

THE EFFECT OF CHANNEL ATTRIBUTES AND INFORMATION IMPORTANCE ON TELEMARKE TING PROGRAM EFFECTIVITY (A STUDY ON INDIHOME IN BANDUNG, INDONESIA)

Ade Febrian Harjito¹ and Indrawati²

¹Faculty of Economics and Business, Telkom University
Telekomunikasi Street, Bandung, Indonesia
harjitoade@gmail.com

²Faculty of Economics and Business, Telkom University
Telekomunikasi Street, Bandung, Indonesia
indrawati@telkomuniversity.ac.id

Abstract: The growth of Internet users in Indonesia has increased quite rapidly in recent years. In the middle of booming mobile broadband internet expansion, PT Telkom, a state owned enterprise in ICT business based on fixed broadband industry launches a new service product, with the brand name IndiHome. IndiHome is a high speed fiber internet services in the form of triple play services, that consists of internet, cable television and fixed telephone. This strategy aim to capture an opportunity to acquire millions of household customer. Their marketinf force is mainly using direct marketing, one of which is Telemarketing program. Therefore IndiHome becomes the object of this research. This study uses descriptive and causal quantitative approach through model of the Media Channel Attributes, involving variable channel attributes, information importance and perceived effectiveness of Telemarketing program. The data were collected through questionnaire distribution to 400 IndiHome prospect customers and processed with data analysis technique, Multiple Linear Regression using SPSS 20 software to assist the analysis. This research found that channel attributes and information importance have significant positive effect on Telemarketing program effectivity

Key words: channel attributes, information importance, Telemarketing, fiber to the home, media channel attributes

1. Introduction

The number of internet user in Indonesia has grown very rapidly in recent years. With more than a hundred million users of internet in Indonesia, only less than 10 % are fixed broadband internet user (Pavex, 2014). That is the reason why PT Telkom, a state owned enterprise in ICT business based on fixed broadband industry launches a new service product, with the brand name IndiHome. IndiHome is a high speed fiber internet services in the form of triple play services, that consists of internet, cable television and fixed telephone. This strategy aim to capture an opportunity to acquire millions of household customer.

In the midst of mobile internet expansion, the fixed broadband internet services need to be more creative and competitive. After almost one year since its inception, IndiHome market penetration rate was at 5 %, compare to their 13 % target (Indotelko, 2015).

Looking from business perspective, the opportunity for fixed broadband internet to grow in Indonesia is still open. Indonesia has 60 millions household customer potential to become IndiHome prospects. Fiber To The Home (FTTH) is the success factor of fixed broadband technology in the next five to ten years. Experts say it might be more competitive than its rival 4G technology from mobile broadband (Indotelko, 2015).

This research coverage area is focused in Bandung City, West Java, Indonesia. Bandung is considered as "Attack Area" based on IndiHome marketing tactical guidance. It is an area where IndiHome market share is low because the presence of competitors. That's why right now Bandung is the main focus of marketing effort of IndiHome (Pemasaran IndiHome, 2015).

PT Telkom is facing a serious problem in which from their 83,903 target of new customer, they only meet 31,428 or only 37,5% (Data IndiHome, 2015). In Bandung, the marketing effort is using direct marketing program, that is door to door marketing and telemarketing program. Compare to door to door marketing, telemarketing program has a very poor performance despite both programs use the same amount of resources.

1.1 Problem statement

IndiHome products are still in the market penetration state and the choice of service its offered is relatively new for the market, thus it's very important to deliver a clear information to its customer.

Telemarketing is one of the main marketing tools used for attract prospect customer of IndiHome. That's why it needs to be understand, the factor that make the Telemarketing program performance is not as expected. To make this program can meet it's expected target.

1.2 Research Question

After thorough study of literature and to solve the problem statement, thi study found the necessity to answer the research quetion, as follows:

- How much is the influence of channel attributes toward telemarketing program effectivity of IndiHome ?
- How much is the influence of information importance toward telemarketing program effectivity of IndiHome ?
- How much are the influence of channel attributes and information importance toward telemarketing program effectivity of IndiHome ?

2. Theoretical Aspect

2.1 Marketing

Marketing is a process where the company creates a value for customer and builds a strong relations with customer, for the purpose to capture customer value (Kotler, 2009). As for direct marketing is a direct relation with individual customer that have been carefully targeted to acquire an immediate response and to build more intimate relationship with customer (Kotler, 2009).

Telemarketing is one form of direct marketing program that operationally is using telephone as its media to reach customer. Telemarketing is used to attract prospect customer, to sell to customer and to provide services with taking order or answering question through telephone (Kotler, 2009).



2.2 Framework

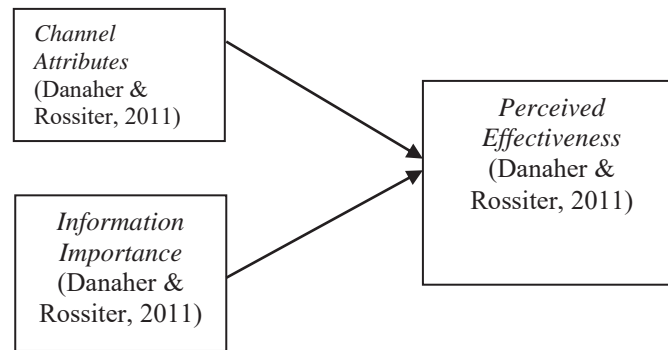


Fig. 1 Framework

In the theory of “Media Channel Attributes” (Danaher and Rossiter, 2011), there are three variables, Channel Attributes, Information Importance and lastly perceived effectiveness. Channel is a media or method in marketing effort and marketing communication program consist of yaitu advertising, personal selling, sales promotion, public relation and direct marketing. One form of direct marketing is Telemarketing.

The theory of “Media Channel Attributes” is chosen as the main theoretical aspect of this research considering its relevancy toward this study and it’s expected the items of questionnaire provided on this theory can exactly measure the dimensions and variables that suitable with this study. The number of others paper from credible publication that used this theory as reference also one of the main consideration in choosing this theory.

Every marketing communication channel has different attributes or characteristics. In Telemarketing there are 12 attributes based on this model:

1. Rejectable, how marketing communication process through Telemarketing can be easily rejected by customer.

2. Enjoyable, how marketing communication process through Telemarketing can make customer feel enjoyment.

3. Trustworthy, how marketing communication process through Telemarketing can be trusted, this attributes is one of the most important trait of Telemarketing program, following several cases of fraud disguised as Telemarketing (voice phising).

4. Informative, how the information from Telemarketing program can provide a sufficient amount of information for customer.

5. Convenient, how marketing communication process through Telemarketing can give convenience feeling for its customer.

6. Acceptable, how marketing communication process through Telemarketing can be considered as acceptable by customer.

7. Reliable, how the information from Telemarketing program can be a valid resource or reference for a customer, when they need information regarding the offer.

8. Appropriate, how marketing communication process through Telemarketing have been conducted appropriately according to the standard.

9. Objectionable, is about the desirability of the customer to provide personal information that have been asked by the telemarketer for marketing effort purposes.

10. Time-consuming, how marketing communication process through Telemarketing can be considered as time-consuming by customer.

11. Difficult to ignore, how marketing communication process through Telemarketing can be difficult to ignore by customer, in which they can’t instantly reject the offers provided thurgh Telemarketing program instantly without consider it first.

12. Disruptive, how marketing communication process through Telemarketing can disturb the activity of the customer.

On this research channel attributes is an independent variable (Danaher and Rossiter, 2011).

Information Importance is information or message in marketing communication process that send to customer and they can consider the importance of the information for them (Danaher and Rossiter, 2011). This factor can be a success key of Telemarketing program to attract customer buying intention, if the information is considered as interesting or important for customer. On this research information importance is an independent variable (Danaher and Rossiter, 2011).

The last variable on this research is perceived effectiveness or final result from communication process through Telemarketing program. The effectivity of this Telemarketing program is not only measured by how well this program can attract buying intention of its customer, but also on how the customer will react to Telemarketing program from now on (Danaher and Rossiter, 2011). On this research perceived effectiveness of Telemarketing program is a dependent variable that affected by independent variables.

The item of questionnaire is developed and modified so to make the respondent can easily answer each question, considered that this items are translated from English to Bahasa Indonesia, several item can not be translated literally in accordance to the term of local language used in this study. To ensure that all modification and adaptation are valid, this study used expert judgement both in linguistic aspect with the assistant of language expert and practicality aspect with the assistant of business expert and academician with business expertise.

3. Hypothesis

Based on the literature review, the hypothesis that being used in this research are as follow:

H1: Channel attributes have significant positive influence on perceived effectiveness of Telemarketing program

H2: Information importance has significant positive influence on perceived effectiveness of Telemarketing program

H3: Channel attributes and information importance have significant positive influence on perceived effectiveness of Telemarketing program.

4. Research Methodology

The data were collected through questionnaire distribution to 400 IndiHome prospect customers through filling online form with Google Documents platform. The data then processed with data analysis technique, Multiple Linear Regression using SPSS 20 software to assist the analysis. Multiple Linear Regression is used in this research to understand the linear correlation between two or more independent variables with one dependent variable, and to predict the value of dependent variable based on independent variable.

5. Analysis

5.1 Descriptive Analysis

The summary of the respondents characteristics are as follow; majority of respondents is female, with the occupation as employee, age between 20 to 25 years old, and have diploma or bachelor degree.

Based on the finding of this research on the influence of channel attributes and information importance toward perceived effectiveness of Telemarketing program, the average score of independent variable "channel



attributes” is fall under “good” category, with 70,57% respondents agree to the statement. In which the item that get the highest score is “informative” dimension, the respondents feel that IndiHome Telemarketing program offer sufficient amount of infomation needed, meanwhile the item that get the lowest score is “objectionable” dimension, the respondents still feel reluctant to give their personal information when asked in Telemarketing program.

And the average score of independent variable “information importance” is fall under “good” category, with 71,03% respondents agree to the statement. In which the item that get the highest score is “relevance” dimension, the respondents feel that information provided in IndiHome Telemarketing program is relevant with their need, meanwhile the item that get the lowest score is “interest” dimension, the respondents somehow feel that information provided in IndiHome Telemarketing program is not enough to attract their interest.

Both independent variables, channel attributes and information importance, is fall under “good” category, with 70,8% respondents agree to the statement. Overall “objectionable” dimension in which the respondent feel reluctant to give their personal information get the lowest score.

Meanwhile the dependents variable, perceived effectiveness of Telemarketing program, fall under “neutral” category. The respondents think that the telemarketing effectiveness is so so, neither good nor bad.

5.2 Multiple Linier Regression Analysis

Multiple linier regression is used to know how big the influence of channel attributes and information importance on perceived effectiveness of Telemarketing program.

From the data analysis result using software SPSS 20 the regression equation is obtained as follow:

$$Y = -0,265 + 0,593X_1 + 0,396X_2$$

1. Constant = -0,265

Constant value -0,265 means that if independent varibales X_1 and X_2 have 0 value then the dependent variable (Y) value is -0,265.

2. Channel Attributes (X_1) = 0,593

That means that if independent variable channel attributes (X_1) increase in its value then the value of dependent variable (Y) also increasing as much as 0,593 or 59,3%.

3. Information Importance (X_2) = 0,396

That means that if independent variable information importance (X_2) increase in its value then the value of dependent variable (Y) also increasing as much as 0,396 or 39,6%.

5.3 Determinant Coefficient

Determinant coefficient analysis (R^2) is used to find the percentage of influence contribution of independent variables simultaneously toward dependent variable. From the data analysis result using software SPSS 20 the value of R^2 is obtained as 49,6% .

6. Conclusions and Suggestions

6.1 Conclusion

From the data analysis result, this research can be concluded as follows:

1. Channel attributes have significant positive influence on perceived effectiveness of Telemarketing program (59,3%).
2. Information importance has significant positive influence on perceived effectiveness of Telemarketing program (39,6%).
3. Channel attributes and information importance have significant positive influence on perceived effectiveness of Telemarketing program (49,6%).

6.2 Suggestions

Since the channel attributes has higher influence on perceived effectiveness of Telemarketing program and the items of channel attribute which is considered the worst is objectionable dimension this study suggest Telkom to:

- Make it obligatory to all its Telemarketer to provide a basic information about Telemarketer identity such as their name and their operating office or division (Rowson, 2007) in order to make the customer can trust and can be less reluctant to give out their personal information when asked
- Enhance the quality of its Telemarketing program positive attributes and at the same time eliminating or fix the negative attributes of their Telemarketing program.
- Making the information provided in Telemarketing program more interesting and relevant to their customer by matching the product offered to the customer relevant to their need based on customer database (billing, product preference record, etc.)

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