The Analysis of Telkom Flexi to Telkomsel Kartuas Flexi Migration Program's Effectivity as a Form of Consumers Protection Regulation Application Study in Telkomsel Kartuas Flexi's Customers

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Abstract: *CDMA based telecommunication services nowadays were no longer used by Indonesia's societies, include Bandung, because it was in line with the government's program as written in PM KOMINFO No.30 Tahun 2014 and KM KOMINFO No.934 Tahun 2014 regarding the frequencies band structuring and the permit diversion of 800Mhz frequencies usage, which became the reason why the Telkom Flexi services were closed. Telkom kept struggling to maintain its 4.4 million customers nationally and its 159,862 Bandung region customers not to switch into another providers and support the Flexi users to move to its subsidiary company, which is Telkomsel, by applying User Migration Program. This program was a form of responsibility provided by Telkom towards Telkom Flexi customer protection. This study aimed to acknowledge the effectivity of the Telkom Flexi to Telkomsel KartuAs migration program as an application form of Consumer Protection Policy towards Telkomsel KartuAs Flexi users in Bandung based on UU No. 8 Tahun 1999 regarding the consumer protection. This study used the descriptive qualitative method. The study units were the five factors of effectivity based on Soerjono Soekanto, which consist of legal factor, law enforcement factor, infrastructural factor, societal factor, and cultural factor. This study showed that effectivity from the Telkom Flexi to Telkomsel KartuAs Flexi migration program as a form of consumer protection policy application in Bandung were "good" based on UU No.8 Tahun 1999 regarding the consumer protection.*

Keyword: Migration, Regulatory Effectiveness, UU No. 8 tahun 1999 regarding the consumer protection, Telkom Flexi

1. Introduction

Telecommunication paradigm in Indonesia had changed from monopoly to competition through UU No. 36 Tahun 1999 regarding the telecommunication and the telecommunication industry in Indonesia had grown rapidly. This growth of cellular telecommunication technology in Indonesia was started in 1984 based on first generation analog (1G), which was the Nordic Mobile Telephone (NMT), then continued by Advanced Mobile Phone System (AMPS). In 1993, Telkom introduced Global System for Mobile (GSM) network. While the Code Division Multiple Access (CDMA) was emerged in 2002 and Telkom Flexi as the first CDMA provider [15].

Telkom provided Flexi since June 2003 through its Telkom Flexi Division which used CDMA as fixed wireless digital used as resident's phones (fixed phone) and mobile phone. This CDMA fixed wireless service were a limited mobile phone in one area code, which were enabled because of its limited mobility feature [16]. Flexi were created to use CDMA technology which were more advance than GSM technology, which were claimed by Telkom and supported by the cellular phone experts. By that, Flexy had proved its position as market leader of CDMA business in Indonesia with its more than 18 million users in 2010.

But, after 11 years operated since June 2003, at last in October 2014, Telkom officially disbanded Telkom Flexi Service. The declined number of users were one of the reason why the service was closed. Telkom Flexi users had fluctuated but often declined. In 2010, Telkom Flexi had the most consumers by 18.1 million users, and when the service were closed, the users were only 4.4 million left by

December, 31st 2014 in each region in Indonesia. Bandung were in the fifth position with the users left by 175,000 users, where 159,862 users were Flexi Trendi Users and 15.640 users were Flexi Classy Users [4]. Telkom Flexi became more inconvenient because of there was no development, unable to compete with GSM network, and the Government's regulation in line with PM KOMINFO No.30 Tahun 2014 and KM KOMINFO No.934 Tahun 2014 regarding the frequencies band structuring and the permit diversion of 800Mhz frequencies usage [3]. Besides that, according to Ridwan Effendi, BRTI (Indonesia Telecommunication Regulatory Institution) Commissioner Member, the reason why the CDMA services were closed were because every CDMA providers were experiencing loss, including Flexi, no motivation to develop CDMA technology, tariff war started in 2008 so that CDMA and GSM almost had no differences in tariff, and limited handset availability. Because of those things, at last Telkom decided to disband the Flexi services.

Telkom kept struggling to maintain its 4.4 million users left not to switch to another providers and push its users to switch into its subsidiary, which was Telkomsel, so that by the disband of this service Telkom believed it will be compensated by cellular service in total [4]. This program was a form of responsibility provided by Telkom towards Telkom Flexi customer as business subject and consumers had rights and obligations which were already written in UU No. 8 Tahun 1999 regarding the consumer protection.

This study only focused in Flexi users who were switched to Telkomsel KartuAs Flexi. From the data, Telkom Flexi users left maintained by Telkom in Bandung were 40,651 users, which less than the users who had not migrated, 119,211 users [4]. Actually, Telkom had socialized the

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migration and promised compensations. The migration also seems troubled in customer's point of view. A lot of customer complained this migration, started from hazy information, bad migration service, inappropriate compensations, „good" numbers, more expensive tariff after migration, and so on.

According to the phenomenon above, writers were interested to make KartuAs Flexi as subject of this study because we think that there were something wrong on why there were still users who had not migrated yet and the inconsistency of migration program with the consumer's protection act. Because of that, writers decided to entitled this study with "THE ANALYSIS OF TELKOM FLEXI TO TELKOMSEL KARTUAS FLEXI MIGRATION PROGRAM'S EFFECTIVITY AS A FORM OF CONSUMERS PROTECTION REGULATION APPLICATION STUDY IN TELKOMSEL KARTUAS FLEXI's CUSTOMERS."

1.1 Formulation of Problem

According to the background above, it could be stated problems definitions as follow:
a) How was the Telkom Flexi to Telkomsel KartuAs migration program effectivity as a form of consumer protection policy?
b) How was the analysis of Telkom Flexi to Telkomsel KartuAs migration program effectivity as a form of consumer protection policy?

2. Basic Theory

2.1 Telecomunication Regulation

Telecommunication regulation, according to Budhijanto, is an institution from various regulations, act, norms, and government's economics behavior procedures from companies in telecommunication sector which has go through industrialization world for more than two decades [2]. Telecommunication regulation had emerged as important issue with the competition in telecommunication sector. With the competition, it is clear that regulations is necessary to ensure the competition works effectively. Followings are the telecommunication regulation basic principles, competitive protection, interconnection, universal service, licensing, allocation and usage of scarce resource, and creation of independent regulator [2].

2.2 Consumer Protection

In UU No. 8 Tahun 1999 regarding the consumer protection, consumer protection is every efforts to ensure the legal certainty to give consumers a protection. By the existence of this regulation, it could motivated emerging healthy business climate and creating tough companies in facing competition through producing qualified goods or services [5].

Judhariksawan in his book "Pengantar Hukum Telekomunikasi" stated that to applied consumer protection, public telecommunication provider must pay for the consumer's loss if it is proven, because of its negligence the consumers suffer loss because of its networks or services usage [7].

2.3 Efectivity

Effectivity, according to Subkhi and Jauhar, is a connection between output and goals. It means that effectivity is a measurement on how long the output level, policy, and procedure from organizations reach the goals set. Effectivity is necessary to acknowledge whether or not the activities done are useful for each involved parties or not [14].

According to Soerjono Soekanto, to define whether or not a rule or law is effective, there are 5 (five) factors influencing it [12]:
a) Legal factor, which in this study were limited on act regulation and company's internal regulation such as direction's regulations, director's decision, and ISO. In this study we focused on consumer's rights and obligations in UU No. 8 Tahun 1999 regarding the consumer protection.
b) Law Enforcer Factor, which are parties creating or applying the law, which is Telkom.
c) Infrastructural factor which supports law enforcement. In this case, the infrasturctures owned by Telkom to spread information regarding the migration, which are Tekom's web, Telkomsel's web, sms, twitter, and facebook. Grapari/Plasa Telkom were only as a card replacement place and further information provider by direct visit.
d) Societal factor, which is the environment where the law applied.
e) Cultural factor, which are the creation based on human's social life.

2.4 Migration Theory

A movement from a migrant between two places for some period. Analogy from this geographic migration could be equalized with the movement of users toward providers. Immigrant (consumers) go (moves) from one country (providers) to another [1].

There are two types of migrated consumers, which are voluntary migrant and refugees. Consumers who are chose freely to switch between providersare called voluntary migrant, while the consumers who do not have another options beside switching provider, for example if the provider were closed or bankrupt, are called refugees [1].

2.5 Research Framework

Figure 1: Research Framework

3. Research Method

Method used in this study were descriptive qualitative study. According to Sekaran and Bougie, descriptive study were planned to collect data which picturize peoples, events, or situations characteristics [10]. Qualitative study included

various interpretation techniques which were trying to explained, solved, translated, and explained means, not frequencies from events in social world which were happened naturally [3].

This study used non-probability sampling technique. Non-probability sampling technique, according to Sekaran and Bougie, is if the probability of an element to be chosen as subjects was unknown [9]. This study was limited to the migrated Telkom Flexi User to Telkomsel KartuAs Flexi in bandung only. Meanwhile, sampling method used in this study was using purposive sampling by judgement sampling type [9].

Data collection techniques used in this study were by using interview, observation and documentation, validation by using credibility test by triangular. In this study, triangular technique was used, which according to Ghony and Almanshur, the data collected were rechecked through the same sources in different times, or rechecked by using different sources.

4. Result and Discussion

Table 1: The Result of Informant‟s Valuation of Regulation Effectivity

No	Statements	Informants' Valuations			Total	
		1	2	3	Value	%
Legal Factors						
1	The users‟ migration from Telkom Flexi to Telkomsel KartuAs Flexi applied by Telkom is in line with UU No. 8 tahun 1999 regarding consumer protection.	3	3	3	9	75
2	The users‟ migration from Telkom Flexi to Telkomsel KartuAs Flexi applied by Telkom has run well	3	3	3	9	75
Law Enforcer Factors						
3	Migrating Telkom Flexi‟s users to Telkomsel KartuAs Flexi proved that Telkom has created regulation regarding consumer protection.	3	3	3	9	75
4	Telkom had socialized to the consumers regarding the migration from Telkom Flexi to Telkomsel KartuAs Flexi.	2	3	2	7	58,3
5	By the migration from Telkom Flexi to Telkomsel KartuAs Flexi proved that Telkom had applied consumer protection regulation well.	2	3	3	8	66,67
Infrastructural Factors						
6	Telkom have facilities which were used to spread information regarding the migration from Telkom Flexi to Telkomsel KartuAs Flexi.	2	3	2	7	58,3
7	The facilities used were really helpful for the consumers to acknowledge the information regarding the migration from Telkom Flexi to Telkomsel KartuAs Flexi.	2	3	2	7	58,3
8	With current facilities, creating information regarding migration from Telkom Flexi to Telkomsel KartuAs Flexi were more informative towards consumer.	2	2	2	6	50
Societal Factors						
9	I acknowledged the migration from Telkom Flexi to Telkomsel KartuAs Flexi program.	4	4	4	12	100
10	I agree with the migration from Telkom Flexi to Telkomsel KartuAs Flexi program.	1	1	1	3	25
11	I undertstand the migration from Telkom Flexi to Telkomsel KartuAs Flexi program.	3	3	3	9	75
12	I get benefits from the migration from Telkom Flexi to Telkomsel KartuAs Flexi program.	2	2	2	6	50
13	I got the compensation from the migration from Telkom Flexi to Telkomsel KartuAs Flexi program.	3	3	3	9	75
Cultural Factors						
14	Migration from Telkom Flexi to Telkomsel KartuAs Flexi makes Telkom always giving the best telecommunication service for consumers.	3	3	3	9	75
15	Migration from Telkom Flexi to Telkomsel KartuAs Flexi makes Telkom responsible to the consumers.	3	3	3	9	75
16	migration from Telkom Flexi to Telkomsel KartuAs Flexi makes Telkom could give structured service.	3	3	3	9	75
	Value				128	1067
Total	% (Peecentage)	1066.57/16= 66.66 %				

Followings are the values terms:
The lowest cumulative value from each statements were: 1 (Scale) x 3 (informants) = 3
The highest cumulative value from each statements were: 4(Scale) x 3 (informants) = 3
Highest percentage value were: 12/12 x 100% = 100%
Lowest percentage value were: 3/12 x 100% = 25%

Following results then were used to find range value by using calculation of total percentage of total answer substacted by the lowest percentage value then divided by highest measurement scale, then we get a formula as

following $x=((100\%-25\%))/4$ so that we could get the range value by 18.75%.

4.1 Legal Factors

According to the data processed in legal factors which based on UU No. 8 Tahun 1999 regarding the consumer protection, by the existence of these two elements which showed equal percentage value by 75% then it is categorized as "Good". The first instruments was KartuAs Flexi‟s consumer‟s rights fulfillment by Telkom, which is its

responsibilities. The second instrument was the obligation fulfillment by consumers as products/services users.

It means that the informant perceived that Telkom have tried to fulfill its responsibilities to give their consumers their rights and the KartuAs Flexi Users were also have fulfilled its duty as consumers. But, in the consumer's rights fulfillment, there were still few things considered inappropriate by the informants.

4.2 Law Enforcer Factors

In this factors, there were three instruments. According to the data process in the first instrument, it showed good percentage by 75%, it means that there were benefits on the migration program that Telkom was not haphazardly and still care for its customers. But, in the second instrument, it showed bad percentage by 58.3%, which means that the direct socialization done by Telkom was less effective so that the customers were not clearly informed. Otherwise, Telkom had try to applying the consumer protection regulation well, showed by the good percentage by 66.67%.

4.3 Infrastructural Factors

According to the data process, the results showed less good results on all three instruments of infrastructural factors used by Telkom to spread the information. The percentage for the first instrument was 58.3%, the second instrument was 58.3%, and the third instruments was 50%. The informants felt like they have less help on getting the migration information. Two of the informants acknowledged it from articles, news, and internet forum, which all of it were not owned by Telkom. One of the informant was texted by Telkom regarding the migration, but it felt like the information were limited so it is not informative enough.

4.4 Societal Factors

According to the data process, the percentage of whether or not the informants knows the migration program was showing 100% result. It means that all informants really knows the Telkom Flexi to Telkomsel KartuAs Flexi migration program because the percentage showed was really good.

In the societal factors, there were five instruments. The first instrument have the perfect 100% regarding the society's understanding about the migration program, the second instrument show a really poor percentage by 25% regarding whether or not the society agreeing the migration program or not, third instruments showed a good result by 75% regarding whether or not they understand the migration, the forth instrument showed poor result by 50% regarding the benefits of the migration program, and the fifth instrument showed good percentage by 75% regarding the compensation.

The informants acknowledged and understood the migration program even when the information were not directly and clearly sourced from Telkom. All informants were not agree with the migration program but they were compliant and understand why the program had to be done because of the

government's regulation regarding the frequencies band structuring and the not-so-developed CDMA technology. By this migration, the received compensation in the form of voucher to purchase GSM handset and additional credits by 2000. But, they did not use it because they had already owned GSM handsets.

4.5 Cultural Factors

From the result of interview data process of three instruments in cultural factors, three of them showed a good percentage by 75%. It means, informants perceived that, by this migration program, Telkom still give the best telecommunication services because Telkom took responsibilities towards its customers and give a structured services.

4.6 Regulation Effectivity on migration from Telkom Flexi to Telkomsel KartuAs Flexi Program

From the average of valuation given by KartuAs Flexi consumers as informants towards the Telkom Flexi to Telkomsel KartuAs Flexi migration program's effectivity as a form of the application of consumers protection based on UU No. 8 tahun 1999 regarding the consumers protection in table 1, a "good" category percentage were obtained by 66.66%.
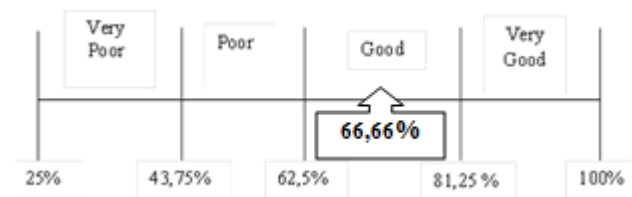

Figure. 2: Effectivity Percentage in Continuum Line

5. Conclusion

Overall, it could be concluded that the application of consumer protection regulation done by Telkom in the Telkom Flexi to Telkomsel KartuAs Flexi migration program which was based on the UU No. 8 tahun 1999 regarding the consumers protection was effective. It could be seen from the informants' responses towards the regulation effectivity variables where the total percentage of the responses waa 66.66%. The results was in the "Good" category in the continuum line. It means that all three informants believed that the application of consumer protection regulation done by Telkom in the migration program was effective, because according to the informants perceptions, Telkom had try to be responsible and fulfilled its consumers right in the Telkom Flexi to Telkomsel KartuAs Flexi migration program.

Although it had already reached effectivity with good category, the results from the informants' responses showed that not all factors indicators which influencing regulation effectivity had a high percentage. The infrastructural factors which measured by three instruments showed poor percentages, because the infrastructure used by Telkom in spreading the information regarding the migration did not reach the informants, so that it perceived as less informative. In the societal factors which were measured by five

instruments, two instruments had poor valuation which said that all three informants strongly disagree with the Telkom Flexi to Telkomsel KartuAs Flexi migration program. Although they disagree with the Telkom Flexi to Telkomsel KartuAs Flexi migration program, the informants keep follow the Telkom recommendation to migrate because all three informants understand the reason why migration had to be done, because it is in line with the government‟s program as written in PM KOMINFO No.30 Tahun 2014 and KM KOMINFO No.934 Tahun 2014 regarding the frequencies band structuring and the permit diversion of 800Mhz frequencies usage.

6. For Further Research

The purpose of this study is limited only to determine the effectiveness of consumer protection rules which applied by PT Telkom , informants of this study is only aimed at KartuAS Flexi‟s customers. For further research, it is advisable to seek the effective implementation of consumer protection from the point of view of businesses , regulators , and customers with the same theme or different with this study. So it will be known similarities or differences in the application consumer protection carried out by PT Telkom , regulators , and consumers.

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