

CHAPTER I

INTRODUCTION

1.1. BACKGROUND OF STUDY

Recently, the banking role cannot be separated from the social life. Basically, bank is the institution that runs its business in the service sector that aims to gain the profit. In running its business, bank should have the marketing actions that are oriented to the customer in fulfilling their needs and wants to get their satisfactions, so that it will increase the profit for the bank. In reaching the purposes, bank will get in the competition.

The expansive banking development will influence the competition level, even in collecting the fund and credit allocation. On the other hand, the customers of the bank also have their own view in choosing the service offered. The banking business has regulated the changing from product oriented to the market oriented. The company that already knows that marketing is the important factor to get success will know the way and thought involved. As a business thought, a marketing concept aims to satisfy of the customers' needs and wants, or consumer oriented.

Basically, the current business thought is different from the previous one, that are product, sales or financial oriented. The concept of marketing is the business thought, which states that customer's need satisfaction is the economics and social requirements for the company.

In this condition, every bank should be managed professionally, effectively and efficiently, otherwise they cannot follow the banking competition. The obligation to work hard will be needed when it relates to the in-conducive national economic condition that has been happening in the country.

Considering the close relation between the banking role and development, the bank should base on professionalism to protect and allocate the fund saved by customers to create the goals of the national development.

BPR Shinta Daya Kalasan has to recognize several factors to influence the customers' perception and behavior to be the bank customers. And the factors that should be paid attention by the banking management are the product preservation with the quick system and procedure, reachable location, reasonable interest rate, satisfying service, banking service delivering facility, security for the customer and the effective promotion. All of these will strengthen the brand image of the bank.

As the institution that is based on the society trust, bank should know what customers need and want to serve the customers well. Marketing department has the main part of the banking service, which should build the customer minds of the offered service of the bank.

Basically, a company should know what the customers need and want toward the offered services. It can be fulfilled if the company understands the customers' behavior which there will show how important the understanding of the customer behavior in reaching the marketing purposes.

“The customer behavior is the individual actions that are involved directly in getting and using the goods and service including the decision making process in preparation and determination of those actions “

As a decision making process, the customer behavior to be a bank customer is influenced by the internal factors such as attitude and trust, perception, motivation and the external factors, such as references of the group, education and the family condition.

People perception of a bank maybe different from one to another. That is why the bank should create a condition, where the customers will have the perception that the needs and wants of the product criteria are fulfilled so as to give satisfaction to them. According to Kotler (1995) Perception is defined as *“The process how people selects, organizes and interprets the information to create the whole view”*.

Basically, the knowledge of satisfaction or dissatisfaction of the customer is the difference between hope and synergy accepted. Therefore, the knowledge of the satisfaction means that the product synergy at least is

equal with the expectation. For example, customers expect quick service from the teller, and the teller can fulfill their expectation. It means that the customers have the satisfaction. When the expectation and the synergy don't change, it means that the customer will not be satisfied. In the other hand, when the synergy is high, the customer will increase their expectation according to their experiences. Meanwhile, the managers should monitor their capability to fulfill the limit of satisfaction.

In the tight competition, the main thing that companies should do in banking business is that they should prioritize the customer satisfaction. The satisfaction and the dissatisfaction of the customer have become the topic to discuss in the international, national, and industrial levels. The satisfaction of the customers is determined by the goods and service quality that are expected by the customers. So, it will be a sign for the competitive power of the company.

Based on this phenomenon, this research is used for knowing the buying decision of BPR customers towards the service quality in BPR Shinta Daya Kalasan Yogyakarta. That is why this study focuses on **“THE ANALYSIS OF BPR CUSTOMER SERVICE QUALITY TOWARDS THE PRODUCT BUYING DECISION OF BPR SHINTA DAYA KALASAN-YOGYAKARTA**

1.2. PROBLEM IDENTIFICATION

Based on the problem background explained, the problems are formulated as follows:

1. Is there any relation in service quality of buying decision in BPR Shinta Daya Kalasan?
2. What is the strongest service quality dimension that is involved in influencing the customer buying decision in BPR Shinta Daya Kalasan?

1.3. PROBLEM LIMITATION

To get the problems focused and well analyzed, this study has the following limitations:

1. The targeted under the study of Bank Perkreditan Rakyat is BPR Shinta Daya Kalasan
2. The respondents that are going to be analyzed is the customers of BPR Shinta Daya Kalasan
3. Problem investigated is limited by the application of credit and the payments in BPR Shinta Daya Kalasan.
4. The respondents in this research are categorized into gender, age, salaries and occupations.

1.4. RESEARCH OBJECTIVE

The research objectives are to:

1. Understand the relationship of the service quality with buying decision of BPR Shinta Daya Kalasan.
2. Understand the strongest service quality dimension that influences the customer buying decision in BPR Shinta Daya Kalasan.

1.5. RESEARCH BENEFITS

1. Institution/company

Giving reliable resources in the problem solving is faced by the company and it can be the resources to know the policy of the company, so it can help the decision making strategy formations about the service and the synergy to the customer.

2. Writer

It is an opportunity to the writer to apply the theoretical study into the real practices

3. Others

This research hopefully can be a valuable resource for the next research.