



**DEVELOPING CUSTOMER LOYALTY PROGRAM AS AN INITIATIVE TO
REDUCE CHURN IN PT NETWORK TV (PT NTV)
(CASE OF PAY-TV OPERATOR COMPANY)**

Ricky Panjaitan
Institut Teknologi Bandung, Jakarta, Indonesia.
Corresponding Email: panjaitan.ricky@gmail.com

Abstract

This study explores the phenomenon of growing churn customers in a pay-tv operator in Indonesia. There are many factors that are affecting a pay-tv customer to churn, for example, the content is no longer interesting, the service is disappointing, the presence of alternative entertainment, the change behavior of customer toward local FTA content, and the ineffective loyalty program. This study tried to explore and present a loyalty program concept in order to reduce churn customer. This new concept which is based on the preferences of the customer is expected to enhance or replace the existing loyalty program. The study employed desk study, focused group discussion and survey in order to understand the loyalty concept and to grab the preference of majority customers. In general, it is found that the previous loyalty program is not effective. The study found that three elements are important for designing the loyalty program that are the communication media, the frequency of the program reward and the reward offering. The customers prefer a personalized communication media, direct reward and immediate reward as the format of loyalty program. This new concept will change the management approach to be more proactive than the existing, reactive approach.

Keywords: Churn, Customer Experience, Loyalty Program, Pay-Tv, Subscription.
