

Internship report on

*Evaluation of Customer satisfaction level: A study on customer service in SME loan
disbursement of Prime Bank-Wari Branch*



MBA Program

Submitted To

DrMamun Habib

Associate Professor

BRAC Business School

BRAC University

Submitted By

Ishtiaque Ahmed

ID 17264096

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INTERNSHIP REPORT

Prime Bank Limited

Prime Bank Limited
BUS 699

Evaluation of Customer satisfaction level: A study on customer service in SME loan disbursement of Prime Bank-Wari Branch



Prime Bank Limited

Letter of Transmittal

18th December, 2018

Mr. Mamun Habib

Senior Lecturer

BRAC Business School

BRAC University

Dear Sir,

With great pleasure and privilege, I am submitting this research paper which was assigned to me as an important requirement of completing “Masters of Business Administration” program at BRAC University. I have completed this research report titled as “Evaluation of Customer satisfaction level: A study on customer service in SME loan disbursement of Prime Bank-Wari Branch” by the knowledge that I have gathered during my 3 months’ internship in Prime Bank Limited-Wari branch at credit department.

I have tried my best to make the work as per following your guidelines and level of experience and capability. Moreover, I am extremely thankful for the opportunity that you gave me to express my ability and I intently hope that you will appreciate the work I have done. Any difficulties or flaws may arise as because of my learning aspects. I shall wholeheartedly accept any suggestions regarding my report.

Sincerely yours,

.....

Ishtiaque Ahmed

Student ID:17264096

BRAC Business School

BRAC University

Acknowledgement

This report has been completed with tremendous hard work, research and dedication. Without the contribution of many individuals and organization it would not have been completed. Therefore, I would like to show my sincere gratitude to all of them.

Firstly, I am grateful towards Almighty Allah for giving me the opportunity, strength and ability to complete this research report.

After that, I would like to thank my academic advisor Mr. Mamun Habib, Senior Lecturer of BRAC Business School, BRAC University, for providing me with necessary guidance and sharing superior knowledge concerning report completion. I am also thankful for his patience to let me complete this paper in an efficient manner and to enhance my basics in developing each part of this report.

Furthermore, I would like to thank my organizational supervisor, Mr. Ajay Kumar, Senior Executive Officer, of credit department, Prime Bank-Wari branch for helping me tremendously with such an important project and giving me the opportunity to work independently along with required support and guidance. I would also like to thank Mr. Ramdeb Kumar Mondal and KaziSobuj from credit department of Prime Bank, Wari branch for their assistance and guidance to complete this report.

Finally, I want to express my gratitude toward my family and colleagues for their kind co-operation and encouragement which helped me in completion of this report.

Executive Summary

The following report has been prepared as part of the internship program as a requirement for the Masters of Business Administration of BRAC University Bangladesh and it aims towards providing an overview on the Satisfaction level of the customers who avail the SME loan service from Prime Bank Ltd. The core objective of this report is giving a clear understanding of the service quality of the SME loan department. While preparing this report it has been tried to reveal the insights of the Customers satisfaction level'. A few recommendations were also prescribed on the observations and findings.

This report is based on the practical working experience at The Prime Bank-Wari branch as a part of internship program. Prime Bank Limited, is the first generation bank in Bangladesh since its establishment in the year 1995. The bank started its journey with a motive in mind that is bringing about a qualitative change sphere of banking and financial management, the bank today serves customers with efficiency and effectiveness.

The survey conducted helped to provide real data about the customer's satisfaction. The illustrations and findings are well explained in this report. Though there were a few shortcomings preparing this report but it is legit enough to provide all the necessary details about SME loan contribution in the economy and the roles of Prime Bank.

Finally, identifying the shortcomings of strategies Prime Bank is currently applying an attempt has been made to recommend the strategic options for Prime Bank to become more competitive in the banking industry.

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Organizational Overview

In the backdrop of economic liberalization and financial sector reforms, a group of highly successful local entrepreneurs conceived an idea of floating a commercial bank with different outlook. For them, it was competence, excellence and consistent delivery of reliable service with superior value products. Accordingly, Prime Bank has created and commencement of business started on 17th April 1995. The sponsors are reputed personalities in the field of trade and commerce and their stake ranges from shipping to textile and finance to energy etc. (primebank,2017)

As a fully licensed commercial bank, Prime Bank is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and repositions itself in the changed market condition. (primebank,2017)

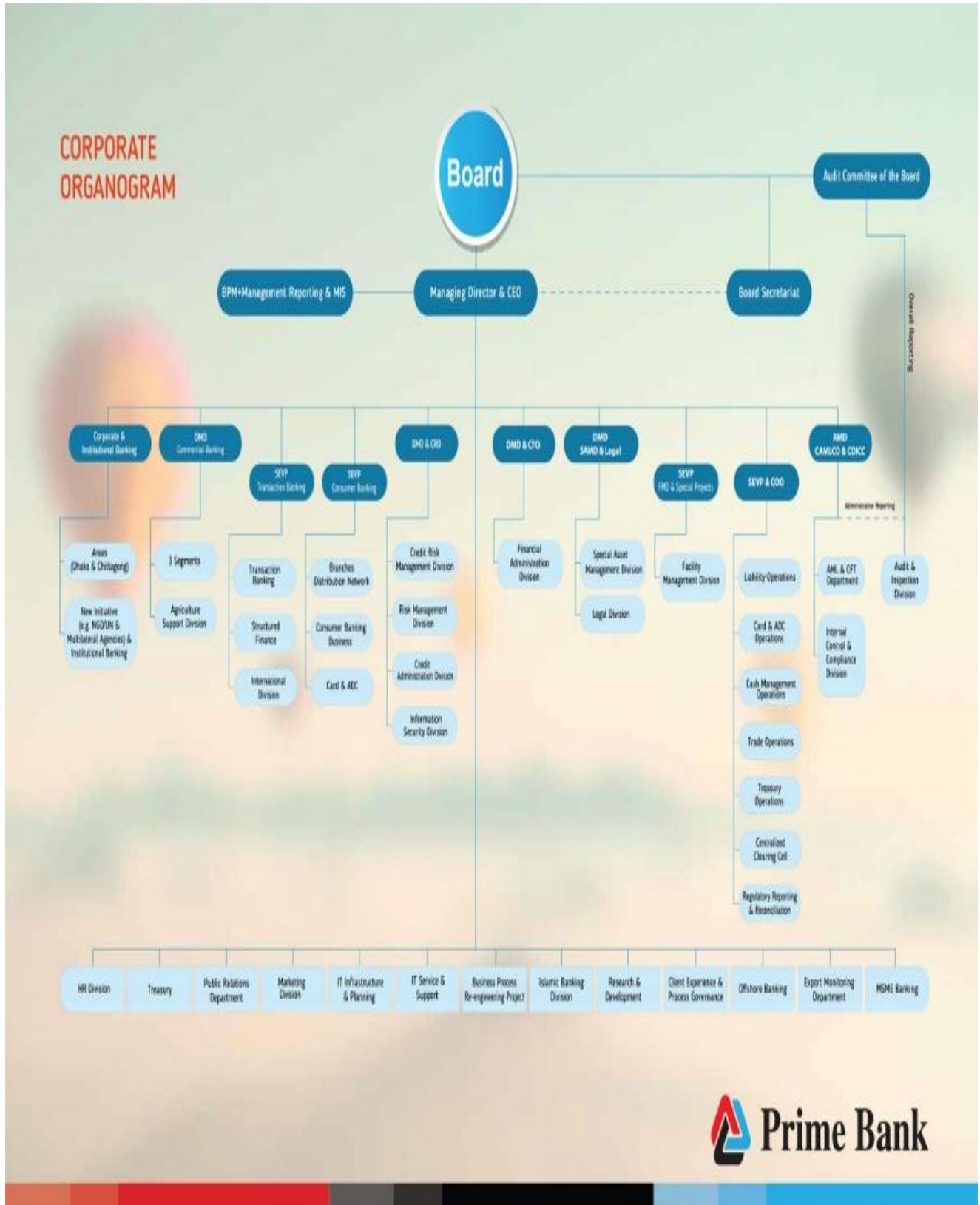
Over their tenure of last 23 years, Prime bank has made significant progress. The bank has been graded as a top class bank in the country through internationally CAMELS rating. The bank has already occupied an enviable place among its competitors after achieving success in all areas of business operation. (primebank,2017)

Prime Bank offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail Banking and Consumer Banking right from industry to agriculture, and real state to software. (primebank,2017)

Prime Bank, since its beginning has attached more importance in technology integration. In order to retain competitive edge, investment in technology is always a top agenda and under constant focus. Keeping the network within a reasonable limit, our strategy is to serve the customers through capacity building across multi-delivery channels. Our past performance gives an indication of our strength. We are better placed and poised to take our customers through fast changing times and enable them compete more effectively in the market they operate. (primebank,2017)

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Corporate Organogram



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Vision:

To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.(prime bank,2017)

Corporate Mission:

To build Prime Bank Limited into an efficient, market-driven, customer focused institution with good corporate governance structure. Continuous improvement of our business policies, procedure and efficiency through integration of technology at all levels. (prime bank,2017)

Corporate Philosophy:

For the Customers:

- To provide the most courteous and efficient service in every aspect of its business. To be innovative in the development of new banking products and services.

For the Employees:

- By promoting their well-being through attractive remuneration and fringe benefits.
- By promoting good staff morale through proper staff training and development, and provision of opportunities for career development.

For the Shareholders:

- By forging ahead and consolidating its position as a stable and progressive financial institution.
- By generating profits and fair return on their investment.

For the Community:

- By assuming our role as a socially responsible corporate citizen in a tangible manner. By adhering closely to national policies and objectives thereby contributing towards the progress of the nation.
- By upholding ethical values and best practices.
- Constantly seeking to improve performance by aligning our goals with stakeholders' expectations because we value them.

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Core Values:

DELIVER- High standard to our customers, clients and shareholders. We share a passion for serving the financial needs of people, companies and institutional investors.

COMMITMENT- Fully committed to achieving success for our customers, our teams and ourselves through compliance with regulatory guidelines.

TRUST- Have trust in our team. We work together to deliver towards full capabilities to all our constituents. We strive to be consistent and straightforward in our interactions.

SUCCEED- Know we succeed only when our customers, communities and environment succeed. We do business in an open, direct and sustainable way.

Financial performance of last five years:

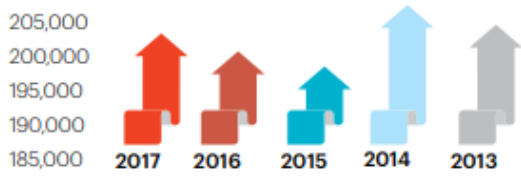
Key Financial Indicators

Particulars	2017	2016	2015	2014	2013
Deposits	199,014	197,934	194,825	204,838	201,907
Advances	198,323	170,211	151,865	147,367	153,589
Assets	281,275	256,599	252,161	254,912	243,869
CRAR	14.01%	12.45%	12.74%	12.21%	12.04%
Operating Profit	5,373	5,757	5,906	6,157	7,474
Cost income Ratio (CIR)	55.98%	52.11%	51.08%	48.29%	41.98%
Cost of Fund	7.91%	8.09%	9.72%	10.19%	11.62%
Gross profit ratio	55.28%	52.97%	45.85%	43.33%	42.15%
CD ratio	99.65%	85.99%	77.95%	71.94%	76.07%
Return on Assets (ROA)	0.38%	0.86%	0.84%	0.96%	0.76%
Return on Capital Equity	4.24%	8.49%	8.41%	10.08%	8.35%
Earnings per share (EPS)	1.03	2.13	2.08	2.32	1.78

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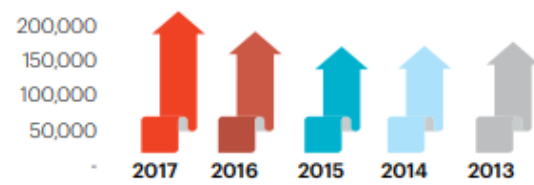
Deposits

BDT in Million



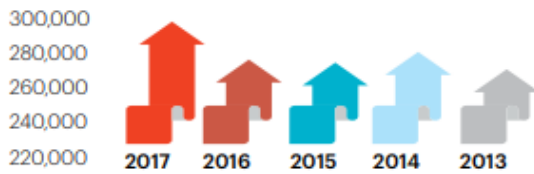
Advance

BDT in Million



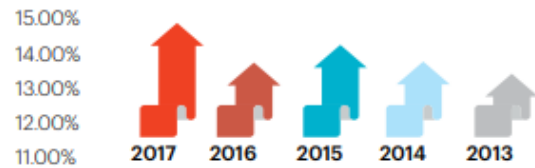
Assets

BDT in Million



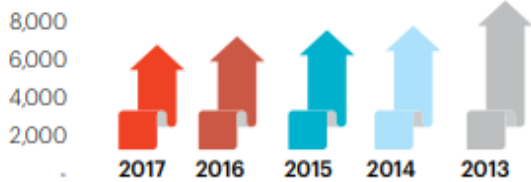
CRAR

BDT in Million



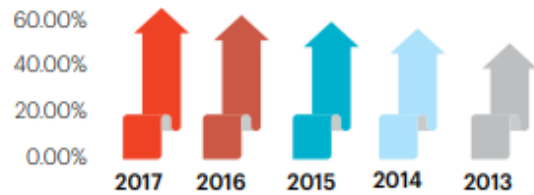
Operating Profit

BDT in Million



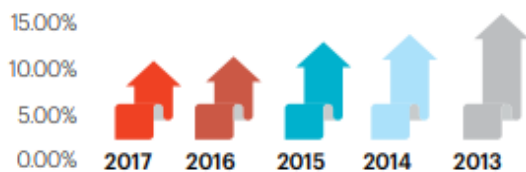
CIR

BDT in Million



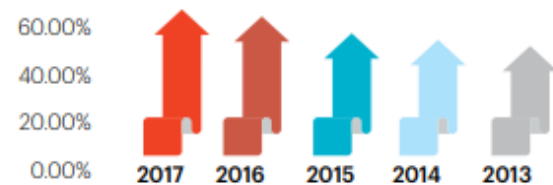
Cost of Fund

BDT in Million



Gross Profit Ratio

BDT in Million



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Products and services offered by Prime Bank:

The Prime Bank Limited launched several financial products and services since its inception. Prime Bank Limited offers various kinds of deposit products and loan schemes. The bank also has highly qualified professional staff members who have the capability to manage and meet all the requirements of the bank. Every account is assigned to an account manager who personally takes care of it and is available for discussion and inquiries, whether one writes, telephones or calls.

Retail Banking:

- Deposit products
- Loan products
- Credit cards
- Debit cards
- Locker services
- Internet Banking – ALTITUDE

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- Premium Banking – MONARCH

Corporate Banking:

- General credit unit
- Export Finance unit
- Structured Finance unit
- Lease Finance unit

SME Banking:

- Sahajrin (Easy loan)
- Sampadrin (Capital loan)
- Chaltirin (Working Capital loan)
- Moushamirin (Seasonal Capital loan)

Islamic Banking

- Deposits
- Investments
- Foreign trades
- Prime Bank Shariah Supervisory committee

SWOT Analysis of Prime Bank:

Every organization have their own set of strengths and weaknesses that they can work on and get better in the field of business. Strengths and weaknesses are internal factors were as opportunities and threats are external. Similarly, the Prime Bank Limited have their strengths that they can enhance and grab the opportunities in the market that are available for them to grab a greater market share in the banking industry. On the other hand, the must also works on their weakness and eradicate any threats that arises. Their SWOT analysis are described below:

STRENGTHS

- Stable source of fund
- Strong Liquidity position
- Concentrated market

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- Wide network of branches
- Well-furnished and Air-conditioned
- Experienced top management
- Diversified product line •Satisfactory

WEAKNESSES

- Problem in delivery on due time
- Relatively high overhead expense
- Long-term credit is not sufficient
- Deposit is lower than advance

OPPORTUNITIES

- Regularity environment favoring
- Private sector development
- Credit card business
- SME and Agro based industry loan
- Can increase the advertising of the Bank
- Recently launched two loan products- 'Prime Emarat' and 'Personal Loan'

THREATS

- Deposit as well as quality assets
- Market pressure for lowering the interest rate
- Shrinkage in export, import and guarantee
- Business due to economic slump
- Banking activities of competitors
- Rules and regulations imposed by Bangladesh Bank
- Government forcing to reduce the interest rate

Introduction

Rationale of the study:

The importance of customer satisfaction in banking industry is an important factor. This research report helps to demonstrate the customer satisfaction level in Prime Bank Wari branch.

Problem Statements:

- The perception of the customers towards the branch appearance and branch staff
- Factors affecting the customer satisfaction level
- How to enhance the service quality further?
- Develop customer relationship

Scope and delimitation of the study:

Out of more than 200 customers, only 50 customers of the bank have been used as sample in conducting the survey. This study limits its coverage on SME loan takers only. Its main purpose is to identify the common problems the customers face while purchasing the SME loan and to propose possible solutions regarding the problems.

This study considers every aspect of the customer's view towards the bank's appearance, branch staff and SME loan availability. There were many delimitations as the customers were a bit paranoid about taking the survey. They had to be convinced to take the survey. So there is a high possibility that most of their answers were very neutral.

Objectives of the report:

- Evaluation of the branch appearance from the customers' perspective
- Evaluation of the branch staff from the customer's point of view
- Evaluation of customer satisfaction level of the customers of the Wari branch of the bank
- Customer's point of view towards the centralized system of the bank
- Comparison of SME loan service between Prime Bank and other banks from the customers' perspective

Research Questions:

- Have you taken SME loan from another bank other than Prime Bank?
- Do you think the paper works for the loan is more than normal in this bank?
- How well does the SME loan service of Prime Bank meet your needs?
- Would you purchase SME loan again?

Literature review

There are 7.81 million economic entities in Bangladesh, according to BBS Economic Census 2013 of which around 99% are CMSME in reference to size of operation. According to another ADB Institute study conducted in 2016, 99% formal businesses in Bangladesh are SME. They constitute 75% nonagricultural employment and contribute about 25 percent to the national GDP by only manufacturing set ups. Therefore, it can be said Bangladesh is a country of CMSME.

Considering such large stake and potential in economy Prime Bank rolled out a comprehensive MSME penetration initiative in 2017. The Bank adopted appropriate and advanced concept in this arena and took MSME as a high potential enterprise market segment instead of older compliance oriented unsecured limited amount 'SME Product' distribution program. Surrounding around this key concept MSME Banking Division is building appropriate product, organization, technology, process, logistic and people infrastructure. MSME Banking offers a broad range of financial products to serve business fund, trade guarantee, transactions and efficient cash management of MSMEs. In 2017 bank deployed a large pool of well experienced MSME Relationship Managers in all major business hubs across the country to foster conventional Branch Based relationship. MSME Customers application and subsequent services are being processed from a set of dedicated professional team work in credit value chain from initiation to expiry of an account. Figure1 illustrates MSME Banking at Prime Bank by the end of 2017.

Unlike most of the commercial bank, MSME Banking of Prime Bank offers comprehensive products meeting broad ranges of generic fund, guarantee, trade service, deposit and business transaction services to MSMEs for example, Term Loan, CC (Hypo), Lease, SOD, LC, LATR, IDBP, BG, PC. In addition, a set of tailored products are revised or developed and launched in 2017 to meet specialized requirement for MSMEs.

Concept of customer satisfaction has a central position in marketing as it is a major outcome of marketing activity and it links the processes of purchase and consumption or use of the product or service to attitude change, repeat purchase and ultimately brand loyalty. Origin of the concept is related to the marketing concept that profit is generated through satisfaction of

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customer needs and wants. Business Dictionary defines Customer Satisfaction as: The degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. Concept of customer satisfaction is new to many companies, who have been focused on price and availability of products. So, it is important to be clear the exact meaning of on exactly the term. Customer satisfaction is a state of mind that customers have about a product or services after using that product and service offered by a company in return of customer expectations about the products. Customer satisfaction leads to product repurchase that ultimately leads to brand loyalty. In early 1970's customer satisfaction emerged as a legitimate field of study. U.S department of agriculture's Index of Consumer satisfaction was the first study to report direct information on consumer satisfaction (Pfaff 1972). Customer Satisfaction Brand Loyalty and Profitability are linked to one another (Roger Halllowell 1996).

Customer satisfaction has been considered the essence of success in today's highly competitive banking industry. Prabhakaran and Satya (2003) mentioned that the customer is the king. Heskett et al. (1997) argued that profit and growth are stimulated primarily by customer loyalty. Ndubisi (2005), Gee et al. (2008) and Pfeifer (2005) pointed out that the cost of serving a loyal customer is five or six times less than a new customer. Several researchers including Tariq and Moussaoui (2009), Han et al. (2008) and Ehigie (2006) found that loyalty is a direct outcome of customer satisfaction. Generally speaking, if the customers are satisfied with the provided goods or services, the probability that they use the services again increases (East, 1997). Also, satisfied customers will most probably talk enthusiastically about their buying or the use of a particular service; this will lead to positive advertising (File and Prince, 1992; Richens, 1983). On the other hand, dissatisfied customers will most probably switch to a different brand; this will lead to negative advertising (Nasserzadeh et al., 2008). The significance of satisfying and keeping a customer in establishing strategies for a market and customer oriented organization cannot be ignored (Kohli and Jaworski, 1990).

Most of the researchers found that service quality is the antecedent of customer satisfaction (Bedi, 2010; Kassim and Abdullah, 2010; Kumar et al., 2010; Yee et al., 2010; Kumar et al., 2009; Naeem and Saif, 2009; Balaji, 2009; Parasuraman et al., 1988). Quality customer service and satisfaction are recognized as the most important factors for bank customer acquisition and retention (Jamal, 2004; Armstrong and Seng, 2000; Lassar et al., 2000). Service

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quality is considered as one of the critical success factors that influence the competitiveness of an organization. A bank can differentiate itself from competitors by providing high quality service. Service quality is one of the most attractive areas for researchers over the last decade in the retail banking sector (Avkiran, 1994; Stafford, 1996; Johnston and Jeffrey, 1996; Angur et al., 1999; Lassar et al., 2000; Bahia and Nantel, 2000; Sureshchandar et al., 2002; Gounaris et al., 2003; Choudhury, 2008).

Service quality is an achievement in customer service. The SERVQUAL Model is an empiric model by Zeithaml, Parasuraman and Berry to compare service quality performance with customer service quality needs. One of the important issues related to service quality is the dimensions of service quality and the measurement tool, SERVQUAL developed by Parasuraman et al. (1988) has been the starting point of the controversy in this area. Parasuraman et al. identify five quality dimensions which link specific service characteristics to consumer expectations of quality. These five basic dimensions are Tangible, Reliability, Responsiveness, Assurance and Empathy. Customer's satisfaction basically depends on various factors. Customers will be satisfied with the bank when they will get excellent and quality services from employees of bank on a continuous basis. There are different factors that influence customer's satisfaction level. In this research, I have tried to find out customer's satisfaction on five important dimensions of SERVQUAL model.

Methodology of the Study

This report has been made using both primary and secondary data. Most of the secondary data has been retrieved from the 2017 annual report of Prime Bank Limited. The primary data is mostly collected from the survey conducted on 50 customers of Prime Bank Wari branch who has taken loan. Telephone interviews has been conducted during the collection of the primary data for this report. Practical observations are also part of research methodology.

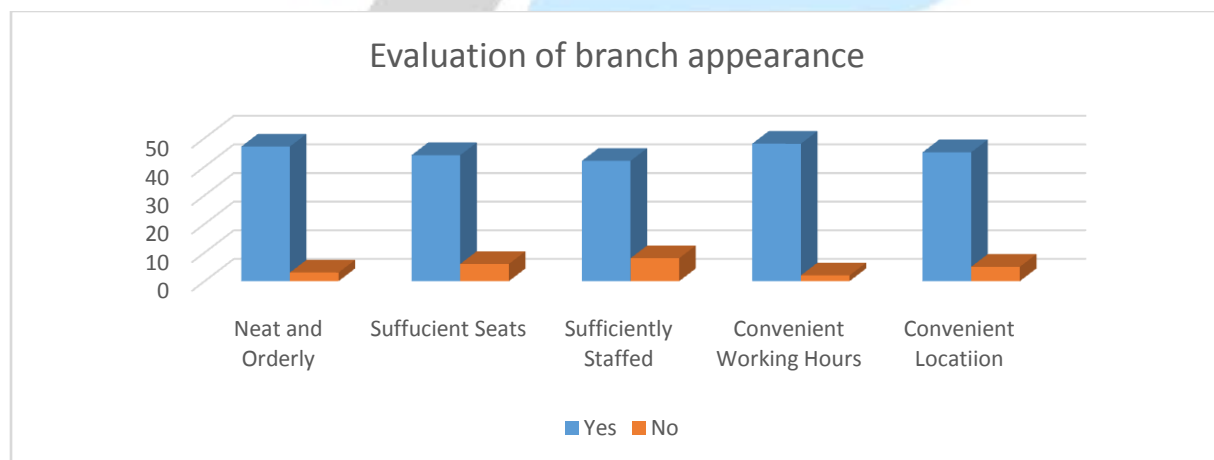
Analysis and Interpretation of the Data

Branch Appearance:

Answers	Neat and Orderly	Sufficient Seats	Sufficiently Staffed	Convenient Working Hours	Convenient Location
Yes	47	44	42	48	45
No	3	6	8	2	5

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The table above is the result of the survey on the branch appearance. The customers were asked questions about the tidiness, seat availability, human resource availability, convenient working hours and location of the Wari branch of Prime bank. It is observed from the results that 94% of the people said that the bank was neat and tidy. It can be said that the cleanliness of the bank is well maintained and very appealing for the people who come to visit the bank. 88% of the interviewed people think that the branch has sufficient seats for their customers, but on the other hand 12% of the interviewed people complained about the sufficiency of seats in the bank. This is causing a slight concern for the branch officers. Due to some delay in the cash payment at the payment counter, 16% of the interviewed people think that the branch is not sufficiently staffed or they lack human resources. On the other hand, majority of 84% of the interviewed people think that the branch is sufficiently staffed. In this branch, the customers come beyond the banking hours and enjoy the services and therefore 96% of the interviewed customers said that the working hours of the bank is very convenient for them. The location of the bank is also very convenient for its customers. As we can see from the table above that 90% of the interviewed customers have said that the branch location is very convenient for them. The data of the above table is illustrated with the aid of a chart below.

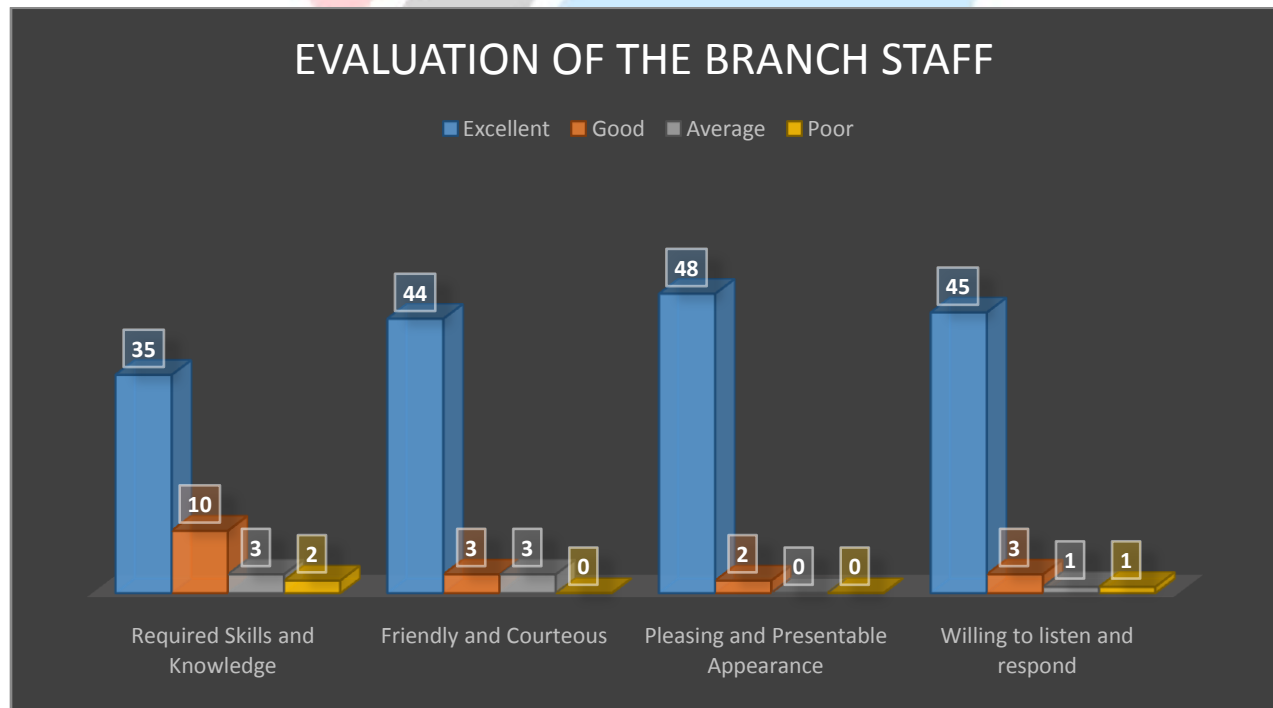


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Branch Staff:

Answers	Required Skills and Knowledge	Friendly and Courteous	Pleasing and Presentable Appearance	Willing to listen and respond
Excellent	35	44	48	45
Good	10	3	2	3
Average	3	3	0	1
Poor	2	0	0	1

The branch staff must be skilled, friendly, presentable and always ready to respond to the queries of the customers. The branch staff in the Wari branch of Prime Bank are very friendly and courteous according to 88% of the interviewed customers. 96% of the customers think that the bank officers were pleasing and presentable in their appearance. A high majority of 70% of the interviewed customers think that the bank officers had all the required skills and knowledge to address any of the problems they faced during the sanction of their loan. According to 90% of the customers, the bank officers proved to be very responsive towards the customers queries. The data in the table above is illustrated using a chart below.

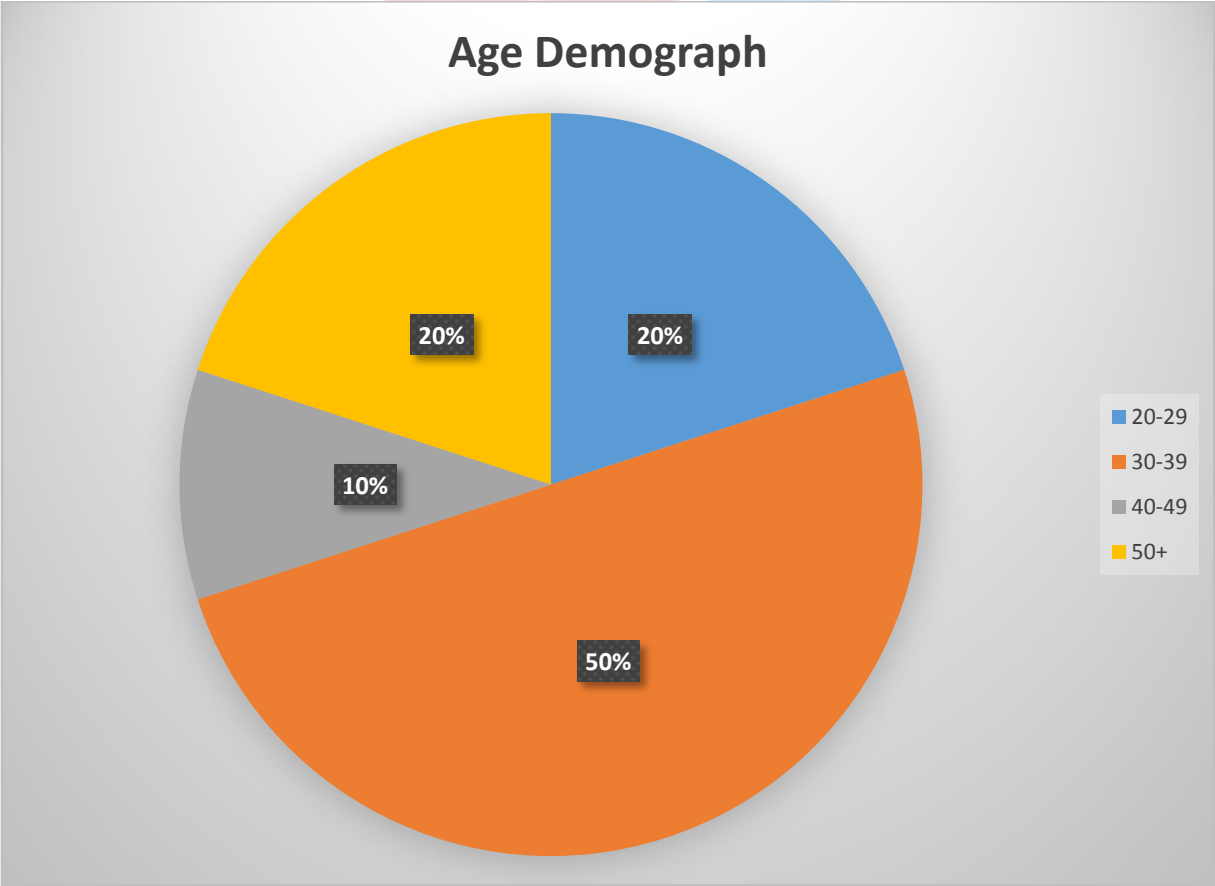


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SME Loan Service

Age Group	Answers
20-29	10
30-39	25
40-49	5
50+	10

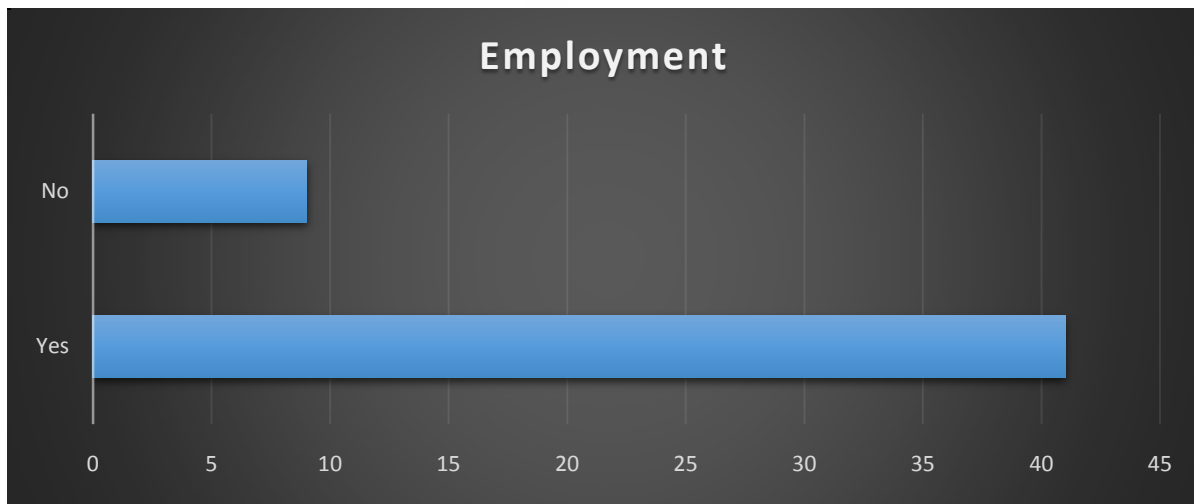
First question in the survey of SME loan service is about the age group of the customers. From the table above, 20% of the customers are between the age 20-29. 50% of the customers are in the age range of 30-39. This shows that majority of the customers enjoying the SME loan service are young entrepreneurs of our country. 10% of the customers are in the age range of 40-49 and the remaining 20% are above 50%. The pie chart below illustrates the age group and diversification.



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Answers	Employed
Yes	41
No	9

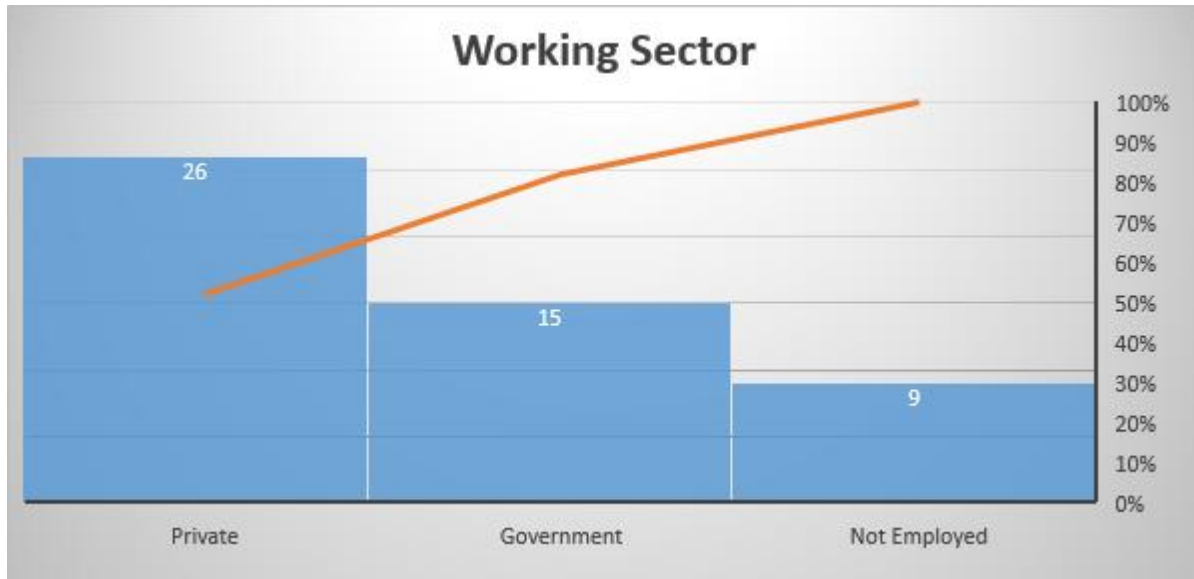
This question is about the employment status of the customers. It is seen that 82% of the customers are employed and are contributing in the economy of the country. The remaining 18% are unemployed or self-employed. The chart below is a graphical illustration of the data in the table above.



Working Sector	Answers
Government	15
Private	26
Not Employed	9

The customers who come to avail the loan offers of the banks work in different sectors. From our survey result, it can be concluded that 30% of the customers work in government organizations, 52% are working in private sectors and the remaining 18% are self-employed. The chart below is the graphical illustration of the data in the above table.

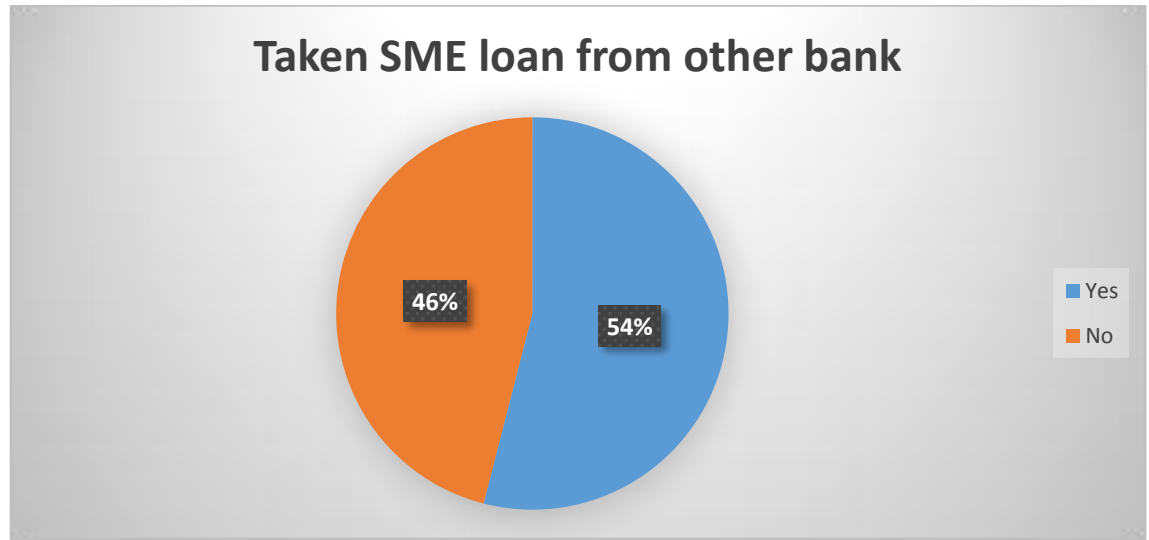
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Answers	Taken SME loan from other bank
Yes	27
No	23

This question is the beginning of comparison of SME loan service offered by Prime Bank and other banks. Here the customers were asked if they have taken SME loan from other banks. 46% of the people answered that they have not taken any loan from other banks. Prime Bank was their only choice. On the other hand, 56% of the customers answered that they had taken loan from other banks previously. The pie chart below illustrates the data in the table above.

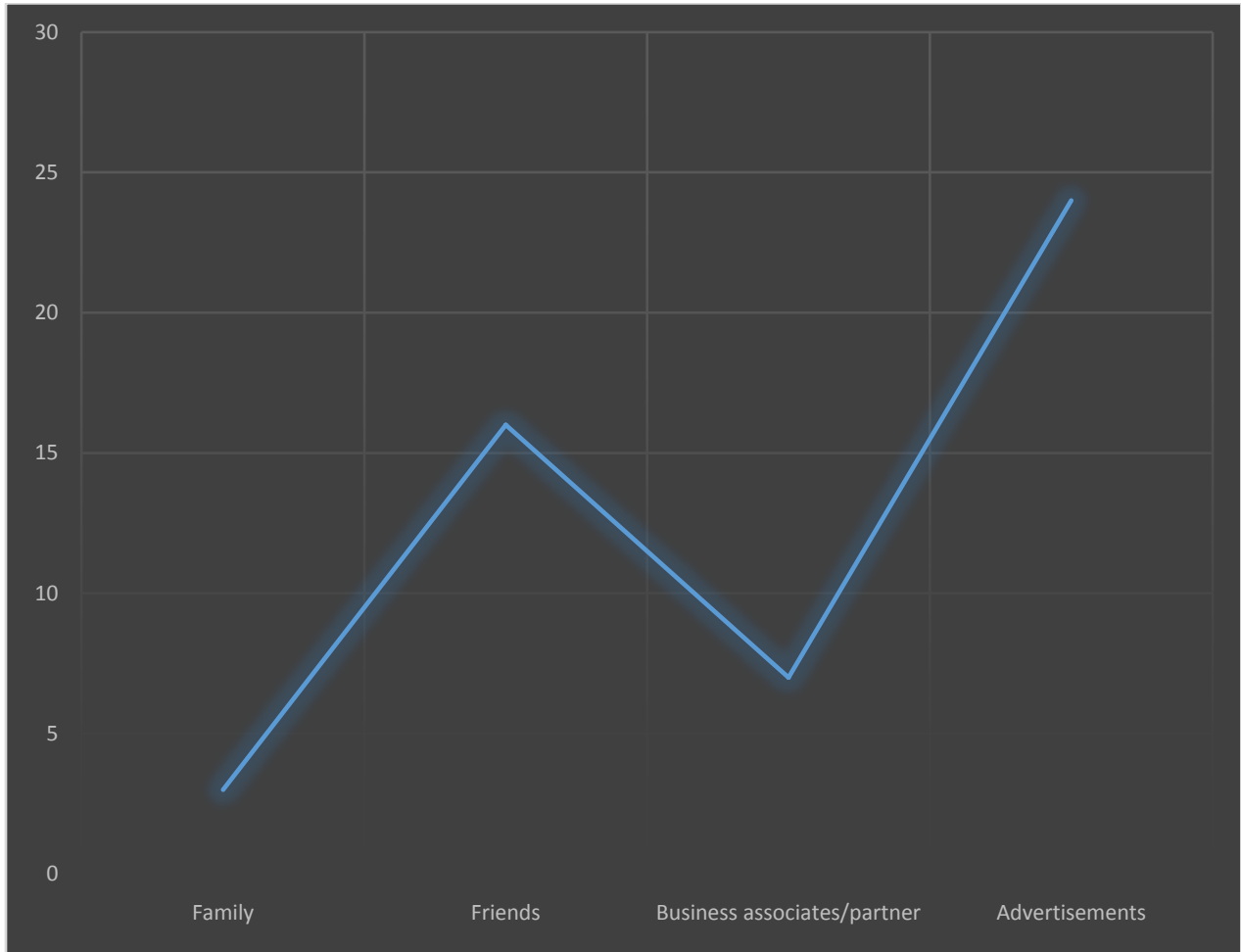
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Came to know about the service	Answers
Family	3
Friends	16
Business associates/partner	7
Advertisements	24

The customers were further asked from where they came to know about the SME loan service of Prime Bank. From the table above we can see that 48% of the people came to know about the service from different advertisements of Prime Bank. 14% of the interviewed customers answered that their business associates or partners recommended them about Prime Bank’s SME loan service. 32% of the customers were told by their friends and remaining 6% has been informed by their family members. The data in the table above is illustrated in the chart below.

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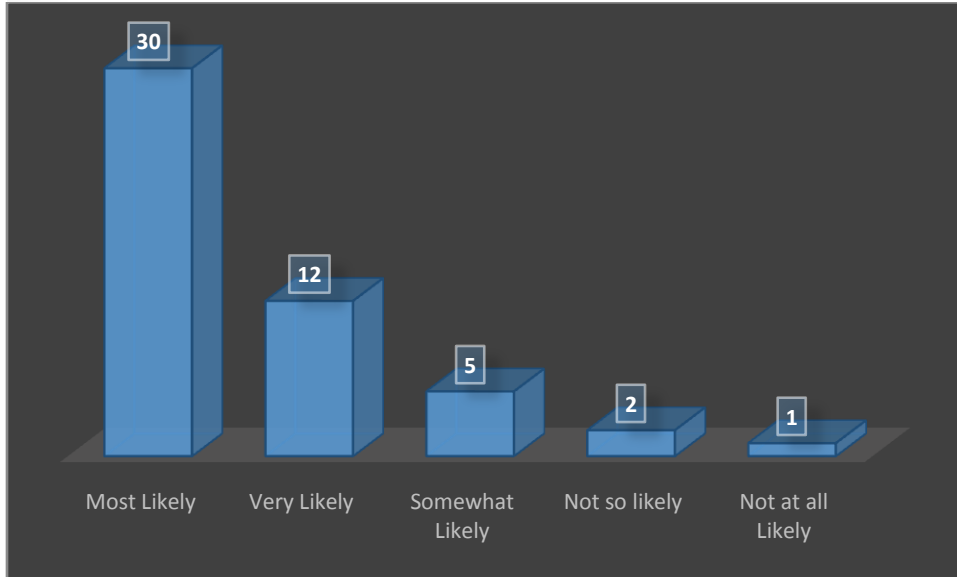


Would you purchase SME loan again	Answer
Most Likely	30
Very Likely	12
Somewhat Likely	5
Not so likely	2
Not at all Likely	1

The quality of the service provided by Prime Bank in the field of SME loan can be measured using the number of loyal customers of the bank. The customers were asked if they would like to take the SME loan from Prime Bank again. Majority of the surveyed customers that is 60% said that they will most likely take the loan again from Prime Bank as they were very satisfied with service of the bank. 24% of the surveyed customers also said that they would very likely chose Prime Bank over other banks for SME loans. 10% of the customers were moderately satisfied

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and answered that they will somewhat likely take loan again. There were 4% and 2% dissatisfied customers who said that they will not likely take any loans. The data in the table above is illustrated in the chart below.

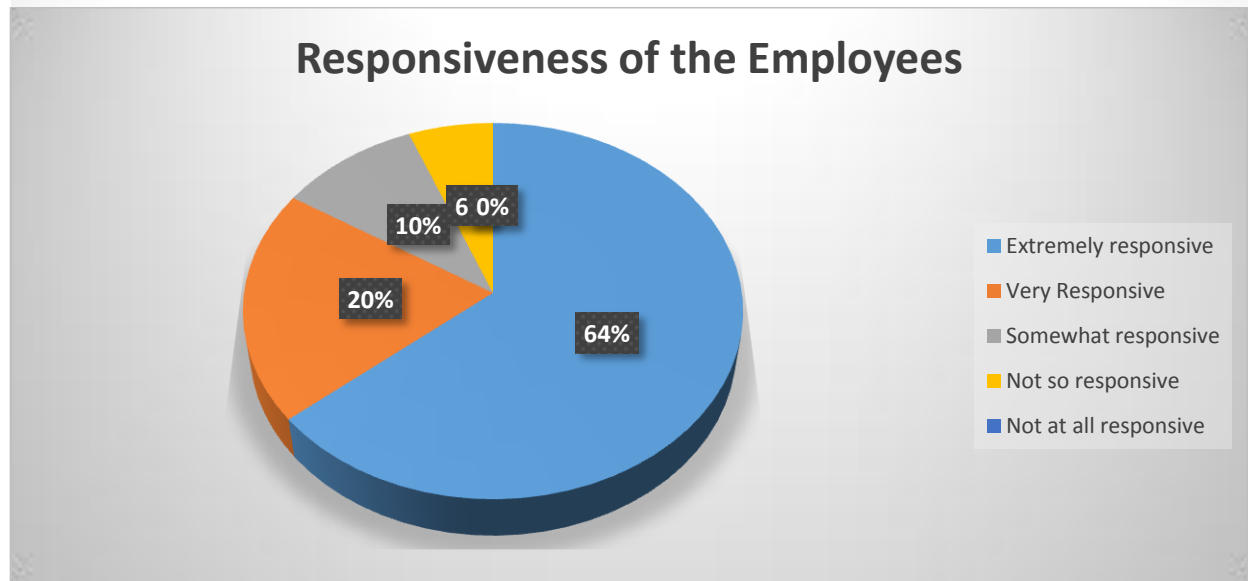


How responsive were the employees to answer loan related questions	Answers
Extremely responsive	32
Very Responsive	10
Somewhat responsive	5
Not so responsive	3
Not at all responsive	0

The employees or bank officer’s behavior towards their customers is also an important factor to attract new customers and retain the old ones. Their responsiveness and dedication towards customer’s problem solving are important key elements. The above table contains the results of the survey. We can see that 64% of the customers think that the officers were extremely responsive towards their questions asked by the customers regarding the loan. 20% said that the officers were very responsive, 10% gave a neutral answer stating that they were somewhat responsive and 6% of the customers seem to be disappointed by the behavior of the officer and

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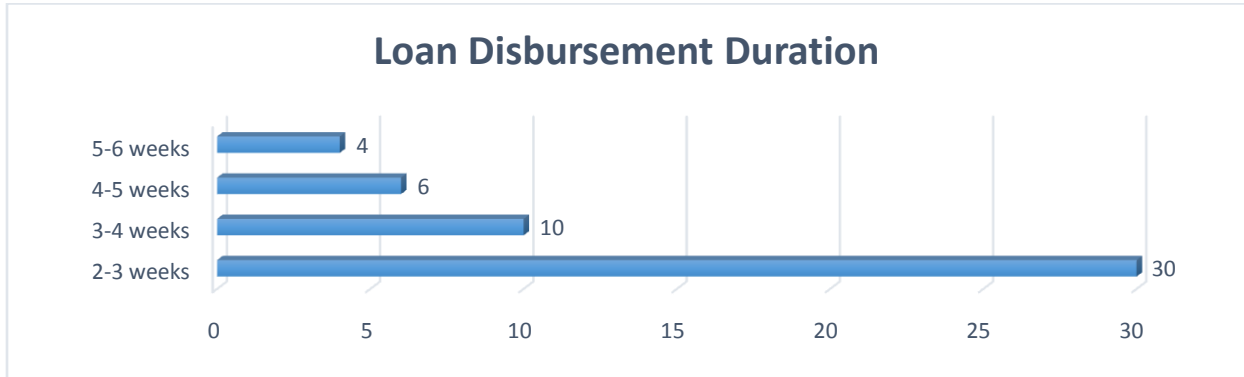
said that they were not so responsive. The data in the above table is demonstrated in the pie chart below.



Loan Disbursement duration	Answer
2-3 weeks	30
3-4 weeks	10
4-5 weeks	6
5-6 weeks	4

Customer satisfaction level depends on the minimum time a firm takes in providing them with the product or service. Here the minimum time for SME loan disbursement is a key factor to measure customer satisfaction level. In this question, the customers were asked what was the loan disbursement duration. They were given 4 options with time frames. Minimum time for loan disbursement is fixed to be 2 weeks and maximum is fixed to be 6 weeks. From the survey result in the table above, we get to see that 60% of the surveyed customers got their desired loan service in 2-3 weeks. 20% of the customers said that their time taken for the disbursement of their loan was 3-4 weeks. 12% of the people got their loan in 4-5 weeks' time and 8% got their loan amount in hand by 5-6 weeks. The data in the table above is illustrated by the chart below.

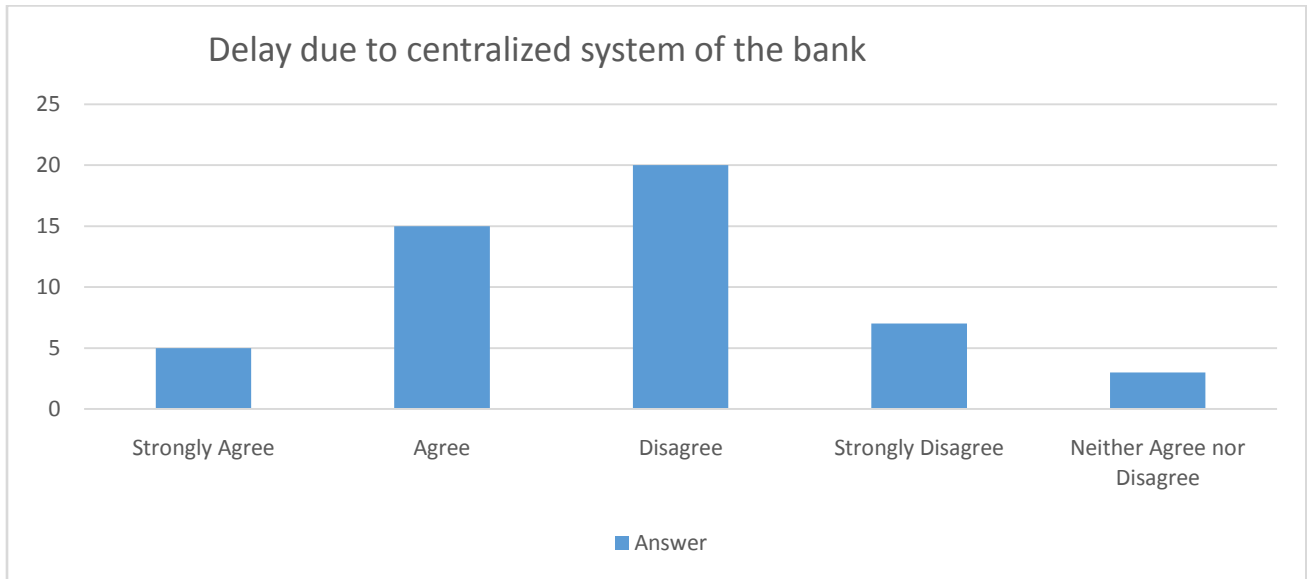
EVALUATION OF CUSTOMER SATISFACTION: A STUDY ON CUSTOMER SERVICE IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH



Delay in loan disbursement due to centralized system	Answer
Strongly Agree	5
Agree	15
Disagree	20
Strongly Disagree	7
Neither Agree nor Disagree	3

It has been one year since the banking system of Prime Bank has been centralized. Due to the centralization, the decision making process has been affected. So the customers were asked if the centralized system of the bank is a factor that is delaying their service request. The survey results are tabulated in the table above. 10% of the people strongly agreed that the centralized system is one of the reason of delay in their loan disbursement. 30 % of the people agreed were as 40% said that they do not agree. 14% said they strongly disagree and 6% of the customers were neutral. the data in the above table is demonstrated graphically in the chart below.

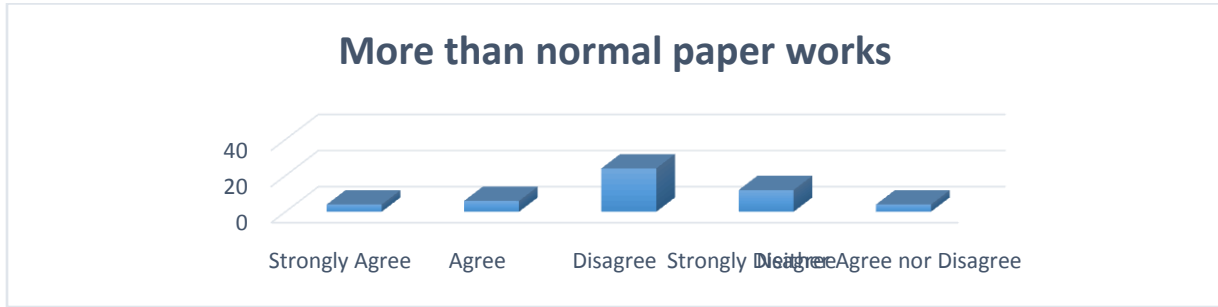
EVALUATION OF CUSTOMER SATISFACTION: A STUDY ON CUSTOMER SERVICE IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH



Are paper works done for the loan more than normal	Answer
Strongly Agree	4
Agree	6
Disagree	24
Strongly Disagree	12
Neither Agree nor Disagree	4

Paper works for applying for certain loan is very mandatory and needs to be monitored strictly. The above table contains the survey results for the paperwork a customer needs to do for applying for the SME loan. They were asked if the paper work in Prime Bank is more than normal compared to other banks. 8% of the customers said they strongly agree about the paperwork being more than normal. 12% agree to some extent, 48% of the people disagreed and said the paper work is same like the other banks. 24% of the surveyed customers strongly disagreed and 8% of the customers were neutral. The chart below is the illustration of the data in the table above.

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How well do SME loan service of Prime Bank meet your needs	Answer
Extremely Well	35
Very Well	10
Somewhat Well	5
Not so Well	0
Not at all Well	0

Many new entrepreneurs are relying on the SME services of the banks across the country. Establishing a successful business needs a good amount of capital. Prime Bank proudly stands by these emerging entrepreneurs to set up their businesses. This question is asked to know how well is the SME loan service of Prime Bank is helping the customers to meet their needs. The results of the survey are tabulated above. We can see that 70% of the customers said the service meets their needs extremely well. 20% of the people said they were very satisfied with the service too as their needs are also met to their expectation level and only 10% customers said that their needs are somewhat met by the service. The chart below illustrates the data in the table above.

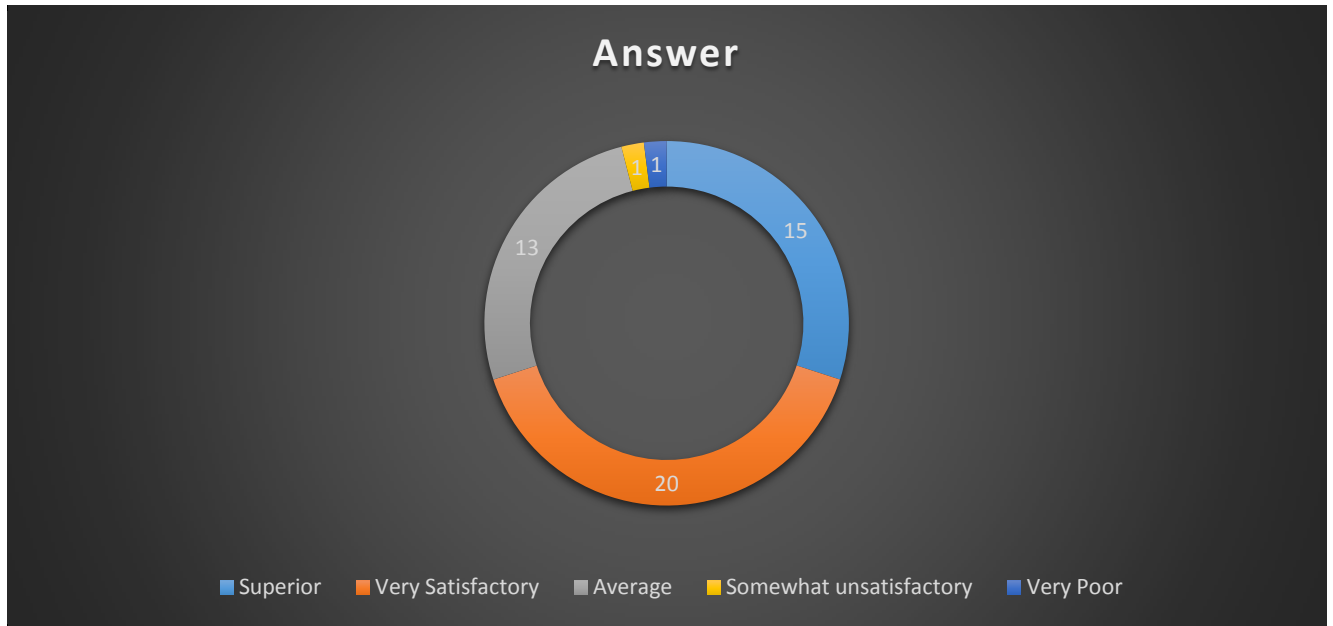
EVALUATION OF CUSTOMER SATISFACTION: A STUDY ON CUSTOMER SERVICE IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH



How was the Quality of the customer service?	Answer
Superior	15
Very Satisfactory	20
Average	13
Somewhat unsatisfactory	1
Very Poor	1

The customers were asked about the service of the bank and were given certain categories to choose from. The categories were “Superior, Very Satisfactory, Average, Somewhat Unsatisfactory and Very Poor’. 30% of the customers said that they find the service superior. 40% of the customers said they were very satisfied by the service of Prime bank. 26% were neutral as they think the service was average. 2% of the people were somewhat unsatisfactory and 2% said they were not satisfied at all. The data in the table above is illustrated in the chart below.

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Would you recommend Prime Bank as a preferred ideal bank	Answer
Yes	46
No	4

It is important for any business entity to pull customers towards their organization. So it is very important for any firm to satisfy the needs of their customers. The customers were asked if they would recommend Prime Bank as a preferred ideal bank for anyone. The results of the survey say that 92% of the customers think Prime bank is ideal for banking and they will recommend Prime Bank to anyone in the future. The remaining 8% had a negative impression about the bank. The chart below illustrates the data in the table above.

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Findings of the Study

- The customer satisfaction level of Prime Bank Wari branch
- Evaluation of the branch appearance from the perspective of the customers
- Evaluation of the branch staff from the perspective of the customers
- Comparison of SME loan service of Prime Bank with other banks
- Customer feedback
- Time taken for loan disbursement by Prime Bank

Recommendations

Following are some of the recommendations for the bank in order to enhance their service further:

- Often customers complain that all customers are not treated equally. They have to wait a long time to have a service. According to them valued and loyal customers always get extra facility and tailored services from officers where regular customer do not. Inadequate number of manpower is one of the reasons of lower customer service. If PBL recruits more employees and each and every employee are dedicated to their work than the quality of the service will of course upsurge. All the customers should be treated in same manner. So Service Quality Team needs to work with that.

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- Prime Bank is lagging behind in their online banking sector. They must work in that sector as banking is becoming more technological. Banks like DBBL and BRAC have introduced their own mobile application for their customers. Prime Bank has their own mobile application but it is seen that they are less user friendly compared to other banks.
- They should recruit more employees in the credit department of Wari branch because it sometimes gets very hectic for the existing staff to provide the customers with superior quality.
- Customers ask for more quality service especially quick, accurate service and good behavior from bankers as they think a private bank should provide such quality sufficiently. It has been found that inappropriate and slow work process often compels the customers to compare the bank with government bank, which is bad for the reputation of the bank. Thus they should take necessary steps to solve this problem.

Conclusion

Prime Bank limited is one of the oldest banks in our country and has served for over two decades. They have been sustainably operating in the field of the economy of our country since the starting of its journey from 1995. It is one of the leading and commercial bank in Bangladesh. They are dedicated to provide high quality financial services and products to the customers and play a vital role in the progression of economic growth of the country. Nonetheless they are one of the pioneers in commercial banking sector in Bangladesh. They have adopted the changes with time and has maintained their ground in doing so. The bank offers a wide range of products for their customers and are successful in retaining old customers as well as attracting new customers as well. They are very efficient with their service and has reached the needs of their customers. From the results of the survey, it can be concluded that the services which the Bank provides to their clients are very prompt and superior one compare to other banks. So Prime Bank is the bank, which will persist in the banking sector in Bangladesh and dictate this industry with the slogan "A Bank with a difference"

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Appendix

AD Authorized Dealer

ALCO Asset Liability Committee

ATM Automated Teller Machine

BB Bangladesh Bank

B/L Bad/Loss

BAS Bangladesh Accounting Standards

BIBM Bangladesh Institute of Bank Management

CRR Cash Reserve Requirement

CRG Credit Risk Grading

CSR Corporate Social Responsibility

CPI Consumer Price Index

CDBL Central Depository Bangladesh Limited

CBS Core Banking Software

CRISL Credit Rating and Information Services Ltd.

DCFCL Departmental Control Function Check List

DEPZ Dhaka Export Processing Zone

DP Depository Participants

EPS Earnings Per Share

EPZ Export Processing Zone

FY Fiscal Year (July to June)

EVALUATION OF CUSTOMER SATISFACTION: A STUDY ON CUSTOMER SERVICE IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH

GDP Gross Domestic Product

GRI Global Reporting Initiative

HOB Head of Branch

ICAB Institute of Chartered Accountants of Bangladesh

IT Information Technology

IMF International Monetary Fund

IAS International Accounting Standards

IPO Initial Public Offering

LC Letter of Credit

MBID Merchant Banking and Investment Division

MTMF Medium Term Macro Economic Framework

SMT Senior Management Team

NII Net Interest Income

NPL Non Performing Loan

NCBs Nationalized Commercial Banks

OBU Offshore Banking Unit

PCBs Private Commercial Banks

PBL Prime Bank Limited

PECL Prime Exchange Co. Pte. Ltd.

PBIL Prime Bank Investment Ltd.

PBSL Prime Bank Securities Ltd.

POS Point of Sale PV Present Value

EVALUATION OF CUSTOMER SATISFACTION: A STUDY ON CUSTOMER SERVICE IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH

RWA Risk Weighted Assets

RMG Readymade Garments

ROA Return on Assets (excluding contingent items)

ROE Return on Equity

R&D Research and Development

ROD Rights Share Offer Document

SAFA South Asian Federation of Accountants

MSME Micro, Small and Medium Enterprise

SOP Standard Operating Procedure

SLR Statutory Liquidity Ratio

Questionnaire

Evaluation of Customer satisfaction level: A study on customer service in SME loan disbursement of Prime Bank-Wari Branch

Branch Appearance:

Q1. Is the overall appearance of the branch neat and orderly?

- Yes
- No

Q2. Does the branch have sufficient and comfortable seating arrangement?

- Yes
- No

Q3. Is the branch sufficiently staffed-Customer representative and Tellers for your needs?

- Yes
- No

Q4. Do the branch have convenient working hours?

- Yes
- No

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IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH

Q5. Is the branch located in a convenient place to serve you?

- Yes
- No

Branch Staff:

Q6. Do the branch staff have the required skills and knowledge about the bank's product and services?

- Excellent
- Good
- Average
- Poor

Q7. Do the branch staff behave in a friendly and courteous manner when dealing with you?

- Excellent
- Good
- Average
- Poor

Q8. Is appearance of the branch staff pleasing and presentable?

- Excellent
- Good
- Average
- Poor

Q9. Are the branch officers willing to listen and respond to your needs on time?

- Excellent
- Good
- Average
- Poor

SME Loan Service:

Q10. Which age bracket do you fall into?

- 20-29
- 30-39
- 40-49
- 50+

Q11. Are you employed?

- Yes
- No

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Q12. If you are employed, you are working in which sector?

- Government
- Private
- Not employed

Q13. Have you taken SME loan from another bank other than Prime Bank?

- Yes
- No

Q14. From whom you came to know about our SME loan service?

- Family
- Friends
- Business associates/partners
- Advertisements

Q15. Do you think the paper works for the loan is more than normal in this bank?

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Neither agree nor disagree

Q16. How well do the SME loan service of Prime Bank meet your needs?

- Extremely well
- Very well
- Somewhat well
- Not so well
- Not at all well

Q17. Would you purchase SME loan again?

- Most likely
- Very likely
- Somewhat likely
- Not so likely
- Not at all likely

Q18. Considering your recent experience with Prime Bank, how was the quality of the customer service you received?

- Superior
- Very Satisfactory
- Average
- Somewhat unsatisfactory

EVALUATION OF CUSTOMER SATISFACTION: A STUDY ON CUSTOMER SERVICE IN SME LOAN DISBURSEMENT OF PRIME BANK WARI BRANCH

- Very poor

Q19. How responsive were the employees to your questions about the loan?

- Extremely responsive
- Very Responsive
- Somewhat responsive
- Not so responsive
- Not at all responsive

Q20. How long you had to wait for the disbursement of loan?

- 2-3 weeks
- 3-4 weeks
- 4-5 weeks
- 5-6 weeks

Q21. Do you think the centralized system adopted by Prime Bank is the reason of the delay in loan disbursement?

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Neither agree nor disagree

Q22. Would you recommend Prime Bank as a preferred ideal banking for SME loans to your friends/colleagues/family members?

- Yes
- No