

## ABSTRACT

Today, it is admitted that internet has brought so many changes and advancements for human being. In Indonesia, internet usage is having its growth and getting the society to be well-educated. Cumulatively, until year 2006, internet user in Indonesia has become 20,000,000 users; for 2007, it is predicted to be 25,000,000. It is a good chance to develop Internet Service Provider firms as the market is still growing. PT. ISP X is one of Internet Service Provider covering corporate customer in High Rise Building in Jakarta. It is in the fifth position of corporate customer market share in Jakarta and is willing to increase its market share. In order to increase its market share, PT. ISP X requires competitive advantage strategy along with its action plan based on its SWOT analysis.

This research applies Service Quality as the variables basis and SWOT analysis with TOWS matrix. Data needed in this research consists of internal and external data. Internal data comes from company, while external data comes from competitors and customer. Variables used to determine the data is 4D Service Quality (4D Servqual) and are both defined as technical and functional services. Reliability is technical services, while the others, assurance, empathy, and responsiveness are functional services. Data from company will become strengths or weaknesses. On the other hand, data from customer will become market expectation, which further, with competitors' will become opportunities or threats. TOWS matrix will cross the SWOT result and will result the recommended action plan and the competitive strategy.

From the data processed, there are several strengths and weaknesses that exist in PT. ISP X, also opportunities and threats faced. Well-known and trusted, customer care both operator and technician available anytime, and good performance of complaint handling are the strengths. Meanwhile, low capacity and no backup of backbone and no service level and customer retention program for SME customer are the weaknesses. Customer perceives good performance for what PT. ISP X performs well, unsatisfied competitors' customer who wish to switch, and good chance to develop differentiation are the opportunity faced. The threats are small ISP focusing on SME customer, big capacity and redundant of competitors' backbone, customer retention to all segment by competitors, and huge amount, 57.01%, of PT. ISP X who wish to switch to another ISP. As a matter of fact, weaknesses and threats that occur remain on the most and the second-most important dimension for customer: reliability and empathy.

It seems that PT. ISP X is in defense position, where it should fix the weaknesses to minimize the threats faced. From the TOWS matrix of the strength, weakness, opportunity, and threat analysis, the strategy mostly lies on fixing weaknesses. The competitive advantage is obtained through differentiation, by building personal relationship with customer. Of course, it can be obtained after the most important dimension is provided well. Thus, strategy and action plan which is resulted cover three things: connection, customer, and communication.

Keyword: competitive advantage, 4D Service Quality (4D Servqual), SWOT analysis