

# CHAPTER I

## INTRODUCTION

### 1.1. Background of Study

Indonesia is in the regional globalization era which has started since 2003, and is facing the world wide globalization in 2010. Globalization is supposed to be seen as an opportunity for companies to expand their markets around the world, because globalization is free quota. Free quota means that there are no limitation about the total sum of the export products so every company is given the freedom to export as many goods as they want. In reality globalization consequently forces many Indonesian companies to compete for their markets; not only against the local companies but also the foreign companies.

Griffin and Pustay state that 'Exporting is the process of sending goods or services from one country to other countries for use or sale there.' (Griffin and Pustay, 1999: 416). Export is one of the options for developing companies with their product which has an unquestionable quality to gain business relationships with foreign companies. These business relationships will help developing companies to maintain their business in the globalization era, moreover to show their existence in the business world. To support the activities during the export transactions, such as negotiation, Indonesian companies need to apply English as their language, as Dowson says that 'English is the greatest language of the world spoken natively by billions of people and is the greatest as a second

language by million more'  
(Dowson, 1963:46)

I agree with Dowson's statement because by applying English language for communication, especially in a negotiation, it will help both parties to deliver their companies' needs. When both companies' needs have been acknowledged, they could gain understanding towards each other which will open a bigger chance to achieve a successful mutual agreement during the negotiation.

The situations above are the reasons for me to choose "The Use and The Impact of Good English in Business Written Negotiation at Rumah Batik Komar In Order to Expand Its International Market" as the title of the term paper. I choose to discuss the written negotiation because oral negotiation would require a long recalling memory. To support that, I have chosen Rumah Batik Komar locating on Jl. Cibeunying Permai V no 25, Bandung (Workshop). Rumah Batik Komar is one of the small developing Batik industries in Indonesia that has exported their products to some foreign countries.

## **1.2. Identification of the Problem**

1. How far did Rumah Batik Komar apply English that does not follow the rule of "good" English on their written negotiation for export with one of American companies, Human Style LLC ?
2. What is the impact of using "good" English in doing business written negotiation for export to the American market ?

### **1.3.1. Objective of the Study**

1. To clarify the measurement of “good” English in doing business written negotiation. (theoretically)
2. To find out how far Rumah Batik Komar has applied the theories of “good” English in doing business written negotiation.
3. To find out the impact of using “good” English in doing business written negotiation between Rumah Batik Komar and its American clients.

### **1.3.2. Benefit of the Study**

1. Batik Komar will be able to understand the measurement of “good” English.
2. Batik Komar will be able to see the impacts resulted from the usage of “good” English on its business.
3. Students of Faculty of Letters in Maranatha will be able to understand the measurement of “good” English in business written negotiation for export.
4. Students of Faculty of Letters in Maranatha will be able to see the impact or effect to apply “good” English to achieve success in export business written negotiation.

#### **1.4. Concise History of the Company**

Rumah Batik Komar was established by Mr. H. Komarudin. Kudiya., M. Ds. in 1998. When it first started, the company only had around 5 until 10 workers but now it has 225 workers. The company's production capacities are 100 until 200 pieces per month for handmade Batik and 3500 until 5000 pieces per month for combination Batik (combination between *batik tulis and cap*). In order to introduce Rumah Batik Komar locally, the company had some achievement such as the creation of a 130 meters length making-batik in 2003 in Trusmi-Cirebon. Secondly the creation of a 400 meters length making-batik in 2005 at Gedung Sate, Bandung. The third is the creation of the biggest seal for batik stamp which was made from copper in 2005.

Rumah Batik Komar also made its early steps to enter the international market by making some surveys about Batik market and also holding some exhibitions in many foreign countries. Until the year of 2005, Rumah Batik Komar has already been taken a part in 13 exhibitions. By participating in the exhibitions Rumah Batik Komar gets most of its consumers. The company's markets share for export are Germany, Netherlands, France, Italy, England (European markets); Singapore, Japan, Malaysia (Asian markets); America and while for the local markets are Bandung, Jakarta, Surabaya and Bali.

#### **1.5. Product of the Company**

The company produces two kinds of batik, the first one is handmade batik and the second one is combination batik. The materials that they use to make batik are woven silk, chinese silk, and cotton. The types of products that they produce are material shirt, sarong set, slayer, scarf, stoles and accessories.

### **1.6. Limitation of the Study**

In doing the paper I will only limit to Rumah Batik Komar's American market. The American market is chosen because American market has a smaller market scope than European market. To represent the American market, I will study the business written negotiation for export between Rumah Batik Komar with Human Style LLC from Portland, Oregon, USA. The study will be on their Memorandum of Understanding (MOU)

### **1.7. Layout of the Term Paper**

This term paper starts with the Abstract, a concise summary of the entire paper in acknowledges the work and contribution of other parties. After that is the Table of Contents, followed by its five chapters :

- Chapter I is the introduction to the analysis
- Chapter II contains the library research
- Chapter III deals with the performance of the research
- Chapter IV contains the result and discussion of the research
- Chapter V contains the conclusion, and suggestions.