

ABSTRACT

Internet Business in Indonesia grew very fast for a few last years; the amount growth of user and customer in internet service indicated this. These growths have being follow by the increase of internet service provider (ISP) offering of many services; this situation causes a tight competition at each ISP. Incomplete customer's need causes the highly unsatisfaction and insignificant loyalty, as the result of this is customer's churn become high. These problems motivate the writer to make a research whose objective to formulate the customer retention program based on measuring a level of satisfaction and loyalty specifically for Telkom Speedy. On this research, the writer will determine a level of Speedy customer satisfaction using *customer satisfaction index* and *customer satisfaction gap index* methods, the most influence factor about Speedy customer satisfaction using *path analysis* method, the variable that has to improve by using *performance importance matrix*, a level of customer loyalty and customer retention program for Telkom Speedy.

Questionnaire used to collect data that spread by *purposive sampling* method to Speedy and competitor customer. The research begins with Speedy customer behavior analysis at previous services, determine customer characteristic and measure a level of customer satisfaction and loyalty. Based on the measurement and analysis, Telkom Speedy customer retention program is formulable.

The result indicates that a level of Speedy customer satisfaction is an average performance namely 68.33%, this value is lower than competitor's value that already have satisfaction performance such as Melsa namely 74.03%, Centrin namely 71.14%, Telkomnet Instan namely 72.74% and other services namely 69.97%. The most influence factor about Speedy customer satisfaction is product namely 62.4%, the prime priorities dimension to improve is tariff, process and staff, committed buyer dominating Speedy customer namely 77.36%. Telkom Speedy must pay attention to this situation although it has many-committed buyer. Because a level of satisfaction is lower than competitor is, a company must increase services performance and maintain a customer in order to prevent customer churn to other ISP by applying customer retention program. Telkom Speedy has to measure a level of satisfaction and loyalty frequently to monitor the change of market and customer in order to be capable of defending even to increase a market share.