The Effectiveness of Internet Use in Product Distribution Clustering Management Process of PT. Telkomsel in Cluster Bone

M. Awaluddin A. 1
1(Public Administration, Universitas Negeri Makassar, Indonesia)
Corresponding Author: M. Awaluddin A

Abstract: Problems discussed in this study include the use of the Internet in the process of product distribution clustering management of PT. Telkomsel in Cluster Bone and Factors affecting the effectiveness of internet use in the process of product distribution clustering management of PT. Telkomsel in Cluster Bone. This study aims to determine the use of the Internet in the process of product distribution clustering management of PT. Telkomsel in Cluster Bone and factors supporting and inhibiting the effectiveness of internet use in the process of product distribution clustering management of PT. Telkomsel in Cluster Bone. This study is a qualitative research using descriptive method. Data sources in this study are Branch Manager, Cluster Supervisor, and Sales Force staff of PT. Alcom. The results showed that the use of the internet makes a very positive impact on the process of product distribution clustering management of PT. Telkomsel in Cluster Bone. Factors affecting the effectiveness of internet use in the process of product distribution clustering management of PT. Telkomsel are Internet coverage throughout the Bone cluster area, Expensive tools for connecting internet services available and human resources capable of connecting internet services with the receiver to be utilized in the company referred.

Keywords: Internet, Telkomsel, Management, Clustering

I. INTRODUCTION

In today’s era of globalization, science and technology are growing rapidly. This is marked by the emergence of high-tech devices in several countries in the world. This development will certainly lead to high competition in all fields, including competition in the field of information and communication technology.

The rapid development and advancement of information technology has resulted in changes in human life activities in various fields. These changes directly give birth to new forms of legal acts in the form of utilization and use of information technology that is continuously developed to maintain and strengthen national unity so that the utilization information technology is tailored to the circumstances in our country. Electronic information is one or a set of electronic data including text, sound, images, maps, draft photographs, electronic mail, telegram, access codes, symbols or perforations that have been altered and have meaning that can be understood by certain persons able to access such information, either through computer network or through other electronic media.

The use of the Internet as a technique for collecting, preparing, storing, processing, announcing, analyzing and disseminating information in the form of electronic documents that can be accessed, forwarded, transmitted, received or stored in digital analogue form that can accommodate large amounts of data. It can only be understood by those who understand and are able to operate and handle the internet. Electronic system constituting a series of electronic devices and procedures that serve to prepare, collect, process, analyze, store, display, publish and disseminate electronic information is the elaboration of new management functions through electronic media and internet use. Not many understand the management of electronic system because this medium is still considered quite expensive and has a high difficulty level so that not everyone can use it optimally.

Businesspersons are among those who often maximize the function of the Internet who always want to penetrate products in the market quickly. With the internet, they no longer have difficulty in obtaining any information to support their business activities. In fact, various kinds of information tend to be available today so that every information must be filtered to get the right and relevant information. It transforms the information age into the internet age. The function of the Internet as an electronic information exchange tool has changed in
the business world into a tool for executing business strategies such as marketing, sales, and customer service. Marketing on the Internet tends to break through obstacles, national boundaries, and has no standard rules. Meanwhile, on conventional marketing, goods flow in large parties, through seaports, containers, distributors, guarantee institutions, importers, and banking institutions. However, conventional marketing is more popular than internet marketing. Internet marketing is the same as direct marketing where the consumer deals directly with the seller, even though the seller is abroad. "Internet users worldwide are around 200 million, 67 million of which are in the United States, while the internet in Indonesia doubles every 100 days" (Rhenald, 2000).

Based on the above mentioned, the use of internet to execute business strategies in Indonesia is promising, but many people do not realize it because most business players in Indonesia are older people. According to Rhenald, "internet market is a market for young people, not for older people." Rhenald's assumption is based on the observation that "about 70% of internet users in Indonesia are in their 20s, about 25% are between the ages of 30-42, and the rest are older. Meanwhile, the main business players are aged 45 and over. They belong to the generation that is too late to understand the internet, even computers "’(Rhenald: 1999: 23). Internet is mostly used by users with high school education and higher, and places to access the internet in Indonesia mostly include offices, internet cafes and schools/campuses. Internet in Indonesia is mostly used to send and receive e-mail. Internet in Indonesia is mostly used for business purposes rather than for personal use. Some companies have implemented the Internet for business known as E-Business or E-Commerce.

E-Commerce is a promising business alternative to be implemented at this time because it brings a lot of convenience for both the sellers and the buyer in trading transactions, although both parties are on two different continents. With E-Commerce, transaction does not require a meeting in the negotiation stage. Therefore, internet network can penetrate geographic and territorial boundaries including legal jurisdiction. The use of internet as a medium of trade continues to increase from year to year. This is due to benefits obtained by companies or consumers through transactions via the Internet.

E-Commerce can reduce the cost of goods and services, and can increase customer satisfaction related to the short time required to get goods with the best quality in accordance with the price. Order cycle of a business that can take 30 days can be accelerated to 5 days only. A quick process will certainly boost revenue. This makes the transaction and work process easier, efficient and effective.

Effectiveness is one of the functions of management, which means the ability to produce an activity effectively. This is in line with the utilization of the internet in accessing the desired information. If effectiveness is related to the use of the Internet in the clustering process (Telkomsel product distribution management) in an effort to distribute products, it will be seen how quickly information can be received and utilized by the users wherever they are as long as the Internet network is available. The information can be received quickly even in just a matter of seconds. The use of internet in the cluster management process is a grouping of management of business activities that do not overlap one another. I other words, efforts to accelerate access to data and information are facilitated by the internet.

Grouping of work areas in product distribution is a network called clustering where data can be distributed quickly. Such information may reach the recipient without any interruption as the product distribution of PT. Telkomsel, which is currently done by using the Internet in the process of product distribution clustering management throughout the country including Bone regency, Sinjai regency, Bulukumba regency and Selayar regency.

Responding to the above, the researcher attempted to connect the management patterns and the management functions approach, correlating with the human resources that execute the management functions and attempted to find out the effectiveness of the service and the achievement of cluster organization goals by utilizing the internet. In addition, the researcher investigated factors influencing the effectiveness of internet use in carrying out management functions in Cluster Bone covering 4 regencies, namely Bone regency, Sinjai regency, Bulukumba regency and Selayar regency. Therefore, the researcher was interested in conducting a research under the title "The Effectiveness of Internet Use in Product Distribution Clustering Management Process of PT. Telkomsel in Cluster Bone”.

II. RESEARCH METHODS

This study employs qualitative approach. The use of qualitative approach in this study aimed to match the empirical reality with the prevailing theory by using descriptive method. This study focused on the implementation of organizational management functions of a company that performs the distribution process of PT. Telkomsel products. The researcher conducted this study in Cluster Bone. Cluster Bone covers 4 regencies; Bone regency, Sinjai regency, Bulukumba regency and Selayar regency. Each regency has a management office consisting of a BO (Branch Office) or an own shop. In this study, the researcher conducted interviews on staff of PT. Alcom as distribution partner of PT. Telkomsel in Cluster Bone.

III. RESULT AND DISCUSSION

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The internet is now a medium to disseminate information quickly that allows its users to access information they want without having to move from their seats. The development of the Internet seemed able to eliminate distance and time that often become a barrier to someone in obtaining information. In business, the internet is used to implement new marketing strategies by creating an information media such as website to introduce a company and its profile and to promote its products/services. Not only that, there are also companies that make website as a facility to support their business through transactional facilities by providing convenience for visitors to be able to see and buy products/services on offer.

1. The Effectiveness of Internet Use in Cluster Management Process

The effectiveness of website use as strategy implementation is that internet users utilize search engine to find the desired information. It tracks the information contained on any websites and then relevant information will be displayed. If the website of a company can be listed in the search results of the search engine, the website will be likely to have more visitors and the company will become more popular as a provider of goods/services in cyberspace. There are several factors determining the success of marketing strategies through the internet or website. One of them is the access speed of the website, which is the amount of time the website takes to display the full page. This is significantly influenced by the selection of good hosting. Good quality hosting offers high access speed for visitors so they do not have to wait long to get the information they want.

Implementing a cluster management process that includes distributing the right amount of products to multiple outlets or users in predetermined locations requires a fast process to meet market needs. Communities need products quickly because of the increasing number of media to communicate, such as SMS service, phone call, BBM, and other chat applications (Result of interview with the Supervisor of Cluster Bone, 2012).

This shows that the product distribution of PT. Telkomsel as one of the telecommunication service providers is needed by the market. This need urges distributors to be more sensitive in drafting the distribution plan quickly and precisely.

The size of the area and limited Human Resources make us depend on the use of media as a tool to coordinate with each other, especially about new methods and new strategies and promo updates. The coordination with our superiors synergizing with the updates of market needs will make us faster in preparing the activity plan both distribution activity and marketing activity (Result of interview with the Branch Manager of PT. Alcom, 2012).

Indicator of effectiveness of managerial activity is the achievement of work results in a short time with minimal energy. This activity will be potentially implemented by using the internet. The factors of area size and limited Human Resources will require a special distribution pattern.

CDMP is a guide and tool in product distribution process of PT. Telkomsel. C stands for Coverage, D stands for Distribution, M stands for Merchandising and P stands for Promotion. Parameter of C is visit, D is sell-thru, M is Sell Out and P is maximizing Gap closure. (Result of Interview with the Branch Manager of PT. Alcom, 2012).

The respondent’s statement above indicates that to support the effectiveness of the distribution process, PT. Telkomsel uses a distribution pattern consisting of Coverage, Distribution, and Merchandise (CDMP) as it is used as a tool to achieve organizational goals. This pattern is done by the whole system of PT. Alcom as distribution partner of PT. Telkomsel. PT. Telkomsel through its Branch Manager coordinates with the General Manager of PT. Alcom and down to PT. Telkomsel Cluster through Sub-Branch Supervisor coordinating with Branch Manager and Cluster Supervisor. The cluster supervisor coordinates and executes the distribution process by Sales force previously called canvasser and other support teams such as Merchandiser, SPG, Admin, Front liner, Top Gun, T care/Call Center, and Driver.

Sales force, as the spearheading of distribution, needs to update its reporting on stock availability, sales, promo updates and more. The sales force in its work area is facilitated with gadgets.

We are equipped with mobile phone, Nokia E5 series, in which there is mforce content created by sigma. We use this hand phone to include database outlets of which products we will distribute and as a reporting tool based on route map that has also been created by our supervisor on the web called SEFIIA. (Result of Interview with sales force, 2012)

Sales force in distributing products is controlled by a supervisor SEFIIA web control, tandem selling and back checking. Control via SEFIIA is control done by the supervisor over the internet where the HP E5 used by the sales force is connected to the web. SEFIIA Web is able to detect the updated point and transaction activity performed by sales force.

Product distribution activities other than carried out by Supervisor and sales force also depend on manager function, in this case the cluster Branch Manager and General Manager of PT. Alcom. Both are coordinating each other for the achievement target established together with PT. Telkomsel, which is the
increase of margin. The inconsistent performance of sales force through Supervisor reporting will be followed up routinely, based on escalation in coordination path. Coordination is mostly done via e-mail or electronic mail. When required, data in the form of physical conditions is more often reported through BBM (BlackBerry Messenger) that can send images quickly and is relatively cheap and easy but it must be connected to the Internet network.

We, in the process of coordination with our superiors or with our team, do not have to meet in person but utilize the internet through e-mail and via BBM using both group and in personal chat features. (Result of interview with cluster supervisor, 2012).

E-mail, in Law No. 11 of 2008 on Information and Electronic Transactions, is in the category of electronic information CHAPTER I Article 1 paragraph 1. Coordination via email is a quick way to exchange required information and data. As discussed in chapter II on effective organizational management, managers play the most important role in determining policies, procedures and actions that affect the organization's ability to achieve its goals over time.

Looking closely at effectiveness from the aspect of achievement of operative and operational objectives, managers' primary responsibility is to ensure that efforts aimed at achieving these objectives must be optimized regardless of their form including utilizing the Internet in coordination processes.

Coordination we do, ranging from the planning stage through the implementation of activities to the control process, mostly uses the internet. This includes e-mail in the planning and reporting process, Chatting via BBM group and personal contact on the implementation of activities as many data requests in the field more than 100 km away from the Branch Office and the use of web and E5 handset for transaction process and control of our products distribution. (Result of interview with cluster supervisor, 2012).

The respondent's statement above is an elaboration of several media theories that the author has put forward in the chapter II. These theories include Information or Mathematical theory where this theory sees communication as a mechanistic, mathematical, and informative phenomenon. Communication acts as message transmission and how transmitters use channels and communication media is important.

2. Factors Influencing the Effectiveness of Internet Use
Factors influencing the effectiveness of internet use in the cluster management process of product distribution in Cluster Bone are divided into two, namely supporting factors and inhibiting factors.

a. Supporting Factors
The use of the Internet requires several facilities that support each other such as the availability of broadband facilities both cable and wireless network. The Internet can be used in several ways such as instant subscription, GPRS-CDMA and Wi-Fi.

Instan is more familiar with the term telkomnet instant. Telkomnet Instan is one kind of service from PT. Telkom Indonesia in terms of internet connection, but the increasing need for data encourages PT. Telkom to produce high speed internet package, namely Telkom Speedy.

The package of wireless Internet subscription with GPRS network and 3G broadband is facilitated by mobile operators in Indonesia including PT. Telkomsel, Indosat, XL, 3, Smart Fren, Esia, Flexy and others. PT. Telkomsel especially provides Telkomsel Flash service, which is a prepaid service of high speed wireless internet access via laptop or PC which can be accessed through modem, data card, cell phone or router. This service is provided by PT. Telkomsel. With that, we make it easier for you to get the service.

27,000 BTSs spread across Indonesia and 9,500 Node B 3Gs make 3G/HSDPA internet connection more stable. This service covers almost 100% of the archipelago. (Data, October 2010)

The maximum speed of 256 kbps is valid up to a normal 3GB internet usage limit. After 3GB, internet access speed will be lowered to 64 kbps. The speed depends on coverage area and is stable on 3G networks.

For internet usage through GPRS-CDMA devices with external modem, there are 2 things to be taken into consideration, modem setting on computer and how to connect dial up connection.

Furthermore, for hotspots or W-Fi, which stands for Wireless Fidelity, a set of standards used for Wireless Local Area Networks-WLAN is based on the IEEE 802.11 specification. The latest standards of 802.11a or b specifications, such as 802.16 g, are currently under preparation. The latest specifications offer a great deal of improvement in terms of both coverage and transfer speed.

Initially, Wi-Fi is intended for use of wireless devices and Local Area Networks (LANs). However, currently Wi-Fi is widely used to access the internet. This allows a person with a computer with a wireless card or personal digital assistant (PDA) to connect to the internet using the nearest hotspot.

In relation to the four facilities above, the respondent we interviewed provided the following information:
Our distribution process that makes the internet a primary coordinating tool uses the whole way of connection, depending on where we are and what facilities we can access. Our office facilitates all pcs and laptops with a telkom speedy connection using a 16 port hub as an access divider.

In addition, to facilitate other gadgets such as tablets and smartphones, we also provide hotspot/Wi-Fi. For off-the-shelf activities, we usually go to a coffee shop that provides Wi-Fi in order to stay in coordination with our bosses and with our team. In addition, we must always bring an external modem in case we do not find a coffee shop that provides Wi-Fi and an internet cafe.

Besides connecting via pc, we coordinate via internet using smartphone with all teams including us, be it using Blackberry or Nokia E5 required for all sales force.

Our coordination path should not be separated from the internet, as it is also a part of our business. (Result of interview with the Branch Manager of PT. Alcom, 2012).

The above statement comes from a respondent who is also a key person in this research. It is clear that the working system of companies engaged in the distribution of telecommunication products depends on the internet. In this case, there are 3 determining factors in accessing the internet. The first is the availability of broadband services as described above, both provided by Telkom and Wi-Fi.

The second is gadgets like PCs and Laptops to receive Telkom speedy cable internet service and hotspot/Wi-Fi service. In addition, there are Tablets such as iPad and Samsung Galaxy that can receive broadband services such as subscription access to service provider and or use Wi-Fi network. Smartphones like Blackberry, Samsung Galaxy Note, iPhone, can be used not only to make phone call and send messages but also to receive internet services. Furthermore, the third is human resources capable of connecting available internet services with the tools available. Besides being used for product distribution activities, the internet is also used for other activities such as playing online games and or accessing social networks.

With regard to human resources, we perform highly selective recruitment based on the required formation. To the available formations whose reporting is less reliant on the internet, we keep an introduction to and training of the internet to drivers to anticipate a job vacancy when there is a staff member who is not working or ill. This is because in our company, all staff have clear and measurable job descriptions. (Result of interview with the Branch Manager of PT. Alcom, 2012).

b. Inhibiting Factors

The cost of providing such facilities is an obstacle that hampers efforts to maximize performance. Areas that have not been thoroughly reached by internet services such as 3G sometimes make a system that has been created in such a way hampered.

Sometimes, our team faces network constraints because there are some areas that have not been reached by internet services such as mountainous areas. (Result of interview with the sales force, 2012).

Sales force uses a Nokia E5 series phone. This mobile phone in addition to access the internet network provided by mobile operators can also access GPS (Global Positioning System). This network can be used to update latitude and longitude positions.

Related to human resources as I said before, selective recruitment should be done. If there is no potential local workforce, we must bear the risk and have to conduct training. This is also an obstacle faced at the regional level regarding human resources. But, we still prepare alternative solutions because the internet has been very influential in the daily work of our company. (Result of interview with the Branch Manager, 2012).

The results showed that the product distribution cluster management process of PT. Telkomsel in Cluster Bone covering 4 regencies (Bone, Sinjai, Bulukumba and Selayar) through the use of the internet is very effective. The effective parameter used is that PT. Alcom is able to manage the products distribution of PT. Telkomsel to the entire Cluster Bone areas consisting of 57 sub-districts with an area of 7,890.66 km2 with total population from the BPS data in 2011 of 1,456,367 and 1,046 outlets, with only 32 human resources and 13 technical staff.

IV. DISCUSSION

PT. Telkomsel as a leading cellular service provider in Indonesia whose products are needed by the public is required to ensure the availability of its products in outlets in the cities/regencies, sub-districts and even in remote areas covered by its network services. In addition, PT. Telkomsel is fundamentally a profit-based company that has to match the needs of the public with product distribution appropriately so that the products can be reached by the people of Indonesia by maximizing the cost of distribution and production.

This demand motivates the Distributor of PT. Telkomsel to conduct distribution activities with a more effective and efficient pattern. The distribution of the right amount of products to the outlets should consider the market demand trend and its correlation with the product availability and the amount of products to be provided.
PT. Alcom as the distribution partner of PT. Telkomsel in distributing products is assigned as responsible for all the needs and services provided by PT. Telkomsel. In this respect, PT. Alcom maximizes its cluster management process in Cluster Bone. Cluster management in product distribution of PT. Telkomsel must be done quickly with maximum reach, supported by qualified human resources. Thus, it takes a tool to maximize it, which is the internet. The Internet, in its basic concept, is service capable of connecting a computer to another computer very fast although they are not close each other. The Internet can also be used to exchange data and information. The process of exchanging data and information using the internet only lasts in seconds, depending on several supporting factors. One supporting factor referred to is the availability of internet service or often called broadband service, high speed internet service. Another factor is the tool used to access the internet and the size of data and information to be shared.

The results of interviews, direct observation and documentation show that the pattern of cluster management in the process of product distribution of PT. Telkomsel by PT. Alcom as its distribution partner is strongly supported by the use of the internet.

In general, the cluster management process undertaken by PT. Alcom includes the preparation of planning documents, the implementation of distribution activities based on the existing organizational structure and the reporting of distribution activities. The planning process is done by level and stage adjusted for working period, either 2 years, annual, semester, quarterly, monthly, weekly or daily. This planning process must also go through coordination, both with the Head Office and with staff who run the distribution process. The Internet is used to support the rapid planning process. A service often used in this planning process is e-mail or electronic mail. It is often used in the marketing planning process because of the large number of documents and data created in detail. These data and documents are measurable work plans ranging from input (source of funds) to the amount of goods for sale, output, outcome, to the impact of the established plan. In addition, the documents also contain details of the location and the day or time of activities to be performed. In addition, the internet is also used to create sales targets with a provided system, namely Sales Force Integrated Information System (SEFIIA).

Internet is very important in the implementation of product direct distribution activities and realization of the marketing program according to the results of interviews conducted by the researcher. For direct distribution, sales force uses a device that can be connected to SEFIIA system, the Nokia E5 series handset. This tool is brought by the sales force when involving in transaction and connected to the web that can be accessed by supervisors or by those who occupy a higher position as a control tool. This tool controls the implementation of the distribution, the position of the sales force when making transactions and when the transactions take place. For the implementation of marketing programs, a tool often used is a blackberry of any type. This tool is used for documentation reporting activities that is also connected to the internet through the blackberry messenger (BBM) service.

The researcher attaches the recording of the implementation of the activity by using SEFIIA website connected to the Nokia E5 handset in the results section of this research. Furthermore, reporting is done after the implementation of distribution activities has been completed. Reporting by PT. Alcom as the result of its activities is performed in 2 models, namely soft copy and hard copy. Soft copy is also divided into two, namely on line and off line. However, the most frequently used is on-line soft copy reporting where the internet facility used is the same as the previously described planning process, which is e-mail. This is because the data capacity is quite large and because the company has provided a standard format. E-mail is often used for monthly reporting, while SEFIIA and BBM systems are used for daily reporting.

Product distribution management process of PT. Telkomsel conducted by PT. Alcom relies heavily on the Internet so as to be effective and efficient. It utilizes various kinds of media to access data and information related to the product distribution process and utilizes the availability of broadband services, both cable and wireless. In addition, it is supported by human resources who are able to access information using existing media. Broadband services, media and reliable human resources are factors that greatly affect the effectiveness of product distribution clustering management of PT. Telkomsel in Cluster Bone.

V. CONCLUSION AND SUGGESTION

Conclusions
Referring to Chapter IV, analysis and interpretation of data, it can be concluded that:
The use of the internet makes a very positive impact on the product distribution clustering management process of PT. Telkomsel in Cluster Bone.
Factors affecting the effectiveness of internet use in the process of product distribution clustering management of PT. Telkomsel are Internet Coverage throughout the Bone cluster area, Expensive tools for connecting internet services available and human resources capable of connecting internet services with the receiver to be utilized in the company referred.
Suggestions

Based on the conclusions related to the effectiveness of internet use in the process of product distribution clustering management of PT. Telkomsel in Cluster Bone indicated by optimum performance and supported only by few human resources, the researcher puts forward some suggestions below:

Related parties including government, private organizations and communities are expected to prepare competitive human resources early on in terms of the use of internet services that lead to effective and efficient organizational activities.

Utilization of internet services are expected to be socialized in government organizations as soon as possible to accelerate the achievement of organizational goals and to realize maximum public service.

REFERENCES