

**Internship Report**  
**On**  
**Service Marketing of**  
**Mercantile Bank, Elephant Road Branch, Dhaka**

**Submitted To**

**Mr. ShamimEhsanulHaque**  
**Assistant Professor,**  
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**Submitted By:**

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**ID: 13264077**

## Letter of Transmittal

May 22<sup>nd</sup>, 2016

**Mr. ShamimEhsanulHaque**

Assistant Professor,

BRAC Business School

BRAC University, Bangladesh

**Subject:**Submission of Internship Report.

Dear Sir,

With great pleasure, I submit my Internship report on “**Service Marketing of Mercantile Bank Limited, Elephant Road Branch**”. I expect this report to fulfill the requirements of my internship program, which I completed from Mercantile Bank Limited, Elephant Road Branch.

I have put in my best efforts to make this report a success. However, I am sure that this report could have been a more superior one, if I had some sort of experience for conducting this type of study. However, this has obviously been a great source of learning for me to conduct similar research studies in future.

I would like to express my sincere gratitude to you for your guidance and suggestions in preparing the report. I will be happy to provide any further explanation regarding this internship report if necessary.

Sincerely,

.....

**Himadree Barua**

ID: 13264077

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## Acknowledgement

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First of all, I would like to express gratefulness to Almighty for giving us strength to survive. My sincere gratitude goes to my internship supervisor Mr. ShamimEhsanulHaque, for his proper guidance & advice, which made the study a success . I express my sincere gratitude to everyone who contributed towards making this internship report possible. Major contributions were received from officials at Mercatile Bank Limited, Elephant Road Branch.

First of all I would like to thank Mr. MD. Fakhruzzaman Chowdhury (Vice President), Head of Branch to give the opportunity to do my internship in his branch. The experience and knowledge I gained from the bank helped me a lot to complete my report.

I would like to specially thanks to Mr. Nuruzzaman Chowdhury (Assistant Vice President) and S.M Mahiudiin(Principal Officer).

Finally, I would like to thanks few people. They are TousifAhammed (Trainee Assistant Officer), Faria Reza (Assistant Officer), TanzinaSharif(Trainee Assistant Officer), Sonia Islam(Executive Officer) and Rahela Begum(Executive Officer) , Shafayat Islam(Officer) . Without their help and guidelines it would be hard to complete my internship. I thanks them for being friendly and co-operative and also for also treating me like I am one of them.

(Himadree Barua)

## Executive Summary

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With the clear mission to provide efficient banking services and to contribute socio-economic development of the country, Mercantile Bank Ltd emerged as a new commercial bank and inaugurated its operation on 2nd June, 1999. The bank stood 86 branches all over the country upto 2012. There are 30 sponsors involved in creating Mercantile Bank Limited. The sponsors of the bank have a long heritage of trade, commerce and industry. They are highly regarded for their entrepreneurial competence. The one of principle target of MBL is to make credits available to the poor people & their activities are aimed at multifaceted growth where people from all economic strata will enjoy the benefits of better living standard, dignity of labor and self-worth.

This report is basis on ‘Service Marketing of Mercantile Bank Limited, Elephant Road Branch, Dhaka’ which is prepared from experience of working at Mercantile Bank Limited.

The main target of employees of the bank is to give proper service to the client. For them customer satisfaction is important. They think that interest rate is not important for client. How clients are getting their service is important for them. They believe in service marketing. They try to fulfil the expectations of customer’s. This report is based on customer’s point of view how they feel about the service quality of Mercantile Bank Limited, Elephant Road Branch.

# Chapter 1: Introduction

## 1.1: Introduction of the report

Banking Industry is one of the most promising industries of our country. The importance of the sector revealed through its contribution in the economic growth of the country. This sector accelerates economic growth through mobilizing funds from surplus unit to the deficit unit. Banking Industry is moving towards rapid changes due to technological innovation and diversified needs of its customers.

Banks deal with the most important factor of the economy i.e. Money. It flows funds from surplus unit to deficit unit and through this it facilitated the efficient allocation of the resources as well as accelerated economic growth. This sector is moving towards new dimension as it is changing fast due to competition, deregulation, financial, reforms.

The pace of globalization competition in banking sector is increasing very fast. Banks are becoming more customers oriented and offer High tech customized products to its target market to hold the market. Our central bank always keeps monitoring banks performances. Individual banks also need to assess their own performance to satisfy the parties those are related to its growth.

- For Shareholders.
- For depositor.
- For Bangladesh Bank.
- For its own Assessment to view the future growth and profit trend.

## 1.2: Origin of the Report

One of the most important factors for industrialization and economic development of a country is the availability of the credit facility. The continuing crisis of accumulation of non-performing and default banking loans has emerged as most of the serious constraint in the path of economic development of Bangladesh as banking remains the main intermediary vehicles in harnessing capital for accelerating the growth of the productive sectors in Bangladesh in the absence of a healthy capital market. But providing loans without proper appraisal are even more dangerous as the depositors are put into great risk of losing their money and at the end, the crisis might go beyond overcome. So, I think it is very important to gather the technical



know-how regarding the customer attitude towards general banking of Mercantile bank ltd. by preparing this report.

This internship report on Mercantile Bank Limited is prepared to fulfill the partial requirement of the internship program as full credit subject of the MBA program of BRAC University.

In Bangladesh today financial sector is one of the most established areas in the macroeconomic sector. Economy and finance is carrier of the country. So for the aspects of economic development, banking sector must be reformed. In the process of forming a good economic system, private banks are paling an important role compare to the government banks in the country. For this reason, I prepared my internship report on **Mercantile Bank Limited**.

### 1.3: Objective of the Study

The primary objective of the report is:

- 1) To know about the Mercantile Bank Limited, Elephant Road Branch.
- 2) To find out customer satisfaction about banking activities of Mercantile Bank Limited, Elephant Road Branch.
- 3) To find out the consumer behavior of Mercantile Bank Limited, Elephant Road Branch
- 4) To identify the customer's expectation & perception from Mercantile Bank Limited, Elephant Road Branch
- 5) How the Mercantile Bank Limited develop new service
- 6) To find out the service recovery process of Mercantile Bank Limited, Elephant Road Branch.

The secondary objectives of the report are as follows:

- 1) To describe the customer service process of Mercantile Bank Limited, Elephant Road Branch

- 2) To identify whether all process are perfectly and effectively practiced or not.
- 3) To know about the objectives and planning of Mercantile Bank Limited, Elephant Road Branch
- 4) To know how the branches are efficiently controlled.
- 5) To recommend some measures for the development of the general banking activities of MBL.

#### 1.4: Scope of the Report

This report covered the general banking system of Mercantile Bank Limited and also includes the attitude of the customers towards general banking system.

#### 1.5 Rationale of the report

This report is a part of my internship which I completed in Mercantile Bank Limited, Elephant Road Branch. In this report we would be able to know general banking activities in Mercantile Bank Limited. By this study we would be able to provide general idea about the Mercantile Bank Limited. I believe that this report will help me in many ways in future.

#### 1.6: Methodology

This report is based mainly on survey through observations that I experienced during the internship period. Data required for this report were collected from the annual report of Mercantile Bank Ltd. Apart from these; helpful information was collected from online resources.

#### 1.7: Limitations of the Report

It is an uphill task to study on Marketing so the report was completed under certain constrains which were:

- 1) Difficulty in gaining accesses to financial sector.
- 2) Non availability of the most recent statistical data.

- 3) As I am student it is not possible for me to collect all the necessary information.
- 4) I had to complete this report within a very short span of time that was not sufficient for investigation.
- 5) Lack of Experience.

# Chapter 2:

## Company Profile

## 2.1: Background of Mercantile Bank Ltd

Mercantile Bank Limited was incorporated in Bangladesh as a Public Limited Company with limited liability under the Bank Companies Act, 1991 on May 20, 1999 and commenced commercial operation on June 02, 1999. The Bank went for public issue of shares on in 2003 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange. The Bank has 84 branches spread all over the country. MBL is a highly capitalized new generation Bank with an Authorized Capital and paid-up Capital of Tk. 8000.00 million and Tk. 4968.90 million respectively. With assets of TK. 116,655,283,665 and more than 1668 employees, the bank has diversified activities in retail banking, corporate banking and international trade. There are 30 sponsors involved in creating Mercantile Bank Limited; the sponsors of the bank have a long heritage of trade, commerce and industry. They are highly regarded for their entrepreneurial competence. The sponsors happen to be members of different professional groups among whom are also renowned banking professionals having vast range of banking knowledge. There are also members who are associated with other financial institutions insurance Companies, leasing companies etc. MBL undertakes all types of banking transactions to support the development of trade and commerce in the country. MBL's services are also available for the entrepreneurs to set up new ventures and industrial units. The bank gives special emphasis on Export, Import, Trade Finance, SME Finance, Retail Credit and Finance to women Entrepreneurs. To provide clientele services in respect of International Trade it has established wide correspondent banking relationship with local and foreign banks covering major trade and financial centers at home and abroad. With the passage of time it has expanded its number of branches and variety of services along with its core business of taking deposits and granting loans. Rising trend of the bank's profitability over the last 13 years is also materialized. The MBL is committed to the delivery of the superior shareholders' value.

## 2.2: Mission of Mercantile Bank Ltd.

“Will become most caring, focused for equitable growth based on diversified deployment of resources, and nevertheless would remain healthy and gainfully profitable Bank”

## 2.3: Vision of Mercantile Bank Ltd.

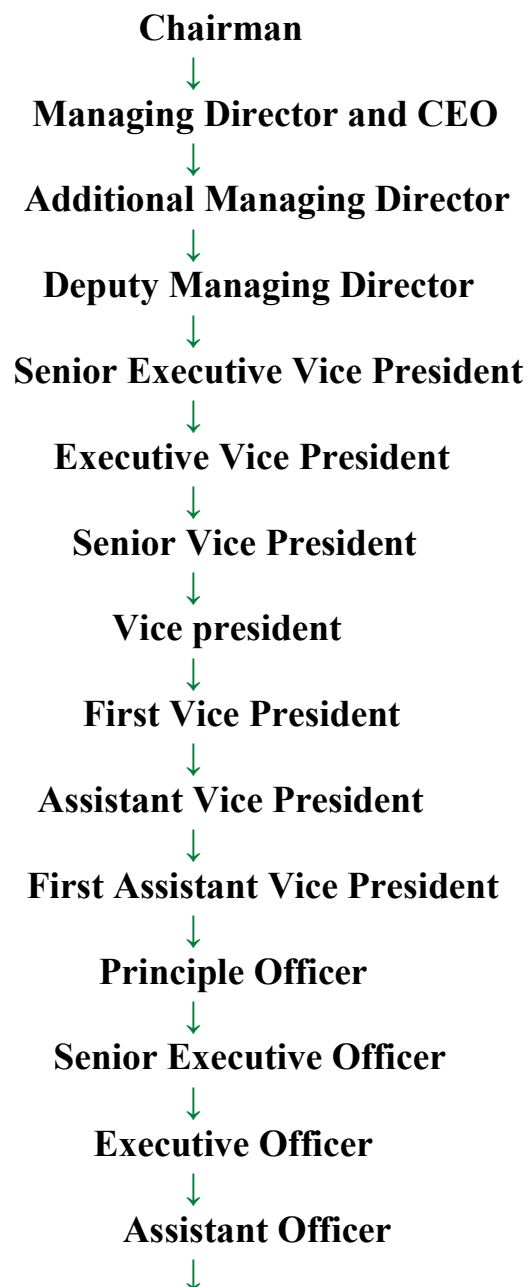
“Would make finest corporate citizen” MBL dreams to become the “Bank of Choice” of the general public that includes both the consumer and the corporate clients. It has created a cadre of young professionals in banking profession which has helped boosting productivity in the bank.

## 2.4: Corporate Profile

<b>Name</b>	Mercantile Bank Limited
<b>Status</b>	Public Limited Company
<b>Date of Incorporation</b>	May 20, 1999
<b>Subscription of shares</b>	October 21-22, 2003
<b>Listed in Dhaka Stock Exchange</b>	February 16, 2004
<b>Listed in Chittagong Stock Exchange</b>	February 26, 2004
<b>Head Office</b>	61, Dilkhusa Commercial Area, Dhaka-1000
<b>Chairman</b>	<b>Al-Haj Akram Hossain (Humayun)</b>
<b>Number of Branches</b>	109
<b>Number of Employees</b>	2450
<b>Services Provided</b>	Deposit Scheme, Credit Facility and Foreign Exchange Services
<b>Technology used</b>	Member of SWIFT, Unix Based software- PC Banking & Temonous, Online Banking
<b>Website</b>	<a href="http://www.mblbd.com">www.mblbd.com</a>
<b>SWIFT</b>	MBLBDDH

## 2.5: Organization Structure

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## Trainee Assistant Officer

### 2.6: Products & Services of Mercantile Bank

MBL has launched a number of financial products and services since its inception. These products and services are categorized in five sectors i.e. Retail Banking, Corporate Banking, SME Banking, Foreign Trade Business & E-banking.

#### Retail Banking Service

a) Deposits	b) Loan	c) Cards
<ul style="list-style-type: none"> <li>• Current Deposit Account</li> <li>• Saving Deposit Account</li> <li>• Fixed Deposit Account</li> <li>• Double Benefit Deposit Scheme</li> <li>• Family maintenance Deposit</li> <li>• School Banking</li> <li>• Educational Planning Deposit Scheme</li> <li>• Super Benefit Deposit Scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer credit scheme</li> <li>• Doctor credit scheme</li> <li>• Rural planning scheme</li> <li>• Lease Financing</li> <li>• Any purpose loan</li> <li>• Educational loan</li> <li>• Car loan</li> <li>• Home loan</li> <li>• House furnishing loan</li> <li>• Cottage loan</li> <li>• Polli loan</li> </ul>	<ul style="list-style-type: none"> <li>• Dual card</li> <li>• Debit Card</li> <li>• Prepaid Card</li> <li>• Supplementary Card</li> <li>• Visa Card</li> </ul>

#### Corporate Banking Service

- Short term finance
- Long term finance
- Real estate finance
- Import finance

- Work order finance
- Export finance
- Structured finance
- Loan syndication

### SME Banking Service

- Chaka
- Annaynn
- ChaltiMuldhan
- Single payment Loan

### Foreign Trade Business

- Foreign correspondents
- Nostro Account

### E-banking Service

- Online banking
- Mobile banking
- SMS banking
- SWIFT

## 2.7: History of Branch

Mercantile Bank Limited (MBL) is one of the fastest growing banks among all the Private Commercial Banks in Bangladesh. The institution started its function back in 1999. As a branch of Mercantile Bank Limited, started its function in 1999 as an investment company.

Mercantile Bank Limited emerged full flagged Commercial Bank on May 17, 1993, after obtaining license from Bangladesh Bank. From that time, a branch of MBL, Mercantile bank, Elephant Road Branch, carries out their banking activities.

Address: Osman Plaza, 75, Elephant Road, Dhaka, 1205



## 2.8: Departments of Branch

In branch level, MBL has three departments. These are-

1. General Banking
2. Credit Department
3. Foreign Exchange Department

### **Major Functions of General Banking**

- Account opening
- Issuance of Demand Draft/Telegraphic Transfer/Pay Order/Fixed Deposit Revenue
- Interbank Transaction, Inter Branch Credit

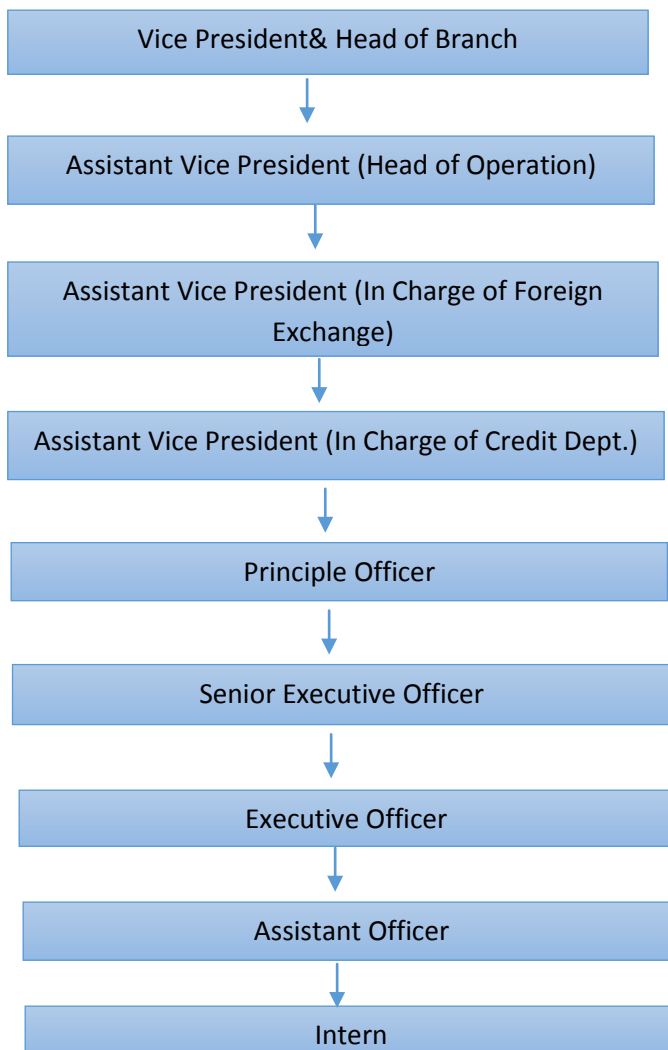
### **Major Functions of Credit Department**

- Credit Proposals and Credit Processing
- Documentation and Loan Disbursement
- Overview on all returns

### **Major Functions of Foreign Exchange Department**

- Opening of L/C (Back To Back, Local/ Foreign)
- Purchase of foreign bills
- Negotiating of foreign bills
- Payment against Import Bill
- Export guarantees
- Endorsement of Traveling

## 2.9: Operational organ gram of MBL



## 2.10: Features of Mercantile Bank Ltd

**There are so many reasons behind the better performance of MBL than any other newly established banks:**

- Highly qualified and efficient professionals manage the bank.
- MBL has established a core Research & Planning Division with efficient persons.
- The computerized operation systems in all branches of MBL have provided the frequent and prompt customer service.
- The strict leadership along with the supervision of efficient management directs all the Branches.
- The inner environment and teamwork, of all branches in MBL motivated all.
- MBL has become a member of the SWIFT system expedite foreign trade transaction.
- MBL has become introduced some scheme for the purpose of saving of low income people which are not available in other banks like —Family Maintenance Deposit (FMD), —Personal Loan Scheme, —Car Loan Scheme etc.
- The bank offers attractive saving rate than other financial institutes.
- MBL provides loan to the customers at lower interest with easy and flexible condition than the others do.
- Along with the profit generation Mercantile Bank Limited also maintain social responsibilities Mercantile Bank Limited charges lower commission from their customers in comparison with other banks.
- The Bank is always guided their potential customers by giving valuable advises.

#### 2.11: Resources and Facilities:

**Monthly Savings Scheme:** The prime objective of this scheme is to encourage people to build up a habit of saving. Under this scheme, one can save a fixed amount of money every month and get a lucrative amount of money after five, eight or ten years.

**Family maintenance Deposit :** Under this scheme, one can deposit certain amount of money for five years and in return he will receive benefit of monthly basis. Benefit starts right from the month of opening an account under the scheme and continue up to five years.

**Double Benefit Deposit Scheme:** Under this scheme, depositor's money will be doubled in a ten-year period.

**Special Savings Scheme:** Under this scheme, depositor's money will be tripled in 10 years period.

***Pension and Family Support Deposit:*** Pension and Family Support Deposit has been evolved especially for old age. Under this scheme one gets lifelong benefit if he deposits specific amount per month for a period of 10 or 15 years. The scheme can also be opened in the name of minors.

***Consumers' Savings Scheme:*** Consumers' credit is a relatively new field of collateral-free finance of the Bank. People with limited income can avail of this credit facility to buy household goods including computer and other durables.

***Small loan Scheme:*** This scheme has been evolved specially for small shopkeepers who need credit facility for their business and can not provide tangible securities.

***Lease Finance:*** This scheme has been designed to assist and encourage the genius and capable entrepreneurs and professionals for acquiring capital machineries, medical equipments, computers and other items. Terms and conditions of this scheme have been made easier in order to help the potential entrepreneurs to acquire equipments of production and services and repay gradually from earnings on the basis of "Pay as you earn".

***Doctors' Credit Scheme:*** Doctors' Credit Scheme is designed to facilitate financing to fresh medical graduates and established physicians to acquire medical equipments and set up clinics and hospitals.

***Rural Development Scheme:*** Rural Development Scheme has been evolved for the rural people of the country to make them self-employed through financing various income generating projects. This scheme is operated on group basis.

***Women Entrepreneurs Developments Scheme:*** Women Entrepreneurs Developments Scheme has been introduced to encourage women in doing business. Under this scheme, the bank finances the small and cottage industry projects sponsored by women.

***SME Loan Scheme:*** Small and Medium Enterprises (SME) Financing Scheme has been introduced to assist new or experienced entrepreneurs to invest in small and medium

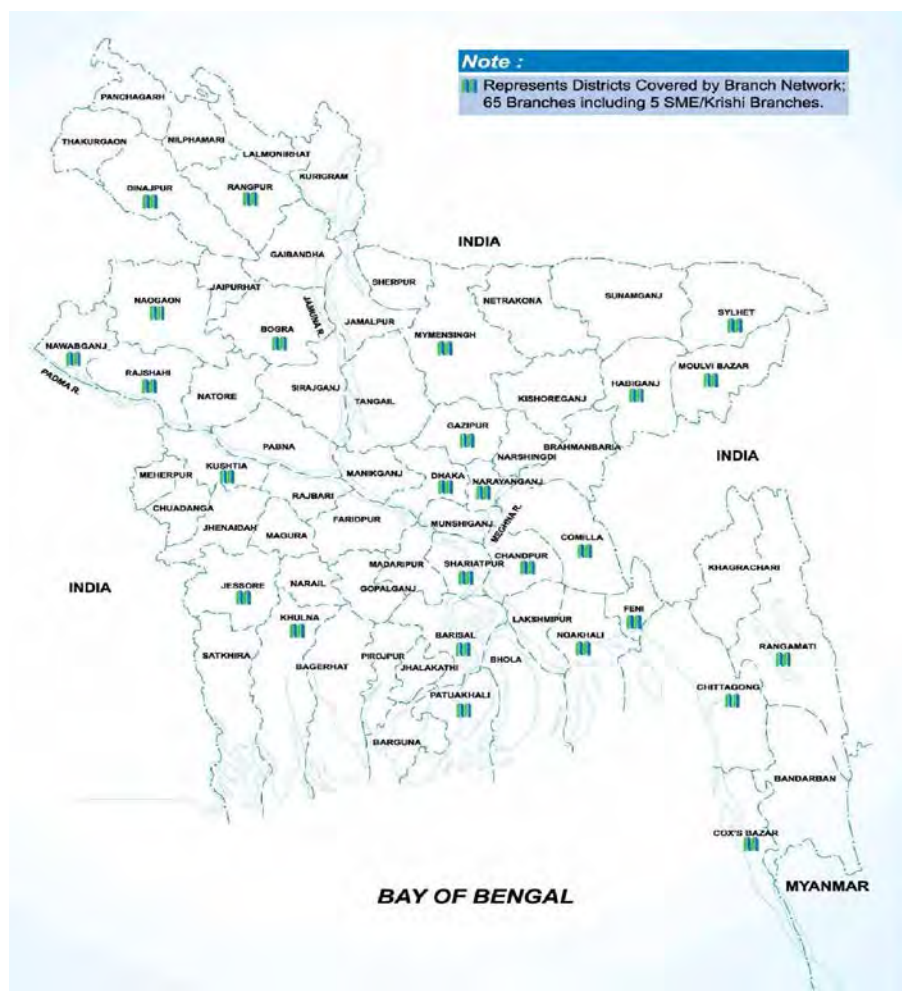
scale industries.

**Personal Loan Scheme:** Personal Loan Scheme has been introduced to extend credit facilities to cater to the credit needs of low and middle income group for any purpose. Government and semi government officials, employees of autonomous bodies, banks and other financial

organizations, multinational companies, reputed private organization and teachers of recognized public and private schools, colleges and universities are eligible for these loan facilities.

**Car Loan Scheme:** Car Loan Scheme has been introduced to enable middle –income people to purchase cars/SUVs/Jeeps. Government and semi government officials, employees of autonomous bodies, banks and other financial organizations, multinational companies, reputed private organization and teachers of recognized public and private schools, colleges and universities are eligible for these loan facilities.

## 2.12: Branch Network



## 2.13: MBL Timeline



December 30, 2010	<b>Opening of 65<sup>th</sup> Branch</b>
October 20, 2010	<b>Opening of 60<sup>th</sup> Branch</b>
August 2, 2010	<b>Opening of 55<sup>th</sup> Branch</b>
December 30, 2009	<b>Opening of 50<sup>th</sup> Branch</b>
October 22, 2009	<b>Opening of 45<sup>th</sup> Branch</b>
June 06, 2009	<b>Mercantile Bank Brokerage House Operation</b>
November 24, 2008	<b>Opening of 42<sup>nd</sup> Branch</b>
December 17, 2007	<b>Opening of 40<sup>th</sup> Branch</b>
December 05, 2006	<b>Opening of 30<sup>th</sup> Branch</b>
December 29, 2004	<b>Opening of 25<sup>th</sup> Branch</b>
February 26, 2004	<b>Listed in Chittagong Stock Exchange</b>
February 16, 2004	<b>Listed in Dhaka Stock Exchange</b>
December 24, 2003	<b>Opening of 20<sup>th</sup> Branch</b>
October 21-22, 2003	<b>Subscription for Shares</b>
June 30, 2003	<b>Publication of Prospectus for IPO</b>
July 03, 2002	<b>Opening of 15<sup>th</sup> Branch</b>
October 29, 2000	<b>Opening of 10<sup>th</sup> Branch</b>
June 02, 1999	<b>Commencement of Business</b>
May 20, 1999	<b>Incorporation of the Bank</b>

# Chapter 3: Job Description

### 3.1 Description of the job

As an internee I have performed numerous activities. My main task was to assist officers and executives in every aspect of their daily work. It includes every activity that the officials performed like dealing with customers, computer posting, document analysis etc.

### 3.2 Specific Job Responsibility

- Dealing with customers
- Assisting employees in their day to day operations
- Maintaining different registers
- Sorting of Cheque, vouchers
- Entry of cheque and deposits slips number and amount in the registers and give the serial number to those slips
- Sorting of cheque according to serial number
- Editing of L/C issue statement
- Filing different L/C related documents
- Matching month wise L/C and Bills transaction value between server and register

### 3.3 Different aspects of Job Performance

- It helped me to learn banking activities
- It has enhanced my knowledge
- I was able to complete almost every task successfully

### 3.4 Critical observation

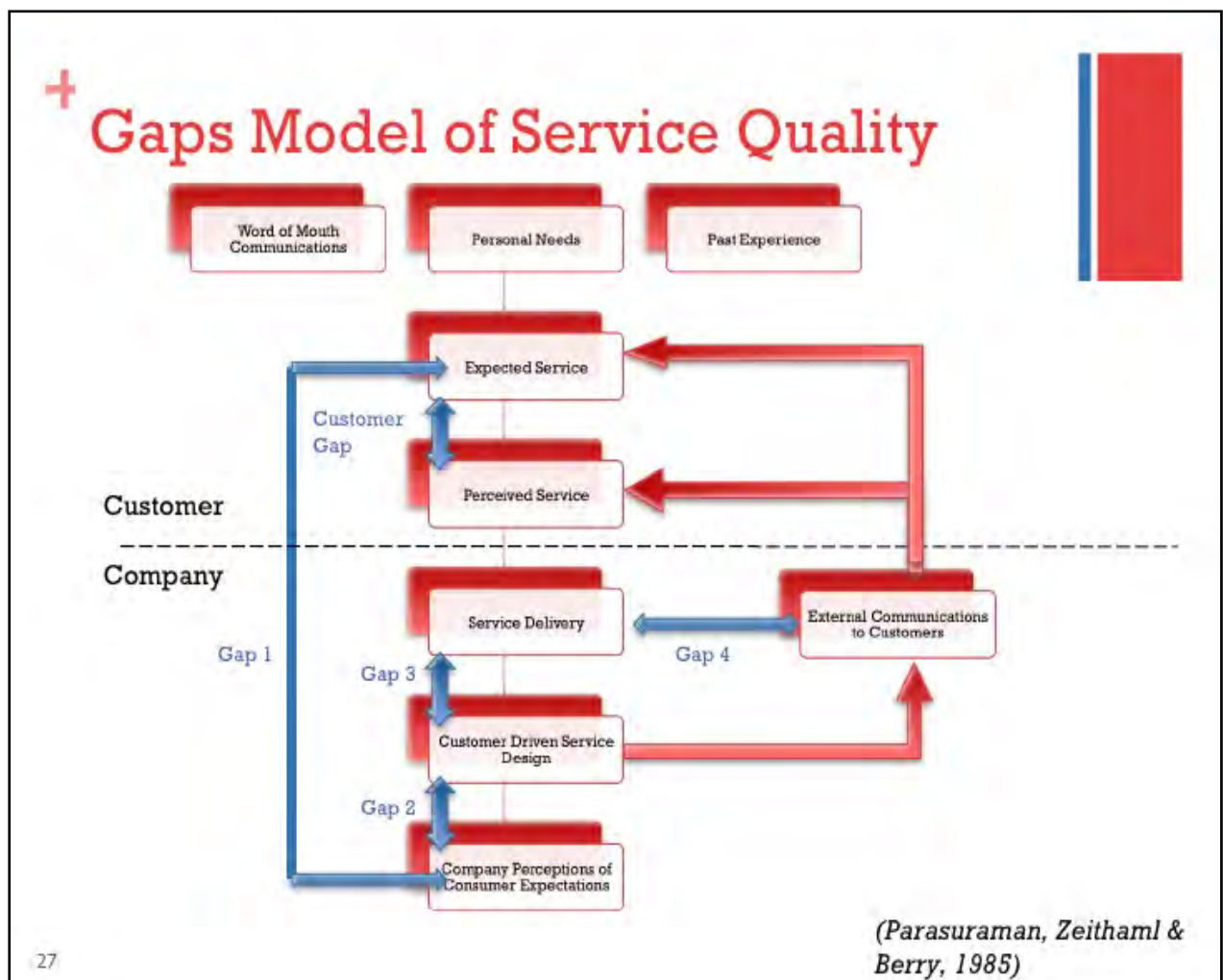
- Working environment was excellent
- Employees were very much helpful
- I learned a lot of things in a short time.



# Chapter 4: GAP Model of Service Quality

#### 4.1 GAP Model:

The gap model (also known as the "5 gaps model") of service quality is an important customer-satisfaction framework. In "[A conceptual model of service quality and its implications for future research](#)" (*The Journal of Marketing*, 1985), A. Parasuraman, VA Zeitham and LL Berry identified this gap model and by using this gap model organizations seeking to meet customer's expectations of the customer experience. According to this model the five gaps are presented in the following picture.



The aim of "Gap Model of Service Quality" analysis is to ascertain any actual or perceived gaps between customer expectations and perceptions of the service offered.

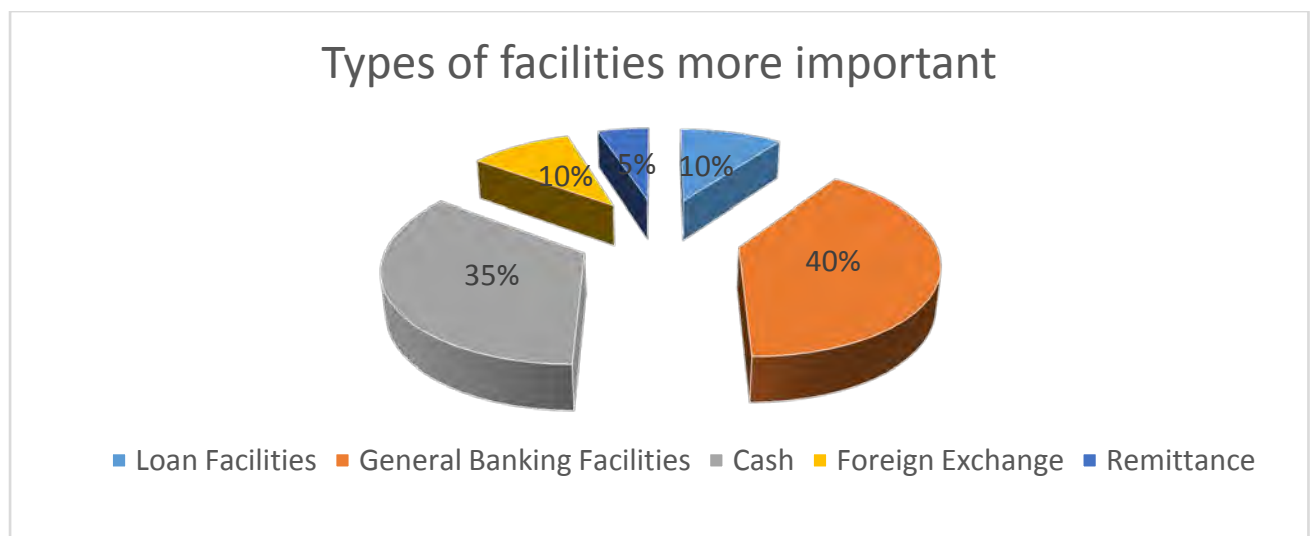
## GAP 1: Customers' expectations versus management perceptions:

This gap addresses the difference between consumers' expectations and management's perceptions of service quality (Reference 1). A primary cause in many firms for not meeting customers' expectations is that the firm lack accurate understanding of exactly what those expectations are.

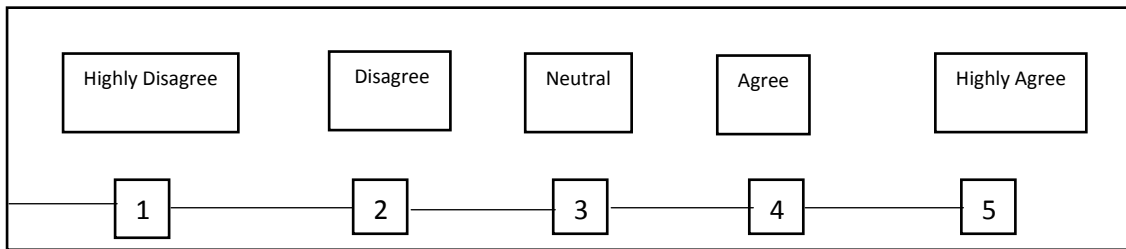
To analyze Gap 1, we compare question number 10 and 11 from the questionnaire. Question 10 represents customer expectations. Question 11 represents management perceptions. The findings from both of these questions are given below.

- Which of the following facilities is more important for you in Mercantile Bank Limited, Elephant Road Branch?
  - (a) Loan Facilities
  - (b) General Banking Facilities
  - (c) Cash
  - (d) Foreign Exchange
  - (e) Remittance

<b>Loan Facilities</b>	<b>2</b>	<b>10%</b>
<b>General Banking Facilities</b>	<b>8</b>	<b>40%</b>
<b>Cash</b>	<b>7</b>	<b>35%</b>
<b>Foreign Exchange</b>	<b>2</b>	<b>10%</b>
<b>Remittance</b>	<b>1</b>	<b>5%</b>

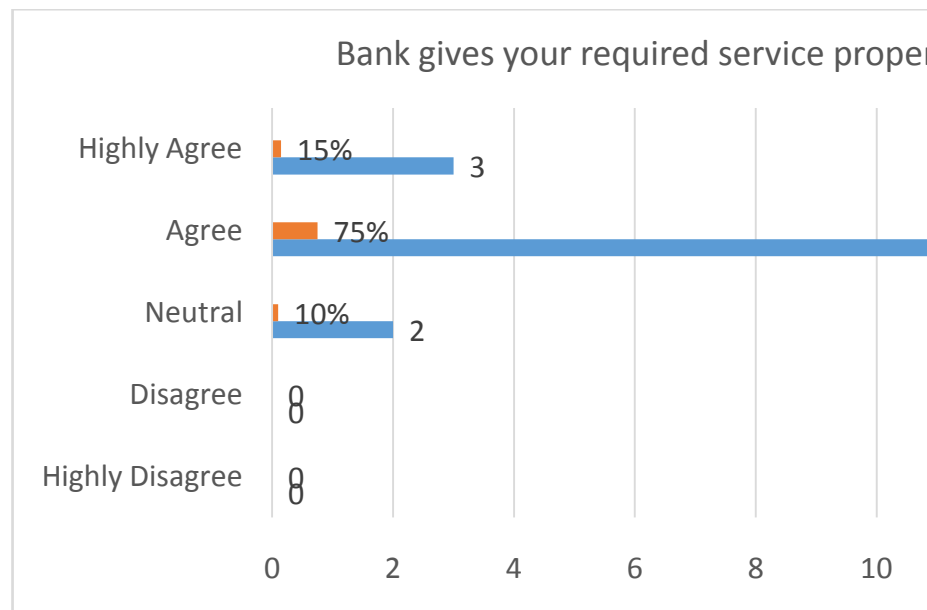


➤ Do you think bank gives your required service properly?



**Highly Disagree**                      0    0

<b>Disagree</b>	0	0
<b>Neutral</b>	2	10%
<b>Agree</b>	15	75%
<b>Highly Agree</b>	3	15%



From question 10 we found out that 40% people think general banking facilities is more important for them in the bank. And from question 11 we found that 85% people saying that bank gives them required service properly whether it is general banking service or other services like cash, remittance, foreign exchange or loan service. Rest 10% have some doubt about the service provided by the bank. So there is some GAP.

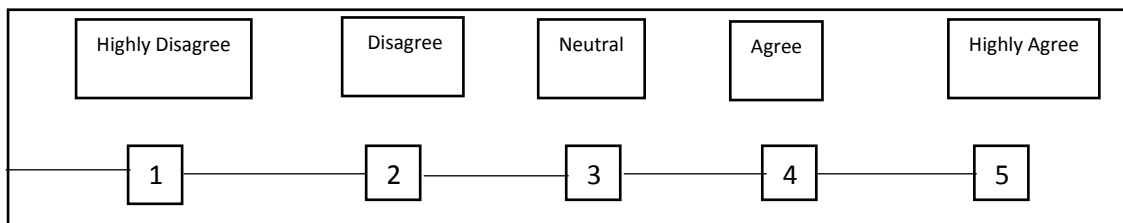
The reasons for this GAP are given below:

- Wrong communication among client and employees
- Wrong relationship focus.
- Management maybe unprepared to address expectations.

## Gap 2: Management perceptions versus service specifications:

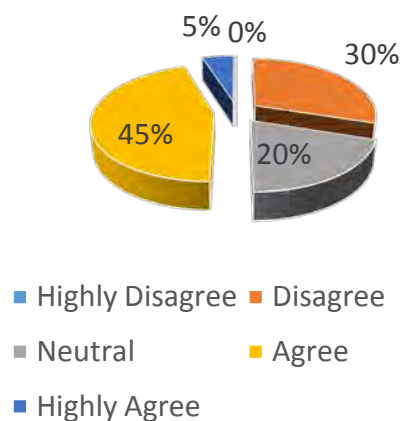
This gap represents variation between perceptions of the management about the expectations of customers and specifications of service quality. To analyze Gap 2, we compare question number 12 and 14 from the questionnaire. Question 12 represents service quality specification and question 14 represents management perceptions. The findings from both of these questions are given below.

- Do you think your bank offers competitive interest rate? (Quality Specification)

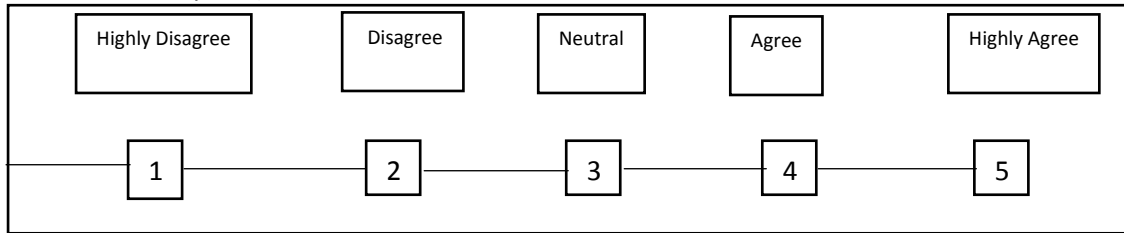


<b>Highly Disagree</b>	<b>0</b>	<b>0%</b>
<b>Disagree</b>	<b>6</b>	<b>30%</b>
<b>Neutral</b>	<b>4</b>	<b>20%</b>
<b>Agree</b>	<b>9</b>	<b>45%</b>
<b>Highly Agree</b>	<b>1</b>	<b>5%</b>

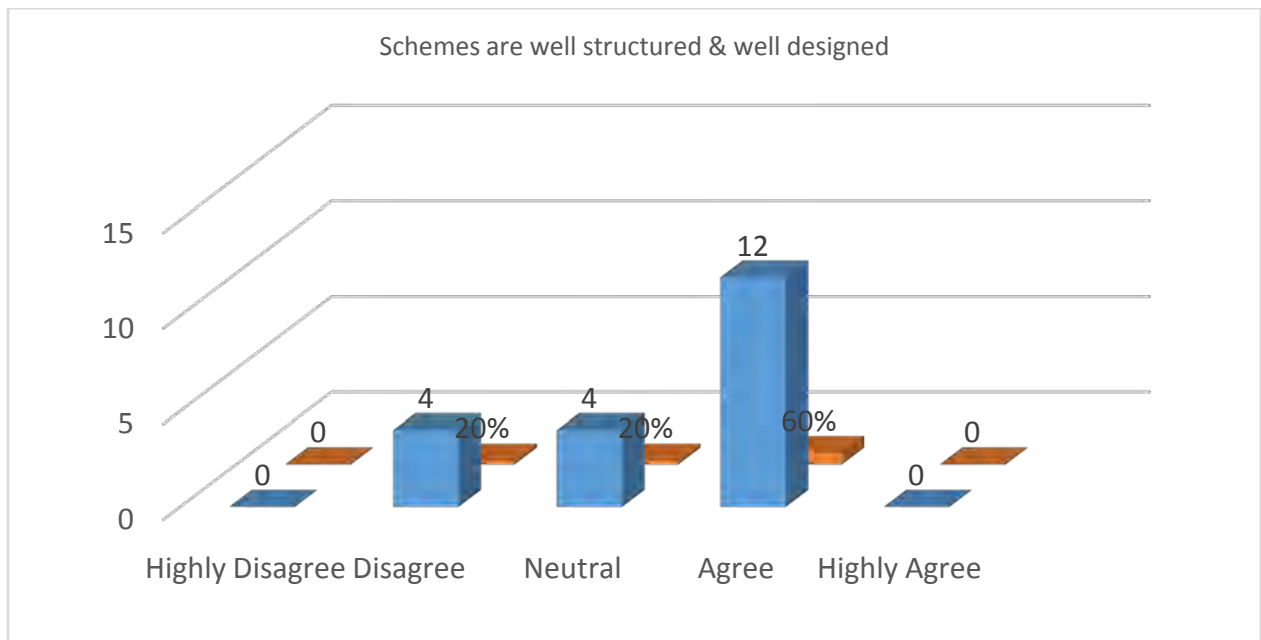
### Competitive Interest Rate



- The schemes are well structured and designed to fulfill yours' needs (Management's Perception).



<b>Highly Disagree</b>	0	0
<b>Disagree</b>	4	20%
<b>Neutral</b>	4	20%
<b>Agree</b>	12	60%
<b>Highly Agree</b>	0	0



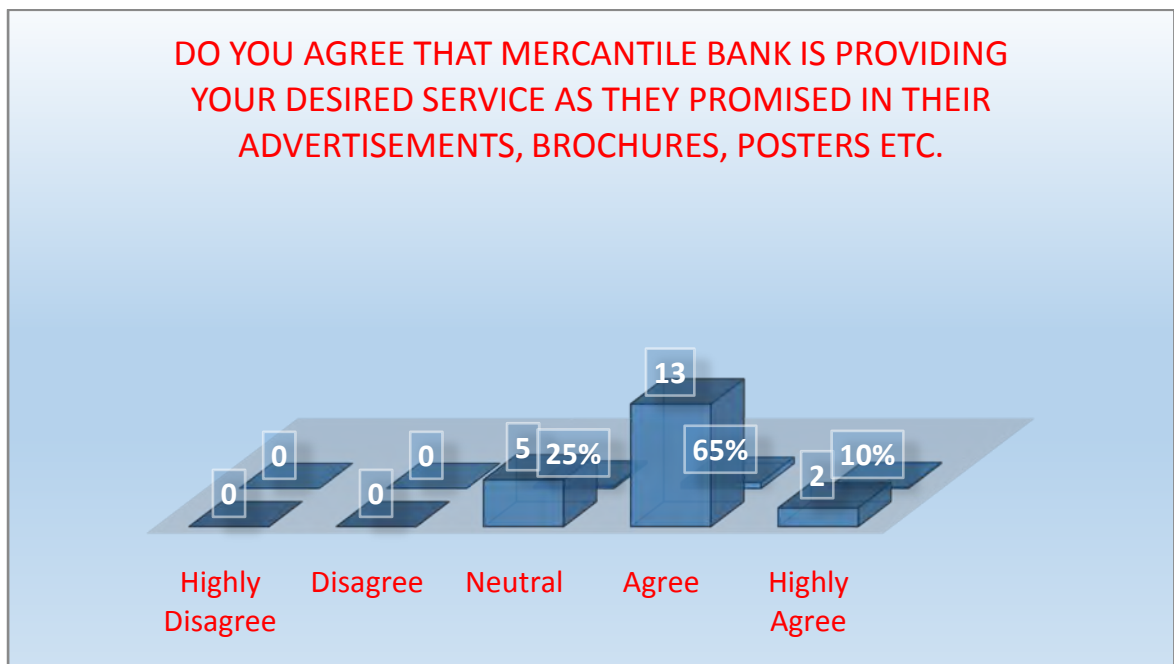
There are some reasons exist for this Gap. These are given below:

- Poor service design
- Absence of customer driven standards

- Failure to develop tangibles in line with customer expectations
- Servicescape design doesn't meet customer and employee needs

### Gap 3: Service specifications versus service delivery:

This gap represents difference between specification of service quality and attributes of the process of service production and delivery, i.e. difference between what managers have defined as standard of service quality and the way how a service was actually delivered. In our survey we asked people whether they agree Mercantile Bank is providing your desired service as they promised in their advertisements, brochures, posters etc. Around 75% people agree that they providing the service as they promised & 25% have neutral view.



There are some reasons exist for this Gap. These are given below:

- Deficiencies in human resource policies
- Role ambiguity and role conflict
- Failure to match supply and demand
- Problems with service intermediaries
- Difficulty in controlling quality and consistency

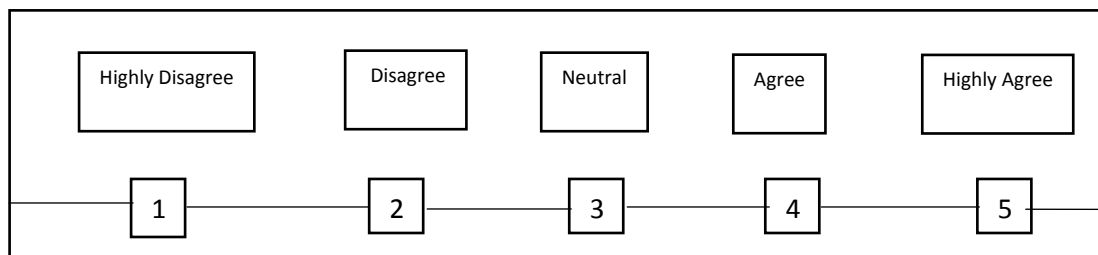
### Gap 4: Service delivery versus external communication:

This gap is the difference between service delivery and the service provider's external communications. Promises made by a service company through its media advertising, sales force and other communications may potentially raise customer expectations, the standards against which customers assess service quality. The discrepancy between actual and promised service therefore can widen the customer gap.

To analyze Gap 4, we compare question number 13 and 19 from the questionnaire. Question 13 represents external communication to customers and question 19 represents service delivery.

The findings from both of these questions are given below.

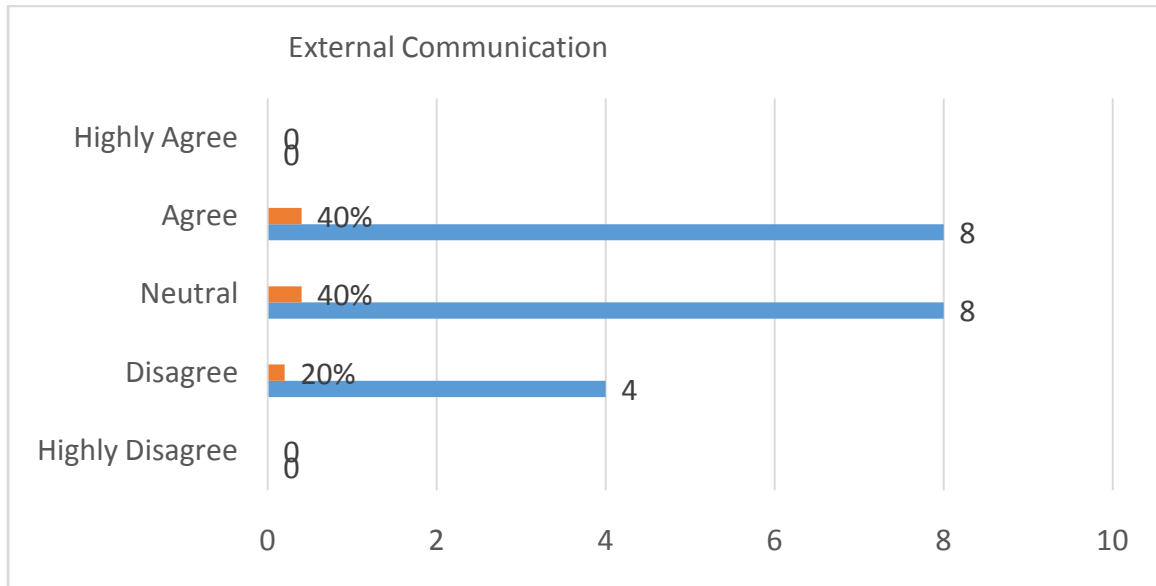
- Does the brochures, advertisements, posters & banners are properly designed subject to your needs and real factors? (External Communication to customer)



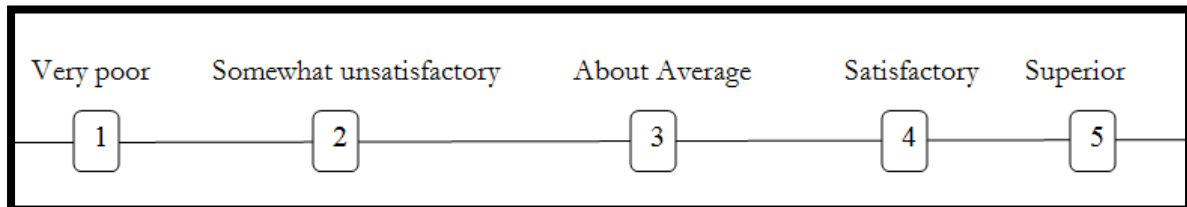
**Highly Disagree 0 0**

<i>Disagree</i>	4	20%
<i>Neutral</i>	8	40%
<i>Agree</i>	8	40%
<i>Highly Agree</i>	0	0

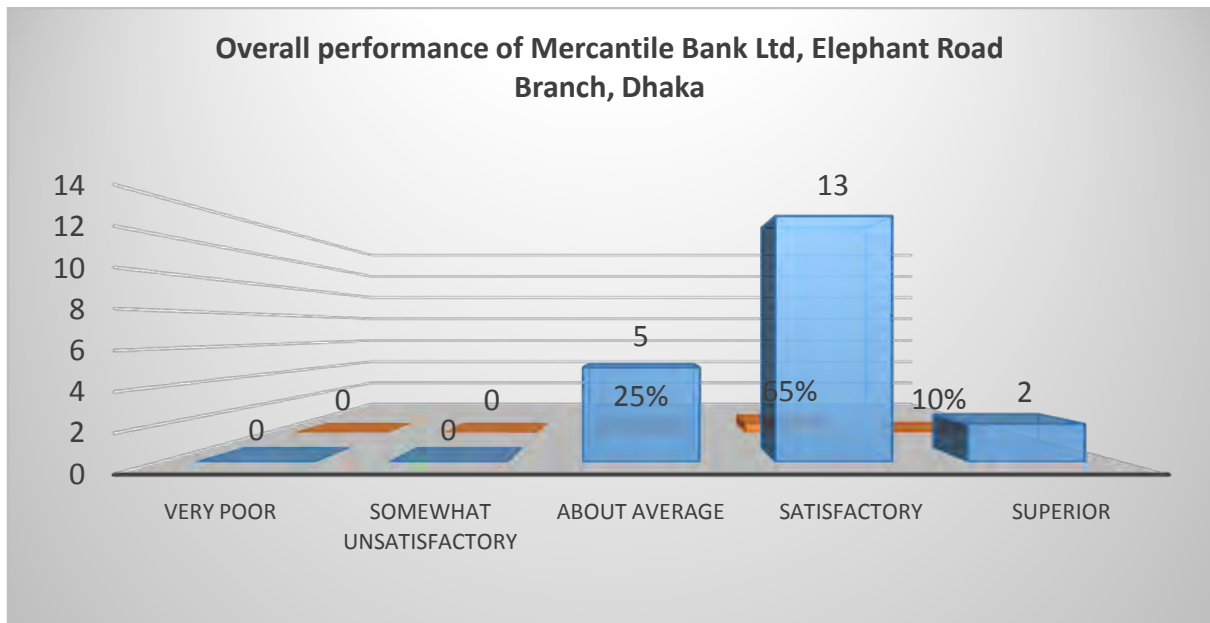




- Are you satisfied with overall performance of Mercantile Bank Ltd, Elephant Road Branch, Dhaka? (Service Delivery)



<b>Very Poor</b>	<b>0</b>	<b>0</b>
<b>Somewhat unsatisfactory</b>	0	0
<b>About Average</b>	5	25%
<b>Satisfactory</b>	13	65%
<b>Superior</b>	2	10%



So from the survey we can see that 75% people are satisfied with overall performance of the bank.

There are some reasons exist for this Gap. These are given below:

- Lack of integrated service marketing communications
- Ineffective management of customer expectations
- Overpromising
- Inadequate horizontal communications

### Gap 5: Customer expectations versus customer perceptions

This gap represents difference between customers' expectations regarding the service and their perception about the specific service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer's side (Reference 1).

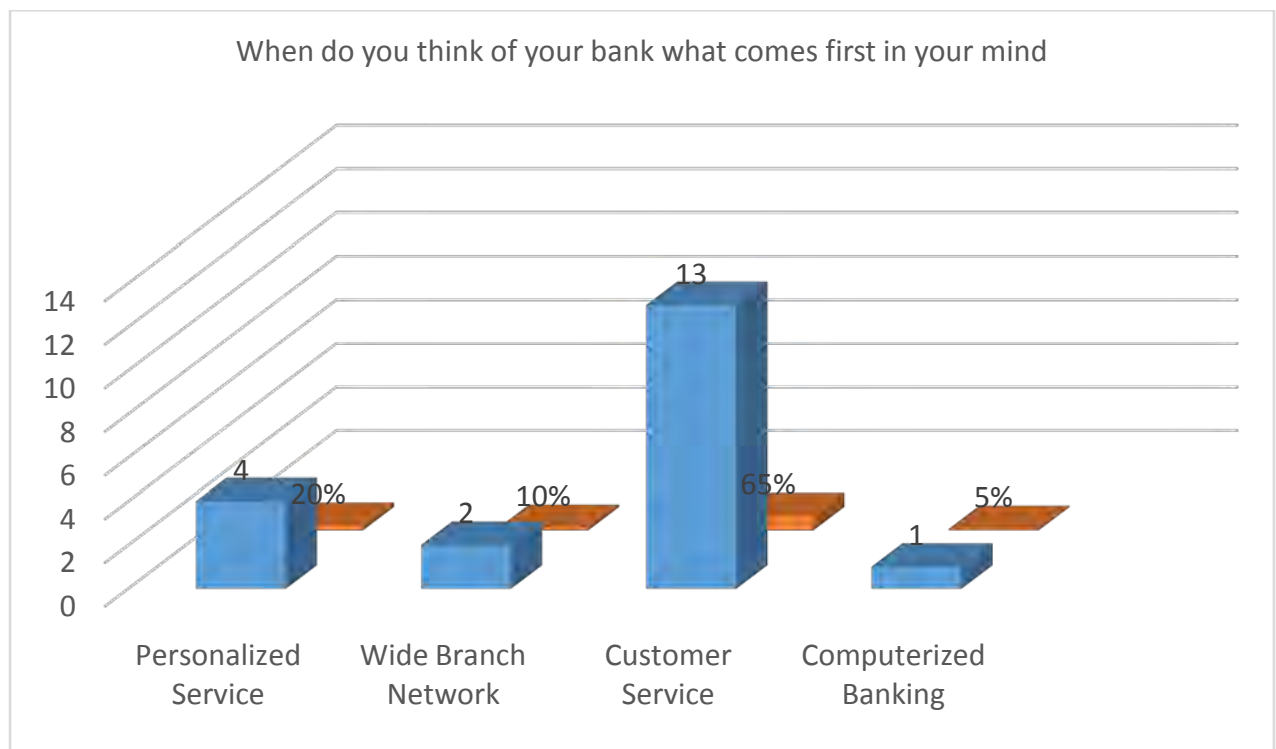
Customer expectations are driven from some factors like customers' personal needs, customers' past experiences, word of mouth, and marketing communications from providers. Customers' perception is driven from two areas like service delivery and external communication to customers.

To analyze Gap 5, we compare question number 17 and 23 from the questionnaire. Question 17 represents customers' expectations and question 23 represents customers' perceptions.

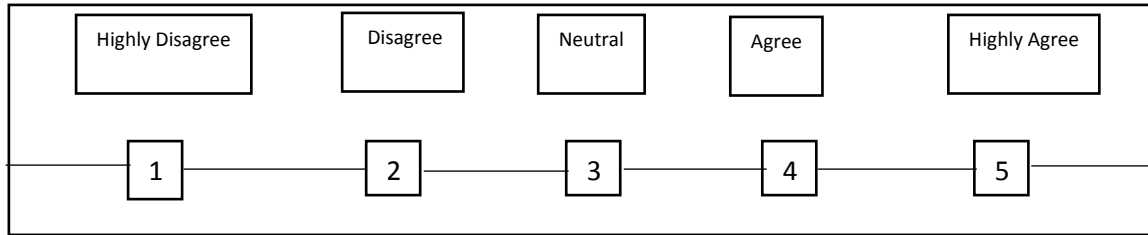
The findings from both of these questions are given below

- When do you think of your bank what comes first in your mind (customer's expectation)
  - a) Personalized Service
  - b) Wide Branch Network
  - c) Customer Service
  - d) Computerized Banking

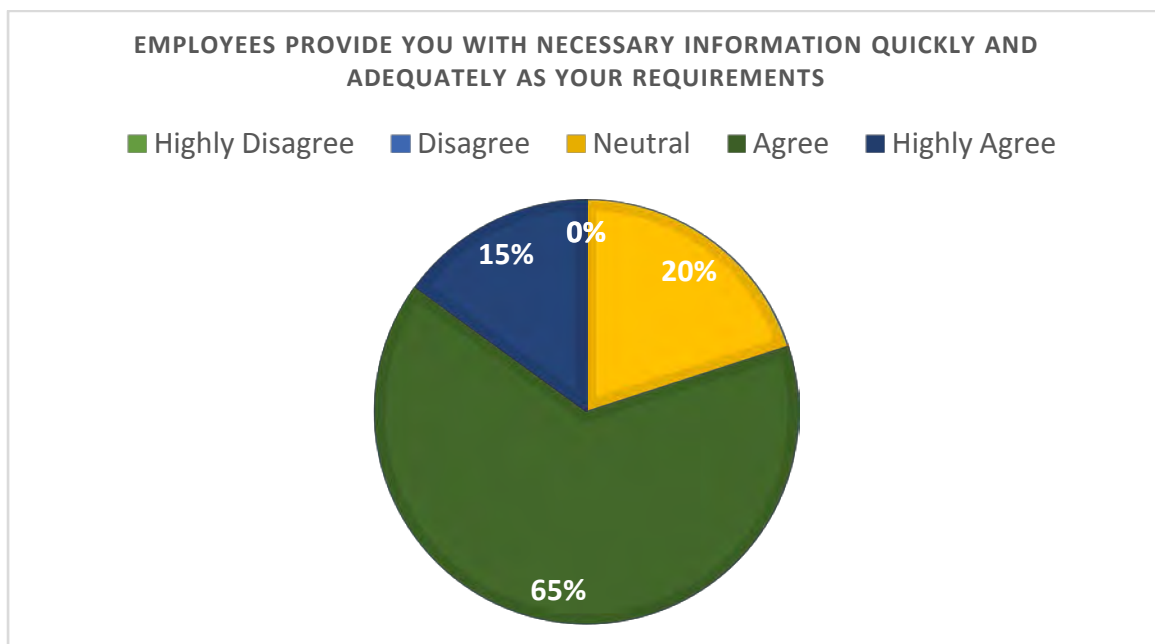
<b>Personalized Service</b>	<b>4</b>	<b>20%</b>
<b>Wide Branch Network</b>	<b>2</b>	<b>10%</b>
<b>Customer Service</b>	<b>13</b>	<b>65%</b>
<b>Computerized Banking</b>	<b>1</b>	<b>5%</b>



- The employees provide you with necessary information quickly and adequately as your requirements (customer's perception)



Highly Disagree	0	0
Disagree	0	0
Neutral	4	20%
Agree	13	65%
Highly Agree	3	15%



From the survey we can see that about 65% people gives customer service priority and about 80% people agree that employees of the bank provide necessary information quickly and

adequately as customer's requirements. But till 20% people have neutral view. So there is some GAP. The reasons of the GAP is given bellow.

- Failure to provide the promised service
- Inadequate service delivery by demotivated employees
- Customer's lifestyle doesn't match with the service

# Chapter 5: Consumer Behavior of MBL

## 5.1: Consumer Behavior of MBL:

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The major activities of MBL are:

- Account opening
- Issuance of Demand Draft/Telegraphic Transfer/Pay Order/Fixed Deposit Revenue
- Interbank Transaction, Inter Branch Credit
- Credit Proposals and Credit Processing
- Documentation and Loan Disbursement
- Opening of L/C (Back to Back, Local/ Foreign)
- Purchase of foreign bills
- Negotiating of foreign bills
- Payment against Import Bill
- Export guarantees
- Endorsement of Traveling

Consumer behavior in services is identified through five different stages. These are given below.

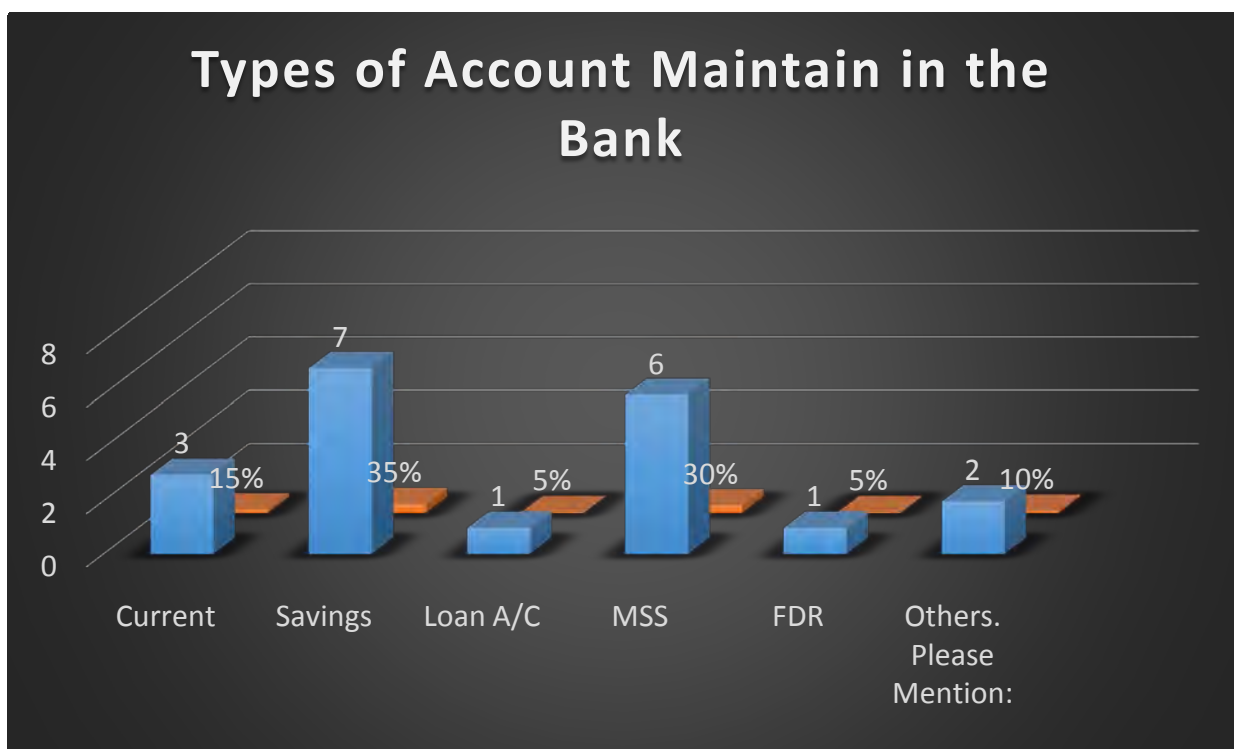
### **1. Need Recognition:**

The process of buying a service begins with the recognition that a need or want exists. Although there are many different ways to characterize needs, the most widely known as Maslow's hierarchy, which specifies five need categories arranged in a sequence from basic lower level needs to higher level needs, Services can feel all these needs and they become increasingly important for higher level social, ego and self-actualization needs

According to the Maslow's needs hierarchy theory needs can be plotted under these following categories-

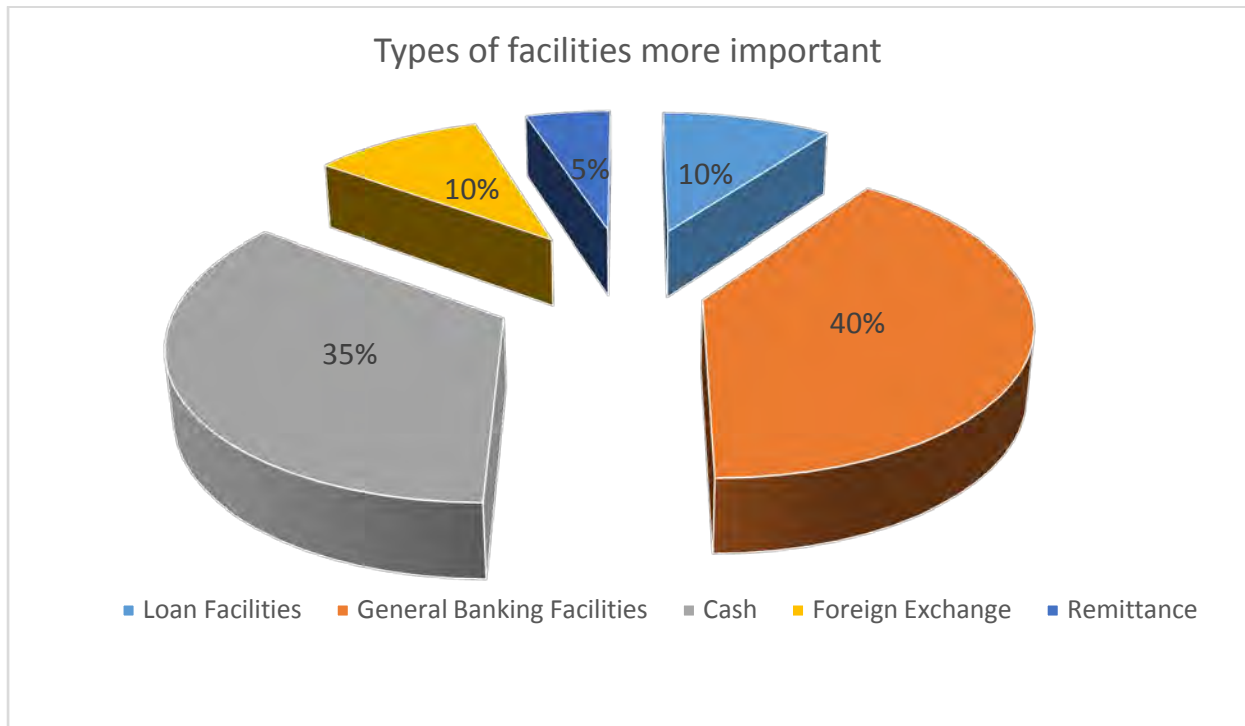


According to our interview 35% people have savings account in our bank and 30% people are maintaining MSS.





From another survey we can find out that 40% people consider General Banking Facilities is important in the bank, 35% person consider cash department, 10% people consider loan and foreign exchange is important & 5% consider remittance important.



## **2. Information Search:**

The customer search their information in two ways-

- Personal
- Non personal

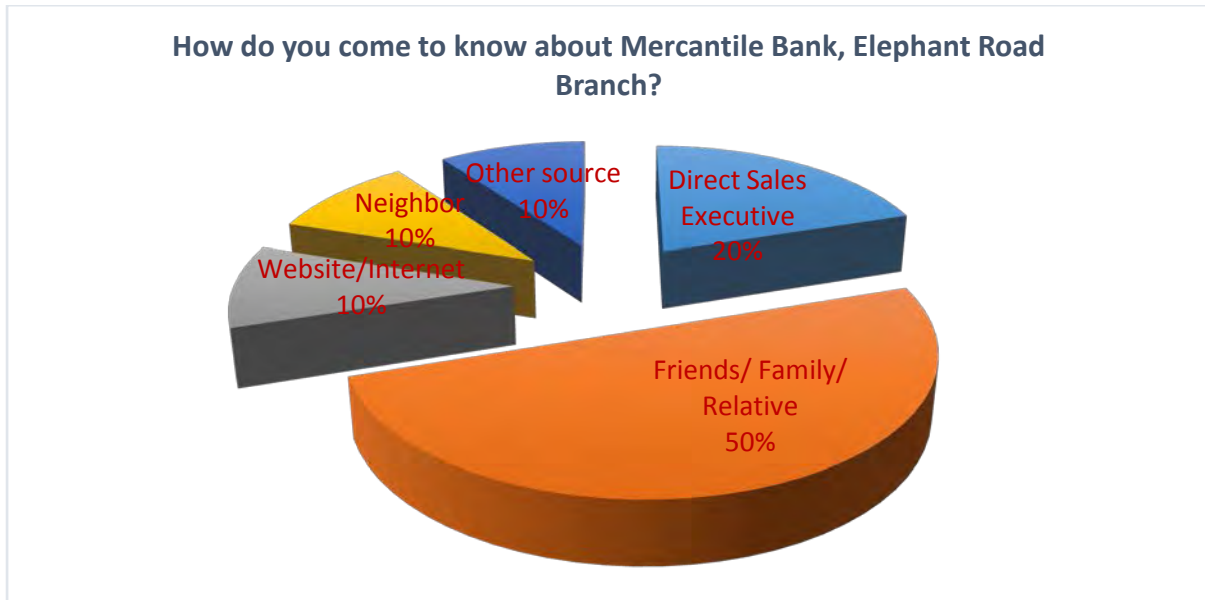
### **Personal:**

The personal ways of getting information are family, friends, relative, neighbor etc.

### **Non Personal:**

The non-personal ways of getting information are internet, website, e-mail, online advertisement, television commercial etc.

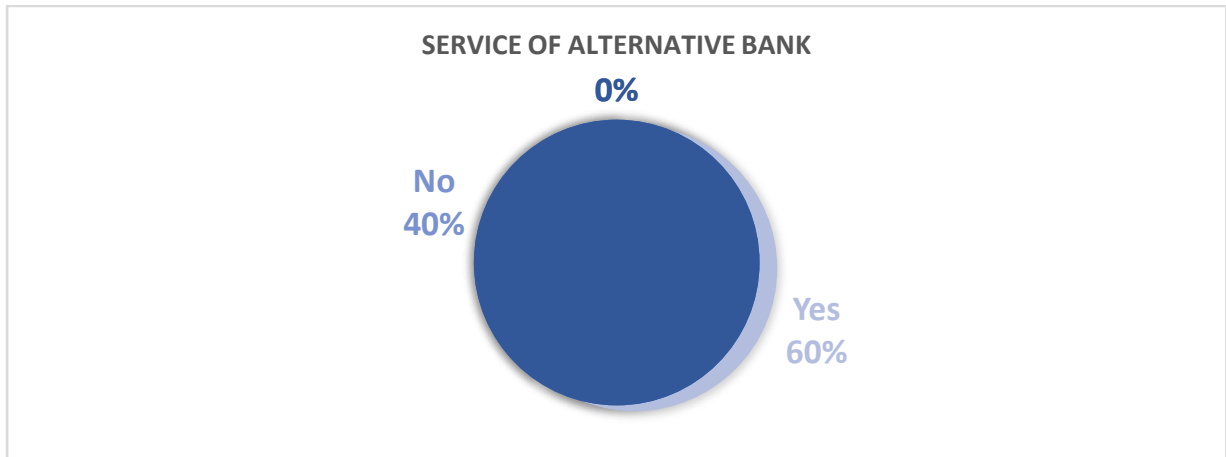
From the survey we find out that we can see that 50% people know about Mercantile Bank, Elephant Road Branch from friends, family or from relatives. 20% people learn from Direct Sales Executives of our Bank. Rest are from website, neighbor or other sources.



### 3. Evaluation of Alternatives:

In this part after getting the information the customers are trying to find out the alternative which might be better than Mercantile Bank. Our bank has different types of customers so our customer's evaluation for selecting alternatives are also unstructured.

In my survey I asked to the client whether they use alternative bank. Around 40% people don't use service of alternative bank. 60% people who use service of alternative bank because those banks are giving a little more interest rate than our one.

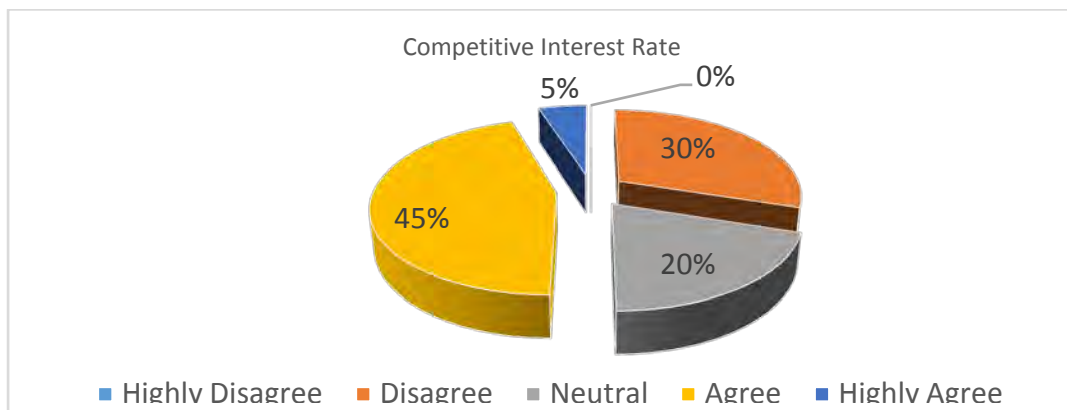


#### **4. Purchase decision:**

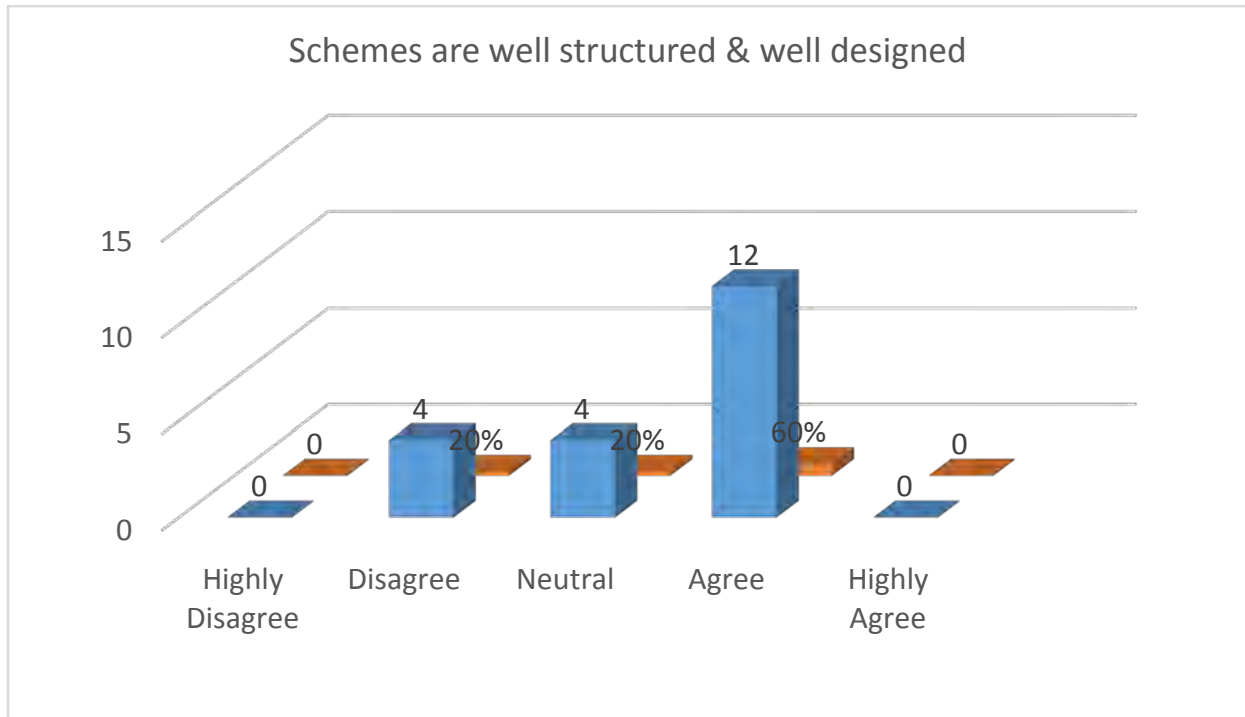
After evaluating the alternatives at this stage customer decides to go with Mercantile Bank. Because they think our bank is giving more facilities than other bank or our customer service is better than other banks. There might some factors that can bias the purchase decision of customers. Factors are

- Placement of Bank
- Customer Service of Bank
- High Interest Rate
- Friendly employees

From the survey we can say that around 49% people think bank gives competitive interest rate



And from another question of our survey we can see that around 12 out of 20 people agree that the schemes are well structured and designed to fulfill to customer's need.



### **5. Post purchase Behavior:**

In this stage customer express their feelings about the services they got from our bank. If the customers are satisfied with the performance of overall service performance of Mercantile Bank Ltd, Elephant Road Branch, Dhaka, they will use the service of our bank again and again. From our survey we can find that around 15 out of 20 people are satisfy by our service quality.

# Chapter 6: Customer Expectation from MBL

## 6.1: Customer Expectation from Mercantile Bank:

Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged. Because customers compare their perceptions of performance with these reference points when evaluating service quality, thorough knowledge about customer expectations is critical to service marketers. Service marketers must know the factors that influence customer expectations. The factors that influence customer expectations are given below.

- Sources of desired service expectation
- Sources of adequate service expectation
- Service encounter expectation versus overall service expectation
- Sources of both desired and predicted service expectation

### **1. Sources of desired service expectation:**

There are two major factors that influence desired service level. One is personal needs and another is lasting service intensifiers.

#### Personal needs:

Personal needs are those states or conditions essential to the physical or psychological wellbeing of the customer and are pivotal factors that shape what customers desire in service. Personal needs can fall into many categories including physical, social, psychological, and functional. From our survey we can see that around 35% people have savings account and 30% people have Monthly Saving Schemes(MSS) in our bank.

#### Lasting service intensifiers:

Lasting service intensifiers heavily affect by derived service expectations, which occur when customer expectations are driven by another person or group of people. From our survey we

find that majority of our customers know about our bank from friends/family/relative, few from direct sales executive of our bank. And rest from website and other sources.

## **2. Sources of adequate service expectations:**

A different set of determinants affect adequate service; the level of service the customer finds acceptable. There are five factors that influence adequate service.

- (a) Temporary service intensifiers: It consists of short term individual factors that make a customer more aware of the need for service. In our bank who applies for loan should must have a savings account.
- (b) Perceived service alternatives: It means other providers from whom the customer can obtain service. In our survey we asked people if they use service of alternative bank. 12 out of 20 people said yes they use. Because they think that those banks give a little bit higher interest rate than ours’.
- (c) Customer’s self-perceived service role: It means customer perceptions of the degree to which customers exert an influence on the level of service they receive.
- (d) Situational factors: It means service performance conditions that customer view as beyond the control of the service provider.
- (e) Predicted service: It means the level of service that customers believe they are likely to get. For example when a client comes to our bank they expect we will give their required service quickly. Or some clients expect that they don’t have to wait for a long time to open an account.

## **(3) Services encounter expectations versus overall service expectations:**

Service encounter means interactions with company. This interaction can be anything like physical or digital or electronic. Overall service means all the services that a customer gets from the company. For example, sometimes customers call us to know their latest statement.

When we are able to provide them the information they become happy with our overall service quality. Or sometimes few customers expect that we will write down their deposit slip and when we write it down they become satisfy with our overall service.

#### **4) Sources of both desired and predicted services expectations:**

This section discusses one internal and three external factors that influence both desired service and predicted service expectations. These are described below.

- (a) Explicit service promises: These promises are personal and non- personal statements about the service made by the organization to customers. The statements are personal when they are communicated by sales people or service or repair personnel. They are non-personal when they come from web pages, advertising, brochures, and other written publications.
- (b) Implicit service promises: These promises are service related cues other than explicit promises that lead to inferences about what the service should and will be like. These quality cues are dominated by price and the tangibles associated with the service.
- (c) Word of mouth: The importance of word of mouth communication in shaping expectations of service is well documented.
- (d) Past experience: The customer's previous exposure to service that is relevant to the focal service, is another force in shaping predictions and desires. The expectation and perception of customers of MBL changes because of the previous service experience.

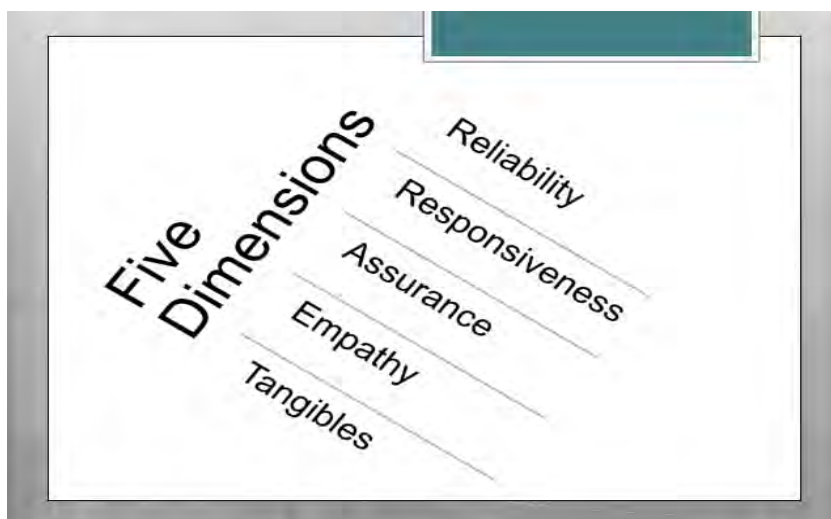


# Chapter 7: Customer Perception of Service

## 7.1 Customer Perception:

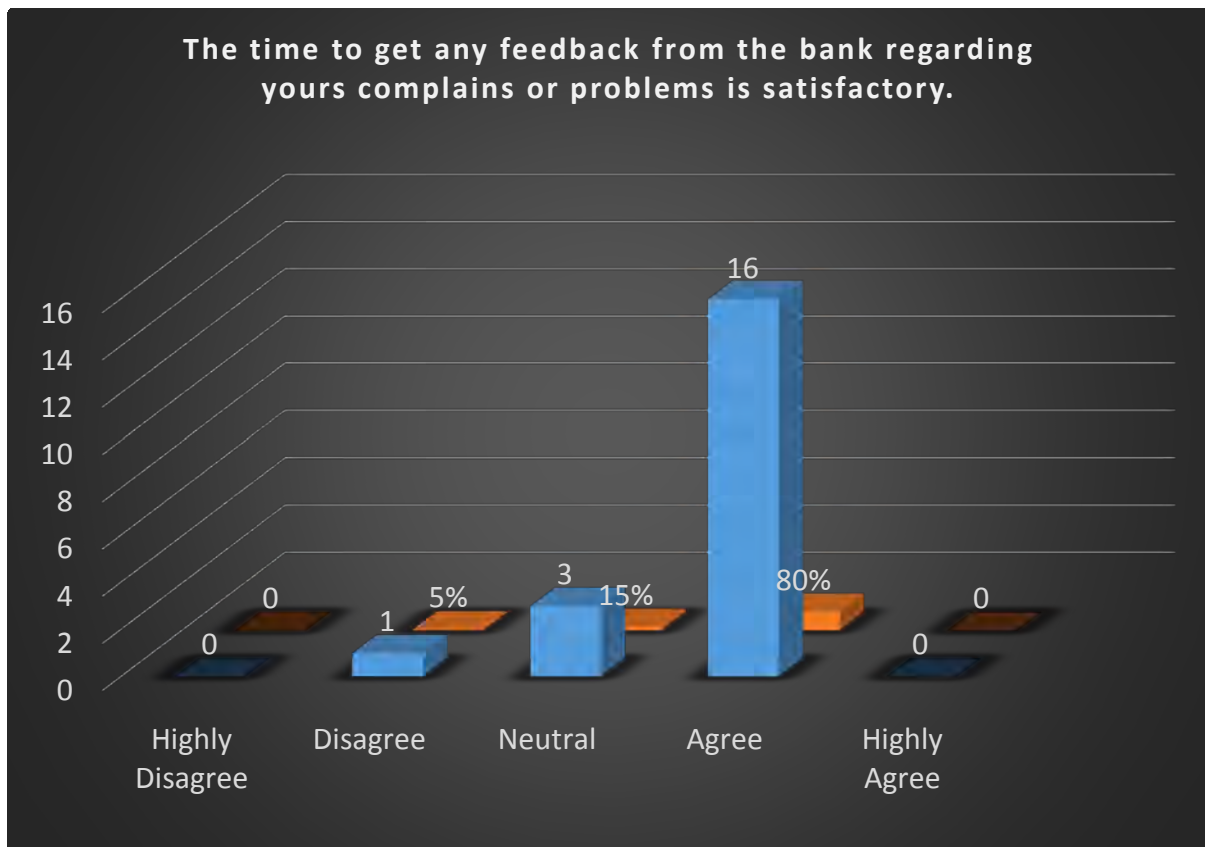
Customer Perception refers to the process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of the brand or the product. It is a three stage process that translates raw stimuli into meaningful information. Each individual interprets the meaning of stimulus in a manner consistent with his/her own unique biases, needs and expectations. Three stages of perception are exposure, attention and interpretation. As perception may shift over time, so the companies must continuously assess customer perception.

What does affect customer perception: Research suggests that customers don't perceive quality in a one-dimensional way but rather judge quality based on multiple factors relevant to the context. So service quality dimension plays an important role in finding out customer perception. The dimension of service quality has been identified through the pioneering research of ParuParasuraman, Valarie Zeithaml, and Leonard Berry. The five dimensions of service quality are explained below.



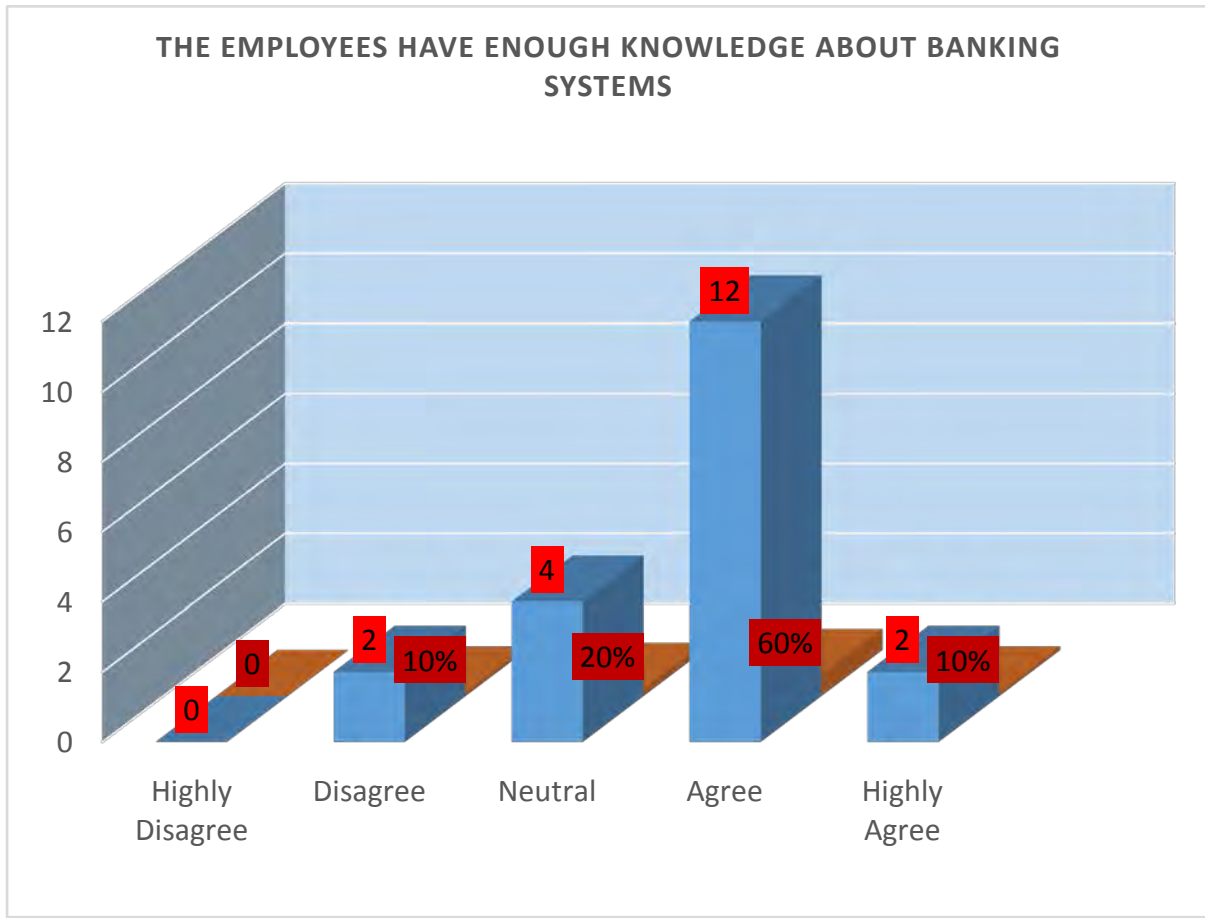
**Reliability:** It means ability to perform the promised service dependably and accurately. In our survey we find out 16 out of 20 customer things that employees of our bank provide the client with necessary information quickly and adequately as per client's requirements. So reliability is high of Mercantile Bank Limited , Elephant Road Branch,Dhaka.

**Responsiveness:** It means willingness to help customer and provide prompt service. From our survey we can see that around 80% people agree that the time to get any feedback from our branch regarding clients complains or problems is satisfactory. So we can say that employees of our bank are highly responsive



**Assurance:** It means employees knowledge and courtesy and their ability to inspire trust and confidence.

From our survey we can see that 14 out 20 people agree that employees have enough knowledge about banking systems. So we can say that assurance is high.



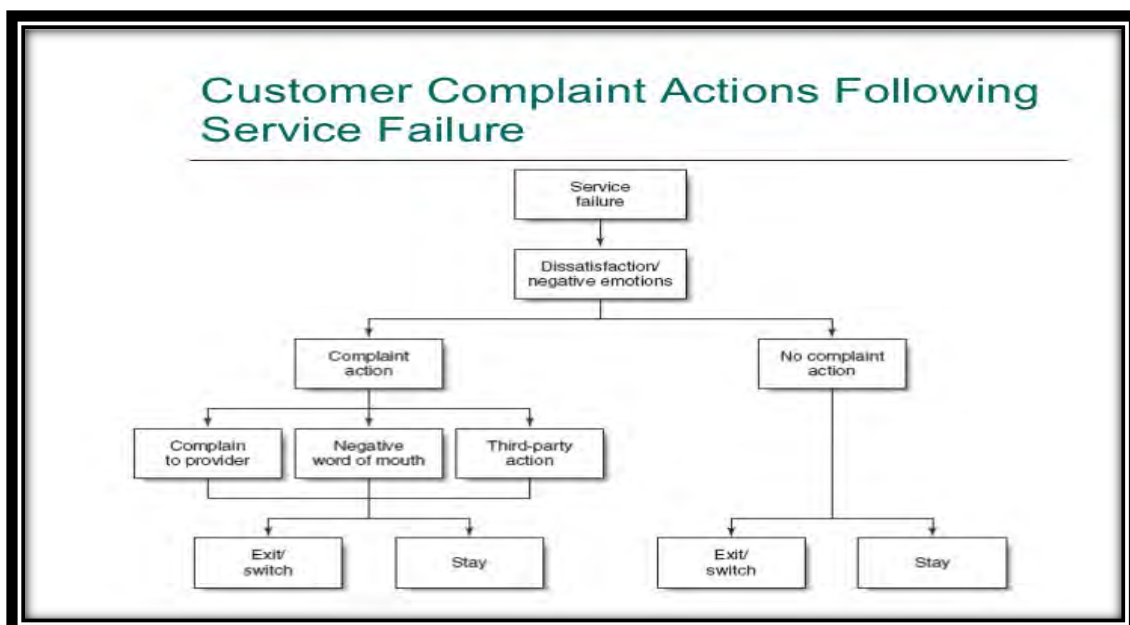
Empathy: It means caring, individualize attention given to customers. In our survey we asked to the clients that when do they think of our branch what comes first in your mind. 13 out of 20 people says that it is customer service. They think we care about customer. 4 out of remaining 7 thinks that personalized service. So it indicates that empathy rate is high in our branch.

Tangibles: It means appearance of physical facilities, equipment, personnel and written materials. From our survey we can see that around 40% people agree & 40% have neutral view that brochures, posters & banners are properly designed subject to your needs and real factors . So tangibles of our bank are good.

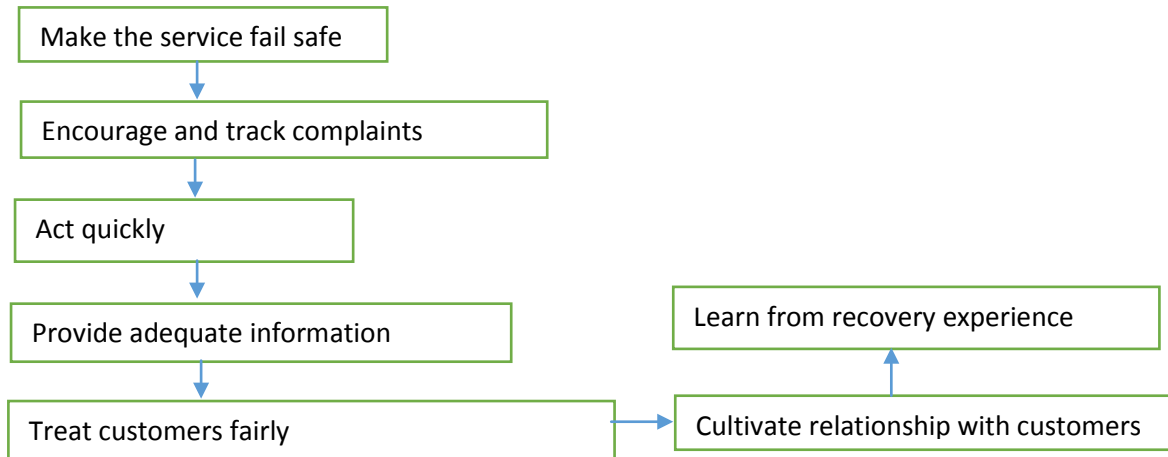
# Chapter 8:Service Recovery

## 8.1 Customer Service Recovery:

Customers are vital to an organization. Customer service is important to an organization because it is often the only contact a customer has with a company. But problem arises when the business or service fail to meet its promises. At that time business needs the service recovery. Service recovery refers to the actions companies take when they have failed to provide the service customer expected, which makes it relevant for managers in any industry or organization that provide some sort of service to external or internal customers. Successful service recovery is needed for customer satisfaction and loyalty. Effective service recovery management requires a cross functional approach that takes a marketing perspective- customer recovery, a management perspective- employee recovery and an operations perspective- process recovery. But if once the service has failed to meet its promises customers may go through the following service failure model.



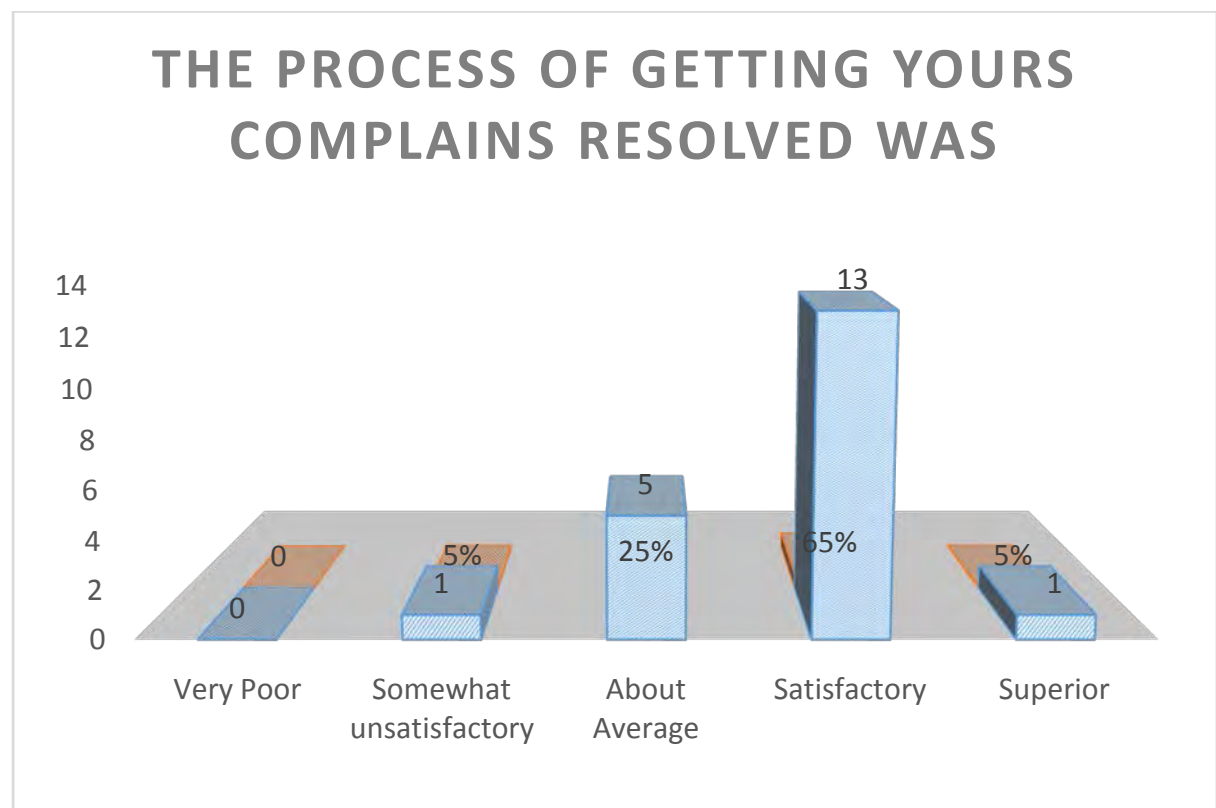
## 8.2. Service Recovery Strategy Process of "Mercantile Bank, Elephant Road Branch":



- **Make the service fail safe-do it right on the first time:** In the service recovery strategy “make the service fail safe” would be the best strategy if the service has been failure. The best possible way to get back an angry customer is to identify the problem and solve it. If service failure happens, they must immediately identify from which division the complaint has come. After that they inform that particular group leader of that division to resolve that problem.
- **Encourage and track complaints:** Encourage and tracking is an important part of service recovery strategy mainly because of satisfying all the targeted customers is not always possible
- **Act quickly:** In service industry if service failure took place customer wants quick response and immediate solution of the problem. That’s why it is important to act quickly if the service has been compromised.
- **Provide adequate information:** If the service has been compromised undoubtedly customers want to know that what the reasons is. Surely, proper explanation and providing adequate information on the preliminary stage will help to reduce customer’s dissatisfaction.

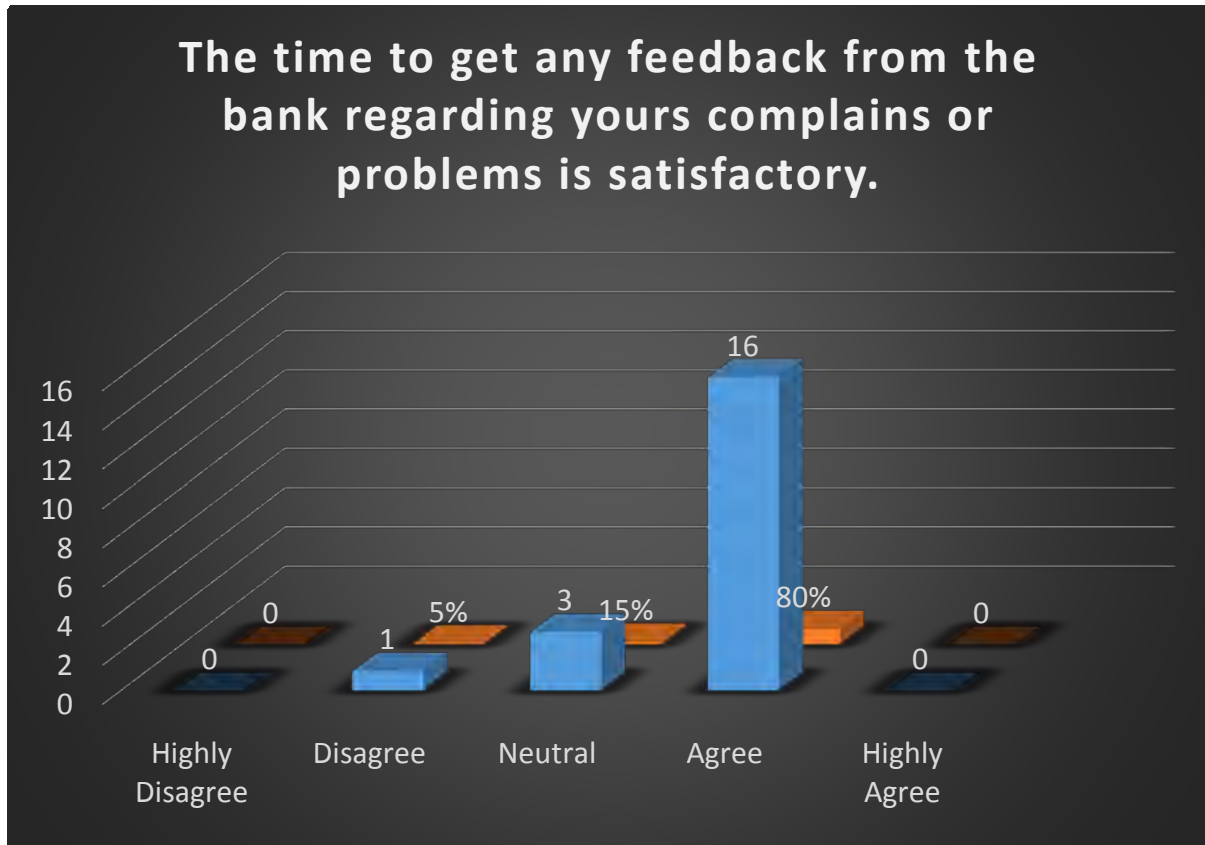
- **Treat customers fairly:** To some extent service failure means unfair treatment of customer and justice should be restored from customer prospective. To ensure the fair treatment of customers
- **Cultivate relationship with customers:** To be successful cultivate relationship with customer is must.
- **Learn from recovery experience:** By reviewing the complains regularly bank can identify customer's opinion, problems, and mistakes and try to improve service delivery system consistently.

In our survey we ask clients about their opinion about the process of getting their complains resolved. 14 out of 20 people are satisfy with the process. 5 out of remaining 6 things about average and only 1 out of 20 things that the process is unsatisfactory.





In another question we asked client whether the time to get any feedback from the bank regarding theirs' complains or problem is satisfactory or not. 80% people agree that the time to get feedback is satisfactory.



# Chapter 9: Service Development

## 9.1: New Service Development Process:

To develop a new service “Mercantile Bank” follows following procedures:

- 1) Service Strategy Review to ensure that new service go with the vision, mission & objectives of the bank.
- 2) New service development is done by the executive members. They generate different ideas about the new campaign.
- 3) Collect the funding for campaign from different sources.
- 4) After collecting the funding, they start to develop the materials for the campaign. To develop materials, they follow bellow steps
  - i) Assessment of the needs and views of all concerned with the campaign
  - ii) Development of the message, language and the materials in view of the target audience
  - iii) Take field level feedback from the target customers and specialists and modify the materials accordingly
- 5) After that they disseminate information through mass media. They use mass media like channels, newspaper, banner etc.
- 6) Finally, they will collect evaluation from target customers to improve the campaign in future.

Now we are going to discuss how the Service Development Process of “Mercantile Bank” match with the theory of Stages in Service Innovation & Development

	According to the Theory of Service Development	Process of We Can to develop new campaign
<b>Front End Planning</b>	New Service Strategy Development	After that the management team will develops new strategy. The strategy contains the planning how they are going to let the young people know about their schemes, how they will design the

		brochures, how much the bank will provide loan, what kind of media they will use for publicity.
	Idea Generation	The Members of the organization sit together and share different plans about they are going to introduce the new service successfully.
	Concept Development and Evaluation	After generating perfect idea, they develop a concept and they evaluate it by putting themselves in consumer's shoes.
	Business Analysis	After evaluating the campaign concept by the employee of organization, they will do the cost analysis.

	According to the Theory of Service Development	Process of We Can to develop new campaign
<b>Implementation</b>	Service Development & Testing	In this step they will finally develop the schemes also the posters, banners and brochures for the campaign. And test whether it was a successful scheme.
	Market Testing	They will find out how many people are going to use the schemes by doing a

		survey. This will give them a clear idea whether they should launch the new schemes.
	Commercialization	Finally, the schemes will be available to the young people.

# Chapter 10: Listening to Customers Through Research

### 10.1: Research Objectives for Services:

Find out what customers expect is essential to providing service quality and marketing research is a key vehicle for understanding customer expectations and perception of services. In services, as with offering, a firm that does no marketing research at all is unlikely to understand its customers. A firm that does marketing research, but not on the topic of customer expectations, may also fail to know what is needed to stay in tune with changing customer requirements. Marketing research must focus on service issues such as what features are most important to customers, what levels of these features customer expect, and what customers think the company can and should do when problems occur in service delivery.

### 10.2: Objectives of the research:

There are different objectives of the research. These are explained below:

- To discover customer expectations for service from MBL.
- To monitor and track service performance
- To know the overall performance compared with that of other branch of MBL as well as competitive banks.
- To assess gaps between customer expectations and perceptions.
- To identify dissatisfied customers so that service recovery can be attempted.
- To gauge effectiveness of changes in service delivery.
- To appraise the service performance of individuals and teams for evaluation, recognition and rewards.
- To determine customer expectations for a new service
- To monitor changing expectations in an industry
- To forecast future expectations of customers

### 10.3: Summary of the findings:

- 👉 Majority of our customers come to know about our bank from family, friends and relative. The percentage is 50%. 20% comes to know about our bank from direct sales executive of our bank. Rest are distributed between website,

internet, etc.

- 👉 According to our survey 40% people think General Banking Facilities are important in the bank. Other 35% people think Cash Department is important. 10% people think Loan and Foreign Exchange are important. Rest 5% think remittance is important.
- 👉 15 out of 20 people agree that bank gives the client required service properly. 3 out of remaining 5 highly agree.
- 👉 Around 75% agree that Mercantile Bank is providing the service as they have promised in their advertisements.
- 👉 Around 45% agree and 5% highly agree that bank offers competitive interest rate.
- 👉 8 out 20 people think that the brochures, advertisements, posters & banners are properly designed subject to clients' needs and real factors. Other 8 out remaining 12 people have neutral view.
- 👉 Majority of our customers agree that the schemes are well structured and designed to fulfill our customer's needs.
- 👉 Around 65% people think customer service comes first when they think about our branch. 20% people think it is personalized service.
- 👉 16 out of 20 people will recommend others about our branch
- 👉 13 out of 20 are satisfy with our service quality, 2 out of remaining 7 thinks our service quality is superior. Rest think our service quality is about average.
- 👉 50% people think our bank offer competitive service charge,
- 👉 Around 65% people agree and 5% people highly agree that the employees of the bank are friendly and helpful
- 👉 Majority of our customers think employees have enough knowledge about banking systems.
- 👉 5% people think that employees provide the client with necessary information quickly and adequately as per client's requirements
- 👉 65% people are satisfy with the process of getting the complaint resolved. And 5% think the process is superior
- 👉 16 out of 20 people agree that the time to get feedback from bank regarding their complains or problems are satisfactory.



# Chapter 11: Recommendations

### 11.1: Recommendations:

The analysis shows that Mercantile Bank Limited, Elephant Road Branch, Dhaka is following a planned and well-articulated strategy so they can achieve success in long run. Which help them to retain customer satisfaction and earn profit. I was involved in a three months long internship and on the basis of my observation I would like to present the following recommendations-

- Mercantile Bank Ltd should offer some services to attract more clients.
- At MBL decision making process should be free from ambiguity and be time conscious.
- Officers should be aware of rules and regulation.
- Officers should be well trained and well prepared to provide better service to the clients
- Management should improve the bank's environment
- Banking System should be more customized
- Few banks are providing services like where customer can see their account balance online or they can pay their credit card bills online. Mercantile Bank should adopt these types of facilities for the client.
- Employees should have more confidence so that they can face different odd situation create by the customers.

# Chapter 12: Conclusion

## 12.1: Conclusion:

As an organization the Mercantile Bank Limited is much more structured compared to any other listed bank operation in Bangladesh. Mercantile Bank Limited is a customer oriented financial institution. It remains dedicated to meet up with the ever growing expectations of the customer.

In Mercantile Bank Limited, Board of directors formulates bank's policies, management functions on approved policies In addition, board of directors takes care the interest of shareholders & all other stakeholders, management remains compliant with the policies, regulations, laws given by board of directors, Bangladesh bank, other regulators However, MBL gives importance on their customers, employees and shareholders. They want to achieve strong corporate growth through financial inclusion. They try provide solutions at a minimum cost based on a high level of satisfaction of all segments of our customers, thus also contributing to the prosperity of our employees and shareholders.

Mercantile Bank Limited is trying to develop innovative and technologically advanced products and services that satisfy their customer needs.

At the end of the report, I have identified several findings & recommendations of this branch only. In spite of some weakness & lacking, Mercantile Bank Limited, Elephant Road Branch remains strong position within their business area. Employees of this branch are always ready to give proper service to all kinds of customers. The employees are well trained and they know their job specification very well. Also the manager of this branch is always connected with the clients and he monitors every single thing. And if any customer seems unhappy with the service he personally handle the customer and try to give him better service. During my intern time I have never seen any customers were unhappy with our service quality.

If the managements follow effective corporate, uses its strengths, overcomes its weakness, develops some promotion works & changes its services little bit user friendly, then it is sure that Mercantile Bank Limited, Elephant Road Branch will get competitive advantages over its major competitors.

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