

## **ABSTRACT**

Increasingly of subscriber rates and cellular operators show that competition in cellular telecommunication industries in Indonesia is tighter. This condition gives challenge for cellular operators to offer the best services for their subscribers in order to be loyal. Increasingly the number of cellular operators will give the wide occasion for their subscribers and candidates of subscriber to chose and use the services that suitable to their needs and desires. This condition gives the possibility of occurring subscriber's switching intention and effecting to the increasing of subscriber's churn from one operator to the others operators. As one of the biggest cellular telecommunication industry, PT Indosat, Tbk, especially in Bandung marketing area also feel the subscribers churn. So, this research is needed that can be formulated a retention program to makes Indosat prepaid subscriber more loyal and finally can decrease churn rate.

In this research, data collecting is doing by survey method through questionnaire's disseminate to IM3 prepaid card subscribers in Bandung area. Questionnaire's disseminating is doing by sampling convenience method and Rule of Thumb for sample size deciding. Questions in questionnaire are divided by two parts; those are Subscriber Profile and Customer Switching Intention that will be measure respondent perception to the variables: Satisfaction, Price Perception, Alternative Attractiveness, Switching Cost, Attitude toward Switching, Past Behavior, Variety Seeking, and Switching Intention. Respondent explain their perception to the questions in questionnaire using 6 points Likert scales.

Research's result shows that from seven variables there are three variables that have significant influence to customer switching intention, those are attitude toward switching, switching cost, and satisfaction. Based on those three variables, a retention program is made to decrease attitude toward switching influence by increasing satisfaction and switching cost. So, it can decrease customer switching intention. This retention program suggests two ways: by loss cost & interpersonal relationship increasing and adding value added service. This program can decrease customer switching intention and still loyal with IM3.

**Keywords:** churn, customer switching intention, satisfaction, retention program