

CHAPTER I

INTRODUCTION

1.1 Overview of Research Objects

1.1.1 Company Profile of PT. Indonesia Comnets Plus (ICON+)



Figure 1. 1
Logo PT. Indonesia Comnets Plus (ICON+)

Source: <https://iconpln.co.id>

PT. Indonesia Comnets Plus (ICON+), a subsidiary of PT. PLN (Persero), was established on October 3, 2000. ICON+ specializes in providing information and communication technology (ICT) solutions and services. As part of its commitment to supporting Indonesia's digital transformation, ICON+ focuses on delivering reliable, high-quality telecommunications services. This aligns with the broader trend of digitalization observed among Indonesian industries, where innovation in ICT is crucial for competitive advantage (Nurmalia et al., 2024).

The company plays a pivotal role in ensuring operational efficiency for PLN's electricity distribution by providing connectivity infrastructure. ICON+ leverages its fiber optic network, which spans more than 45,000 kilometers, making it one of the most extensive networks in Indonesia. This robust infrastructure allows ICON+ to offer services such as high-speed internet, managed services, and integrated ICT solutions for enterprises, government institutions, and residential users. The expansion of digital infrastructure is essential

for supporting the growing needs of Generation Z, who are highly reliant on stable and fast internet services for their digital activities (Zahra & Marsofiyati, 2024).

ICON+ embraces the corporate vision of becoming the "Leading ICT Provider in Southeast Asia," supported by the mission to "Deliver Reliable and Innovative ICT Solutions for a Better Life." These values are reflected in the company's commitment to excellence and innovation. Such a mission resonates with the increasing demand for innovative solutions in the digital economy, particularly as Generation Z drives the adoption of cutting-edge technologies (Rinanda & Krisnani, 2024).

In addition to providing internet services, ICON+ contributes to bridging the digital divide in Indonesia through initiatives such as expanding internet connectivity to remote and underserved areas. This initiative aligns with the Indonesian government's agenda for digital inclusion. Ensuring equitable access to digital infrastructure is crucial for fostering national development and enabling all communities to participate in the digital transformation (Asrun & Gunawan, 2024).

ICON+ collaborates with various sectors, including energy, finance, education, healthcare, and transportation, to offer tailored ICT solutions. The company's strategic partnerships have enabled it to support Indonesia's growing demand for digital infrastructure. Collaboration between sectors enhances the ability of ICT providers to meet diverse needs, as highlighted in studies on digital integration across industries (Junaedi et al., 2023).

With a comprehensive portfolio of services, including Internet Protocol Television (IPTV), Virtual Private Networks (VPN), data centers, and cloud computing, ICON+ has established itself as a key

player in Indonesia's ICT landscape. The company's innovative solutions and extensive infrastructure ensure the seamless delivery of services to more than 500 cities and districts across the archipelago. As Generation Z becomes a dominant user group, tailored solutions catering to their unique preferences will be increasingly important (Nadhifah et al., 2024).

As of now, ICON+ continues to expand its service coverage and enhance its technological capabilities to meet the evolving needs of its customers and contribute to Indonesia's digital economy. This commitment to growth and innovation reflects the broader trends in digital transformation observed globally (Permana et al., 2024).

1.2 Background

The rapid advancement of technology has transformed how people interact with the internet, particularly among Generation Z. This cohort, born between the late 1990s and early 2010s, has grown up in a digital era, making them the most connected and internet-savvy generation. Companies in the telecommunication sector, like PT. Indonesia Comnets Plus (ICON+), face both opportunities and challenges in understanding and catering to this demographic's internet consumption behavior. Generation Z's strong reliance on digital platforms has significantly shaped market dynamics, as highlighted in studies examining their behavior and digital engagement (Nadhifah et al., 2024).

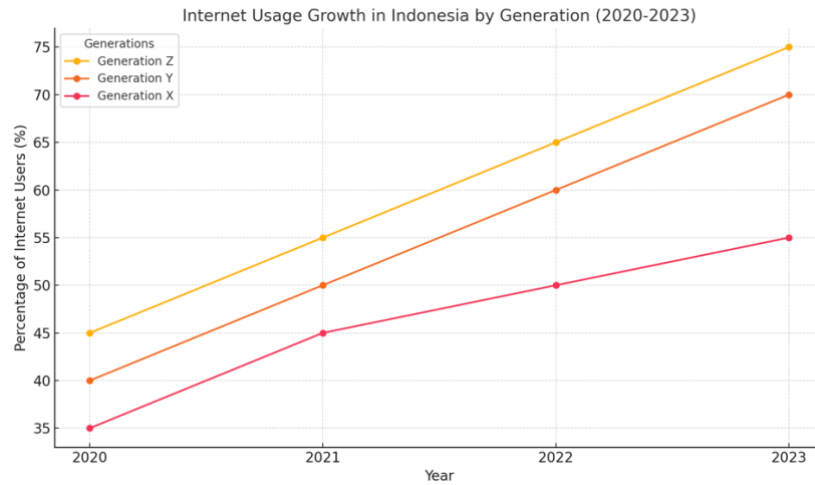


Figure 1.2
Internet Usage Growth in Indonesia by Generation

Source: <https://developingtelecoms.com>

The increasing reliance on the internet has necessitated internet service providers (ISPs) to innovate continuously to meet the demands of their users. According to data from the Ministry of Communication and Information Technology, internet usage in Indonesia has grown exponentially from 2020 to 2023. Generation Z has emerged as the primary contributor to this growth, reflecting their dominance in driving connectivity trends (Rahmadina et al., 2024).

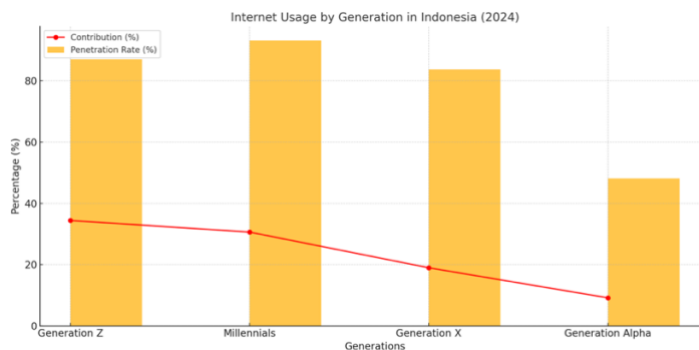


Figure 1.3
Internet Penetration Rate by Generation

Source: <https://www.kompas.com>

As of 2024, data indicates that Generation Z accounts for the largest percentage of internet penetration among all generations in Indonesia. Their dominance highlights the importance of ISPs focusing on strategies tailored to their needs. This penetration demonstrates the widespread adoption of digital connectivity among Generation Z, which sets them apart as a critical demographic for ISPs like ICON+ to capture. (Figure 1.3 Internet Penetration Rate by Generation).



Figure 1.4
Preferred Internet Activities Among Generation Z in Indonesia

Source: <https://www.cbn.id/>

Preferred Internet Activities Among Generation Z Behavioral factors influencing internet usage include ease of access, affordability, and content relevance. According to the Indonesia Digital Trends Report, Generation Z prefers services that are fast, mobile-friendly, and capable of supporting multimedia applications such as streaming, gaming, and social media. This highlights their preference for interactive, high-speed internet solutions that cater to both leisure and productivity (Rinanda & Krisnani, 2024). (Figure 1.4 Preferred Internet Activities Among Generation Z in Indonesia).

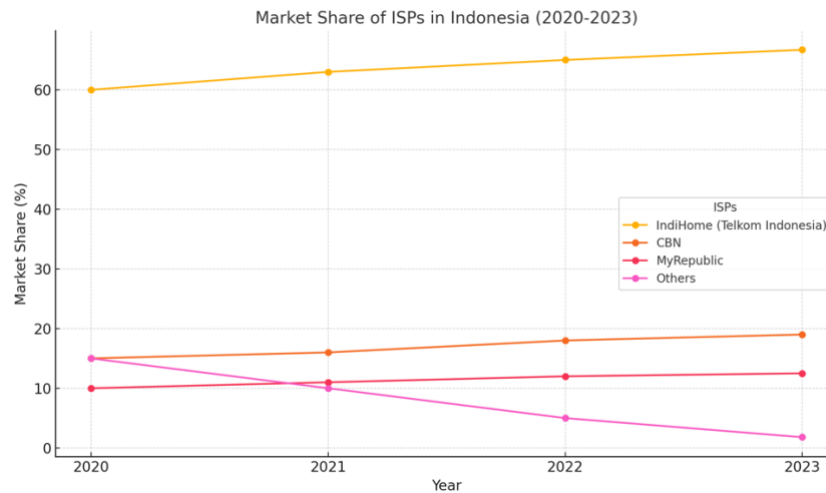


Figure 1.5
Market Share of ISPs Among Generation Z in Indonesia

Source: <https://apji.or.id/>

ICON+, as a subsidiary of PT. PLN (Persero), has taken significant steps to enhance its services, focusing on delivering high-speed, reliable internet to meet the needs of modern users. Despite these efforts, the ISP faces stiff competition from other providers targeting the Generation Z market. A survey conducted by WeAreSocial in 2023 shows the market share of ISPs, indicating that while ICON+ has a presence, improvements in differentiation and customer engagement are necessary to strengthen its position. (Figure 1.5 Market Share of ISPs Among Generation Z in Indonesia).

This study aims to analyze the internet consumption behavior and preferences of Generation Z users in the Ciledug Subdistrict, a region selected due to its growing number of young internet users and the increasing adoption of ICON+ services, making it a relevant case study for understanding digital consumption trends in urban communities. The findings provide actionable insights for ICON+ to enhance its service offerings and meet the demands of this tech-savvy demographic. Moreover, this research contributes to understanding the broader implications of digital connectivity among

younger generations in Indonesia, helping ISPs refine strategies and maintain competitiveness.

1.3 Problem Formulation

Based on the background that has been described, the problem identification for this research is as follows:

1. What is the impact of Generation Z's internet consumption behavior in the Ciledug Subdistrict on their interest in using the services of Indonesia Comnets Plus (ICON+)?

1.4 Usability of Research

The results of this research are expected to contribute to the understanding of internet consumption behavior, particularly in Generation Z, and how their behavioral patterns influence their interest in internet service providers like PT. Indonesia Comnets Plus (ICON+). The usability of this research is divided into two categories: theoretical and practical.

1.4.1 Theoretical Uses

1. This research is expected to serve as a useful reference for future studies exploring internet consumption behavior and its influence on service preferences, offering insights applicable to different contexts.
2. The study contributes to the development of behavioral theories, particularly those that analyze Generation Z's unique interaction with internet services in urban and suburban areas.

3. This research enhances the theoretical understanding of the role of behavioral factors, such as digital connectivity, affordability, and content preferences, in shaping service usage decisions.
4. The study provides new insights into the intersection of generational behavior and service provider strategies, expanding the theoretical framework for analyzing digital consumption trends.
5. It adds to the body of knowledge regarding the relationship between digital habits and consumer preferences, especially in the telecommunications sector.

1.4.2 Practical Uses

1. **For the Author:** The findings of this research are expected to help the author apply theoretical knowledge gained during their studies to a practical context, particularly in analyzing how behavioral factors influence Generation Z's internet service preferences in the Ciledug Subdistrict.
2. **For the Company (PT. Indonesia Comnets Plus):** This study provides actionable insights for ICON+ to understand Generation Z's consumption behavior better, enabling the company to tailor its services and marketing strategies to meet the needs of this demographic. The research also offers practical recommendations for improving customer engagement and satisfaction.
3. **For Readers and Other Researchers:** The results of this research can serve as a reference for readers and future researchers conducting studies related to internet consumption behavior and its influence on service selection, particularly among Generation Z in Indonesia. It also opens opportunities for

further exploration of digital behavior patterns and their impact on business strategies in the ISP industry.

1.5 Research Objectives

Based on the identification of the problem above, this research has the following objective:

1. To analyze how the internet consumption behavior of Generation Z in the Ciledug Subdistrict influences their interest in using the services of PT. Indonesia Comnets Plus (ICON+).

1.6 Research Time and Period

This research was conducted from October 2024 to December 2024.