

Social Islami Bank Limited, Boyra, Khulna”

by

Ishrat Reza

14304128

An internship report submitted to BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor in Business Administration.

BRAC Business School

BRAC University

10 January, 2021

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It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. This report does not contain any material previously published or written by a third party, apart from where this is appropriately cited through full and accurate referencing.
3. The report does not contain any material which has been accepted, submitted for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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LETTER OF TRANSMITTAL

Mr. K.M. Nafiul Haque

Lecturer,

BRAC Business School,

BRAC University

66 Mohakhali, Dhaka- 1212

Subject: Submission of internship report on “Barriers to Internet Banking in Khulna: A study on Social Islami Bank Limited, Khulna”

Dear Sir,

I am happy to submit internship report on “Barriers to Internet Banking in Khulna: A study on Social Islami Bank, Khulna”. This report helped me to achieve a well understanding about internet banking especially online banking practice in Social Islami Bank Limited, Khulna. I worked in SIBL, Boyra branch, Khulna for 3 months. To prepare this report, I have given my best effort despite of Pandemic and few limitations.

I would be highly encouraged if you are kind enough to receive my internship report. If you have any further enquiry regarding any additional information, I would be very pleased to illuminate that.

Regards,

Ishrat Reza

ID: 14304128

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between Social Islami Bank Limited and the undersigned student at BRAC University, Ishrat Reza, ID 14304128

ACKNOWLEDGEMENT

Although the internship program has to be done individually in a sense of completion of the credit hour, however it was difficult to complete the task all by myself if I couldn't get support and guidance of some individuals. It is a great and unique pleasure to me that I have got the chance to thank some people for their help and encouragement to make my internship journey successful.

To commence with, I would like to show my sincere and massive gratitude to my internship supervisor, **Mr. K.M. Nafiul Haque**, Lecturer, BRAC Business School, BRAC University. I am indebted to his wholehearted supervision to me during the internship period. His guidance and suggestion helped me a lot to prepare the report in a well-planned and ingenious manner.

I would also like to thank the authority of Social Islami Bank limited, Khulna for giving me the opportunity to do my internship in their bank. During this pandemic it was impossible for me to leave my city Khulna. I am truly honored and grateful for this opportunity. I would like to thank,

- **Mr. Shahinur Rahman**, FAVP and Manager, SIBL, Khulna
- **Ms. Farzana Ferdouse**, Sr. Officer, General Banking, SIBL, Khulna
- **Ms. Shazeda Yasmin**, Sr. Officer, Credit department, SIBL, Khulna
- **Mr. Shohel Rana**, Sr. Officer, Card department, SIBL, Khulna

EXECUTIVE SUMMARY

Online Banking known as internet banking or web banking. This is an electronic payment system that enables a broad range of financial transactions. The main purpose of this report is to find out the barriers that people face while using online banking service. I have prepared this report based on three months internship program which I have successfully completed from Social Islami Bank Limited, Boyra Branch in Khulna. I started my internship from 23rd October, 2020. This is a condition to complete my undergraduate program in BRAC University. Working as an intern in SIBL, I got the opportunity to experience how the entire banking system operates. I got to interact with customers while they were taking service from the bank both online and face to face. I emphasized on general banking department which is operated through online banking systems along with customer service.

This report contains a study on struggles of people's while they are using online banking service in Khulna city based on Social Islami Bank's online service. The report is organized in an arrangement with several parts. The first part of the report contains general overview and background of Social Islami Bank Limited, an overview of online banking in Khulna. Later a brief discussion of the management system and departments, research methodologies and objectives of the report. Following that, problems found and the limitations are mentioned and the solution to those problems are discussed. There are 43 sample respondents from online and 65 people were interviewed on SIBL for the analysis of the customers to know about their view and experience of online banking system in Khulna.

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Chapter 1

Overview internship

1.1 Student Information:

I, Ishrat Reza, am a student of BRAC Business School, BRAC University. I have completed my internship (BUS400) in Social Islami Bank, Boyra, Khulna. Here my information are given below,

Name: ISHRAT REZA.

ID: 14304128

Program: Bachelor of Business Administration

Major: E Business & Marketing

1.2 Internship Information:

As, we are going through a pandemic. I had to complete my internship here in Khulna. So I joined Social Islami Bank Limited, Boyra branch, Khulna. Working in SIBL Khulna branch as an intern was the very first chance for me to attain practical knowledge about banking sector. I worked in under the supervision of Mr. Shahinur, Manager of the bank along with Ms. Farzana Ferdouse, Sr. officer. I worked in general banking division. It was a tremendous journey for me to go through the actual experience of banking sector.

1.2.1 I have given my internship information below,

- i. **Company Name:** SOCIAL ISLAMIC BANK LIMITED
- ii. **Period:** October 23, 2020- January 23, 2021
- iii. **Department:** General Banking
- iv. **Address:** Social Islami Bank Limited, Boyra Branch,

Khokon Shopping Complex,

98, Mujgunni Main Road, Boyra Bazar, Khulna

1.2.2 Supervisor:

Md. Shahinur Rahman, FAVP & Manager,

Social Islami Bank, Boyra Branch, Khulna

1.2.3 Job Responsibilities:

As an intern I was assigned to general banking department. However, I had no specific responsibilities. Though I did basically a mixed of all works. My job responsibilities are mentioned below,

- a) Assist in day to day work
- b) Call customers for get their check and card.
- c) Maintains email
- d) Organizing data
- e) Preparing data
- f) Assist customers with information.

1.3 Internship Outcomes:

Real corporate world is far away diverse from the academic knowledge. For the most part in banking sector, every day is challenging. There are both encouraging and off- putting things to experience day to day work life. I have experienced so many new things as an intern of SIBL. I came to know real roles of bankers and experienced how the whole kit and caboodle are being done consequently to serve the client.

1.3.1 My experience in General Banking:

I was assigned to general banking department. I worked in general banking department for 3 months. My supervisor was MD. Shahinur Rahman, and on spot supervisor was Ms. Farzana Ferdouse who is a Sr. officer in Boyra Bazar branch. The main responsibilities were preparing data, upload them in database and help clients with account opening and cards, checkbook. My job was to update the data on SIBL's data base. I had to deal with the clients' directly and help them with information regarding account opening, deposits, and card issues. Working in GB was so amazing and spontaneous. The list of works that I have done in general banking is,

- a) Account information data input in the data base of SIBL.
- b) Preparing data
- c) Scanning data, sorting data.
- d) Organizing customers' data.
- e) Helping customers with information.
- f) Collecting information from customers for account opening
- g) Helping customers in filling account opening forms
- h) Issuing check books.
- i) Briefing clients about different scheme.
- j) Making phone call to customers to acknowledge about cards and checkbook arrival.
- k) Scanning office documents.
- l) Mailing documents to head office.

1.3.2 My learning from the internship: The actual corporate world is way more different than what we read about it. I got to know about the work that bankers do to serve the customers. The work is very sensitive and confidential at the same time. People keep their money with trust and it is bankers' responsibility to make them assure of its safety. My learning outcomes are listed below,

- a) Got an idea of real banking work
- b) Maintained time and office hours
- c) Work environment of a bank
- d) Internet banking
- e) Consumers' perception of banking
- f) Data collection
- g) Data organization

1.3.3 Limitations:

The main limitation I faced during my internship was Covid-19. As we all know a large number of bankers were affected by Covid-19 since beginning. Additionally I had to go bank every day, while everyone still were working from home. I had to be extra cautious about safety. As I was staying with my family, initially I had to stay away from them for few days.

1.3.4 Recommendation for future intern:

Social Islami Bank Limited, Boyra, Khulna is a great place to work. However, for an intern they should assign some more works. Innovative and creative works would make an intern's work experience enjoyable and impactful for his/her future.

Chapter 2

Company profile

Social Islami Bank Limited

2.1 Introduction:

The idea of banking started with the reformation of financial sector. In the earlier, a group of extremely successful local entrepreneurs visualized an idea of launching a commercial bank with different outlook. It was essence of competence, consistent and excellence of reliable service with greater assessment of products. Consequently, in 1994, Social Islami Bank Limited was created and inauguration of business in banking sector of Bangladesh.

SIBL is one of the leading islami bank in our country. SIBL has introduced the strategy of converting all the banking activities from traditional branch based banking system to an ideal blending of both centralized processing unit (CPU). Also, an operative procedure of branch that sordid on contemporary essence of financial transactions.

2.2 History of Social Islami Bank Limited:

Social Islami Bank Limited is a second generation bank. It is operating since 22 November, 1995 and based on Shariah Principles. In the beginning it was titled Social Investment Bank Limited. Far along it reformed name to Social Islami Bank Limited. SIBL was founded by M.A. Mannan, Dr. Hamid Al Gabid, and Former Secretary General of O.I.C, Dr. Abdullah Omar Nasseef and Ahmed M. Salah Jamjoom, Former Commerce Minister, Kingdom of Saudi Arabia.

It is a public limited company registered under the companies Act of 1994 and regulated by Bank Company Act 1991. The bank engages in corporate social responsibility through donations. SIBL has made a remarkable growth within a very small period of its being.

Currently, SIBL has secured a desirable place among its entrants subsequently accomplishing achievement in all ranges of business maneuver. At present SIBL has 164 branches all over the country with two subordinate companies. It is a concept of 21st century participatory three sector banking model in one. SIBL also has 54 sub branches in 34 districts in Bangladesh. 3125 employees work for SIBL. The bank has 140 agent banking outlets to cater financial services to the remotest parts of the land.

The head office is located at 15 Dilkusha C/A, Dhaka-1000. The bank maneuvers as a programmed bank underneath a banking license issued by the Bangladesh Bank. SIBL is an exploited new generating bank with a sanctioned capital of Taka 4000 million in 2008 and paid up capital of Taka 1309.88 million in 2008 and also 1119.55 million respectively as of December 2007. The key persons of SIBL are,

1. Mr. Anwarul Azim Arif, Chairman
2. Mr. Belal Ahmed, Vice Chairman
3. Mr. Md. Sayedur Rahman, Vice Chairman
4. Mr. Quazi Osman Ali, Managing Director & CEO

2.3 Vision: “Working together for a caring society, দরদী সমাজ গঠনে সমনেত অংশগ্রহণ”

2.4 Mission:

- i. To establish three sector banking model
- ii. To transform to a service oriented technology driven profit making Bank
- iii. To provide fast, truthful and satisfactory customer service
- iv. To make sure a balanced & sustainable growth strategy
- v. Best return on shareholders’ equity
- vi. To introduce a range of ground-breaking Islamic Banking Products
- vii. Enticing and absorbent high quality human resources
- viii. To empower poor families and making local income prospects
- ix. To provide funding for social benefit organizations by assembling funds.

2.5 Values:

The values of SIBL's are listed below,

i. Trustworthiness

To be truthful is intended by the scripture –SIBL stick to this value in all its service provision.

ii. Transparency

Enduring transparent in all performances is an advantage which builds trust -SIBL obey to it.

iii. Competence

Competence infers precision in any work done - SIBL strive to render full satisfaction with it.

iv. Liability

To be accountable is to be liable and above any doubt – SIBL is obediently there.

v. Spirituality

SIBL improves financial well-being with honor to the ecstasy of religious consciences.

vi. Flexibility

Flexibility clues to well understanding and better gratification - SIBL chase the quality.

vii. Security

Customers must feel secure with all our products and services - we keep on ensuring it.

viii. Technology

Modern life is technology reliant – SIBL keep looking for the modern growth to offer the finest in ease to the clients.

2.6 Logo:



2.7 General Banking:

General banking department of SIBL assistances in captivating pledges and at the same time offers some ancillaries facilities. SIBL (Social Islami Bank Limited) General banking is divided into five sections.

1. Account Opening activities
2. Bills and Clearing activities
3. Cash activities
4. Remittance activities
5. Closing of an Account activities.
6. Account Opening Section

2.8 Functional Structure of SIBL:

Social Islami Bank Limited has different functional departments. Among theme, followings are the most significant functional departments of SIBL:

a) Management of SIBL:

Board of directors are the sole authority to take decision about the affairs of the business. Currently, Mr, Qzi Osman ali is the managing director and CEO of the bank. There are 3 Deputy Managing directors in the management team. They are Mr. Abu Naser Chowdhury, Mr. MD. Sirajul Hoque and Mr. MD. Shamsul Hoque. Three of them are highly educated and have years of experiences in different sector. The other five members of the team are,

1. Walid Mahmud Sobhani, FCMA. SEVP & Chief Financial Officer.
2. Mohammad Forkanullah, SEVP & Manager, Principal Branch.
3. Kazi Obaidul Al- Faruk, SEVP & Head of HRD.
4. Abul Hannan Khan, SEVP & Company Secretary.
5. Joynul Abedin, SEVP & Manager, Foreign Exchange Branch, Dhaka.

- b) Executive committee:** The executive committee involves of the associates of the board of directors. This committee exercises the power as deputized by the board from time and accepts all matters further than the allocation of management. The executive committee consists of 3 members. They are, Mr. Arshadul Alam, Mrs. Jebunnessa Akber and Professor Mohammaed Mizanur Rahman, PhD. The chairman of the team is Mr. Belal Ahmed.
- c) Audit Committee:** The audit committee entails Prof. Dr. AJM Shfiul Alam Bhuiyan who is an Independent director and chairman of SIBL. Also Mr. MD. M. Kamal Uddin and Dr. MD. Jahangir Hossain both of them are directors of the bank. The main purpose of audit committee is to provide oversight of the financial reporting process, audit process and the compliance of internal controls of the bank's system with laws and regulations.
- d) Board of Risk management:** The risk management committee is responsible for monitoring and approving the risk policies and concomitant practices of the bank. The team leads by MD. Kamal Uddin. There are 2 members in this team, Mr. MD. Sayedur Rahman and Mr. Ali Hasan.

All these committees work in sync and have regular meetings to set the rules and policies and discuss various issues.

2.9 Marketing Division:

SIBL's marketing department deals with providing service to satisfy customers' need. They arrange campaigns to engage customers' in different times of year. SIBL have apps and promote their offers through app. To reach clients the marketing team also use email marketing to let customers know about their offers and campaigns. SIBL marketing team collaborate with different companies and renowned brand to promote themselves. SIBL have signed different agreement over the past years and have collaborated with few companies. Here's a list of the companies and few agreements,

1. Fintech innovations international DMCC
2. Hatil Complex Limited
3. US Bangla Airlines
4. Regent Airways.
5. Corporate Deal with Mercantile Islami Insurance.
6. MOU with Nitol Marketing Company (Electronics).
7. Corporate deal with Bangladesh Rural Electrification Board.
8. Agreement with S 11 Limited.
9. Corporate Deal with Sundarban Gas Company.
10. Belhasa Global Exchange.

2.10 Financial and accounting Division: Financial and accounting department of SIBL deals with the finance of the bank. It works with all the transactions with Head office and branches. Here's a list of role of financial and accounting division,

1. Salary and wages of the employees.
2. Maintenance of Employees provident funds and gratuity.
3. Bills and Internet payments.
4. Maintenance of Income and expenditure.
5. Office rents and miscellaneous payments.

2.11 Operation management and information systems:

Bank perform various kinds of financial transaction and activities to support their business and to serve clients. SIBL offers a wide range of financial services which includes commercial banking, Islamic banking, card business, SME asset management, investment banking, and merchant banking. The other key operation that are being performed by SIBL are, bill payment service, lockers and safe deposits, wealth management, online banking etc. SIBL's services and products are following,

<p>Deposits</p> <ul style="list-style-type: none"> ✓ <i>Mudaraba Saving Deposits (MSD)</i> ✓ <i>Mudaraba Term Deposit</i> ✓ <i>Cash waqf. Deposit</i> ✓ <i>Mudaraba notice deposit</i> <p>Investment Products</p> <ul style="list-style-type: none"> ✓ <i>SIBL Islamic Auto Finance</i> ✓ <i>SIBL Islamic home finance</i> ✓ <i>Islamic consumer finance</i> ✓ <i>Bai- muazzal</i> ✓ <i>HPSM</i> ✓ <i>HPSM-IJARA</i> ✓ <i>Mudaraba</i> ✓ <i>Mushraka</i> ✓ <i>Bill Purchase</i> ✓ <i>Bai- salam (PC)</i> ✓ <i>Quard</i> <p>School Banking</p> <ul style="list-style-type: none"> ✓ <i>SIBL Student account</i> ✓ <i>Mudaraba education</i> <p>SME</p> <ul style="list-style-type: none"> ✓ <i>Bai' muajjal- SME (revolving)</i> ✓ <i>HPSM-SME (Commercial)</i> ✓ <i>HPSM-SME (Transport)</i> ✓ <i>Bai' muajjal- SME(Micro-enterprise)</i> ✓ <i>Bai' muajjal- SME (installment)</i> ✓ <i>Mudaraba- SME</i> 	<p>Savings</p> <ul style="list-style-type: none"> ✓ <i>Mudaraba Saving Account</i> ✓ <i>Al-Wadiah Current account (Individual)</i> ✓ <i>Mudaraba Special Notice Account</i> <p>Cards</p> <ul style="list-style-type: none"> ✓ <i>Visa Islamic credit card</i> ✓ <i>SIBL gift card</i> ✓ <i>SIBL dual prepaid card</i> ✓ <i>Visa Islamic credit card (dual)</i> ✓ <i>Visa Islamic credit card (local)</i> ✓ <i>Zameel debit card</i> ✓ <i>SIBL prepaid card</i> ✓ <i>SIBL hajj Card</i> <p>Digital Banking</p> <ul style="list-style-type: none"> ✓ <i>Internet banking</i> ✓ <i>E- payment</i> ✓ <i>Bkash from SIBL AC</i> ✓ <i>Bangladesh Bank APP</i> ✓ <i>ATM</i> <p>Corporate Banking</p> <ul style="list-style-type: none"> ✓ <i>Export financing</i> ✓ <i>Import financing</i> <p>Other services</p> <ul style="list-style-type: none"> ✓ <i>Locker service</i> ✓ <i>Insurance service</i> ✓ <i>Hajj service</i> <p>Lockers</p>
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2.12 Industry and competitive analysis: SIBL SWOT Analysis,

2.12.1 Strength: The positive factor of SIBL might include,

1. Positive word of mouth: SIBL has already achieved a good will among the clients.
2. Islami Banking Policy makes SIBL acceptable among target group.
3. SIBL offers an attractive bundle of Profit Rate that follows Islamic policy.
4. SIBL's Service quality is getting popular among clients.

2.12.2 Weakness: The negative internal factor of SIBL might include as follows that inhibit the achievement of goals and values,

1. Limitation of skilled work force in some area.
2. Online banking services are not updated much.
3. Limited ATM services in city areas.
4. Lack of marketing and advertising to attract clients.

2.12.3 Opportunity: Following factors might help to exploit SIBL's mission,

1. Customer retaining for new segment.
2. Innovation of new policy and modern customer service.
3. Open branches in remote areas to serve rural people.
4. Targeting new generation by introducing attractive policies in student account.

2.12.4 Threat: The negative external forces of SIBL might be as follows,

1. Technological advances and digital banking.
2. Recession of economy due to Pandemic.
3. Strong rivalry among competitors.

2.13 Industry Environment Analysis of SIBL: To analyze and understand the industry of SIBL the "Five forces Theory" has been employed. The results of analyses are given below,

2.13.1 New entrants: the new entrants are threat for SIBL. The current competitors that entered the market are,

- a) NRB Bank
- b) Modhumoti Bank
- c) Citizen Bank
- d) Bengal Commercial Bank
- e) People's Bank

2.13.2 Supplier's Power: The main supplier of banking sector is Bangladesh Bank. In Khulna, the central bank which is Bangladesh Bank has a branch office. SIBL has two branches located in Khulna city. Both the SIBL branches get all kind of supports from Bangladesh bank as well as SIBL head office.

2.13.3 Buyer Power: SIBL provides 7% of profit on deposit scheme whereas, others bank provide 8-9% of profit. Post Office savings service is also popular among the Khulna citizens. That's the buyer power of SIBL.

2.13.4 Substitute product: In case of any islami bank, the substitute is held in two ways. Similarly, for SIBL the substitute products are, a) Islami Bank to Islami Bank, b) Islami Bank to conventional Bank. For savings scheme, post office savings scheme are more popular among clients and are huge substitute.

2.13.5 Rivalry among the competitors: The rivals of SIBL, Boyra branch are, BRAC Bank, UCBL, Commerce Bank, Rupali Bank, Dutch Bangla Bank, Sonali Bank, Janata Bank, Mutual Trust Bank, Trust Bank, Standard Bank as they are now established in Boyra bazar and Daulatpur.

This study is based on environment analysis of SIBL, Boyra Branch. The study applies SWOT analysis and Five Forces Model of SIBL. This study is based on personal observation, secondary data.

2.14 Several generous statement about SIBL bank ltd. (Boyra Branch):

Social Islami Bank Ltd (Boyra Bazar Branch) is an amazing place to work. The bank should be appraised for a better work environment due to the atmosphere and employees. I enjoyed the healthy work environment and warm atmosphere there during my 3 months internship. However, there are few shortcomings too. Here's a short list of the issues I have observed,

1. There is only 3 people for the cash counter. Sometime due to excessive pressure of clients just becomes hard for them to do everything on time. As a result the customers have to wait for a long time.
2. There only one officer for General Banking department. As I have worked in this department I have seen the complications very diligently. The officer has to deal with so many pressures without any help. From account opening to mailing documents to head office, she has to do almost everything.
3. ATM service is not up to mark. Most of the time the ATM just run out of money and customers complain about it. They have to wait for a long time to cash out their money with checkbooks.
4. Online banking is not popular among the customers. So they come physically with tiny issues.

2.15 Suggestions to overcome the shortcoming:

No one is perfect and it's not even possible to be perfect all the time. Due to changing trend and demand there will be always some shortcomings. Some initiatives that can be taken by SIBL for better quality service are given below:

- a) Increasing the number of employees in cash counter.
- b) Increasing employees for general banking.
- c) Improve the service of online banking.
- d) ATM service should be improved.
- e) Employees should have more training on online banking.

Chapter 3

Barriers to Online Banking in Khulna

3.1 Introduction:

Banks are very early version of financial institution that channel excess funds from surplus unit to deficit unit in reflection of a price called Profit. Banking business definitely recognized on a correlation of Debater-Creditor between the surplus unit called depositors and the bank between the scarcity units called mortgagors and the bank. Economic development of a country depends on well organized, smooth and easy to reach and efficient saving investment process. The banking sector of Bangladesh compared to its economic size is moderately bigger than many other economies of equal level of development and per capita income.

3.2 Objective of the study:

A careful and clear statement and purpose always help to prepare a well-organized report. An organized report also help other researchers to take the right decisions and to research more deep into the topic. The major objective of the study was to examine the foremost barriers of adopting online banking in Khulna city. The specific objectives of the study may be spelled out as follows,

- i. To have an idea of overall view of Social Islami Bank limited.
- ii. To have an idea of general banking activities of SIBL.
- iii. To get an idea of banking service user in Khulna.
- iv. To analyze the online banking mechanism system in Khulna.
- v. To interpret the outcomes to know the level of performance of online banking.
- vi. To find out the barriers of online banking.
- vii. To solve the issues of online banking system in Khulna.

3.3 Methodology of the report:

This study was conducted in Khulna city. This report is a cross sectional survey on bank customers in Khulna. Most of the people were client of SIBL boyar branch. Data was collected by an overseeing 63 questionnaires to the bank customers. Also some of the respondents was surveyed through online. The questionnaire were shared via social media and email. The questionnaire was planned in the characteristic which measure the obstacles they are facing while using online banking.

3.3.1 Collection of the data: The data were collected in several ways. Both primary and secondary resources were used to collect data.

1. Primary source of data:

- a) Face to face interview of the customers of SIBL.
- b) Questionnaire based survey over online.

2. Secondary sources of data: The secondary sources are below,

- a) Official websites of SIBL.
- b) Online sources.
- c) Official websites of Bangladesh Bank.
- d) Related journals and articles.

3.3.2 Data organization: The collected data was pile up in the following stages:

- a) First, the data from the conversation with the clients along with the interview with the officers was organized to create a theoretical platform.
- b) Questionnaire based survey conducted via online platform especially with the people who live in Khulna.
- c) Both the softcopy and hardcopy were thoroughly examined and final data was selected according to the findings.

3.3.3 Limitation of the project: While conducting this project, there were few limitations. The project could be more resourceful, if there were less limitations. The limitations are mentioned beneath,

- a) Due to the pandemic it was difficult to reach to more people as there was strict restrictions.
- b) It was not possible to visit other branches of Social Islami Bank.
- c) Due to confidentiality and privacy it was not possible to access lots of information.

- d) Communication with clients was difficult as most of the clients are seniors and from rural area.
- e) It took a lot of times to conduct interviews with customers.
- f) As respondents were busy, I had to make the interviews short and finish them early
- g) Since, the target people were from Khulna, for online survey Khulna citizens were targeted.

3.4 Findings:

Finding out the major barriers of online banking may help the bank authority to get more updated a make the user interface easy for consumers. To collect information and the struggles that clients are facing two survey were conducted. Face to face interview with clients of SIBL and online survey both were constructed to get the authentic result. The result of the survey and the interview was among online banking users and non-users. Due to few restrictions and limitation only 65 clients were interviewed among bank customers' of Social Islami Bank, Boyra Bazar Branch. Among 108 respondents both online and offline only 38.6% respondents were using internet banking and 61.4% respondents were not using internet banking.

Among 108 respondents 70.2% were male and 29.8% were female. Amongst 43 respondents were from online survey, 62.8% male and 37.2% were female. The respondents were from age group 18-58 years old both from online and offline survey. However, a large number of customers were aged between 45-58 years in the interview session in SIBL. 58.8% of them were local businessman. They own grocery shop, fish store or raw vegetable store in Boyra bazar. 8% of the interviewers' were retired Government employee who have FDR in SIBL. 17% of them are came from villages near Khulna. 16.2% of them were housewives who have account in SIBL so that their spouse, son or family member can send money from abroad. The respondents were minimum graduate (57.8%), others education level were College (34.5%) and high school (7.7%).

- 1. Internet knowledge as barrier:** From both online and face to face interviews on of the major findings of online banking barrier is Internet knowledge. 64.8% of total respondents' agreed to the point that they have less internet literacy. They do not know how to use android phone, how the internet get connected and how the internet banking works. According to Ankit Keshwari (2013), the knowledge and ability to execute internet banking services computer self-efficacy helps consumer's awareness to reproduce their skill. Therefore, the knowledge and skill of computer and internet uses improve consumers' life in a good way and make it ease.

- 2. Concerned about security and privacy:** Customers frequently do not trust internet technology for three reasons, security of the system, trust issues with service providers and worries about the reliability of internet service (Lee and turban, 2001). 43.2% of online respondents are concerned with security and privacy of internet banking. Similarly, 79.8% respondents from face to face interview were concerned with privacy issues of internet banking. They do not even want to agree at this point that internet banking is secured. 32.2% of these respondents denied to use ATM service for security concern. According to Benamati and Serva (2007), to get trust of customers, it is important to make them convinced about transaction safety, data protection, PIN security and there are no human interaction in internet banking. In recent days, customers are well aware of their security and privacy.

- 3. Prefer to visit bank physically:** Online respondents were more likely to use online banking than on spot interviewers. However, 65.1% of online respondents agreed to the point that they want to visit bank physically. Similarly a major number of on spot interviewees, 82.1% want to visit bank for transaction. According to study conducted by Internet and Mobile Association of India, almost 39% people prefer face to face transaction. Due to security and lack of available banking information people prefer to visit bank. They ask officers question to be sure and want hardcopy of documents for safety.

- 4. Lack of internet device:** 34.8% of on spot interviewees claims that they do not have android phone. Elder people are the major of them. Some of the families have only one

smart phone owns by one member of the family. As a result it is not possible for them to get access to the phone to use internet. On the other hand, only 8.8% online respondents have this issues. Because, few do not have laptop or computer to access the website of bank and some of them do not understand the banking app.

5. Limitation of internet connection:

45.4% of on spot interviewees agreed that they have severe internet connection problem. As, almost 45% of the interviewees are not from urban areas. So they do not have broad band internet connection. They use mobile internet to use internet, which is expensive as well. On the other hand, online respondents claim that they use broad band internet at home as well as mobile internet. However, they also connection issues. In Khulna city almost every week the Power Division switch off the electric connection for servicing. Those who do not have backup, they cannot access internet from 9 am-5 pm. 34% of interviewees claims this issues as major problem.

6. Complicated User Interface:

Understanding of usage of banking website and mobile app is very important. According to a major part of respondents, they do not understand the interface of website and mobile. As, a huge number of clients are mid aged to senior citizens, and they are not tech savvy at all. So, 85.5% of on spot interviewees claim that they face difficulties while using website and app. They have fear of technology and privacy. On the contrary, the bank officers also face difficulties while solving clients' problem. Kauffman and Chircu (2000) stated that, Organizational ability to operate web technology capabilities is one barrier to electronic banking. New technology always require expert and understanding mental capabilities. Complicated interface is equally hard for officers to understand.

7. ATM service unavailable 24/7:

45.2% interviewees complained about ATM service of SIBL. They claimed that, the ATM gets out of money, so most of the time they have to visit the branch for transaction. On the

other hand, the online respondents 88.4%, they use ATM most of the time for transaction. Among the interviewees, 47.2% clients have difficulties of using ATM.

8 Poor customer Service and help line:

According to the respondents, the customer service and the help line of Banks are not always helpful and they do not get solutions of their problems. 37.3% interviewees claimed that they could not reach to the help line as it takes few formalities to reach the call center. They also have problems of high call rates. The officers are not even helpful if the clients visit branch to solve any issues. It takes way longer time to solve a small time.

3.5 Analysis:

SIBL is one of the Islami banks who offers online banking service. From the early days they are determined to provide with better quality service. According to the factors mentioned below SIBL's online banking in Khulna are being evaluated:

a) Security Concern:

Security is one of the biggest factors in determining the decision of consumers to use internet banking service in Khulna. SIBL is improving their security regarding online banking. Elder people as well as people who are less comfortable with technology are scared of online banking security.

b) Customer Service Quality:

SIBL is one step closer to expand their customer service. They've already taken initiative and made proper plan regarding this issue. They've introduced customer care service. In Khulna, they've organized training sessions for employee to train about customer service.

c) Developing UI and UX:

As mentioned before, customers' are having trouble with app. So, SIBL have updated their app and developing the user interface. They are on process to make their app user friendly and have introduced Bangla language as well.

d) Improving ATM service:

SIBL is improving their ATM services in Khulna. They had few limitations and they find the solution. According to the plan, they will set up, more SIBL ATM booth in town and outside of the town as well. Similarly, they are focusing on secured and user friendly ATM booth.

3.6 Recommendation:

Although SIBL is improving their online banking system day by day, but to cope up with the rivals in the market they have to keep upgrading them with trend. Here's some proposals to updating their online service in Khulna,

- a) Increase online service corporate operator
- b) Unique marketing and promotional campaign to educate customers about their service.
- c) Creating a customer friendly environment in branch and serve the customer professionally.
- d) To improve customer satisfaction they should serve customer within time and give personal attention to each customer.
- e) Keep updating their websites and app according to the trend.
- f) By giving extra attention to ATM service and load the money before it gets empty.
- g) Employees should focus on professionalism and work space manner.

3.7 Conclusion:

Outcomes of the study revealed that both the users and non-users of online banking are having difficulties with online banking system. The major issues were security, privacy, internet connection and not proper trained officers who will help clients to solve problems. The barriers to use online banking also trouble people as sometimes they need instant and fast transaction but cannot make it due to weak internet connection.

User interface (UI) are not user friendly. Target segments are not getting the proper direction and they find it complicated. Both the website and mobile app does not come with any user manual or direction. The interface seems way difficult so the user get confused and they fear about their privacy. As a result, they visit to bank rather online banking.

ATM service of any bank should be user friendly for all clients. Using other bank's ATM requires extra money, so clients do not want to use other ATM booth. Rather they prefer to wait in a long queue in bank. In this pandemic it is required to avoid crowd and human interaction. If the ATM service would available 24/7, then the customer would use it for their safety and convenience.

Findings of this report indicates that the bank authority must try to emphasize and invest more into online banking. This is the era of technology, so the bank should grab this opportunity to attain more customers by updating themselves. It is very important to train the officers and have a well communication system through help line and call center. Security and privacy are one of the main concerns of clients, so the bank authority should make ensure of well secured online transaction system. This study would be helpful for further research and for explore factors to make the bank profound.

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Online survey questionnaire

1. Where do you live?

Inside Khulna	Outside Khulna
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2. What is your age? Ans:

3. Gender?

Female	Male	Others
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4. What purpose you use the internet most frequently...

Social Media	Banking
Work	Booking Tickets
Entertainment	Shopping
Transaction through Bkash or Nogod	Not something significant

5. Your weekly banking activity in a week...

0-1 times	4-6 times
2-4 times	7 or more times

6. Your preferred communication with your bank...

Online	Physically visit the bank
Help line	ATM booth

7. Please select your choice (you can select more than one)

online banking makes banking cheaper	online banking gives account access 24/7
online banking saves time	online banking is secure way of dealing with bank
walk-in contact with bank (in branch) is essential	I would never open up an account in a bank without walk-in branch

8. Do you trust the security system of online banking?

Yes	No
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9. How often do you use online services per month?

Less than 1 time	2-3 times
4-6 times	6-8 times
8-10 times	More than 10 times

10. What were your reasons for choosing an online banking service?

Convenience	To save time
24 hour access to account	Access from home
