ABSTRACT

Tight competition in cellular phone market is strongly assumed to be caused by the high-rate brand variance. Therefore, consumer's behavior in using cellular phone is necessary to be analyzed using application method of Markov Chain. Besides, the competitiveness of Nokia towards other brands based on market share prediction and brand equity value should be notified. Marketing strategy based on market share prediction is also necessary to be formulated.

This research was conducted by distributing questionnaire to cellular phone users in Surabaya area to collect the data of consumer purchasing characteristics, equity value of the brand and the measurement of market share obtained. To find out the characteristics of consumer’s purchasing, cross-tabulation analysis was conducted. The most dominant consumer’s behaviour is making the printed media as information source about Nokia products in determining purchasing decision. There is a tendency that consumer who is boring with his or her cellular phone will turn to other types without changing the brand. Generally, the usage period is 6 months to a year before consumers changed their cellular phone types or brands.

Brand equity measurement was conducted toward 4 main dimensions; brand awareness, brand association, perceived quality, and brand loyalty. The result of brand equity stated that Nokia’s position towards its competitors is in a very good position. This is reflected from Top of Mind Nokia which is in the top position. Then it was continued by making prediction on market share obtainment using Markov Chain method. Market share is useful to see the position of each brand in the market. From the result, it is notified that market share of each brand in equilibrium condition, that is in 18th period, Nokia is still the market leader with market share obtainment 57.89%, Siemens gets 20.84% and still becomes the market challenger. Ericsson which gets 10.55% has a position as the market follower, whereas Motorola, Samsung, Philips and Sagem are the market nichers with market share obtainment 5.17% for Motorola, 5.29% for Samsung and 0.54% for Philips, while Sagem gets none.

This research gives marketing strategy recommendation which emphasizes on consumer’s characteristics aspect, brand equity and market potential achievement. Nokia’s position as the market leader is an advantage to apply marketing strategy which is recommended optimally.

Keywords: Markov Chain, Brand Equity, Market Share