

ABSTRACT

As one of Telkomsel's CRM programs, Telkomsel Poin must be improved so customers can feel satisfied and the customer loyalty can be well maintained, and they do not move to another operator's product. Based on Telkomsel Poin data in 2017, redeem transaction of Telkomsel Poin on Telkomsel customer is low at 17.8%. In addition, the average of Telkomsel's customer is churn in 2017 at 9.77% of the total active subscribers. Low redeem transaction of Telkomsel Poin means that the Telkomsel Poin program is less effective as a Telkomsel CRM program to manage relationship with customers and as the Telkomsel's main strategy to reduce the customer's churn.

Through this research, there is a measurement of the effect of the Length of Stay (LoS), tier, redeem frequency, merchant and redeem target variables on the participation of customer loyalty program Telkomsel Poin based on redeem transaction history of Telkomsel customer. In addition, this study conduct a participant clustering of customer's loyalty Telkomsel Poin program to understand the characteristics of each participant's cluster as recommendation for strategies to increase redeem transaction of Telkomsel Poin.

The analysis technique used to analyze the data in this study is Linear Regression technique. Based on the results of data analysis, it can be seen that the effect of the Length of Stay, tier, redeem frequency, merchant and redeem target on redeem percentage or participation of Telkomsel Poin customer loyalty program shows a significant relationship. Model evaluation can be seen with the R square value of 0.794 which means that the independent variable in the model is able to explain the redeem percentage variable at 79.4% while the remaining 21.6% is explained by outside model's variable.

By using the Silhouette Index as an evaluation tool in clustering using K-Means, the optimal number of clusters are 5 clusters with reaching index 0.639. Analysis result using K-Means clustering using 5 clusters obtained the customers with the characteristics of each cluster. Strategy to increase redeem transaction of Telkomsel Poin based on People, Process and Technology. People, professional service that provide a personal touch to customer and awareness regarding the Telkomsel Poin program. Process, improvement of business process for merchants / partners acquisition and business processes for Telkomsel Points benefit differentiation based on customer tiers. Technology, utilization of customer analytic data so that it can make a targeted offering / campaign to the customers.

Keywords: *Point, Reward, Redemption, Linear Regression, Clustering, K-Means, Personalized Marketing, Targeted Offering*