

## ABSTRACT

*The increasing of new player in telecommunication business, especially cellular telecommunication increase competition level in telecommunication business become turbulent and radical competition. It is experienced by TELKOMFlexi, as one of main product of PT Telkom and pioneer of CDMA telecommunication infrastructure in Medan. The TELKOMFlexi customer is one of indicating competition condition. It can be seen from churn customer rate of TELKOMFlexi took place. In March 2006, the churn customer rate of TELKOMFlexi is 259,65%. The point is very high as minimal target determined by TELKOMFlexi is 30% from total sales. In another word, the churn customer rate which can be still tolerated is 70%. Therefore, it require research on TELKOMFlexi customer behaviour and to identify the forming factors of TELKOMFlexi customer's switching cost and the cause factors of TELKOMFlexi churn customer rate in Medan in order to produce controlling program of TELKOMFlexi churn customer in Medan as recommendation to management of PT Telkom.*

*The research method is developed through brainstorming with PT Telkom Divre I Sumatra. In this research, variables researched are price, quality, delivery and service. Processing data done from the result of spreading questioner is to find customer perception towards variables measured and to calculate switching index point from each factor measured. Beside that, the measurement of TELKOMFlexi switching index is also done to know the position of TELKOMFlexi seen from customer behaviour toward TELKOMFlexi. The calculation of switching index value and customer perception will identify factors which become customer's switching cost and the cause factors of TELKOMFlexi churn customer in Medan. The calculation result can be served as reference to make recommendation on controlling program repair of churn customer.*

*The result of processing data indicated that TELKOMFlexi switching index value is 0,21 (less than 0,5) which indicate that position of TELKOMFlexi is relatively secure as TELKOMFlexi customer tend to be loyal to TELKOMFlexi. Beside that, the result of processing data indicated that quality of signal of TELKOMFlexi, quality of voice and the speed of TELKOMFlexi transfer data, coverage area of TELKOMFlexi and respon in dealing with customer complaint is the cause factors of churn customer (more than 0,5). While factors which become customer's switching cost is in dealing with customer complaint, to use various fitur, local call tariff to GSM, the availability of complaint of customer, quality of terminal (new/second), to get new terminal, the availability of voucher outlet, SMS tariff, to get second terminal, the price of second terminal, call tariff of SLJJ between PSTN and TELKOMFlexi, to get information of TELKOMFlexi and the price of new terminal of TELKOMFlexi (less than 0,5)*

*By given result, the recommendation which can be given to management is to do socialization of SOP (Standard Operation Procedure) and training more intensive to employees as the basis to provide service with a better quality to customer. While, another tactical steps have to be done is genset as an effort to anticipate electrical switching in Medan, and dealing with system of complaint handling of customer become system more effective and efficient without set aside quality of dealing complaint.*

*Key word : Customer's switching cost, Churn customer, Switching index.*