

EXECUTIVE SUMMARY

The study aims to design the company's marketing strategies for International market to penetrate the United States market by made to order and own brand product.

PT. PARAMA RAYA SHOE INDUSTRY is a private Indonesian company whose main activity is to manufacture and sale sports shoes for export and domestic. Use with initial capital of Rp. 50 billion and production capacity of 70.000 pair per month in 1990 becoming 550.000 pair per month with total sales about Rp. 174 billion in 1992 and the output 95% will be exported and 5% for domestic.

The firm has shown the ability to adapt rapidly to the needs of Nike Inc. USA in the contract manufacturing areas. This fact indicates that the company can move rapidly to take advantage of the USA export market opportunities in making products according to USA Design specifications.

To penetrate the US market and generate export volume is a direct function of preception of the US Buyer, so company have to fullfill the condition as :

- Quality/Plant Support Staff
- Delivery/Depandable reliable
- Price/Competitive Worldwide

Marketing Entry Strategies for penetrating United State
Market Would be :

Year 1 : - Indonesian Trade Mission to USA and Industry
trade shows
- Indonesian Group Dealing with Oriented Based
trading Co.,/or Branch Office
- U.S. Marketing Representatives Agreement

Year 2 : - U.S. Marketing Representatives Agreement
- Marketing and Sales Combination Agreement
- Indonesian Group Dealing with Orient Based Trading
Co.,/Or Branch Office

Year 3 : - Initial Marketing Office USA
- Indonesian Group Dealing with Oriented Based
Trading Co.,/or Branch Office.

From the financial point of view, liquidity of the company is not impressive and total assets has increased from 34,404 million rupiah to 148,942 million rupiah or 333% by the end of 1992 while debts also increased from 26,267 million rupiah to 95,228 million or 262% at same period.

Inventory turnover and average collection period are quite long, fixed assets turnover for a three years period was increasing and in the good condition, while total assets turnover was not good pictures at the first and second of the three years period but at the third year there is a relative high increasing of the ratio.

For the year 1990 and 1991, net profit margin was lossed, gross profit margin are low and operating expenses were high but in 1992 the company created ROI arround 7.7%, and over the three years period EBIT is increasing by percentage at 216% and 500%.

Using the Multiple Discriminant Analysis (MDA) can be concluded that Z value for 1990, 1991 and 1992 are : 0.94, 1.11, and 1.27 respectively is not good condition.