

Customer Segmentation Based on RFM Analysis as the Basis of Marketing Strategy: A Case Study of Ultra Fiber Optic (UFO) Internet Customers of PT Ultra Mandiri Telekomunikasi in Jabodetabek

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Abstract. The Internet Service Provider (ISP) industry in the *Jabodetabek* region has entered a critical *red ocean* phase, characterized by hyper-competition, aggressive price wars, and market saturation, with over 1,000 active providers. *PT Ultra Mandiri Telekomunikasi (PT UMT)*, traditionally a B2B infrastructure company, faces significant challenges in its strategic diversification into the B2C retail market through its brand, Ultra Fiber Optic (UFO). To address high *churn* rates and inefficient mass marketing, this study aims to develop a precision segmentation strategy using a Mixed-Method Sequential Explanatory design. This approach integrates quantitative RFM (*Recency, Frequency, Monetary*) analysis with qualitative ethnographic research to formulate a targeted marketing strategy. Using a validated dataset of 629 customer transaction records from January 2023 to December 2024, the study applies a 3-point tertile scoring system to categorize customers into 10 distinct segments. The findings identify critical segments such as *Sultan Internet* (Champions 27 customers with perfect RFM scores of 333) and *Juragan Kuota* (Loyal Customers). Crucially, the analysis reveals a significant *at-risk* segment comprising high-value customers who have ceased transacting. Ethnographic analysis further reveals that high-value segments prioritize network stability characterized as *fear of disconnection* over price, whereas loyal segments place greater value on administrative simplicity. By integrating these insights, the research formulates a tailored *Online Value Proposition (OVP)* for each segment. The study concludes that by shifting from generic price-based promotions to value-based retention strategies such as the UFO Priority programme for elite segments and *win-back* programmes for *at-risk* customers *PT UMT* can significantly reduce *churn* and optimize *Average Revenue Per User (ARPU)*.

Keywords: RFM Analysis, Ethnography, Customer Segmentation, Marketing Strategy, OVP.

INTRODUCTION

The digital economy landscape in Indonesia is currently undergoing a very fundamental structural transformation, a phenomenon that has accelerated significantly after the COVID-19 pandemic (Legowo & Sorongan, 2022; Meidyasari, 2024; Syahputra & Syah, 2025). This change marks a paradigm shift in which internet connectivity, which a decade ago was only perceived as a tertiary utility or a mere complement to entertainment, has now evolved into an essential critical infrastructure. This infrastructure supports almost all joints of modern society, from hybrid education ecosystems and remote health services (telemedicine), to cloud-based business operations.

Empirical data supports this observation, where the Indonesian Internet Service Providers Association (APJII, 2024) reports that internet penetration in Indonesia has reached 79.5% of the total population in early 2024. Theoretically, this massive surge in digital adoption should be a positive growth signal for the sustainability of the national telecommunications industry. However, the empirical reality on the ground, especially in the agglomeration areas of Jakarta, Bogor, Depok, Tangerang, and Bekasi (Jabodetabek), actually shows a worrying anomaly. This region with the highest density of internet usage is actually experiencing market saturation and unfair price competition, which has the potential to hinder the sustainability of network infrastructure investment in the future.

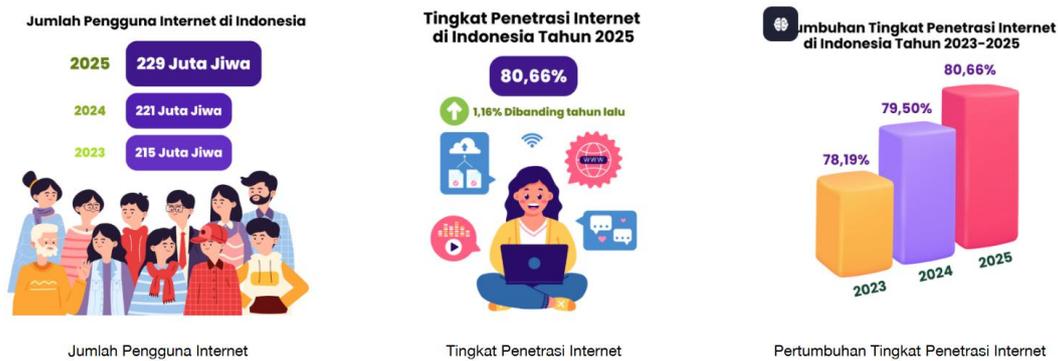


Figure 1. Internet Survey of the Indonesian Internet Service Providers Association (APJII) in 2025

Source: Adapted from APJII (2025)

The dynamics of the Internet Service Provider (ISP) industry in the Greater Jakarta area have undergone a fundamental shift from the organic growth phase to a critical market saturation level. Referring to the strategic framework put forward by Kim and Mauborgne (2005), this industrial landscape has been mired in what is defined as the "Red Ocean". Under these conditions, the boundaries of the industry have been rigidly defined and competition rules have been set, but the market space has become very crowded with the existence of more than 1,000 active ISP licenses vying for the same market share.

The high density of these market players triggers a destructive phenomenon of hypercompetition, where the ability of companies to differentiate products becomes increasingly blurred. Most service providers are caught up in an unsustainable price war strategy, offering high-speed bandwidth at irrational rates solely for the sake of acquiring new customers (Porter, 2008). The long-term implication of this strategy is the inevitable acceleration of the commoditization rate of internet services. The consumer paradigm has shifted; Internet services are no longer seen as value-added services, but have been degraded into homogeneous basic utility commodities like electricity or water. As a result, price becomes the single and most dominant determinant in the consumer purchase decision-making process, ignoring other aspects of service quality (Kotler & Keller, 2016).

In the telecommunications industry landscape that is currently characterized by very dynamic market turbulence, *PT Ultra Mandiri Telekomunikasi* (PT UMT), as a strategic subsidiary of PT PP Infrastructure, is striving to assert its competitive position. Historically, PT UMT has established itself as a formidable entity in the Business-to-Business (B2B) sector, by maintaining core competencies in the provision of dark fiber services, pole infrastructure rental, and the provision of high-capacity backbone connectivity for large-scale telecommunications operators (PT PP Infrastructure, 2023). By optimizing fiber optic infrastructure assets deployed widely along national strategic corridors, including railways and expressways, the company is taking a strategic diversification step by penetrating the Business-to-Consumer (B2C) retail market through the launch of the "Ultra Fiber Optic" (UFO) trademark. Nonetheless, this fundamental transition from B2B to B2C business models has proven to pose significant challenges; This shift is not just a change in the target market, but represents a profound clash of corporate culture and a massive increase in operational complexity that demands a comprehensive managerial adaptation (Kotler & Keller, 2016; Management of PT UMT, 2024).

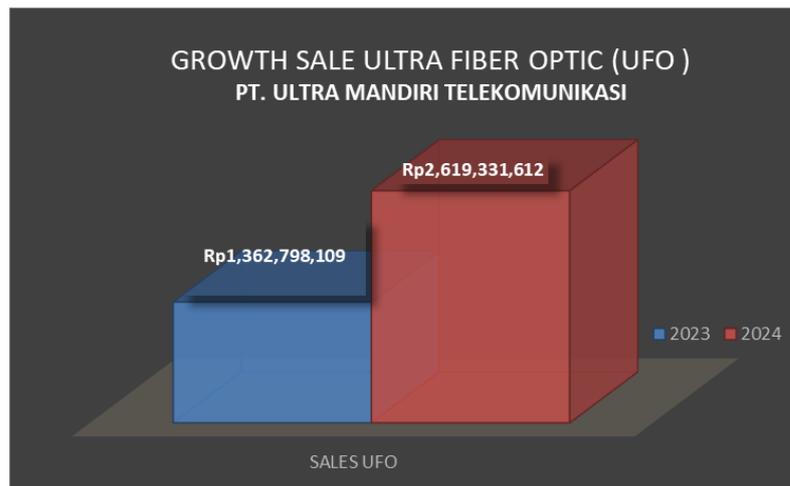


Figure 2. Ultra Fiber Optic (UFO) sales growth in 2023-2024
Source: PT Ultra Mandiri Telekomunikasi Internal Data (2024)

PT UMT's strategic transformation from the Business-to-Business (B2B) ecosystem to the Business-to-Consumer (B2C) market presents complex managerial challenges owing to fundamental differences in market characteristics. In the B2B domain, *PT UMT* has operated with a limited segment of corporate clients, based on rigid long-term contracts and interactions governed by rational logic and high-value transaction volumes. In contrast, the B2C landscape is characterized by high market fragmentation, wherein retail customers are heterogeneous, geographically dispersed, and yield marginal *Average Revenue Per User* (ARPU) values, yet demand a higher level of emotionally driven service and user experience (Kotler & Keller, 2016).

PT UMT's unpreparedness in understanding the psychographics and behaviour of retail consumers has exposed capability gaps, particularly in balancing operational cost efficiency (*OPEX*) with the demands of service personalization. This problem is compounded by the persistence of an "infrastructure mindset" in the company's marketing strategy — the assumption that the availability of network assets automatically guarantees customer acquisition. This approach has proven ineffective, as it disregards the fluid dynamics of consumer preferences and the importance of an adaptive *value proposition* (Zeithaml, Bitner, & Gremler, 2018). Failure to adapt to the dominant logic of service marketing risks eroding the company's competitiveness in a highly contested retail market.

The most pressing strategic issue facing the UFO brand today is the high rate of customer *churn*, a phenomenon prevalent in the retail Internet Service Provider (ISP) market that has reached a point of saturation. In the service marketing literature, this condition is largely influenced by low *switching costs*, whereby the economic and psychological barriers to customers switching service providers are reduced to an almost negligible level (Burnham et al., 2003). This situation is exploited by competitors both incumbents and new entrants through aggressive promotional strategies such as predatory pricing, installation fee waivers, and long-tenor discounts, which systematically erode customer loyalty.

As a result, the market exhibits highly price-sensitive consumer behaviour, often characterized as *deal-prone* consumers, who regard ISP services as a commodity with no value differentiation (Lichtenstein et al., 1990). Referring to *PT UMT's* internal data, there is a critical

performance gap between the acquisition and retention functions. Although sales efforts succeed in attracting new customers, a faster rate of customer attrition generates the *leaky bucket* phenomenon. Failure to contain this *churn* rate has a direct impact on financial inefficiency, wherein *Customer Acquisition Cost* (CAC) continues to escalate without generating optimal *Customer Lifetime Value* (CLV), ultimately impeding the sustainable growth of the active customer base (Gupta & Zeithaml, 2006).

The strategic challenges facing PT UMT are considerably more complex than the high *churn* rate alone. The more fundamental underlying issue is a significant knowledge gap regarding the quality and profitability of the company's customer base. The marketing department has thus far tended to adopt a mass marketing approach, treating the entire customer population as a homogeneous entity without meaningful segmentation. This strategy — which generalizes promotion, communication, and service delivery — is inefficient in that it disregards the heterogeneity of consumer preferences (Kotler & Keller, 2016).

The implementation of a *one-size-fits-all* approach carries serious implications for business sustainability. The company has experienced considerable difficulty in identifying the *Most Valuable Customers* segment that should constitute a retention priority. This analytical deficiency creates ambiguity in distinguishing customer behaviour; for instance, passive customers are frequently misclassified as loyal customers, when they may in fact be dormant (inactive) customers who have ceased using the service but have evaded detection within the system (Buttle & Maklan, 2019). Conversely, customers who actively submit complaints are often stigmatized as a cost burden, whereas from a *Customer Relationship Management* (CRM) perspective, they have the potential to be heavy users with high service dependency and a greater willingness to pay for quality (Reinartz & Kumar, 2002). This failure of diagnostic analysis underscores the urgency of transforming strategy from a transactional to a relational orientation.

The absence of behavioural segmentation methods at PT UMT creates significant obstacles in strategically mapping customer profitability. Without these analytical instruments, the company faces fundamental limitations in differentiating its customer base — particularly between the *Loyalists* segment, which constitutes the primary revenue pillar, and the *At-Risk Customers* segment, which carries a high probability of *churn*. This condition has serious implications for resource allocation inefficiency, wherein marketing budgets are frequently directed toward acquiring new customers of low economic value, while high-value existing customers are neglected (Kotler & Keller, 2016). Consequently, the rate of customer migration to competitors increases due to low perceived service value, which directly degrades *Customer Lifetime Value* (CLV) as a fundamental metric for long-term business sustainability (Kumar & Reinartz, 2018; Buttle & Maklan, 2019).

Several previous studies have examined customer segmentation and marketing strategies in the telecommunications and digital services industry. Hughes (1994) pioneered RFM (*Recency, Frequency, Monetary*) analysis as an effective instrument for mapping customer value hierarchies based on actual transaction behaviour. Kumar and Reinartz (2016) emphasized the importance of shifting from product-centric to customer-centric approaches in contemporary marketing. In the Indonesian context, Heikal et al. (2022) applied a hybrid SEM-PLS and RFM model to improve bank average balance, demonstrating the applicability of RFM analysis in the financial sector. Aldyah et al. (2024) conducted RFM segmentation analysis to

determine online marketing strategies for The Soul Coffee Mate, illustrating how behavioural segmentation can optimize marketing resource allocation. Syahfitri and Heikal (2024) implemented customer segmentation based on RFM analysis as the basis for marketing strategy in the palm oil industry, confirming the versatility of this method across sectors. Wulansari and Heikal (2024) analyzed customer segmentation on e-commerce platforms in Indonesia using RFM models and clustering techniques, providing insights into digital consumer behaviour. Perdhana and Heikal (2024) enhanced customer segmentation in online transportation services using K-means clustering and RFM models, demonstrating the efficacy of integrated analytical approaches.

In addition to deficiencies in quantitative analytical capabilities, *PT UMT* faces a substantial gap in qualitative insights, particularly regarding intrinsic customer motivation. Although transactional data such as payment history and billing volume can provide a descriptive account of the *what* and *when* of a transaction, it has methodological limitations in explaining the causality, or *why*, behind such behaviour (Creswell & Creswell, 2017). Reliance solely on technical metrics often fails to capture the complex dimensions of customer loyalty, such as the reasons behind a customer's willingness to pay a premium for UFO services over competitors referred to in the marketing literature as *value-based loyalty* or *perceived value* (Zeithaml, 1988).

Furthermore, the emotional nuances and cultural context of internet service usage often escape the attention of management excessively oriented toward network technicalities. The psychological impact of service disruption varies considerably depending on the context of use; ten minutes of signal interference for households relying on connectivity for *Work from Home* (WFH) or online learning carries significantly more adverse implications than it does for casual social media users (Parasuraman et al., 1988). Without a deep understanding of customer *pain points* and latent aspirations through a qualitative approach, companies will struggle to design a *value proposition* capable of creating emotional resonance and sustainable market relevance (Osterwalder et al., 2014).

In response to the complexity of contemporary market dynamics characterized by saturation, high *churn* rates, and the inefficiencies of mass marketing this study proposes a comprehensive solution framework through a fundamental paradigm shift. Organizations are increasingly required to move away from a product-centric orientation and toward a customer-centric approach underpinned by strategic data utilization (Kumar & Reinartz, 2016). To this end, this study proposes a mixed-method design that synergizes the precision of quantitative analysis with the depth of qualitative exploration.

In the quantitative dimension, RFM (*Recency, Frequency, Monetary*) analysis is applied as the primary segmentation instrument. This method was selected for its scientifically validated capacity to map customer value hierarchies based on actual transaction behaviour, rather than static demographic variables alone (Hughes, 1994). However, quantitative data alone is limited in explaining the context of behaviour. Therefore, this study integrates digital ethnography as a qualitative approach to immerse the researcher within the consumer life ecosystem. Through this method, researchers can identify latent motivations, points of frustration, and consumer expectations that are not captured by transactional data systems (Hine, 2015), thereby enabling the formulation of a more holistic and empathetic retention strategy.

Despite these valuable contributions, several research gaps remain unaddressed. Most prior studies have focused on e-commerce, retail, or financial services, with limited attention to the ISP industry in the context of market saturation and hyper-competition. Existing research tends to rely solely on quantitative RFM analysis without integrating qualitative insights that explain the *why* behind customer behaviour patterns; moreover, studies combining RFM segmentation with ethnographic exploration to formulate *Online Value Propositions* (OVP) remain scarce, particularly in the Indonesian telecommunications sector. The novelty of this research lies in its mixed-method sequential explanatory design, which integrates quantitative RFM analysis with qualitative ethnographic research to develop a comprehensive understanding of customer behaviour and formulate targeted marketing strategies for an ISP company operating in a highly competitive *red ocean* market.

The urgency of this research is grounded in several critical considerations. PT UMT's strategic transformation from B2B to B2C presents complex managerial challenges owing to fundamental differences in market characteristics, wherein the company's unpreparedness in understanding retail consumer psychographics has exposed gaps in balancing operational efficiency with service personalization. The high rate of customer *churn*, driven by low *switching costs* and aggressive competitor promotions, has generated highly price-sensitive consumer behaviour that regards ISP services as commodities without value differentiation. The absence of behavioural segmentation methods creates significant obstacles in strategically mapping customer profitability, resulting in inefficient resource allocation whereby marketing budgets are directed toward low-value customer acquisition while high-value existing customers are neglected. Furthermore, the lack of qualitative insights into intrinsic customer motivation limits the company's capacity to understand the *why* behind behaviour patterns and to design *value propositions* that create emotional resonance and sustainable market relevance.

Based on the foregoing, the objectives of this research are: to classify the Ultra Fiber Optic (UFO) customer base using RFM analysis in order to accurately identify critical customer segments ranging from high-value to high-risk customers, as the basis for transitioning away from a mass marketing approach; to explore user behaviour through ethnographic research to provide contextual grounding for each segment formed and to uncover latent motivations influencing customer decisions; and to formulate a targeted marketing strategy and *Online Value Proposition* (OVP) specifically tailored to each segment, with the aim of reducing *churn* rates, increasing customer loyalty, and maximizing revenue within the competitive *Jabodetabek* market.

This research is expected to yield several contributions. Theoretically, it advances the marketing and *Customer Relationship Management* (CRM) literature by demonstrating the effectiveness of integrating quantitative RFM analysis with qualitative ethnographic methods in the ISP industry context. Practically, the findings offer strategic insights for PT UMT management in optimising customer retention strategies, allocating marketing resources more efficiently, and developing targeted *value propositions* for distinct customer segments. For the telecommunications industry, this research provides a replicable framework for customer segmentation and strategy formulation in saturated markets. For policymakers, the findings underscore the importance of fostering innovation and value-based competition over destructive price wars in the digital infrastructure sector. For future researchers, this study serves as a foundation for further investigations into customer behaviour and marketing

strategies in emerging economy contexts.

MATERIALS AND METHODS

1. Research Design

This study employed a Mixed-Method Sequential Explanatory design. This approach was selected because the descriptive power of quantitative data in mapping behavioral patterns necessitates further explanation through the depth of qualitative inquiry. The research procedure was carried out in two sequential phases. The first phase involves the collection and analysis of quantitative data using RFM analysis to obtain an objective segmentation structure. The second phase comprises a qualitative study using digital ethnography, aimed at explaining statistical anomalies and the deeper behavioral characteristics of the segments formed.

2. Population and Sample

The population in this study comprises all active customers of *PT UMT's* Ultra Fiber Optic (UFO) internet service domiciled in the Greater Jakarta area. Given the large and heterogeneous nature of the population, the sampling technique was applied with careful consideration across two stages. For the quantitative sample, purposive sampling was employed to filter transaction data. The inclusion criteria were: (a) customers who had subscribed for at least six consecutive months, and (b) customers with a complete transaction record containing no corrupt data. From the company's database, a final sample of 629 valid transaction records (*cleaned data*) was obtained for the observation period from January 2023 to December 2024. For the qualitative sample, a total of 72 key informants were selected using quota-based purposive sampling (*quota sampling*) drawn from distinct RFM clusters. The sample comprised representatives of the high-value (*Sultan Internet*), loyal (*Juragan Kuota / Sobat Setia*), and at-risk (*Sultan Galau*) segments. This sample size was determined based on the principle of data saturation, whereby data collection was ceased when further in-depth interviews no longer produced significant new themes or insights.

3. Operational Variables

This study employs two variable dimensions to construct a holistic profile of customers. The first dimension is the RFM variable (transactional dimension), comprising three indicators. *Recency* (R) is defined as the number of days elapsed from a customer's most recent payment transaction to the analysis cut-off date of 30 December 2024; a lower R-value indicates greater customer activity and stronger retention. *Frequency* (F) refers to the total number of bill payment transactions successfully completed by a customer during the 24-month observation period; this variable measures the consistency and loyalty of customer engagement. *Monetary* (M) refers to the average monthly billing value or subscription plan tier selected by the customer; this variable reflects purchasing power and the level of revenue contribution to the company.

The second dimension is the ethnographic variable (behavioral dimension), comprising three parameters. *Pain points* refer to friction points, frustrations, or primary emotional difficulties experienced by customers when interacting with UFO internet services. *Gain points* refer to the expectations, aspirations, or ideal benefits that customers seek from an internet service. *Social context* refers to the physical and social household environment that shapes internet consumption patterns for example, the presence of school-age children, *Work from Home* (WFH) arrangements, or shared network usage with neighbors.

4. Analysis Techniques

RFM (Recency, Frequency, Monetary) Analysis

In contrast to the traditional approach that commonly employs quintile scoring (scale 1–5), this study applies a tertile scoring system (scale 1–3). This approach was selected to yield a sharper and more parsimonious segmentation, suited to the distribution characteristics of UFO customer data. The analysis consists of two processes. In the scoring process, each variable — R, F, and M — is assigned a score of 1, 2, or 3. A score of 3 represents the optimal condition (shortest recency indicating high activity, highest frequency indicating very frequent transactions, and the largest monetary value indicating a premium subscription package). A score of 2 represents intermediate conditions. A score of 1 represents the least favorable conditions (longest recency indicating near-*churn* status, lowest frequency, and the smallest monetary value). In the segmentation process, the combined RFM scores (e.g., 333, 132, 111) are clustered into 10 behavioral segments using business logic rules. For example, a customer with an RFM score of 3-3-3 is classified as *Sultan Internet* (Champions), while a score of 1-3-2 is classified as *Sultan Galau* (*At-Risk*).

Ethno Pain Values Analysis

Qualitative data obtained from in-depth interviews and field observations are analyzed using thematic analysis. The stages of analysis are as follows. *Transcription and familiarization* involve converting interview recordings into written transcripts and conducting repeated readings to achieve immersion in the data. *Coding* involves performing open coding to flag keywords related to customer emotions and experiences. *Theme generation (Pain Values)* involves grouping these codes into overarching themes, referred to in this study as *Pain Values*. *Mapping* involves aligning each *Pain Values* theme with the corresponding RFM segment to construct a comprehensive psychographic profile — for instance, connecting the *Sultan Internet* segment with the specific *Pain Value* of *fear of disconnection*.

RESULTS AND DISCUSSION

1. Data Validation and RFM Score Distribution

The analysis was conducted on 629 valid customer records. To ensure objectivity, the Binning (Tertile) technique is used to divide the data into 3 score classes (1, 2, 3) evenly. Based on the results of data processing using SPSS (see Crosstabulation data appendix), the customer distribution is spread across 27 RFM cell combinations. The validity of the data is confirmed with a relatively even distribution on each combination cell, ranging from 7 to 58 customers per combination.

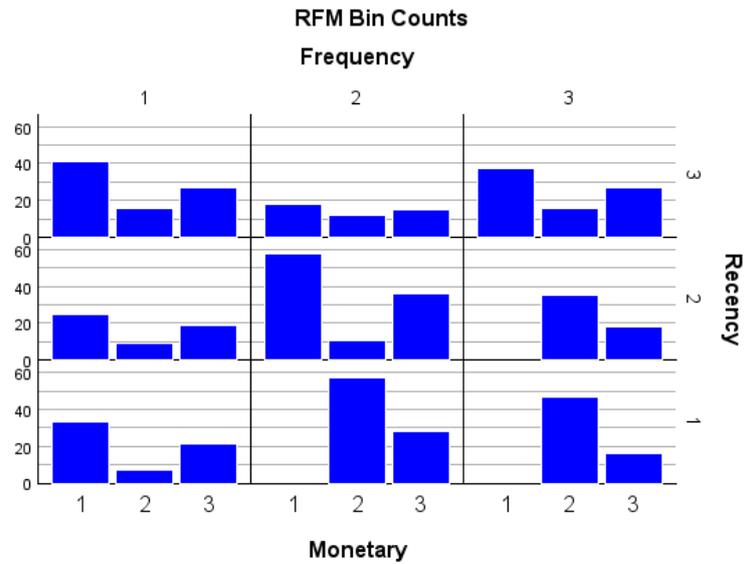


Figure 1. Mapping table by labelling from RFM Score to Segmentation (N=629)

Frequency score * Monetary score * Recency score Crosstabulation

Count		Recency score			Monetary score			Total
		1	2	3	1	2	3	
1	Frequency score	1	33	7	21	61		
		2	0	57	28	85		
		3	0	47	16	63		
	Total	33	111	65	209			
2	Frequency score	1	25	9	19	53		
		2	58	11	36	105		
		3	0	35	18	53		
	Total	83	55	73	211			
3	Frequency score	1	41	16	27	84		
		2	18	12	15	45		
		3	37	16	27	80		
	Total	96	44	69	209			
Total	Frequency score	1	99	32	67	198		
		2	76	80	79	235		
		3	37	98	61	196		
	Total	212	210	207	629			

Figure 2. Crosstabulation (Recency, Frequency, Monetary Score; N=629)

2. RFM Segmentation Mapping (The 10 Personas)

Based on the 27 score combinations, *clustering* was carried out into 10 Main Groups or Customer Segments that are easier to manage operationally (*manageable*). The 10 main groups consist of Sultan Internet, Jurogan Kuota, Potential New Citizens, Loyal Friends, Sultan Galau, Doubtful Friends, Former Customers, Trial Users, Standard Users and Sleep Accounts.

RFM (REGENCY, FREQUENCY, MONETARY) ANALYSIS							
NO	RFM	LABEL OF SEGMENT	CUST	GROUPING LABEL	CUST	%	
1	333	Sultan Internet	27	1	Sultan Internet	27	4.3%
2	332	Juragan Kuota (Besar)	16	2	Juragan Kuota	28	4.5%
3	322	Juragan Kuota (Kecil)	12				
4	323	Warga Baru Potensial (Besar)	15	3	Warga Baru Potensial	58	9.2%
5	313	Warga Baru Potensial (Sedang)	27				
6	312	Warga Baru Potensial (Kecil)	16				
7	233	Sobat Setia (Super)	18	4	Sobat Setia	89	14.1%
8	232	Sobat Setia (Besar)	35				
9	231	Sobat Setia (Sedang)	0				
10	223	Sobat Setia (Kecil)	36				
11	133	Sultan Galau (Besar)	16	5	Sultan Galau	63	10.0%
12	132	Sultan Galau (Kecil)	47				
13	123	Sobat Ragu (Besar)	28	6	Sobat Ragu	85	13.5%
14	122	Sobat Ragu (Kecil)	57				
15	113	Mantan Pelanggan (Besar)	21	7	Mantan Pelanggan	28	4.5%
16	112	Mantan Pelanggan (Kecil)	7				
17	331	Si Coba-Coba (Besar)	37	8	Si Coba-Coba	96	15.3%
18	321	Si Coba-Coba (Sedang)	18				
19	311	Si Coba-Coba (Kecil)	41				
20	222	Pemakai Standar (Ultra)	11	9	Pemakai Standar	122	19.4%
21	221	Pemakai Standar (Super)	58				
22	213	Pemakai Standar (Besar)	19				
23	212	Pemakai Standar (Sedang)	9				
24	211	Pemakai Standar (Kecil)	25				
25	131	Akun Tidur (Besar)	0	10	Akun Tidur	33	5.2%
26	121	Akun Tidur (Sedang)	0				
27	111	Akun Tidur (Kecil)	33				
			629	TOTAL		629	100%

(Source: Primary Data Processing Results, 2024)

Figure 3. Analisa RFM (Recency, Frequency, Monetary Score)

3. Segment Profile Interpretation

An in-depth analysis of the table above yields the following strategic findings:

High Value Customers consist of Sultan Internet (RFM 333): 4.3%, Juragan Kuota (RFM 332, 321): 4.5%, Sobat Setia (RFM 233, 232, 231): 14.1%, Potential New Citizens (RFM 323, 322, 321): 9.2%, Standard Users (RFM 243, 242, 233, 231, 221): 19.4% with a **Total contribution: 51.1% or 324 out of 629 total customers**. The characteristics of this group are Frequent purchases, High transaction value, recently active and Suitable for loyalty programs, exclusive promos, and long-term retention.

At-Risk or Convertible Customers consist of Sultan Galau (RFM 133, 132): 10.0%, Sobat Ragu (RFM 123, 122): 13.5%, Try-Out (RFM 313, 312, 311): 15.3%, with a **total contribution: 38.8% or 244 out of 629 total customers**. The characteristics of this group are inconsistent activity, medium or low transaction value, need for an educational approach, upselling, and reminder campaigns.

Dormant or Lost Customers consist of Former Customers (RFM 113, 112): 4.5%, Dormant Accounts (RFM 213, 212, 211): 5.2% with **Total contributions: 9.7% or 61 out of 629 total customers**. The characteristics of this group are Inactive or have stopped, need a reactivation or re-segmentation strategy, May not be feasible for further marketing investment.

4. Ethnography Integration & OVP (Online Value Proposition)

Based on the validation of the numbers above, marketing strategies can no longer be general. The following is a strategy matrix developed from the integration of RFM data and *ethnographic Pain Values* findings:

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No	Target Segmen	Temuan Data (RFM)	Insight Etnografi (Pain Value)	Strategi OVP (Solusi)
1	Sultan Internet 4.3%	333 27 Elite. Revenue tertinggi. Sangat aktif & loyal.	Fear of Disconnection: Kepanikan saat meeting terputus. Butuh jaminan uptime 99.9% untuk kerja.	"PRIORITY & PRESTIGE" - Retargeting Ads untuk layanan premium dan uptime 99.9% - Email automation dengan notifikasi teknis prioritas dan SLA - Landing page eksklusif untuk pelanggan VIP - Loyalty microsite dengan akses jalur cepat dan benefit tambahan - WhatsApp Business API untuk layanan instan dan bebas antrre
2	Juragan Kuota 4.5%	332,322 28 High Value. Loyal tapi sensitif sedikit pada harga/kualitas dibanding Sultan.	Quality Consistency: Khawatir speed turun di jam sibuk (streaming malam).	"CONSISTENT QUALITY" - Dynamic pricing campaign untuk jam sibuk - Push notification di app saat ada penurunan kualitas & solusi real-time - Upgrade funnel via email drip campaign dengan CTA eksklusif - Gamified loyalty program berbasis kuota dan jam aktif - SEO/SEM untuk keyword "internet stabil malam hari"
3	Warga Baru Potensial 9.2%	323,313,312 58 Baru bergabung (R=3), potensi belanja bagus. Belum teruji loyalitasnya.	Confusion / Onboarding: Bingung fitur & cara komplain. Butuh panduan awal yang jelas.	"EASY ONBOARDING" - Onboarding email series dengan video tutorial dan FAQ interaktif - In-app walkthrough dan chatbot edukatif - Personalized welcome landing page dengan fitur-fitur utama - Retargeting untuk pengguna yang belum aktivasi penuh - Survey UX onboarding untuk optimasi funnel
4	Sobat Setia 14.1%	233,232,231,223 89 Basis Arus Kas Stabil. Transaksi rutin & rata-rata.	Admin Hassle: Benci keribetan bayar & denda tersebunyi. Ingin kedamaian.	"TRUST & FAMILY" - Auto-debit campaign dengan reminder via SMS/WA - Transparansi tagihan melalui dashboard interaktif - Reward point system terintegrasi dengan e-commerce partner - Monthly loyalty newsletter dengan benefit keluarga - Retention ads untuk pelanggan yang rutin bayar
5	Sultan Galau 10.0%	133,132 63 High Risk. Dulu VIP, sekarang pasif (R=1). Potensi churn besar.	Unappreciated: Merasa loyalitasnya tidak dihargai saat ada masalah teknis lalu.	"WIN-BACK WITH EMPATHY" - Email re-engagement dengan tone empatik dan permintaan maaf - Personalized win-back offer via WhatsApp & SMS - Retargeting ads dengan testimoni pelanggan yang kembali - Segment-specific landing page: "Kami Mendengar Anda" - CRM tracking untuk histori masalah dan solusi follow-up
6	Sobat Ragui 13.5%	123,122 85 Pelanggan standar yang mulai jarang aktif. Tergoda kompetitor.	Comparison Fatigue: Lelah membandingkan harga dengan promo kompetitor yang agresif.	"LOYALTY LOCK" - Member-only pricing via email & app notification - Retargeting ads dengan garansi harga tetap - Loyalty contract funnel dengan benefit jangka panjang - Social proof campaign: "Kenapa pelanggan lama tetap bertahan" - Exit intent pop-up di website untuk penawaran stabilitas
7	Mantan Pelanggan 4.5%	113,112 28 Sudah Churn. Dulu belanja besar.	Disappointment: Kekecewaan akut yang tidak terselesaikan.	"FEEDBACK LOOP" - Exit survey automation dengan analitik churn - Email comeback offer berbasis histori RFM - Retargeting ads: "Kami Ingin Anda Kembali" - Personalized landing page dengan testimoni dan perbaikan layanan - CRM tagging untuk segmentasi mantan pelanggan
8	Si Coba-Coba 15.3%	331,321,311 96 Baru & Hemat. Paket terkecil.	Budget Anxiety: Takut boros, sangat sensitif harga promo.	"BEST DEAL GUARANTEE" - Promo bundling via social media ads & influencer shoutout - Landing page "Paket Hemat" dengan kalkulator penghematan - WhatsApp broadcast untuk promo flash sale - Email edukasi: "Cara hemat kuota tanpa ribet" - TikTok/Instagram Reels edukatif tentang paket ekonomis
9	Pemakai Standar 19.4%	222,221,213,212,211 122 Mayoritas Populasi. Rata-rata di semua lini.	Basic Stability: Asal internet nyala, mereka tenang. Tidak banyak tuntutan.	"MAINTENANCE MODE" - WA reminder untuk tagihan dan promo ringan - App notification untuk status jaringan dan update sistem - Monthly digest email dengan tips ringan dan info stabilitas - Retargeting ads untuk upsell ringan (tanpa tekanan) - Segmentasi pasif untuk komunikasi minimalis tapi tetap hadir
10	Akun Tidur 5.2%	131,121,111 33 Nilai rendah & sudah lama pasif. Beban database.	Irrelevance: Lupa punya akun atau sudah pindah tanpa lapor.	"AUTO-REACTIVATION" - Email "Kami Merindukanmu" dengan CTA aktivasi - WA blast dengan link aktivasi instan - Retargeting ads dengan pesan nostalgia ringan - Landing page "Aktifkan kembali akunmu" - CRM auto-flag untuk akun yang tidak aktif >90 hari

Figure 4. Pain Value and OVP Strategy per segment

5. Ethnographic Interpretation & OVP

An in-depth analysis of the table above yields the following strategic findings:

Elite & Loyal Segment (Prestige and Digital Dependence). These customers are very active, high-value, and highly dependent on connectivity consisting of the Sultan of the Internet with ethnographic value: Fear of being disconnected. Cultural meaning: The internet is not just a tool, but a digital life. They panic when connections are interrupted as it concerns work and reputation. Solution: Retargeting Ads for premium services and 99.9% uptime, Email automation with priority technician notifications and SLAs, Exclusive landing pages for VIP customers, Loyalty microsite with fast path access and additional benefits, WhatsApp Business Application Programming Interface (API) for instant and queue-free services, Juragan Kuota with ethnographic value: Quality consistency. Cultural meaning: They value stability and are bothered if quality declines. Night streaming is an important ritual. Solutions: Dynamic pricing campaigns for peak hours, In-app push notifications when there is a drop in quality & real-time solutions, Upgrade funnels via email drip campaigns with exclusive Call to Action (CTA), Gamified loyalty programs based on quotas and active hours, Search Engine Optimization (SEO)/ Search Engine Marketing (SEM) for the keyword "stable internet at night".

Growing & Adaptive Segment (Digital Transition and Educational Needs). New or trying customers, with great potential but not yet fully comfortable consisting of Potential New Citizens with ethnographic value: Onboarding confusion. Cultural meaning: They need guidance, feel unfamiliar with the digital system. Solution: Onboarding email series with video tutorials and interactive Frequently Asked Questions (FAQ), In-app walkthrough and educational chatbot, Personalized welcome landing page with key features, Retargeting for users who have not yet been fully activated, User Experience (UX) survey onboarding for funnel optimization, Trial and error with ethnographic value: Budget anxiety. Cultural meaning: Very sensitive to price, afraid of extravagance. Solution: Bundling promo via social media ads & influencer shoutout, "Savings Package" landing page with savings calculator, WhatsApp broadcast for flash sale promo, educational email: "How to save quota without hassle", TikTok/Instagram Reels educational about economical packages.

Stable & Routine Segment (Comfort and Practicality). Customers who are not very demanding, but still active and important in volume consist of Loyal Friends with ethnographic value: Administrative hassle. Cultural meaning: They want a quiet and hassle-free service. Solution: Auto-debit campaign with reminders via SMS/WA, Bill transparency through an interactive dashboard, Reward point system integrated with e-commerce partners, Monthly loyalty newsletter with family benefits, Retention ads for regular paying customers, Standard Users with ethnographic value: Basic stability. Cultural meaning: The internet is a staple, not a lifestyle. Solution: WA reminder for light bills and promos, App notifications for network status and system updates, Monthly digest emails with light tips and stability info, Retargeting ads for light upsell (without pressure), Passive segmentation for minimalist but still present communication.

Vulnerable & Upset Segment (Frustration and Comparison). Customers who were once loyal but are now passive or tempted by competitors consist of Sultan Galau with ethnographic value: Not appreciated. Cultural meaning: They feel betrayed when technical issues are not handled with empathy. Solutions: Email re-engagement with an empathetic tone and apology, Personalized win-back offer via WhatsApp & SMS, Retargeting ads with testimonials of

returning customers, Segment-specific landing page: "We Hear You", CRM tracking for problem history and follow-up solutions, Sobat Duda with ethnographic value: Tired of comparing. Cultural meaning: Trapped in a promo war between providers. Solution: Member-only pricing via email & app notifications, Retargeting ads with fixed price guarantees, Loyalty contract funnel with long-term benefits, Social proof campaign: "Why old customers stay", Exit intent pop-up on the website for stability offers.

Missing & Inactive Segment (Frustration and Disconnection). Customers who have churn or are no longer relevant consist of Former Customers with ethnographic value: Deep disappointment. Cultural meaning: They left because of wounds that did not heal. Solution: Exit survey automation with churn analytics, Email comeback offer based on RFM history, Retargeting ads: "We want you back", Personalized landing page with testimonials and service improvements, CRM tagging for segmentation of former customers, Sleep Account with ethnographic value: Disconnection. Cultural meaning: They forgot to have an account, or have moved secretly. Solution: "We miss you" email with activation CTA, WA blast with instant activation link, Retargeting ads with light nostalgic messages, "Reactivate your account" landing page, CRM auto-flag for inactive accounts >90 days.

CONCLUSIONS

This research has comprehensively addressed the strategic inefficiency of the mass marketing approach adopted by *PT Ultra Mandiri Telekomunikasi (PT UMT)* in the Greater Jakarta ISP market, which has entered a *red ocean* phase of hyper-competition. By applying a mixed-method sequential explanatory design that integrates quantitative RFM (*Recency, Frequency, Monetary*) analysis with qualitative digital ethnography, the study successfully mapped 629 customers into 10 distinct behavioral segments, effectively dismantling the assumption of customer homogeneity and eliminating the *data blindness* that had previously impeded strategic decision-making. The five high-value segments *Sultan Internet, Juragan Kuota, Sobat Setia, Potential New Citizens*, and Standard Users collectively account for 324 customers (51.5% of the total), representing the primary revenue base, while the *at-risk* segments *Sultan Galau, Sobat Ragu*, and *Si Coba-Coba* collectively comprise 244 customers (38.8%), warranting adaptive retention interventions. Ethnographic exploration further revealed that customer loyalty is not solely determined by price, but by segment-specific motivational complexities: the *Sultan Internet* segment (4.3%) exhibits a primary *pain value* of *fear of disconnection*, prioritizing network stability for productivity over price incentives; the *Sobat Setia* segment (14.1%) prioritizes administrative ease, family trust, and a *hassle-free* experience; while the *Templars* (15.3%) and *Sobat Ragu* (13.5%) segments display price sensitivity, budget anxiety, and *comparison fatigue* driven by competitor promotional exposure. Drawing on these quantitative and qualitative insights, the study formulates a segmented *Online Value Proposition (OVP)* matrix tailored to each segment encompassing a Priority & Prestige strategy with VIP service lines and SLA guarantees for *Sultan Internet*, a Trust & Family programmed centered on household-relevant rewards for *Sobat Setia*, and a *Win-Back* with Empathy approach employing personalized, humanistic communication for *at-risk* segments thereby enabling *PT UMT* to allocate marketing resources more efficiently, reduce *churn* rates, increase *Customer Lifetime Value (CLV)*, and build a sustainable competitive advantage that transcends destructive price-based competition. Future research is recommended to extend this

RFM-ethnography framework to site-based and regional ISP markets beyond *Jabodetabek*, and to incorporate longitudinal tracking of segment migration patterns in order to assess the long-term efficacy of segmented OVP strategies on *churn* reduction and CLV growth.

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