

## **ABSTRACT**

*The key to the success of the banking industry is very dependent on the service system of a bank to win the hearts of society for the sake of its role as a financial intermediary could be running well. All bank services in the form of advanced equipment, staff skills and resources should be used efficiently in services as financial intermediaries. The bank's strategic management must be oriented towards service quality by applying the principles of modern management supported by strategic planning to enter the modern service competition. This research was conducted at PT. Bank Mandiri Timor-Leste Branch in Dili, is one of the foreign banks of the Indonesian state. The main reason for Bank Mandiri to be the object of research are PT. Bank Mandiri Branch of Timor-Leste in Dili still faces obstacles in service, especially on its frontlines; teller and customer service. Through a direct observation and communication of the researcher, customers complained that normal daily transactions approximately one and a half to three hours per head of the customer. While on the holidays, the customers' complaints are increasing when the service takes one and more days to do transactions in PT. Bank Mandiri Branch of Timor-Leste in Dili.*

*Based on the facts, the quality of service felt less good, the purpose of this study is to determine the assessment of respondents upon the dimension of service quality (reliability, assurance, empathy, responsiveness, and tangibles), satisfaction level, and the influence of service quality to customer satisfaction either partially or simultaneously.*

*The research method used is quantitative and sampling technique used is purposive sampling. Data collected from 400 respondents, collected through questionnaires. The collected data is processed by using Linear Multiple Regression analysis technique by using SPSS version 25 for windows. Descriptive calculation is done then followed by multiple linear regression analysis.*

*Descriptive analysis results show that the highest percentage of Quality of Service variable is Tangibles has a value of 57.8%, Responsiveness value of 55.2%, Assurance value of 53.8%, Reliability value of 53.6%, and Empathy has the lowest value of 53, 1%, while Customer Satisfaction (Y) 59,6%. The results of Multiple Linear Regression analysis show that Service Quality variables affect Customer Satisfaction significantly because the value of  $F_{count} (188,490) > F_{table} (2,237)$  simultaneously. Partially, the quality of service gives the most influence is tangibles has beta value of 0.318, responsiveness has beta value of 0.275, assurance has beta value of 0.266, reliability has beta value of 0.141 and empathy has the lowest beta value of 0.124. Quality of Service has a significant influence of 70.5% on Customer Satisfaction simultaneously.*

*The service quality variable that gives the highest influence to customer satisfaction is tangible. Improving the quality of service at tellers should be pursued in relation to tangible variables, such as, the provision of comfortable seats with attractive designs, convenient queue provision for customers, increased teller knowledge of PT Bank Mandiri products, service time as promised, and ethics of communicating with customers.*

**Keywords:** *Service Quality (Reliability, Assurance, Responsiveness, Empathy, Tangible), and Customer Satisfaction*