



# ***Internship Report on IFIC BANK Limited***



**IFIC BANK**  
**LIMITED**

ইন্টারন্যাশনাল ফাইন্যান্স ইনস্টিটিউট অফ কমার্স ব্যাংক লিমিটেড

# **The Roles of Service Marketing of The Retail Banking Unit in IFIC Bank Limited**



## **Supervised By:**

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## **Submitted By:**

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**Date of Submission: 26.06.2014**

## ***Letter of Transmittal***

26th June, 2014

Dr. Mohammed Tareq Aziz

Assistant Professor

BRAC Business School

BRAC University

**Subject: Submission of internship report.**

Dear Sir,

It gives me enormous pleasure to submit the internship report on “**The Roles of Service Marketing of The Retail Banking Unit in IFIC Bank Ltd.**”. I expect this report to be informative as well as comprehensive. It was prepared as a part of the requirement of the BBA program of BRAC Business School.

I have successfully completed my internship program in IFIC Bank Limited and I worked there as an intern for three months. Working on this report was a great learning experience for me as I got to learn the differences between practical and theoretical work. I hope you will find the report to be objective, systematic and reliable.

It has also to be mentioned that without your expert advice and cooperation it would not have been possible to complete this report. I shall be pleased to answer any sort of query you may have regarding the report.

Sincerely yours,

Rezwan Rahman

ID: 10104035

BRAC Business School

BRAC University



**IFIC BANK**  
**LIMITED**

ইন্টারন্যাশনাল ফাইন্যান্স ইনভেস্টমেন্ট এন্ড কমার্স ব্যাংক লিমিটেড

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HO/HRM/INT/2013/65391

December 26, 2013

**Mr. Kumar Murshid**

Adviosr, CSO

BRAC University

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Dhaka-1212.

**Sub: Internship Program**

Dear Sir,

With reference to your letter dated November 14, 2013, we are pleased to inform you that the Management of IFIC Bank Ltd. has accepted **Mr. Rezwan Rahman**, student of BBA for Internship at our Motijheel Branch for a period of 03 months with effect from January 01, 2014 to March 31, 2014.

During the Internship period, Mr. Rezwan Rahman will get an allowance of Tk. 5,000 (Taka Five Thousand) only per month.

This is for your information and necessary action.

Thanking you.

Sincerely,

**A.H.M. Kamal, ACMA**

Vice President & Head

HR Operations & Performance Management

## ***Acknowledgement***

At the beginning I am very much grateful to almighty Allah for giving me strength and opportunity and sound mind to complete the internship report. It is common practice to thank all those people who contributed to the task that one has to achieve and I see no reason to change this custom.

Preparing the Internship Report on “**The Roles of Service Marketing of The Retail Banking Unit in IFIC Bank Ltd.**” is not an easiest assignment where the information should be analyzed properly and some data yet to be disclosed on the report. This descriptive paper is the outcome of my practical working experience in IFIC Bank Ltd. (Motijheel Branch). For successful completion of this report, I have been fortunate to have the support, assistance and encouragement of a number of individuals. Many of them played a decisive role in helping me making this report, although I honestly accept full responsibility for all the errors and omission. There are those people who contributed in conducting my report, those who have provided information and those who have read, reviewed and provided moral support and encouragement.

First of all I am very much thankful to my honorable faculty, **Dr. Mohammed Tareq Aziz** sir, Assistant Professor, BRAC University, who always gave guidelines and suggestion during the period of completing my internship report.

I like to thank especially to honorable sir **Md. Akbar Ali**, Vice President & Manager Customer Service & Operations of IFIC Bank Ltd. (Motijheel Branch), who always encouraged me and helped me through my internship period with his valuable advice. My gratefulness to **Mir Robel Hossain**, Senior Officer of IFIC Bank, (Motijheel Branch), who have guided me from the very beginning in FDR section and helped me in gaining practical experiences in banking. My special thanks go to **Tapu Saha**, Senior Officer, **Benjir Rahman**, **Md. Shaker Newaz**, **Md. Zohirul Haque**, Principal Officer, **Mohammad Nazrul Islam**, Senior Principal Officer and **S.M. Alamgir Hassan**, Assistant Vice President of IFIC Bank Ltd. Motijheel Branch, who helped me with providing lots of information regarding my internship report. They are very supportive in supervising my works and I am so much grateful to all the employees of IFIC Bank, Motijheel Branch for their whole hearted co-operation.

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## *Executive Summary*

To survive competitively in the market any business whether it is production or service oriented should make their product and services more diversified. Responding to the market demand IFIC Bank has a complete array of Commercial Corporate and Personal banking service covering all segments of society. Now-a-days Commercial Banks are emphasizing on consumer loan to minimize the risk of default. That is why I have decided to prepare my internship report on **The Roles of Service Marketing of The Retail Banking Unit in IFIC Bank Ltd.** This report has been conducted to find out the possibility of establishing the position of IFIC Bank in terms of retail products. One of the crucial parts of the report is that, IFIC Bank Retail Unit has been compared with the roles of service marketing to understand the current position in the market. From the comparison with theories, some problems and prospects are found in IFIC Bank Retail Credit. IFIC is offering diversified product portfolio and lowest rates and charges which are their strength to proceed further in the business. Again, IFIC Bank has a few problem regarding target clients segments and promotional activities that should be rectified. The retail credit disbursement procedure is also described in this report. There are many opportunities for IFIC Bank to develop and enter in retail credit market with a massive amount of investment as this is one of the ways for risk diversification. In recent banking business modern countries are focusing more and more on retail credit to shuffle their past ideas about investing in corporate credit. Though there is a tough competition in this sector, but to achieve a leading position IFIC bank should consider more its credit business on Retail Loan.

## *Introduction*

### **1.1 Description of the Project**

The report has been prepared as a mandatory requirement of the Bachelor of Business Administration (BBA) program under the Department of BRAC Business School, BRAC University, Bangladesh. This report is entitled **“The Roles of Service Marketing of The Retail Banking Unit in IFIC Bank Ltd.”** My institutional supervisor Dr. Md. Tareque Aziz assigned me the topic of the report. The primary goal of the project papers is to provide on the job coverage to the student and an opportunity for translation of theoretical conceptions in real life situation and also my supervisor suggest me to compare Retail Banking Unit of my bank (**IFIC Bank Ltd**) with the Roles of Service Marketing.

### **1.2 Objective of the Report**

The core objective of this study is to analyze Retail Banking Unit of IFIC Bank Ltd and identify the service gaps in it. The objectives of the report are as follows:

#### **1. Broad Objective:**

- To partial fulfillment of my BBA degree.
- To match my academic knowledge with the real corporate business set up.
- To enlarge my experience from a real corporate exposure
- To enhance my adaptive quality with the real life situation

#### **2. Specific Objective:**

- To know organizational profile of IFIC Bank Ltd.
- To evaluate the factors affecting performance of the bank.
- To emphasize areas where improvement is possible.
- Comparative analysis to identify their position



## 1.3 Methodology of the Study

### Data Collection:

Both the primary as well as the secondary form of information was used to prepare the report.

The details of these sources are highlighted below:

#### (a)Primary Source

I have collected primary information by interviewing employees, managers, observing various organizational procedures, structures. Primary data were mostly derived from the discussion with the employees of the organization.

#### (b)Secondary Source

I have elaborated different types of secondary data in my research. Sources of secondary information can be defined as follows:

##### *I. Internal Sources*

- Bank's Annual Report – 2010- 2011
- Group Instruction Manual & Business Instruction Manual
- Prior research report from archive

##### *II. External Sources*

- Different books and periodicals related to the banking sector
- Bangladesh Bank Circulars
- Website Information

## 1.4 Limitations

In this study, a whole-hearted effort was applied to collect, organize, analyze, and interpret the related data and finally to attain the optimum outcome of the research. In spite of these efforts, there exist some limitations that acted as a barrier to conduct the research.

- a) The main limitation of this report is Bank's policy of not disclosing some data and information for confidential reason, which could be very much useful for the report.
- b) Time period of twelve week was too limited to get practical experience.
- c) As an intern of I have to work in different departments of the branch & during the twelve week period of internship. I worked in Foreign Exchange Department only for 2 weeks.
- d) Because of the limitation of information, some assumptions were made. So there may be some unintentional mistake in the report.
- e) In case of performance analysis secondary data are used.
- f) This study completely depended on official records and annual reports.
- g) It is difficult to make an information based rich report in a short time period.
- h) Banks policy did not permit to disclose various data and information related to Credit Portfolio.

Nevertheless, I have tried utmost to avoid mistakes.

## *Organization Overview*

### **2.1 The Historical Background of IFIC Bank Ltd.**

Banking Industry in Bangladesh is fully guided by the Central Bank which is Bangladesh Bank. However different Bank has different management systems, operational techniques and different guidelines. The banking system of Bangladesh is composed of variety of banks working as Nationalized Commercial Banks, Private Banks, Foreign Banks and Development Banks. However, there are many private Banks in Bangladesh. At present among other banks **IFIC Bank Limited** is operating their banking operations effectively and efficiently and providing bank services with a view to accelerating socio-economic development of the country. IFIC Bank is one of the best private commercial banks in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity. Adoption of modern technology both in terms of equipment and terms of banking practice ensures efficient service to clients. Day by day new competitors appear with better ideas and products as well as services.

International Finance Investment and Commerce Bank Limited "IFIC Bank" came into existence in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad.

IFIC was incorporated as a public limited company with an authorized capital of Tk.20 core and paid up capital of Tk.10 core. IFIC commenced its operation on February 28, 1977 with a subscribed capital of Tk.5 core, contributed by a leading private sector of entrepreneurs in the country. The Government held 49 percent shares and the rest 51 percent were held by the sponsors and general public but in 1983 when the Government allowed banks in the private sector IFIC was converted into a full-fledged commercial bank. The investment company transformed into banking company in June 13, 1983 and started activities from June 24, 1983 through its Motijheel Branch.

Previously IFIC Bank Ltd was Government owned bank. Now the government of the Peoples Republic of Bangladesh holds 34.34 % of shares of the bank. Leading industrialists of the country own 34% of the shares and the rest of the 31.66 % is held by the general public. The

founder of IFIC Bank Ltd was Jahurul Islam of Islam Group of Industries. He was the first Chairman and A.S.F. Rahman was first Vice Chairman. Board of Directors of the Bank is a unique combination of both private and Government sector experience. Currently it consists of 13 Directors. Among them eight represent the sponsors and general public and four officials in the rank and status of Additional Secretary/Joint Secretary represent the Government. At the very beginning the 60 percent share are owned by private entrepreneur and 40 percent are owned by Govt. at the end of 1984 the authorized capital was 10 crore and the paid up capital was 7 crore 15 lac Taka only.

## **2.2 Products & Services of IFIC Bank Ltd.**

### **2.2.1 Corporate Banking**

IFIC Bank is offering specialist advices and products to corporate clients to meet diverse demands of the changing market scenario. The bank has an extensive branch network all over the country to expedite the client's business growth. The bank facilitates the clients to face the challenges and realize opportunities. The bank's main focus is relationship based banking and understanding corporate and institutional business environments. Products and services for corporate clients include: Working Capital Finance, Project Finance, Term Finance, Trade Finance, Lease Finance, Syndication Loan etc.

### **2.2.2 Retail Banking**

Retail Banking is a mass-banking facility for individual customers to avail banking services directly from the wide branch network all over the country. The bank provides one-stop financial services to all individual customers through its innovative products & services to cater their need. With a view to provide faster and more convenient centralized online banking services, now, all its branches have been brought under the real time online banking system. IFIC Bank offers a wide variety of deposit products, loan product & value added services to suit the customer's banking requirements.

IFIC Bank Ltd. has a huge retail banking unit and they are successfully operating this unit by fulfilling client's requirements.

Retail products has shown in chart below-

<b>Consumer Loan</b>	<ul style="list-style-type: none"> <li>• IFIC Auto loan</li> <li>• Consumer Durable Loan</li> <li>• Parua (Education loan)</li> <li>• Thikana (Home loan)</li> <li>• Any Purpose Loan</li> <li>• IFIC Marriage Loan</li> <li>• CNG Conversion Loan</li> <li>• IFIC Home Renovation Loan</li> <li>• IFIC Medical Loan</li> <li>• IFIC Holiday Loan</li> <li>• IFIC Peshajibi Loan</li> <li>• IFIC Easy Loan</li> </ul>
<b>Deposit Product</b>	<ul style="list-style-type: none"> <li>• Savings Account</li> <li>• Car Account</li> <li>• Fixed Deposit Receipt (FDR)</li> <li>• Special Notice Deposit (SND)</li> <li>• Pension Savings Scheme (PSS)</li> <li>• More Money</li> <li>• School Savings Plan – A Plus</li> <li>• Monthly Income Scheme - (Protimash)</li> <li>• Double Return Deposit Scheme</li> </ul>
<b>Credit Card</b>	<ul style="list-style-type: none"> <li>• Credit Card</li> <li>• Debit Card</li> </ul>
<b>NRB</b>	
<b>Student File</b>	
<b>SMS Banking</b>	
<b>Internet Banking</b>	

### 2.2.3 SME Banking

The growth of Small and Medium enterprises (SMEs) in terms of size and number has multiple effects on the national economy, specifically on employment generation, GDP growth, and poverty alleviation in Bangladesh. At present, Small & medium enterprise sector is playing a vital role in creation of new generation entrepreneurs and 'Entrepreneurs Culture' in the country.

Experience shows that borrowers of small enterprise sector prefers collateral free loan since normally they cannot offer high value security to cover the exposure.

To facilitate SME sector of the country, IFIC Bank provides collateral free credit facilities to the small & medium entrepreneurs across the country whose access to traditional credit facilities are very limited. The bank is offering 15 different products for selected target groups, such as - Easy Commercial Loan, Retailers Loan, Muldhan Loan, Women Entrepreneur's Loan (Protyasha), Transport Loan, Working Capital Loan, Project Loan, letter of Contractor's Loan, Bidder's Loan, Working Capital Loan, Project Loan, Letter of Guarantee, and Letter of Credit Loan against Imported Merchandize (LIM), Loan against Trust Receipt etc.

### **2.2.4 Agricultural Credit**

Bangladesh is an agro-based country and majority of the population is dependent on Agriculture. Although maximum of the total population is dependent on agriculture, its contribution to GDP has gradually come down. Moreover, every year a huge amount of food grain and other agricultural products are imported to meet the demand of the country. In order to achieve desired growth in agriculture sector of the country the bank is committed to increase present loan portfolio in agricultural sector. IFIC Bank is offering Agriculture Loan products namely –

- Krishi Saronjam Rin - For Agriculture Equipments
- Shech Saronjam Rin - For irrigation equipments
- Poshupokkhi & Motsho Khamar Rin - For Live Stock & Fish Culture &
- Phalphasali Rin - For Fruit Orchard for individuals & group at micro level.

### **2.2.5 Lease Finance**

Lease means a contractual relationship between the owner of the asset and its user for a specified period against mutually agreed upon rent. The owner which is the Bank is called the Lesser and the user the customer is called the Lessee. Lease finance is one of the most convenient source of financing of assets viz. machinery, equipment vehicle, etc.

IFIC Bank Ltd. the highly capitalized private Commercial Bank in Bangladesh has introduced lease finance to facilitate funding requirement of valued customers and growth of their business

houses. Its lease facility is extended to the items like Industrial Machinery, Luxury bus, Mini bus, Taxi cabs.

***Lease items:***

- Vehicles like Luxury Bus, Mini bus, Taxi Cabs, Cars, Pick-up, CNG three wheeler etc.
- Industrial Machinery & Equipment.
- Medical Equipment.
- Machinery for Agro-based Industry.
- Construction Equipment.
- Office Equipment.
- Generators, Lifts & Elevators for commercial place.
- Sea or River Transport.
- Computer for IT Education Center.

## **2.2.6 Money Transfer**

Joining with one of the world renowned money transfer service “**Money Gram**”, IFIC Bank Ltd. has introduced its customers to the faster track of remittance. Now IFIC Bank Ltd. can bring money in Bangladesh from any other part of the globe in safer and faster means than ever before. This simple transfer system, being on line eliminates the complex process and makes it easy and convenient for both the sender and the receiver. Through IFIC Bank Ltd. Money Gram Transfer Service, money will reach its destination in minutes by affordable, reliable and convenient financial services.

## **2.2.7 Treasury & Capital Market**

IFIC Bank Limited is devoted to capital market of the country and offers world standard brokerage services for individual and institutional investors. The Bank is responsible for origination of sales, buying and trading of securities of capital markets. It aims to provide relevant support to its customer with sophisticated and innovative financial solutions and delivering the highest quality of services. It has a seat in Dhaka Stock Exchange Limited. The Treasury Division of IFIC Bank is engaged with Cash Management, Liquidity Planning and Liquidity Protection. It is also conscious to protect all the bank’s Assets and Profits against loss

due to domestic as well as global financial realities, particularly Interest and Exchange Rate fluctuations. The Treasury Department is also regarded as a Profit Center, which generates income by trading instruments in the Financial Market.

To manage treasury unit as profit centre along with guidance from regulatory authorities, the bank equipped itself with clear policies, fit organization structure, deployment of trained staff, modern infrastructural facilities and technological initiatives.

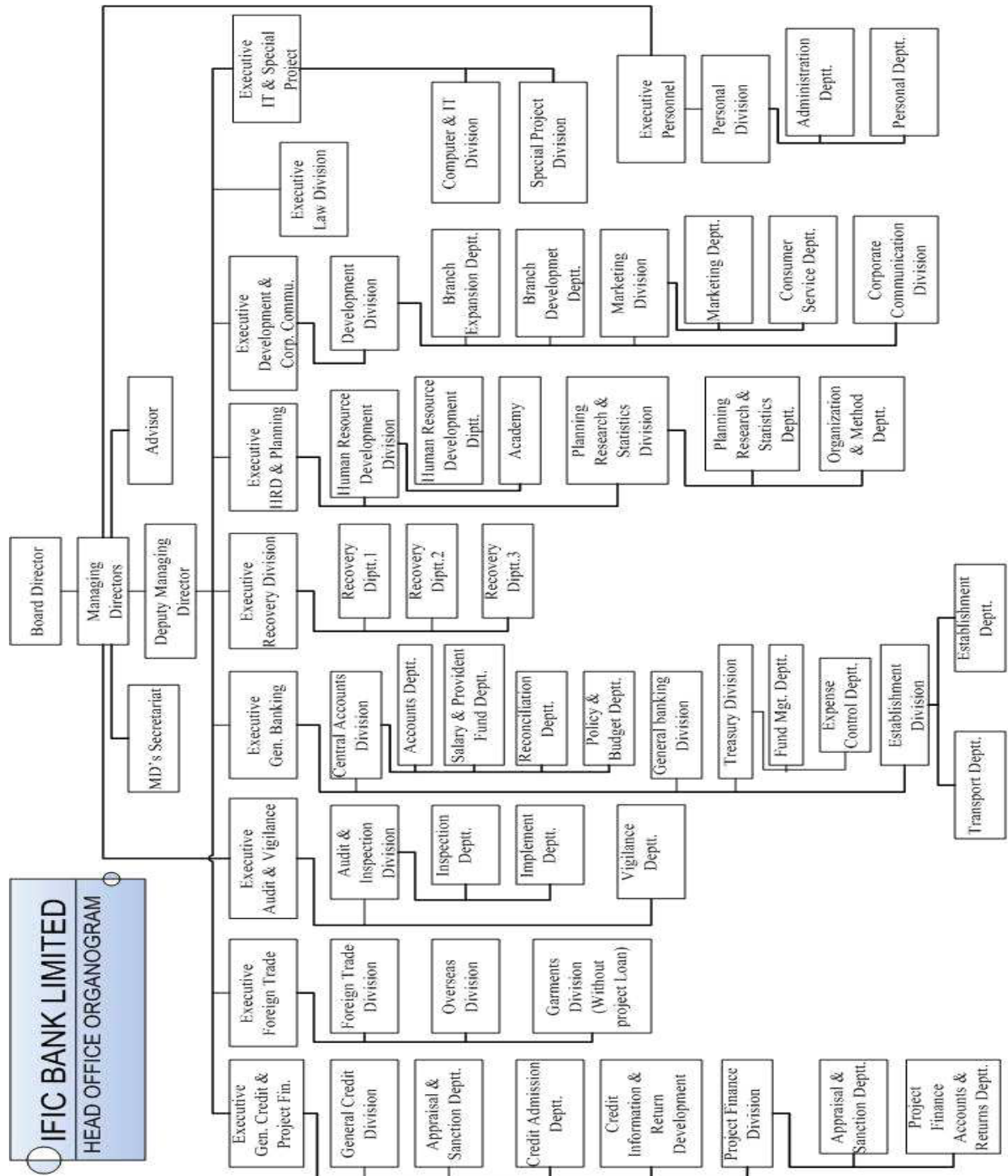
Major functions of treasury division of IFIC Bank are –

- Fund Management
- Management of Statutory Requirement
- Investment
- Trading of Foreign exchange & Money Market Instruments
- Asset Liability Management
- Risk Management

IFIC Bank has a dedicated Treasury Team which is capable of providing all treasury solutions through wide range of Treasury Products. IFIC Treasury has four different desks, which are specialized in their own area to provide best services with respect to pricing, best possible solution for customer requirement and market information.



## 2.3 Operational Network Organogram



## **2.4 Mission & Vision of IFIC Bank Ltd.**

### **Mission**

“Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for. We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.”

### **Vision**

“We want to be the leader among banks in Bangladesh and make our indelible mark as an active partner in regional banking operating beyond the national boundary.”

## **2.5 Goal of the Bank**

The goal of the bank is to exceed customer expectations through innovative financial products & services and establish a strong presence to recognize shareholders expectations and optimize their rewards through dedicated workforce.

### **a) Long Term Goal**

Keeping ahead of other competitors in productivity and profitability.

### **b) Short Term Goal**

To attain budgetary targets fixed

## **2.6 Organization Principles of IFIC Bank Limited**

IFIC Bank Ltd. has a flat and flexible organization with few levels of management and broad spans of control, including project teams and task forces. Networking and horizontal communication are encouraged with clear accountability of the managers and the hierarchy. Clear levels of responsibility and well-defined objectives are a must. A team always has a responsible leader. It has a structure which assures operational speed and personal responsibility, with strong focus on results, reducing bureaucracy as much as possible.

## **2.7 Strategic and Financial Objectives**

### **1. Strategic Objectives:**

- A bigger market share
- Broader and more attractive services and products than rivals.
- Superior customer service
- Wider geographic coverage than rivals

### **2. Financial objectives:**

- Growth in earnings
- Higher dividend
- A more diversified revenue base

### **3. Strategy:**

- Low cost provider strategy
- Offensive Strategies to build market share
- Vacant niche strategy
- Specialist Strategy
- Superior Product Strategy
- Distinctive image strategy

## *Theories Put to Practice & My Job Responsibilities*

### **3.1 Theories put into practice**

#### **1. The Customer Gap**

As I worked in retail banking in IFIC Bank I got to deal with the customers directly and had a first-hand look at the gap between the customer's expectation and customer's perception. Here I used the 4 provider's gap:

- a. Not matching performance with promises
- b. Not delivering to service designs and standards
- c. Not having the right service quality designs and standards
- d. Not knowing what customers expect

#### **2. How Consumers Experience Services**

I had to learn the service process of IFIC Bank Ltd. as they had their own unique way of giving service. To learn the process and apply it I related it with the theory of consumer service experiences.

- **Service as a process**

The process of buying the service. The process of service in IFIC Bank is a little long as a lot of formalities are had to be done.

- **Service Provision as Drama**

The moment the customer asks for information the answer should be known beforehand. In IFIC Bank the officers have a set of questions and answers predetermined for the customers. So, for every kind of questions they have answers beforehand and if they don't they improvise.

- **Service Roles and Scripts**

Every service should be written so is the case in IFIC Bank where the roles of the service are written.

- **Compatibility of Service Customers**

A service should be applicable. IFIC Bank officer's tried to anticipate the customer's incompatibility with the service and try to make it applicable for them.

- **Customer Coproduction**

This is a kind of service sector where customer's active participation is needed. IFIC Bank tries to keep their customer's in active participation as much as they can so that the service can be given without any problems.

- **Emotion and Moods**

IFIC Bank knows that emotions and moods play a strong role in influencing so they try to keep the consumers as happy as they can with their services through positive interactions.

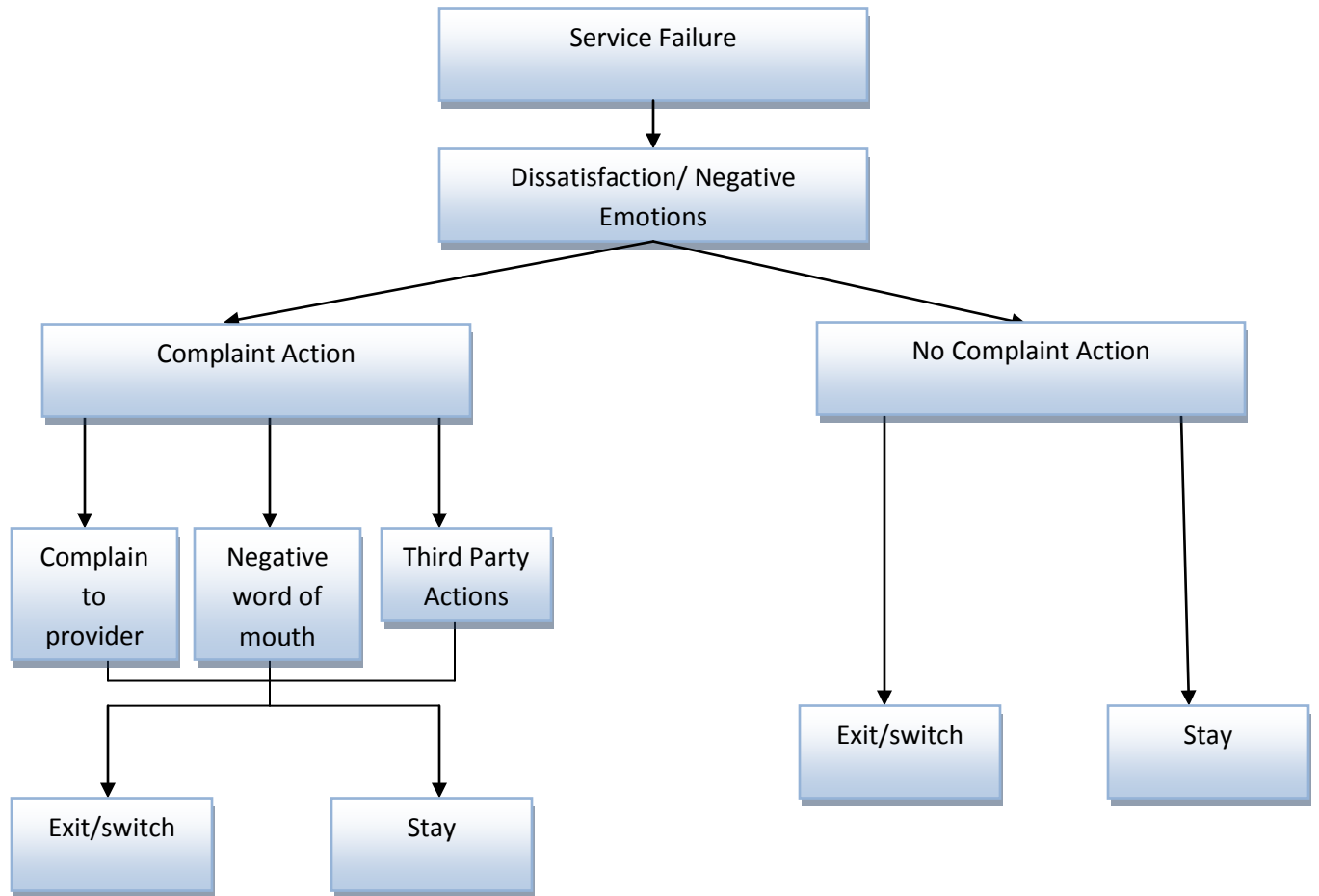
### 3. Service quality dimensions

As I got the experience of working directly in customer service I got to learn their perception. In forming their judgment about any service, customers rely on five service dimensions:

- Reliability
- Responsiveness
- Assurance
- Empathy
- Tangibility

### 4. Service Recovery

The service recovery process that's used in IFIC Bank Ltd. is a lot familiar with the 'customer complaint action following service failure'. Below is a chart given showing the service recovery process:



**Fig: Service Recovery Process of customer complaint**

### 3.2 Specific Responsibilities of the Job

I started my work in General banking sector. GB is one of the most important departments where all kind of banking activity starts. Because it includes multi tasks & all kind of transactions actually run in this department. During my internship period I've learned most from this section. I worked in the following section under GB division:

- FDR section
- Dealing with the clients
- Helping clients to fill up FDR form and account opening form
- Provide assistance support according to the need of clients
- Updated client's data in software (Mysis) through AIM and CIM
- Account opening
- Account closing
- Cheque book issue
- Pay Order Section
- Cash Section

I also worked in credit division mainly deals with the approval of different types of loan; manage the repayments of their clients to avoid the credit default risk. I think it is the most risky department comparing to the other departments because bank's main income comes from the loan interest, so if they give loan to wrong person and the loan become default bank will face a huge loss. That's why to know the creditworthiness of an applicant, IFIC bank go through several procedures like collecting CIB report from Bangladesh bank, survey the location of applicant's property, collecting information about the income of applicant's etc. The Foreign Exchange division in Motijheel branch is very well established. Mainly, they have three separate section import, export & foreign remittance. The export & import section basically deals with the opening of LC (Letter of credit) to support different people and organization that have export-import oriented business. Here the IFIC bank basically works as a guarantor for their clients and to open LC is not an easy procedure. IFIC bank goes through a series of complex procedures in case of LC. Some of those procedures are collecting trade license, collecting bill of entry, collecting several information about the applicant's business, collect VAT, TIN, IRC certificate etc.

### **3.2 Different Aspects of Job Performance**

Through my internship period I was assigned for different types of task and activities and by doing those I achieved performance appraisal from my supervisor and from all the officers' work there.

As I worked most in general banking I completed all the pending works like updated the customer information, collected and organized all the forms from January to till March and posted in Mysis software. I also made serial of all the files of FDR Section and my supervisor was very much pleased with my works, dedication and sincerity.

By working there now I have realized that how much important and difficult is to satisfy our clients. Before that I didn't have any idea that it could be so tough.



## *The Project*

### **4.1 GAP Models**

The customer gap is the difference between customer expectations and perceptions. Customer expectations are standards or reference points that customer bring into the service experience, whereas customer perceptions are subjective assessments of actual service experiences.

Customer expectations often consist of what a customer believes should or will happen. Now we will look around the gap models of the International Finance Investment and Commerce Bank Limited of Bangladesh.

#### **Customer Expectations:**

1. A great combination among service and quality.
2. Flexible installment time and amount.
3. Releasing loan before scheduled date.
4. Thorough knowledge of all the products and services.
5. Dealing with complaint promptly and fairly.
6. Follow-ups after service.
7. Offering informed guidance on available services.
8. Advanced technology based system.
9. Clarity and fairness.
10. Easy access to their information and funds.
11. Adequate service recovery system.
12. Know in advance when the free structures are changing.
13. Maintaining customer's privacy of information.
14. Easy process of agreement.
15. Innovative in service providing.
16. Continually developed website.
17. Availability of necessary information in the website.
18. Maintaining a good relationship with customers.
19. Continuous communication with customers through text messages, mails, phone calls etc
20. Social media advertising.

21. Adequate CSR activities.

**Customer's Perception/ Experience:**

1. Technology-based services are hard to implement and there are many failures and poorly designed systems in a place.
2. Tight installment time and amount.
3. Frequent delay in handing over services.
4. Too lean and understaffed to provide quality service.
5. Higher expectations of customers created from other banks are not met frequently.
6. Less skilled people in frontline service jobs.
7. Talented workers leave for better opportunities.
8. Rules, regulations, restrictions from Bangladesh Bank delaying the services.
9. Not handling complaints.
10. Credit card takes too much time to activate.
11. Interest rates on FDR, DPS and other deposit instruments are lowering compared to other banks.
12. Victims of fraudulent practices.
13. Loans not sanctioned in time.
14. ATM's not functioning properly.
15. Data not recorded properly.

So, we have got the expectation and perceived experience of the customers from real estate companies. Now we have to examine the gap models.

Let's consider the *provider gap -1*, which is, “not knowing what customers expects”. There are four reasons behind occurrence of this gap. Of these four, “inadequate service recovery system” has much importance. Sometimes banks do not take necessary steps to provide service recovery. There is also another reason which is, “inadequate marketing research orientation”. Sometimes banks lack adequate research to know about the customers demand. But they have sufficient relationship focus. Banks have their promotional activities. Besides they have the customer information databases. They send messages, E-mail's and invitation card in festivals.

Then comes *the provider gap -2*, which is,” not having the right service quality designs and standards”. This may happen for the poor service design of the bank. It starts from the time of the service. The customers have to go through a lot of paper works like, application form fill up, agreement draft copy, bio data providing etc. these takes a lot of time. IFIC bank can make the paper works to be done through internet. Then the consumers can fill up those from sitting at home and can save their time. Balance can be transferred from one account to another using internet.

Now, consider the *provider gap-3* which is, “not delivering to service designs and standards”. This occurs when customers do not fulfill their roles. Sometimes customers do not pay their installments timely. If these occur for a certain period of time then the bank cancels the agreement. If the customer provides wrong information then this problem may occur. Also the banks’ problem with the intermediaries can make a service providing gap. The loan handover date may be delayed due to unavailability of proper deeds, financial tools, paper-works etc. Failure to match supply and demand also creates gap. Due to political instability, economic influence make the customers think of not investing in banks.

Lastly consider the *provider gap-4*, which is, “not matching performance with promises”. There are some reasons for what the provider gap-4 occurs. IFIC Bank has a very good integrated service marketing communication. They convey the same message throughout the different media but ineffective management of customer satisfaction and overpromising causes a problem. Fortunately, I didn’t find such examples regarding *provider gap-4*.

## 4.2 Customer Expectations

### 1. A great combination of service and quality

A client expects the bank to provide a flawless service as well as top class quality from that service.

For example, when the client opens an account he/she expects a cheque book or a debit card as early as possible so that they can withdraw their money when needed. The early that service is given the higher its quality will be measured.

## **2. Flexible installment time and amount**

Clients would expect to pay the installments in a time suited for the client along with an amount that would be reasonable to the client.

For example, clients would like to pay the installments of their loans at a time when they are able to pay it as well as the installment amount should be low.

## **3. Releasing loan before scheduled date:**

Loans aren't released before their scheduled date but that is what a client doesn't expect.

For example, a valued client needs the loan in a hurry so the client expects the loan to be released at a time that before its scheduled release date as they take a while.

## **4. Thorough knowledge of all the products and services**

It is always expected to a client that a service provider would have a thorough knowledge about the product or service the bank offers.

For example, when a client calls the card division of the bank for query the client expects the service provider to have thorough knowledge about the debit card or the credit card services.

## **5. Dealing with complaint promptly and fairly**

Although flawless service is expected from clients there is no such thing as a 100% flawless service. But it can be compensated if the complaints of those flaws are handled promptly and fairly. This is what the client expects.

For example, if the issued cheque book of a client doesn't arrive in time and the client complains about it, the complaint should be handled by firstly, listening to it with giving the client full attention and then tend to the matter as soon as possible.

## **6. Follow-ups after the service**

Following up after the service have been given as a great strategy to hold on to customers so it is a service that is greatly expected.

For example, clients of the bank expects calls from the account opener from time to time

about the account the client opened, the state of it, if any new features been added to it etc.

#### **7. Offering informed guidance on available service**

The client expects that the service provider will guide them to product or service they are suitable for.

For example, In IFIC Bank a student should be guided to open a ‘Duranta Account’ which is perfect for them as the service is designed for students.

#### **8. Advanced Technology based system**

In an era which is known for its technological evolution it is very normal for a client to expect advanced technology based system.

For example, clients will not wait in the bank for hours to receive information on the transactions of their account rather they would expect that those transactions are recorded in a computer database of the bank so that they can receive the information in seconds from their house or office if possible.

#### **9. Clarity and fairness**

The services provided by banks demand clarity and fairness so the clients expect it in a high scale.

For example, a service provider should let the client know if the interest rate of the ‘FDR’ gets lower.

#### **10. Easy access to their information and funds**

Expectation to know about the information related to the provided service and the existing funds is great among the clients of a bank.

For example, the clients would expect that they could get the information about their accounts, services and funds from their personal PC’s.

#### **11. Adequate service recovery system**

It is not unheard of a service system failing but what the clients expects is that an adequate recovery system should be kept so that recovery can be made faster and cause

less harm to the clients.

For example, if a retail loan such as a ‘House-building loan’ is not disbursed in time the client will face the problem of not finishing the works for building the house in time. So, it is expected that the bank should disburse the loan as soon as possible as well as compensate for the failure.

## **12. Know in advance when the fee structures are changing**

A client expects that the fee structures when changed should be informed to them immediately.

For example, whenever the installment fee of a loan changes or gets higher the client expects to be informed at that moment.

## **13. Maintaining a customer’s privacy of information**

As expected by a client of a bank, they hold delicate information of a client so naturally they don’t want that information on the hands of wrong people.

For example, the pin number of the ATM card of the client. It is private information and cannot be given to anyone rather than the customer.

## **14. Easy process of agreement**

A client is always busy. So, it is expected from a client that he/she wants an easy process of agreement.

For example, the processing of the sanction of a loan is very lengthy and complex.

A client expects the process to be less time consuming and easy processing.

## **15. Innovative in service providing**

Clients tend to receive innovative services from their bank.

For example, every client expects their respective bank to offer a service not given by any other bank.

## **16. Continually developed website**

A website is now a very important medium of information for a client. So, they expect a

developed website continuously.

For example, Information of a new scheme offered by the bank should be uploaded as soon as it is launched.

#### **17. Availability of necessary information in the website**

Clients expect the website of the bank to have information that would really help them with their queries.

For example, a bank is expected to have the information of the branches full address for the client to find.

#### **18. Maintaining a good relationship with customer's**

Clients expect a healthy relationship with their service providers.

For example, IFIC Bank maintains a very friendly relationship with their clients making a very friendly environment for them to work with.

#### **19. Continuous communication with customers through text messages, mails, phone calls etc**

Clients do expect to be kept in touch with the bank through various communication mediums.

For example, the service provider of IFIC Bank calls their valued clients and checks upon their recent happenings as well as informing them about their services as well as new services if available etc.

#### **20. Social media advertising**

Social media is now a new trend of marketing so clients expect marketing in this new medium.

For example, IFIC Bank held a fair recently and they advertised there fair through the social media 'Facebook'.

## 21. Adequate CSR activities

Clients do expect a generous amount of CSR activity from their respected bank.

For example, IFIC bank organizes fairs, festivals and other get-togethers etc.

## 4.3 Customer's Perception

### 1. **Technology-based services are hard to implement and there are many failures and poorly designed systems in a place**

The services that are technology based are a little complex to implement due to a few systems that are poorly designed.

For example, the operating system used for 'Deposit Schemes' are very old and is difficult to operate and it also delays the service.

### 2. **Tight installment time and amount**

Clients face a tight installment and amount against loans.

For example, the amount of interest to pay the loan of mortgage is very high and so is the time allotted to pay it back.

### 3. **Frequent delay in handing over services**

Delaying to provide a service is a common experience perceived by a client.

For example, delaying to open an account, delaying to handover client a cheque book or a debit card etc.

### 4. **Too lean and understaffed to provide quality service**

The clients sometimes get their service delayed due to understaffing.

For example, in the general banking only one person oversees the issuance, delivery and postings of the cheque book which creates pressure in both the employee and the client receiving the service, creating a flaw in the service.



5. **Higher expectations of customers created from other banks are not met frequently**

A first generation bank such as IFIC Bank has to evolve a lot to match banking of today's generation.

For example, clients who have accounts on both Standard Chartered Bank and IFIC bank would expect to have the same service from IFIC Bank as he/she gets from Standard Chartered Bank but is disappointed when it is not met.

6. **Less skilled people in frontline service jobs**

Skills matter a lot when it comes to frontline jobs. If an employee with less skilled is stationed in a frontline job it is sure to put a bad impression.

For example, a foreign client would like to deal with a person skilled in English language and having a thorough knowledge about the service he/she wants to give. A lesser skilled person would lose that client.

7. **Talented workers leave for better opportunities**

A common perception. In banks a lot of clients do their transaction due to the friendliness of their service provider. If he/she changes or switches to another bank they are tend to follow them.

For example, when an employee left for Eastern Bank the employee took his valued clients to that bank for transacting there.

8. **Rules, regulations, restrictions from Bangladesh Bank delaying the services**

As IFIC Bank follows Bangladesh Bank they have to follow their rules, regulations and restrictions causing delay in service.

For example, the bank cannot sanction the loan unless the CIB report from Bangladesh Bank is at hand.

9. **Not handling complaints**

Clients complaints if not handled carefully can cause the clients to forsake that service.

For example, the card division of the bank doesn't handle their complaints carefully

which is why a lot of clients show their dissatisfaction towards it.

**10. Credit card takes too much time to activate**

Clients sometimes face the problem of having the activation of their credit card delayed as when a credit card is to be issued lot of information of the client has to be checked. For example, the limitation of the usage of the credit card depends on the earnings of the client so it takes time for the head office to assign the credit limit for the card.

**11. Interest rates on FDR, DPS and other deposit instruments are lowering compared to other banks**

A problem the clients face is the lowering of interest rates on FDR, DPS and other deposit instruments.

For example, the interest rates of the FDR are lowered three times in the span of three months.

**12. Victims of fraudulent practices**

Unluckily some clients are victims of fraudulent practices.

For example, cheque forgery.

**13. Loans not sanctioned in time**

Sometimes loans are not sanctioned in time causing the client to be in a serious hassle.

**14. ATM's not functioning properly**

Due to less caring some ATM's don't function properly.

For example, sometimes the ATM card is pulled to the machine and not gives it back.

**15. Data not recorded properly**

Sometimes data of a client is not recorded properly.

For example, if the TIN number of a client is not recorded properly it would make a delay to create the clients interest rate.

## 4.4 Building Customer Relationship

When it comes to banks, trust, satisfaction and impression are the most crucial qualities that determine its success. These qualities do not form overnight. They form over several months or even years of interaction and client relationships. Purchasing product(s) or service(s) derived from such an industry requires customers to go through a high involvement decision-making process. This entails making background checks on banks for any bad records, studying all alternative service providers, making comparative analysis and most importantly asking other people. Most potential customers may not go through all these critical research; however they always ask around, especially existing and or previous clients of that bank before closing on to getting service from them. Therefore, it is very important to build and sustain healthy relationships with all clients so that no negative word of mouth takes place.

Similarly, IFIC Bank Ltd. tries to build solid relationships with its clients in order to prevent its underlying consequences and also, on the flip side, so that it can benefit out of it. The benefits deriving from such relationships are:

- Generating a lot of referrals,
- Smooth flow of transactions,
- Likelihood of repeating to take the services by old satisfied clients
- Being able to meet the dynamic needs of its client base through interaction with existing clients.

Every year a minimum number of people that we know moves to a different location so, there are scopes for sales from these referrals every year. Some clients may even have the desire to take the services again, which will only be the case if the client has a very good impression on the existing service and is satisfied from it. However, that is more likely to happen if the bank provides added incentives and undergoes certain deeds that will cause a client to become loyal.

IFIC Bank Ltd. provides a handful of incentives and efforts in order to build and satisfy the clients of its community. A client engages with IFIC Bank Ltd. from the launching of its services, from opening an account, delivery of cheque book, making FDR's to creating retail

loans, extending their limits and finish the transactions in due time. IFIC Bank tries to make it a positive experience for its clients for that period by providing them with:

- Periodic updates and notifying them about several processes they undergo to add their value.
- IFIC Bank Ltd. tries to create direct relation with customers to create more trust and be more flexible.
- Popular service demands are opening an account and delivering cheque books to office or home, encashment of Fixed Deposits in a short time, disbursement of retail loans in a short time.
- They also provide “Special Treatment Benefits” to valued clients. Where they maintain close and personal relationships and provide a social community. These valued clients are provided with gifts, SMS and card greetings on special occasions.
- IFIC Bank Ltd. takes part in job fairs, seminars, festivals, other get-togethers where the clients are always invited.

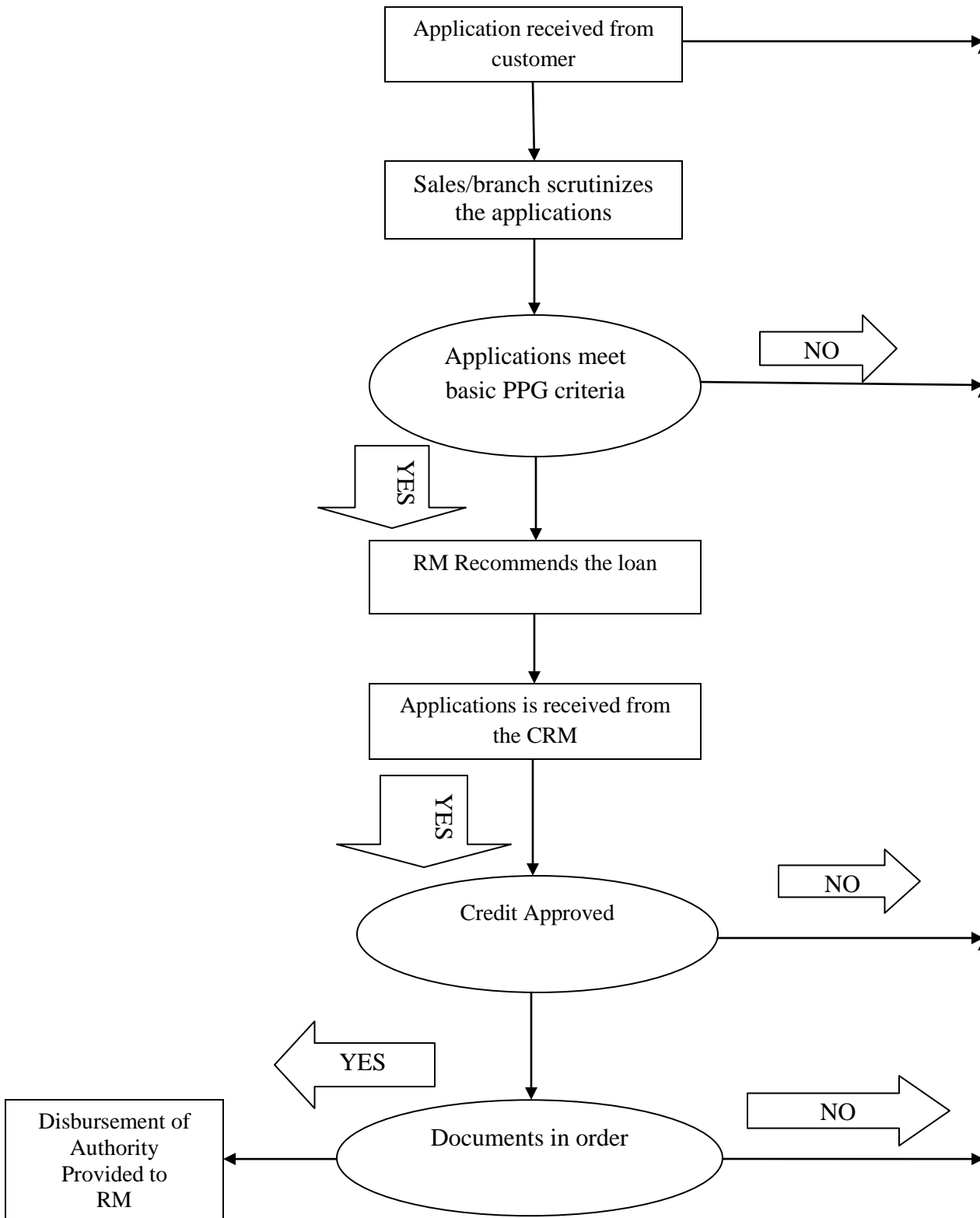
This gives the clients a sense of social belongingness which ultimately would lead to loyalty depending on person to person.

Special Treatment Benefits includes:

- Informing their own community first about new projects before advertising it in a wide-scale,
- Client database is also maintained and each client is individually contacted several times a year.

Client-retention and higher referral volumes are expected by IFIC Bank Ltd. as outcomes of their efforts.

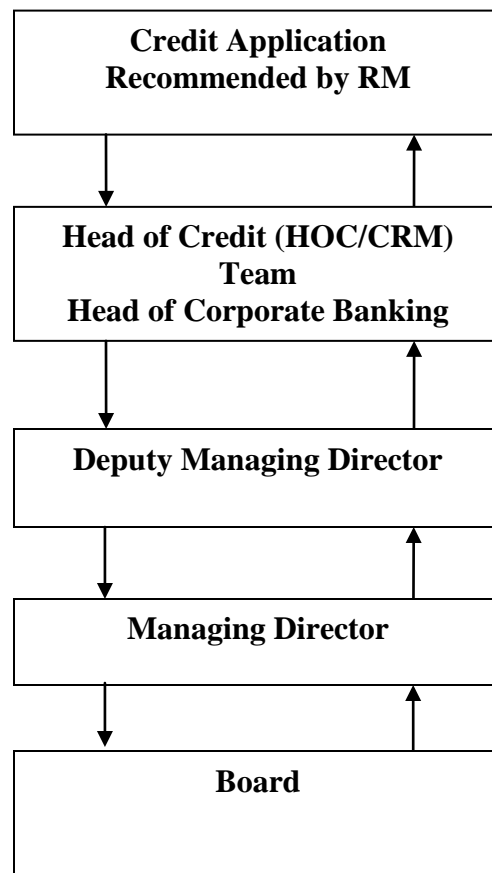
## 4.5 Service Development & Design



***FIG: Consumer Loan Processing***

The responsibility for preparing the credit proposal would rest with the RM within the corporate/ commercial banking department. Credit proposal shall be recommended for approval by the RM Team and forwarded to the approval team within CRM and approval by individual executives. The recommending or approving executives shall be responsible and accountable for their recommendations or approval.

- Proposal forwarder by RM (Branch Manager) to Head of Credit (CRM)
- HOC/CRM Executives advises the decision as per delegated authority to RM
- HOC supports & forwards to deputy Managing Director.
- Deputy Managing Director advises the decision as per delegated authority to HOC.
- Deputy Managing Director support and forwards to Managing Director.
- Managing Director advises the decision to Deputy Managing Director/ Head of Credit.
- Managing Director presents the proposal to Board.
- Board advises the decision to Managing Director.

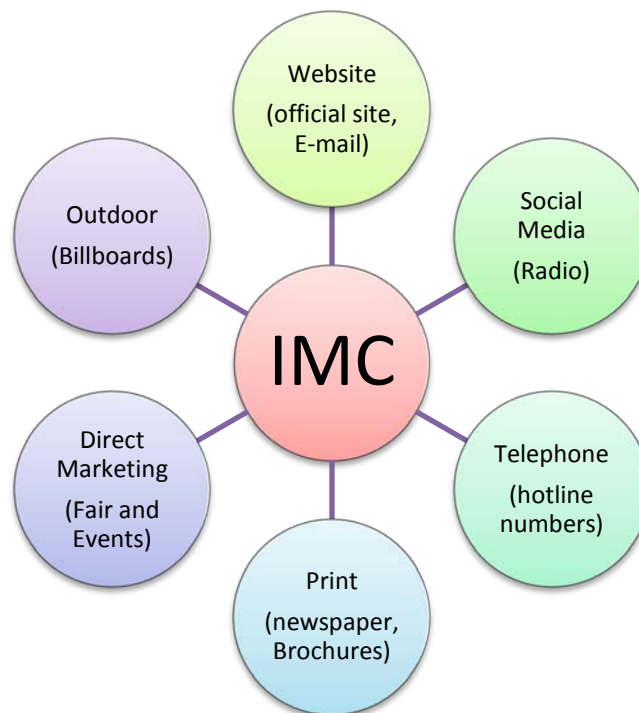


**FIG: Loan Approval Process**

## 4.6 INTEGRATED SERVICE MARKETING COMMUNICATIONS

It is an approach of marketers to promote their campaigns for achieving particular objectives in a well-coordinated way. It combines the comprehensive plans to provide clarity, consistency and maximum communication impact. It is basically a marketing communications planning that conveys one single message at a time throughout all of the promotional methods. IFIC Bank Ltd. follows this marketing communication approach where they have any campaign to promote. When people personally gives the brochures or when they talk directly to the customers in organized fairs and events they talk about the same campaign so the customers do not get confused about their offerings. They also convey these messages to their old customers through mail. In their website, they reveal their new product while entering the homepage for the customers to know. Another channel is to pass the same voice through Radio. Another tool they use for the queries of their customers and that is with every brochure or in every billboard they give their hotline numbers to contact with them in any matter. This is an important IMC tool to communicate effectively with customers.

Their integrated service marketing strategy can be shown as below:



**Fig: IMC tools used by IFIC Bank Ltd.**

## 4.7 Critical Observation & Recommendation

As a finance student I always prefer to do a job in financial organization so obviously Banks get the first priority to me. An internship in a bank like IFIC Bank is a great way to demonstrate interest in the sector and for me to learn more about the actual job I would be doing on a routine basis.

During my internship period all the employees of IFIC Bank were so supportive, friendly and always co-operate me to learn but in this short time period for me it was not possible to know about the all departments.

In the follows I found out some problems in IFIC Bank (Motijheel Branch) as critical observation and some recommendation regarding the observation.

As now the banking sectors are dependent on different software like in IFIC Bank they use Mysis software so every officers has to be very clean idea about how to operate this software but in IFIC Bank Motijheel Branch there are few employees whose ranked is First Grade officers but they don't know how to operate this software properly and it creates so mass in the office as the clients want fast service. So they need proper training before joining and before transferring them one department to another department as the works pressure and procedures of departments are different.

As I have said very few officers so management of IFIC Bank needs to sort it out and provide them proper training to survive and to compete in the competition with other most qualified officers in the Motijheel Branch.

Another thing that I observed in Bank that is they don't finish the pending works first as a result information of the clients are not available whenever they need.

As I have mentioned that they need proper training to operate computer and with the same time every employees must have the knowledge about every section in the bank because if one employee in FDR or Accounts opening section were absent there were no one to handle that section without few numbers of employees as a result the Assistant Vice President, the Senior Officers has to handle it.



## ***Conclusion***

IFIC Bank Ltd. is committed to provide excellent service to its valued customers. The management of IFIC always gives special efforts to uphold the interest and trust of their customers. By providing excellence service and special effort IFIC Bank Ltd. has placed itself to a strong position among all the banks. The main focus of IFIC is to concentrate on the consumer demand, which differentiates IFIC with other banks

IFIC has been successfully created a brand image in the market and is maintaining a strong position in the market. But still it has some weakness, which can be easily overcome. IFIC has much more potential to explore the existing market. So, to be the number one they have to be very perfect in their business.

A bank cannot be able to reach the goal until it makes the customer satisfied by providing service as much as the customer needs. After preparing this report it becomes very evident to say that there should be a goal to make the customer always happy and satisfied with the service, only then a bank can run its business safe and soundly in this competitive era.

Consumer banking division is one of the esteemed departments of IFIC Bank Ltd. which runs its business by providing products & services by doing its correspondent banking business. IFIC has an efficient & effective team with performances in an excellent manner. So, considering the service sector of Bangladesh, IFIC should become more conscious to deal with its customers as the customers have now more choice to bank with other.

If the bank can put more focus on the customer requirements and fulfill the needs of the customers then it is obvious that compared to the previous years, the Bank will definitely show better performance in the near future.

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