

## Analysis of Incoterms and Payment Terms Preferences for Export Transactions Among Exporters: A Case Study Using an Online Survey

Nur Muhammad Abdillah

Faculty of Economics, State Islamic University of Maulana Malik Ibrahim Malang

Email Correspondence Author: nurmuhammadabdillah4@gmail.com

---

### Abstract

**Keywords:** *Exporter, Incoterms, Payment Term, Online Survey, Export Transaction.*

*This study is entitled "Analysis of Incoterms and Payment Term Preferences for Export Transactions Among Exporters: A Case Study Using an Online Survey". The purpose of this study is to identify the most commonly used Incoterms and Payment Terms by exporters in Indonesia, as well as to analyze the factors that influence their preferences. The research method used is a quantitative approach with an online survey distributed through the Instagram account @overbeardekspor, involving 33 respondents who are export companies. From the survey results, it was found that the most widely chosen Incoterms were FOB (Free On Board), which was chosen by 16 respondents, while the most widely chosen Payment Term was Telegraphic Transfer (TT), which was chosen by 26 respondents. The main reasons underlying the choice of Incoterms were lower risk (51.5%) and ease of administration (48.5%). Meanwhile, the main reasons for choosing Payment Terms were transaction security (72.7%) and speed of payment (57.6%). The biggest challenges faced by respondents in choosing Incoterms and Payment Terms are transaction risk (60.6%) and regulatory differences (33.3%). Most respondents suggested choosing Incoterms class C and D and Payment Term TT to gain greater benefits with mature risk considerations. These findings are expected to provide guidance for exporters in choosing the right Incoterms and Payment Terms to reduce risk and increase efficiency in export transactions.*

---

## INTRODUCTION

Indonesia is one of the developing countries that has great potential in the export sector. With its wealth of natural resources and diverse superior products, Indonesia is able to compete in the international market. Commodities such as palm oil, rubber, coffee, cocoa, and various manufactured products have positioned Indonesia as an important player in global trade. However, in carrying out export-import transactions, there are two important elements that need to be considered by business actors, namely Incoterms and Payment Terms. These two elements have a crucial role in determining costs, responsibilities, and risks between sellers and buyers.

Incoterms (International Commercial Terms) are a series of international trade terms published by the International Chamber of Commerce (ICC). These terms are used to define the responsibilities of sellers and buyers in the process of shipping goods. Each Incoterm regulates various aspects such as shipping of goods, transfer of responsibility, insurance, and customs duties. For example, FOB (Free on Board) requires the seller to bear all costs and risks until the goods

are on board the ship, while CIF (Cost, Insurance, and Freight) adds the seller's obligation to insure the goods until they arrive at the destination port. EXW (Ex Works) is a term that gives minimal responsibility to the seller, where the buyer must bear all costs and risks after the goods are ready to be picked up at the seller's location.

Meanwhile, Payment Terms or payment terms are provisions that regulate how and when payments are made in international trade transactions. Common types of Payment Terms include Letter of Credit (LC) and Telegraphic Transfer (TT). LC provides a guarantee from the bank that payment will be made as long as the terms in the document are met, thereby reducing the risk for the seller. TT, on the other hand, is a fast payment method and is often used in international transactions because of its simplicity. Choosing the right Payment Terms is essential to ensure payment security and reduce financial risk. Poor Payment Term choices can lead to serious problems, such as payment delays or even loss of the entire payment.

Although there are many Incoterms and Payment Terms available, not all business actors know the most appropriate and low-risk options to use. This uncertainty often causes hesitation in choosing the appropriate Incoterms and Payment Terms, which can ultimately impact the efficiency and security of export transactions. Many factors influence the choice of Incoterms and Payment Terms, including the level of experience of the exporter, the type of product being exported, the destination country, and the level of trust between the seller and the buyer. Inappropriate use of Incoterms and Payment Terms can increase risk, reduce profits, and hinder operational efficiency.

Along with the development of technology and communication, online survey methods have become an effective tool in collecting data from respondents who are widely spread geographically. In the context of this study, online surveys allow researchers to collect data quickly and efficiently from exporters throughout Indonesia. This survey can provide valuable insights into exporters' preferences regarding Incoterms and Payment Terms, as well as the factors that influence their decisions.

This study aims to identify the most commonly used Incoterms and Payment Terms by exporters in Indonesia, and analyze the factors that influence their preferences. By understanding exporters' preferences and considerations, it is hoped that this study can provide practical guidance for export business actors in choosing the right Incoterms and Payment Terms to reduce risk and increase efficiency in export transactions. In addition, the findings of this study can provide significant contributions to the development of better and safer international trade strategies for Indonesian exporters.

## **METHODS**

This study uses a quantitative research method with an online survey approach distributed through the Instagram account @overheardekspor. This survey involved 33 export companies throughout Indonesia who have experience in conducting export transactions. The data collected from this survey will be analyzed quantitatively to identify the most commonly used Incoterms and Payment Term preferences, as well as the factors that influence these choices. Data analysis was carried out using descriptive statistical methods to provide a clear picture of the preferences and practices that exist among exporters.

### **Research Location**

This research was conducted on Instagram followers @overheardekspor with more than 16,000 followers from all over Indonesia as of May 2024, one of the Instagram accounts that has many followers on social media that discusses education and complaints of export business actors in Indonesia. The selection of this Instagram account is based on the high interest of exporters who follow the Instagram account @overheardekspor on the Instagram application and easy access to get respondents through the existing Instagram admin.

With this background, it is hoped that this research can provide a significant contribution in understanding and educating export business actors regarding the most appropriate choice of Incoterms and Payment Terms to minimize risks and increase the efficiency of export transactions.

### **Data collection technique**

Data was collected through an online survey using Google Form which was distributed via the Instagram account @overheardekspor.

### **Data Analysis Techniques**

The collected data was analyzed descriptively to determine exporters' preferences for Incoterms and payment terms.

## **RESULTS AND DISCUSSION**

### **a. Respondent Data Description**

This study involved 33 respondents who filled out the survey, where 32 respondents were active exporters and 1 respondent had never exported. In terms of gender, 7 respondents were female and 26 respondents were male. The ages of the respondents varied with 25 respondents aged between 20-30 years, 6 respondents aged 30-40 years, and 2 respondents aged 40-50 years.

The respondents' last education showed quite significant variations: 10 respondents were high school graduates, 7 were Diploma graduates, 14 were Bachelor's graduates, and 2 were Postgraduate (S2/S3) graduates. Based on work experience in the export sector, 30 respondents had less than 5 years of experience, 2 respondents had between 5-10 years of experience, and 1 respondent had more than 10 years of experience. The frequency of exports each month showed that 25 respondents exported irregularly, 3 respondents

exported 1-2 times each month, 2 respondents exported 3-5 times each month, and 3 respondents exported more than 5 times each month.

### b. Incoterms Preferences

Incoterms apa yang paling sering Anda gunakan dalam transaksi ekspor?

33 jawaban

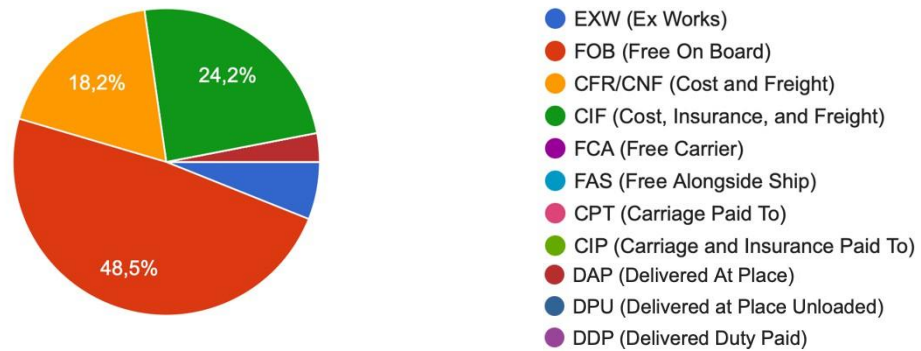


Figure 1. Respondents' choice of Incoterms

Survey results show variation in Incoterms preferences among exporters:

- 2 respondents chose Incoterms EXW (Ex Works).
- 16 respondents chose Incoterms FOB (Free On Board).
- 6 respondents chose Incoterms CFR/CNF (Cost and Freight).
- 8 respondents chose Incoterms CIF (Cost, Insurance, and Freight).
- No respondents chose Incoterms FCA (Free Carrier).
- No respondents chose Incoterms FAS (Free Alongside Ship).
- No respondents chose Incoterms CPT (Carriage Paid To).
- No respondents chose Incoterms CIP (Carriage and Insurance Paid To).
- 1 respondent chose Incoterms DAP (Delivered At Place).
- No respondents chose the Incoterms DPU (Delivered at Place Unloaded).
- No respondents chose the Incoterms DDP (Delivered Duty Paid).

The reasons behind choosing these Incoterms vary:

- 48.5% chose based on ease of administration.
- 21.2% due to lower costs.
- 51.5% chose because of lower risk.
- 27.3% due to customer satisfaction.
- 45.5% because it is easier to get a deal.
- 36.4% because it is easier to understand.
- 9% for other reasons.

**Mengapa Anda memilih Incoterms tersebut? (Pilih semua yang sesuai)**

33 jawaban

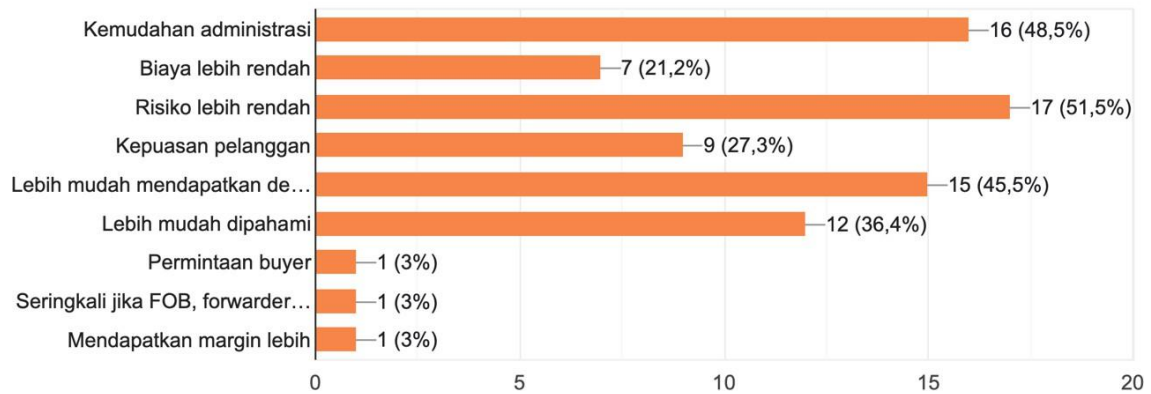


Figure 2. Reasons respondents chose these Incoterms

**c. Payment Term Preferences**

**Payment term apa yang paling sering Anda gunakan dalam transaksi ekspor?**

33 jawaban

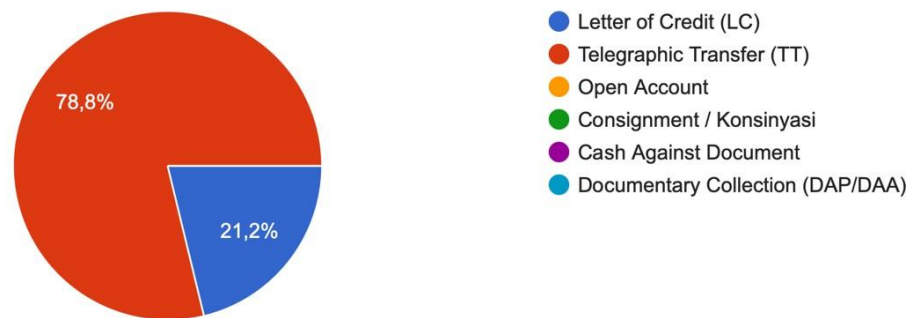


Figure 3. Payment terms chosen by

respondents. Payment term preferences show the following distribution:

- 7 respondents chose Payment Term Letter of Credit (LC).
- 26 respondents chose Payment Term Telegraphic Transfer (TT).
- No respondents chose the Payment Term Open Account.
- No respondents chose the Payment Term Consignment.
- No respondents chose Payment Term Cash Against Document.
- No respondents selected Payment Term Documentary Collection (DAP/DAA).

The reasons behind choosing these Payment Terms include:

- Transaction security (72.7%).
- Payment speed (57.6%).
- Trust in business partners (42.4%).

- Lower costs (27.3%).
- Other reasons (6%).

#### Mengapa Anda memilih payment term tersebut? (Pilih semua yang sesuai)

33 jawaban

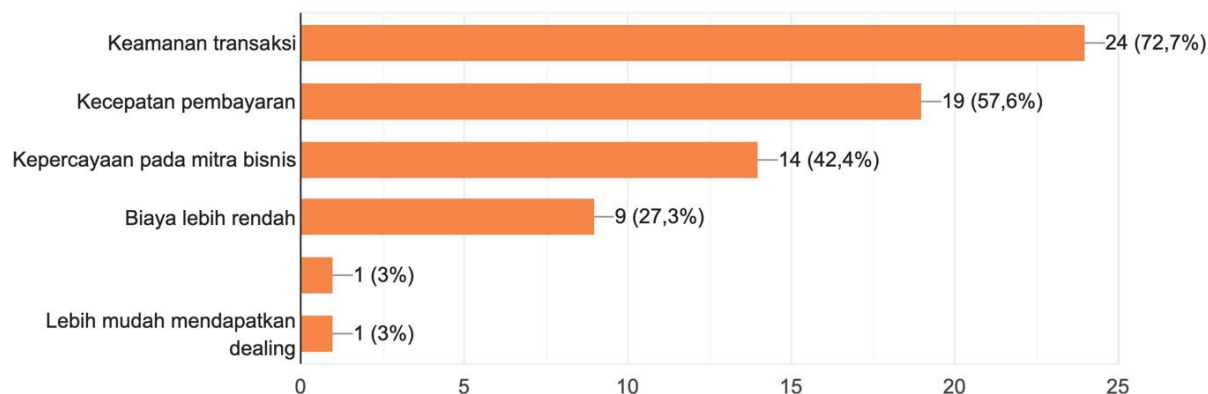


Figure 4. Reasons why respondents chose these Payment Terms.

#### d. Factors Influencing Preferences

The biggest challenges faced by respondents in choosing Incoterms and Payment Terms include:

- Transaction risk (60.6%).
- Regulatory differences (33.3%).
- High cost (33.3%).
- Administrative complexity (30.3%).
- Other reasons (3%).

Respondents provided some suggestions for other exporters in choosing the right Incoterms and Payment Terms. The most frequently mentioned suggestion was to choose Incoterms FOB and CIF because it can provide more benefits with mature risk considerations. For Payment Terms, many respondents suggested using Telegraphic Transfer (TT) with payment when the copy of the B/L has been sent to reduce the risk of non-payment.

## CONCLUSION

The results of the study show that FOB and TT are the most common Incoterms and Payment Terms used by Indonesian exporters. FOB is considered simpler in administration and safer in terms of risk, while TT offers better security and speed of payment. This is in accordance with the objectives of the study to identify the most common Incoterms and Payment Terms and analyze the factors that influence these preferences.

Factors such as ease of administration, risk, cost, and customer satisfaction greatly influence exporters' choices. Exporters tend to choose options that minimize risk and cost, while increasing transaction efficiency. By understanding these preferences, exporters can make better decisions in choosing Incoterms and Payment Terms, which will ultimately increase the efficiency and security of their export transactions.

This study also provides practical guidance for exporters in choosing Incoterms and Payment Terms that suit their needs, so as to minimize risks and increase the efficiency of export transactions. In addition, this study provides an important contribution in understanding and educating export business actors about the most appropriate Incoterms and Payment Terms to minimize risks and increase the efficiency of export transactions.

## REFERENCE

- Amiruddin, R., Abdullah, M. R., & Noor Bakri, A. (2025). The Influence of e-WOM, Fashion Trends, and Income on the Consumption Style of the Muslim Community in Palopo City: A Quantitative Analysis. *El-Qist: Journal of Islamic Economics and Business (JIEB)*, 14(2), 185–205. <https://doi.org/10.15642/elqist.2024.14.2.185-204>
- Arno, A., & Mujahidin, M. (2024). Enhancing Zakat Management: The Role of Monitoring and Evaluation in the Amil Zakat Agency. *Jurnal Economia*, 20(3), 397-418. doi:<https://doi.org/10.21831/economia.v20i3.53521>
- Fauziah, I. (2018). *Buku Panduan Export & Import*. Ilmu Cemerlang Group.
- Fiqran, M., Mujahidin, M., Bakri, A. N., & Abdulrahman, A. J. A. (2024). Motivation for Waqf in Millennials and Generation Z: Highlighting Religiosity, Literacy and Accessibility. *IKONOMIKA*, 9(2), 309-332.
- International Chamber of Commerce. (1993). *ICC Uniform Customs and Practice for Documentary Credits (Vol. 43, No. 3)*. ICC Publishing, Incorporated.
- International Chamber of Commerce. (2019). *Incoterms 2020: ICC rules for the use of domestic and international trade terms*. ICC Publications. ISBN: 978-92-842-0510-3.
- Ishak, I., Putri, Q. A. R., & Sarijuddin, P. (2024). Halal Product Assurance at Traditional Markets in Luwu Raya Based on Halal Supply Chain Traceability. *Amwaluna: Jurnal Ekonomi dan Keuangan Syariah*, 8(2), 224-240.
- Istiyanto, B., Soimun, A., Navianti, D. R., Rupaka, A. P. G., & Sadri, P. D. A. (2022). Analisa pengambilan keputusan incoterms 2020 pada perusahaan jasa pengiriman. *Jurnal Teknologi Transportasi Dan Logistik*, 3(1), 29-38.

- K, A. ., Astuti, A. R. T. ., & ., Mujahidin. (2024). The Impact of Word of Mouth and Customer Satisfaction on Purchase Decisions: The Role of Maslahah as an Intervening Variable in the Cosmetic Products Industry in Indonesia. *Journal of Ecohumanism*, 3(7), 1525–1540. <https://doi.org/10.62754/joe.v3i7.4307>
- Majid, N. H. A., Omar, A. M., & Busry, L. H., Mujahidin Reviving Waqf In Higher Education Institutions: A Comparative Review Of Selected Countries. *European Proceedings of Social and Behavioural Sciences*.
- Meilany, R., Fasiha, F., & Moalla, M. (2025). The Role of Interest as a Mediator in The Relationship of Knowledge and Islamic Financial Inclusion to The Loyalty Costumers of Non-Muslim. *IKONOMIKA*, 10(1), 1-24.
- Mujahidin, Rahmadani, N., & Putri, Q. A. R. (2024). Analysis of the Influence of Religiosity Values In Reducing Consumptive Behavior in Indonesian Muslim Consumers. *Amwaluna: Jurnal Ekonomi dan Keuangan Syariah*, 8(2), 253-274.
- Nurfauziah, R., Febrian, T., Ferry, R., & Fauzi, M. (2023). ANALISIS PENGAMBILAN KEPUTUSAN INCOTERMS PADA PENGIRIMAN SUKU CADANG DENGAN MODA TRANSPORTASI LAUT PADA PT XYZ. *Jurnal Lebesgue: Jurnal Ilmiah Pendidikan Matematika, Matematika dan Statistika*, 4(1), 252-260.
- Putri, Q. A. R., Fasiha, F., & Rasbi, M. (2024). Affiliate marketing and intention to adopt mudarabah: The mediating role of trust in Islamic financial decision-making. *JEMA: Jurnal Ilmiah Bidang Akuntansi Dan Manajemen*, 21(2), 337–362. <https://doi.org/10.31106/jema.v21i2.23381>
- Rakhman, R. A., Nofandi, F., & Sianturi, I. (2023). PENGAMBILAN KEPUTUSAN TENTANG INCOTERMS 2020 DALAM PERDAGANGAN INTERNASIONAL COCONUT PRODUCT. *Journal of Syntax Literate*, 8(4).
- Sapsuha, M. U., Alwi, Z., Sakka, A. R., & Al-Ayyubi, M. S. (2024). Review of Gold Trading Practices on Credit (non-Cash) Based on Hadith. *Al-Kharaj: Journal of Islamic Economic and Business*, 6(3).
- Setiawan, A., Saribanon, E., Rafi, S., Yuliasih, M., Pahala, Y., Susanto, P. C., ... & Soehaditama, J. P. (2023). *Pengantar Manajemen Transportasi dan Logistik*.
- Supardi, E. (2021). *Ekspor Impor Korespondensi Dan Sales Contract, Letter Of Credit, Dan Mekanisme Dan Prosedur Ekspor-Import*. Deepublish.



- Supardi, E. (2021). Ekspor Impor Perdagangan Internasional (Ekspor-Impor), Masalah-Masalah Di Dalam Kegiatan (Ekspor-Impor), Para Pihak Yang Terlibat Dalam Kegiatan Ekspor-Impor, Metode Pembayaran Dalam Perdagangan Internasional. Deepublish.
- Wijaya, A., Putri, A. Y. R., & Saleh, A. D. (2022). Incoterms dalam Perjanjian Perdagangan Internasional. *Jurnal Litigasi Amsir*, 69-78.
- Wulandari, S., Irfan, A., Zakaria, N. B., & Mujahidin. (2024). Survey Study on Fraud Prevention Disclosure Measurement at State Islamic Universities in Indonesia. *IQTISHODUNA: Jurnal Ekonomi Islam*, 13(1), 327–348. <https://doi.org/10.54471/iqtishoduna.v13i1.2305>
- Zefanya, A., Trisnamansyah, P., & Maulana, M. (2023). Risiko dalam Implementasi Free On Board (FOB) Berdasarkan Incoterms 2010 pada Penyelenggaraan Pengangkutan Laut. *IKRA-ITH HUMANIORA: Jurnal Sosial dan Humaniora*, 7(3), 251-258.