fault on the part of exporter.

## **8. CONCLUSION**

There are many ways to attract more customers and increase demand one of them is to have social media or web that can attract consumers as well as make consumers decide to buy products, Tiles Madana already has a web with international language (English) but web catalog. has little color and model variations. In order for the viewing customer to be more confident and decide to buy, Ubila Madana should increase the color and model variations

on Madana Tiles. To enter the international market, companies must adapt to international market standards. Tiles Madana must face some risks to enter new markets in Southeast Asia, such as demand uncertainty and problems with importers / distributors. To overcome this, Ubaya Madana must predict the market before actually entering the market in Southeast Asia. There are several ways to predict the market, but the most appropriate way for Ubaya Madana is to conduct a market survey to find out the response of people in Southeast Asia with products from Ubin Madana. This can be done through online sites to make it faster and easier. And also, Ubaya Madana needs someone from every country in Southeast Asia to become his representative in the country who helps Madana Tiles organize the shipment into the hands of the consumer, in order to avoid loss due to product damage during shipment, Tiles Madana must make clear. handle and use the insurance services in the delivery of its products.

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