

## ABSTRACT

Since the year 2004 PT Telkom Tbk, Indonesia's largest telecommunication provider, has launched a new Internet broadband service with ADSL (*Asymmetric Digital Subscriber Line*) base technology which is called "Speedy". By using the service, the customer's telephone network ability is upgraded into a high-speed digital network. Beside being able to use telephony (voice) services, the customer also able to use internet access with high downstream bitrate (up to 384 Kbps). But despite the many benefits it offers, Speedy's tariff is still considered expensive. This research tries to determine a tariff suggestion for Speedy's services by considering the many aspects of costs, customer willingness to pay, competitive aspects, company's target and regulations. Thus, the result is not only a decently profitable and acceptable tariff suggestion, but also a highly competitive tariff.

In this final project, determination of the tariff suggestion is conducted by using several calculation methods, namely Average Incremental Cost and Price Sensitivity Meter. With the methods, the limits for price floor and price ceiling can be discovered. Also conducted in this research is Customer's Value Map analysis which is used to analyze Speedy's position in the competition with its assumed competitors. The result of Price Sensitivity Meter are tariff alternatives that can further be used as Speedy's tariff suggestion. A profitability analysis is then conducted for the alternatives to look over its investment feasibility. Following that, the recommendation of tariff suggestion is made based on considerations of the AIC calculation, the analysis of customer willingness to pay, the analysis of substitute product, the company's objective, and state regulations.

The tariff suggested by this research are as follows. For every type of services the registration fee is Rp 137.500, monthly fee is charged at Rp 225.000 for Speedy Personal and Rp 575.000 for Speedy Professional. And the excess usage is charged Rp. 550 for every megabytes (Mb) of data. This tariff suggestion is the most accepted tariff alternative resulted from Price Sensitivity Meter. From financial calculations to determine investment feasibility parameters, the tariff suggestion is plausible enough to be accepted with NPV worth of Rp. 570.625.520, IRR 31,88 % and 2,91 of payback period. Based on Sensitivity analysis, the system's feasibility is most sensitive to changes in investment cost, revenue, and mostly tariff. From the results of this research, it is hoped that the implementation of tariff suggestion can be considered by TELKOM as the provider of Speedy service.

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