

## ANALYSIS THE PRICING PERSPECTIVE BETWEEN NORMAL AND PACKAGE PRICE OF KARTU AS TELKOMSEL

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### ABSTRACT

Regarding with potential contributions of price for enhancing products selling or services utilization in the marketplace, one vital approach from price concept usually used by many marketers is pricing strategy concept. This applied model can be established by three main concepts, which are cost considerations concept, competitive consideration concept, and consumer consideration. Two research objectives are to examine significant differences in pricing between normal and package price and between female and male users for normal and package price of Kartu As Telkomsel. Theories supporting in this research are related to price and pricing. The population is users of Kartu As with sample research as many as 100 respondents and using convenience sampling design. Results and conclusions show that there is a significant difference in pricing perspective between normal and package price and no significant differences in pricing perspective between male and female of Kartu As Telkomsel.

*Keywords: price, pricing strategy*

### INTRODUCTION

#### Research Background

The existence of manufactured product or provided service depends on the acknowledgement of the customers in the marketplace. When almost all customers in the market have recognized sold products or provided services, it can be ensured that its available items can be utilized by customers in exceeding amount and give higher profit than before. On the contrary, when almost all customers have not recognized sold products or provided services, it cannot be ensured that the available items can be utilized by customer in exceeding amount and may give lower profit to the company.

Thus, the fact in the previous paragraph makes marketers in the marketplace to give more appreciation for the direct and indirect impact of their recognition to the available products or services. It is important because of its significant role for the positive development that can be achieved when manufacturing or service companies when sells products or provides services for people in the market. The worst scenario that can happen is when managers in companies cannot understand that this situation is related with its success for competing with other competitors in the marketplace.

Regarding with potential contributions of price for enhancing the products selling or services utilization in the marketplace, one vital approach from price concept is usually used by many marketers, which is the pricing strategy concept. This applied model can be established by three main concepts, which are cost considerations concept, competitive consideration concept, and consumer consideration. Due to the rapid development of the telecommunication business, pricing model and its understanding becomes more important for ensuring the continuity of related companies. Ultimately, the significance of pricing approach and those four models can also found at the business application of one well-known telecommunication in Indonesia, which is PT. Telkomsel. Partially, there is one model of service from this vendor that is considered to be used by many people in this country which is Kartu As Service. This defined service itself can be divided into normal and package price. This Kartu AS service can also be found in the service area of Manado.

PT. Telkomsel is not the only one who provides network telecommunication in Manado. There are other providers like XL, Indosat, 3, Fren, Axis, and Esia also. Each provider promotes and presents the best of their products, price and services. Even so, the biggest provider by market share is PT. Telkomsel. It can be seen from the number of users that increase year by year. PT. Telkomsel is a mobile telecommunication company and the company that earns the largest net income in Indonesia. PT Telkomsel is still the biggest mobile company that tops the competition in mobile telecommunication in Indonesia especially in Manado.

### Research Problems

There are two main problems that will be examined, related with the overall description at the previous section, which is:

1. Is there any significant difference in pricing between normal and package price of Kartu As Telkomsel?
2. Is there any significant difference between the female and male user gender for normal and package price of Kartu As Telkomsel?

### Research Objectives

There are two main objectives to be examined related with all stated problems, which are:

1. To examine significant differences in pricing between normal and package price of Kartu As Telkomsel.
2. To examine significant differences in between female and male users for normal and package price of Kartu As Telkomsel.

### Research Benefits

In this current research, there are three important benefits that may be fulfilled, which are:

1. This current research can be utilized by the faculty management as the important finding about the pricing perspective for normal and package price for telecommunication field, which can support any further research that is similar with this current one.
2. This current research can be optimized by the branch representative management as the valuable information about how well its customers can evaluate the pricing perspective for Normal and Package Price for telecommunication field, which can be useful for the future development of PT. Telkomsel.
3. This current research can become one valuable information about the pricing perspective for Normal and Package Price for telecommunication field in one location, which can be useful for the practical application.

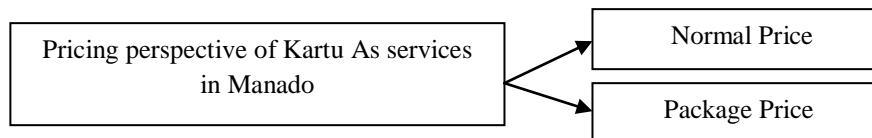
## THEORETICAL FRAMEWORK

### Price

McCarthy (1960) explained that marketing in its broadest sense has traditionally encompassed four major variables that can be controlled, commonly referred to as the four P's; the product itself, the promotion, the place it is sold, and the price. Nagle and Holden (2002) mentioned that due to its direct impact on firm profitability, pricing strategies can be expected to be of most importance and interest to companies. According to Blois (2000), pricing is distinguished from the other marketing mix instruments by its flexibility, its short time between implementation and sales effects, and the force and magnitude of the reactions it entails. Simon (1989) concluded that the traditional definition of price is the number of monetary units a customer has to pay to receive one unit of that product or service.

### Previous Research

Saral and Schmieder (2004) develop a pricing strategy model, which is scientifically sound as well as practically applicable in business to business situations, such as dynamic pricing strategy process model which combines marketing and economic perspectives on pricing. Baptist (2006) examined the possibilities to use price advantage as a tool to achieve competitive advantage where purchase decisions are based on the price offered to find a match between determinants of pricing strategies and the characteristics of company. Hertweck (2005) examined different implementations of buyers' agents (shopbots) and sellers' agents (pricebots) and revealed that the extent to which buyers are using shopbots is a critical driver of the success of pricing strategies.

**Figure 1 Conceptual Framework****Research Hypothesis**

1.  $H_1$  : There is a significant difference in pricing between normal and package of Kartu As Service from customers in Manado.
2.  $H_2$  : There is a significant difference between female and male in normal package price of Kartu As Service from customers in Manado.

**RESEARCH METHOD****Source of Data**

For this current research, there are two types of data that are used to make an appropriate result, which are: primary data which is originated by the researcher specifically to address the research problem and secondary data which is collected for some purpose other than the problem at hand and is taken from books, journals, and relevant literature from library and the internet.

**Population and Sample**

Population is generalized to the object/subject which have a certain quantity and characteristic that is required by researcher to studying and to gain conclusion. The population in this research is all users of Kartu As Service in Manado.

The sample of this research is users of Kartu As Service in Manado as many as 100 respondents. The sampling design is convenience sampling that is considered as the best way of getting some basic information quickly and efficient. Convenience sampling is collecting information from members of the population who are conveniently available to provide it.

**Measurement of Research Variables**

Research variables are measured with Likert scale. A scale is a tool or mechanism by which individuals are distinguished as to how they differ from one to another on the variables of interest to our study. Likert scale is an interval scale that specifically uses the five response categories ranging from 'strongly disagree' to 'strongly agree' which requires the respondents to indicate a degree of agreement or disagreement with a series of statements related to the stimulus.

**Data Analysis Technique****Reliability and Validity Test**

To ensure that all questions in the questionnaire is truly reliable, so the measurement of the Internal Consistency is made, which can be defined as the correlation between questions items that is evaluated the same factor. This Internal consistency can be seen at the Cronbach Alpha Parameter, with ideal score above 0.6. Validity test used to measure whether or not legitimate or valid questionnaire. A questionnaire is said to invalid if the question and questionnaire is able to reveal something that will be measured by the questionnaire.

**Independent Sample T-Test**

A t-test is any statistical hypothesis test in which the test statistic follows a Student's t distribution, if the null hypothesis is supported. It is most commonly applied when the test statistic would follow a normal distribution if the value of a scaling term in the test statistic were known. When the scaling term is unknown and is replaced by an estimate based on the data, the test statistic (under certain conditions) follows a Student's t distribution.

## RESULT AND DISCUSSION

### Result

#### Reliability and Validity Testing

The Cronbach's Alpha value = 0.694 bigger than 0.60 means this research instrument is stated reliable. All indicators of independent variables (X1.1 – X1.8) are stated valid because the correlation value is above 0.3 as follows X1.1 (0.601), X1.2 (0.562), X1.3 (0.637), X1.4 (0.513), X1.5 (0.518), X1.6 (0.434), X1.7 (0.660), and X1.8 (0.586).

Normality test data shows that the population is normally distributed seen from significant column (Asymp. Sig (2-tailed)) for X1.1 (0.392), X1.2 (0.125), X1.3 (0.790), X1.4 (0.376), X1.5 (0.125), X1.6 (0.486), X1.7 (0.060), and X1.8 (0.630).

**Table 1 T-test for Equality of Means between Male and Female**

		Sig. (2-tailed)
X1.1	Equal variances assumed	.510
	Equal variances not assumed	.502
X1.2	Equal variances assumed	.377
	Equal variances not assumed	.362
X1.3	Equal variances assumed	.073
	Equal variances not assumed	.075
X1.4	Equal variances assumed	.588
	Equal variances not assumed	.595
X1.5	Equal variances assumed	.730
	Equal variances not assumed	.728
X1.6	Equal variances assumed	.959
	Equal variances not assumed	.960
X1.7	Equal variances assumed	.234
	Equal variances not assumed	.231
X1.8	Equal variances assumed	.573
	Equal variances not assumed	.583

Source: Processed Data, 2012

Table above gives information about differences among male and female for normal and package price of Kartu AS PT. Telkomsel with interpretation as follows:

1. The significance of  $p = 0.510$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.1.
2. The significance of  $p = 0.377$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.2.
3. The significance of  $p = 0.073$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.3.
4. The significance of  $p = 0.588$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.4.
5. The significance of  $p = 0.730$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.5.
6. The significance of  $p = 0.959$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.6.
7. The significance of  $p = 0.234$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.7.
8. The significance of  $p = 0.573$  ( $p > 0.05$ ) indicates that  $H_0$  is acceptable which means there is no significant difference between male and female based on question X1.8.

**Table 2 T-test for Equality of Means between Normal and Package Price**

		Sig. (2-tailed)
X1.1	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.2	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.3	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.4	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.5	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.6	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.7	Equal variances assumed	.000
	Equal variances not assumed	.000
X1.8	Equal variances assumed	.000
	Equal variances not assumed	.000

Source: Processed Data, 2012

Table 2 gives information about differences among Normal and Package Price of Kartu AS PT. Telkomsel. It shows that the significance value of  $p$  based on question X1.1- X1.8 = 0.000 ( $p < 0.05$ ) indicates that  $H_a$  is acceptable which means there is a significant difference between normal and package price of Kartu AS PT. Telkomsel

## Discussion

The data analysis shows the independent t-test between group test which are male and female; and normal and package price of Kartu AS PT. Telkomsel. Comparing the means of male and female shows that there is no significant difference between the group. Male and female are answering the perception of price based on their experience of using the product in this case is normal and package price of Kartu AS PT. Telkomsel. It can be seen from questions X1.1, X1.4 and X1.8 where the means of female is bigger than male. It shows that more positive perception of price of normal and package price of Kartu AS PT. Telkomsel of female and male. This result is also shown by negative  $t$  value which means group 2 (female) is better than group 1 (male) while the rest of indicator shows that group 1 (male) is better than group 2 (female). However, this compared means is not proven to have any significant different between male and female meaning both of these groups are not significantly different.

This research also analyzes about the compared means with independent sample t-test of consumer perception of pricing between normal and package price of Kartu AS PT. Telkomsel. The result shows that there is a difference of means between normal and package price of Kartu AS PT. Telkomsel and it is supported by level of significant. It Means that normal and package price of Kartu AS PT. Telkomsel have a significantly different and based on the compared mean and  $t$  value is negative, package price of Kartu AS is better than normal price of Kartu AS PT. Telkomsel.

This result is supported by a statement by Kramer (2010) about pricing strategies in the music industry - how to build windmills. Kramer found that by using Factor Analysis, Independent Samples T Test, Multiple Linear Regression Analysis and Chi Square Analysis, the industry should focus on revenue generation. Two new pricing mechanisms have been introduced, being dynamic and flat-rate pricing respectively. An online pricing experiment has revealed that although flat-rate pricing could not be proven to generate higher revenues, dynamic pricing does in fact have a positive influence on revenue. The implications of these are twofold. Theoretically, this has proven that a dynamic pricing system can be possible despite the existence of a free and easy accessible redistribution system. The same argument also given by Hertweck (2005) about examining electronic markets in which intelligent agents are used for comparison shopping and dynamic pricing. Hertweck found that potential also exists to study many more aspects of this same general area. All of the following would be valuable extensions to the work already completed herein: Other pricing strategies could be examined. This

work focused on a few previously studied strategies as well as a strategy not present in the literature – there are likely other approaches that are worthy of study; Non-commodity markets could be simulated. Introducing factors other than price for buyers to consider would certainly lead to multiple interesting research paths; and further research into the application of artificial intelligence is definitely warranted.

## CONCLUSION AND RECOMMENDATION

### Conclusion

Based on the data analysis and discussion, the conclusion of this research can be concluded as follows:

1. There is a significant difference in pricing perspective between normal and package price of Kartu As Telkomsel. Pricing perspective of package price is better than normal pricing of Kartu As Telkomsel.
2. There is no significant difference in pricing perspective between male and female (in this case on people) of Kartu As Telkomsel.

### Recommendation

1. PT. Telkomsel should care about consumer pricing perception and normal and package pricing of Kartu AS since there is a significant difference in pricing perspective between normal and package price of Kartu As Telkomsel. Pricing perspective of package price is better than normal pricing of Kartu As Telkomsel.
2. Future replications of this model might consider investigating the mediating effect of differences in pricing erspective between normal and package price of Kartu As Telkomsel.

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