

**A Study of Customer Satisfaction on Online Banking & ATM
Services of Islami Bank Bangladesh Limited,
Badda Branch, Dhaka.**





Inspiring Excellence

Submitted To

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**A Study of Customer Satisfaction on Online Banking & ATM
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Letter of Transmittal

Date: 05.12.2018

Ms. RaisaTasneemZaman

Lecturer

BRAC University

Subject: Submission of Internship Report on A Study of Customer Satisfaction on Online Banking & ATM Services of Islami Bank Bangladesh Limited

Dear Madam,

Assalamu Alaaikum. I am pleased to submit my internship report on “**A Study of Customer Satisfaction on Online Banking & ATM Services, Islami Bank Bangladesh Limited**” **badda branch** as a requirement for my undergraduate degree.

I was assigned in an internship program for our Bachelor of Business Administration degree and I chose Islami Bank Bangladesh Limited for my internship which is a banking financial institute. I have chosen to study on Islami Bank Bangladesh Limited and finding the service marketing of ATM services and online banking of IBBL. In the time of writing the report, I have followed the internship report format given by the internship coordinator. However, I will be glad to clarify any issues that may arise.

Sincerely yours,

Md.Ashraf Jahan

ID: 14304165

Major: Marketing

Program: BBA

Department of Business Administration

BRAC University

Letter of Endorsement

Subject: Approval of report

This letter is to certify that, all the information mentioned in this paper is true and not confidential to the company. The Report mentioned here have had successful involvement of Md. Ashraf Jahan, ID: 14304165, BRAC Business School, BRAC University.

Ms. RaisaTasneem Zaman

Lecturer

BRAC University

Acknowledgement

First of all, I want to give my thanks to almighty Allah for giving me the chance to do my intern in a top level organization in our country. Without the help of almighty it is not possible for me to submit the report on time.

I am also very much thankful to my university supervisor Ms. Raisa Tasneem Zaman. She helped me a lot to complete this report properly.

I would like to thanks the course coordinator K.M.Rahmatullah , Faculty Member of IBTRA. I profoundly grateful to the Md. Zahangir Alam sir SAVP& operation manager of Islami Bank Bangladesh Limited, Badda branch, Dhaka. They helped me a lot and answered my all question related to the IBBL. Without their helpful and friendly behavior, it is not possible for me to know many things about IBBL. I am also grateful to customers who gave their valuable time to help me with the survey questionnaire for the research paper.

I wish to heartily thank all other employees of IBBL those were frankly, dynamic and helped me during my internship.

Md.Ashraf Jahan

ID: 14304165

BRAC University

Executive Summary

Islami Banks Bangladesh Limited has slowly become one of the leading banks by completing their missions and visions after their establishment in 1983. I did my intern at badda branch of IBBL. I worked in all 3 desks by job rotation to get the overall idea about the banking activities of IBBL. It was not difficult for me as the other employees were very helpful during my internship period. I got to interact with customers while they were taking the services from the bank. I also got the chance to get their views regarding the service of the bank. Although sometimes it seems very challenging as the customers are in a hurry and didn't want to participate in the talk. I learned from my internship program how to overcome fear and how this is important to prosper in life. I also got the knowledge about punctuality. It helped me to increase my confidence in this banking sector. I got chance to know their different activities through the internship program and I particularly focused on the Customer Satisfaction level of Islami Bank Bangladesh Limited which is my internship report topic.

Chapter 1

Introduction

To fulfill the requirement of my internship I have chosen Islami Bank Bangladesh Limited Badda Branch. Firstly, I have gone through a fifteen (15) days training from Islami Bank Training & Research Academy (IBTRA) which is located at Mohammadpur, Dhaka. There I had to sit for a written exam as well after the training on Islamic banking concepts. This training has helped me a lot to contribute for my internship paper with information & knowledge. After that I have chosen the topic for my internship report after discussing with my honorable faculty.

Rationale of the study (origin)

I propose this study because Islami Bank Bangladesh Limited has been one of the top banks in our country over the years so I want to study on Customer Satisfaction of Online Banking & ATM Services and how they deal with the customers and try to make them happy. Well, there is relevance of this study as a student this report will help me to know how Islami Bank has applied the service marketing in their banking system to become successful and also I will be able to know the customer satisfaction level regarding the services mentioned above. This report will positively contribute to the university if any students want to know how is the customer satisfaction level on Online banking and ATM services of Islami Bank Bangladesh Limited.

Objective of the Study:

Broad Objective:

The main objective of the study is to gather an in depth knowledge about the customer satisfaction after taking the online banking service and ATM services.

Specific Objectives:

- To find out about the customer satisfaction of the ATM Services
- To know how the customer feels after taking the online banking services.
- How the problem is overcome by the employee of Islami Bank.

Scope of the Study

Islami Bank Bangladesh Limited has 341 branches at present. Among those I have chosen Badda branch. Here I have worked 60 days. The working environment of this branch is very convenient. I have discussed about the “**A Study of Customer Satisfaction on Online Banking & ATM Services of Islami Bank Bangladesh Limited.**” I think the report will helpful to know about, the country’s overall green banking activities and the contribution of DBL from the year by year.

Methodology

Analysis and interpretation of Data

The study covers the findings of customer satisfaction of Islamibank, Badda Branch. For this study I mainly relied on the primary data. I exchanged views with my supervisors and with the officers of the branch. I also talked with the customers of the branch to gather the information I needed for the report.

I used the following method to collect the primary data.

- Direct interviews of my supervisors
- Face to face interview with the customers
- My own observations and experiences during the internship period.

To improve the Quality of my research paper. There is use of secondary as well to enhance my knowledge for the topic. Below are the sources:

- Journals & articles from websites
- Annual Report of IBBL.

Measurement and Sampling:

In my Questionnaire, I have used 10 close ended question and 3 open ended question. For the research paper, I have selected some customers alongside with my supervisor of the branch. I had taken 40 respondents as my sample size. I requested them to fill up the form. Due to lack of time, I couldn’t manage a large size of sample. Due to the customer busy schedule it was not possible for me to manage huge customer sample to sit and fill up the form i.e. for the interview. I used some tools like dichotomous question and Likert scale to make my questionnaire simple and easy for the customer to understand also taking into consideration about the time limitations of the customers.

Limitation of the study

Well, the limitations are:

- Secondary data may not give proper overview of the Islami Bank Bangladesh Limited because of availability of data.
- Some information is very secret and the Bank will not want to provide that information.
- As an intern student it is not possible for me to collect all the necessary information due to privacy issue of the bank.
- I had to complete this report within a very short amount of time that was not sufficient to entirely know all about the branch.
- Sample size is small due to fact that customer was not willing to give time for the survey.

Chapter 2

Introduction

IBBL is one of the leading bank in our country as well as in the world. It is ranked as one of the top banks in Asia. It is also among the top 1000 banks in the world and the only Bangladeshi bank to be there Islami Bank started its journey in 1983.

Below is a timeline given about how the concept about Islamic banking formed and the birth of Islami bank in 1983.

Historical Background of IBBL

- 1962: Pilgrim Savings Corporation, Malaysia
- 1963: Savings Bank in Mitgamar, Egypt 1963, Ahmad Al Najjar: The pioneer in Islamic Banking
- 1969: TabungHaji, Malaysia
- 1974: Bangladesh Signed IDB Charter, committed to Islamic Banking system gradually.
- 1975: Dubai Islami Bank
- 1977: Faisal Islamic Bank, Sudan & Kuwait Finance House.
- 1977: Mr. Md. Mohsin, Ambassador of Bangladesh to UAE suggested the Govt. to establish abank like Dubai Islamic Bank.
- 1978: Jordan Islamic Bank for Finance & Investment.
- 1980: Bangladesh Bank deputed a representative to study the operations of several Islamic banks
- 1981: Bangladesh Bank with Mr. Nurul Islam, Governor in the chair decided in Bankers' meeting to open Islamic Banking in all Banks. Bankers meeting also decided to open at least one Islamic Branch in District level. 37 senior bankers took training in Sonali Bank Staff College form working group for Islami Bank.
- 1982: IDB visited Bangladesh & showed keen interest to participate in establishing a joint Venture Islamic Bank
- 1983: Islami Bank Bangladesh Limited was established.

Product & services

Under products and services Islami Bank Bangladesh Ltd. has below categories:

+ DEPOSIT SCHEMES:

- Al-Wadiah Current Account (AWCA)
- Mudaraba Savings Account (MSA)
- Mudaraba Term Deposit Account (MTDR)
- Mudaraba Special Notice Account (MSNA)
- Mudaraba Hajj Savings Account (MHSA)
- Mudaraba Special Savings (Pension) Account (MSSA)
- Mudaraba Savings Bond (MSB)
- Mudaraba Monthly Profit Deposit Account (MMPDA)
- MudarabaMahr Savings Account (MMSA)
- MudarabaWaqf Cash Deposit Account (MWCDA)
- Mudaraba NRB Savings Bond (MNSB) Account
- Mudaraba Foreign Currency Deposit Account (MFCD)
- Students Mudaraba Savings Account (SMSA)
- Mudaraba Farmers Savings Account (MFSA)

+ INVESTMENT MODES AND SCHEME:

Trading / BAI- Modes

- Bai-Murabaha
- Bai-Istijrar
- Bai-Muajjal
- Bai Salam
- Istishna
- Bai-Asharf

+ Partnership/ SHARE- Modes

- Mudaraba
- Musharakah

Leasing / IJARA Modes**Hire Purchase under ShirkatulMelk (HPSM):**

Hire Purchase under Shirkatulmelk is a special type of contract which has been developed through practice. Actually, it is an union of three contracts: Shirkat, Ijara and sale.

INVESTMENT SCHEME

- ✓ Household Durable Scheme (HDS)
- ✓ Household Investment Scheme (HIS)
- ✓ Real Estate Investment Program (REIP)
- ✓ Transport Investment Scheme (TIS)
- ✓ Car Investment Scheme (CIS)
- ✓ Investment Scheme for Doctors (ISD)
- ✓ Small Business Investment Scheme (SBIS)
- ✓ Agriculture Implements Investment Scheme (AIIS)
- ✓ Rural Development Scheme (RDS)
- ✓ Micro Enterprise Investment Scheme (MEIS)
- ✓ Urban Poor Development Scheme (UPDS)

Electronic banking services

- ✓ **Online Banking**
- ✓ Mobile Banking
- ✓ SMS Banking
- ✓ **ATM Services**

Uses of online banking & ATM services**Online Banking:**

Online Banking includes

- ❖ balance & limit inquiry
- ❖ profit details, term deposit details
- ❖ Investment repayment schedule
- ❖ Clearing cheque status
- ❖ transaction and Cheque book details

- ❖ customer information
- ❖ statement request
- ❖ cancelling cheque request
- ❖ address change request cheque book requisition
- ❖ password change
- ❖ EMI calculator.

ATM Banking:

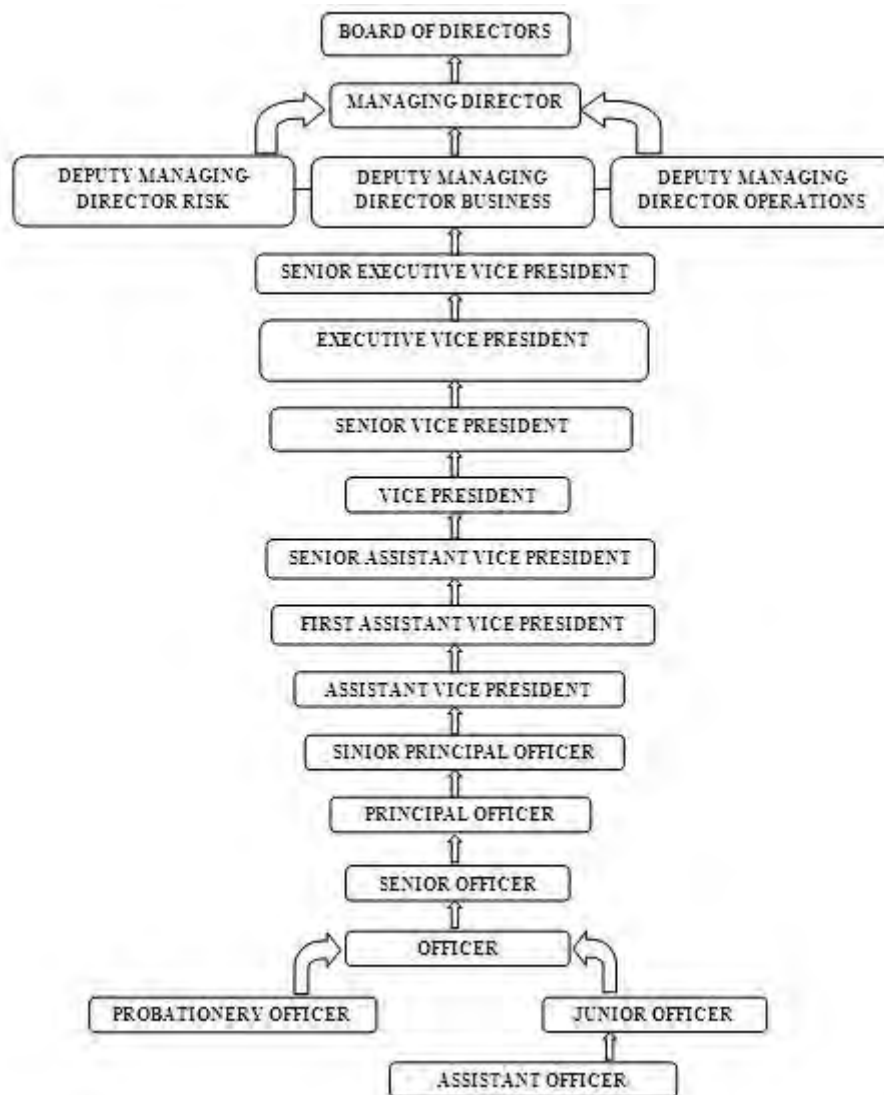
Through Automated Teller Machine (ATM)/ Debit card customer can get the facilities like

- ❖ withdrawal money
- ❖ purchase goods from Point of sale (POS)
- ❖ balance inquiry.

Vision

- ✓ To maintain and establish the techniques of modern banking.
- ✓ To make people interested for savings in the form of direct investment.
- ✓ Working for the welfare of the people, based upon integrity, transparency and accountability in order to make sure about the stability of the financial system.

Management hierarchy



Chapter 3

Internship Experience

Nature of the job

As an intern I have performed many activities. Basically, I had to sit in all 3 desks of the bank i.e. General banking, Foreign Exchange and Investment desks by job rotation. My main task was to assist officers in their daily office works and to learn those works. It includes every activity the officers have performed for instance like dealing with customers, accounts opening, site visit with officers, document analysis, filling the form etc.

Specific responsibilities

While during the internship, I had to perform some specific responsibilities. Below are some duties I had performed during my internship period:

- Dealing with customers, helping them to open accounts.
- Assisting the bank employees in their day to day office work.
- Maintaining various registers files.
- Sorting the Cheque, vouchers of the bank.
- Giving ATM Cards to the new clients and taking signature of them.
- Sorting of cheque according to serial number.
- Filing different L/C related documents.

Different aspects of the job performance

- It helped me to learn the banking activities.
- It has increased my practical knowledge about banking.
- I was able to complete the duties given to me successfully

Critical observation

- Working environment was nice.
- Employees were helpful despite of their busy time with the clients.
- I got the chance to know many things about Islamic banking within this short time period.

Literature Review

K.V.S Gayathri of Rayalaseema University says that in service companies delivering the product with good quality and within less time is very important. Therefore, an online banking service is an excellent platform to deliver the service within a less amount of time thus making customer happy and satisfied.

In another paper Lemma & Bark (2016) says that the effect of ATM service quality on customer satisfaction depends on factors like tangibility, reliability, responsiveness and empathy. These are vital factors and these factors explained 79.2% of the variation of the customer satisfaction level. There is also suggestion given in the journal like the bank need to pay attention for training and developing staffs' skills in using ATM services in addition to installing the ATM in proper and accessible place.

In another study "Understanding Customer Satisfaction of Internet banking" here the writers wanted to examine the factors which influence the customer satisfaction towards internet banking. They came out with factors which are service quality; web design and content; security and privacy; convenience and speed. The result of the research shows that web content, convenience and speed are the top three factors which influence the customer satisfaction towards internet banking.

Chapter 4

Analysis

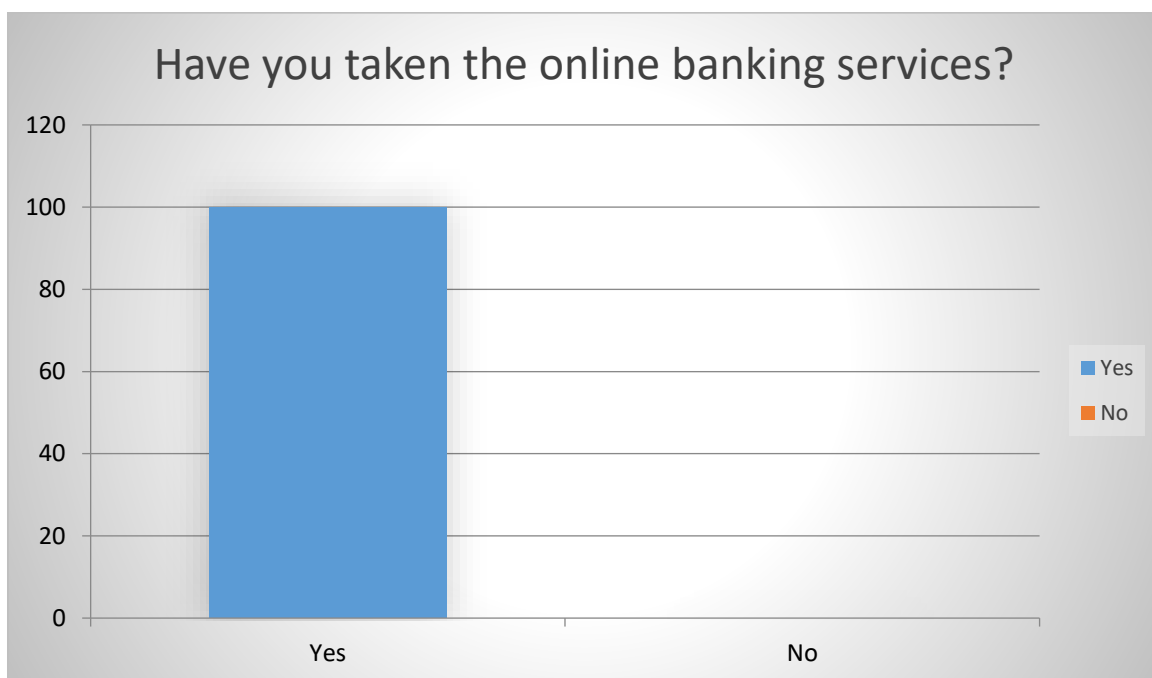
Analysis of data is considered as one of the important element for a research. In the research I tried to collect mainly qualitative data, but there are quantitative data as well. It was time consuming as I had to interview each and every customers form whom I have taken the opinions and exchanged views.

But, my task of analyzing the data was somewhat made easier with the use of Microsoft Word and Excel sheets. These tools were very useful for my research purpose as my research is a Descriptive research.

The part will show the relation between the research objective of my paper and the collection of data. Here, I have used the primary data research and after that I have used Microsoft Excel to calculate percentage for graphi.e. pie chart, bar chart from the data taken from the customers in the questionnaire.

1. **Have you taken the online banking services?**

- Yes
- No

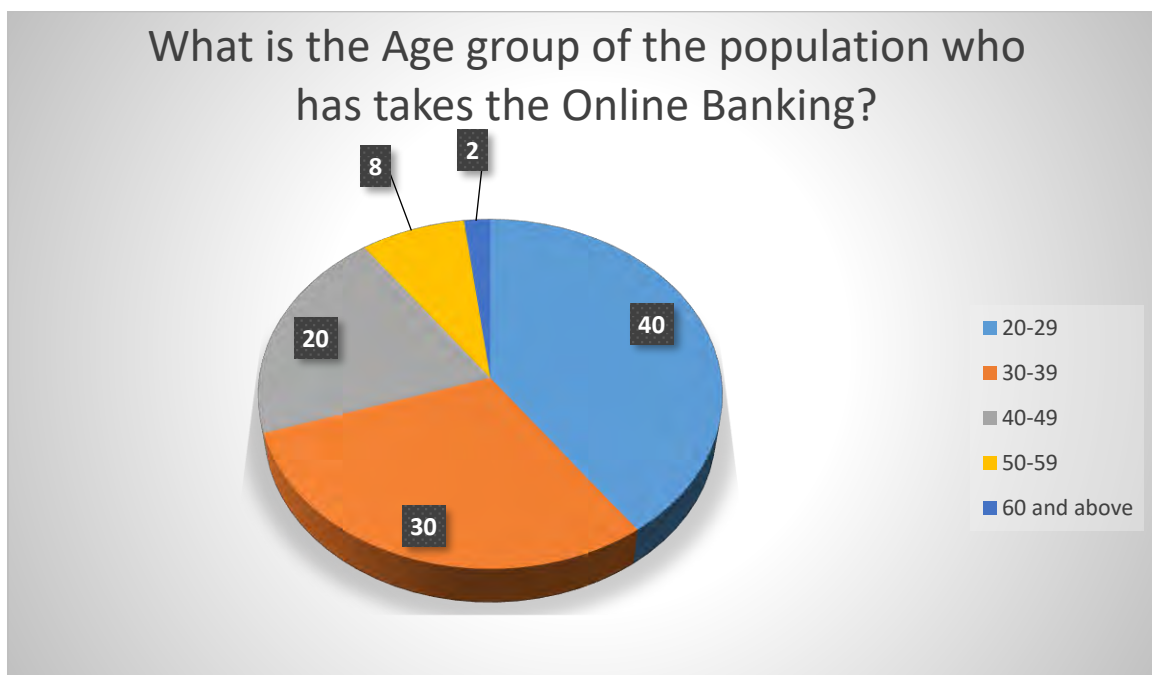


In the first question, I asked the customers that whether they have taken the online banking services or not. Here, the customers who have only taken the online banking services are taken

for this question because the customer satisfaction can only be measured if the customer has taken the services. So, therefore, the percentage of yes is 100 % as per the question.

2. **What is the Age group of the population who has taken the Online Banking?**

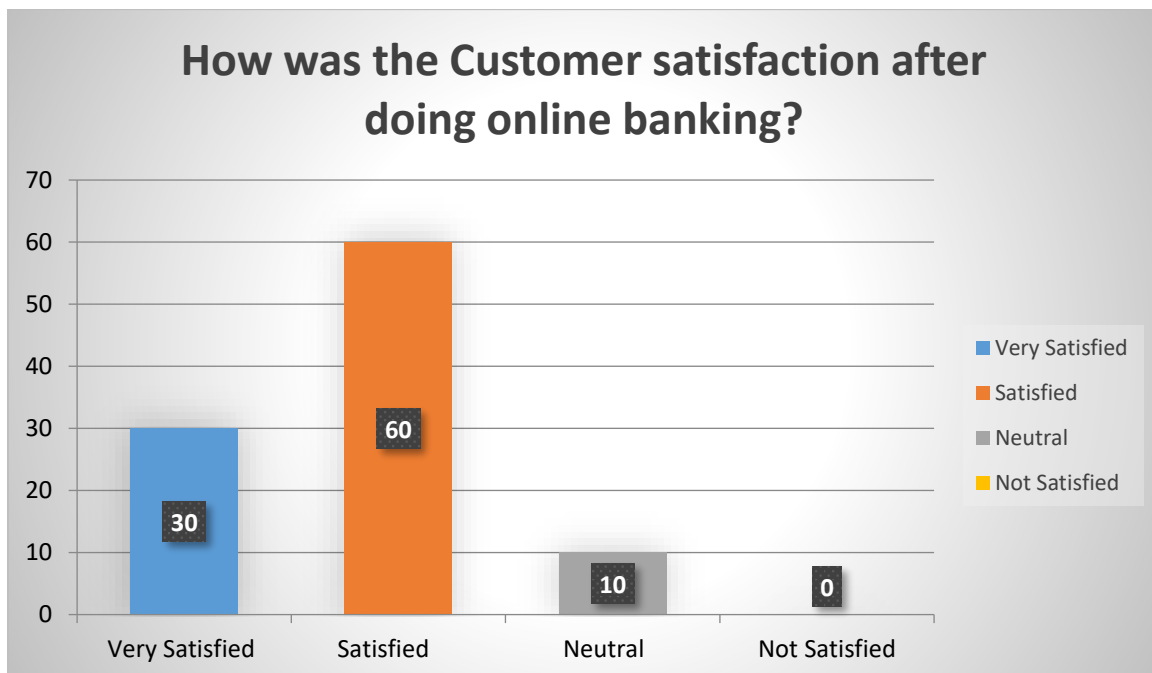
- o 20-29 years
- o 30-39 years
- o 40-49 years
- o 50-59 years
- o 60 and above



In the second question i requested to know about the age of the customer for my questionnaire who has taken the online banking services. Here, i noticed that the less age group i.e. the young generation find the online banking more attractive than the aged ones. This is due to the fact that old people are not familiar to the technological things and doesn't feel comfortable with it. On the other hand, young people are more comfortable with it and like to take the online services more. The pie chart also shows that. If you look you will see that 40% of the people who takes online banking age between 20 to 29 years old. And only 2% of users are aged 60 years and above.

3. **How was the Customer satisfaction after doing online banking?**

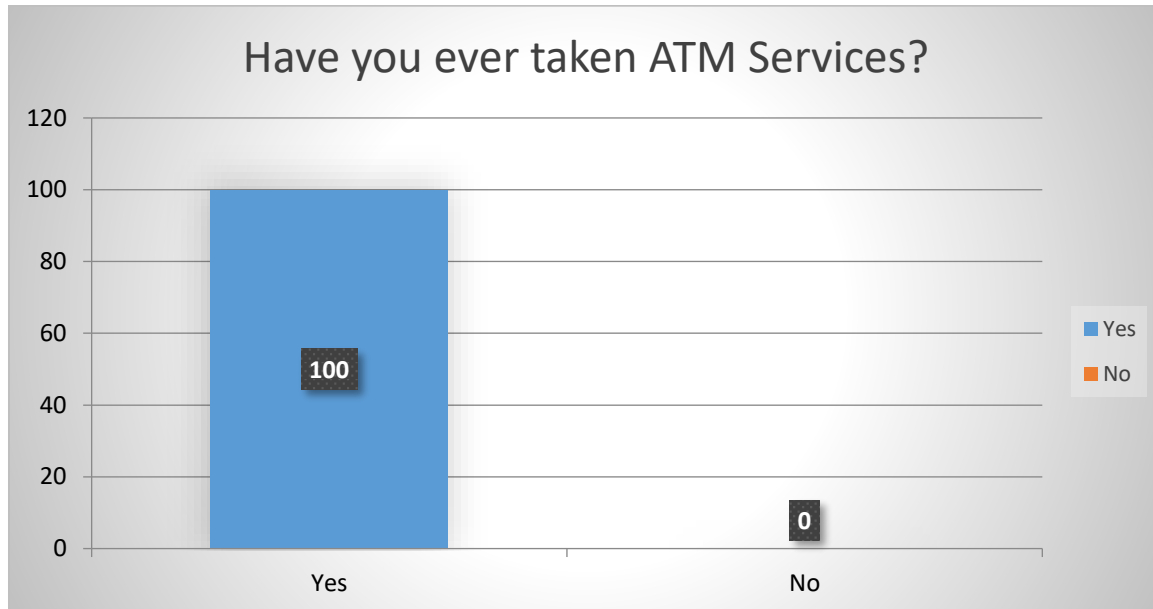
- Very Satisfied
- Satisfied
- Neutral
- Not Satisfied
- Very Satisfied



Well, in the third question i asked how their satisfaction level was after taking the online banking. Here, from the pie chart we can say that majority of the customer has expressed their opinion as satisfied. 60 % of the customer said that they were satisfied with the online services. 30 % said they were very satisfied with the services. However, 10% neither are satisfied not dissatisfied, they are somewhat like its ok i.e. neutral.

4. **Have you ever taken ATM Services?**

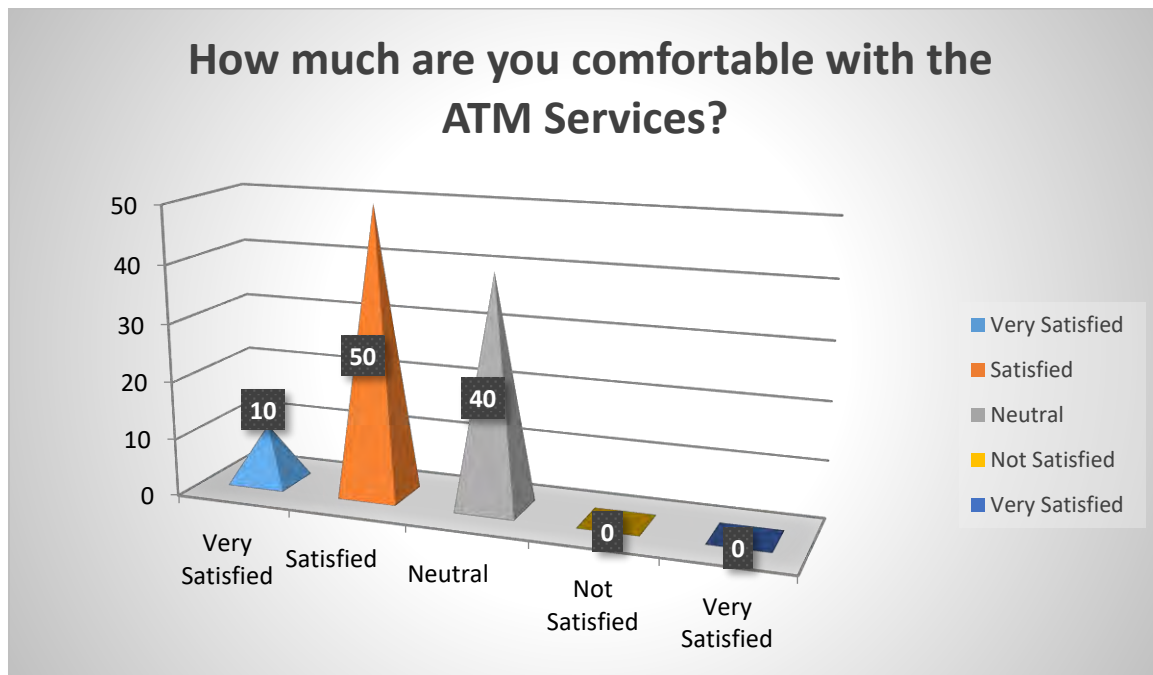
- Yes
- No



The Fourth question was very much straight forward like the first question. There i chose only the customer who has taken ATM banking services. This is because before listening to their experience I had to make sure whether they have used the ATM services or not.

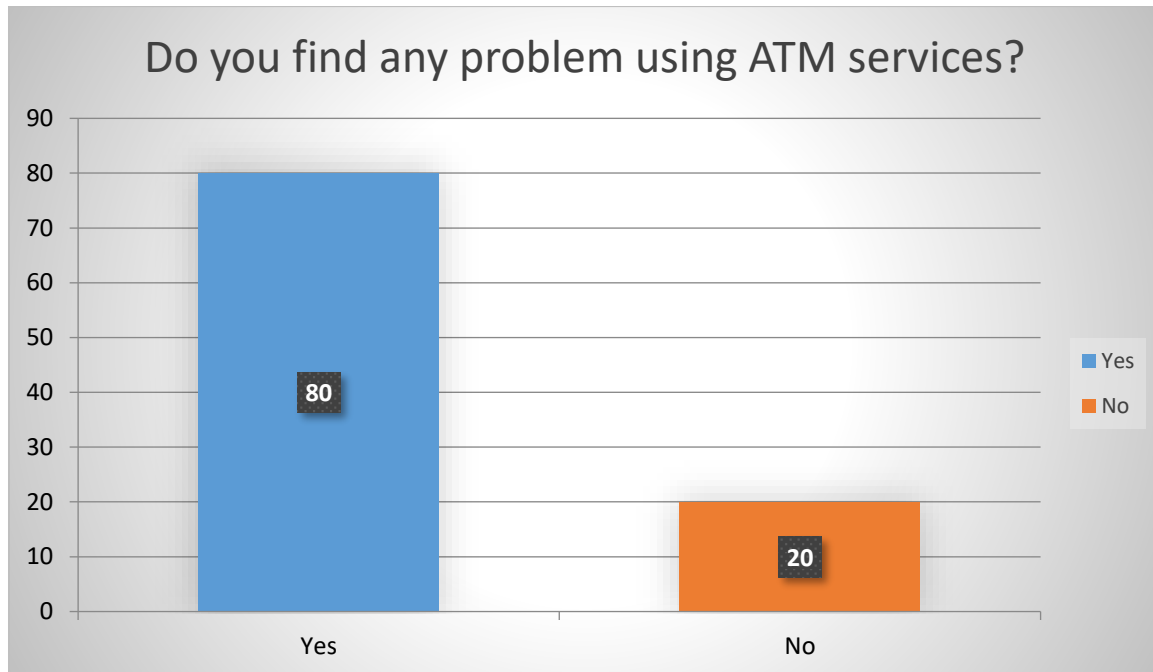
5. How much are you comfortable with the ATM Services?

- Very Satisfied
- Satisfied
- Neutral
- Not Satisfied
- Very Satisfied



In case of fifth question i asked how much comfortable were they with the ATM services. Here comes an interesting part which will be solved in the second last question as customer expressed their opinions in tat open ended question. But here, from the percentage we can see most customers are satisfied with the ATM service. 50% said they were satisfied with the service

6. Do you find any problem using ATM services?
- Yes
 - No



In the sixth question, i asked whether they faced any problem using the ATM services. 80% of the customer said no therefore we can say they are satisfied with the services.

7. Do you find any problem taking online banking services?

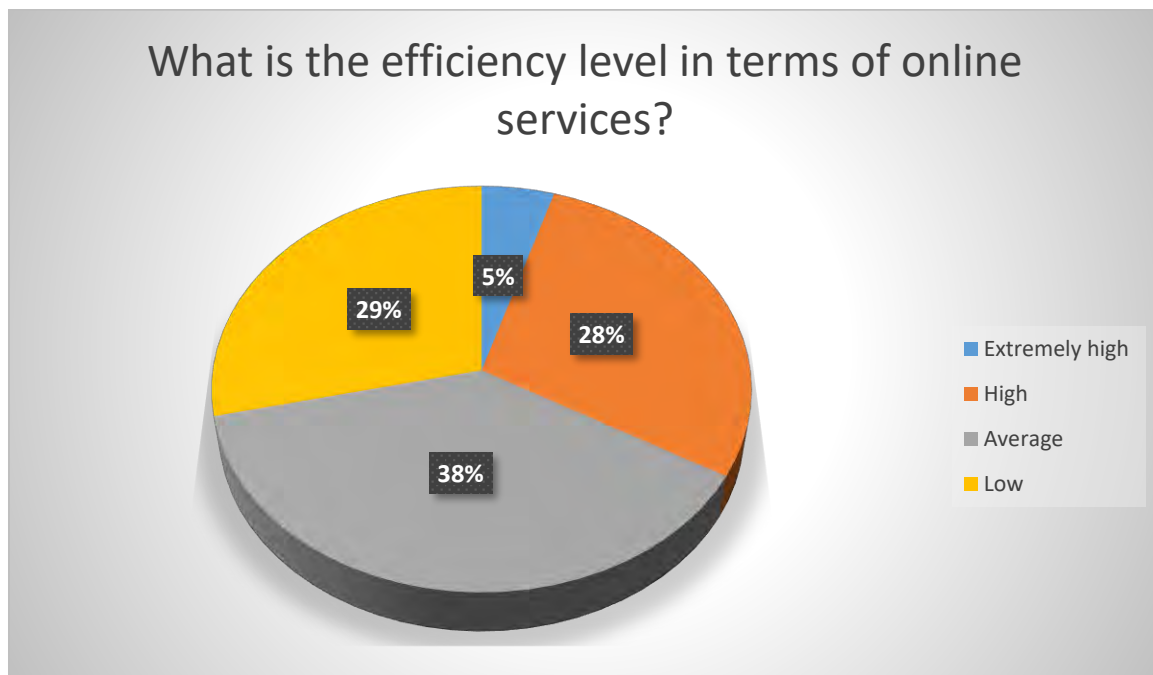
- Yes
- No



The seventh question was identical like sixth question but with a slight difference. Here i asked whether they have faced any problem with the online services. 90% said they didn't so this is positive customer feedback for a service.

8.What is the efficiency level in terms of online services?

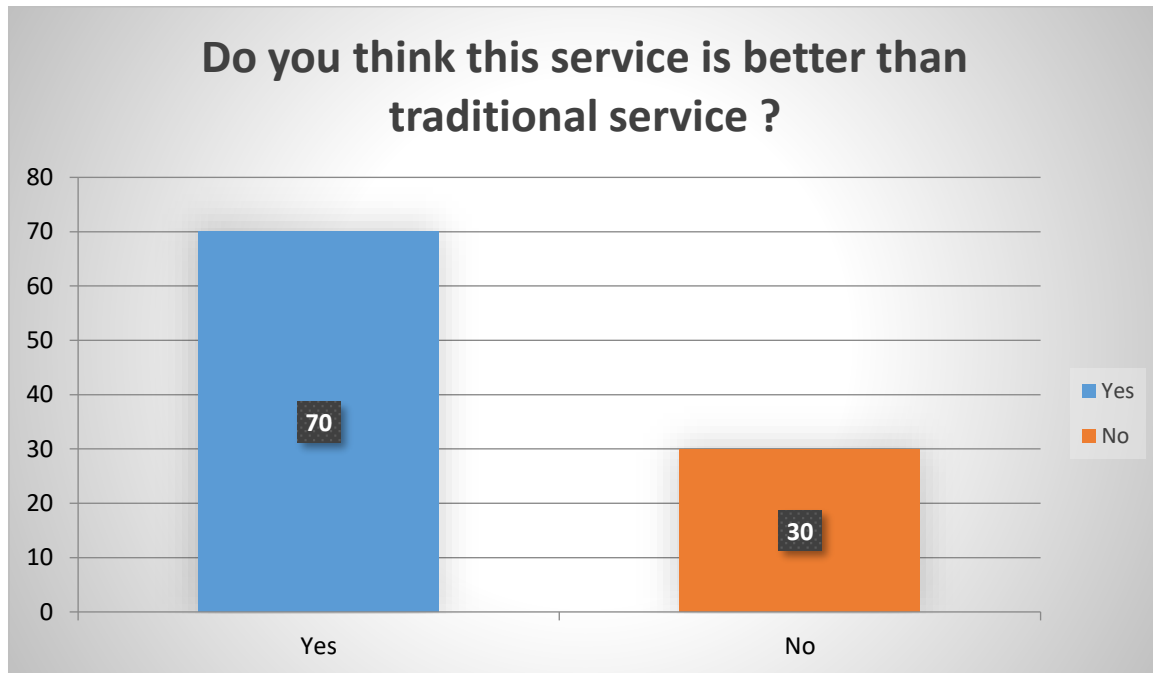
- Extremely high
- High
- Average
- Low



In question 8 I asked about the efficiency level of the employee (officers) while giving services. Here, 30% of the customer said the officer's efficiency was high but here improvement is needed for the employees (officers). This part is explained in the recommendation in details.

9. Do you think this service is better than traditional banking?

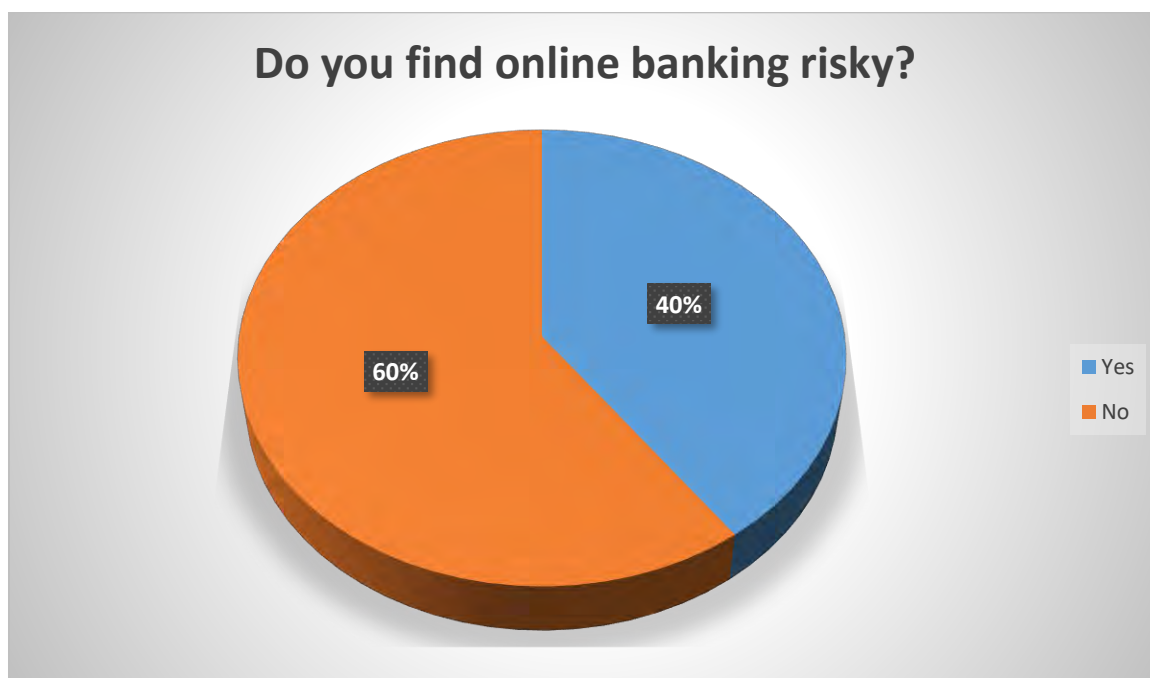
- Yes
- No



In case of ninth question I asked whether this online banking service is better than the traditional banking service. 70% of the customer said yes but 30% said no. 30% said no because they are not used to or familiar with the online banking and still don't find it secured therefore there is a trust issue there. They are mainly older people

10. **Do you find online banking risky?**

- Yes
- No



In question number 10. 60% customer said no when asked they find online banking risky or not. Rest 40% said yes as because there is hacking and other cyber activities.

In case of number 11 the customers after asking this question mostly said that they are not used to online banking and also there is big issue about cybercrime and hacking which is alarming for them. Others mainly the old customer don't want to change as they become habituated to one way of banking.

For number 12 the problem they face is mainly they don't understand the process of ATM services, the pin number, the card insert and the card get locked etc. arises.

For question number 13 most of the customers said bank could have separately arranged a desk with a staff for this services and a well-trained officer should be placed there

Findings

- One of the findings is that they don't understand the process of ATM services; how the pin number works; inserting of the card and when the card gets locked etc. Therefore, in case of ATM services they are upset when there is such a problem.
- Another thing that I came across is that some of the customers feel dissatisfied when receiving their ATM card, as the officers are always in a rush, they tend to not guide the customers properly on how to use the ATM cards.
- Furthermore, I found that customers are concerned about cybercrime and hacking issues and therefore they don't feel totally secured after taking the online service from the bank.
- In case of ATM services, I found out that the customers were disappointed to not find enough ATM booths of Islami Bank.
- During my internship period, I have seen that Islami Bank's online banking system is not up to date, as a result the customers who try to do online transactions face problems in the server.

Chapter 5

Conclusion

I have learned many things about Islami Bank Bangladesh Limited. This is one of the reputed bank in our country also known all over the world. I also got the chance to know about the history of Islami Banking. The Best thing I got is to know the customer satisfaction level about two services of Islami Bank i.e. online banking & ATM services.

Then I have also learned about different department's works. In General Banking department I have come to know how one can open an account in our bank, what requirements and documents are needed to open different kinds of account. Lastly I have also done some job on KYC and updating the information.

I also got knowledge from foreign exchange and investment section as well. I fill out the investment deal form and also work in foreign exchange section. By this I got the idea about their different investment mode how it works etc.

During my internship time in badda branch, Dhaka I tried to deliver my best to understand their different types job. I worked in different desk to know the concepts though my assigned duties. Other employees of the bank were much helpful which made my work lot easier & enjoyable. ATM Services and Online banking are the area I tried to focus more and I got to know about those two services by interacting with the customers in badda branch. It is not possible to go to the depth of each activities of branch because of time limitation. However, I have tried my level best to achieve the objectives of the internship program.

Recommendations

I have prepared this paper to know if the customers of Islami bank, badda branch are satisfied or not with the online banking and ATM services. This report will be useful to sort out the gap between what the customers are getting and what is their expectation. After Research, I found those customers are happy to an extent from the Online Banking and ATM services and from the services of the employee of the branch.

But, however there are some areas where they need to focus more to improve the customer satisfaction. Those suggestions are mentioned in the recommendation below.

- As a renowned brand, Islami Bank Ltd should offer more efficient in providing services to the customers as time is a big factor in determining satisfaction of customers.
- Officers should be well trained and well prepared to provide better service to the client's especially the online services which the customers are scared of due to unfamiliarity.
- Management should improve the bank's environment so that client can easily and quickly get the service that they need.
- ATM Services should be made easier to the customers and there should be a separate staff in ATM booth to teach the customers about how to use it properly.
- Customer should be properly guided about the online banking and the use of ATM services and how to properly handle the card as well afterwards.
- Islami Banks should do more marketing campaign about their services.
- Customers are afraid about cybercrimes so employees need to communicate properly and erase the tension of the customers and assure them about the security of the services of the bank.
- Islami bank should improve the online banking software so that customer's user experience is more sophisticated and they don't have to face any issue in the server.

Reference

www.Islamibankbangladeshlimitedbd.com

Internship program guide by IBBL

Annual report of IBBL

<http://www.aims-international.org/myconference/cd/PDF/MSD3-4520-Done.pdf>

Appendix

❖ Questionnaire

Topic: A Study of Customer Satisfaction on Online Banking & ATM Services of Islami bank Bangladesh limited.

1. Have you taken the online banking services?
 - Yes
 - No

2. What is the Age group of the population who has taken the Online Banking?
 - 20-29 years
 - 30-39 years
 - 40 -49 years
 - 50 -59 years
 - 60 and above

3. How was the Customer satisfaction after doing online banking?
 - Very Satisfied
 - Satisfied
 - Neutral
 - Not Satisfied
 - Very dissatisfied

4. Have you ever taken ATM Services?
 - Yes
 - No

5. How much are you comfortable with the ATM Services?
 - Very Satisfied
 - Satisfied
 - Neutral
 - Not Satisfied
 - Very dissatisfied

6. Do you find any problem using ATM services?

- Yes
- No

7. Do you find any problem taking online banking services?

- Yes
- No

8. What is the efficiency level in terms of online Banking services?

- Extremely high
- High
- Average
- Low

9. Do you think this service is better than traditional banking?

- Yes
- No

10. Do you find online banking is risky?

- Yes
- No

11. Why do you find it risky doing online banking?

12. What kind of problem do you face for ATM Services? (Customer)

13. What are the things the bank could have done differently to make customer feel more Satisfied?

