

THE ROLE OF SERVICE MANAGEMENT IN ENHANCING THE COMPETITIVENESS OF PT. TELKOM INDONESIA, TBK

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Abstract

This research aims to analyze the role of service management in increasing the competitiveness of PT. Telkom Indonesia, Tbk in the competitive telecommunications industry. Using a qualitative approach based on a literature review, this research explores various strategies, such as digitalization of services, technological innovation, and improving the quality of customer service. The research results show that PT Telkom has succeeded in increasing its competitiveness through implementing management strategies, including developing technological infrastructure, big data-based data analysis, and service diversification. Factors such as superior customer experience, partnership strategy and innovation culture also play an important role in strengthening the company's position in the domestic market and opening up global expansion opportunities. In conclusion, the service management strategy implemented not only increases customer satisfaction but also supports digital transformation in Indonesia.

Keywords: service management, competitiveness, technological innovation, digitalization, PT. Telkom Indonesia, Tbk.

INTRODUCTION

PT Telkom Indonesia, as one of the largest telecommunications corporations in Indonesia, has been a major player in this industry since its inception. In its quest to continue growing and competing in an ever-changing and competitive market, business process management has emerged as a critical aspect in ensuring the long-term success of a company.¹ Business process management (BPM) is a strategic method used by companies to plan, manage, and improve their basic processes to become more efficient, effective, and responsive to client demands and market changes. In the context of PT Telkom Indonesia, business process management is very important to improve operational efficiency, improve service quality, and meet increasingly high consumer expectations. The company operates in several market categories, including wireless telecommunications and fixed lines.

Competition in the telecommunications industry is increasingly dynamic with technological developments and changing customer needs. PT Telkom Indonesia Tbk, as one of the leading telecommunications companies in Indonesia, faces the challenge of staying competitive in an increasingly tight market. One of the key strategies used is effective service management to provide added value for customers².

Service management plays a critical role in creating a superior customer experience, improving operational efficiency, and supporting continuous innovation. With an approach that

¹ Syahril Irawan, 'Analysis of the Business Process Management Cycle at Pt. Indofood Sukses Makmur', *ResearchGate.Net*, October, 2023, pp. 0–19.

² Rachmawati Solichin, S.L.H.V Joyce Iapian, and Yunita Mandagie, 'SWOT Analysis on the Determination of Indihome Service Strategy at Telkom Plasa Kotamobagu', *EMBA Journal: Journal of Economics, Management, Business and Accounting Research*, 11.02 (2023), pp. 101–12, doi:10.35794/emba.v11i02.47720.

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focuses on service quality, PT Telkom Indonesia Tbk is able to build customer trust and loyalty, which ultimately contributes to increasing the company's competitiveness in the domestic and global markets.

Digital management involves the use of information and communication technology to optimize business processes, improve customer satisfaction, and improve operational efficiency. By adopting this approach, businesses can maximize the potential of data, integrate systems, and develop innovative strategies³. In this context, the purpose of this article is to explain and analyze how the service management process helps improve the competitiveness of PT. Telkom Indonesia, Tbk.

RESEARCH METHODS

The analysis method in this study uses a qualitative approach with an in-depth literature review. The research collects secondary data from a variety of relevant sources, such as books, scientific articles, and industry reports that discuss strategic management, digital transformation, and corporate competitiveness. The data was analyzed descriptively, highlighting the implementation of digital strategies by companies that have successfully adapted to technological developments. The analysis also includes the identification of challenges and opportunities faced by companies in implementing strategic management in the digital age, with a focus on aspects of data security, technological innovation, and business model changes. With this approach, the research aims to provide comprehensive insights into how strategic management plays a role in improving a company's competitiveness in the midst of a constantly changing digital era.

RESULTS AND DISCUSSION

The company that follows this development is PT. Telekomunikasi Indonesia Tbk, better known as Telkom. Telkom is the only large company in Indonesia that provides technology, information, and communication services owned by State-Owned Enterprises. (SOEs). Telkom is currently more focused on providing services to the Indonesian people by offering various products and services for them to sell to consumers according to their individual needs. PT. Telekomunikasi Indonesia has carefully identified this business opportunity by expanding its business portfolio to include Telecommunications, Information, Media, and Edutainment. (TIME).

With the increasingly fierce competition among its rival companies, Telkom has taken the initiative to continue to innovate its products. So far, Telkom's products are only known to be limited to landlines and its internet product, Speedy Wifi. Currently, Telkom has also launched its latest product, Useetv, which is an online interactive television entertainment service from the Speedy internet network that can be enjoyed by customers through Triple Screen (television, PC/laptop, and smartphone) with features such as live local TV, subscription packages for international channels, on-demand video collections including box-office movies, dramas, and music videos, as well as online games.⁴ By combining these three services into a product they call IndiHome Fiber Optic, or better known as IndiHome

³ Intan Astari, 'Digital Management Analysis in Optimizing Business Performance', *Proceedings of Islamic Economics, Business, and Philanthropy*, 2.1 (2023) <<https://jurnalfebi.iainkediri.ac.id/index.php/proceedings>>.

⁴ Hardiyanti Anwar, 'Analysis of Telkom Indihome's Product Differentiation Strategy in Maintaining Customer Loyalty at PT. Telekomunikasi Indonesia Witel Makassar', *Nucleic Acids Research*, 6.1 (2018), pp. 1–7 <<http://dx.doi.org/10.1016/j.gde.2016.09.008>><<http://dx.doi.org/10.1007/s00412-015-0543-8>><<http://dx.doi.org/10.1038/nature08473>><<http://dx.doi.org/10.1016/j.jmb.2009.01.007>><<http://dx.doi.org/10.1016/j.jmb.2012.10.008>><<http://dx.doi.org/10.1038/s4159>>.

(Indonesia Digital Home), Telkom aims to unite three different types of customers into one cohesive unit. A home product that can cover the whole world with three services, namely, landline, internet, and interactive TV services with IPTV technology that can collect hundreds of TV channels from all over the world.

Improving the quality of service for the community in the installation procedure of Speedy products is realized by PT. Telkom is in accordance with the principles of public service in KepMenPan No. 81 of 1993, namely: 1. Principle of Simplicity, 2. Principle of Clarity, 3. Principle of Certainty of Time. This is evidenced by the ease in the installation procedure. Not only that, PT. Telkom also provides convenience in customer payments and problem solving. Providing services to the community to satisfy customers. Thus, efforts to improve the quality of service in terms of service must be carried out by Customer Service in accordance with service regulations⁵. Customer Service plays a role in providing services to customers to handle problems and is in charge of solving problems complained about by customers. The quality of employees will be able to affect performance in service.

Providing excellent service quality, PT. Telkom has a fairly strict recruitment system, and employees who are already working must undergo an education and training process. In this way, employees are able to provide excellent service, HRM: Employees in all positions who have the capacity to be responsive to customer wishes. Thus, with the actions taken by employees in response to the wishes of the community, employees must be able to take responsibility for each task to complete it on time.⁶The existence of prioritized work discipline must be a basic requirement for lazy employees. And can improve the quality of human resources to better serve the community. That in carrying out their duties, employees are required to be disciplined and responsible for their duties.

Customer satisfaction refers to the level of happiness, satisfaction, or satisfaction experienced by the client after using the goods or services of a business. It shows how well the client's experience with the products and services they purchase meets their expectations. In business, it is impossible to ignore the importance of client satisfaction. Businesses that prioritize client happiness have a higher chance of retaining existing customers, increasing customer loyalty, and improving their reputation in the market.⁷ Customer satisfaction is also often measured periodically using various methods, such as customer satisfaction surveys, internet evaluations, and first-hand stories from clients. In short, client or customer satisfaction is a reflection of how well a company meets the expectations and needs of its customers.

Consumer satisfaction is the level of the consumer's feelings after comparing what he or she receives and his expectations.⁸ Consumer expectations are believed to have a big role in determining satisfaction. Therefore, companies must be proactive and also sensitive in reading the situation of wants or needs of consumers which are very diverse and rapidly changing in the era of globalization like today. One of the factors in winning the competition can be seen from the number of consumers who use the products or services offered by the company. With the increase in satisfaction levels, the tendency of consumers to return to buy the products

⁵ Inda Dwi Oktavianis, 'The efforts of PT. Telkom in Improving the Quality of Speedy Internet Service in Satisfying Customers (Study on PT. Telkom Malang)', *Journal of Public Administration*, 1.1 (2019), pp. 65–69.

⁶ Adi Neka Fatyandri, 'Analysis of External Environmental Strategy Conducted by PT Telekomunikasi Indonesia, Tbk.', *E-Business: Scientific Journal of Economics and Business*, 16.1 (2023), pp. 190–99, doi:10.51903/e-bisnis.v16i1.1155.

⁷ Meyta Longkutoy, 'Service Quality Factors Affecting Customer Satisfaction', 4 (2024), pp. 16910–25.

⁸ Mutia Amanda, 'The Effect of Service Quality on Consumer Satisfaction at PT. Telekomunikasi Indonesia Tbk, Padang (Indihome Consumer Case Study)', *Journal of Management & Business Science Development*, 3.1 (2021), pp. 107–22 <<https://ejurnal-unespadang.ac.id/>>.

offered by the company will also increase. For this reason, the company must be able to provide satisfaction to its consumers so that their consumers want to return to use the products offered by the company.

⁹ If consumers have felt satisfied, then a good cooperative relationship will be created between consumers and the company. Thus, it will be very profitable for the company. Along with the increasing lifestyle of the increasingly modern society, the primary needs no longer consist of shelter, clothing, and food, but also basic service needs that will help to save time and provide information quickly and easily. One of the business forms of basic necessities of services is facilities in the field of communication, therefore companies engaged in telecommunications are highly required to provide services to their consumers as best as possible, and one example of a company engaged in the field of telecommunications is PT. Telekomunikasi Indonesia, Tbk (PT. Telkom). PT. Telkom itself is the first and largest telecommunication service provider in Indonesia. For this reason, PT. Telkom will always strive to provide the best to its customers. One of Telkom's products that has long been known to the public is the fixed telephone product or PSTN (Public Switched Telephone Network).¹⁰

Factors That Can Increase PT Telkom Indonesia Tbk's Competitiveness Through Service Management

- 1) **Consistent Service Quality**, Service quality is a major factor in creating customer trust. PT Telkom can ensure that the services provided meet quality standards through continuous monitoring, internal audits, and the implementation of quality management systems such as ISO 9001. In addition, the provision of technical training for employees on a regular basis can improve their competence in solving customer problems effectively.
- 2) **Technological Innovation and Service Products**, To remain competitive, PT Telkom needs to continue to innovate in providing the latest technology-based products and services. Examples are the development of 5G networks to improve internet speeds, cloud computing-based services to support the digital transformation of business customers, and IoT solutions for various home and industrial needs. This product diversification allows the company to reach a wider market segment.
- 3) **Digitalization of Customer Service**, Digital transformation in the customer service process is an important step to improve operational efficiency. PT Telkom can develop self-service platforms, such as mobile applications or online portals, that allow customers to access information and resolve issues quickly. In addition, the application of chatbot technology and AI in the service system can speed up responses to customer complaints and questions.
- 4) **Superior Customer**, Experience Focusing on customer experience is an important strategy in building a company's loyalty and reputation. PT Telkom can improve the customer journey by simplifying the process of registration, payment, and service complaints. Providing personalized and responsive service to customer needs is also key to creating a positive experience.
- 5) **Technological Infrastructure Improvement**, Strong technological infrastructure is the foundation for the success of telecommunications services. PT Telkom needs to continue to invest in the development of fiber optic networks to ensure reliable

⁹ Agung Wijoyo, 'THE ROLE OF MARKETING MANAGEMENT INFORMATION SYSTEM IN PT. TELKOM INDONESIA (Case Study: PT . TELKOM)', 1.3 (2023), pp. 355–58.

¹⁰ Adillah Sofiya Ananda, 'Analysis of the Application of the Concept of Base Management System', 2.1 (2024), pp. 358–64.

connection quality, as well as accelerate the implementation of 5G networks to meet customer demand for high-speed connectivity.

- 6) **Utilization of Data Analytics**, PT Telkom can utilize big data and predictive analytics to understand customer needs, behaviors, and preferences. This information can be used to develop more effective marketing strategies, create more personalized services, and increase customer satisfaction.
- 7) **Collaboration and Strategic Partnerships**, Partnerships with various parties, such as technology companies, startups, and educational institutions, can open up new opportunities for PT Telkom to expand the scope of services and introduce new innovations. For example, partnering with tech startups can help create digital solutions that are relevant to specific market segments.
- 8) **Commitment to Sustainability Integrating**, Sustainability principles in company operations can improve PT Telkom's image as a responsible company. This effort can include the use of environmentally friendly energy in network operations, electronic waste management, and the implementation of Corporate Social Responsibility (CSR) programs that are relevant to the needs of the community.
- 9) **Proactive Risk Management**, PT Telkom needs to manage risks effectively to ensure service stability. Risk mitigation strategies can include developing robust customer data security systems, increasing network redundancy to reduce the risk of disruption, and ongoing surveillance and monitoring of potential cybersecurity threats.
- 10) **Culture of Innovation and Agility**, To face the rapidly changing market dynamics, PT Telkom needs to create a work culture that encourages innovation and high adaptability. Companies can provide incentives to employees to propose new ideas, adopt flexible working methods such as agile, and provide space for research and development of the latest technologies.
- 11) **Market Segmentation Diversification**, PT Telkom can increase its competitiveness by developing special services that suit the needs of various market segments, such as internet services for education, digital solutions for MSMEs, or premium services for corporate customers. By offering customized products, companies can reach more customers and expand their market share.
- 12) **Location-Based Customer Service (Localized Service)**, In the vast geographical context of Indonesia, PT Telkom can increase its competitiveness by offering services that are relevant to local needs. This could include developing infrastructure in remote areas, launching special programs to support local economies, or providing access to more affordable services for specific communities.

CONCLUSION

PT Telkom Indonesia Tbk has succeeded in utilizing service management as the main strategy to increase its competitiveness in the competitive telecommunications industry. Factors such as improving service quality, technological innovation, digitization of customer service, superior customer experience, and infrastructure investment are the keys to the company's success.

In addition, the use of data analysis, strategic collaboration, commitment to sustainability, and market diversification also support the achievement of the company's goals in creating added value for customers. By implementing proactive risk management and building a culture of innovation and agility, PT Telkom is able to respond to market changes more adaptively.

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Overall, these strategic efforts not only strengthen PT Telkom's position in the domestic market, but also open up opportunities to compete at the global level. Through continuous innovation and services that focus on customer needs, PT Telkom continues to contribute to driving digital transformation in Indonesia.

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