

COMPETITIVE ADVANTAGE; THE AFFECTING FACTORS AND ITS IMPACT ON SELLING-IN PERFORMANCE (Studies on Patronage Outlets PT. Indosat Semarang)

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Abstract

There is phenomenal gap that amount of Indosat's outlets have increased as 41,76% in year 2007 until 2008, while Net Profit Margin have decreased as 18,66 % in year 2008. Also there is research gap which said that competitive advantage have influence on performance sales, meanwhile other research result selling-in performance has influence on competitive advantage. The purpose of this research is to test the influences of service quality outlet, differentiation, corporate image, quality of relationship with outlet, environment adaptability, on competitive advantage which is targeted to increase selling-in performance. The samples size of this research is 123 outlets of PT. Indosat. By using the Structural Equation Modeling (SEM) with AMOS software, the results show that the service quality outlet, differentiation, corporate image, quality of relationship with outlet, environment adaptability have influence on competitive advantage which is targeted to increase selling-in performance.

Keywords: Selling-in performance, competitive advantage

1. INTRODUCTION

In the era of globalization, some heavier challenges will be faced by PT Indosat, not only the challenge to be able to survive, but it also has to be able to have a competitive advantage compared with another companies. Michman in Wahyudi (2002) argues that companies have limitations in selling their products, as a result they need intermediaries as a distribution channel to reach the end consumer. Selling-In is a distribution activities which are directed as an effort to have a selling activity in all the intermediaries that facilitate the achievement of an optimal level of market coverage, such as using intermediaries outlet to reach the end consumer. (Ferdinand, 2000).

PT Indosat has been operating since 1967. The number of outlets in the end of December 2008 has reached 169.000. The number of outlets has increased by 41.76% (119.000 outlets). Net profit margin in 2008 decreased by 18.66% compared with its in 2007. (Source Sustainability Report Indosat, www.Indosat.com). It can be concluded that with the increasing number of outlets has not been able to raise Indosat's net profit margin in 2008.

From previous studies, there is a research gap which stated that selling-in performance affected competitive advantage (Mustafa, 2005), but according to Rahmat Rialdi (2010) that the competitive advantage affect the company performance. Rahmat Rialdi's research was also supported by Fengki Octora Kurniawan (2005) which stated that competitive advantage affected sales performance. Meanwhile, according to Asa, Ismeth and Latif (2008) states that differentiation does not affect the competitive advantage when the product is a standard product. This opinion is different from Fengki Octora Kurniawan (2005) which stated that there is a positive relationship between product differentiation and competitive advantage of a product. This study aims to examine the impact of service quality outlets, differentiation, corporate image, quality of relationships with outlets, and environmental adaptability on competitive advantage. This study also examined the effect of competitive advantage on selling-in performance for patronage outlets PT. Indosat Semarang.

2. THEORETICAL REVIEW

Competitive advantage. According to Kim and Mauborgne (2005) said that there are two oceans in a competitive market, these are the Red Ocean and Blue Ocean. Red Ocean is a market whose space

limitations in the industries and competition rules have already been known. Meanwhile blue ocean is the creation of market space without competitors, therefore the competition in this ocean is irrelevant because of the rules formed the game. Hayes and Schmenner (1978) identified five dimensions of competitive priorities: (1) Price, (2) Quality, (3) Dependability; (4) Product Flexibility; (5) Volume Flexibility.

Service Quality Outlet. Parasuraman, et al in Kotler (1995) said that quality of service is a fundamental strategy to succeed and survive in an intensified competition environment. Quality of service in telecommunication companies (one of which is a mobile phone operator) hold an important role in improving of the company dynamics. Service of outlet strategy is one of the determinant in marketing success. Parasuman, Zeithaml and Berry in Kotler (1995) identified five dimensions of service quality: tangible (direct evidence), reliability, responsiveness, assurance, and empathy. The hypothesis proposed as follows:

H1: Service quality outlet has a positive and significant impact on competitive advantage.

Differentiation. Successful implementation of differentiation can be achieved if the company also concerns the activity value of the operation activities that includes the main activities and supporting activities, which is a part of the value chain. Value chain relates with suppliers, channels, and buyers' activities (Porter, 1985).

Calantone, et al (1993) stated that the technical skill affected technical activities. It had an impact on the quality of a product and affected the successful of a product's development. When a product's development produced by a company is recognized by customers through the increasing of technical activities, the sales will increase and achieve the high selling-in performance. The hypothesis proposed as follows:

H2: Differentiation has a positive and significant impact on competitive advantage.

Corporate Image. Resnick and Lilis (2001) stated that the fundamental role of education, commitment and credibility are built to form the image of a company to support sales. Corporate image can have a big impact on sales and earnings. Smith and Barclay (1999) said that there is a relationship between image company with sales through effective message. Corporate image involves a combination of products' goal, services, management style, people needs and the overall philosophy. Good corporate image will be reflected from the company's reputation, management capability and company's commitment. Similarly, the corporate image is also determined by the company's reputation and professionalism, ethical standards and customer orientation. The hypothesis proposed as follows:

H3: Corporate image has a positive and significant impact on competitive advantage.

Quality of relationship with outlet. Relationship is seen as a very important factor. Some researchers like Dwyer, et al (1987) have obtained evidence which proved that building good relationships with customers are the company's responsibility in order to be able to survive in a competition. According to Kotler (1995), intermediaries attempt to perform cooperation relationship, partnership or distribution programming. There are several measures to determine relationship with customer (Alan Buttery and Rich Tamasche, 1996):

- Good communication and intimacy.
- Attitudes and acceptance by the customer.
- Trust, loyalty and commitment to customer

The hypothesis proposed as follows:

H4: The quality of relationship with outlet has a positive and significant impact on competitive advantage.

Environment adaptability. Environment observation is the acquisition and the usage of information about events, trends, and relationships in an organization's external environment, which becomes a knowledge that will assist management in planning future action. (Choo, 1999). Ahituv et.al in Xu (1999) suggested one of the main characteristics in marketing oriented strategy is the interaction with the external environment by getting important signals. Beal (2000) suggested two measures for environment observation, there are frequency (how often the manager observe the environment) and scope (how large is the observation). The hypothesis proposed as follows:

H5: Environment adaptability has a positive and significant impact on competitive advantage.

Selling-In Performance. Production result can not be sold if the company does not have a good distribution channel. Ferdinand (2000) stated that the policy of distribution channels can be used to manage the competition, based on the assumption that the higher the applied distribution intensity, the more solid of the strength to achieve targeted sales of product. Michman in Wahyudi, (2002) argues that companies have limitations in selling their products, so they need intermediaries as a distribution channel to reach the end consumer. Selling-in is a distribution activities to achieve an optimal level of market

coverage, by using intermediaries outlet to reach the final consumer (Ferdinand, 2000). Hypothesis is proposed as follows

H6: Competitive advantage has a positive and significant impact on the selling-in performance.

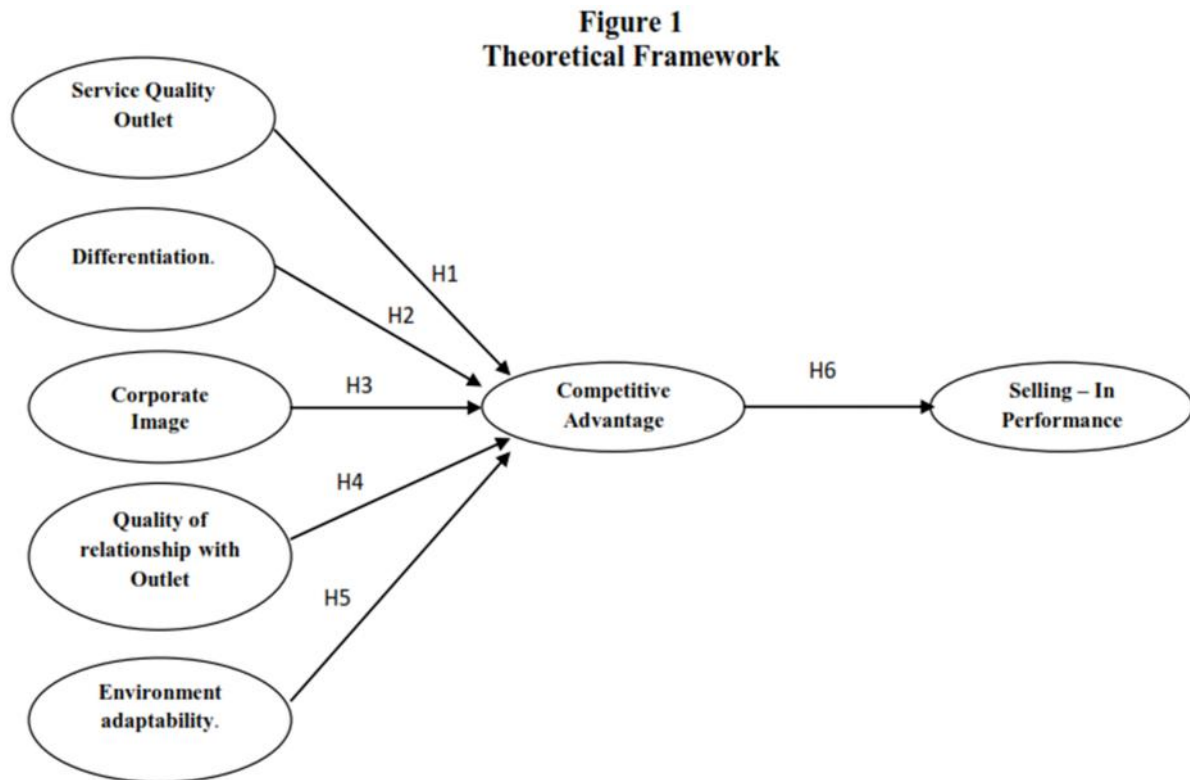


Figure 1 : Theoretical Framework

Source: a theoretical framework is developed for this study, 2012.

Source: Akbar (2003), Boediono (2001), Beal (2000), Calantone, et al (1993), Ferdinand (2000), Parasuman, Ziethaml, and Berry in Kotler (1995) was developed for this study

3. RESEARCH METHODS

Data Collection. Data in this study obtained directly from the questionnaires filled by supervisors or outlet owners outlets for the sample. . The questions were made with a scale of 110 to obtain numerical data and give a score or value. For the category of questions with answers strongly disagree or strongly agree. (Hussein, 2000). Number 1 (one) shows that the respondents strongly disagree, while the number 10 (ten) indicates strongly agree. The sample used was 123 outlets and distributors Indosat which have experience more than 1 year in the Region of Semarang and at least 60% identity by Indosat's brand.

Data Analysis Techniques. The data analysis technique which are used is the qualitative analysis (the translation of non-statistical) and quantitative analysis (translation by numbers). Structural Equation Model (SEM) of a statistical package AMOS is used as analysis tool. To make a complete modeling, there are several steps that must be followed as follow (Hair et al in Ferdinand, 2002) :

1. Theory based model development.

The first step in the development of SEM models is finding or developing a model that has a strong theoretical justification.

2. The development of path diagram to show causality relationship.

Constructs in the path diagram can be divide into two groups, namely exogenous construct (independent variable) and the endogenous construct (dependent variable).

3. The conversion of path diagram into structural equation and measurement models. According to Ferdinand (2000), there are two equations to be formed, namely:

- a. Structural equation

$$V \text{ endogenous} = V \text{ exogenous} + V \text{ exogenous} + \text{Error} \dots\dots\dots (1)$$

- b. Equation specification measurement model

$$\text{Endogenous variable} = \text{exogenous variables} + \text{exogenous variables} + \text{error} \dots\dots\dots (2)$$

Table 1 : Structural Equation Model

Competitive advantage = $\beta 1$ Service quality outlet + $\beta 2$ differentiation + $\beta 3$ Corporate Image + $\beta 4$ Quality of relationship with outlet + $\beta 5$ Environment Adaptability + δ
Selling-In Performance = $\chi 1$ Competitive Advantage + δ

Source : Developed for this study, 2012

The explanation of variables and dimensions can shows on Table 1 as below :

Tabel 2 : Variables and Dimensions

Variables	Dimensions	Symbol
Service Quality Outlet/	Tangibles	X 1
	Reliability	X 2
	Responsiveness	X 3
	Assurance	X 4
	Empathy	X 5
Differentiation	Figure of technology service	X 6
	Signal of area coverage	X 7
	Product innovation activity	X 8
Corporate Image	Brand awareness	X 9
	Corporate reputation	X10
	Management Ability	X11
Quality of relationship with outlet	Good communication	X12
	Credibility	X13
	Mutualism Partnership	X14
Environment Adaptability	Competitors activity	X15
	Technology development	X16
	Customer demand	X17
Competitive Advantage	Competitive Price	X18
	Market Coverage	X19
	Timeliness of product	X20
Selling-In Performance	Visibility	X21
	Comparative margin	X22
	Sales turnover	X23

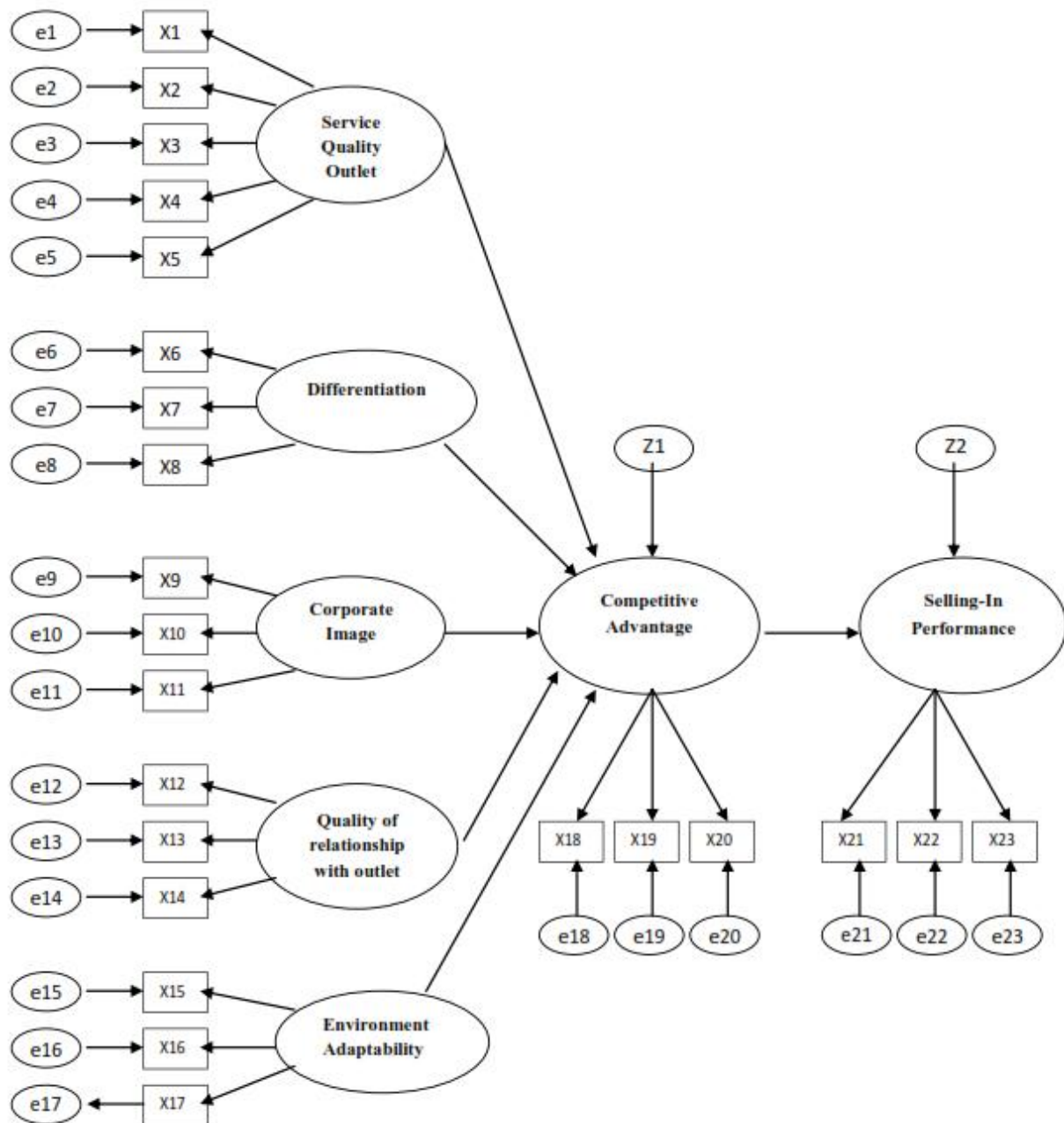


Figure 2 : Empirical Research Model

4. Selection of input matrixes and estimation techniques on models built. This research input matrix is the covariance matrix or variance, because the standard error of the reported figures would show a more accurate value compared with the usage of correlation matrix (Ferdinand, 2002). The appropriate sample size for SEM is 100-200 respondents.

5. Evaluation criteria for goodness of fit (suitability test).

Some measurements in evaluating the goodness of fit criteria are:

- Chi Square Statistic (χ^2). The most fundamental measurement is the likelihood ratio chi-square statistic (χ^2). Lower values indicated that the model used in the study is a better model and can be accepted based on the probability of a cut of value of $p < 0.05$ or $p > 0.50$ (Hulland, et al, 1996 in Ferdinand, 2002).
- RMSEA (The Root Mean Square Error of Approximation) which shows the goodness of fit is obtained when the model is estimated in the population (Hair, et al, 1995). RMSEA value is less than or equal to 0.08 which becomes an index to the acceptability of a model, showed a close fit of the model based on degrees of freedom (Browne and Cudeck, 1993 in Ferdinand, 2000).
- GFI (Goodness of Index), is a non-statistical measure that has a range of values between 0 (poor fit) to 1.0 (perfect fit). High scores on this index indicate a better fit. Significant probability values that can be accepted is $p < 0.05$.
- AGFI (Adjust Goodness of Fit Index), which is the recommended level of acceptance when AGFI has a

value equal to or greater than 0.90 (Hair, et al, 1995 and Hulland, 1996 in Ferdinand, 2000).

- CMIN / DF, is the minimum sample discrepancy function divided by degree of freedom. CMIN / DF is none other than chi-square statistic, 2 divided Df is called relative 2. If relative 2 is less than 2.0 or 3.0 are indicates of acceptable fit between model and data (Arbuckle, 1997 in Ferdinand, 2000).

- TLI (Truck Lewis Index), an index that compares tested incremental model against a base line models, which are recommended as a reference value for the receipt of a model. The recommended value is 0.95 (Hair, et al, 1995) and a value close to 1 showed a very good fit (Arbuckle, 1997 in Ferdinand, 2000).

- CFI (Competitive Fit Index), If the value closes to 1, it indicates the highest level of fit (Arbuckle, 1997 in Ferdinand, 2000). Recommended value is 0.95 CFI.

Table 3 : Goodness Of Index

<i>Goodness of fit index</i>	<i>Cut of Value</i>
$\chi^2 - Chi\ square$	small expected
<i>Significance probability</i>	$\geq 0,05$
<i>RMSEA</i>	$\leq 0,08$
<i>GFI</i>	$\geq 0,90$
<i>AGFI</i>	$\geq 0,90$
<i>CMIN/DF</i>	$\leq 2,0$
<i>TLI</i>	$\geq 0,95$
<i>CFI</i>	$\geq 0,95$

Source : Ferdinand, 2000

6. Reliability Test

Reliability test in SEM obtained through the formula: (Hair, et al in Ferdinand, 2002).

- Construct reliability = (standard loading)² / (standard loading)² + j ... (3)

Acceptable level of reliability : 0.7.

7. Normality Data Test

Normality test to test whether the variables-variables have a normal distribution or not. Good regression models have normal or near normal data distribution (Ghozali, 2001 in an Akbar, 2003).

Judging from the skewness value that data used. Normality test is done using criteria critical ratio of 2.58 with 0.01 significance level (1%), so it can be concluded that there is no deviating data .

4. RESULTS AND DISCUSSION

Analysis Statistical of Descriptive - Characteristics Respondents . This analysis was conducted to obtain descriptive overview of the respondents in this study . Technique scoring performed in this study are minimum 1 and maximum of 10, then the calculation of the index respondents conducted by the following formula :

Indexs Value = ((%F1x1) + (%F2x2) + (%F3x3) + (%F4x4) + (%F5x5) + (%F6x6) + (%F7x7) + (%F8x8) + (%F9x9) + (%F10x10)) /10

where:

- F1 is the frequency of respondents who answered 1.

- It will continue until F10 for the answer 10 of the score which is used in the questionnaire.

Therefore respondents will not start from the number 0, but start from the numbers 1 to 10, then the resulting index would go from 10 to 100 with ranges of 90, without number 0. By using a framework of three boxes (three box-method), the range is 90 divided by three to produce a range of 30 and used as an interpretation of the value of the index list. An example of it is as follows: (Ferdinand, 2002).

a) 10,00 – 40,00 = Low

b) 40,01 – 70,00 = Medium

c) 70,01 – 100,00 = High

Table 4 : Service Quality Outlet Indexs

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Brand awareness	0	0	0	88	25	132	161	88	117	40	65,1
2	Corporate reputation	0	0	0	84	45	156	98	88	117	60	64,8
3	Management Ability	0	0	0	76	45	126	112	112	144	50	66,5
Average												65,47

Table 5 : Differentiation Index

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Fiture of technology service	0	0	0	20	5	9	24	12	18	12	70,5
2	Signal of area coverage	0	0	0	20	3	13	27	18	9	10	68,7
3	Product innovation activity	0	0	0	25	5	14	20	15	14	7	66,5
Average												68,57

Table 6 : Corporate Image Indexs

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Brand awareness	0	0	0	88	25	132	161	88	117	40	65,1
2	Corporate reputation	0	0	0	84	45	156	98	88	117	60	64,8
3	Management Ability	0	0	0	76	45	126	112	112	144	50	66,5
Average												65,47

Table 7 : Quality of relationship with outlets' index

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Good communication	0	0	0	15	5	8	15	25	16	16	74,2
2	Credibility	0	0	0	20	17	22	19	8	10	4	62,4
3	Mutualism Partnership	0	0	0	17	13	24	11	14	16	5	66
Average												67,53

Table 8 : Environment Adaptability Indexs

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Competitor Activity	0	0	0	15	15	21	12	19	16	2	66,1
2	Technology development	0	0	0	17	5	14	20	19	18	7	70,1
3	Customer demand	0	0	0	16	9	16	21	19	10	9	68,4
Average												68,2

Table 9 Competitive Advantage Indexs

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Competitive Price	0	0	0	13	10	15	19	21	14	8	69,9
2	Market Coverage	0	0	0	20	5	10	26	5	21	13	70,6
3	Product Timeliness	0	0	0	20	3	13	27	18	9	10	68,7
Average												69,73

Table 10 : Selling-In Performance Indexs

No	Indicators	Frequency										Indexs
		1	2	3	4	5	6	7	8	9	10	
1	Visibility	0	0	0	13	10	15	19	21	14	8	69,9
2	Comparative Margin	0	0	0	17	13	24	11	14	16	5	66
3	Sales Turnover	0	0	0	15	5	8	15	25	16	16	74,2
Average												67,78

Source : Data processing, 2012

Table 4 to Table 10 show the average index of the variables (service quality outlet, differentiation, corporate image, quality of relationships with outlets, environment adaptability, competitive advantage, and selling-in performance) which is in moderate range as 40,1 to 70 ,0. This suggests that Indosat need to increase competitive advantage and selling in performance.

Structural Equation Modeling (SEM). Prior to forming a full model of SEM, it will firstly be tested against the factors that make up each of the variables in exogenous construct confirmatory factor and endogenous constructs confirmatory factor.

a. Confirmatory Factor Analysis of Exogenous Constructs

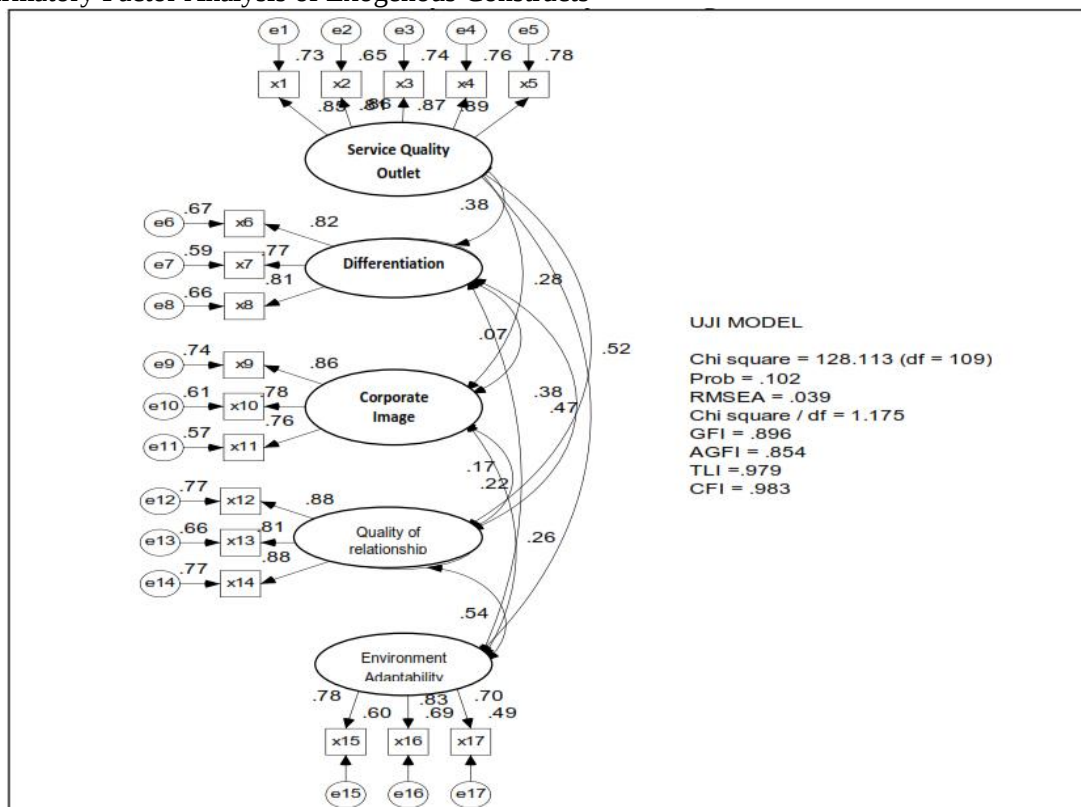


Figure 3 : Confirmatory Factor Analysis of Exogenous Constructs

Table 11 : Feasibility Testing Results Model In the Exogenous Constructs Confirmatory Factor Analysis

<i>Goodness of Fit Indeks</i>	<i>Cut-off Value</i>	<i>Result</i>	<i>Model Evaluation</i>
Chi – Square	low (< 143.116)	128,113	Good
Probability	≥ 0.05	0,102	Good
RMSEA	≤ 0.08	0,039	Good
GFI	≥ 0.90	0,896	Marginal
AGFI	≥ 0.90	0,854	Marginal
CMIN / DF	≤ 2.00	1,175	Good
TLI	≥ 0.95	0,979	Good
CFI	≥ 0.95	0,983	Good

Probability value of goodness of fit test indicates the value 0.102, with eligibility criteria that are models in both categories. So that the model fit with the values predicted observation qualifies.

b. Confirmatory Factor Analysis of Endogenous Constructs

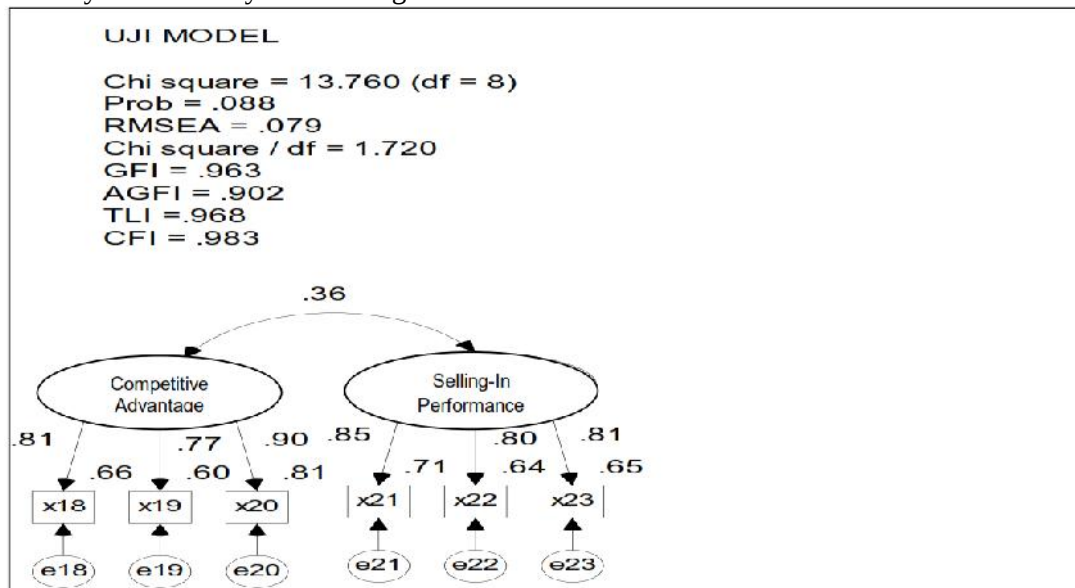


Figure 4 : Confirmatory Factor Analysis of Endogenous Constructs

Table 12 : Feasibility Testing Results Model In the Endogenous Constructs Confirmatory Factor Analysis

<i>Goodness of Fit Indeks</i>	<i>Cut-off Value</i>	<i>Result</i>	<i>Model Evaluation</i>
Chi – Square	low (< 27.366)	13,760	Good
Probability	≥ 0.05	0,088	Good
RMSEA	≤ 0.08	0,079	Good
GFI	≥ 0.90	0,963	Good
AGFI	≥ 0.90	0,902	Good
CMIN / DF	≤ 2.00	1,720	Good
TLI	≥ 0.95	0,968	Good
CFI	≥ 0.95	0,983	Good

Source: Primary data processing

Probability value of goodness of fit test indicates the value 0.088, with eligibility criteria that are models in both categories. so that the model fit with the values predicted observations qualify.

Table 13 : Feasibility Result Testing Model Structural Equation Model (SEM)

<i>Goodness of Fit Indeks</i>	<i>Cut-off Value</i>	<i>Result</i>	<i>Model Evaluation</i>
Chi – Square	low (<304.144)	237,015	Good
Probability	≥ 0.05	0,134	Good
RMSEA	≤ 0.08	0,031	Good
GFI	≥ 0.90	0,863	Marginal
AGFI	≥ 0.90	0,824	Marginal
CMIN / DF	≤ 2.00	1,108	Good
TLI	≥ 0.95	0,982	Good
CFI	≥ 0.95	0,985	Good

Source: Primary data processing

These results indicate that the models are acceptable. Significance level of 0.134 shows as a structural equation model of good. Measurement indices TLI, CFI, CMIN / DF, GFI, AGFI, and RMSEA were within the expected range of values. Thus test the feasibility of SEM models already meet the entry requirements.

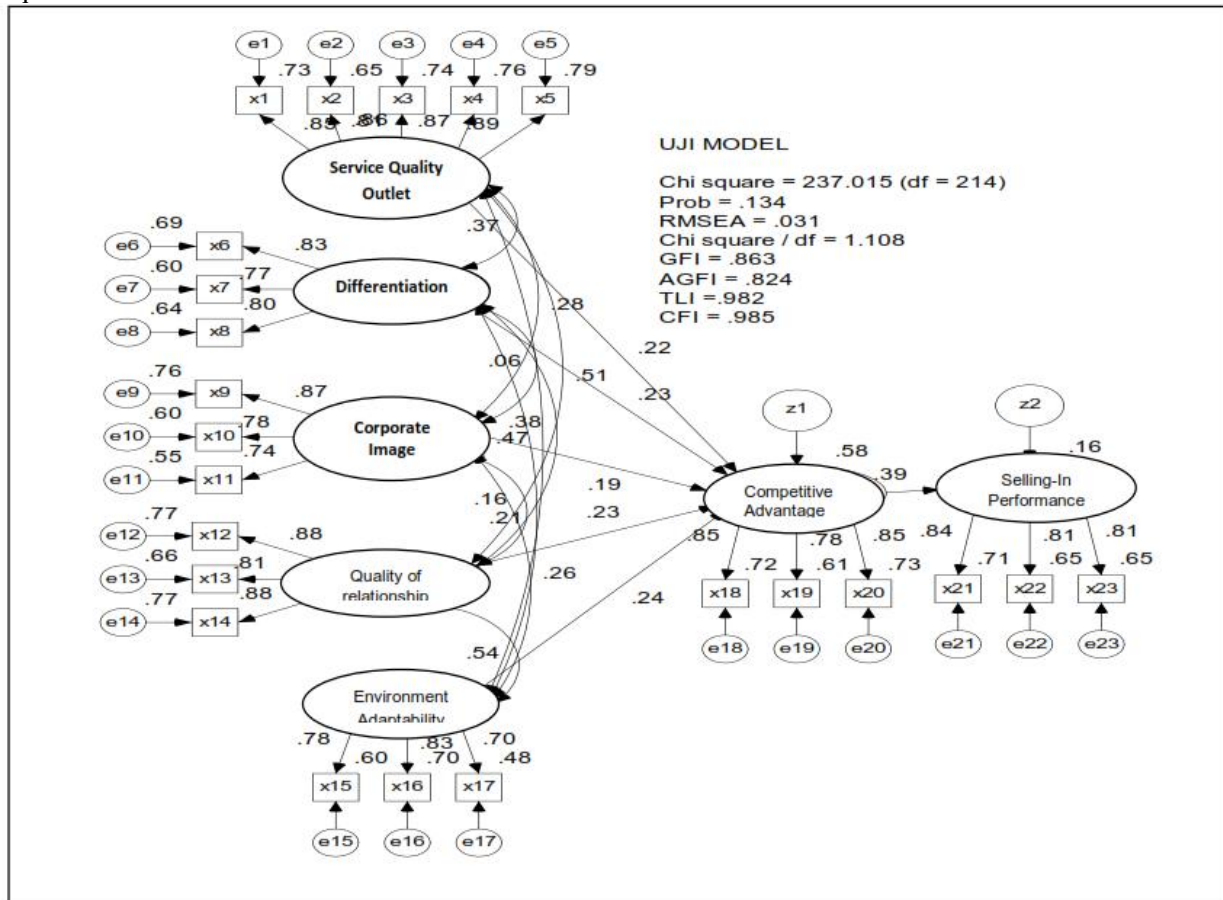


Figure 5 : Results Testing Structural Equation Model (SEM)

The feasibility of full SEM models use Chi square, CFI, TLI, CMIN / DF, RMSEA, GFI and AGFI with the expected range of values. These results indicate the models are acceptable. Significant level of 0.134 shows a structural equation model of good. Measurement indexes (TLI, CFI, CMIN / DF, GFI, AGFI, and RMSEA) are within the expected range of values. As a result the feasibility of SEM models have already met the acceptable requirements.

Data Normality . From the data processing shown in Table 14. It can be seen that there is no value C.R. for skewness beyond the range of +2.58. Thus, the data used in this study has met the requirements of the normality of the data, or it can be said that the research data was normally distributed. Data normality test results are show in Table 14.

Table 14 : Data Normality

Variable	min	max	skew	c.r.	kurtosis	c.r.
X21	3	10	-0,382	-1,674	-0,377	-0,825
X22	3	10	-0,07	-0,307	-1,092	-2,39
X23	3	10	-0,093	-0,408	-0,837	-1,832
X18	3	10	0,127	0,555	-0,672	-1,472
X19	3	10	0,219	0,957	-0,923	-2,02
X20	3	10	0,1	0,438	-0,557	-1,218
X15	4	10	0,044	0,192	-0,842	-1,843
X16	3	10	0,113	0,494	-0,38	-0,831
X17	3	10	0,043	0,189	-0,355	-0,776
X12	3	10	-0,016	-0,071	-0,781	-1,71
X13	3	10	-0,035	-0,152	-0,641	-1,403
X14	3	10	-0,099	-0,434	-1,02	-2,234
X9	3	10	0,145	0,633	-0,223	-0,488
X10	4	10	0,278	1,219	-0,46	-1,007
X11	4	9	0,367	1,605	-0,654	-1,432
X6	4	9	0,112	0,489	-0,903	-1,977
X7	3	10	0,166	0,725	-0,633	-1,386
X8	3	10	0,089	0,39	-0,481	-1,053
X5	4	10	-0,025	-0,108	-0,77	-1,685
X4	4	10	0,038	0,166	-0,727	-1,591
X3	3	10	0,067	0,294	-0,679	-1,486
X2	3	10	-0,211	-0,924	-0,71	-1,553
X1	3	10	-0,002	-0,007	-0,805	-1,762
Multivariate					2,396	2,115

Evaluation of Outliers. Outlier is an observation or data that has unique characteristics that look very different from the other data and appear in the form of extreme value, either for single or combination of variables (Hair et al, 1995, p. 57). To calculate the distance mahalonobis chisquare values, the number of respondents as 123 subtracted by 23 (degrees). Number of indicators are 100 at level $p < 0.001$ is $x^2(100, 0.001) = 55.609$ (based on distribution tables x^2). From the data processing it can be seen that a maximum Mahalanobis distance is 42.245, which is still below the maximum limit of multivariate outliers.

Evaluation of multicollinearity and Singularity. From the data processing sample covariance matrix determinant value is: Determinant of sample covariance matrix = 48.747. From the data processing, it can be known that the determinant sample covariance matrix is far from zero. Thus it can be said that there is no multicollinearity and singularity in this study.

Reliability Test and Extract Variance. Reliability test indicates the extent to which a measuring instrument can provide relatively similar results when it is remeasured on the same object. Minimum reliability values from latent dimension formed variables that can be received is equal to 0.60. Extract variance measurements indicate the amount of variance extracted by the developed construct indicators / latent variables. The minimum acceptable value of variance extract is 0.40. To assess the level of variance extracted from each latent variable, in the above equation can be seen in the form of a table, which shows the results of data processing. The data processing Reliability and Variance Extract is shown in Table 15.

Table 15 : Reliability and Variance Extract

Variable	Reliability	Variance Extract
Service Quality Outlet	0.815	0.639
Differentiation	0.871	0.551
Corporate Image	0.869	0.558
Quality of Relationship with Outlet	0.911	0.636
Environment Adaptability	0.862	0.572
Competitive Advantage	0.809	0.606
Selling-In Performance	0.824	0.579

Results of testing reliability and variance extracted for each latent variable on its constituent dimensions indicate that all variables show as a reliable measure because each variable has greater reliability than 0.6. Variance extracted test results also showed that each of the latent variables are extracted from the sizeable dimensions. It is shown from the extract of the variance values of each variable which is more than 0.4.

Hypothesis Testing. Testing of 6 hypothesis this study based on the value of Critical Ratio (CR) in Table 16 below:

Table 16 : Regression Weight Structural Equational Model

			Estimate	S.E.	C.R.	P
Competitive Advantage	<---	Service Quality Outlet	0,224	0,102	2,206	0,027
Competitive Advantage	<---	Differentiation	0,265	0,105	2,525	0,012
Competitive Advantage	<---	Corporate Image	0,251	0,117	2,149	0,032
Competitive Advantage	<---	Quality of relationship with Outlet	0,203	0,097	2,104	0,035
Competitive Advantage	<---	Environment Adaptability	0,298	0,138	2,165	0,030
Selling-In Performance	<---	Competitive Advantage	0,369	0,1	3,704	0,000

Source : Primary data processing

Table 16 shows that the highest CR is the competitive advantage of 3,704 and the lowest CR is the quality of relationships with 2,104 outlets. This means that competitive advantage has a strong influence on the performance of the selling-in and the quality of relationship with outlets have little impact on competitive advantage compared to the other variables. In addition, Table 16 shows that the hypothesis in this study are all acceptable, based on the high value of the probability (P) which is smaller than 0.05

5. CONCLUSIONS AND POLICY IMPLICATIONS

Hypothesis testing are performed to prove that there is a positive influence and direction between the variables of service quality outlets, differentiation, corporate image, quality of relationships with outlets, environmental adaptability to competitive advantage, in which competitive advantage has a direct influence on selling-in performance.

Policy Implications. Policy implications of this research include:

1. PT. Indosat must begin with a commitment to uphold the agreements with its distributors, policy co-operation, development and implementation of strategies to maintain and win the market. Frequent changes in policy or strategy, especially in the operation policy will decrease the commitment value of the distributor .
2. Officer in PT. Indosat within the distributor operations should really be able to mediate the relationship to ensure all form of operations, strategy and the policy implementation , and cooperation agreements so that it will be able to run in harmonious, full coordination and make the distributor as a partner not just a business.
3. PT. Indosat is required to be innovative and customized, intuitive, proactive, and communicative to get customer valuation which becomes the base for planning investment to customers.

Theoretical Implications. Selling-in performance is strongly influenced by the competitive advantage (Mustafa, 2005), factors that affect the competitive advantages are: (1) quality of service outlets (Parasuman, Zeithaml and Berry in Kotler, 1995), (2) differentiation Calantone et al , 1993), (3) Corporate Image (Smith and Barclay, 1999), (4) the quality of the relationship with the outlet (Morgan and Hunt, 1994) and (5) environmental adaptability (Xu and Kaye, 1995). Results of this study confirm the results of previous research conducted by Parasuman, Zeithaml and Berry in Kotler, (1995), Calantone et al, (1993), Smith and Barclay, (1999), Morgan and Hunt, (1994) and Xu and Kaye, (1995) which showed that the quality of service outlets, differentiation, corporate image, quality of relationships with outlets, and environmental adaptability affects competitive advantage in selling an impact on performance.

Research limitations. Several limitations that can be drawn from this study are:

1. In general, the object of this research is only performed at the outlets fostered by PT. Indosat Semarang, so the policy implications derived from this study may not be appropriate when applied to other business areas, as well as other companies due to differences in characteristics.
2. AGFI and GFI values in confirmatory factor exogenous constructs showed a marginal value, so it needs an addition in the model within the framework of theoretical thought. This can be done by adding the independent variables and indicators.
3. Square Multiple Correlation of this study less than the maximum value so it is advisable to add other variables that could potentially affect the performance of competitive advantage and selling-in.

Future Research Agenda. The results of this study and the limitations found in this study can be used as a source of new ideas for the development of this research in the future, the study suggested the expansion of this study are:

1. Future research will be able to conduct in a wider research areas such as Central Java or national scale, and it can also be done in several other business areas to obtain general results.
2. Future studies is able to add variable environmental influences in a more specific terms such as government policies that govern telecommunications services business, primarily for mobile products as well as the rules related to the business association.

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