

CHAPTER I

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Nowadays, the competition between companies are tight, in order to survive in this competitive world, companies need to not only improve the quality of products, but also improve the quality of service.

There are so many customers with different personalities. It is not easy to gain customer satisfaction. The quality of service that are given need to be good and match the customer, so that the customer will feel satisfied with the service provided by the company.

Bank CIMB Niaga is known for their service towards customers, and it is one of the biggest companies that has the most assets in Indonesia. The employees have been trained to meet the standards of Bank CIMB Niaga. The services provided by the employees are to prioritize customer needs and satisfaction because they are what make CIMB Niaga become a well-known bank for giving best services in Indonesia.

According to Indonesia Banking Award (IBA), the achievement is divided into two categories, which are Award and Appreciation. There are four achievements for the Award category which are The Most Efficient Bank, The Most Reliable Bank, The Best Bank in Digital Services, and The Best Bank in Retail Banking Services. As for the Appreciation category, there are also four achievements, which are Best Bank in Productivity, Diversity of Board, Best Sharia Business Unit, and Best Parenting Bank.

Bank CIMB Niaga got the achievement as The Best Bank in Retail Banking Services for Bank Conventional with assets category 'IDR 100 billion and above' and on The Best Sharia

Business Unit for Bank Syariah Asset category IDR 20 billion and above IDR 20 billion.

Based on the information that has been given by the employees of Bank CIMB Niaga at Asia Medan branch, it is said that the services that were given to the customers are quite slow. The employees also gave more priority to the customers who have deposits on the bank rather than the customers who only have savings. Because they have received some complaints from customers that they are not really satisfied with their services. Customers always hope to receive satisfying services from the employees.

Quality of service plays an important role in shaping customers' satisfaction; besides that, it is also closely related to creating profits for the company. The higher the quality of service provided by the company; the more satisfaction felt by customers.

Good service quality will determine the attitude of customers in assessing, deciding at the same time giving an impression towards the services provided, because it is often that customers who feel satisfied will tend to be more loyal to the company (Wahab, 2017).

According to Kotler and Keller (2009, p.138-139) in Pajaitan and Yuliati (2016) satisfaction is a feeling of pleasure or disappointment of someone who comes from a comparison between his/her impression of the performance (or results) of a product and its expectations. The company will succeed in obtaining a large number of customers if it can be assessed as giving satisfaction to customers. When customers are satisfied, there will be a harmonious relationship between producers and customers, creating a good basis for repurchasing and forming word of mouth recommendations that can benefit a company.

Customer satisfaction is a post-purchase evaluation, if customer satisfaction is achieved, customer loyalty will arise, therefore customer satisfaction is important for the company. One way for customer satisfaction to be achieved is by improving the quality of service from the company itself (Sulistiywati and Seminari, 2015).

Customer satisfaction can be felt after customers compare their experience in purchasing goods or services from the seller or provider of goods or services with the expectation of the buyer itself. That expectation is formed through their first experience in buying an item or service, comments from friends and acquaintances, as well as promises and information about marketers and competitors. Marketers who want to excel in competition must certainly pay attention to the expectations and satisfaction of customers.

According to Tjiptono (2012, p.301) in Apriyani and Sunarti (2017), *“kepuasan konsumen adalah situasi yang ditunjukkan oleh konsumen ketika mereka menyadari bahwa kebutuhan dan keinginannya sesuai dengan yang diharapkan serta terpenuhi secara baik”* it can be explained as consumer satisfaction is a situation shown by consumers when they realize that their needs and desires are in accordance with what is expected and fulfilled well.

According to Kotler and Keller (2012) in Apriyani and Sunarti (2017), *“kepuasan adalah perasaan senang atau kecewa seseorang yang muncul setelah membandingkan antara kinerja (atau hasil) produk yang dipikirkan terhadap kinerja (atau hasil) yang diharapkan.”* The definition can be explained as satisfaction is feeling happy or disappointed someone who appears after comparing the performance (or results) of the product that is thought of the expected performance (or results).

Based on the issue that has arisen at Bank CIMB Niaga-Asia Medan branch, the writer is interested do this research with the title of **“The Effect of the Quality of Service on Customer Satisfaction at BANK CIMB NIAGA at Asia Medan Branch”**.

1.2. PROBLEM LIMITATION

Due to limitation of time and knowledge, the writer is only focusing on the effect of the quality of service on customer satisfaction at Bank CIMB Niaga at Asia Medan branch, with the quality of service and customer satisfaction as the variables. The indicators of quality of service are tangible, reliability, responsiveness, assurance and empathy. The indicators of customer satisfaction are emotional dimension, affective dimension, cognitive dimension and behavioral dimension.

1.3. PROBLEM FORMULATION

Based on the background of the study, the problem formulation in this study are as follows:

1. How significant the effect of quality of service is on customer satisfaction at Bank CIMB Niaga at Asia Medan branch?
2. Does the quality of service affect customer satisfaction?

1.4. OBJECTIVE OF THE RESEARCH

The objective of this study is:

1. To know how significant the effect of quality of service is on customer satisfaction at Bank CIMB Niaga at Asia Medan branch
2. To know the relationship between of quality of service and customer satisfaction

1.5. BENEFIT OF THE RESEARCH

This research is expected to provide benefits for various parties as follows:

1.5.1. Theoretical Benefit

1. For the Writer

To provide better understanding and knowledge about quality of service and its effect on customer satisfaction

2. For Readers

The result of this research is expected to provide knowledge for the readers and can be used as research material in the future.

1.5.2. Practical Benefit

1. For the company

This research is expected to provide further information related to service quality and its effect on customer satisfaction and thus can be used as reference to improve the service quality of Bank CIMB Niaga.

2. For other researchers

The result of this research is expected to be used as reference for future researches.

1.6. SYSTEMS OF WRITING

To get a systematic research, thus the author will make the system of writing with the following details:

Chapter I : Introduction

This chapter discusses the background of study, problem limitation, problem formulation,

objective of the research, benefit of the research, and systems of writing

Chapter II : Literature Review and Hypothesis Development

This chapter discusses the theoretical background which will be used in this research

Chapter III : Research Methodology

This chapter discusses the research design, population and sample, data collection method, operational variable definition and variable measurement, and data analysis method of the research

Chapter IV : Data Analysis and Discussion

This chapter discusses the general view of “research object”, data analysis covering descriptive statistics, result of data quality testing and hypothesis testing, and discussion

Chapter V : Conclusion

This chapter discusses the conclusion, implication, and recommendation of the research