

**OVERVIEW OF FINANCIAL SERVICE MANAGEMENT & SERVICE  
PRACTICES OF UNITED FINANCE LIMITED**

**Submitted To**

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**Date: April 16, 2017**

## LETTER OF TRANSMITTAL

April 16, 2017

Dr. Mohammed Tareque Aziz  
Associate Professor  
BRAC Business School  
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66 Mohakhali C/A. Dhaka: 1212

### **Subject: Letter of Transmittal**

Dear Sir,

This is a great pleasure for me to submit this report, which is partial requirements for the completion of MBA program. My analysis is based on the “**Overview of Financial Service Management & Service Practices of United Finance Limited**”. It is really an enormous prospect for me to gather together vast information and grasp the subject matter in an appropriate way. I have found the study is quite attention-grabbing, beneficial & insightful.

I tried my level best to prepare an effective & creditable report. The report will provide clear concept about the overall functions of Service practiced in United Finance Limited. I welcome your query & criticism on the report, as it will give me the opportunity to learn more and enrich my knowledge. I hope you will consider the mistakes that may take place in the report in the spite of my best.

Sincerely Yours

.....  
Prosun Mitra Barua  
ID: 12164018  
MBA Program  
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BRAC University

## STUDENT'S DECLARATION

I Prosun Mitra Barua hereby declare that report entitled “**Overview of Financial Service Management & Practices of United Finance Limited**” is an original work done by me under the guidance of Dr. Mohammed Tareque Aziz, Associate Professor, BRAC Business School, BRAC University. This project work is submitted in the partial requirements for the completion of MBA program. This report has not been submitted to any other university or Institute for any other award of any degree.

.....  
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## **ACKNOWLEDGEMENT**

I would like to take this opportunity to convey my heartfelt appreciation to those, whose blessing and cooperation was important to bring this report in light. I want to show my gratitude to:

**Dr. Mohammed Tareque Aziz**

Associate Professor  
BRAC Business School  
BRAC University

**Ms. Soma Chowdhury**

Head of Operations  
United Finance Limited

**Ms. Upama Munmun Mazid**

Deputy Principal Officer  
Central Service Point  
United Finance Limited

Last but not the least I also acknowledge the management team and employees of United Finance Limited for their great support for making this report a successful and comprehensive one.

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## **EXECUTIVE SUMMARY**

United Finance Limited is one of renowned non-banking financial institution in Bangladesh. It started its operation at 1989 and it is one of the pioneer financial institutions in Bangladesh. United Finance Limited has different kinds of products and services. I have done my report in “Overview of Financial Service Management & Practices of United Finance Limited”

Service is a very important factor for the Non-Banking Financial Institution. To grab more customers and to keep the existing customer in hand marketing service plays a vital role. Loss of expected customers and loss of existing customer can happen for the service issue. The main slogan of United Finance is “Aiming to Serve Better Every Day”. It is widely believed in United Finance that customers compare pre-consumption expectations of a service organization with their post-consumption perceptions of performance, and that customers’ perception towards service quality is driven by any gap between expectations and performance. The smaller the gap; the better the perceived quality of perceived service and the higher the chance that a customer will remain loyal to the organization. These gaps make the difference between the competitors of financial market.

Within the traditional structure and operation of the financial services industry, consumers had little choice in terms of selecting financial service provider. The rigid structure of the industry, combined with the operation, meant that consumers had to accept the form and price of both financial services and delivery channels. Switching between financial providers generated little, if any, long-term benefit and forced the consumer to incur disruption and financial cost. United Finance articulate and classify consumer behavior in the purchasing of financial products and services.

Customers are changing their expectations of everyone, especially Financial Institutions. The Connected Customer wants financial services that integrate with their connected life. If financial institutions struggle to understand, but if they don’t respond, they will lose customers. Financial Institutions risk losing small, middle-market and even large commercial customers, because users of services are often millennial. Their executives are also often wealth management customers. Let’s take a closer look at customers’

(Business Organization) expectations of United Finance. Most of these appear to have a consumer bias. But United Finance operated by people who are also consumers.

Customer optimistic relationships cannot be achieved in a day, week or a month. Business is nothing without your customers. Developing the right customer service strategy, one that treats customers well and keeps them coming back for more, can help make your business even more profitable. United Finance is looking to improve their customer service, encouraging customer commitment and how to avoid the wrong kind of loyalty.

Service failures and service recovery in the financial institution industry continues to attract the interest of many investigators. It has been proposed that customers are intolerant to mediocre service encounters. It is impossible for financial institutions to deliver all the range of services it offers with zero quality defects in all encounters. As a result, it is essential that United Finance should be in a position to implement an effective service recovery in order to ensure ultimate customer satisfaction. Service failures occur frequently in this industry, possibly because the delivery process of the service is very complicated, as it requires a simultaneous interaction between the customer and the employee. Before the recovery of service some service failures are discussed of United Finance.

The intensive competition in grasping customers, as well as the rapid growth in customers' needs for high quality, proper services have given rise to new innovative methods for optimization of processes, service development and value creation in United Finance's systems. Today organizing a new service development is an important topic for decision delivery in service of financial institution. New Service Developmental process is providing the lower cost and higher benefit methods for creation of competitive advantage in United Finances service system. The new service design for United Finance possibly divided into three sections. The Service Entry Section, The Service Processing Section and The Service Outflow Section.

The relationship marketing perspective is based on the concept of ongoing, mutually beneficial partnerships with customers. On the one hand, customers gain a feeling of

security and control, a sense of trust and minimized purchasing risks, on the other hand, companies are able to reduce transaction costs and time effort and also increase sales numbers. The increased exigency of customers and the intensified competition have imposed relationship marketing an important business market strategy. The implementation of relationship marketing in the area of financial services, as they represent a fertile ground in this context. The financial service sector is characterized by a high up-selling and cross-selling potential and involves a continuous delivery of service. Based on the above thought United Finance performs their integrated service marketing communications in different approaches. United Finance does their business in conservative way. But still for the promotion of products and services United Finance does some integrated marketing communication.

## **CHAPTER 1:** **COMPANY OVERVIEW**

### **OVERVIEW OF UNITED FINANCE LIMITED:**

United Finance Ltd. was established on April 27, 1989. An associate of the Group, United Finance was set up as a joint venture with participation from Asian Development Bank (ADB), Commonwealth Development Corporation (CDC) and Lawrie Group Plc, Duncan's parent Company in the U.K. Local investors were Duncan Brothers, United Insurance Company, Shaw Wallace Bangladesh and National Brokers of Chittagong. Tea was the major business activity of Duncan Brothers until 1985 when it began to diversify and increase its commitment in Bangladesh. The infrastructure was developed to invest into new areas such as bottled water, warehousing, insurance and leasing.

Over the past 27 years the United Finance Limited has become the largest multi-product multi-segment Non- Banking Financial Institution in Bangladesh and one of the blue-chip companies on local stock markets. The single product leasing business which started in 1989 with five staff members has today evolved into a multi-product \$750 million business which has diversified into the Corporate, SME, Retail and Capital Market segments. United Finance Limited is today represented out of 19 branches 16 districts with over 750 staff.

United Finance Limited's corporate ethics are grounded in good governance, statutory compliance and transparency. The Company is committed to sustainable business practices and strong financial performance. United Finance Limited has been regularly recognized by independent bodies for the values underpinning its business and is proud to be a standard bearer for the Bangladesh Financial Sector.

Since 2011, the United Finance Limited has embarked on a journey to grow its capabilities and become larger and better – launching new technology, new products, new branches, new sales teams, new sales channels, etc. In 2014 the Company began leveraging these investments and, seriously stepped up business. 2014 marks the first year that United Finance Limited began really pushing traditional business boundaries and Broadening horizons.

## **Board of Directors**

### **Chairman: Nominated by**

Mr. Imran Ahmed : Lawrie Group Plc of the U.K.

### **Directors**

- a) Ms. Susan Ann Walker: Lawrie Group Plc of the U.K.
- b) Mr. A. Rouf: United Insurance Company Limited
- c) Mr. A. F. M. Misfaqus Samad Choudhury: United Insurance Company Limited
- d) Mr. L. H. Khan : United Insurance Company Limited
- e) Mr. M. Nurul Alam: Surmah Valley Tea Company Limited
- f) Ms. Shama Rukh Alam : Surmah Valley Tea Company Limited

### **Independent Director**

- a) Mr. M. Abdul Wahed
- b) Mr. Daud Khan Panni

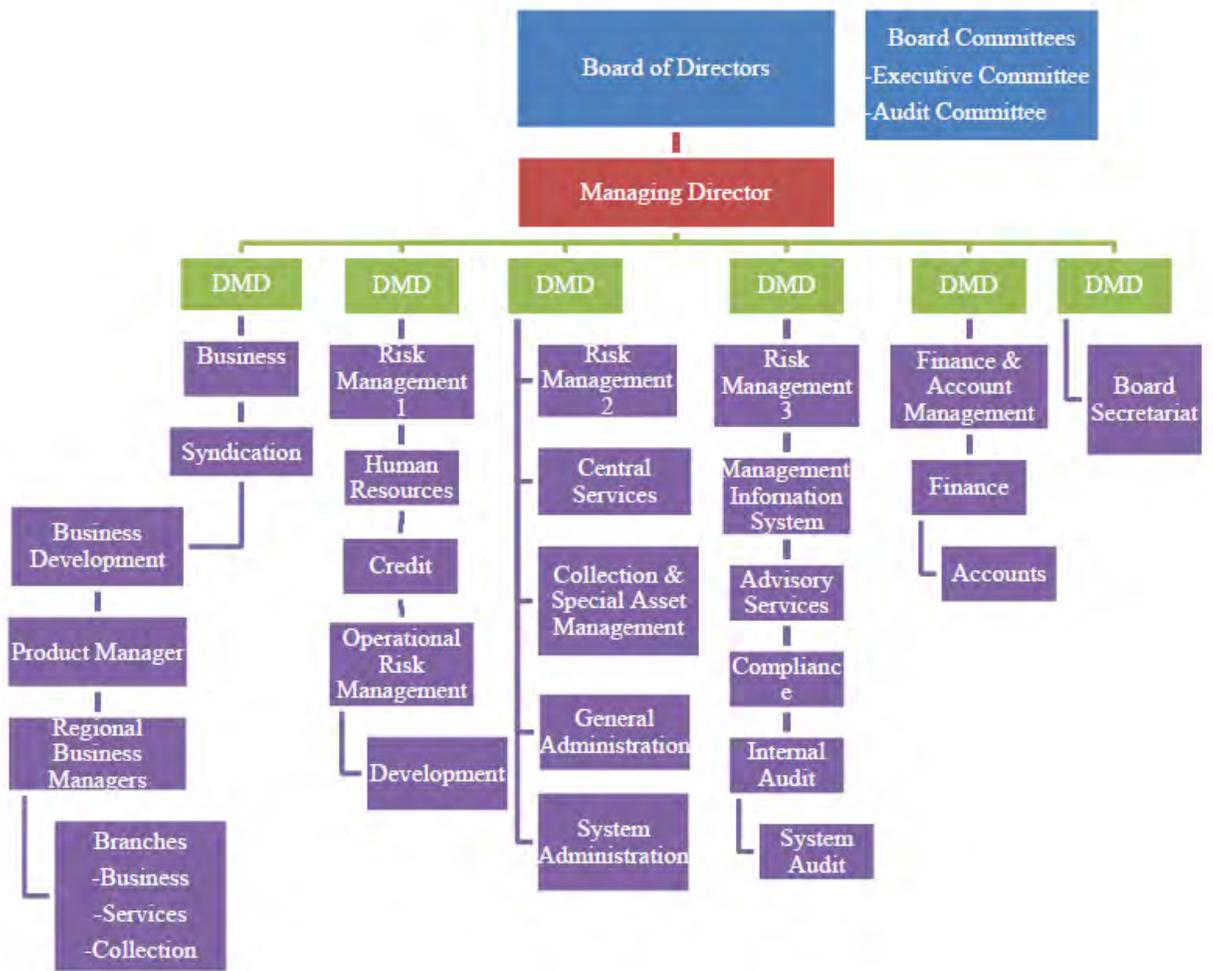
### **Ex-Officio Director**

Mr. Syed Ehsan Quadir: Managing Director

### **The Other Shareholders of This Company:**

- Lawrie Group Plc., UK
- Surmah Valley Tea Co. Limited
- Duncan Brothers (Bangladesh) Limited
- Macalms Bangladesh Trust
- Octavius Steel & Co. of BD Ltd
- The Lungla (Sylhet) Tea Company Limited
- Camellia Duncan Foundation
- The Chandpore Tea Company Limited
- Amo Tea Company Limited
- Chittagong Warehouses Limited
- The Allynugger Tea Company Limited
- The Mazdehee Tea Company Limited, and
- Duncan Products Limited

## Organogram



**Figure: Organizational Organogram of United Finance Limited**

## **Company Mission, Vision and Slogan**

**MISSION:** Aiming to provide solutions to our clients' financial needs.

**VISION:** To help entrepreneurial organizations and in turn develop the country's economy.

**SLOGAN:** Aiming to serve better...every day.

**LOGO:**



## **Business Overview**

UNITED FINANCE LIMITED was established in the year 1989 and today, employs 750 people, principally in Bangladesh. It is listed on the Dhaka and Chittagong stock exchanges with a market capitalization of Taka 15,022 million at the close of 2014 (Taka 10,119 million at the close of 2013). The Company's four arms include: SME, Consumer, Corporate and Capital Markets.

**SME:** The SME division provides specialist lending to small and medium-sized businesses across a broad range of industries including steel, cement, light engineering, plastics and textiles, among others, geographically spread across Bangladesh. The division's operations include term loans, working capital loans and lease financing, customized around customer requirements. The division also supports and encourages women entrepreneurship by providing them loans at attractive covenants.

**Consumer:** The Consumer division offers retail finance for homes and with a small proportion of personal loans and loans against deposits. The division enjoys among the highest market shares and growth rates within the home loan industry of Bangladesh. The Consumer division also acts as the deposit mobilization arm of the Group, providing multiple retail savings products spread across interest rates and maturities.

**Corporate:** The Corporate division provides lease financing, term loans and other financing options for capital expenditure and working capital to a broad range of corporate across the country. The division also offers Structured Finance (SF) solutions that include corporate bond issuances and debt syndication.

## **Financial information of United Finance**

Net Profit After Tax (Tk. in Million): 343

Earning Per Share (EPS) (Tk.): 2.22

Net Asset Value Per Share (Tk.): 17.49

Net Operating Cash Flow Per Share (Tk.): 18.27

## **Products of United Finance Limited**

### **Assets**

**Lease:** Lease is a contractual relationship in which the owner (lessor) of an asset (lease asset) provides the user (lessee), the right to use the asset for a specified period of time (lease period), in exchange for periodic payments (lease rent). During the lease period, the lessor retains the ownership of the lease asset but the lessee has the possession and enjoys the benefits of the lease asset. Between two types of leased-assets (Finance Lease and Operating Lease), United Finance offers only Finance Lease.

In Finance lease, the role of the lessor is that of a financier- the responsibility of maintaining the lease asset in useful condition including regular repairs, servicing, insurance and other expenses lies with the lessee. The lessor retains title over the lease asset, which is more for security. Lease period covers the entire or majority of the economic life of the asset and the lease is fully paid off during this period. The lessee is provided with an option to purchase the lease asset. It is also called capital lease or full pay out lease.

**Term Loan:** Term Loan facility is cash finance and is intended to meet both longer term investment requirement as well as shorter term working capital requirement. Term loan is repaid through periodic installments. This product helps the client to meet both working capital requirement and capital investment and thereby expand their business.

**Affordable Home Loan:** Affordable Home Loan is a housing financing facility. It slightly differs from traditional housing finance as it is targeted towards the middle income population having business or salary income residing mainly in the smaller cities/towns of Bangladesh. The finance can be utilized for construction / extension/ repair / renovation of home or apartment. Mortgage of the said property is the primary security. This product makes it easier for the borrower to build own house within his/her capacity. Affordable home loan is designed in the way that, the fund is properly utilized. For this reason, the fund is disbursed in phases after completion of predetermined stages of construction. This eliminates the risk of misuse of fund by the borrower. To ensure this, visit of construction site is done before disbursement of each tranche. To mitigate the risk of payment, the income of the borrower is carefully analyzed and the amount of loan is determined based on the income and loan tenure up to 58 years of age of the borrower.

**Credit-Sale Financing:** Credit-Sale financing is a revolving financing to support working capital requirements due to accumulation of account receivables or book-debts. „Client“ (supplier) supplies goods or services to the „debtor“ (buyer or customer of supplier) on credit. „Client“ enters into an agreement with the „facilitator“ (United Finance) and assigns „facilitator“ to receive all payments against the supplies made to the „debtor“. The assignment of payment is the primary security. Facilitator provides funds to „client“ based on the invoices created during transaction and preserves them as proof of delivery and to determine the disbursement amount (disbursement is made as the approved percentage of the invoice value). The „facilitator“, in due time collects payment against the invoice from the „debtor“, which is used to adjust the loan principal, interest and service charges. Any excess balance after adjustments of dues is either returned to the „client“ or at the „client“s“ request adjusted against other invoices to help bring down loan outstanding. Credit-Sale Financing provides financing facility to creditworthy suppliers to free working capital tied up in receivables with acceptable debtors. Suppliers who supplies goods on credit on regular basis to their debtors are eligible for this product. The purpose is also to provide value added services like deposit invoices, follow up and collections, collect payment and periodic analytical reports. This helps the clients to focus their attention towards business operations and expansion. Our

service ensures that the clients are made aware of their borrowing cost assessment, transaction trends with debtors, and industry movement through monthly reports to help them manage their business better.

**Distribution Finance-(Cash-Sale):** Distributor Finance provides financing to creditworthy distributors to facilitate their purchase of inventory from importers/manufacturers. „Distributor“ (buyer) usually procures goods from the „importer/Manufacturer“ upon cash payment. In distributor financing, the „distributor“ submits his/her order sheet to „facilitator“ (United Finance). The facilitator disburses fund against limit sanctioned to the „distributor“ and submits the order sheet along with the payment to the „Importer/Manufacturer“. The „Importer/Manufacturer“ delivers goods to the „distributor“, who sells them to the retailers and from the collection proceeds, repays the loan to the „facilitator“ within the stipulated loan period. Distributor Finance Cash provides financing facility to creditworthy distributors to procure inventory from their „Importers/Manufacturers“. This financing facility helps the distributor to procure more goods and thereby they can expand their business without interruptions of cash flow. The purpose is also to provide value added service to facilitate their business activity by cutting down their need to physically go to the importer/manufacture or send someone to pay the importer/manufacture and collect goods.

**Revolving Loan:** Revolving Loan facility is a cash finance facility provided to support the continuous working capital requirement of a business. A limit is sanctioned to the client depending on the working capital requirement and the parameters are set based on the cash cycle of the business. Clients can utilize the limit and take disbursements in tranches and repay each tranche within the repayment period. A repaid loan tranche can be again drawn. The disbursements and repayments are based on trade and cash cycle of business. This product helps the clients to avail fund, which can be utilized for any genuine business requirement and repay from cash generated from business activities.

**Financing Women Entrepreneurs (Nokshi):** To facilitate women entrepreneurs, United Finance has designed a financing product ‘Nokshi’. This product is one kind of term loan. This term loan is provided for a period of usually 12 months or 18 months. Interest rate for this product is only 10% whereas for a male entrepreneur, this interest rate is charged 20%. This is an immense opportunity for the women entrepreneurs to flourish themselves and come ahead to continue business operation without any difficulty to get money-flow. Nokshi is one sort of „Revolving Loan“. This loan is provided to creditworthy women entrepreneurs to meet the requirement of business operation and working capital needs. This product helps the clients to avail fund, which can be utilized for any genuine business requirement and repay from cash generated from business activities. Repayment is done monthly basis either on „Equated Monthly Installment (EMI)“ basis or Structured-Payment basis. Minimum 1 lac to 10 lac is the amount which can be taken without collateral fee. Only two personal guarantors and one cheque covering total amount (principal + interest) in favor of United Finance have to be provided as security for the financing. More than 10 lac BDT financing requires collateral security like hypothecation on the stocks stored in the shop premises. Since the terms and conditions of getting loan and interest rate is much lower, this financing facility has attracted women entrepreneurs to come forward with their afford.

**Liabilities:**

United Finance Limited has some liabilities in form of collecting deposits from customers. The following are the varieties:

- Shanchoy Scheme (monthly)
- Millionaire plus scheme
- Easy Millionaire Scheme
- Annual profit term deposits
- Earn Ahead term deposit
- Cumulative term deposit
- Double money return

All these deposits are collected to mitigate the risk of being dependent on banks to have cash reserve for financing. These services have put extra edge and strengthened United Finance’s fund to invest.

## **CHAPTER: 2**

### **INTRODUCTION OF THE REPORT**

Service is the emerging sector in the new era of corporate world. Previously service in financial sector was not emphasized accordingly. Today the situation has changed, most of the organizations are emphasizing on service policy and practice. The main reason is, the organization's success after sales depends on the service. So, it is important to maintain the service development practice and policy in order to gain long term success in Business. United Finance Limited also gives emphases on service development practice. The intention of this paper is to examine the role of an Non-Banking Financial Institution particularly United Finance Limited (United Finance) in find the present situation of service practice and policy.

### **BACKGROUND**

There is no doubt that the world of work in financial institution is rapidly changing. As part of an organization then, service sector must be equipped to deal with the effects of the changing world of work. This means understanding the implications of globalization, technology changes, workforce diversity in service sector. Changing frequent customer requirements, continuous improvement initiatives contingent, decentralized sites and employee involvement in service are the issue for confront. Now it is a big challenge for the marketing service department of FI to support the organization by providing the best service for the customer requirement in shortest possible time. Starting with recognizing the need, want and demand of customer for is a great task. Moreover selecting attracting and suitable service offers for the customer in time is a challenge.

The cost of the service sector in financial institution is significant. So, proper planning and formulate those plan is the task that require more focus and improvement. Equal opportunity and sourcing is also a vital part. Realizing this need we tried to find the difference and similarities between theoretical aspects with the practical steps taken by the company. Also the automation process of service practices through service portal or software is significant with right vendor software selection.

## **OBJECTIVES OF THE REPORT**

The main objective of the report is to provide an enhance analysis on over all service practice of United Finance Limited. This report will reveal how United Finance Limited focusing on service gaps, customer behavior, expectations & perceptions on service, service processes, service recovery and service development and design and other service related activities.

### **MAIN OBJECTIVE**

The major objective of the report is to fulfill the partial requirements for the completion of MBA

program and achieving academic and practical knowledge, how organizations are managed in real life situation which I can apply in my future life.

### **SPECIFIC OBJECTIVE**

#### **The report has been written**

- To know the historical background of the organization including its mission, objectives and strategies
- To briefly analyze on the service practices of the United Finance Limited
- Finding the service gaps of United Finance through model
- Analyzing customer behavior, expectations & perceptions of United Finance
- Overview on customer through research
- United Finance's customer relationship building and service recovery
- Service design and development process

### **SCOPE OF THE STUDY**

The main aim of this study was to present the different strategies and practices followed in service management in financial institutions; service challenges, risks, and issues at United Finance Limited/ monetary authorities; and guidelines and policies that United Finance Limited could adopt to address them.

## **LIMITATION OF THE STUDY**

With a job full time in United Finance Limited, it was not possible to survey client groups who live outside Dhaka city. Since the objective to evaluate and analyze the effectiveness of marketing service on customers or clients, this report is based on clients residing within Dhaka city limit. Total 15 questionnaires had been sent to different clients via the relationship officers of 04 different branches of United Finance inside Dhaka. Out of these only 15 questionnaires could be collected and of them 20 samples have been chosen for survey purpose. Since almost 45% of the clients of United Finance live in Dhaka city, this sample group will reflect the United Finance 's contribution in the customer's need want and demand of service.

## **METHODOLOGY AND TOOLS**

Data collecting is very important for preparing a report. In order to make this report more presentable and meaningful. I used both primary and secondary resource. The source of data is as

follow:

### **PRIMARY SOURCES:**

- Practical desk work
- Face to face conversation with the officer
- Direct observation
- Direct interview clients
- Daily note taken during the job period

### **SECONDARY SOURCES:**

- Annual Report of United Finance limited
- Branch information record related to the topics
- Various books related with the subject
- Web sites of United Finance Limited
- Memos of service meeting

## **DATA COLLECTION ANALYSIS**

The report has been made on the basis of the objectives mentioned before in the context of “**Overview of Service Policies & Practices of United Finance Limited**”. This report is prepared on the basis of information collected from primary and secondary sources.

## **RESEARCH APPROACH ANALYSIS:**

The data was extracted to produce the valuable results. To process the data Qualitative Data Analysis and Quantitative Data Analysis was used. A range of procedures and processes applied on data that is collected into some form of understanding, interpretation or explanation of people.

- In the first step, the Information was “Collected” from the interviewees (customers, prospective customer and executives and officials) by asking them different questions (as per appendix A) related to service quality and customer satisfaction. During the interview, interviewees were asked to share some real time examples, observations and their personal experiences (within the context of the study) to gather maximum information in the relevant fields.
- In the second step some similarities and differences were “Noticed” between United Finance and customer’s perception and expectation. It was noticed that United Finance’s service operation is still trying to develop service strategy towards the same goal, “Aiming to serve better every day”.
- After collecting and noticing, the third step was to “Think” that how collected information could be linked with the relevant theories used in the study in order to create analysis and draw conclusion.

After thoroughly reading the data and pawing it, the analysis was done on basis of 1 Qualitative and Quantitative Data Analysis methods i.e. thematic/content analysis and connectors. There are two types of content analysis, the relational and conceptual analysis. Conceptual analysis was used to analyze the literature and the interviews done in the financial sector. Relational analysis was used to develop relation between literature and findings from interviews to produce analysis and conclusion for the research questions.

**CHAPTER: 3**  
**LITERATURE REVIEW OF THE PROJECT**

Service is a very important factor for the Non-Banking Financial Institution. To grab more customers and to keep the existing customer in hand marketing service plays a vital role. Loss of expected customers and loss of existing customer can happen for the service issue. United Finance Limited's financial products and services are alienated into two different parts one is Asset Products and Services and the other one is Liability Product and Services. Two different Marketing Service Department are assigned for the two product alignment. The asset product contains: Lease Finance, Long Term Loan, Short Term Loan and liability product contains: Insured Scheme, Build-up Scheme and Earner Scheme. Business to Business service is applicable for both the type products. In financial institution Business to Business service is much sensitive than Business to Customer service. Because of the high volume of business, service really matters for Business to Business aspect. Due to the growth of the competitor in FI market and switching tendency of the customer United Finance's Marketing Service Team working on minimizing the service gaps, understanding the customer expectation, customer perception and develop a framework to upgrading the service system directly and indirectly.

**THE GAPS MODEL OF UNITED FINANCE LIMITED FOR BUSINESS TO BUSINESS**  
**SERVICE QUALITY**

The main slogan of United Finance is “Aiming to Serve Better Every Day”. It is widely believed in United Finance that customers compare pre-consumption expectations of a service organization with their post-consumption perceptions of performance, and that customers’ perception towards service quality is driven by any gap between expectations and performance. The smaller the gap; the better the perceived quality of perceived service and the higher the chance that a customer will remain loyal to the organization. These gaps make the difference between the competitors of financial market.

Before designing the model United Finance has identified the four stages of gaps that need to be minimize to serve the customer. In case of Business to Business issue the gaps are defined in following ways:

**Gap 1: Lack of knowledge of customer needs and desires:**

For asset and liability product, knowledge of customer need and desire is very important. What the customer wants? What type to financial service the customer need according to the want? and What the customer desire from us? If the assigned Relationship Manager (RM) of the Sales Group fails to understand the service will fail from the first stage. For Example

**Gap 2: Inadequate service standards:**

Service standard is a key factor in financial market the competitor makes the difference between them by their service standard. If the service standard is not up to the mark then customer switching tendency will rise up. Even existence of the company may be in question.

**Gap 3: Inability to deliver to service standards:**

Though the company has service standard but they are unable to deliver it to customer, that means their path or the way of delivering service is improper then the service might fail.

**Gap 4: Delivery of service does not match as promised:**

Unable to deliver service as promised is also cause of service failure. If the service does not match with customer desire then this gap arises. In financial institution this gap may cause integrity issue and compliance issue.

Based on the above four gaps United Finance has designed the gap model to eliminate service failure risk and maximization of service standard.

### **Gaps and Their Implications:**

**Gap 1:** To resolve the gap 1 issue United Finance keep their employees specially marketing service desk, relationship manager (RM) and sale personnel very much market oriented. They need to know what the customer wants and what the competitors offering. These can reduce the gap 1

**Gap 2:** To reduce the gap 2 United Finance involves higher management team to develop the quality of service both direct and indirect way. The service standard also develop for both online and offline network. The standard service design is also tested through external resources.

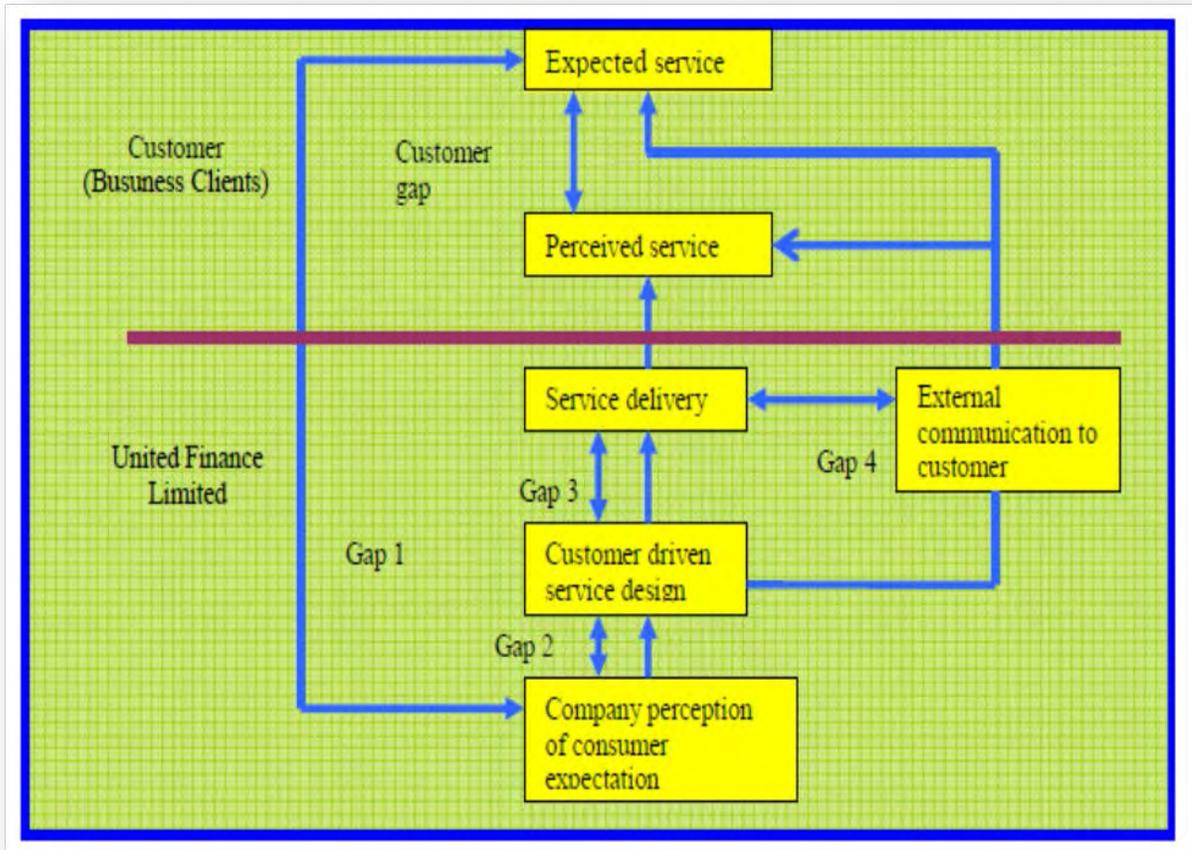
**Gap 3:** United Finance resolve gap 3 by empowering the employee related to service and adopt more self- service technologies. These technologies are also been tested.

**Gap 4:** United Finance restructures their service positioning as required to reduce gap 4. The employees who are assigned to deliver service they are highly trained to mitigate customer's expectation.

### **The Gaps Model for United Finance**

- United Finance designed their gaps model for B2B focusing on the needs of business clients. At first United Finance find out what type of financial service the business clients wants and what United Finance have as offering for solution. To resolve the knowledge gap United Finance does Promotional activities, Road Show, Workshop, Online and Offline information sharing and Training of workforce.
- United Finance designed their customer driven service design by involving the higher managements. External parties or the third parties are also involved in the issue to test the standard of service frame work. All the departments are chained up to the service design. The alternatives are also designed if there is change or exception need to be implemented.
- United Finance trains their relationship manager, sales personnel and marketing service departments to empower themselves to adopt the service framework designed by the company. Not only that, they are also trained to adopt self-service technologies to handle the exceptional issue.

The above measures can reduce the gaps 1, 2 and 3 that means the knowledge gap, the standardization gap and implementation



**Fig: Service Gap Model**

- United Finance standardizes the type of service and time frame of service to keep the promise of service delivery. For ensuring the desired service of client communication processed through one stop service or the central service point. In this service all communication points are recorded to keep the integrity and compliance issue. Exception cases are also controlled from this point also. Failure of mitigate this gap can fail the total model. For this reason United Finance keep this gap sensitively.

There is another point United Finance is going to introduce for service gap model that is Feedback Point. In here feedback from customer are taken regarding the service and corrective actions are taken to mitigate the gaps as possible.

## **CONSUMER BEHAVIOR IN SERVICES OF UNITED FINANCE LIMITED**

Within the traditional structure and operation of the financial services industry, consumers had little choice in terms of selecting financial service provider. The rigid structure of the industry, combined with the operation, meant that consumers had to accept the form and price of both financial services and delivery channels. Switching between financial providers generated little, if any, long-term benefit and forced the consumer to incur disruption and financial cost. United Finance articulate and classify consumer behavior in the purchasing of financial products and services.

### **Repeat-Passive:**

The client (business organization) display low levels of involvement with the financial services of United Finance as they are fully aware of the service's salient features. Given the low levels of involvement and the limited perception of uncertainty, these customers can be described as passive in the sense that they will make repeated interactions without actively seeking alternatives. This repeated pattern of purchase behavior, which is described as behavioral loyalty.

### **Rational-Active:**

It is assumed that the customer's (business organization) involvement in terms of the process dimensions of control, participation and contact with United Finance is high and so too is their confidence in terms of financial service complexity and certainty of outcome. It is these active customers that economic theory has viewed as the norm, possessing the ability and inclination to make carefully considered purchase financial services across all choice environments. In terms of ideal types these customers are rational or rationally inclined.

### **Relational-Dependent:**

Customers (business organization) of United Finance are highly involved, but are not in control due to the complexity of the service and uncertainty of eventual outcome and this reduces customer confidence. In order to make choices, the customers seek advice and help from United Finance or third parties and can, therefore, be described as dependent customers who form relationships to reduce uncertainty and structure their pattern of purchases service. Relational contracting does not fit easily into the concept of either an active or a passive interaction, but it is clearly an important aspect of the United Finance-customer relationship.

**No purchase:**

This customer (business organization) who have no involvement with the financial services of United Finance and do not possess the ability or the confidence to make transaction decisions, make no purchase from United Finance. Individuals who leave significant sums of money on deposit rather than purchase financial services that could generate greater returns are an example of this behavior. This is not, strictly speaking, an interaction mode and is hardly discussed in the NBFJ customer relationship. However, a significant amount of marketing activity is directed at individuals in this quadrant, in an attempt to increase their awareness of alternative products and convince them of their relative merits.

## CUSTOMER EXPECTATION OF SERVICE OF UNITED FINANCE

Customers are changing their expectations of everyone, especially Financial Institutions. The Connected Customer wants financial services that integrate with their connected life. If financial institutions struggle to understand, but if they don't respond, they will lose customers. Financial Institutions risk losing small, middle-market and even large commercial customers, because users of services are often millennial. Their executives are also often wealth management customers. Let's take a closer look at customers' (Business Organization) expectations of United Finance. Most of these appear to have a consumer bias. But United Finance operated by people who are also consumers:

**Take The Customer Seriously:** Something has changed in the millennial generation. But one of the most important changes is the expectation that businesses will take their customers seriously. Customers have always wanted to be appreciated and valued. But the connected generation expects it in several new ways.

**Know The Customer:** Know enough about customer to offer services customer can use, when customer need them. For example, know that, the customer have just started a business, and propose the right products for the customer. If the customer is in a business, this is more critical still. Customers expect you to know their needs for cash flow management, supply chain finance, investment management and things customer didn't even know United Finance offer.

**Respect The Customer:** Let customer see that United Finance thinks of customer as a valuable entity. Understand that sometimes customers don't understand, and sometimes they do, and adapt accordingly.

**Listen to The Customer:** Customer is expecting to be paid attention to, no matter what media the customer is using. If customers have a question, answer it. If customers have a complaint, take it seriously and respond accordingly.

**Be honest with Customer:** Customers know that mistakes happen. What customers can never accept is excuses, or evasion, or downright lying. If you're honest with customers, and work to put a mistake right, customers will respect you in turn and you will keep in business.

**Show customers can trust you:** When make a promise, keep it. Always, to the degree you can. If customer is promised to deliver a payment within 2 days, then make sure the recipient can use the funds in 2 days. If customer is promised to protect data, and then make sure you do. Otherwise, trust and customer's business will be lost in no time.

**Work the Way Customers Work:** Connected customers have become used to social media, with "always-on" and immediate response. They expect Financial Institution to work the same way.

**Be where the Customer is:** Customers expect to be able to access financial services wherever they are, through whatever device or channel is most convenient to customer. Customers expect all services to be available unless physically impossible. Customers also expect to be able to use all financial services, whether consumer or business, seamlessly across channels.

**Respond now:** Do not keep customer waiting on hold, whether the channel is phone, chat, text or even email. If customer wanted an answer tomorrow, or in an hour's time, then that's when customer would ask the question or seek resolution. Value customer's time as if it were your own.

**Give Customer the Service Customer Want to Use:** One of the biggest challenges facing financial institutions is the novelty and innovation of Fintech offerings. Their services are just plain nice to use. But today's customer wants to enjoy business transactions.

**Keep it Simple:** Whatever the customer is doing, don't make it so hard. Customers don't want to have to spend time working out how to use a service, or how to ask a question, or how to talk to a real person.

**Empower the Customer:** Give customers access to all the tools they need and want. Give them the ability to help themselves when they want to, without having to ask for help. Help the customer to feel in control of their finances. Give them options without confusing or complicating things.

**Be the Kind of Financial Institution Customers Want to Work with:** Customers want to think that the organizations they work with are organizations that care. This is especially true of millennials. As well as wanting to be respected, they also want to work with companies that are worthy of their respect.

**Be involved:** Let the customer see that you care about their community, and their world. Develop and offer services that increase financial inclusion. Provide loans for good causes. Advocate for economic justice.

**Be Green:** Do not waste the earth's resources. When electronic communication is good enough, do not send paper (and never send the same paper more than once!) Show a commitment to natural energy. Be known as a company that values all of the parts of the world in which you operate.

## **CUSTOMER PERCEPTION OF SERVICE OF UNITED FINANCE**

Customer's perceptions in the consumption of financial services that have positive impacts on the financial performances of the United Finance Limited.

### **Positive Perceptions:**

Customer finds United Finance's service quality up to the mark. This perception is based on the competitors' way of providing financial services. Both for the asset and liability product United Finance maintain the same line of the service. For this reason customer like to have both the services from same portfolio.

United Finance have more than 19 branches including (two) 2 unit offices. For this reason the customer or the business organization that have business in different area of Bangladesh can access services. That means the accessibility level of United Finance is higher than other NBFIs.

In case of service priority, United Finance maintains own resources to provide service to the valued customer. This has also regarded as the keeping the issue of promise.

In case of compliance in service issue United Finance maintains their strict policy. This Also referred to the internal control of the service. United Finance maintains their integrity and honesty about their services also.

To provide appropriate and fast service United Finance have a large trained workforce which are operated and managed centrally, for that reason customer can have available services according to their needs.

Online accessibility of service is available in United Finance. Customers can easily access into their financial records and call for a service through online. There is also a central service point and branch service desks in each branch for that the customer can get all services from one particular point.

### **Negative Perceptions:**

United Finance has less financial products and services than other NBFIs. It is difficult for the customer to choose the appropriate service according to their need.

Due to United Finance's strict compliance and regulatory policies, it is very difficult for customers to mitigate all compliances to get a service.

Some customers' perception is that United Finance does conservative business. The customers also think that United Finance provides services in those sectors where the return is insured.

## LISTENING TO CUSTOMER THROUGH RESEARCH

To listen to the customer of United Finance regarding service two types of research has been committed

- Qualitative Research
- Quantitative Research

### Quantitative Research on Service of United Finance:

In quantitative research the business clients' interview has been taken. The business clients are segregated into four sections Small Enterprise, Medium Enterprise, Women Entrepreneur and Corporate division. Regarding the service of United Finance all these four divisions are asked same type of questioners. Based on the answers the present service pictures are shown

<b>Dose United Finance offer enough Financial Services/Products as per requirement</b>			
<b>Division</b>	<b>Satisfactory</b>	<b>Dissatisfactory</b>	<b>Moderate</b>
<b>Small Enterprise</b>	85%	5%	10%
<b>Medium Enterprise</b>	70%	10%	20%
<b>Women Entrepreneur</b>	90%	0	10%
<b>Corporate division</b>	65%	15%	20%
<b>Does United Finance know what the customer wants</b>			
<b>Division</b>	<b>Yes</b>	<b>No</b>	<b>Moderate</b>
<b>Small Enterprise</b>	85%	5%	10%
<b>Medium Enterprise</b>	65%	15%	20%
<b>Women Entrepreneur</b>	75%	5%	20%
<b>Corporate division</b>	65%	25%	10%
<b>Standard of service delivery</b>			
<b>Division</b>	<b>Satisfactory</b>	<b>Dissatisfactory</b>	<b>Moderate</b>
<b>Small Enterprise</b>	90%	5%	5%
<b>Medium Enterprise</b>	75%	5%	20%
<b>Women Entrepreneur</b>	90%	0	10%
<b>Corporate division</b>	60%	10%	30%
<b>Does United Finance deliver service on time</b>			
<b>Division</b>	<b>Yes</b>	<b>No</b>	<b>Moderate</b>
<b>Small Enterprise</b>	75%	5%	20%
<b>Medium Enterprise</b>	75%	5%	20%
<b>Women Entrepreneur</b>	80%	5%	15%
<b>Corporate division</b>	70%	10%	20%

<b>Level of providing service through online</b>			
<b>Division</b>	<b>Satisfactory</b>	<b>Dissatisfactory</b>	<b>Moderate</b>
<b>Small Enterprise</b>	65%	10%	25%
<b>Medium Enterprise</b>	80%	10%	10%
<b>Women Entrepreneur</b>	60%	10%	30%
<b>Corporate division</b>	85%	5%	10%
<b>Level of involvement in customer's need, want and expectation</b>			
<b>Division</b>	<b>Satisfactory</b>	<b>Dissatisfactory</b>	<b>Moderate</b>
<b>Small Enterprise</b>	90%	5%	5%
<b>Medium Enterprise</b>	100%	0	0
<b>Women Entrepreneur</b>	90%	0	10%
<b>Corporate division</b>	85%	5%	10%
<b>Service compliance level of United Finance</b>			
<b>Division</b>	<b>Satisfactory</b>	<b>Dissatisfactory</b>	<b>Moderate</b>
<b>Small Enterprise</b>	75%	5%	20%
<b>Medium Enterprise</b>	75%	5%	20%
<b>Women Entrepreneur</b>	80%	5%	15%
<b>Corporate division</b>	70%	10%	20%
<b>Level of Human Resource Involved in service of United Finance</b>			
<b>Division</b>	<b>Satisfactory</b>	<b>Dissatisfactory</b>	<b>Moderate</b>
<b>Small Enterprise</b>	65%	10%	25%
<b>Medium Enterprise</b>	80%	10%	10%
<b>Women Entrepreneur</b>	60%	10%	30%
<b>Corporate division</b>	85%	5%	10%

The above scenario shows that the services provided by United Finance are better than other Financial Institutions. But services in corporate division and medium enterprise are not as satisfactory as small and women entrepreneur division. United Finance possesses a large number of portfolios in corporate and medium enterprise division. In previous section we have discussed in customer's preference. United Finance does not have varieties of financial products and services as required. But the corporate and medium enterprise division needs different types of services as per their requirements because their scope of business is larger than other division of enterprises. Corporate and medium enterprise division needs modification of services; also need more financial involvement and supports. So United Finance should increase the service quality and level for the corporate and medium enterprise. There are also some positive findings from this study. The online service level is very satisfactory level. Customer can access service as per requirement. The human resources employed in service are also up to the mark. The compliance level is also higher than requirement. The level of dissatisfaction is not in the level of risks. So United Finance should focus more in service where the portfolio is larger.

### **Qualitative Research on Service of United Finance:**

Most of the customers of United Finance think that United Finance should increase their financial product and services. But the current situation is not in dissatisfactory level. But to compete in the growing market of service United Finance should diversify their services as per customer's requirements. Though there are some requirements of Central Bank to introduce new services United Finance should also look after requirement that means need want and expectation of customer.

United Finance do their research through knowledge and communication department to empower customers. They always keep update United Finance what the customer want in present market situation. Can United Finance able to find the requirement of customer? Maximum customer said that United Finance have satisfactory level of customer empowerment. But in case of small kind of small entrepreneur customer empowerment is not much effective.

The timing and standard of service delivery is also up to the mark. But the corporate and medium enterprise finance wants more and more fast or speedy services. Also standard services should be maintained. Sometimes corporate and medium enterprises wish to have service in modern way. United Finance is very sound with their technology to back the service up.

United Finance is always strict on their compliance and regulatory policy. Sometimes to maintain this compliance customers feel annoyed. Though there are some exception made for this issue still this is a barrier for service.

## **BUILDING CUSTOMER RELATIONSHIPS**

Customer optimistic relationships cannot be achieved in a day, week or a month. Business is nothing without your customers. Developing the right customer service strategy, one that treats customers well and keeps them coming back for more, can help make your business even more profitable. United Finance is looking to improve their customer service, encouraging customer commitment and how to avoid the wrong kind of loyalty.

### **Master the essentials of customer service**

Offering a good overall customer service experience is a critical part of building long-term, profitable relationships with United Finance's clients. Here are some ways to increase general customer satisfaction with United Finance:

- Giving staff customer-service training
- Making sure United Finance have enough staff to handle all customers' needs
- Follow up with customers after providing service to make sure they're satisfied
- United Finance should look for ways to improve overall efficiency – passing on reduced costs or cutting service delivery times are good ways to keep customers happy
- Following the golden rule of customer service: under-promise and over-deliver
- Deal with complaints effectively and offer to make things right with a refund or replacement of services
- Check with customers who have had problems that they're satisfied with resolution.

### **Turn occasional customers into regular clients**

Take a look at your occasional customers to:

- Analyze the demographics – could customer better meet their needs by adjusting United Finance's financial services?
- Identify service buying patterns – then contact customers to offer a special deal on their usual order.
- Send a circular with new service lines or special deals – expiry dates on coupons will encourage customers to act.
- Design circulars, emails and phone calls to specific clients/client groups to give them just the right amount of helpful, targeted information.

## **Using loyalty-building strategies**

United Finance can help drive repeat business by:

- Giving promotions to customers who takes huge portfolio of service or spend a certain amount over a specified period – this can give customers a spending goal and encourage them to use you over a competitor.
- Offering deals for repeat or standing orders like interest rate revision, service charge waive.
- Enhancing the customer service experience for your best customers – United Finance could offer a VIP service team or more generous refund and replacement policy
- Investing time in making personal connections with most valuable customers.

## **Make United Finance indispensable**

The best way to make sure customers keep bringing their business to you is by consistently meeting their needs, not just offering promotional activities:

- Looking at how customers prefer to contact– phone, email or face to face – and improve that communication channel.
- Analyze past customer service interactions to see what your customers’ priorities are, e.g. delivery times, value, new service lines or reliability.
- Examine competitor offerings to see if they're adding value to their services in a way that United Finance is not – then better it.
- Spend time with customers to see how they're actually using your services. Ask them what they'd like to see more of or less of in the future.
- Keep communicating with employees who deal directly with your customers so United Finance can react quickly to any issues.

### **Avoid the wrong kinds of loyalty**

To make the most from customer loyalty campaigns don't be afraid to drop the wrong kinds of customers.

- Identify which customers are most profitable and focus United Finance's efforts on increasing their business.
- Look for ways to maximize profitability e.g. encourage bundle service orders so company can benefit from economies of scale, or give discounts on standing orders.
- Expand customer loyalty tactics beyond service charge reduction – not all customers are motivated by service charge.
- Drop unprofitable clients who abuse a generous refund policy or take up time with repeated requests for work to be re-done or services exchanged – United Finance should improve staff morale and free up time for profitable customers.

## **SERVICE FAILURES AND SERVICE RECOVERY**

Service failures and service recovery in the financial institution industry continues to attract the interest of many investigators. It has been proposed that customers are intolerant to mediocre service encounters. It is impossible for financial institutions to deliver all the range of services it offers with zero quality defects in all encounters. As a result, it is essential that United Finance should be in a position to implement an effective service recovery in order to ensure ultimate customer satisfaction. Service failures occur frequently in this industry, possibly because the delivery process of the service is very complicated, as it requires a simultaneous interaction between the customer and the employee. Before the recovery of service some service failures are discussed of United Finance.

### **Service Failures of United Finance:**

**Failure of employees giving solution to customers:** This failure occurs when customers have different needs and expectations as a result in some occasions they might not be able to provide the required solutions to customers.

**Slow service delivery:** In some occasions the service might consist of delays this is probably because services can only be standardized on a certain extend. As a result the different expectations of customers might cause delays to the service.

**Technical and Machinery Failure:** This category comes under operational failures that cover machines breakdowns. Machinery failures are ‘uncontrollable to a great extent.

**Inadequate number of employees and long queues:** Bearing in mind the characteristics of services especially heterogeneity and inseparability the given characteristics can result to long queues, possibly because people performance vary from day to day.

**Bad employee attitude to customer concerns/ impolite staff:** As it was examined the importance of moment of truth that frontline employees’ actions can satisfy or dissatisfy customers, by considering the identified findings of the studies indicates that the main failure category in the service sector is due to bad employees behaviour, this might possibly because of the ‘people factor’.

**Informational failures:** This occurs when a customer does not receive the appropriate information regarding their accounts or transactions.

### **Service Recovery Strategies of United Finance:**

Service recovery refers to the actions a service provider takes in response to a service failure. That means generating an appreciation and understanding of service recovery is highly important as organizations must strive to find ways of recovering from any service failure. After examining the service failures identified, it is imperative to examine the recovery strategies provided from United Finance with a main purpose of investigating customer satisfaction and future behavioural intention with their bank in order for the second research objective to be achieved. Five recovery strategies that have been implemented by the United Finance depending on the extent of different service failures. The results demonstrated that in some occasions more than one recovery strategy is implemented in order to meet customer's expectations.

The main recovery strategy adopted by United Finance to repeat the service delivery process this might probably be because customers will be satisfied when they receive the service that they expected the first time. The importance of receiving the service and as a result it can be perceived that the most successful way of recovering of a service failure is to make things right in order to eliminate the chances of customer dissatisfaction.

Another area that indicated a consistency of answers comes under apology and explanation; this might be because is the cheapest way to recover from a service failure. Customers that received an apology from United Finance felt that they have value towards the company. Similarly the apology is considered one of the main recovery strategies.

High level of trust is a crucial factor to establish and maintain a long-term relationship. Trust can emerge when customers have confidence in a company' service integrity and reliability. In fact, long term satisfaction can strengthen the reliability of the service and cultivates trust or in other word, satisfaction with service recovery might serve as a predictor of trust, to test the relationship between satisfaction and perceived trust.

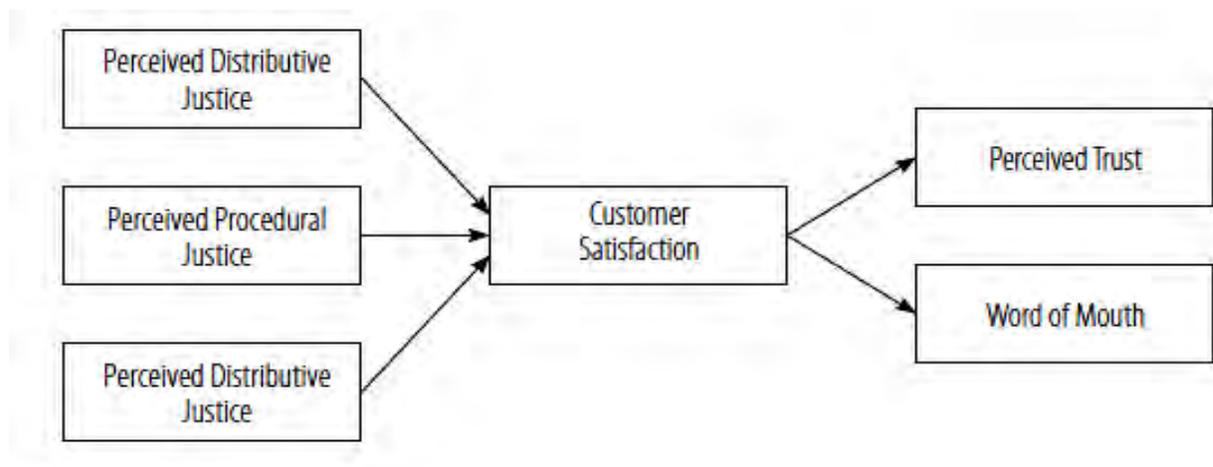
Social exchange theory concludes that there is a link between customer service and word of mouth. Word of mouth is one of the post-purchase behaviors. Therefore, when customers are satisfied with the service recovery, they feel that the relationship with United Finance is rewarding and the gained profit is worth more than the resources (money, time, etc.) that they have to give up. This outcome may lead costumers to positive reciprocity behavior such as spreading good word of mouth about United Finance.

**Justice (fairness):** It is an imperative concept that helps to comprehend how dissatisfied customers' evaluate complaints. Customer satisfaction is affected by how customers perceived justice in service recovery. This because the service recovery justice refers how customers assess fairness of how a service failure is handled by the service provider based on three dimensions: procedural, distributive, and interactional justice.

**Procedural justice:** Is about the perceived fairness in order to achieve the appropriate recovery outcomes. Factors included to such recovery may include time, how fast the service provider will overcome the service failure, flexibility and efficiency.

**Distributive Justice:** It has been found that it is very often in the service context the implementation of distributive justice this is because in many occasions customers don't just want an apology, customers have the need to feel that they have power of the situation that their inconvenience have been recognised, as they result they need to feel that they have been understood and the frontline employee will be in a position to go the extra mile of fulfilling the needs of the customer. Distributive justice includes compensations such as discounts, repairs and exchanges.

**Interactional Justice:** Mainly reflects of how customers are treated, refers to the fairness of the service provider at the implementation of a recovery strategy, it might include the following factors, empathy when treating customers and sensitivity. Subsequently it can be argued when a failure arose the service provider must accept the blame and give an apology to the dissatisfied customer.



**Fig: Service Recovery**

## SERVICE DEVELOPMENT AND DESIGN

The intensive competition in grasping customers, as well as the rapid growth in customers' needs for high quality, proper services have given rise to new innovative methods for optimization of processes, service development and value creation in United Finance's systems. Today organizing a new service development is an important topic for decision delivery in service of financial institution. New Service Developmental process is providing the lower cost and higher benefit methods for creation of competitive advantage in United Finances service system. The new service design for United Finance possibly divided into three sections. The Service Entry Section, The Service Processing Section and The Service Outflow Section.

**Service Entry or Inflow Section:** In this section the customer of United Finance will propose about their requirement for financial product and service. This can be done through both direct method and online service.

**Direct Method:** In direct method the customer will directly communicate with United Finances service personnel. This point will be known as **CENTRAL SERVICE POINT (CSP)**. In here the customer will submit their requirements and the requirement will be delivered to service processing section. The operator of one stop service will be known as **Branch Service Officer (BSO)** or **Branch Service Desk (BSD)**. The benefit of this section is, the customers don't need to go through different points of United Finance for service. The service introduction can be done through direct person to person communication or through telephonic conversation. Then BSD will create a chase through Chaser Portal in appropriate department of service processing section.

**Online Method:** In online method the customer will select their service requirement through website of United Finance. They will submit their service request as per requirement and automatic chase will be initiated to BSD point. The BSD will forward the chase to appropriate department. In online method no direct communication will happen; customer will just fill up a check list for service and submit to United Finance. The customer can track the progress of service also through online.

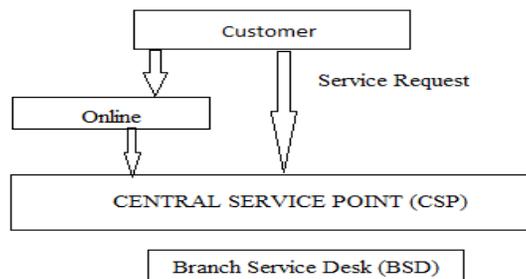
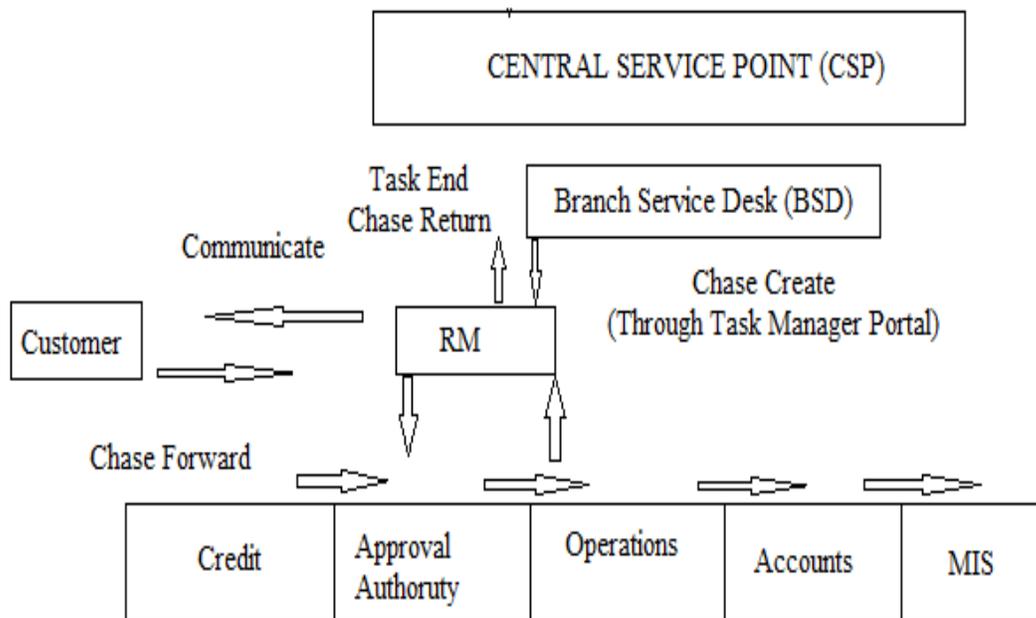


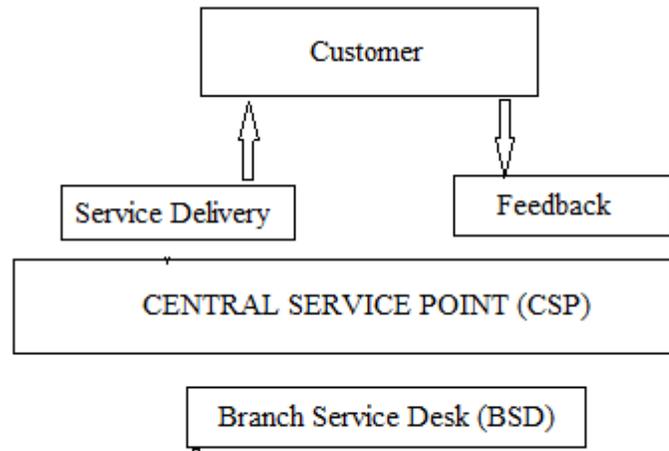
Fig: Service Entry or Inflow Section

Service Processing Section: Service processing section contains Relationship Managers (RM), for both asset and liability service. Credit risk management team Operations Department, Accounts Department, MIS Department and Collection and Special asset Management Team. When the chase is initiate from BSD desk or through online, the first receiver of the chases is RM. The RM will communicate with the customers and tell them about United Finances service detail and also help the customer to select the proper product or service. Then the RM will create a financial proposal for the customer and submit it to credit department through chaser. The credit department will analyze and review the proposal and submit it to approval authority through that same chaser. After approval the approval authority will forward the chase to operations department. Operations department will prepare the documentation and submit it to RM by same chaser. The RM will complete the procedure and resubmit the chase to operations department for further service. After completion of the task of the operations department they will forward the chase to accounts and MIS department for creating accounts and record maintenance. Then MIS department will forward the chase to RM. After receiving the service RM will forward the same chase to BSD point.



**Fig: Service Processing Section**

Service Outflow Section: After completion of the task of service processing section BSD will receive a chase from RM. Then BSD will deliver the service to customer. This will be known as the delivery point of Central Service Point. The central service point will also take the feedback from the customer regarding the service. The customer can also place special requirements and complaints in the feedback section of central service point.



**Fig: Service Outflow Section**

The total service will be held through one chaser portal which will be known as Task Manager. The task manager will run through company's internal networking system. The customer can track the service progress from the result of task manager. The task manager can also provide automatic update to the customers about the progress also. Through this automated service planning the service providing system will be much more simple and comfortable. Service point can be changed or as per requirement of customer. Service recovery can also be ensured through the automatic portal.

## **INTEGRATED SERVICE MARKETING COMMUNICATIONS**

The relationship marketing perspective is based on the concept of ongoing, mutually beneficial partnerships with customers. On the one hand, customers gain a feeling of security and control, a sense of trust and minimized purchasing risks, on the other hand, companies are able to reduce transaction costs and time effort and also increase sales numbers. The increased exigency of customers and the intensified competition have imposed relationship marketing an important business market strategy. The implementation of relationship marketing in the area of financial services, as they represent a fertile ground in this context. The financial service sector is characterized by a high up-selling and cross-selling potential and involves a continuous delivery of service. Based on the above thought United Finance performs their integrated service marketing communications in different approaches. United Finance does their business in conservative way. But still for the promotion of products and services United Finance does some integrated marketing communication.

**Road Show:** Road show is a presentation by company to potential buyers. The management of United Finance issuing new products and financial service travels around the country to give presentations to analysts, managers and potential customer. The road show is intended to generate excitement and interest in the launch of new financial product and services, and is often critical to the success of the offering. Non-deal roadshow occurs when executives of United Finance hold discussion with current and potential customer but nothing is offered for sale. Road show provides an introduction of the offering to potential customer, and considered a key nonfinancial factor in buying decisions made by 82% of institutional investors. The road show moves across many locations that are scheduled in advance and completed over a specific time period.

These Road show events may attract hundreds of prospective customer interested in learning more about the financial products and services offered by United Finance. The events may include multimedia presentations and question-and-answer sessions with several of the United Finance's officers present. United Finance also takes advantage of the internet and post versions of road show presentations online. In addition to the larger road show events, United Finance may also hold smaller, private meetings in the months and weeks preceding the show.

Road shows cover a variety of topics including the United Finance's history and any future plans for growth. Information about the company's current assets, whether tangible or intangible, can be presented, as well as a sales pitch regarding the upcoming financial service offering.

Aside from providing information regarding the offering, the road show allows United Finance the opportunity to answer questions that may be posed by skeptics in the marketplace. It provides a forum where the company can communicate directly with potential stakeholders to address any

potential concerns. The company also use information gathered from present customer to complete the exploration process, which involves gathering information from potential customers are willing to get the financial product and service offering. Once a road show is completed, the final prospectus is created and distributed to potential customer.

**Participating in Different Fairs/Exhibition:** In Bangladesh there are many fairs and exhibitions are arranged to promote the investors. United Finance participates in those fairs and exhibitions. This is not necessary that the fair need to be financial related. United Finance take part in the fairs and exhibitions of different industries. For example: Women Entrepreneur Fair, Plastic Expo Fair, Lather Industries Fair etc. From these participation United Finance can get the opportunity to introduce themselves to different industry and also get the opportunity to introduce their financial services.

Objective of United Finance to participate in fairs and exhibitions:

- Acquire new customers
- Compilation of a database of new clients
- Strengthen relationships with customers
- Introduction of new financial products and services
- Demonstration and promotion of financial products and services
- Creating a corporate image
- Creating and strengthening the brand
- Knowledge of customer expectations
- Obtaining immediate opinion on financial products and services

**Personal Selling:** Personal selling is also one of the most effective tools for United Finance integrated service marketing communication. Personal selling takes place when marketer or sales personnel of United Finance sells financial products or services to clients. Personal selling goes a long way in strengthening the relationship between the organization and the end-users.

Personal selling involves the following steps:

- **Prospecting** - Prospecting helps you find the right and potential contact.
- **Making first contact** - Marketers need to establish first contact with their prospective clients through emails, telephone calls etc. An appointment is essential and make sure you reach on time for the meeting.

- **The sales call** - Share what all unique United Finance has to offer to customers. As a marketer, Sales personnel of United Finance convinced with financial products and services if they expect their customers to invest in the brand.
- **Objection handling** - Be ready to answer any of the client's queries.
- **Closing the sale** - Do not leave unless and until you successfully close the deal. The man thinking of United Finance is there is no harm in giving customers some time to think and decide accordingly. Do not be after their life.

**Events:** United Finance conduct different event such as seminar, talk show or workshop. This event attracts prospective corporate customer and educate them about financial products, services and operations. The seminar also brings values to the audience. For example, United Finance conduct seminar with theme of “Young Entrepreneurship” or “Business and Technology”. The messages could be inserted through seminar that business requires high speed of transaction anytime and anywhere.

**Public Relation:** Public relation is a communication function used to promote mutual understanding between an organization and its various stakeholder groups. United Finance already have public relation section to maintain good relationship with the entire stakeholder and they already have their own program. From channel evaluation of effectiveness in delivering the objectives, United Finance should choose the program between personal communications, sales promotions, direct marketing and events since these channel are rated high on its effectiveness. Besides that, advertising in TV and print media also still have high rate effectiveness. The program could be adjusted according to the budget. Although, advertising are indeed have highest cost. It's too expensive on above the line, United Finance could concentrate on below the line because that programs are effective to build association and relationship with customer, which is it could be the solution in maintaining existing registered user.

**Print Media:** The advertisement shows the prospective customer how financial products and services are the solution of their business operations. Adequate financial service of United Finance could make their life easier. The advertisement can also emphasize the tagline of easiness and usefulness financial service, “convenience only for you”, thus it increases association with helpful brand. The recommended magazine is Business Today and the recommended newspapers are Financial Express and Daily Star. Besides in form of print

advertising, advertorial is needed. This article will contain growth of financial industry, usefulness and benefit of service marketing and how service sector of United Finance works. This expecting to educate the customer how the importance of service section of United Finance for the transaction easiness and practicality.

**Billboard:** Billboard is used as media advertising and it can communicate messages massively as long it put in a strategic place with high traffic, but billboard has limitation in the content of United Finance. If putting to many contents it would be cluttered and won't deliver any messages within glance. The suggestion is create billboard that evoke curiosity. It would be better if the billboard is a creative.

United Finance strive to adopt at least most of the integrated service marketing communication practices in their endeavor to achieve some competitive advantage over their competitors in such a stormy environment despite the stiff competitions and costs of operation. It is concluded that the level of adoption of the integrated communication practices amongst Financial Institutes in Bangladesh still remains an uphill task despite the importance of strategic marketing practices in any business; these practices have not yet been embraced amongst the Financial Institutes in Bangladesh due to high costs associated with service marketing communication practices. Many are the factors that have led to such a low levels of adoption of the integrated service marketing communication practices were inadequate financial backup that is deemed as a major source of drawback to adoption of integrated communication by Financial Institutes in Bangladesh. Technological challenges serve as a drawback to Financial Institutes in Bangladesh in effective adoption of integrated service marketing communication practices. Due to fewer efforts of the Government policies to support E-business, commercial Financial Institutes in Bangladesh have been performing relatively poor.

## **WAY FORWARD FOR UNITED FINANCE IN DELIVERING BEST QUALITY OF SERVICES**

Thinking about the financial service landscape from the customer point of view, one could dwell in the past and talk about trends or we could discuss the future. The particular focus on where United Finance is headed and what are the key business dimensions which need core focus. Before start discussing, lets for a moment talk about where United Finance was in late 2015 and early 2016. United Finance ended the last decade at a very encouraging growth rate, which set the path for the sector moving into the current decade. High rate of asset acquisition coupled with a net positive return on asset did well for the sector and set the path for the financial industry to meet two key business challenges, 1) Low level of product differentiation; 2) Rationalizing cost of service delivery.

**Short Lived Product Differentiation Poses Higher Challenges:** Whether we talk about offerings from the liability side or the asset side of the business, there is low financial product and service differentiation. Unique propositions are created but get replicated before significant revenues can be earned. With financial products and service offering a competitive advantage, for a limited time horizon, service differentiation becomes the most important business dimension, United Finance is striving to achieve, through building it in their organizational value system. In fact, United Finance has service delivery systems and processes, which other service dominant verticals aim to adopt.

**Doing Business Through The Core Business Touch Points:** Within the financial service system, the core customer touch points comprise of, 'relationship manager', 'customer contact centers' and branches. Customers still look for human intervention in any service they seek, as culturally they help build confidence. The relationship manager or the business manager is one of the most important touch points in the service delivery process, and are monitored rigorously. However the costs associated with providing RM/BM services coupled with investments in customer contact centers and branches is putting a lot of pressure on the bottom lines. The primary reason for this is that in Bangladesh the average number of products which an average customer holds with their main financial institution is around 2 to 2.5, which is well below the global average of 4 to 6 products, which is where costs rationalization becomes difficult. To garner share and maintain or gain business momentum, United Finance is acquiring new customers, rather than aggressively cross selling asset

products to their liability portfolio. Going forward, bundling of products and services, especially across liability and asset portfolios would be the key, not only to rationalize service delivery costs, but also bring in some level of differentiation at product and service levels, even though they are short lived. In the long run a higher level of product and service holding by average customers will make business profitable for both the entities - the customer and United Finance. According to a research review, 5 per cent increase in customer retention shall increase profitability by 35 per cent in financial business.

**Technology vs. Human Intervention:** Further, use of technology in service delivery is still at a nascent stage. Talking about customers using technology to carry out financial transactions and service. Online financial service currently and mobile financial service in future would help United Finance deliver high quality of service at relatively lower costs as compared to the current service delivery mechanisms. This will help United Finance reduce infrastructure costs and recurring service delivery costs. There is a large chunk of the urban population, which still have a stronger belief in human intervention rather than technology, with limited human intervention. Cost benefit analysis shows that online service delivery costs are nearly 1/10th of branch etc.

**Need To Continuously Monitor Performance:** Finally, United Finance need to ensure that service is delivered the way the customers want and not how they can deliver. This further puts a lot of pressure on the United Finances service sector, since today customers get exposed to service of not only competition but other verticals, which keeps shifting the benchmarks of service evaluation. United Finance needs to ensure they have a strong mechanism for measuring service delivery performance at all the touch points and continuously monitor shifts in customer expectations through strategic research.

## CONCLUSION

Financial institutions, and for that matter, all service-oriented businesses, tend to struggle with customer service. Few companies become customer service stars without a clear plan to achieve their goals – and appropriate execution of the associated strategies. Fortunately, many of the problems that hamper good customer service are often fairly easy to avoid. Furthermore, part of managing the customer service experience is managing the way those customers perceive it. Customer services in the financial service sector can also help to restore the trust in organizations. Being able to offer a service with the importance of interactions between front-line staff and the customer set at the heart of the call start. Being able to spend time resolving the customer's query is more important measure and is ultimately acting in a more customer centric way. Customer satisfaction has for a very long time been a bench mark by which the mighty have been judged. Quality of financial services remains a critical issue of customer satisfaction and loyalty. Due to the completely different nature of service delivery and contact with the financial customers, establishing a quality management system in the multi-channel context may be a difficult task. United Finance have to adopt the understanding of quality in technology-based service environment, explore the perception of quality delivered to the customers and identify the quality management tools and standards to be able to execute the service quality improvement actions. In terms of creating a customer focused organization United Finance have started to reach the starting gate. But there is still limited awareness of customer service delivery as a business imperative, limited evidence of top team clarity and limited evidence of policies, practices and procedures for ensuring quality service delivery.

## **RECOMMENDATIONS**

- United Finance need to permeate the organization's mission, vision, values and key objectives. Senior managers must demonstrate a strong commitment to being a customer centric organization. They must be prepared to be managers of change and provide leadership in the face of resistance from employees. The organization must be focused on its core objective, delivering excellent services.
- The way United Finance do business should match the needs of the customers not its own. The company should understand the needs of its customers and the different groups of customers it serves. It should listen to the concerns of customers and develop strategies to address the concerns. It should carry out customer journey mapping so that it understands where the customers are experiencing poor service delivery and take steps to rectify them.
- Everyone in United Finance as service provider from the Top to the most junior employee can benefit from training and development to enhance their people skills and their attitudes and behavior towards customers. Training should be provided so that it does not adversely impact on service delivery. The quality of leadership in a service provider is often an indicator of its customer orientation. Managers must create a companywide commitment to service improvement.
- Giving employees responsibility for decisions affecting their work encourages a customer focus and ongoing improvement. The wearing of a uniform by staff not only enhances the corporate identity but also helps to build staff loyalty and commitment to their work.
- It is essential for United Finance to communicate with staff about customers and about best practices in customer service delivery as an impetus for change. It is also important to communicate with customers and keep them informed about what United Finance has done and is doing to improve service delivery.
- Service quality initiatives should not be one-off exercises but embedded in United Finance. A commitment to continuous improvement is necessary and performance against targets needs to be regularly measured. The success of a service philosophy depends on a continuous commitment to service improvement.

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- iii. <http://www.assignmentpoint.com>
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- v. <http://erenkocyigit.com/segmentation-financial-services-marketing/>

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- i. Annual Report 2013: United Finance Limited
- ii. Annual Report 2014: United Finance Limited
- iii. Annual Report 2015 : United Finance Limited

## **APPENDIX**

### **Questionnaires:**

- I. Dose United Finance offer enough h Financial Services/Products as per requirement?
- II. Does United Finance know what the customer wants?
- III. Does United Finance deliver service on time?
- IV. How many times you have taken service from United Finance?
- V. Explain Standard of service delivery?
- VI. Level of providing service through online
- VII. Level of involvement in customer's need, want and expectation
- VIII. Service compliance level of United Finance
- IX. Level of Human Resource Involved in service of United Finance