



ABSTRACT

The aim of the research regarding the competition in the cellular telecommunication industry in Indonesia is to analyze the competition in the cellular telecommunication industry in Indonesia by mapping using Structure-Conduct-Performance in achieving competitive advantages for company/cellular operator in facing the strong market competition.

The evaluation regarding cellular telecommunication industry competition using SCP approach via the regression research linear pooled time series model. The definition used is the CR2 analysis (Concentration Ration for the Biggest Two) taking samples from Telkomsel and Indosat, structure using the amount of customer indicator, conduct using the operational costs, performance using the profit margin indicator and the data used is the quarterly data for the period 2004-2008.

Based on the evaluation approach of Structure-Conduct-Performance, the result achieved was that the conduct aspect forms a dominant variable in influencing the performance of the cellular telecommunication companies in Indonesia. In this instance, should a company wish to succeed in the competition, they would have to minimize operational costs as the bigger the ability to minimize operation costs the bigger the opportunity for the company to offer competitive prices.

Keywords : *competition, cellular telekomunikasi industri in Indonesia, SCP (Structure-Conduct-Performance), CR2 (Concentration Ratio for The Biggest Two)*