

Internship Report

Customer Satisfaction Survey at Retail Banking Division of BRAC BANK Ltd

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Date: 08 June, 2014

Mr. Mahmudul Haq,
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BRAC Business School,
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Subject: Submission of Internship Report

Sir,

I have the respect to state that I am a student of BRAC University. As a part of my BBA degree completion I have to work in a business organization as an intern to have on-the-job experience and after analyzing collected information and data of the business organization I have to submit my Internship Report. I have completed my internship in BRAC Bank Retail Banking (Motijheel Graphics Building Branch). I have prepared a report on the subject "Customer Satisfaction Survey at Retail Banking Division of BRAC Bank Ltd". It was a valuable experience for me and I have prepared this report carefully by myself according to the guidelines and instructions provided by BRAC University authority.

May I, therefore, pray and hope that you will be kind enough to accept this report.

I remain,

Sir,

Yours Obediently,

(Shankha Nil Dey)

ID: 09304165,
BRAC University,
BRAC Business School,
Dhaka

Acknowledgement

Internship is the implementation part of the knowledge earned while studying different courses of Bachelor of Business Degree. This is the first on-the-job experience of an undergraduate student. I had a valuable and pleasant experience while completion of my internship at BRAC Bank Ltd as a student of BRAC University in spring 2014 semester.

I would like to thank BRAC Bank authority for providing me the chance to complete my internship at BRAC Bank retail banking division. I have the honor to mention the name of Mr. Syed Mahbubur Rahman, Managing Director and CEO of BRAC Bank who gave me the permission to complete my internship in BRAC Bank Ltd. BRAC Bank Ltd is a reputed business organization in Bangladesh and I am delighted to have a work experience there.

My workplace was Motijheel Graphics Building Branch of BRAC Bank. I worked for three months there under the supervision of Mr. Sk. Md. Zulfiqar Amin, Cluster and Branch Manager, BRAC Bank Graphics building branch, who was providing me necessary information and data required and guidance in the corporate environment.

BRAC University authority provided me support while doing the internship. I would like to express gratitude to Mr. Mahmudul Haq, Assistant Professor of BRAC University for providing me valuable guidance to complete the report. While completing the internship report I needed to apply my knowledge earned in different theoretical courses of BBA Program of BRAC University. I would like to thank all my teachers of BRAC University.

At last I would like to thank my every colleague of the BRAC Bank for providing me necessary information required and the nice and pleasant work experience while working in BRAC Bank.

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Executive Summary

This report was prepared as a part of internship program in BRAC Bank Ltd. BRAC Bank is a renowned bank in Bangladesh which was established in 2001. Within these few years this bank has own a majority of market share in the retail banking sector of Bangladesh. BRAC Bank focuses on SME banking sector in Bangladesh. BRAC Bank is a leader in SME Banking of Bangladesh. However it is also providing efficient service in corporate banking, probashi banking, custodial services, e banking and other banking services.

I completed my internship in graphics building branch of retail banking division of BRAC Bank Ltd. From there I learnt that the customer service officers work under tremendous pressure at the retail banking sector. I randomly choose 30 customers and took their opinion. I took their opinion on the five dimensions of SERVQUAL method of customer satisfaction survey. The dimensions are: Tangibility, Responsiveness, Reliability, Empathy, and Assurance. There were 22 questions in the questionnaire. The questionnaire was originally prepared by the College of Business of University of South California. It was translated into Bangla and then supplied to the customers. After collection of the survey data I compiled the data into spreadsheet. After using to statistical tools for analysis of the data the result was converted into a table and included in this report.

The customers were expressing opinion that BRAC Bank employees provide service at moderate satisfaction level. However, some customers provided consistently high scores in all questions and some customers provided consistently poor score in all questions. The scale was from 1 to 7. Hence the standard deviation was around 1.25 for all questions. The mean score was around 4.5 for all sections.

The projects like Customer information update should be implemented by phases with proper planning to reduce customer waiting time in queue. If the number of customer service officer's desk was increased then the waiting time in queue for the customers will be reduced. If the officers were given other fringe benefits then they will be happy to work under the pressurized environment of the retail banking division of BRAC Bank Ltd.

Organization Overview

BRAC Bank Ltd

At a glance: BRAC Bank Ltd

Introduction to BRAC Bank Ltd

BRAC Bank is one of the leading private banks in Bangladesh. BRAC Bank received its commercial banking license from Bangladesh bank in 2001. Since then it has been exemplary in the banking sector of Bangladesh with its quality of service and products.

BRAC Bank operates under a “double-bottom” line agenda where for poverty free, enlightened Bangladesh the profit of the bank and corporate social responsibility go hand in hand.

BRAC, the largest non-government organization in the world owns 44.64% shares of BRAC Bank. International Finance Corporation (IFC) owns 5.36% and remaining 50% share is owned by general shareholders.

BRAC Bank is the leader in SME Sector Banking in Bangladesh. BRAC Bank is the largest SME financier with over 220139 million of taka loans disbursed till date to 410817 loan-clients. It has been highly successful in other areas of banking like retail banking, corporate banking, wholesale banking, e-banking etc.

BRAC Bank has wide range of personal banking and SME Products with 441 SME offices. It has the second largest ATMs and POS network. BRAC Bank has variety of offers in Corporate and Institutional Banking, Retail Banking and Banking Services for Non-Resident Bangladeshis. The main focus of the eight thousand employees of BRAC Bank is the service quality and customer satisfaction. It offers its service to more than 1.2 million customers.

BRAC Bank has the 3P Philosophy (People, Planet and Profit) in their CSR program and because of this philosophy BRAC Bank prefers long term CSR program that has sustainable impact. Some initiatives of BRAC Bank CSR are BRAC –Prothom Alo Trust Adanya Medhabi Scholarship, Scholarships for students of BRAC University and Tetulia Pilot School, Society for Welfare of Autistic Children, Bishwa Shahitto Kendro, BRAC Bank – Samakal Shahitya Puroshkar and Support for victims of Savar tragedy.

BRAC Bank maintains a large volume of fixed assets. It has got integrated procurement process. BRAC Bank has maintains its large employee base including salaries efficiently. It's integration with other systems like 'Finacle' (Core Banking System) which enables to generate a consolidated view and efficient maintenance of inventory. Finacle is the banking software developed by Infosys Software Company. BRAC Bank branches are interconnected with intranet system.

The subsidiaries of BRAC Bank are bKash, BRAC Saajan, BRAC EPL Investments, BRAC EPL Stock Brokerage, BRAC IT Services.

History

BRAC Bank started its journey in 2001. BRAC Bank was established in July 04, 2014. In last thirteen years BRAC Bank has been one of the most preferable banks in Bangladesh. Following the trail blazed by BRAC Bank other banks now consider the growth potential of SME sector which contributes 25% to the GDP. The dreams of the small and medium entrepreneurs are now being real with the initiative of BRAC Bank to focus on them.

BRAC Bank has been the fastest growing bank in the country from 2004 to 2007. Within 13 years of establishment BRAC Bank is the largest base of VISA and MasterCard, large employment with manpower of 8000 staff and operates the 2nd largest ATM network.

BRAC Bank got enlisted in Dhaka Stock exchange and Chittagong Stock Exchange in 2007.

Currently the Bank has 157 Branches, 60 SME service centers, more than 400 SME Unit offices, 1800 Remittance Delivery Points, 350+ ATM Booths, 16 Financial Kiosks (Apon Somoy). BRAC Bank is the lead arranger of the OMNIBUS shared ATM network which includes many Bangladeshi Banks along with Q-Cash network banks.

In recognition of its outstanding performance, BRAC Bank won the best Managed Bank in Bangladesh Award for the bank and Leadership Achievement Award 2011-2013 for MD & CEO from the Asian Banker. The other awards include Best Retail Banker Award 2011 (from Asian Banker), FT-IFC Sustainable Bank of the Year 2010 (Emerging Markets, Asia), IFC awarded BRAC Bank as the Most Active Global Trade Finance Program (GTFP) Issuing Bank in south Asia in 2010, Global Alliance for Banking on Values (GABV) from south Asia. In 2009 BRAC Bank received ICAB National award for best published audit report. It also received DHL-The Daily Star Bangladesh Business Awards 2008 and NBR National Awards as the most compliant VAT payer for the financial year 2007-2008.

Product/Service Offerings

SME Banking: Small and Medium Enterprises.

1. Loan Products
 - a. Anonno Rin: Loan up to BDT 10 million without any collateral/Security for small size business in trading, manufacturing and service sectors throughout the country.
 - b. Apurbo Rin: Secured loan up to BDT 10 million (secured against land/building)
 - c. Prothoma Rin: Loan up to BDT ten lac without any collateral at ten percent interest rate for women entrepreneurs.
 - d. Shomridhhi Rin: Letter of credit/loan against trust receipt/ bill discounting/ revolving loan/ overdraft/ facility for importers/ exporters up to BDT 20 million.
 - e. Shompod Rin: Secured loan up to BDT 35 million (Secured against residential apartment/ commercial space). Also purchase of commercial space is catered.
 - f. Shokti Rin: Partially secured loan up to BDT 10 million (covered against cash collateral)
2. Deposit Products
 - a. Prapti Current Account: Current account with interest up to 4% per annum on daily balance.
 - b. Prachurjo Fixed Deposit: Fixed deposit with competitive interest rate.
 - c. Shonchoy SME Deposit: It is a monthly savings scheme for the SME clients with minimum amount of BDT 500.

Retail Banking

- Premium Banking: Customers with more than five million taka deposits in the bank on average during the last six months.
- Supreme Banking: Customers with more than one million taka deposits in the bank on average during the last six months.
- Excel Banking: Customers with more than fifty thousand taka deposit in the bank on average during the last six month.
- EZee Banking

Retail Deposit Products

Savings Account:

1. Triple Benefit Savings Account
2. Savings Classic Account
3. Aporajita Account
4. Future Star Account

Current Accounts:

1. Current Classic Account

2. Current Plus
3. EZee Account
4. Salary Account
5. Campus Account

Term Deposits:

1. DPS
2. Fixed Deposit
3. Flexi DPS
4. Interest First Fixed Deposit
5. Freedom Fixed Deposit(FFD)
6. Abiram Fixed Deposit
7. Unit Fixed Deposit

Retail Loan Products

1. Personal Loan
2. Lifestyle Plus Loan
3. Auto Loan
4. Home Loan
5. Secured Loan/Overdraft

Credit Cards

1. Platinum Card
2. VISA Classic
3. VISA Gold
4. Dual Universal Card

ATM & POS

More than 350 ATM Booth and large number of POS outlets.

Locker Services

BRAC Bank provides locker services to selected branches at a competitive price.

Foreign Exchange and related Services

1. Travel Related Services
2. Education related services

Wholesale Banking

1. Corporate Loan Products
 - a. Overdraft
 - b. Short term loan
 - c. Lease finance
 - d. Loan against trust receipt
 - e. Work order finance
 - f. Emerging business

- g. Syndication
- h. Term loan
- i. Project finance
- j. Bill purchase
- k. Bank guarantees
2. Trade finance
 - a. Letter of credit
 - b. Letter of guarantee
3. Cash management
 - a. Cash and trade overview
 - b. Liability products
 - c. Security services
4. Custodial service
5. probashi binayog

Probashi Banking

1. Accounts and Deposits:
 - a. Probashi current account
 - b. Probashi savings account
 - c. Probashi fixed deposits
 - d. Probashi abiram
 - e. Probashi DPS
2. investments:
 - a. Probashi wage earners bond
 - b. US dollar premium and investment bond
 - c. Probashi binayog
3. Remittance info:
 - a. Western Union money transfer
 - b. Moneygram
 - c. Remit2home
 - d. International remittance through bKash
 - e. Exchange houses

E-Banking: key services of internet banking are –

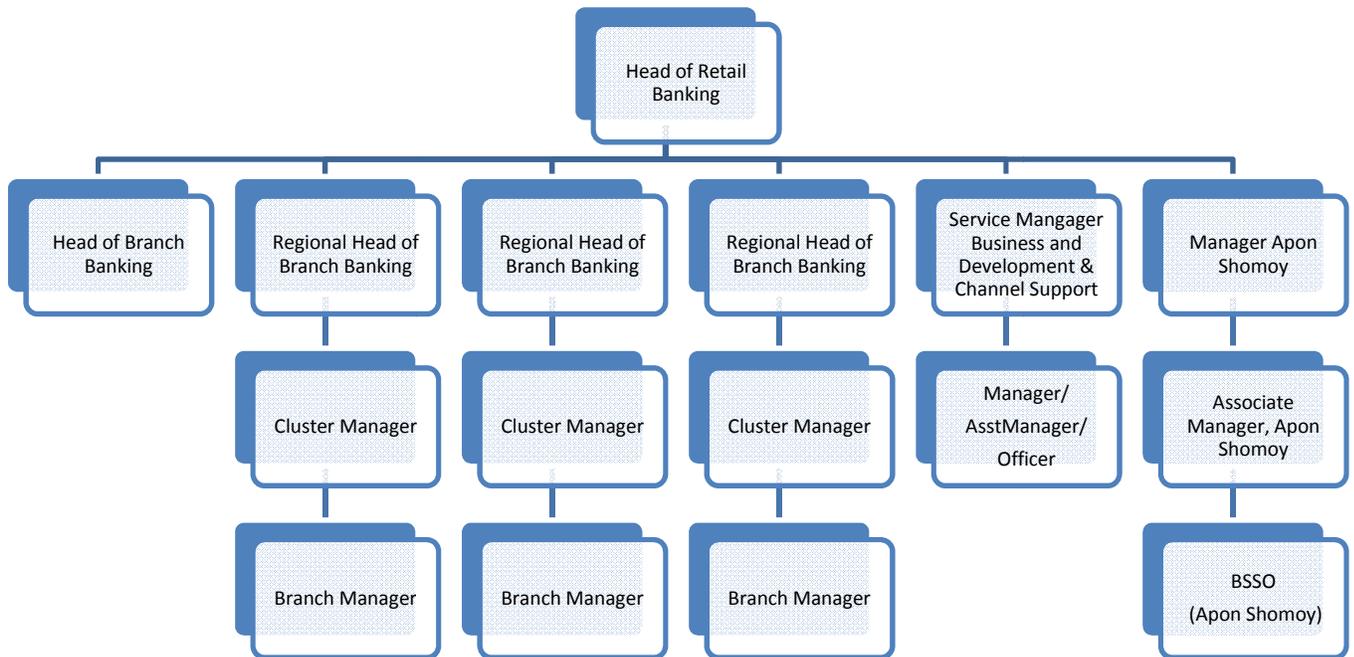
- Real-time information reporting for more effective cash management
- Delivered with the highest level of security
- Easy to use application
- Facilities payment services through fund transfer

- Bulk payment including salary disbursements
- Standing instruction set up within BRAC Bank network
- Automatic bill payments
- Initiate future dated transactions
- Getting account statements
- Transaction History
- Viewing pending and rejected transactions

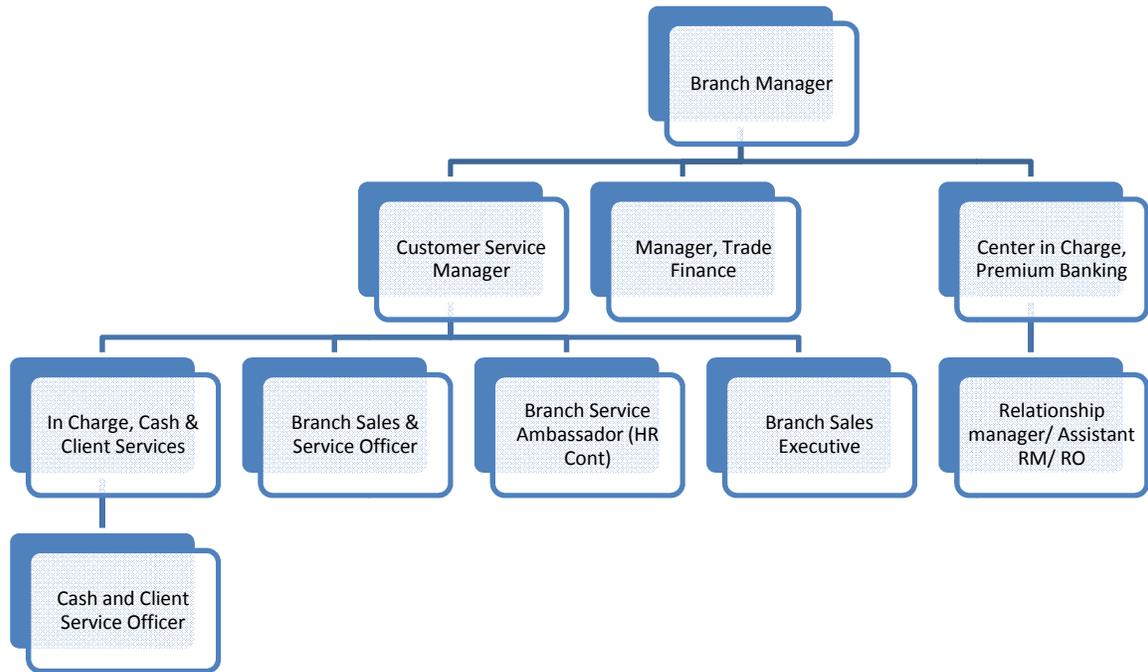
Organization Chart

Hierarchy of Organization

Structure and Category of Branch Banking



Branch Organization Chart



Visions for the Future

BRAC Bank: Corporate Mission, Vision and Future Plan

Corporate vision

Building profitable and socially responsible financial institution focused on Market and Business with Growth potential, thereby assisting BRAC and stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh.

Corporate Mission

- Sustained growth in Small & Medium Enterprise sector
- Continuous low-cost deposit Growth with controlled growth in retail assets.
- Corporate Assets to be funded through self-liability mobilization. Growth in Assets through syndications and investment in faster growing sectors.
- Continuous endeavor to increase non-funded income
- Keep our debt charges at 2% to maintain a steady profitable growth
- Achieve efficient synergies between the bank's branches, SME unit offices and BRAC field offices for delivery of remittance and Bank's other products and services
- Manage various lines of business in a full controlled environment with no compromise on service quality
- Keep a divers, far flung team fully controlled environment with no compromise on service quality

Future Plan of BRAC Bank

BRAC Bank is the member of Global Alliance for Banking on Values and GABV is taking initiatives to replicate the SME Banking model of BRAC Bank globally. BRAC Bank is going to expand its network of SME Unit office and Branches to reach more people and more community. BRAC Bank wants to ensure that SME entrepreneurs of any place of the country will get the loan.

From the year 2013 to 2018 the bank is going to focus more on small loans as it plans to double its disbursement in these five years. BRAC Bank wants to disburse 8000 crore loan to the 50-60 lac SME entrepreneurs of Bangladesh in these five years. BRAC Bank disburses 4000 crore loans yearly now. BRAC Bank believes that this target can be fulfilled by opening more SME outlets at the rural areas. As BRAC Bank follows the "supervise credit model" the customer no longer need to come the bank, instead bank goes to customers' doorsteps. According to BRAC Bank growth of SME sector is significant as there is huge potential of this sector to produce more jobs and hence reduce the unemployment rate of Bangladesh. Around 90% of BRAC Banks SME portfolio goes to small entrepreneurs who borrow average 6 to 7 lacs each. BRAC Bank gives

lend now Tk. 85-90 per Tk. 100 per year now a day. BRAC Bank wants to continue this ratio with more successful lending portfolios in future.

BRAC Bank is running a pilot project in its Motijheel, Asadgate, Gulshan and Banani Branch. In this project the customers who are going to deposit less than or equal to fifty thousand taka cash in their account must use the Cash Deposit machine. If this pilot project is successful then the same policy will be implemented to all other branches of the BRAC Bank Ltd.

BRAC Bank has now a very reliable network of more than 350 ATM machines. BRAC Bank wants to increase this machine number and locations of ATM booth.

Job Part

Internship in Retail Banking Division of BRAC Bank Ltd

My job description, critical observations and recommendations

Description of the Job

This report has been prepared on the customer satisfaction survey at retail banking division of BRAC Bank Ltd. It is the assumption that the customer satisfaction level at the customer service desks of different branches of BRAC Bank Ltd is 90% customers are satisfied at moderate level. However it is important to discover the way to level up the customer satisfaction at 95% highly satisfied customers. On basis of experience earned while working in retail banking division of BRAC Bank Ltd I Prepared the questionnaire. The questionnaire was prepared using the SERVQUAL method of Parshuraman et al 1990. My placement was in customer service department of Motijheel Graphics Building Branch. I observed the daily activities of the Customer Service Officers who has the designation as Branch Sales and Service Officers (BSSO). With the help of the customer service officers I prepared the questionnaire considering different dimensions of SERVQUAL method of customer satisfaction survey and did the survey on 30 customers.

Customer Service Officers serve the customers when they come to bank for following purposes:

1. Opening new bank account
2. Bank Statement
3. Account Certificate
4. New cheque book or debit card request or delivery
5. Delivery of Captured Debit Cards at ATM Booth
6. To collect remaining payment due to Cash Shortage in ATM booth
7. Foreign Remittance Collection
8. Fixed Deposit Opening or Closure
9. Update of Information at their account (Signature Change, Nominee Assignment, Address Change, Phone Number change etc)
10. Pay Order
11. Status of the Loan taken by customers
12. Others

In retail banking system customers collect token from the token booth. Then they wait for call at the waiting lounge. The 5 counters for the above mentioned services take average 5 to 10 minutes to serve each customer. There are two other counters: first of them is dedicated for Premium Banking customers and the Second counter is for Credit card holders. Average waiting time of a customer was less than 30 minutes. Ordinary customers sometimes wait in long queue when all of the 5 counters are not operative due to shortage of service officers. Sometimes the officers serve with excellence and sometimes the officers leave the desk for 5 to 10 minutes to take relief from monotony of continuous service of 10 am to 4 pm. For this reason the customers become unsatisfied. However, BRAC Bank recruits deserving candidates and these candidates are trained to become effective and efficient Bankers. Hence Most of the customers are satisfied at moderate level. In this survey the customers who come to bank for deposit or withdraw cash money from cash counter are not included. In this customer satisfaction survey the customers' waiting time before each service delivery, service delivery time, customers impression on bank officers efficiency, customers impression on office environment, customers overall satisfaction level is included. Customers from all ages and all sectors were selected. They were requested to respond to the survey after they have taken the service.

Specific Responsibilities of the job

I worked in the retail banking division of BRAC Bank Ltd I had to do survey on the customers and ask question about their satisfaction level. As an intern I did not have 3 to 4 years experience as a BSSO and I did not have training also. So I was not directly involved in customer service. Instead I used to support the BSSOs and learn from them the various banking terminologies. BSSOs helped me to create the questionnaire in the SERVQUAL method. While doing the survey I approached the customers with the help of the BSSOs. While not doing the survey I had to do some specific tasks assigned to me which were helpful in understanding retail banking terminologies. My main job responsibility was:

- 1) Support the BSSOs (Customer Service Officers)
- 2) Data Entry into registers and file up different documents
- 3) Call Customers to inform about return Cheque because of various reasons like: insufficient fund, name differ, wrong account number etc
- 4) Request to update the information of their account to stop the account being dormant. According to Bangladesh Bank Circular of May, 2013 all individual and business accounts are to be updated. If not updated these accounts should be made dormant.
- 5) Call customers who have zero balance in their account for a long period to inform that they have to pay the account maintenance fee for each year if they want to start transaction again with BRAC Bank account.

- 6) Sorting and Searching undelivered - ATM Cards, Welcome Packs and Cheque Books stocked in the branch mini vault.
- 7) Reconciliation of undelivered - ATM Cards, Welcome Packs and Cheque Books at the end of the day
- 8) Destruction of ATM Cards and Cheque books undelivered for more than 3 months.
- 9) Data Entry into the spread sheet of the computer.
- 10) Scan and Photocopy of different documents and save them in computer to preserve as future reference.
- 11) Asking randomly selected customers to take part in customer satisfaction survey by filling up the customer satisfaction survey form which was translated into Bangla.

Different Aspects of the Job Performance

I prepared the questionnaire in the SERVQUAL method and considering different dimensions of retail banking service sector. I required the help of the BSSOs or Customer Service Officers to understand all the dimensions of the retail banking sector. I had to support the BSSOs to understand the practical working conditions of them. While providing support to the BSSOs I had to get used to different banking terminologies like return cheque, loans of different type, account statement and the intranet system of the BRAC Bank Ltd.

According to instruction of the supervisor of my project at bank there was direct communication with the customers over phone to inform them about different formalities to be completed and to invite them to come to the bank in banking hours to complete the formalities.

There was large number of ATM Cards undelivered, Welcome Packs undelivered and Cheque book undelivered. Counting these items daily was an interesting experience because I implemented the idea of grouping them into bundles of 10 or 20. We received more than 100 new undelivered ATM cards from the head office. Sorting these cards according to serial number was helpful for the BSSOs to deliver these cards quickly when customers came to take delivery of these cards in person.

While doing these assigned tasks I used to take break when customers were coming in a good number into the bank. Then I selected one customer from every three or four customers and request the customer to fill up the customer satisfaction questionnaire using the SERVQUAL method. Some of the customers were very cooperative and some of them used to deny the request to take part in the survey. Then after completing the survey I used the spread sheet software to analysis the collected data and then compile the result into an analysis document.

Critical observations and Recommendations

The following observations are on the basis of the survey done and the work experience of 12 weeks as intern in the retail banking division:

1. In customer service dedicated work is very important. Dedicated officers do not become annoyed or disturbed by the impatient queries or behavior of the customers. Usually customers become impatient while waiting in a long queue. Hence handling them requires providing continuous service by the customer service officers. Even a small break taken by the CSOs is discouraged by the impatient customers.
2. Keen supervision increases work performance of the customer service officers. Because of the pressurized work environment of the customer service section the officers become prone to avoid dedicated service to the customers. Hence if the Customer Service Managers supervise the officers by standing their side then they become alerted and provide dedicated service.
3. It is a good idea to increase the number of customer service officers. There is a rush in branches at the time of festivals and projects like customer information update. While these projects go on the customers in both cash section and service section need to wait in queues sometimes for more than two hours. The frequency of these rush seasons are so frequent that there should be more customer service officers to reduce the waiting time of the customers.
4. Modernization and update of computer operating system and software reduces service delivery time, hence increases performance and customer satisfaction level. Computers in the branches are not updated regularly. The Finacle software used for providing centralized computerized banking was a version purchased long ago. Hence these machines require 5 to 10 minutes more to deliver service to each customer. The total time of waiting becomes a long time for the customers waiting at the end of the queue when these additional required minutes are aggregated.
5. Incentives and bonus on the basis of number of customers served may help reduce the waiting time in queue hence raise customer satisfaction level up. There is already a process of counting the number of tokens served by the Customer service officer daily and monthly basis. However there should be more incentives and performance bonuses for the customer service and cash service section.
6. Use of intranet instead of internet helps avoid intrusion and unwanted hackers. In internet connectivity the connection becomes more reliable and more accessible. However, it becomes prone to hacker attack on a large scale. The cost to check the hacking becomes astronomical. Hence we can say that the intra-net connection between the central server and the branches is an effective and efficient method of computerized centralized banking.

7. Customers appreciate the direct communication with them if contacted at right manners and the contact person is an efficient officer. Customer service officers are responsible for sale of loan products and credit cards also. Hence they need to initiate communication with many customers who does not have credit card. Sometimes the customers become annoyed. But my observation about making phone calls is that the customers welcome the phone call from the efficient, well mannered and knowledgeable bank officers.
8. Daily reconciliation helps to preserve the large number of undelivered valuable banking product efficiently. There were a large number of undelivered ATM Cards, captured cards, Cheque books and welcome packs in the branch. If the ATM cards, captured cards and Cheque books were more than three months old then they were sent to destruction. Remaining Cheque books were counted daily and reconciliation data was preserved in a log sheet in log file after cross checking and signing by the customer service managers. This method helps to find out even a single discrepancy in the ATM cards, Cheque books or welcome packs within a day.
9. Customers need to wait in long queues during the rush season. Waiting for more than one hour for a bank statement is not justified. Hence the projects like customer information update should be implemented more carefully. Due to this project waiting time of the customer may lengthen up to 2 hours. The customers are asked to bring in their original national ID card which is not required for information update process. The customers account is made dormant and he cannot withdraw money which may bring in miseries to customers life. This creates a huge pressure on the customer service section as there are limited in number. Although this project is implemented as per instruction of the Bangladesh Bank dated on May 2013, there should be more planning and notice to customers before making their bank account dormant.

Project Part

Customer Satisfaction Survey at Retail Banking Sector of BRAC Bank Ltd

My Project: Customer Satisfaction Survey using SERVQUAL method

Background

Banks are the financial institutions which links the customers with surplus money with the customers who need money. Customers who deposit money receive interest from the bank and customers who takes loan from the bank pays interest to the bank. Banks are directly handling the financial assets of a large number of populations hence they are strictly regulated by the government agencies and central bank. In Bangladesh the central bank is known as Bangladesh Bank. The commercial banks operate by taking license from the Bangladesh Government. There are several private commercial banks alongside the First generation government commercial banks. BRAC Bank is a third generation commercial bank. This bank was established in 2001 and within few years emerged as one of the most reliable banks in the banking sector of Bangladesh. BRAC Bank is the leader in the SME Banking in Bangladesh. BRAC Bank has disbursed 220139 million taka among 410817 customers. BRAC Bank is also highly successful in corporate banking, retail banking, e banking and other traditional banking services.

BRAC Bank is a centralized bank using the information technology. In traditional banking in Bangladesh a customer is bound to do banking in a specific branch of the bank. However in BRAC Bank a customer gets most of the banking services from any branch of the Bank once he has an account in the bank. BRAC Bank uses intra-net to connect its branches with its central computer server. BRAC Bank uses the software developed by Infosys Software Company of India named Finacle. Use of intra-net instead of Internet reduces the threat of hacking at the minimum level.

I worked on the Service end of the retail banking sector from where deposits are collected. In this section the customers come for various banking services after opening a savings account. These services can be different from the deposit and cash withdraw. These services can be: Bank statement for submitting into business or travel purpose, Bank account certificate, Balance inquiry, Information update etc. Sometimes the customers come to know about the status of the loan they have taken from the bank. They also take certificate of loan for tax purpose. According to current myth that 90 percent of the customers are moderately satisfied this survey focuses on how the quality of customer service quality can be raised to higher level like 95 percent customers are satisfied at high level.

I conducted research on 30 random customers of BRAC Bank Ltd at the Graphics Building Branch of retail banking division. The customers were served with a questionnaire of 22 questions divided in 5 sections – 1. Tangibility 2. Reliability 3. Responsiveness 4. Assurance 5. Empathy

The questionnaire was prepared using SERVQUAL method of customer satisfaction survey.

SERVQUAL Model

SERVQUAL is a service quality framework used to measure the scale of quality in the service sectors. It is also known as Gap model.

This model was developed by Parsuraman, Zeithaml and Berry in 1985.

According to SERVQUAL authors there are five factors of service quality. These factors are:

- Reliability: The ability to perform the service dependably and accurately.
- Assurance: The knowledge and courtesy of the employees and their ability to convey trust and confidence
- Tangibles: The appearance of physical facilities, equipment, personnel and communication material
- Empathy: Provision of caring, individualized attention to customers.
- Responsiveness: The willingness to help customers and to provide prompt service.

According to Gap model there is a gap between these factors. These gaps are:

Gap 1: Difference between customers' expectations and managements' perception of what customers expect, i.e. not knowing what customers expect. For example in a bank the management may care about the interior decoration and smartness of the employees while the customers expect prompt service with perfect banking documents delivered.

To avoid this gap the management should do detailed market research before and while developing new service. This research should not be concentrated on the demand quality only. Instead they should also concentrate on what is the demand of the customer or expected customer. Then the information collected should be properly interpreted and customers' expectations should be determined accurately. While developing the service delivery model it should be noticed that there is not large gap between the front line service delivery officers and the top management.

Gap 2: Difference between management's perception of customer's expectations and service quality specifications, i.e. improper service quality standards.

This gap may occur if the management has perceived the customers' expectation correctly but failed to set service quality standard properly. For example, the Bank authority may tell the customer service officers to tell the customer the reason of deducting service charge instead of detailed explanation while the customers may not understand the banking terminology.

To avoid this gap there should be sufficient planning procedures before the business is developed and implemented into action. There should be no doubt about the commitment of the management. All the ambiguities among the service designs should be cleared while developing it. The new service development should be very systematic.

Gap 3: Difference between service quality specifications and service actually delivered i.e. the service performance gap.

This gap may occur when there is an underdeveloped human capital. Reasons of this gap are: the employees are incapable of delivering the service properly or if the employees are unwilling to meet the proper service standard.

To avoid this gap there should be proper human resource policy. There should be a well developed and effective recruitment policy. There should be no role ambiguity. Proper compensation system should be there.

Gap 4: Difference between service delivery and the communications to consumers about service delivery, i.e. whether promises match delivery?

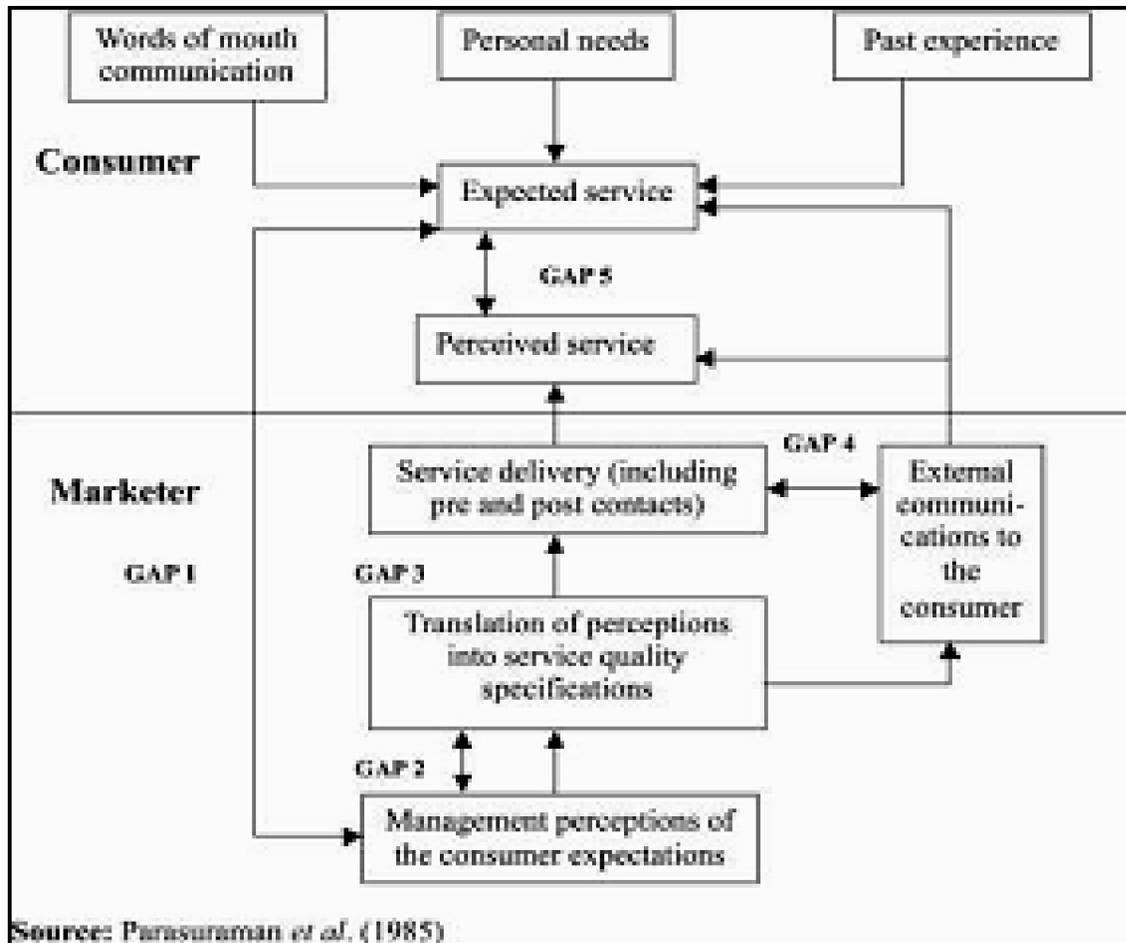
This gap arise when there is mismatch between the advertisements made and actual service delivered. For example the bank may advertise about its computerized system while in practice the customer may find the system is not updated with latest software every year.

To avoid this gap there should not be over promising external communication campaign.

Gap 5: Difference between consumer's expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of service quality of the marketer's side.

The bank may try to provide better service to the customers by increasing its customer service desks while they have to take more service charges. This may create wrong perception.

The gap model can be best described with the following diagram:



Objectives

The study pursues three major research objectives:

1. Identification of key factors that influences the retail banking customers of Bangladesh in choosing a bank for their regular personal banking requirements.
2. Finding out the actual quality of service delivered at the retail banking service delivery points.
3. Determining the procedure to improve the customer satisfaction level from 90% satisfied customer at moderate level to 95% satisfied customer at higher level.

Methodology

I first conducted secondary research to explore past research papers on the customer satisfaction survey. There was different customer satisfaction survey available in the Internet however there were few available about the SERVQUAL method. I selected the SERVQUAL questionnaire prepared by the College of Business of University of South California. The questionnaire was originally developed in English but I added Bangla translation into it. There were 22 questions divided into 5 sections. The point scale was from 1 to 7. If the customer was dissatisfied he would score 1 otherwise if the customer was satisfied at the highest level he would score 7. Response was taken from 30 randomly selected customers of BRAC Bank retail banking division motijheel graphics building branch. The collected data was tabulated on computer to do statistical analysis in spreadsheet software. I did calculate the average of all respondent's score in each question and then calculated the standard deviation.

Limitations

The study was conducted when the customer information update project was going on in BRAC Bank. The customers were waiting in long queue to update their information. Hence they were providing consistently lower score in each question. Hence we cannot say the survey is a perfect reflection of the customer satisfaction level at BRAC Bank Ltd retail banking division. Sometimes the bank officials were unwilling to disclose confidential information regarding the bank operations.

Analysis

	Tangibility	Mean	Standard Deviation
1	BRAC Bank has modern looking equipment	4.067	1.55
2	BRAC Bank physical facilities are visually appealing	4.8	1.37
3	BRAC Bank reception desk employees are neat appearing	5.03	1.67
4	Materials associated with the service are visually appealing	5.067	1.46
		4.74	0.47

In the tangibility section we see that Materials associated with the service are visually appealing has scored the highest point. This indicates that BRAC Bank has good designers for designing the materials associated with the service such as pamphlets. However BRAC Bank has modern looking equipment has the lowest score. This indicates that BRAC Bank uses equipments which are good for service. However they are not updated on a regular basis. In this section we see that the score on each question is in between 4.067 and 5.067 indicating customers are satisfied at moderate level. The standard deviation is around 1.5 indicating the satisfaction level is varying in a single question from one customer to another. For example the first question was whether BRAC Bank has modern looking equipments. Some of the customers have provided high score in this question and some customers have provided low scores. However as the average around 4 then we can say that most of the customers have provided score around 4 indicating moderately modern equipments are used in the Bank branches.

	Reliability	Mean	Standard Deviation
1	When BRAC Bank promises to do something by a certain time, it does so	4.63	1.4
2	When you have a problem, BRAC Bank shows a sincere interest in solving it	4.7	1.48
3	BRAC Bank performs the service right the first time	4.67	1.67
4	BRAC Bank provides its service at the time it promises to do so	4.53	1.73
5	BRAC Bank insists on error free records	4.867	1.75
		4.64	0.16

In the Reliability section we see that promised time about performing any service at BRAC Bank is doubtful in customers mind. However this question has very high standard deviation. Hence we can say that not every customer is providing the same opinion. On the other hand, we see that BRAC Bank insists on error free records have the highest score in the reliability section. This perception on the customers mind is there because of the ongoing Customer Information Update process. The highest scoring question is the no 5 which asks the customers about the error free records of BRAC Bank Ltd. This question has scored 4.867 with a standard deviation of around 1.75 indicating a lot of customers have provided opinion that BRAC Bank not always insists on the error free records. In the ongoing Customer information update process the customers are made to bring in the original national ID card for verification. Hence we can say that customers are providing justified opinion.

	Responsiveness	Mean	Standard Deviation
1	Employees at the BRAC Bank tell you exactly when the services will be performed	3.567	1.94
2	Employees in BRAC Bank give you prompt service	4.67	1.82
3	Employees in the BRAC Bank are always willing to help you	5.033	1.54
4	Employees in the BRAC Bank are never too busy to respond to your request	5.033	1.49
		4.58	0.5

In the table of responsiveness we see that the employees at the BRAC Bank are not able to tell the customers exactly the right time to perform the service. However, the standard deviation is very high compared to other questions in this section. This indicates that some customers have provided different opinion in this regard. The employees at the retail banking section in the BRAC Bank works in a pressurized environment where they have to serve a lot of customers in a short time span. They need to take approval of the head office sometimes to provide the service. For this reason this question has scored lower than the other questions in this section. On the other hand we see that the customers at the BRAC Bank are providing opinion that the employees are responding to their queries at any time. We can see the reflection of this at the question 3 and question 4. Employees at the BRAC Bank are never too busy to respond to customer's request.

	Assurance	Mean	Standard Deviation
1	The behavior of the employees in BRAC Bank instills confidence in you	4.73	1.59
2	You feel safe in your transactions with BRAC Bank	4.93	1.55
3	Employees in the BRAC Bank area consistently courteous with you	4.93	1.70
4	Employees in the BRAC Bank have the knowledge to answer your questions	4.7	1.55
		4.83	0.11

In the Assurance section we see that Employees at the BRAC Bank have the knowledge to answer your questions have scored lowest. However, not all customers provided the same opinion because the standard deviation is higher. More training to BRAC Bank employees can improve the situation. Another reason of this question was scoring low may be because the employees were too tired after providing service for long time. Customers were also waiting for long time. For these reason the customers were impatient and were asking ridiculous questions. On the other hand customers are providing opinion that they feel safe to do transaction with BRAC Bank. They are also providing opinion that employees are courteous with them. This is a sign of the dedication of the employees because this shows that they are able to instill confidence within the customers of BRAC Bank. For this reason we can say that there are dedicated employees in the bank. Although they were providing service for long time they were still courteous and were able to instill confidence in the customers mind. This shows their efficiency in the banking service.

	Empathy	Mean	Standard Deviation
1	BRAC Bank gives you individual attention	4.73	1.61
2	BRAC Bank has operation hours convenient to all of its customers	5.03	1.29
3	BRAC Bank has employees who give you personal attention	5.067	1.48
4	BRAC Bank has your best interest at heart	4.93	1.36
5	The employees at BRAC Bank understand your specific needs	4.867	1.45
		4.93	0.13

From the empathy table we see that customers are happy with the personal attention the employees give to them. This indicates that although there is a long queue time the employees provide dedicated service to the customers. On the other hand, BRAC Bank employees are unable to provide the customers individual attention because the software they use for the service is centralized software which is controlled by the head office of the BRAC Bank.

The Average score of all questions in each section is shown in the table below:

	SERVQUAL Dimensions	Mean	Standard Deviation
1	Tangibles	4.74	0.47
2	Reliability	4.64	0.16
3	Responsiveness	4.58	0.5
4	Assurance	4.83	0.11
5	Empathy	4.93	0.13

Each section result is described below:

Tangibility: Tangibility deals with the appearance of the physical facilities and equipments of the Bank. In the spreadsheet analysis we see that tangibility has mean score of 4.74 in the scale of 1 to 7. In the questionnaire the tangibility section had 4 questions. Each question scored between 4 and 5. We can say that satisfaction level of customers at this section is moderate.

Recommendations: The equipments BRAC Bank using in my opinion is standard in the prospect of Bangladesh. These equipments are purchased for providing best customers service. However according to the customer opinion of this survey the equipments should be updated regularly.

To avoid the gap between the customer's expectation and management's perception

Reliability: Reliability focuses on if the service has been performed reliably and accurately. In the spread sheet analysis we see that reliability section has mean score of 4.64. This indicates that customers are moderately satisfied at this level also.

Recommendations: Employees of BRAC Bank works under tremendous pressure when any project like customer information update goes on. When I conducted this survey the first phase of customer information update was going on. So there was moderate score in this section. Otherwise the reliability section has high score.

Responsiveness: Responsiveness is the willingness to help customers and to provide prompt service. In the spread sheet analysis we see that the responsiveness section has average score of 4.575 in 4 questions. This indicates that the employees are moderately willing to help customers in any circumstances. However the customers were expecting more responsive behavior from the employees of BRAC Bank Ltd.

Recommendations: In this section the score was moderate indicating not every customer was getting prompt service from the employees of BRAC Bank. However employees were extremely pressurized due to customer information update project stage one. BRAC Bank should plan well before implementing projects like this.

Assurance: Assurance means the employees are knowledgeable and courteous and able to make the customer feel assured about the banking service. In the spreadsheet analysis we see that 4.825 the mean score of the assurance section consisting of 4 questions with standard deviation 0.11 only. This indicates that employees are able to assure most of the customers of BRAC Bank Ltd.

Recommendations: This section has scored moderate because customers were evaluating on the basis of the performance of the team at Graphics building branch of BRAC Bank employees. If any on the team members were poor performers then the score of entire team will be low. Hence BRAC Bank should sort out the poor performing employees and train them well.

Empathy: If the employees of BRAC Bank are providing caring and individualized attention to the customers then this section should score high. In spread sheet analysis we see that score of empathy section is 4.92 with standard deviation 0.13 only. This indicates that most of the customers feel that they are receiving individualized and caring attention from BRAC Bank Ltd.

Recommendations: this section has scored relatively higher among the five sections indicating that employees are providing individualized attention to most of the customers. Still the score of this section can be improved by providing more benefits to the employees of BRAC Bank Ltd.

Conclusion and Recommendations

Recommendations

1. BRAC Bank should detailed market research before and while developing new service. Along with quality the research should concentrate on customer expectations. Customer expectation should be determined accurately.
2. BRAC bank should plan sufficiently before the business is developed and implemented into action. All ambiguities should be solved beforehand.
3. The human resource policy should be improved as more efficient service officers will improve the customer service satisfaction level. The compensation structure should be reviewed regularly because this will encourage the employees.
4. The advertising should be focused only on the actual service delivered. Advertising related officers should have complete idea of the pressurized work environment at the field level.

Conclusion

This study shows the five dimensions of customer satisfaction using the SERVQUAL model. In this study we can see that the customers are satisfied at moderate level with average score around 4.5 at a scale of 1 to 7. At the time when the survey was going on there was a rush in the branches of BRAC Bank Ltd due to Bengali New Year celebration and Customer information update process. The bank accounts of the customers were set to dormant status if the account information about the customer was not updated. This was done as per the instruction of Bangladesh Bank. Customers were coming at a large number and there was a huge pressure on the customer service desk officers. Because of this overload they could not perform their regular customer service operation efficiently. Hence those customers who came for Bank statement or banking services other than customer information update process were waiting in long queue. In most of the cases the customers were waiting for hours. Hence they were unsatisfied. This satisfaction level was reflected into the survey. The officers were trying their best to serve all the customers. The survey score in each dimensions of the SERVQUAL model is around 4.5 hence we can say that the BRAC Bank service quality is at a good level. However, taking some steps like increasing the customer service officer number, providing more accessories like printers to them, opening separate desks for the information update process, giving performance bonus to the employees can increase the customer service quality at a much higher level.

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