

ABSTRACT

Due to technology development and communication in this generation era, the usage of internet in Indonesia is more common. This causes the increase in the amount of phone cellular user in Indonesia. Because of this fast increasing user of internet, many companies as cellular provider do their best to give better service with low prices that causes more competition between telecommunication system company. Following to this tight competition of telecommunication industry and internet provider in Indonesia. This is a must for Telkomsel company to find and apply the best competitive strategy in managing its own business.

This research was conducted to identify and to examine power resources as well as capability of the company that is potential to create sustainable competitive advantage by using “resource based view” and it was also aimed to find alternative strategy in exploiting power resources and capability to create competitive advantage for the company.

Qualitative method was used in this research, the data of which was gained by interviewing the informants by determining “purposive sampling”, analyzing company documents and other research journals by examining validity of the data with triangulation of sources. This research used “Resource based view” approach, VRIO framework, and relevance analysis.

The result of this research shows that the company has 22 resources and 10 capability that is potential to be competitive advantage. Then the analysis using VRIO framework shows result that power resource of Telkomsel service provider that reach sustainable competitive advantage is 11 resources. While the capability of Telkomsel service provider that reaches sustainable competitive advantage is four times its capability.

Based on the results of the research, to stay on top as the leader of telecommunication industry, Telkomsel must formulate business strategy that is suitable with power resources and capability constantly. In addition, this company must continuously conduct observation and evaluation for the power resources and capability that is predicted to be more developative in the future.

Keywords: *resource based view, competitive advantage, VRIO frameworks, relevance analysis, strategy formulation*