Analyzing Quantitative Data of Sales and Marketing of Indonesian Telecommunication Company

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KEYWORDS	ABSTRACT
Digital Data, Advertising, Sales Promotion, Quantitative, Data	This study aims to analyze the influence of Advertising, Sales Promotion, and Direct Marketing on Brand Awareness of PT Telkom Indonesia. In facing tight competition in the telecommunications industry, increasing brand awareness is an important factor for companies. This study uses a quantitative method with a survey approach to collect data from consumers of PT Telkom Indonesia. The results of the study indicate that Advertising and Direct Marketing have a significant influence on Brand Awareness, while Sales Promotion shows not significant influence. Based on these findings, it is recommended that PT Telkom Indonesia prioritize Advertising and Direct Marketing strategies to strengthen brand awareness, and combine Sales Promotion with both strategies to achieve more optimal results. This study is expected to provide insight for companies in designing more effective marketing strategies to increase brand awareness in an increasingly competitive market.

I. INTRODUCTION

The telecommunications industry in Indonesia continues to increase, fueled by the increasing public demand for Internet and communication services. As of 2024, internet penetration in Indonesia has reached 79.5%, with over 221 million users, representing significant opportunities for telecommunication companies to expand their market share. Amidst this competitive landscape, PT Telkom Indonesia remains the largest telecommunication provider in the country, offering comprehensive services across the internet, telephone, and digital platforms.

Despite achieving positive growth, such as a 4.4% increase in broadband subscribers and a 1.3% revenue growth in 2023, PT Telkom Indonesia faces challenges in maintaining its dominance, particularly in sustaining and enhancing its brand awareness. Strong brand awareness influences consumer trust and decision-making, particularly in competitive markets where consumers gravitate toward well-established brands.

Marketing is crucial in building and sustaining brand awareness. Research by Nielsen (2023) reveals that marketing contributes 10%- 35% to brand equity, with customer acquisition and brand awareness identified as top priorities. PT Telkom Indonesia employs multiple strategies to enhance brand recognition, including advertising, sales promotion, and direct marketing.

Advertising remains a powerful tool for reaching broad audiences and shaping a positive brand image. Telkom allocates substantial resources to advertising through television and digital platforms, spending Rp.3,530 billion on marketing in 2023. Sales promotions involving discounts, cashback, and direct gifts offer additional incentives to attract consumers while leaving lasting impressions that can bolster brand recall.

Direct marketing provides a personalized approach to consumer engagement. Through SMS and email campaigns, PT Telkom Indonesia achieves commendable engagement rates, such as a 35% open rate for email and a 20% SMS response rate in 2023. These methods allow for targeted communication and foster closer relationships with customers. However, the direct impact of these strategies on enhancing brand awareness needs to be explored more.

Given the increasingly fierce competition in the telecommunications industry, a deeper understanding of the effectiveness of these marketing efforts is critical. This study analyzes the influence of advertising, sales promotion, and direct marketing on PT Telkom Indonesia's brand awareness. By employing quantitative methods and survey data collection, the research seeks to identify which strategies contribute most significantly to brand recognition and provide valuable insights to improve marketing performance. The findings of this study are expected to support PT Telkom Indonesia in optimizing its marketing strategies and strengthening its position as a leading telecommunications provider in Indonesia's digital era.

I.   LITERATURE REVIEW

Kotler and Keller (2016: 27) define marketing as a societal process by which individuals and groups obtain what they need and want by creating, offering, and freely exchanging value-added products and services with others. According to Kotler & Keller (2016: 580), "marketing communication is a way in which a company seeks to inform, convince, and remind consumers directly or indirectly about the products and brands they sell.

Advertising is a paid promotional tool that spreads messages through mass media such as television, radio, print, and digital media. Advertising aims to reach a wide range of consumers, create brand awareness, build product image, and attract consumer interest. Advertising has several benefits, such as Breadth/ Repetition, Strong expressiveness, Control.

Sales promotion includes various short-term intentions given to consumers to encourage direct purchase or use of the product. This tool effectively attracts consumers' attention and increases sales in the short term. Sales promotion tools offer three distinctive benefits: the Ability to attract attention, Incentives, and Invitations.
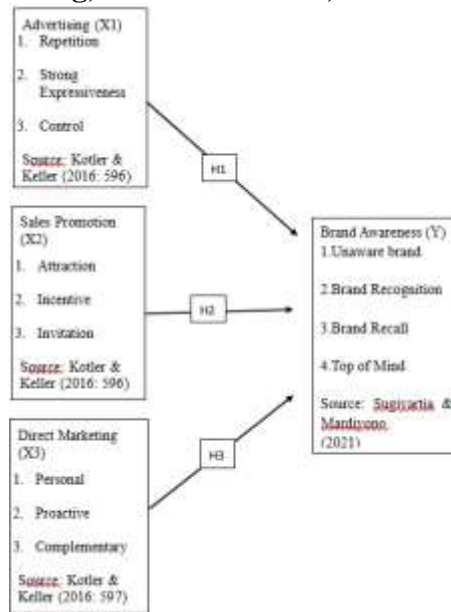
Direct Marketing

Direct marketing is a promotional method that allows the Company to communicate directly with consumers without intermediaries. Forms of direct marketing include e-mail, catalogs, telemarketing, SMS, and social media marketing. This tool effectively reaches consumers with messages that match their preferences. The three essential characteristics of direct marketing and databases are Personal, Proactive, and Complementary.

Brand Awareness

Kotler & Keller (2016) defines brand awareness as the Ability of a brand to appear in the minds of consumers, especially when they think of a particular product and how easily the brand is remembered.

Aaker (2020) in Sitorus, S. et al. (2022) also stated that brand awareness is the ability of consumers to recognize or remember a brand in a certain product category. Brand awareness measures how much consumers can recognize or remember the existence of a brand in a specific category. The more consumers who recognize a brand, the greater their awareness of the brand will ultimately make it easier for potential consumers to make a purchase decision.

According to Goh and Noor (2019), as cited in Gita Sugiyartia and Aris Mardiyonoa (2021), Brand awareness is the ability of a person who is a potential buyer to recognize or recall a brand that is part of a product category, brand awareness can be classified into four levels. The first is Unaware of Brand, which refers to brands that remain unrecognized by consumers even after being reminded. The second category, Brand Recognition, includes brands that consumers can identify only after receiving a prompt or reminder. The third level is Brand Recall, where consumers can spontaneously recall a brand without any external cues. Lastly, Top of Mind represents the highest level of brand awareness, where a particular brand is the first to come to a consumer's mind when thinking about a specific product category.

The Relationship between Advertising, Sales Promotion, Direct Marketing and Brand Awareness.

Based on the research framework described above, the following hypotheses can be drawn:

1. H1: Advertising affects PT Telkom Indonesia's Brand Awareness
2. H2: Sales Promotion Affects PT Telkom Indonesia's Brand Awareness
3. H3: Direct Marketing Affects PT Telkom Indonesia's Brand Awareness

II. METHODOLOGY

In this study, the researcher decided to make a questionnaire using the Likert Scale. This technique consists of strongly agree, agree, hesitate, disagree, and strongly disagree. Skala Likert lists five response options, ranging from "Strongly Agree" to "Strongly Disagree," with each option assigned a numerical value. The highest score, 5, is given to the response "Strongly Agree," followed by "Agree" with a score of 4, "Neutral" with a score of 3, "Disagree" with a score of 2, and the lowest, "Strongly Disagree," with a score of 1.

Respondent and methods of data analysis

This study's population comprises Indonesian citizens aged 17 years and above who use PT Telkom Indonesia's products or services. Since there is no available data on the exact number of Indonesian users of PT Telkom Indonesia's products and services, a non-probability sampling method with a purposive sampling technique is employed. According to Sugiyono (2019), non-probability sampling is a technique in which only some elements or members of the population have an equal chance of being selected as a sample. On the other hand, Purposive sampling involves selecting samples based on specific criteria or considerations.

This research relies on primary data, which is collected through a questionnaire. A questionnaire is considered an efficient data collection tool, particularly when the researcher clearly understands the variables to be measured and the responses expected from the participants (Sugiyono, 2013). The questionnaire was distributed via social media platforms, including WhatsApp and Instagram, to reach the target respondents effectively.

Method for statistical analysis

The researcher used the Partial Least Squares Structural Equation Modelling (PLS-SEM) method with SmartPLS 4 software for data analysis in this study. Hair et al. (2021) state that PLS is a practical and easy-to-understand data analysis method. PLS-SEM can handle many dependent and independent variables in a single model, making it ideal for use in complex models. In this study, PLS-SEM was chosen

for its ability to analyze models with many constructs and indicators and to evaluate relationships between more complicated constructs.

III. RESULTS

Outer Model

a. Convergent Validity

Indicator	X1	X2	X3	Y
A1	0.747			
A2	0.735			
A3	0.802			
A4	0.786			
A5	0.778			
SP1		0.822		
SP2		0.786		
SP3		0.774		
SP4		0.625		
SP5		0.649		
DM1			0.574	
DM2			0.671	
DM3			0.746	
DM4			0.773	
DM5			0.776	
BA1				0.706
BA2				0.746
BA3				0.752
BA4				0.833

The table above shows that the outer loading above has a value >0.7, so it can be seen that this research has good convergent validity.

b. Discriminant Validity

	X1	X2	X3	Y
A1	0.747	0.582	0.464	0.540
A2	0.735	0.615	0.499	0.595
A3	0.802	0.579	0.530	0.569
A4	0.786	0.558	0.518	0.614
A5	0.778	0.628	0.543	0.641
SP1	0.701	0.822	0.602	0.616
SP2	0.694	0.786	0.502	0.666
SP3	0.519	0.774	0.451	0.488
SP4	0.408	0.625	0.387	0.340
SP5	0.412	0.649	0.315	0.436
DM1	0.327	0.354	0.574	0.340
DM2	0.421	0.400	0.671	0.461
DM3	0.442	0.536	0.746	0.532
DM4	0.545	0.412	0.773	0.636
DM5	0.592	0.529	0.776	0.529

BA1	0.499	0.446	0.506	**0.706**
BA2	0.567	0.467	0.437	**0.746**
BA3	0.574	0.622	0.576	**0.752**
BA4	0.688	0.623	0.642	**0.833**

Based on Table, it shows that the results of the cross loading estimation of each indicator have a value greater than the correlation between variables. So it can be concluded that the variables in this study have good discriminant validity because the loadings of each indicator are greater than the loading values of each other variable.

c. Composite Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
X1	0.828	0.830	0.879	0.593
X2	0.788	0.819	0.854	0.541
X3	0.757	0.778	0.836	0.507
Y	0.758	0.770	0.845	0.578

The table shows that all variables in this study have met the reliability requirements. This is indicated by the Cronbach's Alpha value >7 and the composite reliability value showing >0.7. It can also be seen that the AVE value in this study >0.5, so it can be concluded that all variables in this study are reliable and dependable.

Inner Model
a. Coefficient of Determination

	R-square	R-square adjusted
Brand Awareness (Y)	0.688	0.678

Based on Table, the R-square value of the Brand Awareness variable is 0.688. From these results, it can be concluded that the Brand Awareness (Y) variable is included in the moderate category.

b. Effect Size

	X1	X2	X3	Y
X1				0.173
X2				0.056
X3				0.177
Y				

The table above shows that the F-square value on the Advertising (X1) and Brand Awareness (Y) variables has a moderate effect of 0.173. Sales Promotion (X2) and Brand Awareness (Y) have a small effect of 0.56. Direct Marketing (X3) and Brand Awareness (Y) have a moderate effect of 0.177.

c. Hypothesis Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
X1 -> Y	0.392	0.397	0.124	3.154	0.002

X2 -> Y	0.214	0.205	0.139	1.534	0.125
X3 -> Y	0.324	0.334	0.074	4.392	0.000

Based on the table, it can be seen:

1. H1: The Influence of Advertising (X1) on Brand Awareness (Y):

Advertising has a significant influence on PT Telkom Indonesia's brand awareness. This is supported by a T-value of 3.154 (greater than 1.96) and a P-value of 0.002 (less than 0.05). Therefore, hypothesis H1 is accepted.

2. H2: The Influence of Sales Promotion (X2) on Brand Awareness (Y):

Sales Promotion has not significant influence on Brand Awareness of PT Telkom Indonesia. This can be seen from the T-value of 1.534 (less than 1.96) and P-value of 0.125 (greater than 0.05). However, hypothesis H2 is not accepted.

3. H3: The Influence of Direct Marketing (X3) on Brand Awareness (Y):

Direct Marketing has a significant influence on PT Telkom Indonesia's brand awareness. This is evidenced by the T-value of 4.392 (greater than 1.96) and P-value of 0.000 (smaller than 0.05). Therefore, the H3 hypothesis is accepted.

IV.   CONCLUSION

Based on the study, Advertising significantly influences PT Telkom Indonesia's brand awareness, which shows that effective advertising can increase brand awareness. Meanwhile, sales promotions do not have a direct influence on brand awareness. On the other hand, direct marketing has also been proven to increase brand awareness. Overall, Advertising and Direct Marketing are the most effective strategies. Therefore, PT Telkom Indonesia is advised to prioritize these two strategies and evaluate and combine Sales Promotion with Advertising or Direct Marketing for more optimal results.

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