

VALUE PROPOSITION ANALYSIS TELKOMSEL LOOP CARD PRODUCTS

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ABSTRACT

This study aims to analyze marketing strategies and value propositions offered by Telkomsel LOOP card products. This study used a descriptive qualitative method. Data collection methods carried out in this study were interviews, observation, and documentation. This study uses an analysis of 11 value proposition elements Osterwalder and Pigneur (2014). The results of the analysis show that the new nature of LOOP cards has a youth segment, has uneven network performance, LOOP cards adjust services offered with youth, completes work with Ruangguru learning applications, has a design that is characterized by youth, has brand or card status for young creative and inspirational, has a cheap price offer according to youth, reduced fees from promos, reduced risk of credit reminders and quotas and 24-hour call center, ability to access from the MyTelkomsel, LOOPkita application and comfort and usability when registering cards and choose internet package. Therefore, LOOP cards can position products according to their youth segment.

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1. INTRODUCTION

The development of the current era of globalization has made everyone need a cell phone as a means of communication. The benefits of cell phones are increasingly being felt by everyone today. Communication between individuals becomes easier and faster. Along with the rapid development of technology, many communication tools are of various models. To expedite communication tools can be accessed, we need a provider. Providers that offer various advantages, some have the advantage of credit rates for cheap calls or SMS, cheap and fast internet rates, free roaming, have the advantage of a strong signal and so on (Zebua A, 2012 and Claudia S, 2017)

The development of the telecommunications world is becoming increasingly stringent with the rapid development of communication tools because they compete with each other for consumers. In the telecommunications world, there are many cellular operators of choice for the public, including: Telkomsel,

Indosat, XL Axiata, Nartindo and so on. A cellular operator company must be able to understand and know what consumers need in order to provide the best quality and service to consumers. The increasingly fierce business competition makes telecommunications operator companies must be able to maximize company performance in order to get consumers. One of the cellular operator companies in Indonesia is Telkomsel. To be able to win the competition, Telkomsel must be able to provide satisfaction to its customers. Telkomsel is one of the largest cellular operator companies in Indonesia, therefore Telkomsel must always excel with the products and services offered to customers. Creating an advantage in the company can be done by formulating an appropriate strategy for the company.

Strategy has an important role because it can turn a company on so that it can move forward and not be inferior to its competitors.

The emergence of competing companies that create products that are in line with competitive advantages, makes consumers more selective and critical in choosing products. Consumers will consider product offers offered by competing companies (Andaru, 2015). This can be done by comparing comfort, technology, price and so on with similar products on the market. Conditions like this are the reason a company must have the right strategy in order to remain superior.

Telkomsel has several products offered to consumers. Companies must have an appropriate strategy to distribute their products and services, provide product understanding to potential customers and be able to excel from its competitors, bearing in mind that sim card products are an important communication need for consumers. A company implements a marketing strategy as a way so that the product can be right

on the intended goals and objectives. As stated by Basu and Handoko (2008: 119) that a marketing strategy is not a number of specific actions, but rather a statement that shows the main marketing efforts directed at achieving goals. The application of marketing strategies can be used as a company activity to attract consumers and deliver value to consumers.

The marketing strategy of a company is an introduction to value to consumers. The value of a product becomes an important tool because it becomes a comparison with competing products of the same type. Seeing the many products circulating in the market, makes companies to create value in different products to consumers. Consumers choose the value of the product based on its benefits and can satisfy it. Therefore the value that is owned in a product will greatly affect the selling value in the market. (Kotler, 2008 and Andaru, 2015)

Aaker (2008: 140) states that a value proposition is one thing to create the perfect strategy development with respect to consumers, competitors and markets. The aim is to make the company's products or services have the desired value and be able to satisfy consumers, have an advantage in competing in the business environment and be able to win in the market.

Value propositions can solve customer problems or satisfy customer needs with the products or services offered, as stated by Becerra (2009: 95). The application of the value proposition should be applied because it relates to the company's strategy used. The value that exists in a product or service is what consumers are looking for to be able to meet their needs, therefore the value proposition contained in the product or service needs to be planned properly so that it can be channeled to consumers and has its own points in the eyes of consumers compared to competing products. One of the competitions occurs in sim cards circulating in Indonesia with various cellular operators.

PT. Cellular Telecommunications or what is more commonly called Telkomsel has several sim card products, namely Halo, Simpati, As and LOOP. Each product has its own advantages. The LOOP card is a 'populist' starter card categorized for young people who are quite synonymous with limited funds. LOOP targets the market aged 12 to 19 years who are considered to have unique communication needs and behaviors. All forms of offer packages on the LOOP card have been adjusted to the tastes of this segment (www.kompas.com/ March 10th 2014).

According to the Indonesian Internet Service Providers Association (APJII) the number of internet users in 2017 has reached 143.26 million people, equivalent to 54.68 percent of the total population of Indonesia. This number shows an increase of 10.56 million from the survey results in 2016. For composition based on age, the largest number is shown by people aged 19-34, which is 49.52 percent. However, the greatest penetration is at the age of 13-18, which is 75.50 percent (www.kominfo.go.id/ February 19th 2018). In this statement it can be seen that internet users aged 13-18 years have a high number of users. With so many internet users among young people, it makes young people look for cellular operators that suit their needs. LOOP cards that have a youth segment can be one of the cellular operator choices for them. With that LOOP card must have value innovation that can be offered in order to excel in the market.

In this study, Value proposition is one way to find out in depth what value LOOP cards offer to customers. This aims to find out how the position of the LOOP card in the eyes of consumers. In order to have a unique strategic position and have a business advantage, a company must be able to create value innovation. In this case, value proposition analysis on the LOOP card is needed to determine the value it has to satisfy consumers.

2. LITERATURE REVIEW

Definition of value proposition

Value proposition is one of the important elements for companies starting their business, value is used to attract or differentiate from other products. According to Osterwalder and Pigneur (2014: 22), value proposition is the unity, or combination, of benefits that companies offer to consumers.

Value proposition can solve customer problems or satisfy customer needs with the products or services offered, as stated by Becerra (2009: 95) products and services are the interface between companies and consumers, thereby creating value for consumers. Value proposition according to Buttle (2009: 191) is an explicit or implicit promise made by a company to a consumer which will provide a certain set of objects tied together from value creation benefits.

According to Anderson, Narus and Rossum (2006) there are three types of value propositions. Involves all the benefits, profitable points of difference and repeated focus. Involve all benefits is a comprehensive list of positive feature offerings that the company believes reach its target consumers and deliver good results about consumers and competitors. Profitable points of difference are the factors that

differentiate a company's offering among competitors or other alternatives. For that, knowing in detail about competitors is needed to form a strategy. Repetitive focus has a different approach in two respects, more is not always better and it is better to focus on one or two key points to convey to the target consumer. Companies in this approach must identify the elements that make their offerings superior in order to demonstrate, document and communicate them clearly to the target consumer.

Value proposition according to Kotler and Keller (2012: 10) is a series of benefits that companies offer to customers to meet customer needs. Value proposition that is intangible with an offer. Offers can be a combination of products, services, information and experiences.

The value proposition creates value for a customer segment through a distinct mix of elements that serve the needs of that segment. Value can be quantitative, such as price and speed of service or qualitative, such as design and customer experience. Osterwalder and Pigneur (2014:23). Elements that contribute to the creation of customer value are novelty, performance, customization, job completion, design, brand or status, price, cost reduction, risk reduction, accessibility, convenience and usability.

3. METHOD

The type of research used in this research is qualitative research. This research is a type of case study research with a descriptive approach.

Research location is a place where research is conducted. The researcher chose the research location at the Malang Central GraPARI Office which is located on Jl. Letjen S. Parman No.47 Malang. Informants in this study.

Sources of data in this study are primary data and secondary data. Data collection methods in this study are interviews, observation and documentation. The data analysis technique used in this study uses 11 value proposition elements from Osterwalder and Pigneur (2014) and three components developed by Miles, Huberman and Saldana (2014), namely data condensation, data display and data withdrawal. as well as presenting conclusions (drawing and verifying conclusion). The last stage in the research method is to test the validity of the data by using tests of credibility (internal validity), transferability (external validity), dependability (reliability) and confirmability (objectivity).

4. RESULT AND DISCUSSION

LOOP Telkomsel Value Proposition

a. Newness

The new character element in the LOOP card value proposition is related to its segment, namely youth. Choosing the youth segment makes LOOP have its own characteristics from all aspects such as designing a unique and eye-catching starterpack, having a different offer from other products at low prices that adapt to the needs of consumers in the youth segment. This is of particular value to consumers.

b. Performance

The adjustment element in the LOOP card value proposition can be seen from the internet package services offered according to the needs of consumers according to the segment, namely youth and the form of LOOP card promotion that adjusts the activities of the segment. LOOP adapts to trends or needs that exist in the environment around young people, so that consumers can access internet package services according to their individual needs and take part in activities or programs from LOOP that are according to trends.

c. Customization

The adjustment element in the LOOP card value proposition can be seen from the internet package services offered according to the needs of consumers according to the segment, namely youth and the form of LOOP card promotion that adjusts the activities of the segment. LOOP adjusts to trends or needs that exist in the environment around young people, so that consumers can access internet package services according to their individual needs and take part in activities or programs from LOOP that are according to trends.

d. Getting the Job Done

Elements of completing work on the value proposition of the LOOP card can be seen from the form of collaboration between LOOP and Ruangguru making internet package offers to make it easier for students to make learning more fun and not boring by using the Ruangguru application and offering student-friendly internet package prices.

e. Design

The design elements in the LOOP card value proposition have unique and attractive characteristics both from the starter pack design and social media that adapt to the youth segment. Make designs with attractive youth characteristics and can be of particular value in the eyes of consumers.

f. Brand or Status

The brand or status element in the value proposition of the LOOP card has its own status because the product output by Telkomsel and from the LOOP segment namely youth makes it have the status that the LOOP card is a card for young people who are creative and inspiring.

g. Price

The price element in the LOOP card value proposition is a price that is tailored to young people. Start with consumer-friendly prices and a variety of internet packages that adapt to consumer needs in accessing social media.

h. Cost Reduction

The cost reduction element in the LOOP card value proposition is from promos given at certain moments depending on LOOP's policy. Considering that the normal LOOP price offered is cheap.

i. Risk Reduction

The risk reduction elements in the LOOP card value proposition are pop ups or credit reminders as well as internet packages that will run out and a call center that is active for 24 hours.

j. Accessibility

The element of ease of access from the LOOP card lies in several services provided by Telkomsel, especially the MyTelkomsel and LOOPkita applications. The purpose of the application is to make it easier for consumers to access information about consumers' cards.

k. Convenience or Usability

The elements of convenience and usability of the LOOP card can be seen from the easy card registration and choosing an internet package can be done easily and you don't have to wait long.

5. CONCLUSION

Newness: Acceptable by society. Performance: Works well. Customization: Adapting to young people. Getting the Job Done: Doing application development. Design: Have a design that is acceptable to society. Brand or Status: Have a clear state. Price: ave a price that is acceptable to the community. Cost Reduction: User intensity increases with the promo. Risk Reduction: Prevent losses for users. Accessibility: Easy to access information about the card. Convenience or Usability: Comfortable to use.

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