



Undergraduate Thesis

***THE INFLUENCE OF PROMOTIONAL MIX TOWARD CUSTOMER
LOYALTY BY USING SWITCHING BARRIERS AS THE
INTERVENING VARIABLE
(Case: TelkomFlexi Padang)***

As a Partial Fulfillment to Achieve
An Undergraduate Degree in Management Major

Submitted By:

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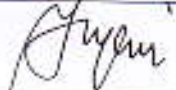

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2009

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<p>The Influence of Promotional Mix toward Customer Loyalty By Using Switching Barriers As The Intervening Variable (Case: TelkomFlexi Padang)</p> <p>Thesis by: Engla Sulistia Thesis Supervisor: Dr. Yulia Hendri Yeni, MT., DBA.</p> <p>ABSTRACT</p> <p>This research describes the influence of promotional mix toward customer loyalty by using switching barriers as the intervening variable. Promotional mix consists of four variables. They are advertising, personal selling, sales promotion, and publicity. The case study is from TelkomFlexi Padang. There are 150 respondents from TelkomFlexi customers comprehended in this research. The respondents which involved are taken by using convenience sampling. The data is analyzed by examining the questionnaires have been distributed, using SPSS program. The findings can be taken as marketer's consideration to know what promotional mix that influences the customer loyalty of TelkomFlexi. The research result is useful for the marketers to know what promotional mix that they need to use for their business, especially in provider business.</p> <p>Keywords: Influence Promotional Mix, Customer Loyalty, Switching Barriers.</p>			

Skripsi ini telah dipertahankan di depan sidang pengujian dan dinyatakan lulus pada tanggal: 15 Juli 2009.
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CHAPTER I

INTRODUCTION

1.1 Background of the study

In the globalization era, the developing of service industry become so fast. The consequence of the phenomena is the growth of business opportunities, such as: cellular provider, hotels, banks, transportation, etc. this reality encourages the increasing of interest and attention from several parties to analyze several problems in service area.

Nowadays, intensive competitions happen in all sectors. The business players try many ways to win the competition. The competition also happens in communication business. Communication becomes important part. That's why the business players work hard to make better product in communication business. The example of communication business is in cellular providers. So many cellular providers emerged and offer several advantages to get market share in Indonesia. Each provider tries to give the best service to the consumers and customers. Every provider has their own advantages and weaknesses. GSM (Global System for Mobile Community) was dominated the market which is known with the expensive tariff, fast data access 64Kbps but it has wide coverage area. Then CDMA (Code Division Multiple Access) operated by using fixed wireless license. It has cheaper tariff than GSM. But it has limited coverage area.

Based on that condition, Provider Company holding competition through producing Sim-Card based CDMA technology to satisfy the consumers. The

companies in Indonesian are: (1) PT. Telekomunikasi Tbk., (TELKOMFlexi), (2) PT. Indosat Tbk., (StarOne), (3) Bakrie Telecom, (Esia), (4) Mobile-3 Telecom, (Fren and Hepi), (5) Sampoerna Telekomunikasi Indonesia, (Ceria), (6) Smart Telecom (Smart).

Meanwhile in Padang city, there are only three providers. They are: (1) PT. Telekomunikasi Tbk., (TELKOMFlexi), (2) PT. Indosat Tbk., (StarOne), (3) Bakrie Telecom, (Esia)

Many companies in CDMA business cause the competition become more intensive. Based on www.majalahtrust.com/ekonomi/sektor_ril/1027.php, In Indonesia, the users of CDMA reached to 16.3 million people. This amount comes from TELKOMFlexi for 7 million, Esia for 4.5 million, Fren for 3 million, and the rest comes from other providers.

PT. Telekomunikasi Tbk or known as TELKOM is one of the business player in communication business. It is an Infocom (Information and Communication) company and also the biggest full service and network provider in Indonesia. The target market of TELKOM divided into two. They are corporate and personal. The product consists of fixed wire line, fixed wireless, mobile service, data&internet and also other multimedia services. Those products give convenience to the people in fulfilling their communication need.

The CDMA product from TELKOM is TELKOMFlexi called Flexi. There are two types of Flexi. They are Flexi Trendy (pre paid) and Flexi Classy (post paid). Telkom Flexi is the biggest CDMA in Indonesia. The amount of users seem

CHAPTER V

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

According to the data analysis and the result performed within this research, the conclusion can be made.

The research is conducted to observe the influence of promotional mix toward customer loyalty by using switching barriers as intervening variable. Most of the respondents are the students which is in the most level of age < 25years old. Most of the respondents choose TelkomFlexi because of the tariff of TelkomFlexi. This segment is known with price and product sensitive.

This research has six variables that developed by several indicators and analyzed by using path analysis. Based on the result of path analysis, the conclusion:

- a. Firstly the relationship of promotional mix (advertising, personal selling, sales promotion and publicity) toward switching barriers. Based on the result, all of promotional mix variables significantly influence switching barriers.
- b. Second analysis is analyze the relationship of promotional mix (advertising, personal selling, sales promotion, and publicity) and switching barriers toward customer loyalty. And from the research result, there is one variable which is no significantly influence the customer loyalty. The variable is sales promotion. But, other variables

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