**Tiles and Ceramics Ltd (TCL): The way forward**

Tiles and Ceramics Ltd (TCL), a fairly young firm in Iznik, Turkey, faces rapidly changing markets and increasing competition. Iznik is famous for its hand painted tiles, mostly in different shades of blue. The region’s special clay has enabled to produce long-lasting quality tiles over the centuries.

Modern methods of production are new to the industry in Iznik. TCL is regarded as the largest and most modern domestic producer. However, as a manufacturer for the international market, it is considered to be in its infancy and in need of technical and management know-how.

Current production comprises ceramic tiles for walls, flooring and decorative purposes. The company is considering entry into the export trade and diversifying into sanitary ware and tableware. Its managing director is an experienced retailer of tiles and sanitary ware. Tableware, a product line unrelated to the construction industry, will require separate construction channels.

TCL holds 30 percent of the domestic market for the ceramic tiles and is facing significant challenges from its closest competitors, BCD and PK, which have a combined share of 65 percent. Considering that both these companies were established many years earlier, TCL has been exceptionally successful. The remaining 5 percent of the market is supplied by imports, mainly from Italy and Germany.

Demand for high quality, high priced imports carrying prestigious brand names is increasing as income is rising significantly in certain sections of the population.

TCL’s production cost are rising with the costs of imported raw materials, a situation exacerbated by the imposition of an import duty of 40-120 percent on such items as dyes, moulds and chemicals. The company’s profit margins are shrinking and the impending entry of another domestic supplier is regarded as a threat.

**Questions**

1. Evaluate the current position of the company (TCL) with SWOT analysis.
2. Suggest suitable international marketing mix strategy for the TCL.