

Internship Report

On

Consumer Perception about Western Banking Services in Bangladesh



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Subject: Submission of internship report on “Consumer Perception about Western Banking Services in Bangladesh.”

Dear Sir,

It gives me immense pleasure to submit report on “**Consumer Perception about Western Banking Services in Bangladesh**” which was assigned to me as a fulfillment of course “Masters of Business Administration (MBA)”.

I have put my best effort in completing the report with all the information that I have collected by survey and from my own observation during internship period of One Bank Ltd.

Finally, I would like to thank for your valuable guidance and advice for preparing this report. I strongly hope and believe that you will be kind enough to accept this report.

Sincerely your

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Acknowledgement

All praises to Almighty Allah for enabling me to complete my internship report with good and sound health.

I am pleased to Dean of BRAC University for arranging such a program from which I have carried a practical experience.

In preparing this internship report, I had to take assistance, co-operation and help from various parties without which it would really be difficult to prepare this internship report.

In preparing this report, first of all I express my deep gratitude to my honorable respondents of banks customer who shared their banking experience with me. I also express my deep gratitude to Mr. A.T.M. Shahidullah, Senior Asst. Vice President & Branch Service Manager, One Bank Ltd. for providing relevant information about Western and National Banking services.

Sincere thanks go to my honorable teacher Dr. Tanvir Ahmed, Assistant Professor, Department of Marketing, BRAC University.

Thanks All.

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Executive Summary

Bangladesh is a third world country with an under developed banking system, particularly in terms of the services and customer care provided by the government run banks. Recently the private banks are trying to imitate the banking structure of the more developed countries, but this attempt is often foiled by inexpert or politically motivated government policies executed by the central bank of Bangladesh, Bangladesh Bank. The outcome is a banking system fostering corruption and illegal monetary activities/laundering etc. by the politically powerful and criminals, while at the same time making the attainment of services or the performance of international transactions difficult for the ordinary citizens, students studying abroad or through distance learning, general customers etc.

From few years ago, some Western Banks started come in Bangladesh to expand their business by opening new corporate office. By providing world class customers services they try to satisfy local customers. At present, their most of the customers are rich people and corporate. They offer various try of saving facility for them. But general public do not prefer Western Banks because of huge deposit amount with lower interest rate, loan facility with high interest rate and easy way of account opening.

In this report, I try to present overall consumer perception about Western Banking Services in Bangladesh. Why Bangladeshi people accepted Western Banks and their position in Bangladesh are included here as well.

I am also included here, sorting of foreign banks and foreign named Bangladeshi banks as well as name & origin both are Bangladeshi. This report provides some recommendation for Western Banking services.

1.1 Overview

One Bank Limited (OBL) is a private sector commercial bank in Bangladesh. It is in the business of taking deposits from public through its various saving schemes and lending the fund in various sectors at a higher margin. One Bank Limited started its activities in Bangladesh from May 1999.

1.2 Vision, Mission of One Bank Ltd.

1.2.1 Vision

- To establish One Bank limited as a Role Model in the Banking Sector of Bangladesh.
- To meet the needs of our Customers, Provide fulfillment for our People and create Shareholder Value.

1.2.2 Mission

- To constantly seek to better serve our Customers.
- Be pro-active in fulfilling our Social Responsibilities.
- To review all business lines regularly and develop the Best Practices in the industry.
- Working environment to be supportive of Teamwork, enabling the Employees to perform to the very best of their abilities.

1.3 Services of One Bank Ltd.

One bank provides all services a commercial bank is supposed to do. The major heads of services are Retail, Corporate, and SME banking.

1.3.1 Retail Banking

One bank presents all personal banking products like deposit, Loan, and card services for its clients. In addition it performs fund transfer and other jobs for individual customers.

Further to savings, and current accounts this bank offers several attractive deposit schemes for clients. Most of them are designed to encourage saving habits of limited income people by offering like Pensave, Edusave, Marrysave, One-Two-Three, School Banking, and Monthly Money Maker.

One bank's loan schemes for individuals are named as Home Loan, Car Loan, Student Loan, Consumer Loan, Doctor's Loan, Professional Loan, and Agri Loan.

One Bank Ltd. has started card service for its clients. The service provides both credit and debit cards for the users.

1.3.2 Corporate Banking

One bank offers deposit and finance schemes for corporate clients. The deposit account is competitive and flexible in comparison with other banks. Interest is paid on monthly basis. One bank finances Trade, Project and Infrastructure Development. Each of its financing is aimed at economic growth for itself and also for the country and to help employment generation.

1.3.3 SME Banking

Small and medium scale enterprises are playing a vital role in the economic emancipation of Bangladesh. One Bank Ltd. realized the fact in time and came forward to finance the deserving candidates at possible easiest terms and conditions. The objectives of this effort was to –

- To make funds available for all categories (Industry, Trade, and Service) of SMEs
- To bring up SMEs as self reliant and to develop habit of banking in them.

One bank provides loan under two heads, namely, Working Capital and Project Finance.

Project Finance is award-able for the following purposes:

- To purchase automobiles for business (covered van, pick-up etc.)
- To buy machines for increasing production
- To renovate office or business premises
- To buy office equipment
- For purchasing medical equipment of clinics/hospitals
- To finance those having secured investments

1.3.4 Social Commitments

The ultimate objective of all the activities of One Bank Ltd. is the economic growth and sustainable development of the nation. But still the bank performs some direct social activities as a responsibility.

2.1 Background of the Report

In today's world only academic education does not make a student perfect to become competitive with the outside world. Internship is highly needed to gain idea, knowledge and experience. From this Internship program students get the opportunity to learn facing the real banking world. And in this process as an intern student I am assigned in One Bank Limited.

The report is prepared to cover the assigned internship topic on **“Consumer Perception about Western Banking Services in Bangladesh”**

This report has been prepared under the supervision of Dr. Tanvir Ahmed, Assistant Professor, Department of Marketing, BRAC University.

2.2 Significance of Study

When students reading this report they can know what is the consumer perception about western banking services in Bangladesh. On the other hand One Bank Ltd. can identify their consumer thinking about Western Banking services. By reading this report general people can understand the position of Western Banks in our country.

2.3 Scope of the Study

The field of my study is an analysis of consumer's point of view about Western Banking services in Bangladesh. The scope of the study covers the consumer perception about Western Banking Services.

2.4 Objective of the Study

2.4.1 Broad Objective:

The broad objective knows consumer perception about Western Banking services in Bangladesh.

2.4.2 Specific Objectives:

- To understand the consumer thinking about Western Banking services.
- To identify the problem of why general consumers do not want to go Western Bank.
- To recommend suggestions to improve their lacking.

2.5 Methodology

✓ **Research Design:**

This is a “**Descriptive Research**” which purpose is searching the consumer perception about Western Banking services in Bangladesh.

✓ **Sources of Data Collection:**

There are two types of data found and used in conducting the study. Information collected to finish this report has been collected from both primary and secondary sources.

a. Primary Source

- Face to face conversation with consumers.
- Observation.

b. Secondary Source

- Books
- Net browsing

✓ **Data Collecting Procedure:**

a. Primary Data

The primary data has been collected from face to face conversation with respective consumers by using a questionnaire. I also learned and collected data by observing the customer services of Western Banks and National Banks.

b. Secondary Data

The secondary data has been collected from related text books.

✓ **Duration**

12 weeks within the period of three months internship program.

✓ **Sample Size**

Randomly ten (10) bank consumers were selected for the information purpose. The way in which sampling is conducted is only a part of the total design of a searching process.

2.6 Limitation

- ⌘ The primary limitation of this research is the time constraint. Time has not permitted to do an extensive research.
- ⌘ I think most of consumers are not interested to answer my question.

Interviewing is a method of qualitative research in which the researcher asks open-ended questions orally and records the respondent's answers. Interviewing is typically done face-to-face, but can also be done via telephone.

3.1 In-depth Interview

In-depth interviews are different from survey interviews in that they are less structured. In survey interviews, the questionnaires are rigidly structured – the questions must all be asked in the same order, the same way, and only the pre-defined answer choices can be given.

The in-depth interview is also a qualitative method of analysis, which proceeds as a confidential and secure conversation between an interviewer and a respondent. By means of a thorough composed interview guide, which is approved by the client, the interviewer ensures that the conversation encompasses the topics that are crucial to ask for the sake of the purpose and the issue of the survey.

3.2 Projective Method

A projective method is one sort of psychotherapy. The main concept of projective methods is people are more frequently able to capture their feelings from others such as animals or cartoons or other people than they express these feeling to their behavior.

In the word, Projective techniques use verbal or visual stimuli which, through their indirection and concealed intent, encourage respondents to reveal their unconscious feelings and attitudes without being aware that they are doing so.

3.2.1 Word Association

In 1988, Gordon and Langmaid trace the earliest use of word association to Sir Francis Galton in 1879. Word association means to give participants a series of unrelated word one at a time and have they responded with the first thing that comes into their mind. For an example, one of the word is “Deposit” that word might be a facility of a bank or an amount what comes first in a person mind. It also helps to measure the participant's response as an indication of how familiar and comfortable the person in with this association.

3.2.2 Sentence Completion

Sentence completion is intended to get unguarded top- of – mind association, but provided more of a stimulus than a single word. For example, in general, I think western Banking is.....

3.2.3 Thematic Apperception Test (TAT)

The Thematic Apperception Test (TAT) is a projective measure intended to evaluate a person's patterns of thought, attitudes, observational capacity, and emotional responses to ambiguous test materials. In the case of the TAT, the ambiguous materials consist of a set of cards that portray human figures in a variety of settings and situations. The subject is asked to tell the examiner a story about each card that includes the following elements: the event shown in the picture; what has led up to it; what the characters in the picture are feeling and thinking; and the outcome of the event.

4.1 What is Western Banking

In a simple sense, Western Banking or Foreign Banking is that obligate to follow the regulations of both the home and host countries. A Western Bank mainly opens a foreign branch in order to provide more services to their multinational corporation customers. Because of following dual banking regulations, a Western Banking operation is more complicated than Domestic Banks or National Banks. For an example, Standard Chartered is a British multinational banking. They have around 26 (twenty six) branch in Bangladesh. They would be legally obligated to maintain both counties regulations.

According to my respondents, they think, Western Banking means foreign banking which came in Bangladesh to invest their money by providing better services. Most of the respondents also said that Western Baking is better than National Banks for better customers' services.

4.2 Purpose of Western Banking in Bangladesh

Making profit by introducing people with world class customer service is the main purpose of Western Banking in Bangladesh. For this survey, I have also seen that, some respondents think that by rendering services to the rich man, Western banks try to make profit. Other portion of respondents think that western Banks came in Bangladesh to expand their business by investing money as well as earn more profit.

4.3 Working Efficiency of Western Banking Services

All respondents agree one thing, the working efficiency of Western Banking services is better than National Banking services. They also said that employees of Western Banks are more efficient than National Banks.

4.4 Extra Advantage of Western Banking Services

Since Western Banks are foreign invested bank in Bangladesh that's why they are more or less known to other foreign banks. So they can work as a NOSTRO bank in time of fund transfers between two countries. Western Banking also provides high quality customer services to their clients. Their operation system is faster than National Banks as well. And some respondents said that they are less time consuming, provided better services, and offered variety in products. These are the extra advantages of Western Banking.

4.5 Western Banking Fund Transfer

All respondents said that, since Western Banks are foreign bank in our country that's why their transferring funds between country to country is more trust worthy, fast, effective and easy. They also take short time than National Banks.

4.6 Compare to Western Banking System and National Banking System

Compare to Western Banking system and National Banking system, Western Bank's working is much better, excellent working environment and fast as well as comfortable. But most of the respondents are bring one common concept these banks only for rich men or corporate people.

4.7 Retail Banking System

Some people think that Western Banks are exclusively engaged in retail banking. On the other hand, some people said their retail banking system is not good because of high interest rates (for loan) and lower ATM facility.

4.8 Deposit Facility

In case of individual deposit facility, some direct users of Western Banks deposit facility said that they more prefer National Banks than western Bank because Western Bank's deposit interest rate is lower than National Banks according to deposit amounts. But they are secured. On the other hand, non deposit users think that western Banks interest rate is higher but they do not go there only because of large deposit amounts. Western Banks deposit facilities are good for corporate sectors.

4.9 Loan Facility of Western Bank

Western Banks provide good loan facility for corporate sectors. But they charge high interest rate (not less than 20%).

4.10 Foreign Trade Activity

Most of the respondents said that foreign trade activity means export import activities like L/C opening, dollar payment ect. They also think that Western Banks are very active in foreign trade related task.

4.11 Bank Charges

Western Banks' bank charges are higher than National Banks. People think that it is a one kind of income source of banks.

4.12 Customers Quality

Their main customers are corporate organizations and rich people. Only higher class people can deal with Western Banks. For this reason, their number of customers is comparatively lower than National Banks. Because working class people think that Western Banks are not for them.

4.13 Banking Service

Western Banking is very reputed in Bangladesh only for world class customer services. They prefer their customers first. They also try to provide excellent, fast and accurate customer services.

4.14 Satisfaction Level

Only because of world class customer services, customers are very satisfied on Western Banks. Their working environment is very good as well.

4.15 Corporate Facility

Most of the clients of Western Banks come from corporate sectors. Their corporate facilities are very well.

4.16 Corporate Social Responsibility (CSR)

From respondents own observation, they think that Western Banks attain in minimum CSR activities.

4.17 Development Program

Contributions of development program, Western Banks participation are comparatively lower than National Bank.

4.18 Money Exchange

Money exchange of Western Banks is much easy and better than National Banks.

4.19 Acceptance of Western Banks

Side by side National Banks, Western Banks are also more acceptable in corporate sectors and individual persons for nice working environment and world class customer services. These Banks increase employment in Bangladesh as well.

4.20 Position of Western Bank

Position of Western Banking in Bangladesh is good for well saving security, good customer services and nice working environment.

4.21 Share an Occurrence of Bank Customers

During the survey periods, I notice one common thing most of the people are the user of National Bank such as UCB, Islamic Bank, DBBL etc. They said that they go there because of high deposit interest rate, low loan interest rate compare to Western Banks. They also said that they can open an account within few amount like twenty thousand. On the other hand, Western Banks user said that they go there only for world class customer services. They think Western Banks are best for customer services. Between Western Banks and domestic Private Banks very common thing, according to respondents, is well customer services, good behavior, and good working environment. Both banks Western Banks and National Banks are offered various types of product facility to their customers.

4.22 Pictures Testing



Most of the respondents said that this picture is not relevant with the topic.



All respondents said that this picture means that using mobile banking or checking westerns union money transfer's pin code.



All respondents said that this picture means that saving money for building house or purchasing car.



Most of the people said it means corporate meeting. But few of them said it may be discussion with clients about any product or loan facility.



Some of them can not understand the meaning of this picture. And some of them said it is offering various products



The meaning of this picture is transferring money through mobile or trading through mobile or sending remittance.



All respondents said it means providing customers services or general banking activity.



Enchasing claque or withdrawing depositing money.



All of them said it is using ATM facility or anytime cash withdrawal from ATM by debit or credit cards.



Keeping your money safe and growing or increasing deposit money.

4.23 Sorting of Foreign Bank & Original Bangladeshi Bank

Foreign Bank	Foreign name but Original Bangladeshi Bank	Name and Origin both are Bangladeshi Bank
Bank Alfalah	AB Bank Ltd.	Agrani Bank
Citi Bnak NA	Bank Asia Ltd.	Sonali Bank
Commercial Bank of Ceylon	Eastern Bank Ltd.	Rupali Bank
Habib Bank Ltd.	IFIC Bank Ltd.	Rupali Bank
HSBC (The Hong Kong and Shanghai Banking Corporation Ltd.)	Mercantile Bank Limited	Janata Bank
National Bank of Pakistan	Midland Bank Ltd.	Bangladesh Commerce Bank Ltd.
Standard Chartered Bank	Mutual Trust Bank Ltd.	BRAC Bank Ltd.
State Bank of India	United Commercial Bank Ltd.	Dhaka Bank Ltd.
Woori Bank	Trust Bank Ltd.	Dutch Bangla Bank Ltd.
American Express Bank Ltd.	The Premier Bank Ltd.	Farmers Bank Ltd.
	The City Bank Ltd.	Jamuna Bank Limited
	Standard Bank Ltd.	Meghna Bank Limited
	Southeast Bank Ltd.	Modhumoti Bank Ltd.
	Prime Bank Ltd.	Uttara Bank Limited
	One Bank Ltd.	Pubali Bank Ltd.
	NRB Global Bank Ltd	South Bangla Agriculture and Commerce Bank Ltd.
	NRB Commercial Bank Ltd.	Social Islami Bank Ltd.
	NRB Bank Ltd.	Shahjalal islami bank Ltd.
	NCC Bank Ltd.	Islami Bank Bangladesh Ltd.
	National Bank Ltd.	ICB Islamic Bank
	Union Bank Ltd.	First Security Islami Bank Ltd.
	Exam Bank Ltd.	Bangladesh Krishi Bank
		Rajshahi Krishi Unnayan Bank
		Bangladesh Development Bank Ltd
		Probashi Kallyan Bank
		Al-Arafah Islami Bank Ltd.

Finding

- According to the respondents, Western Banking is a foreign invested bank which comes in Bangladesh to expand their business by investing money.
- Western Banks always obligate to follow the regulations of both the home and host countries.
- The purpose of Western Banks is making profit by introducing people with world class customer services.
- The working efficiency of Western Banking service is better than National Banking services.
- The extra advantage of Western Banks is they can work as a NOSTRO bank in time of fund transfers between two countries.
- Their operation system is faster, less time consuming than National Banks.
- Western Banks also offer variety in products for customers.
- Western Banks are exclusively engaged in retail banking for affluent person.
- Their deposit facility is good but interest rate is lower according to deposit amount.
- Western Banks provide good loan facility with high interest rate (not less than 20%) for corporate sectors.
- Their number of customers is lower compare to National Banks but customers are more satisfied for quick and world class customer's services as well as nice environment.
- Western Banks involve in minimum CSR activities and development programs.
- Overall, Western Banks are accepted for increasing employment and they already able to make a good position in Bangladesh.

Recommendation

For improving the current position of Western Banks, the following suggestions may be considered:

- Since most of people in Bangladesh live on the basis of agricultural activities. First of all to build more customers or attracted to the general people, Western Banks should reduce their deposit amounts and at a time should increase deposited interest rate. By providing low interest rate loan facilities they can give the opportunity to general people to invest in various sectors.
- Western Banks should more participate in CSR activities and development program to developed Bangladesh.

Conclusion

Bangladeshi banking sector is developing day by day. By investing Western Bank this sector also able to build a strong position in economy. Western Banks provide world class customer services, nice working environment, more effective employees. Their main customers are business organizations and rich individual person. They are secured for deposit but their deposited amount is very large. Big business organizations take good loan facilities by paying high rate of interest.

At last we can see that, by providing lower deposited interest rate in big amount Western Banks are more accepted because of good customer services, nice environment, and efficient employees and so on. These banks increase employment for new graduates as well.

1. Russell Belk, Eileen Fischer, Robert V. Kozinets, Qualitative Consumers & Marketing Research (latest edition).

Websites

<http://www.onebank.com.bd/>

<http://www.google.com>

Questionnaire

[**Note:** Please fill in this questionnaire. The answers you provide will be kept confidential and your response will be used only for academic purposes. There will not be commercial solicitation or usage of the response in any kind / from whatsoever.]

Name:	Occupation:
Institution:	Contract No:

1. In general, I think Western Banking is
2. The working efficiency of Western Banking other than National Bank
3. The extra advantages of Western Banking other than National Bank
4. In Western Banking transferring fund between countries
5. Compare to Nation Bank working in Western Banking system is
6. Purpose of Western Banking in Bangladesh
7. Acceptance of Western Banking is
8. Position of Western Bank according to me is
9. In Retail banking preferences of Western Bank
10. Preferences of Western Bank Loan facility rather than local bank.....

Write your words that come first in mind

11. Bank Charges
12. Foreign Trade activity.....
13. Deposit facility preference.....
14. Service Quality
15. Customer quality.....

- 16. Satisfaction level
- 17. Corporate facility
- 18. CSR.....
- 19. Development programs
- 20. Money Exchange

Share an occurrence:

21. I am Mr. /Miss..... I am a client of Bank. I go there for taking..... facility.
When I go there, I feel.....

22. What do you think by these pictures:





.....
END.....
.....