

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The banking business is one of the fields of business that shows high competition. The role of banks is very important in the economy of a country as a financial intermediary, banks are the joints of the progress of society and if there is no bank, there will be no progress like now. The activity of raising funds and channeling funds is the main activities are banking, while the activities of providing bank services. Services provided by banks include demand deposits, savings and time deposits.

Corporate competition in business competition becomes the main thing that must be maintained. Changes in the market, purchasing power and consumer interest will continue to develop over time. For changes that will occur, companies need to continue to do in accordance with existing developments in order to continue to retain customers.

Customer satisfaction is the satisfaction that the customer has after making a transaction at the bank. High customer satisfaction is the result of customer ratings in the comfort and convenience provided by the bank in providing superior service to customers. Customer satisfaction will increase the number of customers and of course make banking activities better and continue to grow.

Customer satisfaction is the expectation received by the customer after receiving service from the company. In the service business sector such as the

bank industry, satisfaction will be the main point that is highly valued by customers as a form of satisfaction. In every bank industry, service is always a top priority that has very high standards.

Service quality is a service standard that is applied in dealing with customers. A responsive and good service will be a priority for every bank in providing services so that customers feel comfortable in doing transactions in the company.

According to Tjiptono and Chandra (2017, p.114), a concept of quality will be considered as the perfection of a product or the quality that is owned by the service in accordance with the quality standards owned. Design quality is the specifications possessed by a product, while the quality of conformity is the conformity of the product to the established standards

Moreover, another explanation from Haryono (2016,p.14), good service will satisfy customers. Customers will certainly choose the company's products and ultimately build loyalty that will have a direct impact on the marketing and sales of the company's products.

PT Bank Mestika Dharma which is the object of research is a company engaged in banking services. At this time the company is experiencing complaints on some of the services provided by employees who serve customers. Declining customer satisfaction still occurs in the company.

PT Bank Mestika Dharma is a family business where 90% of their shares are still owned by the originator. This means that only 10% of its shares are up

for the public. It is not only owned by the Halim family, but it is also managed and ran by the family and currently is on the second generation.

In this study, the author tries to explain the problems that cause a decrease in customer satisfaction caused by service quality. After conducting research and interviews, it was found that the main problem causing decreased satisfaction is still due to less maximum service from customers.

Based on description been stated up above, the writer decided to research with the title "**The Effect of Service Quality towards Customer Satisfaction at PT Bank Mestika Dharma Medan**"

1.2 Problem Limitation

In the banking industry, the need for meet customer needs. Banking needs must be supported by good service provided by customers. The aspect of service to customers has always been a problem in the service of every banking activity. With the problems experienced, the authors decide service quality as an independent variable.

For the dependent variable, the writer decides customer satisfaction as the dependent variable. The research is done at PT Bank Mestika Dharma Medan.

1.3 Problem Formulation

By analyzing the situation happened above and the description from the background of the study, the writer determines the problem identification of PT Bank Mestika Dharma Medan as follows

- a. How is the service quality at PT Bank Mestika Dharma Medan?
- b. How do customer satisfaction at PT Bank Mestika Dharma Medan?
- c. Does service quality have effect on customer satisfaction at PT Bank Mestika Dharma Medan?

1.4 Objective of the Research

The objective of the writer is to know:

- a. To describe the influence of service quality at PT Bank Mestika Dharma Medan.
- b. To explain about service quality at PT Bank Mestika Dharma Medan.
- c. To investigate whether service quality has effect on customer satisfaction at PT Bank Mestika Dharma Medan.

1.5 Benefit of the Research

Here is the advantages for conducting this research:

1.5.1 Theoretical Benefit

The theoretical benefit of this research is as follow:

1. Enrich the knowledge of the writer by doing the research also increase the experience of the writer in doing research.
2. Reading material for all students at Universitas Pelita Harapan, Medan

1.5.2 Practical Benefit

1. To the company, to get information whether the survey that has been made will be useful to improve the company's performance.

2. To other people, future researcher, readers: to be a guide in leading the reader to do another research that are compatible with this research.
3. Also, to gain insight about what is need to update the relevant data provided from this research, so reader will get a picture on how to improve the quality of their data.

