

ABSTRACT

PT. Telkomsel, Tbk is one of the telecommunication services provider in Indonesia with some various products such as Simpati, Kartu As, and Kartu Halo. Now, Telkomsel still takes control of the telecommunication services market in Indonesia. However, Telkomsel sustained a high churn rate at 2008 period at its product, Kartu As. Kartu As is a Telkomsel product that has the middle to lower people as their market segmentation. Even so Kartu As also has a big contribution to the Telkomsel, so there has to be some improvement in order to decrease the churn rate. First, there have to be some research to know the causes of churn in Kartu As customer. Based on that causes, retention program will be defined in order to maintain Kartu As customer, especially in Bandung.

Data for this research was collected from survey to the Kartu As customer using questionnaire as a tool. Questionnaire dispersion is using convenience sampling method, while the determination sample size is using Rule of Thumb method and Gervitz theory. Questions in this questionnaire divide into two groups, Respondent's profile and Customer Switching Intention variable which is measuring customer perception about Price, Customer satisfaction, Alternative attractiveness and Switching cost.

There are two variables that significantly affected to the customer switching intention, which are Customer satisfaction and Alternative attractiveness. Someone's intention to switch will be decreased if affected by high customer perception about customer satisfaction and a low level of alternative attractiveness.

Based on variables that significantly affected to customer switching intention, then retention program is defined which aims to decrease customer switching intention in order to decrease churn rate in Kartu As. This retention program proposed several ways those are increasing customer satisfaction with doing some evaluation and maintenance, and making Service Level Agreement. The other way is establishing switching barriers in order to minimize the effect of alternative attractiveness with making an interpersonal relationship and doing product differentiation.

Keywords : Customer Switching Intention, Retention Program, churn.