

THE EFFECTIVENESS OF THE PROMOTION STRATEGIES TO CELCOM'S
CUSTOMER SATISFACTIONS IN MALACCA

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APPROVAL

I hereby acknowledge that I have read this thesis and in my opinion this work sufficient in terms of scope and quality for the award of Bachelor of Technology Management (High Technology Marketing) with Honours

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This report submitted in accordance with requirement of the Universiti Teknikal
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DECLARATION OF ORIGINAL WORK

I hereby declare that the work of this research is mine except for the quotations summaries that have been duly acknowledged.

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DEDICATION

First of all, I would like to thank to my beloved family especially my father and mother who had always supported me and encouraged me with good advices in order to complete my final year project within two semester to fulfill my Bachelor of Technology Management (High Technology Marketing) with Honours.

I would like to express my greatest and sincerely thank to them for willing spent money to complete my final year project. I am felt proud to complete my final year project by fully support and encourage by my lovely family.

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ABSTRACT

Competition in telecommunication business is very tight. The better promotion strategy company have the better business performance they get. Digi, Celcom, and Maxis look like using the similar promotion strategy, but actually they have their own strategy to attract the market. This study investigates promotion strategy that used by the Celcom company in Malacca. By identify and analyzing Celcom company, the most effective promotion strategy can be determined. This study will contribute to other researchers and students in understanding how promotion strategy should be applied in the very competitive high-tech and large as a telecommunication business. A survey of telecommunication service user respondents found that there is a significant correlation between promotion strategy used and the willingness of the consumers to purchase the products and services of the company. Customer service satisfaction is a major component in identifying promotion strategy in telecommunication business. The understanding of how components of promotion should be involved in promotion strategy will give the better competitiveness in the market of telecommunication business and how this promotions should give the customer satisfactions.

ABSTRAK

Persaingan dalam perniagaan telekomunikasi pada masa kini adalah amat sengit. Jika syarikat telekomunikasi mempunyai strategi promosi yang bagus maka prestasi perniagaan yang mereka perolehi juga lebih bagus. Digi, Celcom, dan Maxis dilihat seperti menggunakan strategi promosi yang sama, tetapi sebenarnya mereka mempunyai strategi mereka sendiri untuk menarik perhatian pasaran. Kajian ini bertujuan mengkaji strategi promosi yang digunakan oleh syarikat Celcom di Melaka. Dengan mengenal pasti dan menganalisis tahap kepuasan pengguna Celcom, strategi promosi yang paling berkesan boleh ditentukan. Kajian ini akan menyumbang kepada penyelidik dan pelajar-pelajar lain dalam memahami bagaimana strategi promosi boleh diguna pakai dalam teknologi tinggi yang sangat kompetitif dan besar dalam perniagaan telekomunikasi ini. Dalam tinjauan kajian ini mendapati bahawa terdapat hubungan yang signifikan antara strategi promosi yang digunakan dan kesediaan pengguna untuk membeli produk dan perkhidmatan syarikat. Kepuasan perkhidmatan pelanggan adalah komponen utama dalam mengenal pasti strategi promosi dalam perniagaan telekomunikasi. Pemahaman bagaimana komponen promosi juga terlibat dalam strategi promosi ini yang juga memberikan daya saing yang lebih baik dalam pasaran perniagaan telekomunikasi dan bagaimana promosi ini memberikan kepuasan kepada pelanggan.

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LIST OF ABBREVIATIONS

H_0	= Null Hypothesis
H_1	= First Hypothesis
H_2	= Second Hypothesis
H_3	= Third Hypothesis
SPSS	= Statistical Packages for the Social Science

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CHAPTER 1

INTRODUCTION

1.1 Introduction

1.1.1 Telecommunications

Telecommunication business is very important to us. It involves sharing information over a distance between us. Every business should take advantage of emerging networking opportunities that use telecommunication to share their message with broader audience. One of the telecommunications business is telephone network or telephone company.

A telephone company, also known as a Telco. Telco is the generic name used to refer to the telecommunication telephone company. With the advance of mobile phone, telephone companies now include wireless carriers, or mobile network operators. Most telephone companies now also function as internet service providers (ISPs), and the distinction between a telephone company and an ISP may disappear completely over time, as the current trend for supplier convergence in the industry continues.

1.1.2 Promotion Strategy

Promotion is one of the market mix elements or features, and a term used frequently in marketing. It is to do with finding the appropriate market for a product or service and utilizing all aspects of the promotion such as advertising and discounts used to promote the product or service to a particular market. These elements are advertising, sales promotion, and public relation. A promotional mix specifies how much attention to pay to each of the subcategories, and how much money to budget for each. The focus of this study is to identify how Celcom company set up proper promotion strategy to their business especially involving in advertising, sales promotion and public relation.

1.2 Problem Statement And Research Questions

1.2.1 Problem Statement:

Competition in telecommunication business is very tight The dynamic birth of mobile phone in a leading telecommunications business provider in Malaysia has steadily made its present felt in the Malaysia market. It has always continued to spread its wings and is undeterred by the dynamic nature of the mobile communication industry. This study investigates promotion strategy that used by the Celcom company in Malacca. By comparing them, the most effective promotion strategy can be determined and their satisfaction level to their customers.

1.2.2 Research questions in this study:

- i. What are the promotion strategy that Celcom company are applied in order to survive in the business competition?
- ii. What are the promotion strategies that give customer satisfaction?
- iii. What are the relationship between promotion strategies and customer satisfaction?

1.2 Research Objectives

Research objectives in this study

- i. To investigate the promotion strategy used in Celcom.
- ii. To determine the most effective promotion strategies that give customer satisfaction.
- iii. To identify relationship between promotion strategies and customer satisfaction.

1.4 Scope And Limitation

1.4.1 Scope

The scope of research cover on the promotion strategy in Celcom company. Region that is covered for this research include Malacca area mostly in the city. The services of Celcom company will cover telephone networks and mobile services. To get the information from the users, questionnaire was distributed to respondents around Malacca city.

1.4.2 Limitation

Since respondents come from Malacca city area only, the result is not reflect to all users in Malaysia. We need to make a bigger research to know whether result is similar or not if the study is conducted through all over Malaysia area. Due to variety of respondedent's education background, some of questions in questionnaire maybe quite difficult to understand.

1.5 Importance of The Study

Promotion strategy is very important in facing the competition in the market. Especially in the telco business, to become a leader in the business, company should have a good promotion strategy to be implemented. By knowing how the big company implement the strategy to the customer satisfaction, Celcom company can learn and improve their plan to be survived in this business. On the other side, understanding strategy of promotion in the Celcom company will provide some researchers to analyze and make some further research in promotional strategy.

1.6 Summary

This report about the understanding how promotion strategy should be applied in Celcom company. Their promotion strategy look like the same strategy but they have their own strategy to attract the customers. Besides that, this study also to investigate the impact of strategy promotion used to customer satisfaction. A survey of telecommunication service user respondents found that there is a significant correlation between promotion strategy used and the willingness of the consumers to purchase the products and services of companies. Customer service satisfaction is a major component in implementing promotion strategy in telecommunication business.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Malaysia is the one of the countries with the most number of mobile phone users in the region, with nearly half of the 45 percent of the population has a mobile phone. Hence, no wonder when all mobile phone service providers in the country like Celcom Axiata Bhd. always win the hearts of their customers. If a company introduces a new subscribe package, so by a week or even a few days, other telecommunication companies will follow the program or even at the lower price of it. Marketing strategy must enable to deliver its business objectives. Markets are made up of customers with wants and needs. Market planners must provide products and services that are better than those which competitors offer. The organization with the most effective promotion strategy should become the market leader.

2.2 Overview of The Promotion Strategy Applied in Celcom and Their Customer Satisfaction

This research focus on how components of promotion should be involved in promotion strategy that will give the better competitiveness in the market of telecommunication business and what the impact of strategy used to the customer satisfaction.

Celcom have plan to focuses on the company's growth, strategic analysis suggesting ways in which it can build on existing customer relationship and launching of the new product and services targeted to specific customer niche. Celcom new marketing focus, made explicit in this plan, renews their vision and strategic focus on adding value to the target market segments, the small business and high-end home office users, in local market. According to the speech of Dato" Sri Shazalli said, " Celcom would like to extend warmest gratitude to our mobile virtual network operator (MVNO) partners, namely Tune Talk, Merchant Trade, XOX, Redtone and Smart Pinoy, whose vision and trust in our cutting-edge infrastructure and excellent nationwide network have allowed us to clinch the telecommunications wholesale service provider of the year. We hope to continue providing even more opportunities for them to participate and flourish within the industry for the greater benefit of Malaysian Consumers." (Malaysian Wireless, 10 May 2013)

2.3 Promotion Strategy

According to the David W. Cravens and Nigel F. Piercy, (2006), promotion strategy consists of planning, implementation, and controlling an organization's communications to its customers and target audiences. Promotion is one of the market