

BAMBANG BUDIONO

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**TECHNOLOGY, REGULATIONS, BUSINESS STRATEGY AND
BUSINESS PERFORMANCE ON INDONESIAN
TELECOMMUNICATION INDUSTRY**

Abstract:

Telecommunication industries in indonesia have currently entered a phase which people's awareness of knowledge on the information technology-based products and services increases. some of the phenomena that occur in the industries are : (i) the technology develops rapidly, (ii) the telecommunication regulations are frequently overdue in anticipating the user needs and business requirements, (iii) the income of the executants, signed by the average revenue per user (arpu), tends to decline hence the profit per customer decreases; (iv) the strategy implementation by the company or business unit in these industries are relatively the same. these conditions require the industry players to determine the proper steps in anticipating the current competition. therefore, this research will explore the correlation among the variables of technology , regulation , business strategy , and the business unit performance in order to formulate the correlation among the four variables

the research is aimed to produce a study concerning the correlation among technology, regulation, business strategy, and unit business performance in the telecommunication industries in indonesia. the research used descriptive and verification by conducting a survey to 34 samples with the units of analysis covering the business units in the four largest telecommunication operators in Indonesia. data were obtained from the results of observation, questionnaires and interviews, and partial least square (pls) was used for analysis and hypothesis testing

the results of this study show that there is an impact of technology on business unit performance through the regulation and business strategy. the impact of technology may happen through the regulatory and business strategies. at the same time, the impact of technology on both business strategy and business unit performance directly is extremely low, and so is the impact of the regulation on the performance of the business. the impact of regulation on the performance of the business unit will be significant if it is through the business strategy

Keywords:

Technology, Regulation, Business Strategy, Business Performance

JEL Classification: M20