

CHAPTER I

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Today, many people know and use cellular phones or handphones (HP). A cellular phone is used as a practical tool to get accurate information and to communicate anytime and anywhere. Without the limitation of space and the length of phone cable, we can say that nowadays a cellular phone is one of the important tools which every “mobile” person needs to carry. Beside that, the price of a cellular phone is quite reasonable for most part of society.

A cellular phone is not only a practical tool, it also has several functions which are more and more developed along with the time. The functions depend on the model of cellular phone which has been developed. A cellular phone can be used to save information, make a job list, calculate simple calculations, send and receive e-mail, find information using Internet access, and it also serves as a reminder system.

The presence of bluetooth system and infrared in a mobile phone can help us to barter information with another cellular phone user. The cellular phone also has other features like a camera, a video, and many others.

This is all because the functions of a cellular phone can be more developed along with the development of technology.

One sample of the development of technology in telecommunication is CDMA (Code Division Multiple Access). 'This technology is developing rapidly and becomes competitor of GSM (Global System for Mobile Communication). GSM has been used longer than CDMA in Indonesia but CDMA is more advanced than GSM' (Mulyanta, 2005: 15& 17). There is a lot more you can do with CDMA, for example, you can watch television with CDMA. I am interested to analyze CDMA which is the rival of GSM because today it has become a phenomenon that people prefer CDMA to GSM or use both kinds of cellular phone (GSM and CDMA).

1.2. IDENTIFICATION OF THE PROBLEM

In the identification of the problem, there is always an object, which will be identified, and it is related to the fulfillment of the purpose of the research. In this research, the objects are the students of the Faculty of Letters, English Department, Maranatha Christian University who use cellular phones (GSM and CDMA).

Nowadays, many people are using cellular phones. From this fact, I decide to do a research about the factors which should be considered by consumers before they decide to buy GSM or CDMA cellular phone. In this research, I will observe from the product variables. The product

variables which will be used in this research are product variety, quality, design, and features. I have decided to observe GSM and CDMA cellular phone from the product variables, because by observing the product variables, we can find out the customers' perception on GSM and CDMA cellular phone.

1.3. OBJECTIVES AND BENEFITS OF THE STUDY

1.3.1. Objectives of the study:

1. Find out the customers' perception of GSM cellular phone's product variables.
2. Find out the customers' perception of CDMA cellular phone's product variables.
3. Find out the customers' preference for cellular phone.

1.3.2. Benefits of the study:

1. The readers and the researcher can get information about the customers' perception on GSM and CDMA cellular phone.
2. The reader can make use of this thesis as a reference if they want to buy a cellular phone, so they can make the right decision whether to buy a GSM or CDMA cellular phone.
3. It can help telecommunication service suppliers to develop their service and cellular phone producers to develop their product.

1.4. LIMITATION OF THE STUDY

In this thesis I will analyze and do a research to compare GSM and CDMA cellular phone by observing the product variables based on from Kotler's and Armstrong's theory.

1.5. DATA GATHERING PROCESS

To gather the relevant information I use primary data and secondary data:

- The primary data is questionnaire.
- The secondary data is from the internet, newspapers, magazines and textbooks.

1.6. CONCISE HISTORY OF THE ORGANIZATION OR PRODUCT

Based on an article from Mulyanta (2003: 15, 17, 273), at first GSM was an abbreviation of Groupe Speciale Mobile. Later, after it had reached the international standard, GSM was known as Global System for Mobile Communications. The development of GSM was begun in 1982 with 26 members of National Phone Companies in Europe. This development is in the form of giving costumers a guarantee of cellular system compatibility in Europe in 900 Mhz. Whereas, CDMA was an abbreviation from Code Division Multiple Access. It was developed by

Qualcomm. In 1993, Telecommunications Industry Association (TIA) adopted this technology.

The difference between GSM and CDMA in general is that GSM uses satellite transmitter to deliver the signals while CDMA uses radio spectrum.

Based on an article from <http://www.ebizzasia.com/> 12-10-2006, in the past people in Indonesia regarded wireless system to be good enough. But after some time, the functions of wireless system were considered worse because it could not be developed. After that, people began to use GSM. After China and Korea had succeeded in applying CDMA in their country, PT. Telkom and PT. Indosat started to promote CDMA because they realized that CDMA had good functions and the quality of voice was better than GSM.

1.7. LAYOUT OF THE PAPER

I will divide this thesis into four chapters. The first chapter consists of the background of the study, identification of the problem, the objectives and the benefits of the study, the limitations of the study, the data gathering process, the concise history of the organization, and the layout of the paper.

In the second chapter, I will analyze theoretical framework which becomes the background of the research. This chapter includes the features discussed and additional comments.

In the third chapter I will compare the features of each product by relating the theories to the real-life situations.

The last chapter contains the conclusion based on the comparative analysis, and also my suggestions based on the analysis.