

PROPOSED INTEGRATED MARKETING COMMUNICATION PLAN FOR FLEXI TO IMPROVE ITS MARKETING COMMUNICATION EFFECTIVENESS

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Abstract— *PT Telkom facing a business issue where their new user and ARPU (average revenue per user) target for Flexi in 2011 was not achieved and despite having the biggest market share among CDMA operators, but in fact, Flexi's brand value was below its main competitor. There are several factors that cause this issue; one of them is marketing communication that became the focus of this final project. Researcher used the theory of integrated marketing communication (IMC), particularly regarding the effectiveness of an integrated marketing communication, evaluation of the integration of all marketing communications components, and marketing communications planning. The data were collected through a survey of Flexi users and non-users as well as interviews with Flexi sales manager assistant. The results showed that the cause of the issue is ineffective marketing communication integration due to ineffective marketing communication channels and inefficient marketing budget allocations. The solutions of the problem are new marketing communication that integrated with marketing objectives, customer behaviors, and marketing communication's budget allocation. Therefore, the researcher recommends Flexi to use direct from Telkom, TV and internet to provide information about Flexi's features. Utilize TV, outdoor advertising, and print to increase the purchase intention. Make a new MC budget allocation plan by increasing the budget for internet, print, TV, outdoor advertising and bank channels and decreasing the budget allocation for radio, outlet, sales agency, trade showbooth, and event sponsorship channels.*

Keywords: *Integrated Marketing Communication, Marketing Communication Effectiveness, Marketing Communication Budgeting, IMC Planning*

1. Introduction

Wireless networks have been an essential part of communication in the last century. Early adopters of wireless technology primarily have been the military, emergency services, and law enforcement organizations. As society moves toward information centricity, the need to have information accessible at anytime and anywhere (as well as being reachable anywhere) takes on a new dimension. Wireless networks have evolved to the point today wherein there are two major technologies deployed today: the Time Division Multiplex-based (TDM-based) GSM networks, and the Code Division Multiple Access-based (CDMA-based) networks. CDMA is a channel access method used by various radio communication technologies.

The Government exerts regulatory authority over the telecommunications sector in Indonesia. They have historically permitted a monopoly over telecommunications services. Recent reforms have attempted to create a regulatory framework to promote competition and accelerate the development of telecommunications facilities and infrastructure. Until 2011 there were three companies in CDMA based telecommunication services with FWA license, PT. Telkom, PT. Bakrie Telecom, and PT. Indosat. PT. Telkom as the pioneer of CDMA-based operator, with Flexi as its brand, has dominated market share in Indonesia. However, as time goes by and competitors started to emerge, Flexi began to lose its market share toward competitors. In 2011, Flexi lost its number of line in service and its total annual revenue. With this situation, PT. Telkom still demand to reduce its

marketing budget for 2012 budget plan. This research attempts to fulfill the 2012 marketing division target by evaluating the existing marketing activity plan. One of the goals of the marketing activities is to achieve marketing effectiveness. Marketing effectiveness is the quality of how marketers go to market with the goal of optimizing their spending to achieve good results for both the short-term and long-term. One of the benchmark in evaluating the Flexi's marketing activities when the revenue increases up to 4%.

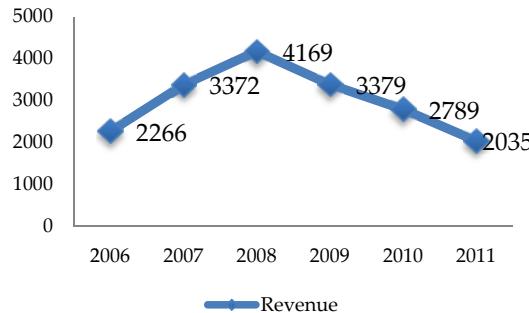


Figure 1. Revenue of Flexi in 2006-2011 (in billion rupiah)

Source: Internal Company, 2012

In Figure 1 can be seen that revenue began to rise in 2006 and reached its peak in 2008. However, after the year of 2008, Flexi started to has a decreased in its revenue gradually. In 2009 its revenue dropped to Rp. 3.3 trillion and continues to drop in the next year with only Rp. 2.7 trillion, whereas in that year, it has to achieve Rp. 3.5 trillion of total annual revenue. Unfortunately in 2011, it turned out worse, PT. Telkom, which has been targeting to increase the revenue up to Rp. 3.3 trillion, in fact it only get Rp. 2 trillion total revenue.

Revenue is directly related to ARPU (average revenue per user). ARPU is an expression of the income generated by a typical subscriber or device per unit time in a telecommunications network. The simple formula of revenue is basically ARPU multiplied by the number of users of Flexi throughout Indonesia. This indicates that more customers are served by Flexi, the greater revenue to be received. Similarly to ARPU, the greater the ARPU is, the greater the revenue to be received by Flexi. But it can be seen from Figure 2 that Flexi's ARPU experienced a sizeable decline each year, from Rp. 53 thousand in 2007, and by the year of 2011, Flexi has only Rp. 10 thousand.

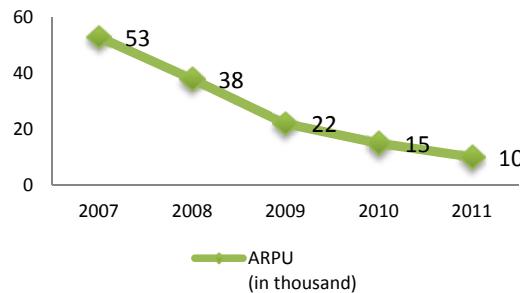


Figure 2. ARPU of Flexi in 2007-2011 (in thousand rupiah)

Source: Internal Company, 2012

Flexi obtained most of their revenue through the usage of voice and SMS (Short Message Service). As seen in Figure 3, the use of voice and SMS were declined pretty much and became flat started from March 2011. Unlike the voice and SMS services, the revenue generated from the usage of data service started to incline since 2010 but tend to be flat in 2011 and unfortunately, data usage didn't give significant contribution to Flexi's overall revenue. The use of these features is critical to increase

ARPU, because basically the formula for calculating ARPU is the number of features that customers have used flexi multiplied by the frequency or how often customers use these features.

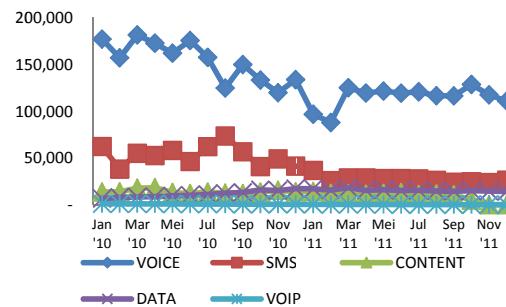


Figure 3. Revenue Distribution of Flexi in 2010-2011 (in million)

Source: Internal Company, 2012

Besides ARPU, the other thing that is equally important to improve the revenue is the number of customers served by Flexi throughout Indonesia. For this year, Flexi's target is to increase the number line in service (new subscriber) by 30%, in order to increase their revenue. But unfortunately there are challenges to be faced Flexi, as we can see in Figure 4, Flexi experienced growth in number of subscribers from the years of 2006 to 2010, but it has not been able to reach the targets set by PT. Telkom itself, for example in 2010, Flexi apparently hasn't been able to reach the target of 19.7 million subscribers. In 2011 became an alarming year for Flexi, instead of reach 20 million subscribers which previously targeted, it even experiencing a loss of 4 million customers, it caused the number of subscribers was only 14 million customers, smaller than the number of customers two years ago.

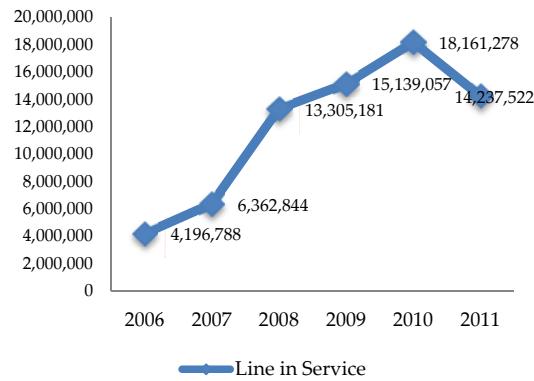


Figure 4. Numbers of Subscribers (Line in Service) of Flexi in 2006-2011

Source: Internal Company, 2012

As mentioned earlier, there are two causes of Flexi's decline in revenue, one of them is from the decrease in the number of ARPU that Flexi obtained. It indicates that the existing customers are not interested in using more Flexi's features, or do not have knowledge about the benefits of the features offered by Flexi. The other thing is the amount of customers that owned by Flexi also decreased, this is due to the potential customers are not interested in using Flexi product, this is confirmed by the decline in brand value owned by Flexi from year to year as shown in Table 1 where despite having the biggest market share among CDMA operators, but in fact Flexi's brand value was below its main competitor. Measuring brand value is calculated from its brand awareness, advertising awareness, perceived quality, satisfaction and market share, it shows that there is ineffectiveness of the Flexi-owned marketing activity in the promotion, especially in the activities of marketing communication (MC). Another issue faced by Flexi is their small amount of marketing budget that is only amounting to Rp. 225 billion, while they have to fund their 13 marketing

channels. Therefore, it is important to design an integrated MC to optimize the use of existing budget, increase ARPU and number of subscribers to achieve Flexi's marketing effectiveness.

Table 1. Brand Value of Prepaid SIM Card CDMA

No	Brand	Brand Value			
		2008	2009	2010	2011
1	Esia	50.1	82.8	80.8	73.3
2	Flexi	51.7	81.7	61.9	55.5
3	Fren	30.2	60.8	34.6	38.8
4	StarOne	30.7	78	*	*
5	Smart	*	*	34.6	40.2

Source: SWA Magazine, 2013

Flexi using the IMC (Integrated Marketing Communications) as tools to achieve their marketing effectiveness, IMC is an approach to brand communications where the different modes work together to create seamless experience for the customer and are presented with a similar tone & style that reinforces the brand core message. Flexi's IMC objective itself is to influence the target market; adolescents aged 13 to 25 years, so that they become Flexi's new subscriber. Other than that, Flexi also wants to make their existing subscribers to use the features that Flexi has offered more frequent. Measuring the effectiveness of IMC can be done by knowing which IMC activities or channels that effectively can attract new customers and make the existing customers to use the features. The purpose of measuring the effectiveness of the IMC is to find out which marketing channels that are most effective and ineffective, the evaluating which marketing budget allocation that matches the performance and which are not, so that later the Division of Telkom Flexi can allocate their budget accurately.

2. Business Issue Exploration

The main issue that Flexi's currently faces is how to increase their new subscribers and ARPU. New subscribers in question are the people that purchase and use Flexi's product and services. The important things Flexi must do to gain new subscriber, first they have to aware of its existence, knowledge of its benefits, have initial interest, preference over the competing products, conviction of its suitability to purpose, and finally they will purchase, those stages called buyer readiness stages through which a consumer passes on way to adopting a products or service. In addition to increase Flexi's new subscriber, Telkom Flexi Division also wants to increase their ARPU. ARPU will be greatly affected by the number of features, and the frequency of features used by their existing customers. Flexi's offers their products features from voice, SMS, content, data, to VIOP services. The factors that can influence the existing customers to use these features are their personal needs (what are they actually needs), personal experience, willingness to pay or personal expenses for telecommunications, and Flexi's marketing communications.

Conceptual Framework

To better understand how to reach Flexi MC objectives, this study used a conceptual framework below:

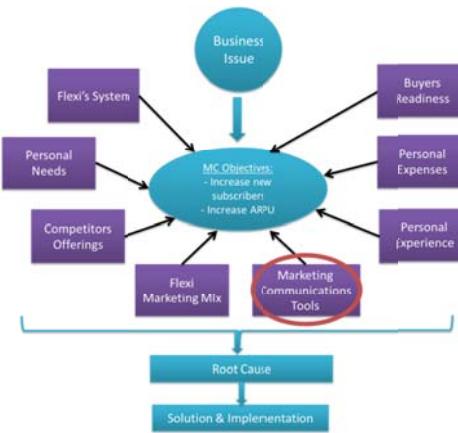


Figure 5. Conceptual Framework

In Figure 5 are outlined the factors that can affect Flexi to achieve their goal to increase their new subscribers and ARPU, those factors are the buyer's readiness, personal needs, experience, and expenses for telecommunications, competitors offering, Flexi's system, marketing mix, and marketing communications. As stated before, Telkom Flexi Division think that the performance of their MC is not effective, and they still haven't get a feedback from their MC activities. So, in this research, we will evaluate their existing MC activities, so the performance of the Flexi's MC can be optimized.

Theoretical Review

Marketing Communications is a broad discipline encompassing a set of activities designed to persuade customers to purchase the firm's products. Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the products and brands that they sell. Marketing communications represent the “voice” of the brand and are a means by which it can establish a dialogue and build relationships with consumers (Davis 2010).

To set the right solution for business issue that been faced by Telkom Flexi, researcher used criteria for IMC program approach (Keller 2008, p.267). In assessing the collective impact of an IMC program, the marketers overriding goals is to create the most effective and efficient communication program possible, here are six relevant criteria:

1. **Coverage** relates to the proportion of the audience that is reached by each communication option employed, as well as how much overlap exists among communication options.
2. **Contribution** relates to the inherent ability of a marketing communication to create the desired response and communication effects from consumers in the absence of exposure to any other communication option. In other words, contribution relates to the “main effects” of a marketing communication option in terms of how it affects consumers’ processing of a communication and the resulting outcomes.
3. **Commonality** relates to the extent to which common associations are reinforced across communication options, i.e. the extent to which information conveyed by different communication options share meaning.
4. **Complementarity** relates to the extent to which different associations and linkages are emphasized across communication options
5. **Versatility** refers to the extent that a marketing communication option is robust and effective for different groups of consumers.
6. **Cost** refers to the extent that a marketing communication option is effective & runs using efficient budget.

Finally, evaluations of marketing communications on all of these criteria must be weighed against their cost to arrive at the most effective and efficient communication program. After learning how to plan a marketing communication strategy plan, the next step that needs to be done is to formulate tactical marketing communication plan, as shown in Figure 4



Figure 4. IMC Campaign Planning

Source : Duncan, 2008

MC planning is the planning of activities at a functional level, in contrast to business planning which occurs at the strategic level. MC plans contribute to the realization of the company's goals, and as such MC is a part of the marketing activities. Here are the marketing communications campaigns planning (Duncan 2008):

1. Identify target audiences. Analyze the various customer and prospect segments, and determine which to target and to what extent.
2. Analyze SWOTs. Summarize internal (strengths, weaknesses) and external (opportunities, threats) brand-related conditions with respect to communicating with the selected target; determine the success of the MC functions and media used in preceding year.
3. Determine MC objectives. Decide what marketing communication programs should accomplish.
4. Develop strategies and tactics. Determine which MC functions should be used and to what extent. Choose brand messages and means of delivery. Support each strategy with a rationale. Decide when each MC programs will begin and end.
5. Determine the budget. Decide what the overall MC budget will be and then how money will be divided among the selected MC functions.
6. Evaluate effectiveness conduct ongoing MC tests in an effort to find more effective ways to do IMC. Monitor and evaluate all the IMC efforts to determine effectiveness and accountability.

Flexi Marketing Communications

Telkom Flexi is using 13 channels to market their products. Based on the data obtained from the Marketing Division of Telkom Flexi, they prepared 225 billion budgets to fund their marketing division. From the total of 225 billion budgets, about 216 billion are used for marketing activities and the rest is used for operational activities. Those channels have their own objectives, such as to spread and provide information about starter pack, product features, non-product and also as a purchase point for the customers.

Table 2. Marketing Budget per Channel

No	Channel	Budget (in millions)	Budget (%)
1	Radio	46,852	21.68%
2	Outlet	31,003	14.34%
3	Plaza Telkom / Flexi Center	29,459	13.63%
4	Sales Agency	27,915	12.91%
5	Event/ Trade Show booth	27,789	12.86%
6	Internet	14,203	6.57%
7	Print	8,364	3.87%
8	TV	8,028	3.71%
9	Outdoor Advertising	6,788	3.14%
10	Bank	5,558	2.57%
11	Event Sponsorship	4,940	2.29%
12	Direct from Telkom	3,397	1.57%
13	Clinic EVDO	1,852	0.86%
Total		216,147	

Source : Telkom, 2012

Research Questions

There are some things to know about the existing marketing communication to evaluate their existing MC activities and channels, so the performance of the Flexi's MC can be optimized, those are:

1. Are all MC channels used effective to change customer behavior?
2. Is there integration among all MC channels?
3. Is the integration of marketing communication can affect to the effectiveness of marketing communications channels?
4. Is the MC channels budget allocation in accordance with their performance?

Descriptive Research Design

This research has used descriptive research technique, which is a research technique that aims to answer the research question or variable to be measured with deeper and describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when and how. This research can also be used to examine the specific issues which being faced by marketers to their target market. With above explanation, it could be concluded that the researchers used a descriptive research to get a clear picture of a market, which in this research is Flexi's market. To find out if all MC channels used are effective to change consumer behavior, this research using survey to know about Flexi user's and non-Flexi user's profile segmentation such as such as their gender, age, monthly telecommunication expense, and monthly Flexi's expense, channels that is often used by both costumers, channels that effectively can perform their function as information, purchases, payments and / or top-up point, and which channels that can the make them interested to buy Flexi's starter pack. Data obtained from the survey then represented by figures, tables, graphs, and charts.

To find out if Telkom Flexi Division already have MC integration among all channels, the data we need to know is what are the channels that are involved in marketing communications, how much those channels can reach the audience, the roles for each of the channels, the message that are obliged to be delivered by each channel, how is cooperation between marketing communications channels to assist in achieving marketing objectives, and whether the channels have the ability to reach a diverse target audience, how to keep the message can be received by different type of the target which consists of several groups of segments. The data type is a type of secondary data, because the data used are the result of interviews with sources that contribute directly to the Telkom Flexi Sales Assistant Manager Regional Office at that time, Fery Indrawan. To determine if the integration of marketing communication channels that have been designed by Flexi to achieve its goal to increase of new subscribers and ARPU can affect the effectiveness of marketing communication, the required data we need to know are the assessment of effectiveness marketing communication channels that have been described previously based on the survey analyzes, and data on IMC plan owned by Telkom Flexi Division that also have been discussed in the previous sub-section.

Furthermore, to determine whether the MC channels budget allocation in accordance with their performance or not, the required data needed are the budget allocation of each channel, and the performance of the marketing communication channels. Channels budget allocation obtained from the depth interviews and company information from the Division of Telkom Flexi, and MC channels effectiveness analysis that has been discussed in the previous sub-section.

Data Collection Design

Survey is divided into three sections, the first section discusses the respondent's profile on their gender, how old they are now, if you use the card from another carrier besides Flexi, how much the total budget allocated for the use of your communications in one month, and specifically to Flexi users, asked how much money are spent to use Flexi within one month. In the second part, will be asked about which channels they visit, either for finding information or purchase point, where they get information about the starter pack, features (such as voice, SMS, content, data and VOIP), non-products (such as postpaid payment, prepaid top-ups, customer care and reward), also where they make a purchase of their starter packs, post-paid payments, and prepaid top-ups. In the third part will be asked about their assessment of the channels that effectively can provide information, purchase points, and their assessment of which channels that effectively can make them interested in buying Flexi's starter pack and using Flexi's features.

To get these data, researcher used a technique for distributing surveys as a tool to get the data. The survey used in this study arranged offline by visiting and providing direct survey in schools, college campuses, malls in Bandung, and online through the site (<https://docs.google.com>) which distributed personally through Facebook, Twitter, and E-mail. Form of questions in this survey is a close ended question, the answer choice of the question has been provided, so respondents can choose the answer that has been available. The survey itself will be spread over the target sample, given the possibility of a defect or error in filling out the survey so that some surveys may not be processed.

The validity of measurement is the ability to measure what should be measured. Validity test in this study are using the Pearson Product Moment and to measure the correlation, we use this following formula:

$$r = \frac{n \sum XY - \sum X \cdot \sum Y}{\sqrt{n \sum X^2 - (\sum X)^2} \sqrt{n \sum Y^2 - (\sum Y)^2}}$$

Description:

n = number of samples

X = Score total respondents

Y = Score Number of respondents per statement

Based on test results that been done into 146 respondents of Flexi user and 108 respondents' of non-Flexi user, all item for the survey asking about their starter pack information, voice information, SMS information, content information, data information, VOIP information, payment and/or top-up information, customer care information, reward information, customer buying decision, and purchase point are valid. Reliability is basically the extent to which a reliable measurement. Measuring instrument is said to have the reliability if the instrument is used several times to measure the same object, would produce the same data, which means that the reliability associated with consistency and accuracy or precision. Reliability test instrument of this research will use the Alpha reliability analysis techniques Cronbach which has the formula:

$$\alpha = \left[\frac{n}{n-1} \left[\frac{S^2 - \sum_{i=2}^n S_i^2}{S^2} \right] \right]$$

Description:

α = coefficient reliability the instrument of Alpha Cronbach

n = Number of items question

S^2 = Variance Amount overall

Total score variance sought in advance by finding the value of variants of each item with the following equation:

$$S = \frac{\sum X^2 - \frac{(\sum X)^2}{n}}{n}$$

Description:

S = Varian

X = score selected

n = sample

Reliability test conducted in this study using SPSS 18 and showed that all variables Cronbach's Alpha is greater than 0.6 if the measurement instrument has a coefficient of $r > 0.6$ then so it can be conclude that the survey used in this research have good level of reliability and trustworthy. If we look from the Flexi's potential market, it can be assumed that the population that will be studied is men and women aged 13 to 25 years. Based on data that have already obtained from Badan Pusat Statistika West Java Region (BPS 2009), using interpolation with assumption that every year age in a group have the same amount of population in the same group, so Bandung's population of men and women in 2009 aged 13 years to 25 years is 569,841 people.

The method of determining the number of samples in this research was using Slovin's formula shown by the following equation:

$$n = \frac{N}{1+Ne^2}$$

n = Sample size

N = Population size

e^2 = Error term (10%)

Based on Slovin's formula for determining the number of samples to the population size (N) of 569,841 peoples and error term (e^2) of 10%, determination of sampling results obtained sample of 101 peoples. Therefore, survey will be distributed to 101 people of Flexi users and 101 people of non-Flexi user that their range of age is in 13-25 years old and live in the Bandung area.

Data Analysis Plan

In addition to using the method of frequency distributions, the authors also used recommendation score method to determine how effective channel in carrying out their duties according to the respondents' assessment, whether as a channel that provides information, as well as the purchase point channel. Here is the formula determining the recommendation score of Flexi channels:

$$\text{Recommendation Score} = \frac{\text{PositiveAssesment}}{\text{NegativeAssesment}} / \text{TotalSample}$$

The formula above shows the greater the value recommendation score, the better the assessment recommendations from respondents about the effectiveness of a channel to carry out the purposes activities. If the value of recommendation score is > 1 , then the respondents positively assess that the channel is effective in doing its job, otherwise if the value of recommendation score is < 1 then the respondents have a negatively assess that the channel is effective in doing its job. After having obtained the distribution frequency of actual customer information and purchase point, then it will ranked from the most visited channels to the least visited. After that, the actual rank will be compared with the value of recommendation score to make it clear which channels are effective and ineffective in carrying out their duties.

Here are the criteria of integrated marketing communication to evaluate whether they have an integrated marketing communication or not.

Table 3. The Criteria of Integrated Marketing Communication

Criteria	Integrated	Not integrated
Coverage	There is coverage distribution among all channels	The intended coverage does not overlap
Contribution	There is plan for each channels' purpose or contribution	There's no plan for each channels' purpose or contribution
Commonality	The uniformity of the message across the channel	There's no uniformity message across the channel
Complementarity	Have a good cooperation and support between the channels	The channels work alone there aren't linkage across channels
Versatility	Flexibility of the messages than can be used for several month or several groups of people	The message is not flexible
Cost	Budget allocation is proportional	Not proportional budget allocations

To determine whether the integration of marketing communication tools can affect the effectiveness of marketing communications will be analyze by comparing the Flexi's MC channels plan or their channels integration to the effectiveness of each of those channels, that previously been assessed by the respondents in the survey. It will be shown what are the DTF's plan for each channels and their expectations for the use of the channel (roles) to the intended audience, both in terms of gain new customers or increase of their ARPU then from the those design will be compared to the assessment of respondents (both Flexi user and non-user) about the performance of each marketing channels, whether in accordance with the MC plan regarding the channels or not. Here are the criteria of whether they have a relationship of Flexi's Integrated Marketing Communication in accordance to the effectiveness of marketing communication channels:

Table 4. The Relationship of Integrated Marketing Communication to the Effectiveness to the Marketing Channels

Criteria	Related if
Coverage	The target audience's habit is not suitable for the channels
Contribution	There's lack of response or the channels have negative response of the planned marketing communication channels
Commonality	There's diffused image about Flexi's message or associations
Complementarity	The linkage of channels is not really help or suitable for other channels
Versatility	There're no flexibility in the message that have been conveyed
Cost	The budget allocation is not match with channel's performance

Descriptive Research Findings

In this section, we will explain the answer to the research question about the effectiveness of marketing communication channels, the integration of marketing communication channels, and the relationship of marketing communication integration in accordance to the effectiveness of marketing communication channels.

The Effectiveness of Marketing Communication Channels

Based on Appendix 1 which concluded on actual information and purchase point that the respondents, both Flexi user and non-user, visit to get information and purchase. It can be seen that internet, TV, print, direct from Telkom, and outdoor advertising is a channel that a lot of respondents have visited. For purchase point channels, outlets and sales channels agency is channel that a lot of respondents have visited to buy the starter pack, as also as the channels that respondent have visited for postpaid payment and prepaid top-ups activities. Based on the table below it can be concluded that internet, TV, print and outdoor advertising are the channels that have the best performance in providing information about the starter pack, features, and non-products. As with the radio channel, event sponsorship, and clinic EVDO, those are the channels that are not effective in providing information about Flexi. Thus the channel must be focus to be used as information points are the internet, TV, and outdoor advertising channels.

Table 5. Survey Based Recommendation for Information Point Conclusion

No	MC Channel	Recommendation Score					
		SP		Features		Non-products	
		User	Non User	User	Non User	User	Non User
1	Internet	3.12	2.65	0.83	2.20	1.86	1.36
2	TV	3.46	2.85	0.41	1.42	0.85	0.65
3	Print	1.92	3.21	1.03	1.11	1.04	0.55
4	Outdoor Advertising	2.23	2.18	1.20	0.90	0.66	0.55
5	Sales Agency	1.30	4.00	2.23	0.42	0.55	0.56
6	Trade Showbooth	1.07	3.24	1.80	0.80	0.49	0.42
7	Outlet	1.37	2.61	1.60	0.55	0.87	0.44
8	Plasa Telkom / Flexi Center	2.63	1.17	0.61	1.09	3.22	1.45
9	Direct from Telkom	2.07	1.10	0.21	1.93	3.07	1.84
10	Radio	1.54	1.07	1.40	0.94	0.75	0.62
11	Event Sponsorship	0.86	0.86	2.43	0.45	0.13	0.23
12	Clinic EVDO / TSH	0.53	0.85	2.00	0.59	0.44	0.43
13	Bank	-	-	-	-	0.32	0.23

According to Table 6, it can be concluded that the respondents recommend the sales agency and outlet as channels that can effectively carry out their duties as a purchase point for the starter pack, payment points for postpaid card, and top-ups for prepaid card. In contrast to event sponsorship and clinic EVDO, those channels are not rated well by respondents, both users and non-users, as the purchase point.

Table 6. Survey Recommendation for Purchase Point

No	MC Channel	Recommendation Score					
		SP Purchase		Payment		Top-Up	
		User	Non User	User	Non User	User	Non User
1	Outlet	3.83	1.42	-	-	3.44	1.44
2	Sales Agency	2.39	0.84	-	-	4.28	1.56
3	Bank	-	-	3.12	1.06	2.85	1.31
4	Plasa Telkom / Flexi Center	1.29	0.59	2.07	0.93	1.79	1.00
5	Trade Showbooth	1.38	1.07	-	-	0.80	0.36
6	Event Sponsorship	0.71	0.64	-	-	-	-
7	Clinic EVDO / TSH	0.46	0.32	-	-	-	-

Based on the Table 7, it can be concluded that only TV, outdoor advertising, print, and internet channels that can be make the respondents, both Flexi users and non-users, interested in purchasing or using Flexi. Radio, trade showbooth, direct from Telkom, outlets, event sponsorship, sales agency, Plasa Telkom / Flexi Center, and clinic EVDO channels are not a channels that can make them interested to buy and use Flexi's features.

Table 7. Starter Pack Buying Decision Conclusion

No	Channel	Recommendation score	
		User	Non User
1	TV	2.60	1.67
2	Outdoor Advertising	1.66	1.33
3	Print	1.76	1.21
4	Internet	1.28	0.93
5	Radio	0.89	0.86
6	Trade Showbooth	1.00	0.74
7	Direct from Telkom	0.66	0.50
8	Outlet	0.67	0.46
9	Event Sponsorship	0.54	0.50
10	Sales Agency	0.60	0.41
11	Plaza Telkom / Flexi Center	0.67	0.29
12	Clinic EVDO / TSH	0.24	0.19

Integration of Marketing Communication Channels

One of the requirements of effective marketing communication activities between the channels are related and supporting each other. To determine whether the channels of marketing communication run in an integrated way, we can analyze the five criteria owned by its marketing channel. Flexi has divided the channels according to their intended target audience. Each channel has a mission to reach their target audience for that has different characteristics. For TV, DTF planned target audience according to TV viewers, print for newspaper, magazines and brochure readers, internet for internet surfers, radio for radio listeners, and event sponsorships for sports and music lovers. For outlet, they target for people in the mall, trade showbooth for the audience who were in school, direct form Telkom for all of flexi user in everywhere as long as their handset and card is active, clinic EVDO for corporate users, Plaza Telkom / Flexi Flexi Center for users who are looking for information or are making payments. So, it means that Flexi have an integrated coverage among their channels.

Flexi also has a plan for each of its channels in order to achieve marketing communication objectives. For activities that provide information, radio, sales agency and outlet is the main channel Flexi which is expected channels can create desired response, such as the audience become aware, understand about the product, have an interest to buy, want to try and finally buy the product. The other channel that have a role to support these activities is TV, internet, print, and outdoor advertising. For purchase activity, Flexi prioritizing sales agency channel, outlet and showbooth as the channels that should be able to increase starter pack sales, and usage features. From a few years ago, Flexi consistently tell the audience that they are efficient telecommunications providers through their entire marketing channel communication, from TV, radio, outdoor advertising, sales agency, outlet, showbooth, Plaza Telkom / Flexi Center and others. It means that Flexi has an integrated marketing communication based on commonality criteria.

There are linkages among all of Flexi's channels. As explain before in contribution criteria, for example, to support the objective of increase usage features, the use of print media can be enhanced its contribution by cooperate it with Plaza Telkom / Flexi Center which provides Flexi's magazines and brochures in their waiting room. It shows that Flexi has an integrated marketing communication based on complementary criteria. The message is similar from time to time, such as messages about the low rates, a lot of bonuses, the message or the same ad can be used for the next few months and may be intended both for users and non-users. So it means, Flexi has an integrated marketing communication based on versatility criteria.

Based on the budget allocation that Flexi currently has, they have a budget that allocate precisely for each of their marketing communications channels. They focus on the sales agency and outlet channel to provide information and as purchase point, so they have the largest budget. It can be concluded

based on the foregoing discussion above, that Flexi has an integration among all of their marketing communication channels, we can see from the table below that the coverage, commonality, complementarity, versatility and cost, all of these criteria are already integrated.

Table 8. Flexi's IMC Conclusion

Criteria	Notes	Conclusion
Coverage	divided the channels according to their intended target audience.	Integrated
Commonality	consistently tell the audience that they are efficient	
Complementarity	linkages among all of Flexi's channels.	
Versatility	the message is similar from time to time	
Cost	they have a budget that allocate precisely for each of their channels	

The Relationship of Marketing Communication Integration in Accordance to the Effectiveness of Marketing Communication Channels

There is a relation of marketing communication channels effectiveness by Flexi's IMC. It can be seen by assessing the following five criteria. For example, the relationship between effectiveness and integration of marketing communication that occurs in Flexi now, will be discussed below. There are several marketing channels are now owned by Flexi are less effective due to the lack of coordination and integration among marketing channels. As examples are radio, outlet, sales agency, event, etc. Radio, outlet, and sales agency channels are ineffective in providing information about Flexi product because the channels integration is not designed well. Flexi's coverage is not effective because their main channel on the marketing communication plan for targeting young people, such as radio, sales agency and outlet, apparently, rarely visited by the target audience for Flexi's information. Especially for the radio channel that has been planned to be one of the Flexi's main channels, turns out that the target audience is rarely listen to the radio. On the contrary, the internet and the TV channels, young people now often use those channels, while in fact they're not consider as the main channel in Flexi's marketing communication plan.

Flexi's channels contribution considered ineffective because if we evaluate from the value of overall recommendation score, as an example for the radio channel, sales agency and outlet, as their contribution for information providers about starter pack, features, and non-product, they are considered not effective because the average values are below 1. It can also be seen from these channels contribution to make the audience interested in using Flexi, it appears that all channels are considered ineffective and do not contribute well. Flexi consistently tell the audience that they are efficient telecommunications providers through their entire marketing channel communication, from TV, radio, outdoor advertising, sales agency, outlet, showbooth, Plasa Telkom / Flexi Center and others.

The linkages of channels are not really support or help for the other marketing communication channels. Although there have been complementary between channels, but because it is not distributed well with the marketing communication budget, it makes Flexi's complementary ineffective. Channels that should be optimally utilized by Flexi to support other channels but not getting enough budget allocation, so that the channels are less effective in performing their functions.

In Flexi's promotional activities, they always promote that they product and services are affordable and efficient, so that the contents of the message delivered by Flexi are about the detail benefits of their products to the audience, while in fact, the benefit offered is very dynamic and changeable that it makes the audience difficult to absorb the messages. So, it can be conclude that Flexi's versatility is

not effective because the message is not flexible so it can be used for a long time. It can be concluded that there is a relationship of marketing communication integration in accordance to the effectiveness of marketing communication channels, because based on respondent's recommendation, there's ineffective marketing communication channels due to the ineffective marketing communication plan. So, it means even though their marketing communication already integrated, but it's ineffectively integrated.

Marketing Channels Budget Allocation

The measurement of a channel that said ineffective in doing its duties can be seen from how often that channel either visited to seek information about Flexi or purchase activities such as buying a starter pack (SP), postpaid payment, and prepaid top-up, it will be reflected in the actual rank. In addition, the channel is said to effectively carry out its work seen from recommendation score that assessed by the respondents. For Flexi user respondents the value of recommendation score focused on activities and information about features and non-product, and the purchase activity such as where they done their postpaid payment, and prepaid top-ups. And the impact result will be seen in the buying decision column that described whether Flexi users are interested in using these features or not. For non-Flexi users, the assessed activity focused on information about the starter pack, where they buy and the impact on their interest in purchasing or using the starter pack.

From Appendix 2 we can see that almost all channels have a problem with the budget allocation, particularly with radio, outlets, sales agency and trade showbooth channel with a huge marketing budget but their impact to the company are not significant. Based on interviews with Telkom Flexi Sales Assistant Manager Regional Office at that time, Fery Indrawan, some marketing activities with a large budget allocation such as the outlet and sales agency channel are designed to provide information directly to customers or potential customers in order to stimulate their desire to use Flexi features more frequent, and buy Flexi's starter pack. In fact, sales agency and the outlet channel is not good and influential in delivering information and make respondents interested in using Flexi, it makes the authors concluded that the channels have an over budget allocation. It is also similar to the trade showbooth channel, although it is an effective channel as the purchase point, but it was not a channel that can inform and influence the respondent to use the Flexi.

Radio is a channel with the biggest budget allocation, but in fact the expected impact of the radio channel did not show a positive effect. Both Flexi-user and non-user are very rare to get information of Flexi from the radio, and although it can provide some information effectively (can be seen from the recommendation score), but when compared to the other channels that have the same role, the radio is the lowest, which is why the authors concluded that the radio channel is over budget. Other channels that assessed over budget is the event sponsorship as all variables either actual rank assessment and recommendation score show a very unsatisfactory results, so the authors concluded that channel is over budget.

The opposite occurs in channels that focus on pull marketing activities such as TV, outdoor advertising, and print. Those channels has a very good overall assessment from the respondents visit to the channel to find information on Flexi, its effectiveness in providing information, and its influence on the respondent to make them interested to use Flexi. Thus the authors concluded that these channels have an under budget allocation. The similar thing happened with the Internet and the Bank channel. We can say that the budget allocated for Plasa Telkom / Flexi Center channel has been proper enough when compared with the effects resulted by the channel, although there are still some less satisfied values. Things that need to improve from this channel is the use of the channel in order to be more optimal. Something similar happens with the direct channel from Telkom and EVDO clinic, two were already having a very small budget so its budget allocation does not need to be increased or decreased anymore, as channel Plasa Telkom / Flexi Center, which needs to be improved, is its utility of the channel in order to be more optimal.

Root Cause Analysis

Figure 5 describes the root cause, where Flexi's low of new subscribers and revenue (ARPU) are because of the ineffectiveness of Flexi's promotion channel and lack of information providers in order to provide customers with information about Flexi's products. These promotion channel ineffectiveness can make the already low Flexi's marketing budget become more inefficient.

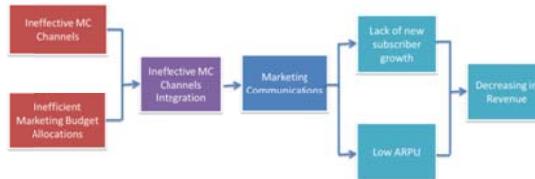


Figure 5. Root Cause Analysis Diagram

The lack of Flexi's new subscriber growth rate is caused by the people's low awareness of Flexi's products. Even though Flexi has provided and design their product for its market segment but not supported by appropriate communication strategies in order to increase the number of new subscribers. These inappropriate communication activities are caused by the inappropriate selection of promotional media so that information about Flexi products is not delivered properly to the consumer. Consumers are less informed about the features, advantages and bonuses that offered if they choose to use Flexi. The same thing is happened to the declining of Flexi's revenue. The less precise marketing budget allocations make the channels that have a high level of effectiveness in conveying information about the features that Flexi owned were underutilized well. So it causes the low level of Flexi's features usage that leads the decrease of revenue.

In the other hand, with the low marketing budget that Flexi has, it is really necessary that Flexi organize an efficient marketing plan. One way is to determine which marketing channel that has a high effectiveness and which are not. That way we can determine the appropriate budget allocations by determining which channels that require additional budget allocation and which ones can be reduced or even eliminated from Flexi marketing activity due to its ineffectiveness. This situation also compounded with promotional activities undertaken by Flexi which targeted their product to potential market segments is still less intense. Flexi is not using print, TV, and internet as a promotion channel intensely. In addition, social networks that can be used for advertising with low costs are also less well utilized, official website isn't promoted enough and the information in social networks is rarely updated. Besides that, high effective channel for information such as Flexi Centers and Plasa Telkom are rarely spotted that could make customers difficult to visit and gather information about the product.

Therefore what we need to do next is how to address the root cause Flexi has, ie ineffective marketing communication channels, ineffective marketing communication integration, and ineffective budget allocations. In the next chapter will discuss the solution and implementation to solve the problem by redesign communication marketing plan.

3. Business Solution

This section will discuss about business solution that could help Telkom Flexi to overcome its problem of their ineffective channels integration: ineffective MC channels and inefficient budget allocations. Therefore Flexi have to build an IMC planning to overcome its problem. Here is an explanation of the Flexi's IMC planning process.

Step 1 Identifying Target Audiences



Figure 6 .Flexi's STP

Source : Telkom, 2012

Step 2 Analyzing IMC SWOTs

Strategic planning in general is based on an analysis of marketplace conditions. This is what a SWOT analysis does, and this also holds good for the development of a strategic IMC plan. A SWOT analysis is a structured evaluation of internal strengths and weaknesses and external opportunities and threats that can help or hurt Flexi's brand. In the case of IMC planning a SWOT analysis restricts it to the communications and brand characteristics that are encountered. A Flexi's strengths and weaknesses are the elements of a SWOT analysis over which the company has control.

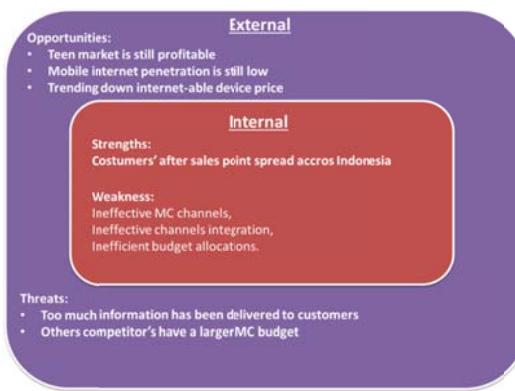


Figure 7. Flexi's MC SWOT Analysis

Step 3 Determining Marketing Communication Objectives

The primary purpose of setting objectives is to state what is to be accomplished in order to direct Flexi's efforts and allow them to evaluate effectiveness. Objectives are what we want to accomplish with marketing communication. They should be measurable if we truly want to prove that an MC plan was effective. Communication objectives should focus on things communication can achieve.

Table 4. Marketing Communication Objectives

Key SWOTs	MC Objectives	Best MC Function
Ineffective MC channels	Increasing product knowledge	Advertising Publicity Direct response
	Increasing audience purchase intention	Advertising Publicity Sales Promotion Direct response

Step 4 Developing Strategies and Tactics

Every objective should be supported by one or more strategies. Strategies are ideas about how to accomplish objectives, to accomplish this, various tactics are used. Tactics are specific actions to be taken to execute a strategy. Before discussing the strategies and tactics of each of the objectives, we need to know how to divide the target audience and the coverage targeted based on each of marketing communications channels. It have to be done so that the division of roles based on channels have a clearer and more focused on the target audience, and will be expected that the information can be more fit and focused. Characteristics of the target audience is whether the target audience is user or non-user, how the habits of the audience, what are their, what are the value segment that they have, in what kind of SES that they are in, and how wide is the coverage that channels can reach. For more details about the distribution of the target audience by channels will be described in the Appendix 3.

Increasing product knowledge

Table 5describes the marketing function that will be used to achieve marketing communication objective. So, to increase the product knowledge, a marketing functions we should do are advertising, publicity and direct response. Advertising is any form of non-personal communication concerning a product that has an impact on buyers, and should deliver a message for its audience. This strategy has done for giving knowledge and information about Flexi increase of product knowledge. The tactical plan will be described in Appendix 4.

Table 9. Marketing Communications Function and Media Mixes to increase product knowledge

MC Function	Media Mix	MC Function	Media Mix	MC Function	Media Mix		
Advertising	TV	Publicity	TV	Direct response	TV		
	Outdoor advertising		Print		Print		
	Print		Internet		Internet		
	Internet		Radio		Radio		
	Radio		Direct from Telkom		Direct from Telkom		
	Event Sponsorship		Clinic EVDO		Clinic EVDO		
	Trade Showbooth		Plaza Telkom / Flexi Center		Plaza Telkom / Flexi Center		
Sales Agency							
Outlets							
Trade Showbooth							

Increasing audience purchase intention

Table 6 describes the marketing function that will be used to achieve marketing communication objective. So, for the increase of audience purchase intention, the marketing functions involved are advertising, publicity, direct response, and sales promotion.

Table 10 Marketing Communications Function and Media Mixes to increase purchase intention

MC Function	Media Mix	MC Function	Media Mix
Advertising	TV	Direct response	TV
	Outdoor advertising		Print
	Print		Internet
	Internet		Radio
	Radio		Direct from Telkom
	Event Sponsorship		Clinic EVDO
	Trade Showbooth		Plaza Telkom / Flexi Center
MC Function	Media Mix		
Publicity	TV	Sales promotion	Sales Agency
	Print		Outlets
	Internet		Trade Showbooth
	Radio		Outlets
	Direct from Telkom		Trade Showbooth
	Clinic EVDO		
	Plaza Telkom / Flexi Center		

This strategy has to be done so then the non-user became aware and interested in buying a starter pack. There are a variety of advertising media are TV, outdoor advertising, print, internet, radio, event sponsorship, and trade showbooth. The tactical plan will be described in Appendix 5.

Step 5 Determine The Budget

After determining the target audience, SWOTs analyzes, determine MC objectives and develop strategies and tactics, we must determine how much of the budget that will be spent on the marketing communication activities. As noted in the previous chapter, there are several channels which was considered need to be reduced, those are the radio channels, outlet, sales agency, trade showbooth and event sponsorship. For radio itself, the budget has reduced from originally 21.68% of the total budget allocation, now has only 5%, so that the suggested radio's communication marketing budget for next year is Rp 10.683 million.

Table 11. Marketing Communication Budget Recommendation

	Channel	Budget (in million)	Budget (%)	Recommendation
1	Radio	10,638	5.00%	Decrease radio advertising placement and additional talkshow budget
2	Outlet	19,148	9.00%	Decrease gathering and Channel Award budget
3	Plaza Telkom / Flexi Center	28,998	13.63%	Optimize Plaza Telkom / Flexi Center Channel Utilization
4	Sales Agency	19,148	9.00%	Decrease gathering and Channel Award budget
5	Event / Trade Showbooth	17,020	8.00%	Decrease event showbooth and merchandise promo budget
6	Internet	17,020	8.00%	Increase internet banner commercial, website, and other internet facility budget
7	Print	25,530	12.00%	Increase newspaper, magazine and brochure placement budget
8	TV	34,040	16.00%	Increase TV commercial and talkshow budget
9	Outdoor Advertising	26,466	12.44%	Increase billboard, banner, and sticker placement budget
10	Bank	7,446	3.50%	Increase promotion about Bank transaction
11	Event Sponsorship	2,128	1.00%	Decrease event sponsorship budget
12	Direct from Telkom	3,340	1.57%	-
13	Clinic EVDO / TSH	1,830	0.86%	-
Total		212,750		

Conclusion

From the research that has been discussed before, it can be concluded that the low ARPU and the low number of new subscribers due to ineffective marketing communication channel, ineffective channel integration and inefficient budget allocation. Ineffective marketing channel integration led to the target audience do not understand the Flexi product, it causes a lack purchase intention of Flexi target audience for the product. Therefore, the researcher recommends Flexi to:

- Use direct from Telkom, TV and internet as the main channels to provide information about Flexi's features to increase their product knowledge.
- Utilize TV, outdoor advertising, and print as the main channels by increasing the advertising activity in those channels to increase the purchase intention
- Make a new MC budget allocation plan by increasing the budget for internet, print, TV, outdoor advertising and bank channels and decreasing the budget allocation for radio, outlet, sales agency, trade showbooth, and event sponsorship channels.

4. Implementation Plan

After the analysis and solution, now we will discuss about the implementation plan for Flexi to overcome its problems.

Timeline Activities

In making the new marketing activities timeline that offered to Flexi, scheduling will be held for 12 months span in a year. Starts from January 2013 to December 2013. This timeline is made for a whole year because it follows Flexi's budget allocation plan that is for a whole year too. Because of that, scheduling time is also required to make budgeting for the overall strategy. With this time frame, we can see what marketing channels that will be utilities for 2013 marketing plan. Scheduling can be seen in the Appendix 6.

Budget Plan

After the timeline scheduling, budgeting is also required to prepare the Telkom Flexi Division's financial ability to implement the overall strategy. Most companies under spend on their marketing budgets, thinking that to not spend is to save. To ensure the successful implementation of this plan the trick is to spend Flexi money wisely on a tailored marketing plan aimed at fulfilling their goals. Budgeting is a plan based on the time frame that was created earlier, details of budgeting can be seen from the Appendix 7.

Execution

In this section, will be explaining about the execution of the marketing communication strategies. In January there is no advertising activities due to Telkom Flexi Division is still in the preparation for the advertisement content. Still in the same month, after the content is ready, DTF will have contacts with agents such as TV stations, radio stations, billboard owner, and others agent. After we have deal with the agents, so we have to distribute the content to all Flexi's marketing communication channels and still in the month, then we will launch the advertisement content all at once in the channels. For advertising, activities will start in February, TV, outdoor advertising, print, internet and trade showbooth will set the new content commercial. The same content commercials still be set in all advertising channels until May, because in June, there will be a new advertisement content, and the pattern will be repeated in October. For radio channel, the commercial will be set in February and September, and event sponsorship will only be held in once a year, and we recommend sponsoring for international music concert event that will be held in Indonesia.

For publicity activities, talk show program will be held in TV in February to increase Flexi's awareness and product knowledge to support the new advertisement content. Besides in February, talk show program will also be held in May, August, and November as a reminder to the audience. Publicity in print, internet, direct from Telkom, clinic EVDO and Plasa Telkom / Flexi Center will be held in 12 months from January to December. For direct response activities, print, internet, direct from Telkom, clinic EVDO, Plasa Telkom / Flexi Center, sales agency, outlets, and trade showbooth will be conducted throughout the year because it has advantages because they can perform two-way

conversation with the audience. Direct response activity on TV the channel will be carried on from April, July, and October, while the radio will be conducted in January, May and September. Sales promotion activities will be conducted at the channel outlet and trade showbooth throughout the year by giving gifts of merchandise, discounts and other bonuses. Lastly, distribution activities will be conducted throughout the years in outlet, sales agency, trade showbooth, bank, and Plasa Telkom / Plasa Telkom.

Suggestion for Future Research

There are several weaknesses on this research, which related to limitations and research scope. The suggestions for future research are to measure the amount of budget derivation or increment because there is no detailed data about how much it costs for acquiring one person who responded through marketing tools or channels.

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Appendix 1 Actual Customer Information and Purchase Point

Marketing Activities			Channel												
			Flexi Center	Clinic EVDO	Bank	Outlet	Sales Agency	Print	Outdoor Advertising	TV	Radio	Internet	Event	Showbooth	PT Telkom
Information	Starter Pack	User				6	3	30	14	72		37		1	5
		Non-User				8	9	54	17	36		13		5	4
		Total				14	12	84	31	108		50		6	9
	Features Info	User	10			7	3	12	18	39	3	55		8	19
		Non-User	1			8	3	43	17	25	8	28		5	6
		Total	11			15	6	55	35	64	11	83		13	25
	Non-product	User	36		4	13	12	16	12	3		27		3	54
		Non-User	21		3	9	7	13	15	5	1	23		5	32
		Total	57		7	21	20	28	27	9	1	50		8	85
Total Score			68		7	50	38	167	93	181	12	183		27	119
Purchase	Starter Pack	User	17	6		75	66						3	13	
		Non-User	10			62	30						18	42	
		Total	27	6		137	96						21	55	
	Payment / Top-Up Purchase Point	User	19		27	65	76							5	
		Non-User	4		9	35	67							1	
		Total	23		36	100	143							6	
Total Score			50	6	36	237	239						21	61	

Appendix 2 MC Channels Performance and Budget Allocation

No	MC Channel	Budget (in million)	Budge t (%)	Actual Rank		Recommendation Score								Conclusion	
				Info	Purchas e	Info			Purchase			Buying Decision			
						SP	Feature s	Non- produc t	SP	Paymen t	Top- up	SP	Feature s		
1	Radio	46,852	21.68 %	9	-	1.0 7	1.16	0.75	1.4 2	-	-	0.8 6	0.89	Over Budget	
2	Outlet	31,003	14.34 %	7	2	2.6	0.73	0.87	-	-	3.44	0.4 6	0.67	Over Budget	
3	Plasa Telkom / Flexi Center	23,129	13.63 %	6	4	1.1 7	2.35	3.22	0.5 9	2.07	1.79	0.2 9	0.67	Proper	
4	Sales Agency	27,915	12.91 %	8	1	4	0.53	0.56	0.8 4	-	4.28	0.4 1	0.6	Over Budget	
5	Event / Trade Showbooth	27,789	12.86 %	8	3	3.2 4	0.66	0.49	1.0 7	-	0.8	0.7 4	0.99	Over Budget	
6	Internet	14,203	6.57%	1	-	2.6 5	2.31	1.86	-	-	-	0.9 2	1.28	Under Budget	
7	Print	8,364	3.87%	3	-	3.2 1	2.28	1.04	-	-	-	1.2 1	1.76	Under Budget	
8	TV	8,028	3.71%	2	-	2.8 5	2.71	0.86	-	-	-	1.6 7	2.59	Under Budget	
9	Outdoor Advertising	6,788	3.14%	5	-	2.1 8	1.56	0.66	-	-	-	1.3 2	1.66	Under Budget	
10	Bank	5,558	2.57%	10	5	-	-	0.32	-	3.12	2.85	-	-	Under Budget	
11	Event Sponsorship	4,940	2.29%	none	6	0.8 6	0.33	0.13	0.6 4	-	-	0.5	0.54	Over Budget	
12	Direct from Telkom	6,331	1.57%	4	-	1.1	2.87	3.07	-	1.36	1.29	0.5	0.66	Proper	
13	Clinic EVDO / TSH	1,852	0.86%	none	7	0.8 5	0.6	0.44	0.3 2	-	-	0.1 9	0.23	Proper	

Appendix 3 Marketing Communication Target Audience per Channel

Channels	Tactical Target audience	Channel s	Tactical Target audience
TV	Flexi user; Non-Flexi users	Sales Agency	Flexi user; Non-Flexi users
	TV viewers ; students ; young workers ; 13 - 25 years old		Users ; prospective customers ; 13 - 25 years old
	Look at me ; socially aware value segment		Look at me ; socially aware value segment
	SES A, B, C		SES A, B, C
	Coverage : TV viewers throughout Indonesia		Coverage : Sales agencies throughout Indonesia
Outdoor Advertising	Flexi user; Non-Flexi users ; 13 - 25 years old	Outlets	Flexi user; Non-Flexi users
	Road users ; students ; young workers		Users ; prospective customers ; 13 - 25 years old
	Look at me ; young optimism value segment		Look at me ; socially aware ; young optimism value segment
	SES A, B, C		SES A, B, C
	Coverage : road users in the big cities		Coverage : Outlets throughout Indonesia
Print	Flexi user; Non-Flexi users	Trade Showbooth	Non-Flexi Users
	Newspapers, magazine, and brochure readers ; students ; young workers; 13 - 25 years old		Prospective customers ; 13 - 25 years old
	Look at me ; socially aware ; young optimism value segment		Look at me ; young optimism value segment
	SES A, B, C		SES A, B, C
	Coverage : everyone who reads newspapers, magazine and brochure throughout Indonesia		Coverage : schools', campus', and malls' in big cities
Internet	Flexi user; Non-Flexi users	Direct from Telkom	Flexi users
	Internet users, students, young workers ; 13 - 25 years old		All Flexi users
	Look at me ; socially aware ; young optimism value segment		Look at me ; young optimism value segment
	SES A, B, C		SES A, B, C
	Coverage : Internet user that open the particular website throughout Indonesia		Coverage : All Flexi's user that received information (like SMS) about Flexi
Radio	Flexi user; Non-Flexi users	Clinic EVDO	Flexi user; Non-Flexi users
	Radio listeners, students, young workers ; 13 - 25 years old		Corporate user or prospective users ; 25 years old above
	Look at me ; socially aware value segment		Something better, young optimism
	SES A, B, C		SES A, B

	Coverage : Radio listeners in big cities		Coverage : Clinic EVDO in 3 big cities
Event Sponsorsh ip	Flexi user; Non-Flexi users	Bank	Flexi users
	Sports or music listeners ; 13 - 25 years old		All Flexi users
	Look at me ; socially aware value segment		Something better, young optimism
	SES A, B, C		SES A, B
	Coverage : People who attend the events in big cities		Coverage : All Flexi's user that wants to fulfill their postpaid payments and prepaid top-ups

Appendix 4 Increase Product Knowledge Tactics

Channel	Recommendation	Message	Location
Direct from Telkom	More information about the features, non-product, and recommend another channel that can be used by consumers to find information	<ul style="list-style-type: none"> - Features provided - Benefit from the features - Rates features - Procedures for the use of features - Benefits and procedures for obtaining rewards 	-
TV	-Increase airtime on TV, advertisements and talk shows	<ul style="list-style-type: none"> - Features provided - Benefit of features 	TV station with a lot of young viewers, such as Trans TV, Trans 7, or RCTI
Internet	<ul style="list-style-type: none"> - To provide the complete information about features - More use of the website and the internet as a customer care point - The interface design is attractive and easy to navigate - Increase advertising on the internet particularly on the features and rewards - More use of community blogs and forums Flexi 	<ul style="list-style-type: none"> - For the website, provide the most complete information about the features - For banner ads, the message content is similar to that shown with outdoor advertising provides direct hyperlinks to the website Flexi 	For internet banner, it can be advertised on facebook, youtube, google ads, twitter, etc.
Plasa Telkom / Flexi Center	Further promote the function of Plasa Telkom / Flexi Center in providing information about features	-	-

Appendix 5 Increase Purchase Intention Tactics

Channel	Recommendation	Message	Location
TV	Increase the airtime on TV, advertisements and talk shows may be	Benefit starter pack, starter pack bonus, and promote flexi advantages compared to other operators	<ul style="list-style-type: none">- TV stations have a lot of young viewers, such as Trans TV, Trans 7, or RCTI
Outdoor Advertising	<ul style="list-style-type: none">- Increase the spread of billboards, posters and banners in strategic places- Improve the message delivered that message content is simpler, attract attention and make the audience curious- Addition of new media in the form of stickers	<ul style="list-style-type: none">- The message is short and simple, a major benefit offered by Flexi- Invitation to seek further information through media such as the internet	<ul style="list-style-type: none">- In the vicinity of strategic roads such Pasteur area and Setiabudhi- In the vicinity of a popular mall in Bandung, such as around PVJ, Ciwalk, and BSM- In the vicinity of the other common congestion- On the back of the glass city transport

Print	<ul style="list-style-type: none"> - Increase advertising and discussion in the column on the media section of newspapers and magazines - Increase the distribution of brochures 	<ul style="list-style-type: none"> - Benefit starter pack, starter pack bonus, and promote flexi advantages compared to other operators - Invitation to seek further information through media such as the internet 	<ul style="list-style-type: none"> - Advertising and column section in a newspaper or magazine with a young audience like Gaul, Kawanku, Hi, etc. - The spread of a brochure at Plasa Telkom / Flexi Center, Outlet, Sales and Trade Agency Showbooth 	
Internet	<ul style="list-style-type: none"> - To provide the complete information about starter pack - Designing interface is attractive and easy to navigate - Increase advertising on the internet - More use of community blogs and forums Flexi 	<ul style="list-style-type: none"> - For the website, provide the most complete information about the starter pack - For banner ads, the message content is similar to that shown with outdoor advertising provides direct hyperlinks to the website Flexi 	For internet banner, it can be advertised on facebook, youtube, google ads, twitter, etc..	
Sales Agency Outlet Trade Showbooth	Increase the circulation of brochures Flexi agency and outlet sales	-	-	

Appendix 6 Timeline Activities for Flexi's Marketing Communication Strategies

Activities	2012											
	1	2	3	4	5	6	7	8	9	10	11	12
Preparation												
Design advertisement content	Red				Red			Red				
Contacts with agents	Red					Red		Red				
Negotiations		Red				Red			Red			
Deals		Red				Red			Red			
Advertisement content distribution						Red						
Launching new advertisement content		Red				Red			Red			
Advertising												
TV		Light Purple										
Outdoor advertising		Light Purple										
Print		Light Purple										
Internet		Light Purple										
Radio		Light Purple					Light Purple					
Event Sponsorship							Light Purple					
Trade Showbooth		Light Purple										
Publicity												
TV			Blue			Blue			Blue			Blue
Print		Blue										
Internet		Blue										
Radio			White		Blue							
Direct from Telkom		Blue										
Clinic EVDO		Blue										
Plaza Telkom / Flexi Center		Blue										
Direct response												
TV					Yellow			Yellow			Yellow	
Print		Yellow										
Internet		Yellow										
Radio			White		Yellow			Yellow				
Direct from Telkom		Yellow										
Clinic EVDO		Yellow										
Plaza Telkom / Flexi Center		Yellow										
Sales promotion												
Outlets		Yellow										
Trade Showbooth		Yellow										
Distribution Place												
Outlet		Green										
Sales Agency		Green										
Trade Showbooth		Green										
Bank		Green										
Plaza Telkom / Flexi Center		Green										

Appendix 7 Budgeting of Marketing Communication Activities

Activities	Month	Price (in million)	Total (in million)
Preparation			
Design advertisement content	3	167	500
Contacts with agents	3	10	30
Negotiations & Deals	3	17	50
Advertisement content distribution	3	33	100
Launching new advertisement content	3	17	50
Advertising			
TV	11	1,547	17,020
Outdoor advertising	11	2,406	26,466
Print	11	1,160	12,765
Internet	11	774	8,510
Radio	2	1,773	3,546
Event Sponsorship	1	2,128	2,128
Trade Showbooth	11	221	2,431
Publicity			
TV	4	2,128	8,510
Print	12	532	6,383
Internet	12	355	4,255
Radio	2	1,773	3,546
Direct from Telkom	12	139	1,670
Clinic EVDO	12	76	915
Plaza Telkom / Flexi Center	12	967	11,599
Direct response			
TV	3	2,837	8,510
Print	12	532	6,383
Internet	12	355	4,255
Radio	3	1,182	3,546
Direct from Telkom	12	139	1,670
Clinic EVDO	12	76	915
Plaza Telkom / Flexi Center	12	967	11,599
Sales Agency	12	532	6,383
Outlets	12	319	3,830
Trade Showbooth	12	203	2,431
Sales promotion			
Outlets	12	638	7,659
Trade Showbooth	12	608	7,294
Distribution Place			
Outlet	12	638	7,659
Sales Agency	12	1,064	12,765
Trade Showbooth	12	405	4,863
Bank	12	621	7,446
Plaza Telkom / Flexi Center	12	483	5,800
Total			213,480