

ABSTRACT

Demand mobility which everyone want it most, make phone cellular customer in Indonesia progressive increase from year to year. This matter push all service provider compete to gain market. Seeing this condition, operator GSM take policy by compiling programs which give amenity and cheap packet to customer. But, program tender give the possibility of churn. Various card offering excellence by itself, making its sale volume more greater, but level of switch also more and more high. Indosat as the biggest operator below Telkomsel, in Indonesia with Mentari prepaid card as one of its product note that number of churn rate, the highest is reach mean 6% at August 2004. Therefore this research is do to identify and analyze factors influencing customer switching behavior to another service provider from Mentari prepaid card. From that factor will be made as basis for make proposal customer retention program which can be done by Indosat to defend existing customer and depress level of churn rate.

Research doing by survey method through spreading questioner to 280 respondent in Bandung. Sampling technique which used in this research is Judgemental Sampling which representing form from non probability sampling which selected by subjective consideration from researcher that to be taken from population is people with consideration / certain characteristic. Respondent are customer phone cellular which already used prepaid card Mentari service, but now no longer. Questioner contain complete question which covering respondent characteristic, use of service and special questions compiled from variables which have been found previously to know, which factors deal with the reason respondent change operator.

Result of research indicates that tariff variable, core service failure, and competition, have a significant effect to customer behavior to switch from Mentari prepaid card. Among those variables, competition variable is the strongest factor that influence to customer behavior to move from Mentari prepaid card. But variable of responses to service failure, do not have a significant effect to customer behavior to move from Mentari prepaid card. Beside it the customer switching behavior has a significant effect to word of mouth communication and search another service provider.

Customer retention program which proposed made based on result analyze by paying attention to variable which have significant effect as the reason of switching customer Mentari to other operator. The proposal is a form of Mentari Reward program, repair quality of network service, Mentari Road Show program and also repair quality of service toward customer . With this proposal, expected it can defend number of customer and prevent existing customer do not move to competitors and also in order to make them loyal to service of Mentari prepaid card, so churn rate can be depressed.