

ABSTRACT

The rapid development of mobile telephone service lead to simcard penetration in Indonesia almost reach to one hundred percent of the total Indonesia's population. This situation makes it difficult to do, so Indosat trying to maintain exsiting customers with customer retention. One way is to conduct a loyalty program, which is called Indosat Senyum program. The manager of Retention Management felt the program was not effective enough. This is due to the Indosat's churn rate is still much higher than its competitors, Telkomsel.

The research used questionnaire to see how Indosat Senyum affects the customer's affective loyalty which is consist of attitude, satisfaction, trust, and commitment. The research object is customers who have joined in the program and residing ini Bandung. The result shows that Indosat Senyum has strong influence to attitude and satisfaction with correlation value 0.556 and 0.510, and has little influence on trust with correlation value 0.234. While for the commitment, correlation value is 0.156 shows that the relationship is very small so it can be ignored.

From the results of data analysis, then the program development proposal is drafted to enhance customer's affective loyalty. According to the variables that most affected by the program, it formulated the program development which is leading to customer desires. The program development such as bonuses that is based on the length of a customer and provide variation in the benefits which is offered to customers. With the existence of these programs are expected to increase customer's affective loyalty. So Indosat's churn rate can be reduced.

Keywords : churn, affective loyalty, Indosat Senyum