ABSTRACT

The telecommunications industry is currently faced with declining *voice* and SMS revenue which has been the main income of the cellular operator, on the other hand, the high increase in *traffic* and data needs are expecting mobile operators to provide high-speed data services to compete in the market, although the contribution of data revenue hasn't been able to significantly contribute to the company because market price war of internet data package.

With the condition of a broad area of South Sulawesi, the limited Indosat's coverage 4G and many packages/products that should be offered to the market, Indosat has to focus in implementing operation strategy by determining the winning area and product focus to be priority campaign and selling.

The Segmentation Strategy Formulation of *Micro Cluster* PT Indosat in South Sulawesi Area" is research such to find out variables and indicators considered to determind the winning territory base on studies literature and *expert* opinions, and also figures out what products will be the focus to be sales of and maximize marketing activity for the selected winning area.

This is an exploratory research by using mix methods analysis which the combine qualitative and qualitative method. The qualitative method's used to determine the variables, indicator and weights by getting data from the *expert* through Focus Group Discussion activity. Quantitative method's used for processing of primary data such as market share Facebook, Distributor infrastructure, Demography, and Call Data Records to get the data transaction data products, Subscriber Generate Event (*SGE*), revenue, network occupancy, coverage, capacity and *traffic*.

There are nine varibles to be considered to determining the winning area of *Micro Cluster* such as; Market Share, Generate Event Subscriber, Revenue, Network Infrastructure Availablity, Network Capacity, Traffic & Occupancy, Distributor Infrastructure and Demographics. The Weight of each variable is distinguished based on four categories, i.e Extend, Grow, and Defend Maximize.

Keywords : Segmentation Strategy, Cluster, Telecommunication