ABSTRACT

Indonesia is the fastest-growing mobile-telephone market in the Asia-Pacific region. Mobile-phone operators in Indonesia are planning to invest some US$1 billion this year to expand their networks to meet the surge in demand.

Revenue from Indonesia’s cellular phone sector should grow 25% next year as the country’s three big operators will battle for new subscribers. Total revenue from cellular services is expected to rise to about 25 trillion Rupiahs ($1=IDR8,455) in 2004 from around IDR20 trillion in 2003.

Indosat has positioned its two cellular businesses differently in line with the advantages and unique characteristics of the respective cellular brands. Whereas IM3 post-paid Bright and pre-paid Smart services are mainly targeted at young adults and teenagers in urban centers.

To develop market in this cellular industry, Indosat will conduct vertical merger between IM3-Satelindo and Indosat. The merger will implementation one management, financial decision and centralized brand management. It’s the opportunity and challenge for IM3 as a part of Indosat. IM3 have to concern how to make policies to saving their capital expenditure, operating cost and maintains the brand itself under management of Indosat. This value is measured by the consumer's attitudes and loyalties toward the brand. Brand equity adds dollar-value to a company's worth.

Finally, IM3 must construct a marketing support program with the aim of appealing to their consumers and improving the consumer perceptions of IM3 brand and construct a strategy to build brand equity and effectively market their brand to IM3’s consumer. This is all done in an effort to get consumers to build up and reinforce IM3 brand equity.

Key words: merger, brand management, cellular, brand equity, consumer.

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