

## **ABSTRACT**

*Market saturation due to increasing competition among cellular operators and the number of cellular customers who are already more than half the population of Indonesia caused a decline in customer growth and profitability of each cellular operator. It is also experienced by Telkomsel especially for simPATI brand as a market leader in this sector. Obtaining a high profitability in the company, need any effort to improve customer retention due to customer retention is key of profitability. In this study, the author used customer satisfaction, switching costs, and trust in brand as an independent variable to be studied how they affect customer retention.*

*After doing a literature review and hypothesis formulation, data is obtained by spreading questionnaires to 100 customers of simPATI in Semarang city using purposive sampling, and then data is analyzed quantitatively and qualitatively. Quantitative analysis covers some matters; they are validity and reliability examinations, classic assumption examination, analysis multiple regression, and hypothesis examination. The hypothesis examination is done through  $t$  and  $F$  test, and coefficient of determination ( $R^2$ ). Qualitative analysis is the interpretation of the data got from the research and the result of data tabulation which have been done by giving information and explanation.*

*The result of this study shows that coefficient of determination in Adjusted R Square is 0.630, which means that 63% customer retention effect can be explained by three independent variables in this study that are customer satisfaction, switching costs, and trust in the brand, and the rest 37% can be explained by other variables outside the model of this study. Partially based on the results of  $t$  test, variables in this study has a positive effect and significant in which customer satisfaction has the greatest influence than other variables in this study, whereas switching costs has the lowest one. Based on  $F$  test results indicate that simultaneously, variables in this study that are customer satisfaction, switching costs, and trust in the brand has positive effect and significant on customer retention. Therefore, to improve customer retention can be done by improving customer satisfaction, switching costs, and trust in the brand.*

*Keywords: Profitability, customer retention, customer satisfaction, switching cost, trust in brand*