

Competitive intelligence analysis: indosat's competitive moves to defeat telkom as an incumbent fixed telecommunication company

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Abstrak

The background of this thesis was the starting of war in telecommunication sector after the government issued Act no 361199 about Telecommunication. The war became sharper when Telkom as an incumbent fixed telecommunication company must close its cross ownership toward all of subsidiary company with Indosat as the only one company who served in international telecommunication services, and when the government gave license to new entrants to enter to telecommunication sector. Telkom and Indosat must compete each other in all fields, include in fixed telecommunication sector. In this sector, Telkom as an incumbent must face Indosat as a new entrant. As an incumbent, Telkom must maintain its business growth. On the other hand, as new entrant, Indosat will attempt to defeat Telkom in the sector which as long was dominated by Telkom.

This thesis was case study which focused on Competitive Intelligence Analysis based on Competitive Early Warning (CEW) Process. The purposes of this thesis were to describe Telkom's risk identification through anticipation and prediction toward Indosat's competitive moves, to describe the result of intelligence monitoring toward Indosat's competitive moves, and to create scenarios and strategy recommendations as intelligence product to support Telkom Management to win in fixed telecommunication battle field in Jakarta.

Data was collected through four collection sources: people (human intelligence), objects, emanations and records. Analysis tools which were used in this thesis were: SWOT analysis to take new entrant's big picture look and predict new entrant's grand strategy, BCG Matrix to identify centre of gravity as the battle field in fixed telecommunication sector, CEW Process to map new entrant's competitive moves, and 5W+H Question to guide intelligence monitoring and analysis.

The result of this thesis as the answer of key intelligence topics are:

- (1) Indosat has taken some competitive moves in fixed telecommunication battle field in Jakarta. Indosat has launched its fixed wire line product and fixed wireless product in some potential market niches in Jakarta. These competitive moves are triggered by the good prospect in fixed telecommunication business, the emerging of new technology, and the changing regulation in telecommunication sector.
- (2) In the beginning, Indosat has used aggressive grand strategy to enter in the fixed telecommunication market. In fixed wire line market, Indosat used frontal offensive and bypass offensive as tactical strategy. In fixed wireless market, Indosat used flank offensive as tactical strategy. Overall Indosat has not succeeded to take over Telkom's customer in Jakarta. Nevertheless, in fact, Indosat has succeeded to increase its leased customer drastically.
- (3) The war has not finished. Indosat is predicted will take other competitive moves. There are six possible

scenarios: Guerilla Strategy, Encirclement Strategy, Position Strategy, Counter Offensive Strategy, Contraction Strategy, and By Pass Strategy. Some indicators inclined to show that Indosat will take Contraction Strategy. Thus, Telkom should focus on this strategy. The strategy recommendation to defeat Indosat's Contraction Strategy is Encirclement Strategy.