

ABSTRACT

PT. Indosat, Tbk wilayah Bandung as one of the telecommunication service provider in Bandung has a high customer switching rates during the year 2008. This cause loss for the PT. Indosat, Tbk wilayah Bandung. This situation will be very harmful, and if this continues, PT. Indosat, Tbk wilayah Bandung will lose ground. Therefore, this research is expected to formulate a retention program to retain customers who will be influential in increasing profit.

In this research, data collection is done through distribution of questionnaires to the prepaid customer's of Indosat. The distribution of questionnaire is done with the convinience sampling method based on the geographical location in Bandung. The questionnaire is distributed to the respondents consist of two parts. The first part is about screening and the general profile of respondents. While the second part contains questions to measure variables that have been identified previously, there are customer satisfaction, corporate image, switching cost, and alternative attractiveness. Results of research indicate that the level of customer loyalty is influenced by corporate image, switching cost, and alternative attractiveness. While customer satisfaction does not affect customer loyalty.

Based on variabels that influences to customer loyalty, then will be create the Customer Retention Program. Retention program concept is based on the framework created by Berry and Parasuraman. With this program, will be expected to decrease churn, Indosat's subscribers will be more loyal and Indosat will get many of benefits and advantages indirectly.