

Customer Acceptance of Internet
Banking Services in Bangladesh: The
Case Study of Bank Asia Limited

Internship Report
On
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of Bank Asia Limited



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LETTER OF TRANSMITTAL

April 19,2017

Saif Hossain
Senior Lecturer
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Subject: Submission of internship report.

Dear Sir,

I am pleased to present my Internship Report entitled-“Customer Acceptance of Internet Banking Services in Bangladesh: The Case Study of Bank Asia Limited”

I have conducted my internship program in Bank Asia Limited, Paltan, Corporate office, and effect from the 01, March 2017 to 19 April 2017 under your kind supervision. I have invested my every effort to depict the Internet Banking operations performed by Bank Asia Ltd.

I believe that the knowledge and experience I gathered during the internship period, will be helpful in my future career. I will be grateful to you if you kindly accept this report. Thank you for your time and kind supervision.

Noor-E-Alam Md Muid
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Acknowledgement

While preparing this report I received great help from numerous individuals for which I am expressing earnest gratitude and appreciation.

First of all, I am most grateful to Almighty Allah who blessed and enabled me to complete this report successfully.

I would also like to express my gratitude to my internship supervisor and honorable teacher, Saif Hossain, senior lecturer, BRAC Business School, for his helpful guidelines. I am thankful to him for his scholarly advices which facilitated me whenever I had to overcome any obstacles for report preparation. This report on customer acceptance of internet banking services in Bangladesh: the case study of Bank Asia Limited” was the outcome of his authentic suggestions and cooperation.

During the course of internship program I have received full support from the employees of Bank Asia. I would like to convey my thankfulness to Zahidul Islam (Manager), Khorshed Alam(Operation Manager), Nadim Al Rahim(GB Incharge), Reajul Islam (Senior Officer) and other senior officials of corporate office, Bank Asia Limited, for their cooperation .

Finally, my utmost gratitude to my beloved parents who have always supported me in my ups and downs.

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Executive Summary

This report mainly focuses on customer acceptance of Internet banking in Bangladesh: in context of Bank Asia Limited. First of all, it has provided a literature overview on the emergence and functions of internet banking in Bangladesh perspective. It has focused on customer satisfaction and their feedback on Bank Asia's Internet Banking services. The study focuses on the special service packages offered by Bank Asia and their utilities. A questionnaire consisted of 25 questions were prepared and necessary data were collected from 100 regular customers of the bank. Both negative and positive reviews on internet banking were collected. Regression analysis has been conducted to show the variability of relationship between customer satisfaction and internet banking. For customer satisfaction aspects such as age, profession, preferences have been considered. All the data has been considered via nominal or ordinal scale. Regression analysis has been conducted in two phases: Linear and Multiple Regression. Linear regression has focused each time on a dependent variable and its related independent variable. Multiple Regression analysis has considered one single **dependent variable-customer satisfaction** and several **independent variables such as convenience prompt services etc.** The study shows overall satisfaction and positive feedback about internet banking. However, bank's card division needs to improve their services and be more customer-oriented. In graphical chart, customer acceptance of internet banking has been demonstrated in terms of age, profession, preferences, frequency of usage etc. Customers have been categorized according to gender or profession. Income category and the percentage of household that is transferred to Internet banking account were also defined properly. Through multiple regressions, it has been determined how much the independent variables can really affect the dependent variable-customer satisfaction. Thus necessary results supporting the customer satisfaction of internet has been found. Reliability analysis has been conducted to relate the variables properly and to certify that their relationship is reliable and valid. All the data has been provided as input in spss first and analyzed using the analyze tool. This report emphasizes on the terms and techniques of internet banking and customers' acceptance. The overall analysis demonstrates the statistical significance of regression analysis in measuring customer satisfaction properly.

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Chapter 1: Introduction



Introduction:

Internet Banking in Bangladesh has become more secured and user friendly these days. Internet banking is a new concept in Bangladesh which can be used for doing almost all works of a physical bank. Through internet banks can provide services like- electronic fund transfer, bills payment, balance inquiry, account maintenance, transaction flexibility, loan application etc. Internet banking service, thus, facilitates making deposits, issue withdrawals, transfer funds among accounts, collect and pay bills, make small loans etc.

Internet Banking can provide speedier, faster and reliable services to the customers for which they are relatively happy. Internet banking services not only can create new competitive advantages, it can improve its relationships with customers. The purpose of this research is to understand the impact of variables of internet banking on customer satisfaction in Bangladesh.

This report has focused on different aspects of internet banking in Bangladesh and provided the overview on the relationship between customer satisfaction and internet banking. These variables have been tested in internet banking to explore the relationship between service quality and the customer satisfaction. The data were gathered through survey interview by a structured questionnaire with 100 customers. The report has focused on customer acceptance of digitalization in banking sector of Bangladesh.

1.1: Background of the study

As a part of the MBA program of MBA Department, Brac University, this report has been prepared as a requirement for the 'internship program'. From the realistic point of view, a current situation based topic like "Customer acceptance of internet banking in Bangladesh" will enable the associated person to understand the basic concepts of internet banking and its customer satisfaction level.

1.2: Rationale of the study

Growth of internet banking is essential in a developing country like Bangladesh. It provides lots of benefits such as saving the transaction costs and minimizing time.

Internet banking is a new concept in Bangladesh which can be used for doing almost all works of a physical bank. Through internet banks can provide services like- electronic fund transfer, bills payment, balance inquiry, account maintenance,

transaction flexibility, loan application etc. Internet banking service, thus, facilitates making deposits, issue withdrawals, transfer funds among accounts, collect and pay bills, make small loans etc. This study is an exploratory research using convenience sampling technique where samples have been selected on the basis of convenience. This paper tries to reveal portion of bank clients using internet banking, how many of them are satisfied regarding this innovation. This study found clients are satisfied with the bill payment and fund transfer service, whilst they are quite concerned and worried about the availability of internet and electricity for using it. Thus banks need to focus on this issue and increase their CSR activities and continue persuasion to government of the country for internet friendly policy making.

Internet banking is popular in Bangladesh. Quite a number of banks are going online due to high demand and fast banking. Internet banking not only provides banking facility round the clock but also helps a country to get attached to the international economy as well as business. Internet banking is clearly a huge benefit for the customers and saves a lot of time and things get done so easily. Bangladesh has lagged far behind in terms of technology implication. The quality of delivery service is not good enough -which includes both delivery speed and delivery reliability. Still it is believed that internet banking will enable the banks of Bangladesh to cut down costs, increase revenue and become more beneficial for the customers. So internet banking in Bangladesh and customer responsiveness is a burning issue in Bangladesh economy.

1.3: Objectives of the study

A careful statement and purpose help in the preparation of a well-defined report which provides efficient information in decision making. The major objective of this study is to gain practical exposures about the online banking mechanism and evaluate the performance level of Bank Asia Limited.

The specific objectives may be mentioned as below:

- To get an overall view of the Bank Asia Limited's Internet Banking and customer satisfaction
- To discover the obstacles in achieving customer satisfaction

- To learn more about the procedures and products of Internet banking in Bank Asia Limited
- Conduct a survey on the customers to learn about their feedback
- To relate internet banking and customer satisfaction thoroughly

1.4 Methodology of the Study:

I have collected all the necessary information from the Bank Asia Limited's website and regular inspection during my internship program. Various brochures and online reports of Bank Asia has been utilized on this regard. Some information has also been collected from officers involved in internet banking transaction.

The research Design:

The study that has been carried out analyzes the cause and effect relationship between both dependent and independent variable. As shown in the diagram in the analysis section there are five independent variable and one independent variable in the multiple regression analysis. This study will be a casual explanatory research as it shows the relationship between dependent and independent variable.

Sampling Method:

Customers were targeted as a sample group for conducting the survey. Total 100 customers' opinions were collected as a sample in the form of a questionnaire.

SPSS software has been used for linear as well regression analysis. General graphical analysis has been demonstrated using the collected data.

Primary Sources:

- Conversations with customers and employees
- Questionnaires

Secondary Sources:

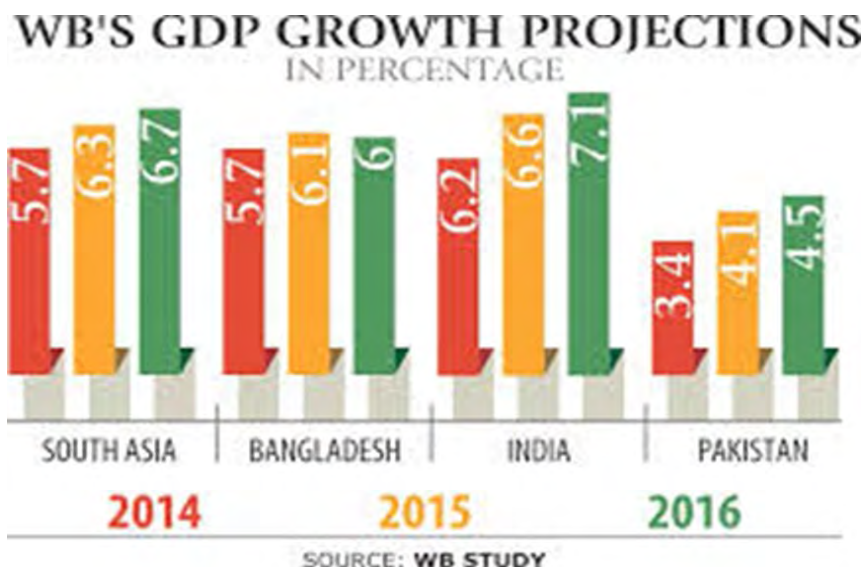
- Bank Asia website
- Various Publications and Manuals

1.5 Limitations of the Study:

There are several constraints that were faced while preparing this report. They were:

- Very few customers have clear idea about internet banking and could not provide proper information
- Most of the clients did not have sufficient time to fill up all the criteria of the survey
- Could only cover the sample from Dhanmondi and Paltan area, other branches were excluded

Chapter 2: Economy of Bangladesh



2. Economy of Bangladesh:

The **Economy of Bangladesh** is a rapidly developing and the country is classified as a Next Eleven emerging market and one of the Frontier Five. Bangladesh Bank is currently engaged in promoting sustainable financing activities.

The Bangladesh Bank Order of 1972 outlines the main objectives of monetary policy in Bangladesh, which comprises

- To achieve the price stability
- To regulate currency and reserves
- To promote and maintain a high level of production, employment and real income, and economic growth, since independence BB operated under a variety of systems.

Brisk exports helped to maintain growth and a current account surplus in Fiscal Year 2014 in Bangladesh despite political disturbances ahead of elections in January 2014. Political blockades and violence in early 2015 will constrain growth and turn the current account into a small deficit. Higher growth and a current account surplus are projected to return in FY2016 with political calm. Prolonged strife remains a risk. Eliminating infrastructure bottlenecks and improving the investment climate are top priorities.

2.1 Economic prospects:

Projections for FY2017 are based on a several assumptions: The central bank will maintain its cautious monetary stance to contain inflation, as envisaged in the January 2017 monetary policy statement. The government will raise electricity and natural gas prices to cut subsidies and keep current spending within the budget. It will attain targeted budget revenue and foreign financing and strengthen project implementation. Finally, the weather will be favorable.

GDP growth in FY2016 is 7.05%. Strong remittance inflows boosted consumption, and private investment was rising, as indicated by higher capital equipment imports. Although exports remained subdued, they were gradually improving as export orders picked up. However, political unrest and action to shut down transportation began undermining growth prospects by affecting private investment and export activity. Continued healthy remittance inflows are expected to support consumer spending,

however, and sustain economic momentum. Notwithstanding the country's resilience under domestic and external shocks, if political unrest continues, it would further hinder economic growth.

Growth in FY2017 is projected to accelerate to 7.2%, aided by higher remittances and export growth, which is underpinned by the continued economic recovery in the United States and the euro area. Consumer and investor confidence are expected to pick up as the political situation stabilizes, strengthening growth momentum. In addition, infrastructure constraints will likely ease somewhat with the completion of ongoing projects, particularly the opening of new power plants.

Exchange Rate Stability

Exchange rate is very volatile leading to frequent ups and downs in the exchange rate; the international community might lose confidence in our economy. The monetary policy aims at maintaining the relative stability in the exchange rate.

Balance of Payments (BOP) Equilibrium

The BB through its monetary policy tries to maintain equilibrium in the balance of payments. The BOP has two aspects i.e. the 'BOP Surplus' and the 'BOP Deficit'. If the monetary policy succeeds in maintaining monetary equilibrium, then the BOP equilibrium can be achieved.

Full Employment

'Full Employment' stands for a situation in which everybody who wants jobs get jobs. However it does not mean that there is a Zero unemployment. In that sense the full employment is never full. Monetary policy can be used for achieving full employment. If the monetary policy is expansionary then credit supply can be encouraged. It could help in creating more jobs in different sector of the economy.

Neutrality of Money

The monetary policy should regulate the supply of money. The change in money supply creates monetary disequilibrium. Thus monetary policy has to regulate the supply of money and neutralize the effect of money expansion.

Equal Income Distribution

Monetary policy can make special provisions for the neglect supply such as agriculture, small-scale industries, village industries, etc. and provide them with cheaper credit for longer term. This can prove fruitful for these sectors to come up. Thus in recent period, monetary policy can help in reducing economic inequalities among different sections of society.

The country scored 55 points and ranked 128th among 186 countries in terms of economic freedom, up 1.7 points compared to the last year's ranking. In 2016 Bangladesh ranked 137th among 178 economies with 53.3 points. Among other South Asian countries, Nepal ranked 125th, Sri Lanka 112th, Bhutan 107th, India 143rd, Pakistan 141st and the Maldives 157th.

Over the past five years, Bangladesh's economic freedom has fluctuated at the lower end of the "mostly unfree" category. Modest score improvements have occurred in just four of the 10 economic freedoms (financial freedom, labor freedom, freedom from corruption, and trade freedom), and overall policy reform appears to have stalled.

A general disregard for the rule of law, rampant corruption, and a judicial system that suffers from political interference provide a weak foundation for economic modernization. Lack of a national consensus on the direction of future policy changes has diminished the momentum for economic reforms, and deteriorating prospects for near-term improvements in economic freedom make it unlikely that the relatively high growth rates of recent years can be maintained.

Chapter 3



Company Profile:

Bank Asia was established on 27th November in 1999 under the banking company act 1991 and incorporates in Bangladesh as a public limited company under the company act 1991 to carry out banking business in Bangladesh. Bank Asia has been launched by a group of successful entrepreneurs

Banking Department

General
Banking

Credit &
Marketing

Foreign
Exchange

Vision:

1. To have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream.
2. To build a society where human dignity and human rights receive the highest consideration along with reduction of poverty

Mission:

1. To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy
2. To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees
3. To become the most sought after bank in the country, rendering technology driven innovative services by our dedicated team of professionals

Corporate Philosophy:

For Customers:

- To provide the most courteous and efficient service in every aspect of the Bank's business

For Employees:

- By promoting their well-being through attractive remuneration and fringe benefits

- By promoting good staff morale through proper staff training and development , and provision of opportunities for career development

For Shareholders:

- By forging ahead and consolidating its position as a stable and progressive financial institution

Retail Banking:

Deposits:

Deposit products of Bank Asia Limited include savings accounts and current accounts. Their deposit schemes include: Double benefit deposit schemes, Monthly Benefit Deposit Scheme, House Building Scheme, Education Savings Scheme, Lakhopoti Deposit scheme etc.

SME Lending:

Job creation is essential and it must come from Small and Medium Enterprise that will ultimately dominate the private sector. During 2015 bank's Strategy was focused on customer convenience. The Bank provided working capital loans to suppliers or dealers of large corporations or clusters of small exporters of non-traditional items. Outstanding loan of SME is Tk.437 million. The growth rate of Bank Asia's SME Lending was 41% during this year.

Corporate Credit:

Bank Asia's strategy is to provide comprehensive service to the clients of this segment who are large and medium size corporate customers with expertise in trade finance and related services. Besides trade finance bank are providing working capital finance, project finance and arranging syndication for our corporate clients. Syndication and structured Finance Unit of the Bank strengthened its footstep in the consortium financial market and arranged a number of syndication deals for its corporate clients.

Islamic Banking:

For the development of Islamic Banking Business, 2006 was also a commendable year. It has been observed that compliance of Shariah has improved in 2006 as compared to the preceding years. According to their advice Islamic Banking operation of the bank has been separated from the operation of Conventional Banking and shown separately in the bank's financial statement.

Custodial Service:

Bank Asia Ltd equator fulfills its strategic commitment to provide custody and clearing services. Equator's focuses are on the following:

- Commitment to quality
- Dedication to customer needs
- Sustained investment in people and systems

International Trade Management:

This division is operational throughout the group and Bank's core strength is trade finance and services. With an experience, Bank Asia has developed knowledge of trade finance, which is world class. Principle services to importers include imports letter of credit, import bills for collection and back-to-back letters of credit facilities. Services provide to exporters include export letters of credit, direct export bills, bonds, and guarantees.

NRB Banking:

Bank Asia has set the criteria of mobilizing inward foreign remittance of Non-resident Bangladeshi Nationals living and working in different parts of the world. Bank Asia is well known for providing easy and fast foreign remittance service. Its remittance distribution network covers the existing 110 locations all over the country. Remittance delivery strength of Bank Asia Ltd is great and it credits account instantly.

Chapter 4: Internet Banking Services

Literature Review



Internet Banking Services-literature Review:

Banks in Bangladesh has improved themselves by adopting new technologies in operational activities. This change has also occurred in information disclosure. Banks have chosen modern technology as a medium for foreign disclosure. Clients are more educated and rely on internet more frequently these days. Now a days all the commercial banks in Bangladesh has developed their website in such a way that customers can have easy access to their websites free of cost. The central bank of Bangladesh, Bangladesh bank is also encouraging the other banks about disclosing all the necessary information online.

Eastern Bank, Dutch Bangla Bank, Bank Asia Limited have created a new era in e-banking. Internet Banking, Providing various facilities (Bank Info 2011).

Internet banking refers to a banking channel in which customers use the Internet to access their bank accounts and perform various functions including inter-account transfer, third-party payment, and checking balances.(Dr Alim al Ayub Ahmed 2013)

Customers use personal computers (or sometimes mobile devices -iPads or Smart phones) to connect to the Internet. For added security, IB websites are password protected –requiring intricate combinations of passwords and personal identification (PIN) codes. So, customers key-in their personal passwords in order to be allowed access to their accounts. In Bangladesh, most of the Private commercial banks offer Internet banking services. Also, as expected in a maturing market, Bangladeshi banks offer similar IB services including online access to the account and checking balances. Only few banks offer inter-account transfers, purchases, bill payment, third-party payments and international online purchase.(Tusher 2014) Because of the lack of scientific research in the area, the accuracy of these statistics is rather difficult to ascertain. Also as a result of the paucity of research, there is no clear sense of the state of IB in Bangladesh. Thus, bank marketers seem to grapple with formulating effective marketing strategies since all that is known about IB adoption is learnt from the West. For that reason, this study attempts to fill the gap in the literature by studying factors influencing the adoption of IB in Bangladesh.(hasan 2012)

Among the indigenous banks, the private banks are ahead of the public ones. Prime Bank Ltd., Dhaka Bank Ltd., BRAC Bank Ltd., Dutch-Bangla Bank Ltd., Eastern and Mercantile Bank Ltd. have already stepped towards electronic banking facilities. Apart from these banks, Mutual Trust Bank Ltd. also introduced ATM service. (Amin

2010). Among the four nationalized commercial banks (NCBs), Janata Bank Ltd. has some access to the electronic banking facilities. Bangladesh Bank, the Central Bank of Bangladesh, is also trying to formulate the wide structure of electronic banking facilities. All of these private banks offer limited on-line banking services. Most of these banks only offer services by providing ATM card. Most of them do not offer wide range of internet banking facilities which is the main advantage of e-banking. Deposit money in any branch and money withdrawal from ATM machine can be considered the best e-banking facilities available in Bangladesh while electronic money transfer starts in a limited edition. Sonali and Agrani Bank Ltd. is also providing on-line banking services on a limited scale. Rupali Bank Ltd. is also developing on-line banking. BASIC bank which is 100 percent public owned but served as private sector banking has a technological advancement.(Ali 2010)

Managers at various organizational levels, especially in an underdeveloped country like Bangladesh, will have to play vital roles in successful implementation of e-business(Ahmed 2012). They are the key forces to initiate dedicated strategy to change from the traditional business processes to the technology driven business processes. This not only involves huge costs as a transition period of organizations but also, adaptability of the human being in the new processes to adding values is required. Due to global changing environment and in order to succeed in both world arena and on the domestic market as well as domestic business, organizations are often forced to do business in the electronic ways. Moreover, to succeed over the competitors organizations need to change their strategies and they gradually become bound to adopt e-business. At these stages, successful implementation depends on all the stages of the Hierarchy of the Management, i.e. from the top management level to the level management.

On-line banking system works as a complementary factor of electronic business. Though electronic business has a greater set of field, on-line banking can work as a subset of the e-business. Benefits derived from the e-business largely depend on successful implementation of the business process. (Shahriar 2014)

Economic Aspect of Internet Banking in Bangladesh:

Short term benefits:

It reduces extra time, increase productivity and efficiency, duplication and wastage of papers etc. Internet banking cuts down maintenance cost of traditional banking and creates customer satisfaction, thereby increasing bank's reputation.(Hasan 2010)

Long Term Benefits:

Educated unemployed people will get a chance to prove their skills if internet banking is sufficiently implemented. People skilled in using foreign language and possessing technical skills will be able to utilize this opportunity to the fullest.(baten 2010).It also will be able to participate in the development of a country's economic health.(Bony 2012)

Benefits from the banks' point of view:

From the banks' view point, the first benefit for the banks offering internet banking services is better branding and better responsiveness to the market. The other benefits are measurable in monetary terms. The main goal of every company is to maximize profits for its owners and banks are not any exception. Automated internet banking services offer a perfect opportunity for maximizing profits.

New Technological Approaches in Internet Banking:

Internet Banking would free both the banker and customer from the usage of any proprietary software to conduct their online banking activities. Adequate legal frame work and maximum security are two core resources for internet banking(Ahmed 2013). Mobile Banking is a variation of internet banking .Due to the new transmission technologies such as WAP(Wireless Application Protocol), portable terminal like mobile phones, PDA or Personal Digital assistant or small handed pcs are now providing customers the necessary services.(Bairagi 2011)

Constraints:

Internet based banking will not be a proper success unless a major number of customers have full access to internet. Internet banking usage is involved with proper software usage, customers' responsiveness and bankers' service system. If the bank fails to implement IB properly, it would become a hindrance rather than an opportunity.(Hemon 2008)

Chapter 5: Internet Banking Services



5.1: Products of Internet Banking services

There are different types of banks offering various services. Most of the services are available for 24 hours. Internet banking mainly focuses on convenient customer service and saving transaction time.

5.1.1 Security Device:

Customers can access their internet banking account for 24/7. However, the timing may vary subject to maintenance. Any new updates, regarding personal information, address and contact number can be changed online. The banks also want to provide the maximum amount of security. The latest technology is security device.

5.1.2 Balance and Transaction Overviews:

Customers can log in and keep track of their balance as well as transactions. Total banking portfolio, transaction summaries can be received without any physical attendance at the bank.

5.1.3. Transfer of Funds:

Transfer is possible within the banking system and other banks as well.

5.1.4 Online Bill Payments:

Bills can be easily paid online. Customers do not need to rush to the bank and this service has increased the customer satisfaction rate at a higher rate.

5.1.5 Time Deposits:

Customer can ensure placement on new time deposit, check his/her personal details and account information

5.1.6 e -statements:

The customers can view and get a proper idea about their current transactions, even download their necessary documents.

5.1.7 Foreign Exchange Enquiries:

Customers can log into their account and get necessary information about foreign exchange transactions.

5.2: Mechanism of Internet banking services

5.2.1 Security Device Mechanism:

One can be assured that his information is being protected properly by using Security Device. The Device generates a dynamic, time-sensitive Security Code. The Security Code constantly changes and is unique to one's Security Device. This Security Code is required, in addition to User ID and password, every time one logon to bank's Personal/Business Internet Banking service. As only one has the Security Device, only that person knows the Security Code, and he can access his account.

5.2.2 E-statements:

Suppressing the creation and delivery of paper statements can be the first step to helping save paper. Statements can be archived for quick history reference

With Personal Internet Banking (PIB) one can avail the following also:

- View balances and transaction
- Make transfers between eligible accounts
- Pay bills online
- Other services (i.e. Stopcheque, Chequebook request, PIN replacement etc.)

5.2.3 Pay-bills Online:

- No application required for bill payment
- Pay one's own bill, or on behalf of anyone else
- 100% flexibility. Create, change or delete payment setups as one want
- Available 24/7. Enhanced security by the use of an additional physical security device
- Setup future payments or recurring payments that will auto-execute on given dates

5.2.4 Bill Payment Procedure: The mentioned steps are required to be performed for the bill payment procedure:

- Log-in to internet banking
- Click "Pay bills"
- Click "Add payee"
- Enter the account no. / reference no. with the vendor / merchant (e.g. Policy number for MetLife Alico or Mobile Number for Mobile credit recharge).
- Finally, click "Pay bills" again to proceed with the payment.

5.2.5 Inter-Bank Fund Transfer (BEFTN)

Banks have begun to launch inter-bank fund transfer (BEFTN) facility through its Personal Internet Banking (PIB) services from 01 June 2014. This facility will allow one to make paperless inter-bank fund transfers from bank accounts. Furthermore, one

will now be able to pay external credit card bills directly from bank account from home, office or on the go, whenever one want.

To register, the steps mentioned below are followed:

- Log in PIB
- Select "Contact Centre" from the left-hand-side menu
- Then select "Send Message"
- Select "BEFTN Registration" as subject header.
- Type the message "I have read and understood the BEFTN agreement and have agreed with all the Terms and Conditions specified in BEFTN Agreement"
- Send the message.

It is to be noted that acceptance of the BEFTN agreement is a one-time requirement and one will be enrolled for the service (free of charge) on the next working day of message sending date. This is a regulatory requirement and the bank will need customer acknowledgement before initiating the first BEFTN transaction.

- No hardcopy application required for using inter-bank fund transfer
- Make own transfer, or on behalf of anyone else
- Available 24/7. Enhanced security by the use of an additional physical security device
- Setup future transfers or recurring transfers that will auto-execute on given dates
- Cut off time for inter-bank fund transfer is 04:00pm. Inter-bank fund transfer instruction made on working days are sent to respective banks on same day after cut-off time. Processing time and/or confirmation message/receipt delivery may vary at receiving banks end.

5.2.6 Inter-bank fund transfer procedure

- Log in PIB
- Select "Transfers" from the left-hand-side menu
- Select the debit account from "From account" drop-down list
- Select Local beneficiary from "Transfer to" drop-down list

- Type in beneficiary name in "Name" field, the account number / card number (without space / hyphen) in the "Account number" field
- Select bank & branch name / credit card item from the "Bank and branch name" drop-down list
- Enter the amount in the field "Amount in BDT"
- Click "Transfer now" and complete the transaction

5.3: Services provided by Bank Asia Limited:

Online Banking (or Internet banking or E-banking) is defined as “the use of technology to communicate instructions and receive information from a financial institution where an account is held. This service includes the system that enables financial institution customers, individuals or business to access accounts transact business, or obtain information on financial products and services through a public or private network”.

E-banking is now a global phenomenon. It is an invaluable and powerful tool driving development, supporting growth, promoting innovation and enhancing competitiveness. The evolution of banking technology has been driven by changes in distribution channels as evidenced by automated teller machine (ATM), Phone-banking, Tele-banking, PC -banking and most recently internet banking

From the date of inception Bank Asia has always been moving with the latest technology and time to time the bank has adopted different advantages of the technology which has enriched its IT infrastructure. Technological development of the bank tremendously increased its customer service as well as trust worthiness of the stakeholders towards the bank. Now Bank Asia is the pioneer in providing multi-dimensional banking products and services with latest international standard technologies. The bank is dedicated towards its customer satisfaction the technological advantages. Now, the IT Division is well equipped not only with technology, but also with a dedicated professional workforce which has been built-up for support as well as development of new satellite application.

Bank Asia Limited started providing electronic services as Internet Banking in early January 2010. Till now, the bank is providing this service to over 13,000 numbers of accounts. Moreover, in January 2011, the bank introduced Corporate Internet banking for corporate customers. By year end 2013, the bank has provided this service to 91

numbers of corporate users” to provide “faster access”. Bank Asia Limited’s web is largely informational, providing commercial and noncommercial information about the bank. It can provide insight into the background of the company, partners, and policies. Another important content is the product/service description, including price, specifications, photographs, etc. Information provided in the website of Bank Asia Limited:

5.3.2 Alternative Delivery Channels:

The bank introduced ATM services as well for the convenience of the customers and a separate unit under the name of Alternative Delivery Channels (ADC) was opened at Head Office to effectively monitor smooth functioning of these ATMs. As a newly formed division, ADC is now trying to increase alternate delivery channels as well as to offer broader services to the customers of the bank.

5.3.3 Bank Asia Cards:

ATM card

The number of ATM card was only 153,021 at year end 2012. But by year end 2013, Bank Asia Limited has managed to increase this number to almost 289,000

Master Debit Card

The bank has launched Master Debit Card in January 2011 and almost 34,000 cards have been issued till 2011. With this card the following facilities can be achieved:

- Customers can access any Master ATM terminal;
- Customers can access any Master POS terminal

Credit Cards:

Bank Asia Limited has a wide offering in credit card section too. They offer:

- Bank Asia Master Card Gold
- Bank Asia Master Card Silver
- Bank Asia International Credit Card
- Bank Asia VISA Gold
- Bank Asia VISA Classic
- Platinum Credit Card

Bank Asia SMART Banking App

Smart Bank application is the simplest solution for the Bank Asia customer to access banking services from your palmtop as Smart Phone/Tab. The application facilitates you to access banking service round the clock regardless of your location.

Service Offering:

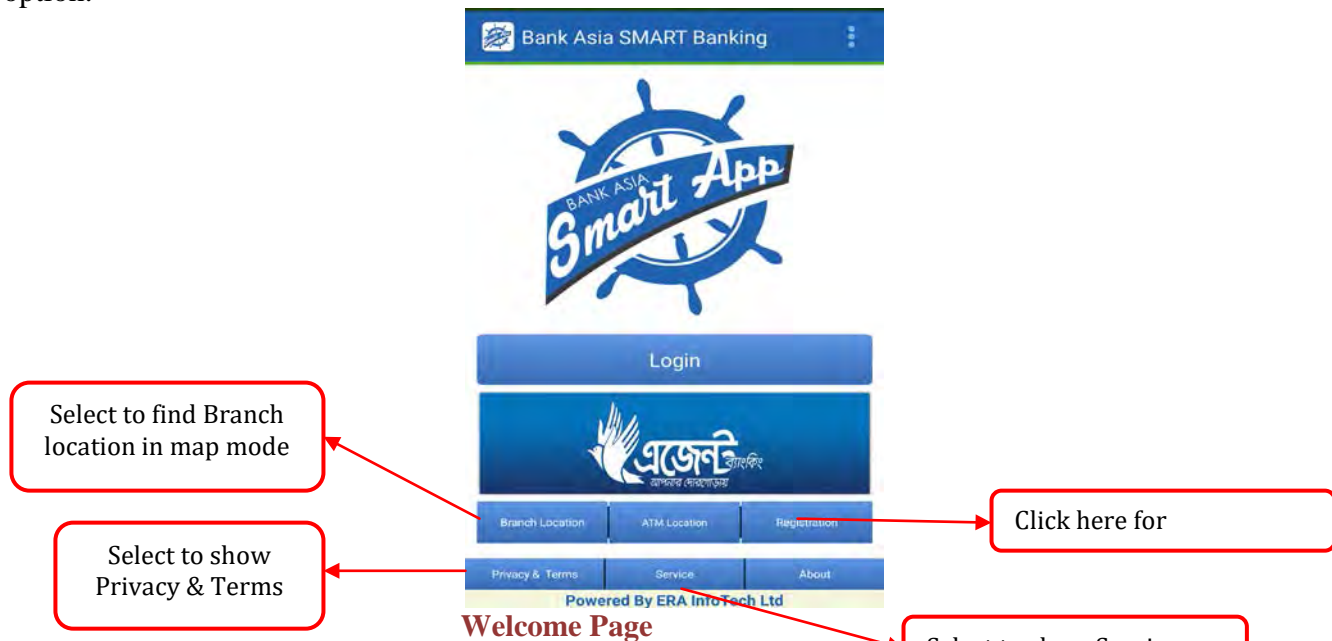
- Fund Transfer (Both Conventional and Islamic A/C)
- EFTN(Electronic Fund Transfer with other Bank A/C)
- Mobile Top-up
- Utility Bill Payment for DESCO.
- Utility Bill Payment for WASA.
- Standing Instruction
- Stop Cheque Payment
- View Cheque Status
- Balance Enquiry
- Statement View
- Change Password
- Branch Location with Map Mode
- ATM Location with Map mode

4 Easy Steps for Accessing SMART App:

1. Download Smart Bank Asia Smart App from **App store** & install in your smart device.
2. Register from homepage to request for activation.
3. Customers need to communicate with nearest branch to fill up eBanking application form.
4. An activation confirmation SMS will be sent to your mobile within 72 hours of registration.

***You need to re-register if you change your handset. After re-registration your new handset will be enabled instead of the older one.

Welcome Page: Prior login please register for the service from the “Registration” option.



Welcome Page

Initial Registration: Enter Full Name, User ID (internet banking ID shared on your email), Account No, Email ID & Mobile number & submit for registration. After successful submission, your service will be activated within 72 hours. A confirmation message will be delivered to your mobile phone.

Registration Screen

Login to Smart Banking: Once approved, you are now ready to login using your internet banking User ID & Password (shared on email for internet banking service).

Bank Asia SMART Banking

For A Better Tomorrow

24/7 Help Line : 16205.

User ID

Password

Login

Privacy & Condition Services About

Powered By ERA InfoTech Ltd

Input Internet Banking user id & Password to login

Login Screen

Change Password: As the password expires on every 90 days interval, you need to change password as and when requires. Enter **Internet Banking User Id**, **Old Password** (last Password), **New Password** (case sensitive and a combination of 8 or more characters), **confirm password**, **Password Expired Days (90)** then submit.

SMART Banking

Back Change Password

User ID sahinur.rafi@bd.com

Old Password

New Password

Confirm Password

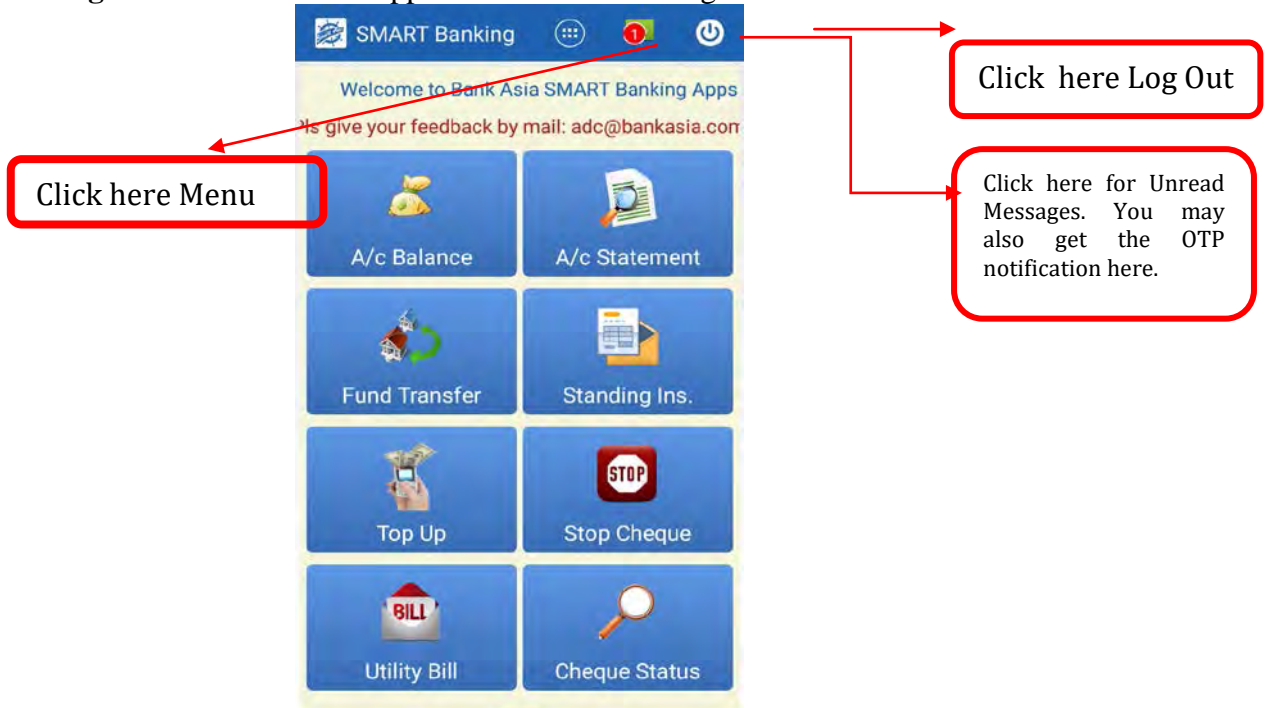
Expired Days 90

Submit Clear

Powered By ERA InfoTech Ltd

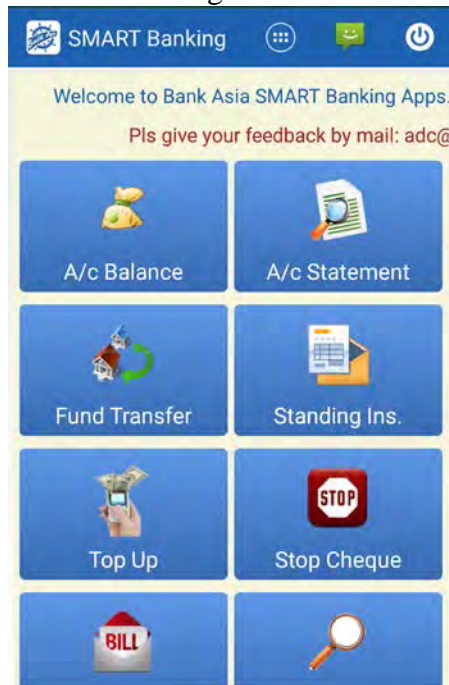
Change password Screen

Home Page: Service menu will appear after successful login.



Home Screen

Menu Bar: Menu tab offers the following.



Main Menu

A/c Balance Enquiry: To check the bank account balances, click on **A/C balance** menu. This page will show the list of your accounts with their respective balance including credit card.

Sl No	A/c No	Cur	Balance	A/c Typ
1	04934001953	BDT	4,25,258.00	S05
2	02836000110	BDT	1.72	S04
3	02833000625	BDT	7,47,07,832.10	C09
4	00434016724	BDT	3,06,500.00	S02
5	028LC001559	BDT	0.00	T01
6	028LC001591	BDT	0.00	T01
7	028LC001830	BDT	0.00	T01
8	028LC001871	BDT	0.00	T01
9	02833000688	BDT	0.00	C01
10	02833000689	BDT	15,67,222.00	C01
11	02833000691	BDT	54,490.00	C01
12	028LC002082	BDT	0.00	T01
13	028LC002143	BDT	0.00	T01
14	028LC002282	BDT	0.00	T01
15	028LC002326	BDT	0.00	T01
16	028LC002420	BDT	0.00	T01
17	028LC002519	BDT	0.00	T01
18	028LC002554	BDT	0.00	T01
19	028LC002557	BDT	0.00	T01
20	028LC002558	BDT	0.00	T01

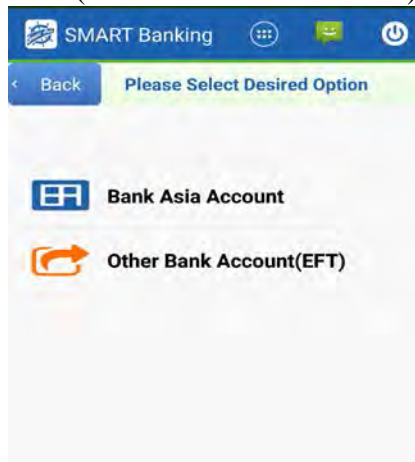
A/c Balance Screen

A/c Statement: You may generate your account statement by selecting the source A/c number & date range.

Sl No	Tran. Date	Debit Amount	Credit Amount	Balance
1	01/07/2016	46,980.62	54,136.24	7,155.
2	10/07/2016	398.00	0.00	6,757.
3	10/07/2016	47,378.62	54,136.24	

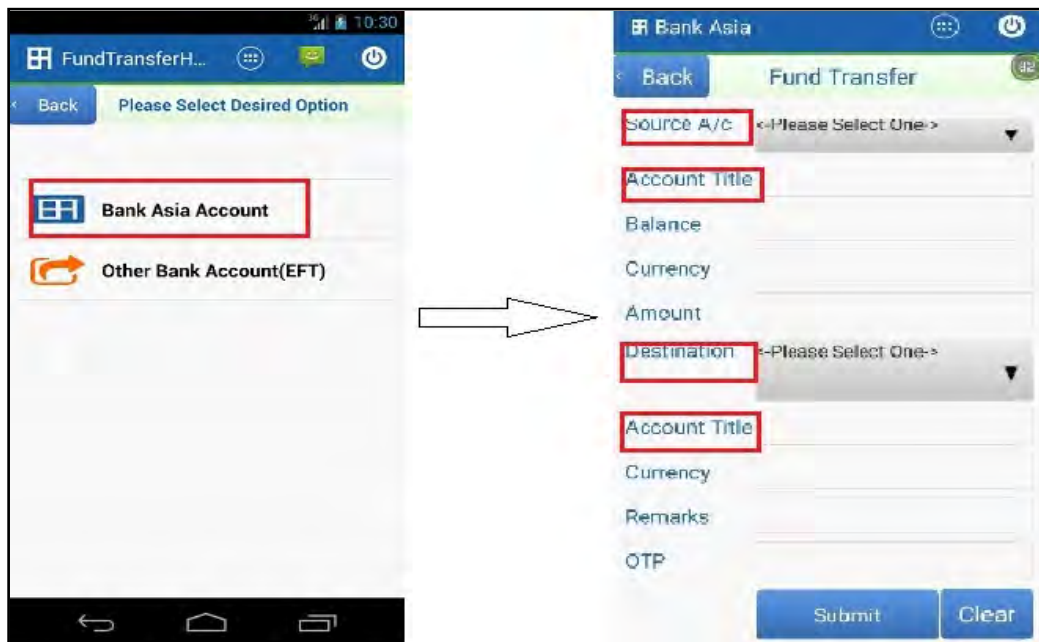
A/C Statement Screen

Fund Transfer: You may transfer fund to any account in Bank Asia and also to an account at other bank through EFT (Electronic Fund Transfer).



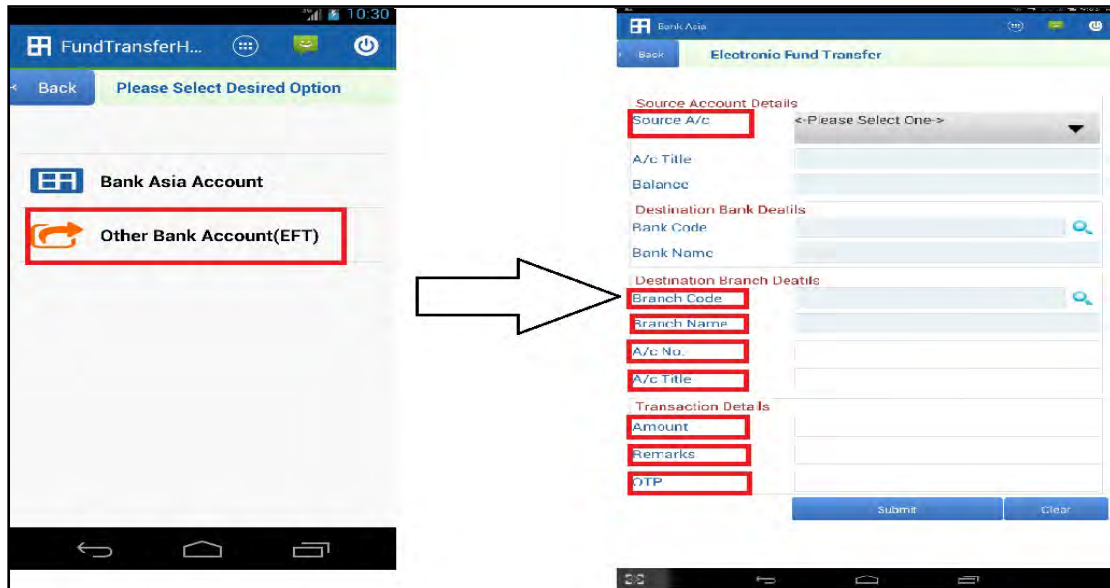
Fund Transfer Screen

Fund Transfer within Bank: Fund transfer to Bank Asia account requires a One Time Password (OTP) to ensure your account safety. As soon as you select source A/c and predefined destination account, an OTP will be delivered to your registered email & mobile number. Therefore please insert amount, remarks (if any) & OTP correctly to execute the transaction.



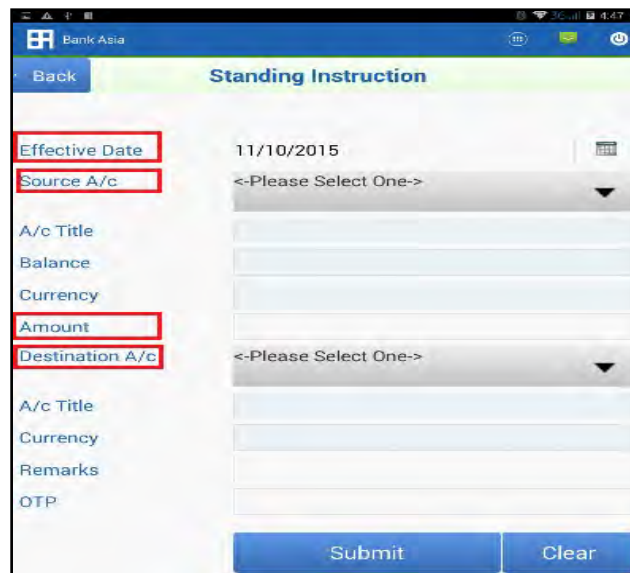
Fund Transfer Screen

Fund Transfer To Other Bank Account: Transfer fund to Other Bank Account Using EFT. Select Source Account Details part selecting source A/c. Then fill up destination Bank Details by searching search button and select desired bank which bank you want to transfer fund. Fill up Destination Branch Details with destination account no and account title by searching select branch where account in. Fill up Transfer details and then submit.



Fund Transfer Screen

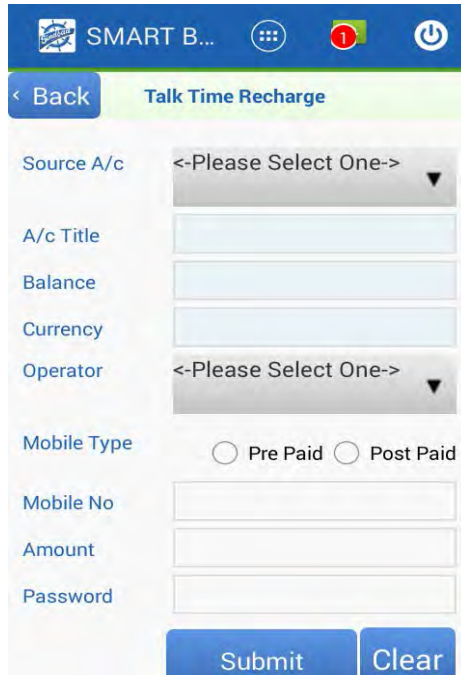
Standing Instruction: Standing instruction for fund transfer may be placed through Smart Banking. After selecting source account as well as destination a/c, an OTP will be send to your registered mobile number & email. Therefore complete the required fields and submit for execution.



Standing Instruction Screen

Talk Time Recharge: Recharge of your mobile account (prepaid/postpaid) is now at your palmtop. You may recharge the subscriber numbers of Citycell, Grameenphone, Airtel, Robi, Tele-Talk and Banglalink straight from your bank account. Only you need to select the Mobile Operator, Mobile Type (Pre-paid/post-paid), Mobile Number, Recharge amount & your Password.

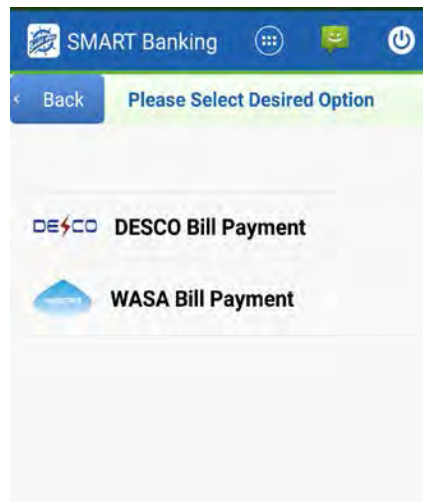
***Pre-paid recharge limit: BDT 50 to 1000, Post-paid recharge limit: BDT 100 to 2000.



The screenshot shows the 'Talk Time Recharge' screen in the SMART Banking app. The interface includes a header with the app name and navigation icons. Below the header is a 'Back' button and the title 'Talk Time Recharge'. The form contains the following fields: 'Source A/c' (dropdown menu), 'A/c Title' (text input), 'Balance' (text input), 'Currency' (text input), 'Operator' (dropdown menu), 'Mobile Type' (radio buttons for 'Pre Paid' and 'Post Paid'), 'Mobile No' (text input), 'Amount' (text input), and 'Password' (text input). At the bottom, there are 'Submit' and 'Clear' buttons.

Talk Time Recharge Screen

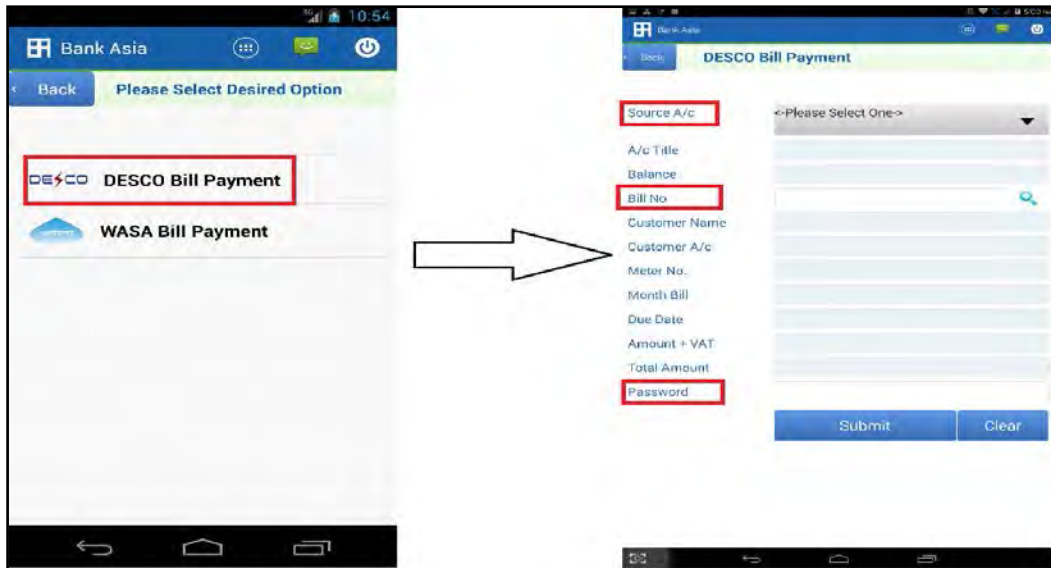
Utility Bill Payment: Utility Bill Payment for DESCO and WASA is now enabled at your Smart Banking app.



The screenshot shows the 'Utility Bill Payment' screen in the SMART Banking app. The interface includes a header with the app name and navigation icons. Below the header is a 'Back' button and the title 'Please Select Desired Option'. The screen displays two options: 'DESCO Bill Payment' and 'WASA Bill Payment', each with its respective logo.

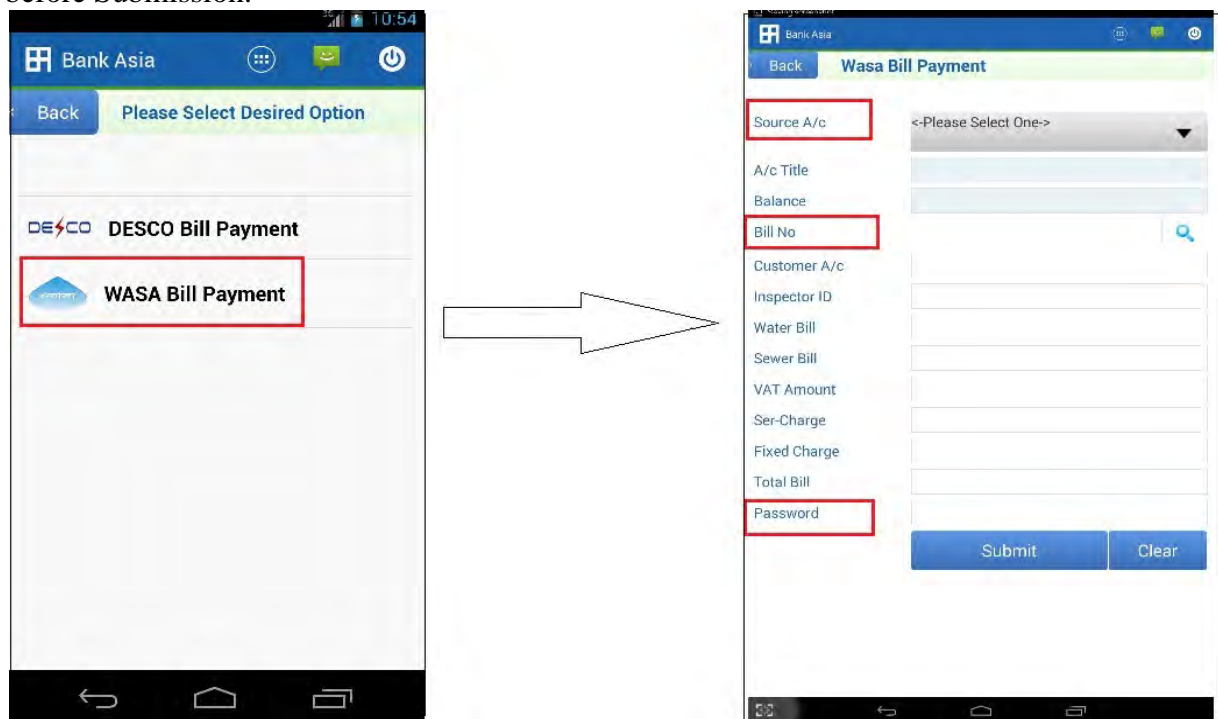
Utility Bill Payment Screen

DESCO_Utility Bill Payment: To pay the DESCO bill you need to select source Account and enter bill No. Detail of the bills will automatically be fetched once you search after entering bill number. Therefore you enter your Password before submission.



Utility Bill Payment Screen for DESCO

WASA_Utility Bill Payment: To pay your WASA Bill, all you need to do is to Select source Account, Enter bill No followed by search and then enter your Password before Submission.



Utility Bill Payment Screen for WASA

Stop Cheque Payment: You are now capable to stop your cheque only by selecting account number, Leaf number, Reason to stop cheque leaf & then your password.

SMART Banking

Back Stop Cheque Leaf

Account No. Please Select One

A/c Title

Leaves Please Select One

Reason Please Select One

Password

Submit Clear

Stop Cheque Screen

Enquire Cheque Status: You can now track the status of cheque leaf issued against your bank account. Just select the account number, leaf type & Date range before submission. Generated report will show you the current status of all used & unused cheques.

SMART Banking

Back Cheque Status Enquiry

Account No. <--Please Select One-->

A/c Title

Leaf Type <--Please Select One-->

From Date dd/MM/yyyy

To Date dd/MM/yyyy

Search Clear

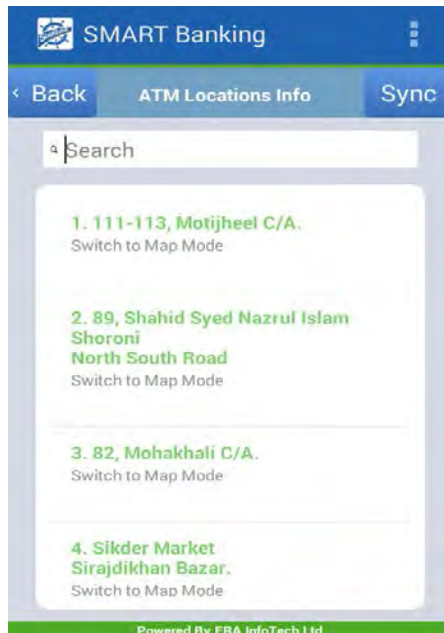
Cheque Status Screen

Branch Location: Do you want any Bank Asia branch location? Just go to Branch location from Login page press Sync. All branch locations will be into your smart device. Being smarter, you can also for the map mode for any branch location.



Branch location Screen

ATM Location: To find out an ATM location is just too easy with your Smart Banking App. Just go to ATM location option from login page. First time ATM Location is empty. Press Sync and find out the ATM Location. Also you may go for the Map Mode for agent locations.



ATM location Screen

Chapter 6: Customer Acceptance of Internet Banking Services in Bangladesh



6.1: Result of Survey

1. Gender

Most of the customers are male who visit the branches on a regular basis are male. The bank has a long list of regular customers especially coming from the pharmaceutical companies and hospitals. Therefore male customers have more access to the banking facilities of this branch.

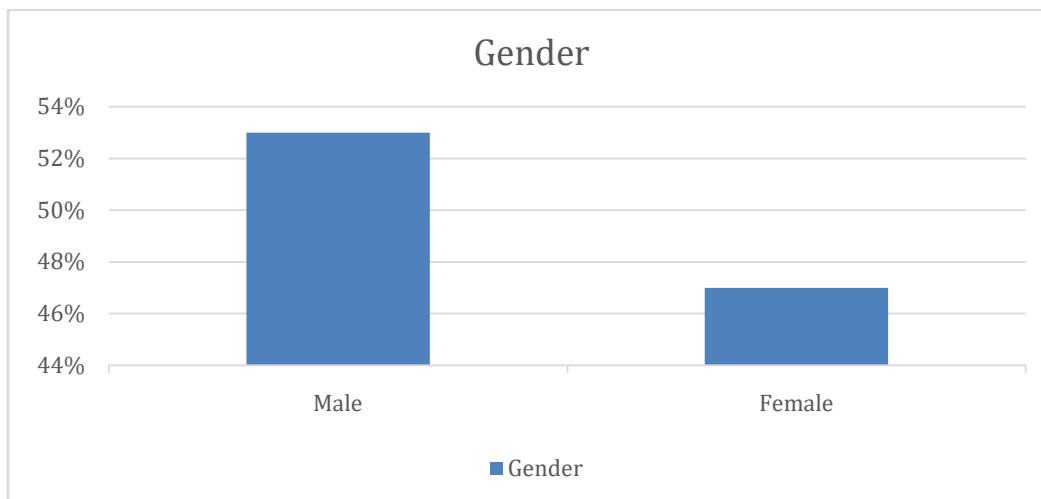


Fig: Percentage of male and female customers in Bank Asia

2. Which of the following age groups do you fall into?

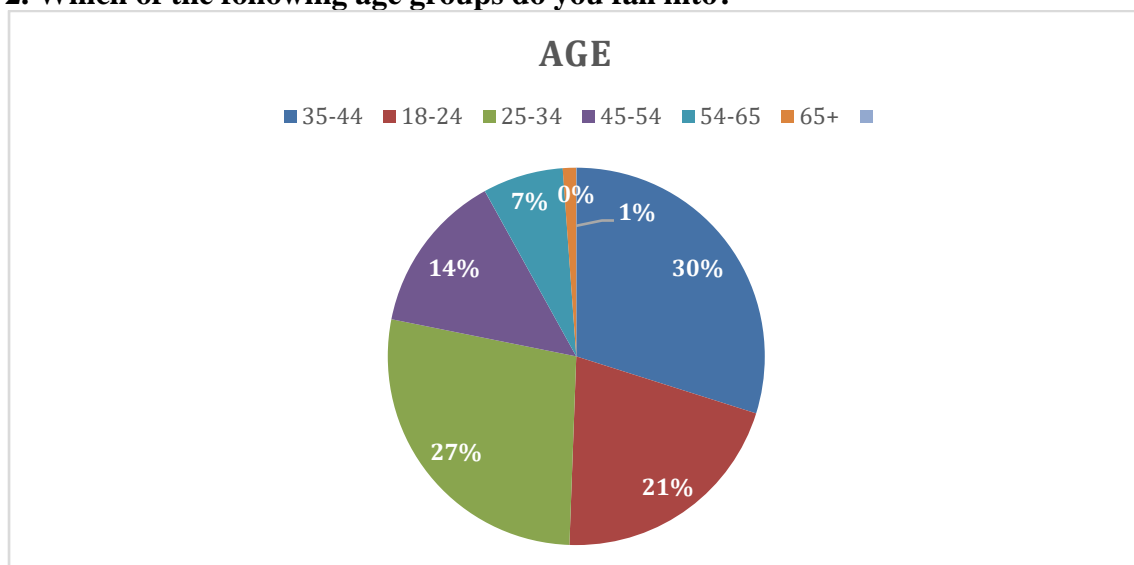


Fig: Age-based customer segmentation

The age groups vary a lot when it comes to the customers in a bank. However the location of bank branch and its accessibility has a significant effect on the customer category. The bank has a large group of customers from the three following age categories: 35-44, 18-24 and 25-34.

3. Profession:

The customer group of Bank Asia mainly consists of businessman and service holder. It is a reliable place for transaction for most of the regular staffs from various business centers and other organizations

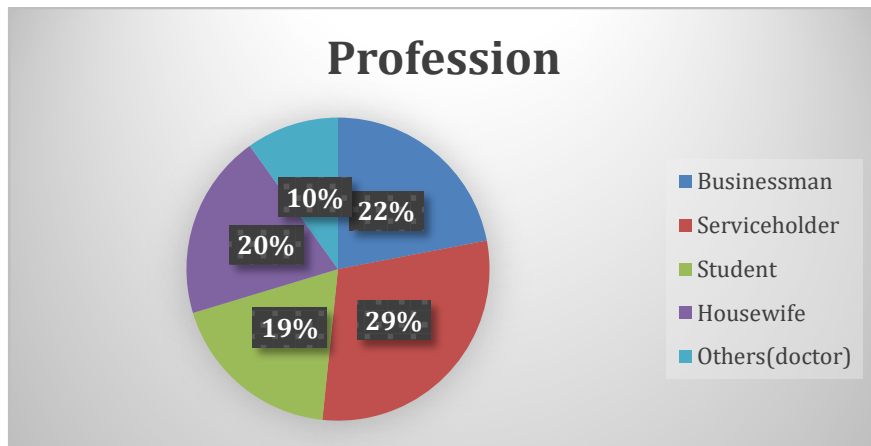


Fig: Profession of Customers

4. Just approximately, which income category best describes your total annual household income?

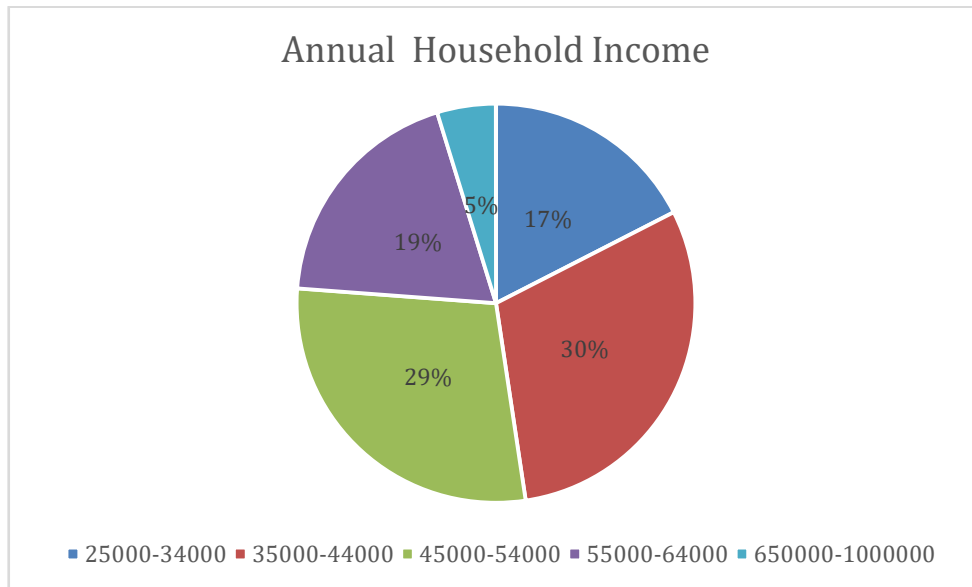


Fig: Customer Income Range

The highest percentile of the customers belong to the income category of 35000-44000. As mentioned before, the most customers are service holders, so this income range is very common.

5. Do you use any internet Banking Services?

Most of the clients in Bank Asia indulge in its internet banking services as Bank Asia is very dedicated in maintaining its service quality in internet banking and providing customers its benefits at a due time.

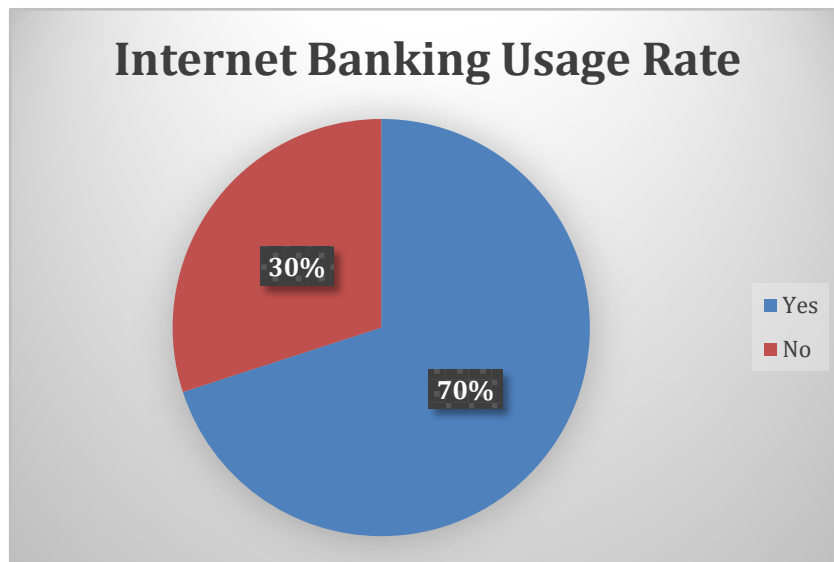


Fig: Internet Banking Usage Rate

Internet banking usage rate in Bank Asia is quite high as about 70%, as most of the customers indulge in internet banking.

6. Do you think internet banking provides Security of financial transactions?

70% of the clients are assured of the safety regarding internet banking. The other 30%, are more concerned about the security assurance provided by the bank and their password protection.

Customers who are not well acquainted with the bank’s transactions, especially internet banking provided negative or neutral feedbacks.

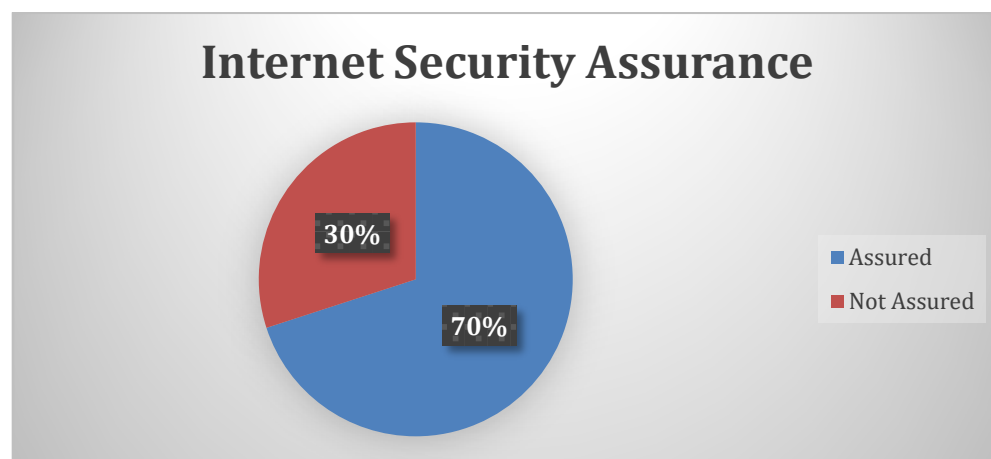


Fig: Internet security Assurance

7. How long have you been using the Internet Banking Services?

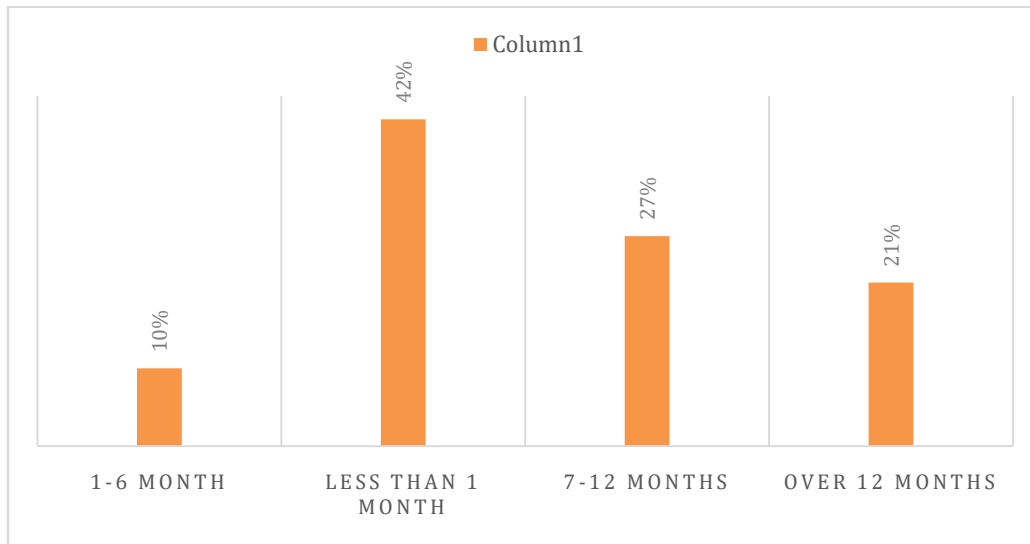


Fig: Duration of Internet Banking Usage

Most of the customers in Bank Asia Limited have been utilizing the bank’s service for more than one year which shows the level of satisfied customers is increasing day by day.

8. How frequently do you visit your bank branch per month?

Branches of Bank Asia are frequently visited by its corporate customers. 5-8 times frequency is the highest as most of them are business personalities and service holders. The bank has a long tradition of providing the best customer service with cordiality. Therefore it has a large batch of customers who have good faith.

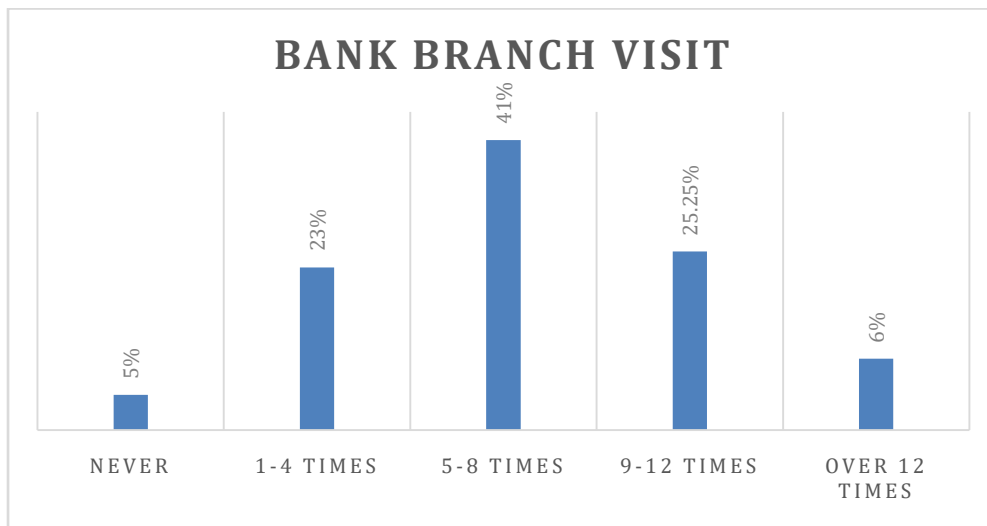


Fig: Frequency of Visiting Dhanmondi Branch

9. How frequently do you use an Automated Teller Machine (ATM) per month?

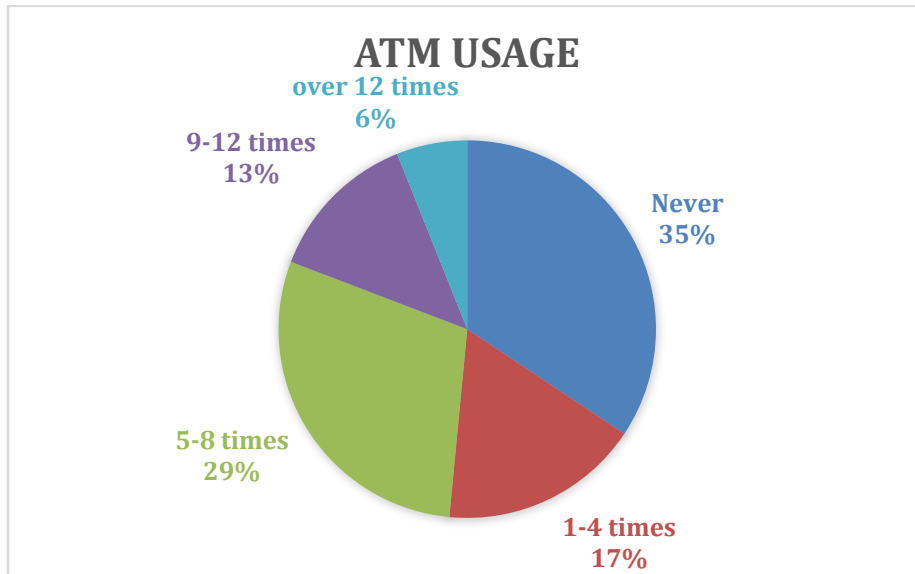


Fig: ATM Usage per month

10. Have you purchased any product through online Banking?

Online banking transactions are more frequent as the customers are relying more on the usage of master cards and visa cards provided by Bank Asia. After conducting the survey, it was found that about 62% of the customers purchased products online. That indicates customers' reliance on the online banking activities of Bank Asia Limited.

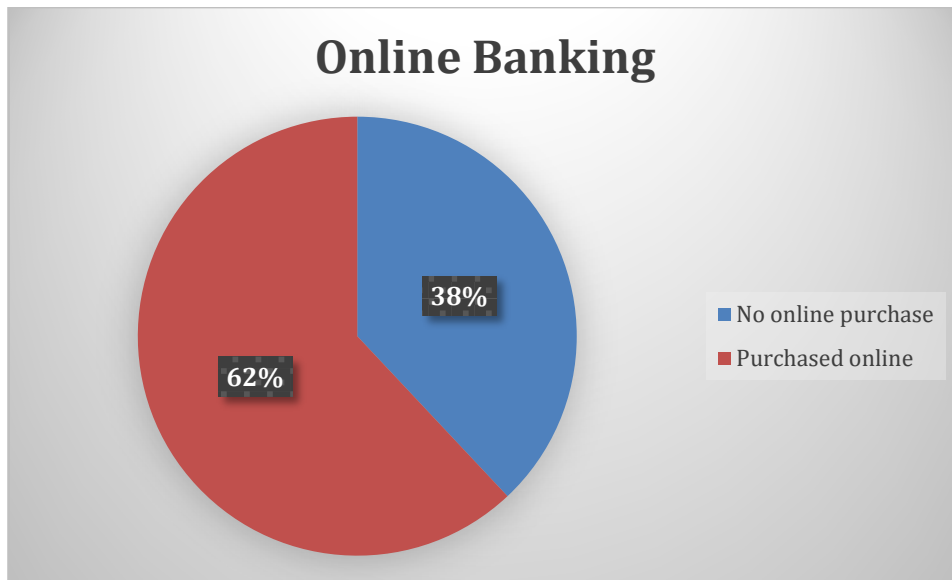


Fig: Online Purchase Tendency

11. Approximately how many times have you purchased any product through the Internet in the last 12 months?

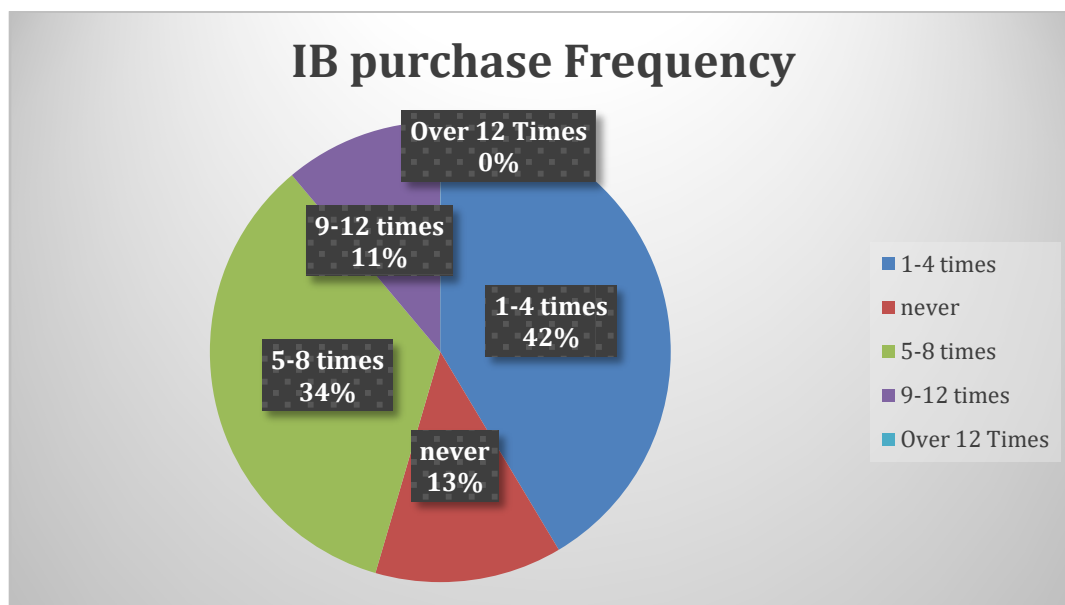


Fig: Purchase Via Internet Banking

People usually purchases products via master card and Atm cards issued by our bank. The highest percentage level has been demonstrated here in the 1-4 times and 5-8 times criteria.

12. What banking services do you use which your Internet bank offers?

Internet Banking at Bank Asia has recently become very popular with the customers for the range of service it offers. Clients, on average, use most of the services with equal priorities. However, online bill payments and checking on-line balance are mostly utilized.

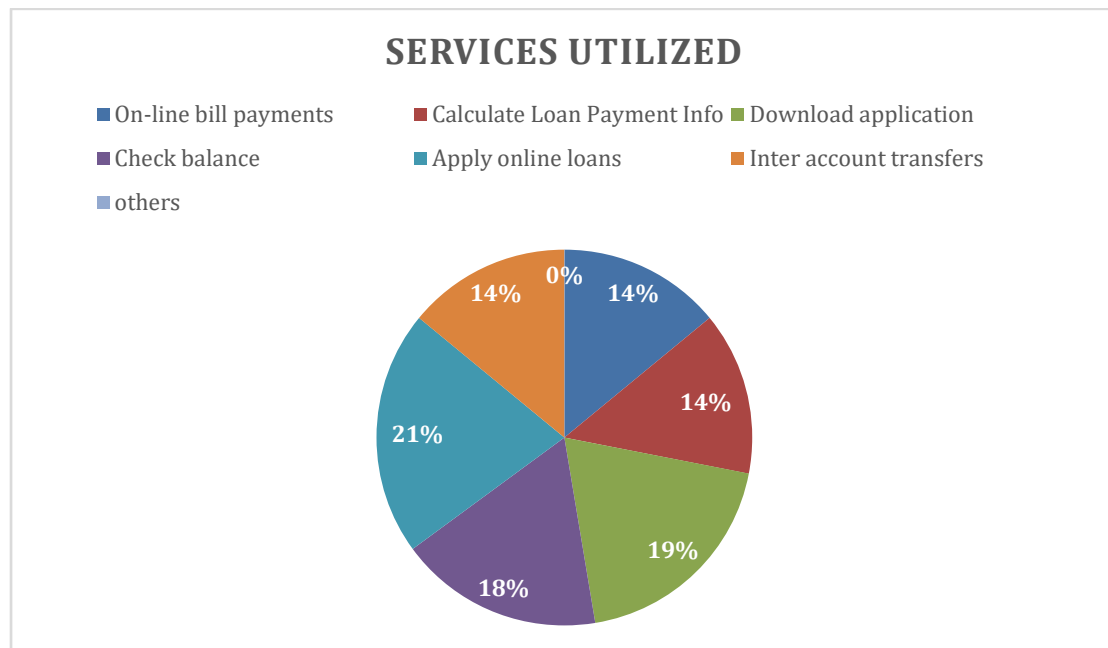
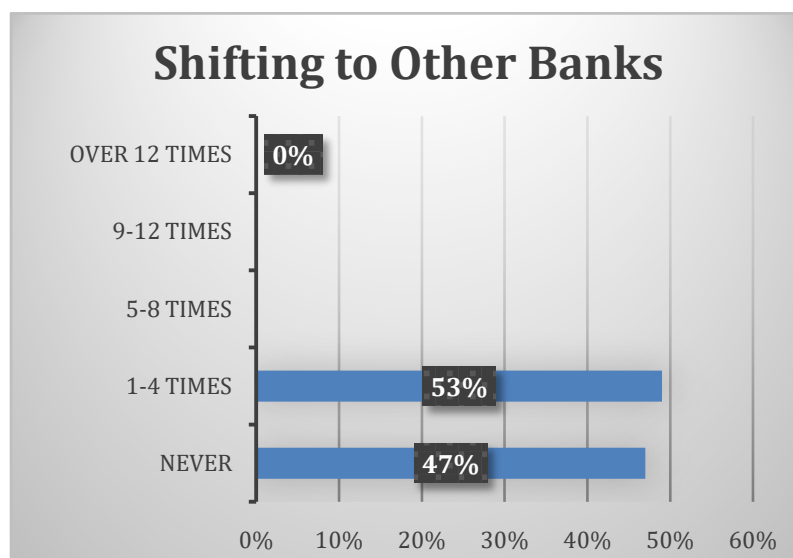


Fig: Utilized Internet Banking Services

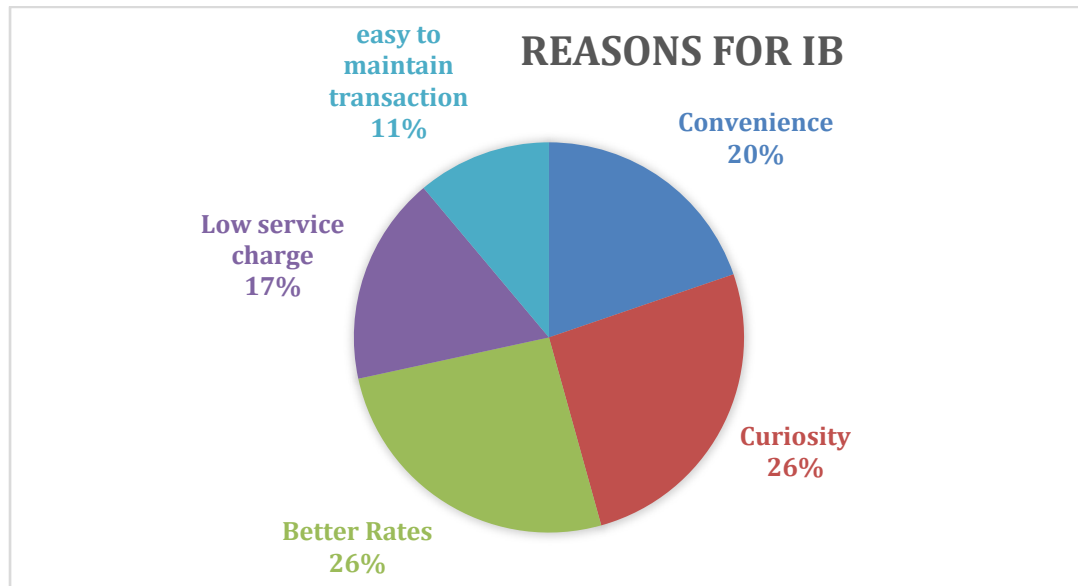
Here in the above diagram it can be said that, about 21% clients pay bill online, about 14% use internet banking for calculating loan payment information and 18% customers check balances online.

13. In the past five years, other than for geographical relocation, how many times have you switched to a different bank?



The rate of consumers shifting to other banks is very rare. Only 1% out of hundred has shifted more than 9 times, basically due to personal reasons. 49% has changed one or four times due to shift in workplaces or habitations.

14. What are the most important reasons you opened an Internet bank account?



Customers usually open their internet banking account due to service convenience and time saving policy. However, most customers specially the young generation opened the IB account due to curiosity, to know more about how it works.

15. What is the percentage of your household monthly income you deposit to your Internet bank account?

A huge number of customers do not know about their monthly income percentage connected with the internet banking system. They should be more acquainted with the internet as the technology allows them to do so. Also most clients do not want to associate their current household income with internet bank account.

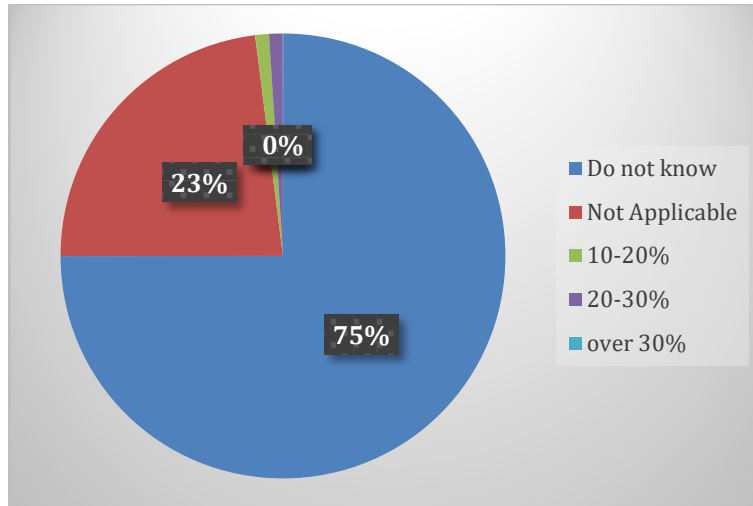


Fig :Percentage of Household Income in IB

16. What was the single most important reason that you choose this particular bank as your Internet bank?

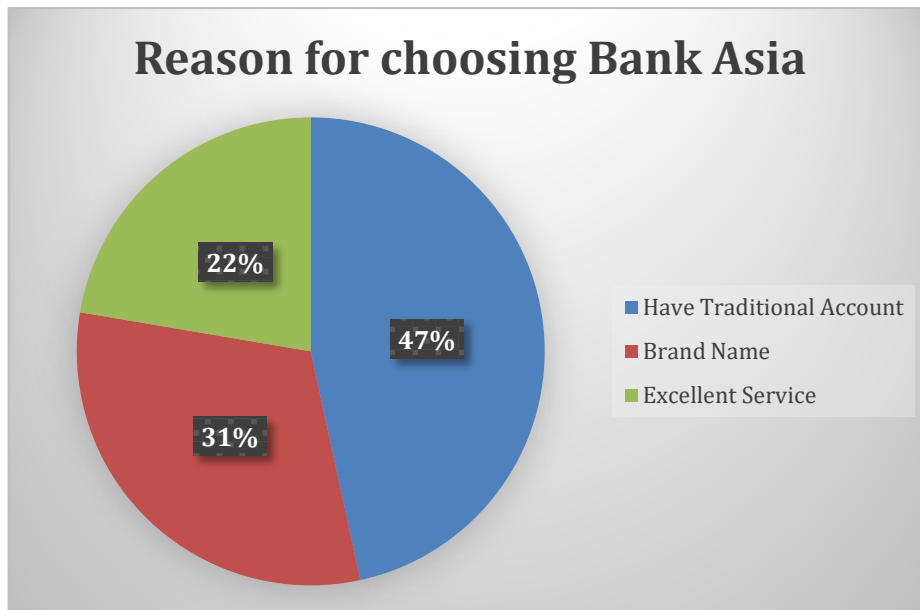


Fig: Reason For Choosing Bank Asia Internet Service

The reason that clients chose Bank Asia was-having traditional account. It is mandatory to have a traditional account for opening an IB account. So both factors are related.

17. In addition to your Internet bank account, do you also have a traditional bank account?

All the customers possess both traditional and online banking account. It is mandatory to have a traditional banking account so as a result all the customers have it.

18. How often do you use our online services?

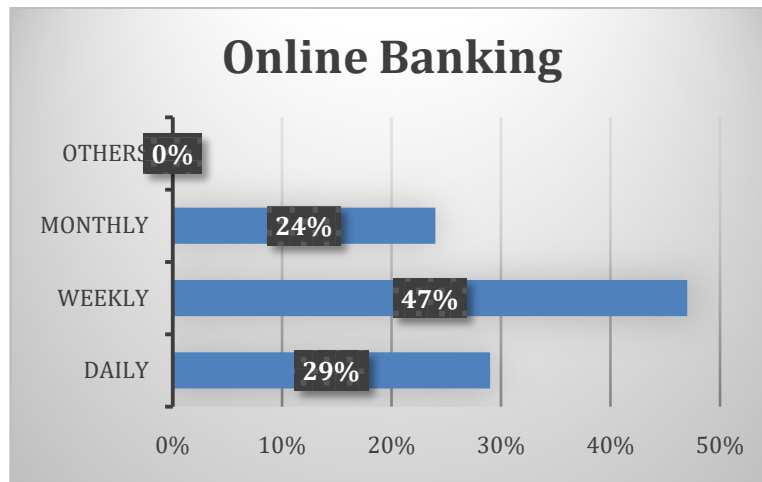


Fig: Online Usage Frequency

Customers in Bank Asia frequently use online services to save time and cost. The percentage of customers using internet banking weekly and monthly is same-29%.

19. Would you use your mobile phone to do your banking?

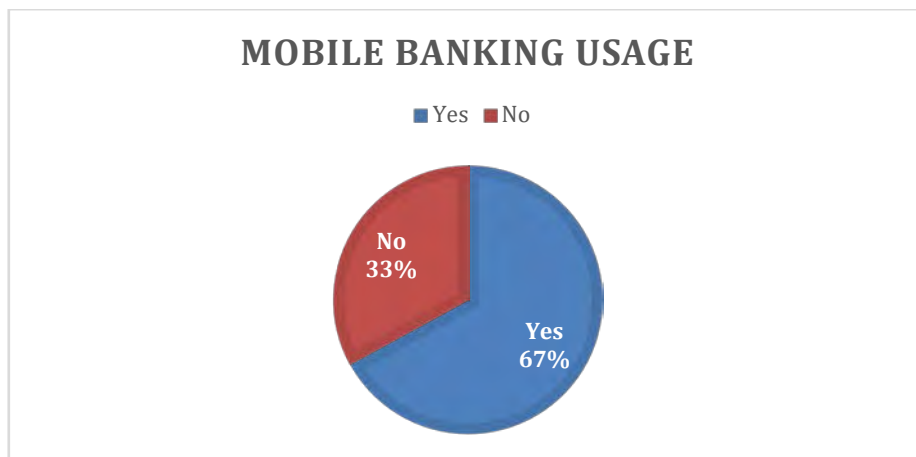


Fig: Mobile Banking Usage

Mobile Banking usage is quite common in Bank Asia Client group. About 67% clients have agreed to use mobile banking in near future.

20. How frequently do you use telephone banking services per month (for example, balance inquiry, fund transfer between accounts)?

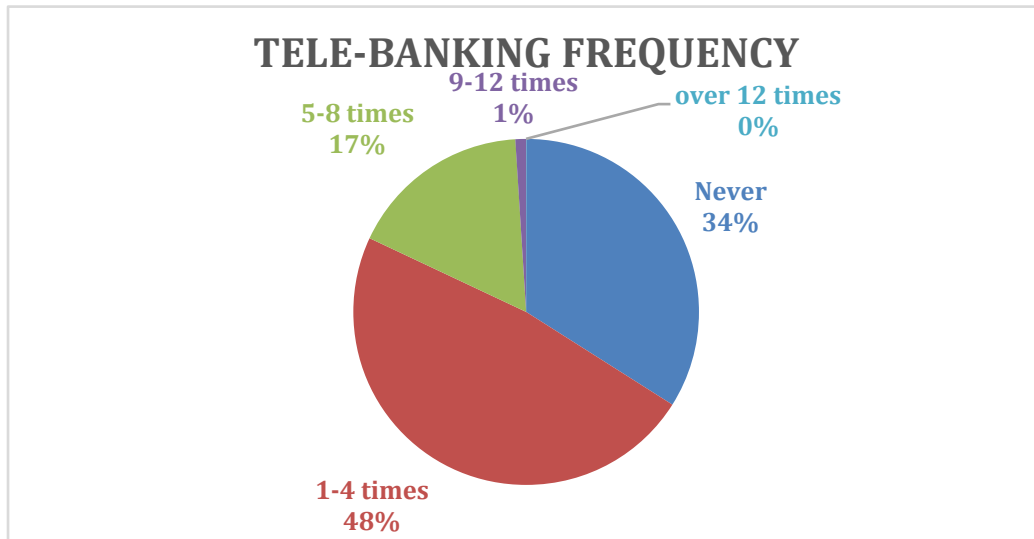


Fig: Telephone-banking Usage

Customers utilize mobile banking often, specifically for balance inquiry. Bank Asia’s balance inquiry service is reliable and the customers use it often.

21. Overall, how satisfied are you with our online banking service?

The bank’s management system values its customers greatly and they are assured of the highest quality internet banking facilities. About 26% customers replied that they were very satisfied with the IB service and 36% found their service to be overall satisfactory. This result shows bank’s tremendous success in achieving customer’s satisfaction.

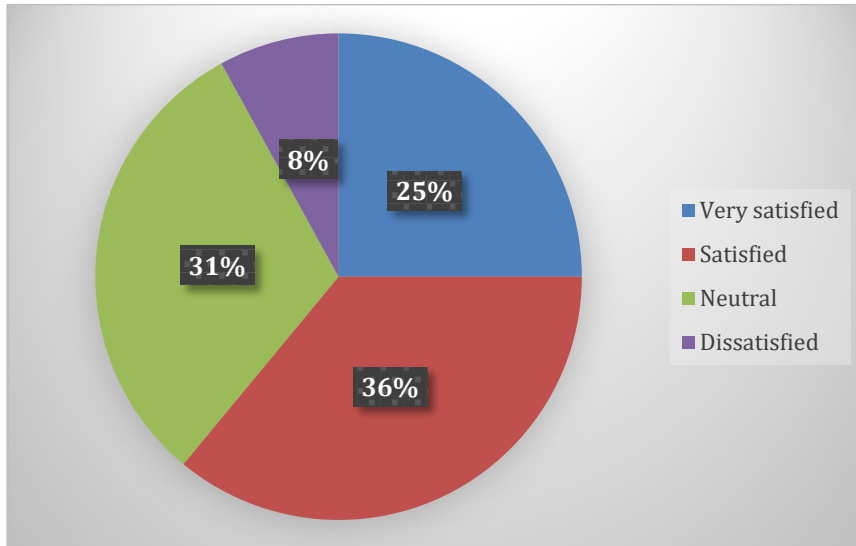


Fig: Customer Satisfaction

22. Do you always get prompt services whenever use the online banking services?

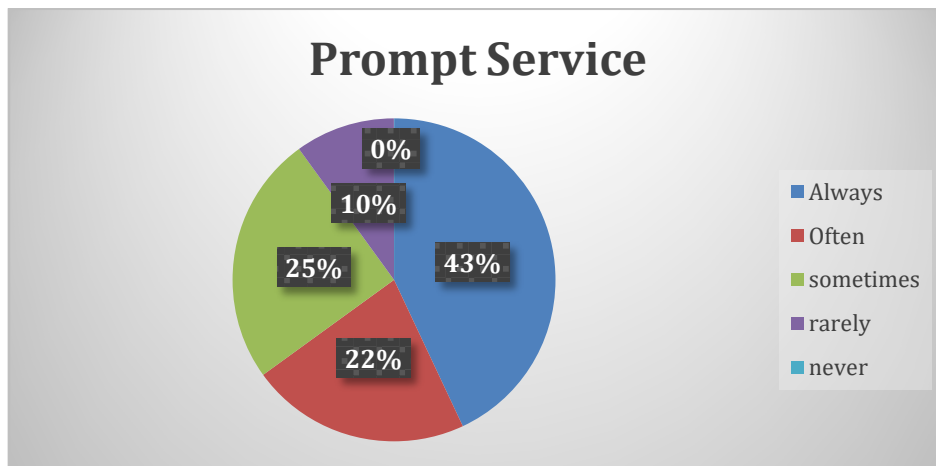


Fig: Prompt Service

It always depends on the customers whether the bank would be successful or not. The survey indicated there 39% clients replied that they always received prompt service. Only 2 % replied in negative as they were not familiar with IB.

23. According to you which internet banking services provided by the bank is best?

Bank Asia Limited is renowned for its internet banking services. Opening an account online is faster, easier and less expensive. Most of the customers appreciate Inter-bank transfers, downloading loan applications and applying for loans online, bill payments and credit card online applications.

24. Would you like suggest any changes or improvement in any internet banking services?

Most of the customers have made the same suggestions regarding internet banking. Their suggestions included:

- Better customer service
- Efficient Online banking software
- Faster Card Delivery
- Effective Time management protocols
- Better Security Assurance

25. If you have any other comments or suggestions please tell us-

The replies and feedbacks provided to this section was almost the same as the question mentioned above.

6.2 Analysis

Hypothesis 1:

H₀: Internet Banking Security does not affect customer satisfaction at Bank Asia

H₁: Internet Banking Security affects customer satisfaction at Bank Asia

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Internet security assurance ^b		. Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

This table just demonstrates the independent variable entered in spss. Variables entered or removed option is more suitable for multiple regression analysis.

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.321 ^a	.103	.094	.87254

a. Predictors: (Constant), Internet security assurance

b. Dependent Variable: Customer Satisfaction

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.550	1	8.550	11.231	.001 ^b
	Residual	74.610	98	.761		
	Total	83.160	99			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Internet security assurance

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	2.029	.104		19.452	.000	1.822	2.236
Internet security assurance	.638	.190	.321	3.351	.001	.260	1.016

a. Dependent Variable: Customer Satisfaction

Decision Rule:

To reject the null hypothesis, the significance value must be less than the significance level of 5%.

Decision:

The critical P value is .05 because the confidence interval is 95% and the calculated P-value is .001 so

Calculated P .001 < Critical P .05

So, at 95% confidence interval, the null hypothesis is rejected.

Hence, Internet Security Assurance affects the customer satisfaction in internet banking.

Hypothesis 2:

H₀: Internet Banking Services does not affect customer satisfaction

H₁: Internet Banking Services affects customer satisfaction

Descriptive Statistics

Correlations

		Customer Satisfaction	Services Utilized
Pearson Correlation	Customer Satisfaction	1.000	.482
	Services Utilized	.482	1.000
Sig. (1-tailed)	Customer Satisfaction	.	.000
	Services Utilized	.000	.
N	Customer_Satisfaction	100	100
	Services_Utilized	100	100

	Mean	Std. Deviation	N
Customer Satisfaction	2.2200	.91652	100
Services Utilized	4.7900	2.11915	100

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.482 ^a	.232	.224	.80727

a. Predictors: (Constant), Services Utilized

b. Dependent Variable: Customer Satisfaction

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Services_Utilized ^b		Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.295	1	19.295	29.608	.000 ^b
	Residual	63.865	98	.652		
	Total	83.160	99			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Services Utilized

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	1.222	.200		6.099	.000	.824	1.620
Services Utilized	.208	.038	.482	5.441	.000	.132	.284

Decision Rule:

To reject the null hypothesis, the significance value must be less than the significance level of 5%.

Decision:

The critical P value is .05 because the confidence interval is 95% and the calculated P-value is .000 which is exactly 0 and exactly significant. Too small amounts are not shown in spss and are demonstrated as 0 in Anova table.

Calculated P .000 < Critical P .05

So, at 95% confidence interval, the null hypothesis is not accepted

Hence, Internet Banking Service options affect the customer satisfaction in internet banking.

Hypothesis 3:

H₀: Benefits from Internet Banking usage does not affect customer satisfaction

H₁: Benefits from internet banking usage affects customer satisfaction

Descriptive Statistics

	Mean	Std. Deviation	N
Customer Satisfaction	2.2200	.91652	100
Reasons for IB account	2.8100	4.60060	100

Correlations

		Customer Satisfaction	Reasons for IB account
Pearson Correlation	Customer Satisfaction	1.000	-.043
	Reasons for Bank account	-.043	1.000
Sig. (1-tailed)	Customer Satisfaction	.	.337
	Reasons for Bank account	.337	.
N	Customer Satisfaction	100	100
	Reasons for Bank account	100	100

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.043 ^a	.002	-.008	.92034

a. Predictors: (Constant), Reasons for Bank account

b. Dependent Variable: Customer Satisfaction

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.152	1	.152	.179	.043 ^b
	Residual	83.008	98	.847		
	Total	83.160	99			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Reasons for Bank account

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	2.244	.108		20.779	.000	2.030	2.458
Reasons for Bank account	-.009	.020	-.043	-.423	.043	-.048	.031

a. Dependent Variable: Customer Satisfaction

Decision Rule:

To reject the null hypothesis, the significance value must be less than the significance level of 5%.

Decision:

The critical P value is .05 because the confidence interval is 95% and the calculated P-value is .043 which is significant.

Calculated P .043 < Critical P .05

So, at 95% confidence interval, the null hypothesis is not acceptable

Hence, Benefit from internet banking affects customer satisfaction.

Hypothesis 4:

H₀: Percentage of monthly household deposits in IB account does not affect customer satisfaction

H₁: Percentage of monthly household deposits in IB account affects customer satisfaction

Descriptive Statistics

	Mean	Std. Deviation	N
Gender	.4700	.50161	100
Household income percentage	2.1500	2.33279	100

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	.510	.068		7.451	.000	.374	.646
Household income percentage	-.019	.022	-.087	-.862	.391	-.062	.024

a. Dependent Variable: Gender

Correlations

		Gender	Household income percentage
Pearson Correlation	Gender	1.000	-.087
	Household income percentage	-.087	1.000
Sig. (1-tailed)	Gender	.	.195
	Household income percentage	.195	.
N	Gender	100	100
	Household income percentage	100	100

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.087 ^a	.008	-.003	.50227

a. Predictors: (Constant), Household income percentage

b. Dependent Variable: Gender

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.187	1	.187	.743	.391 ^b
	Residual	24.723	98	.252		
	Total	24.910	99			

a. Dependent Variable: Gender

b. Predictors: (Constant), Household income percentage

Decision Rule:

To reject the null hypothesis, the significance value must be less than the significance level of 5%.

Decision:

The critical P value is .05 because the confidence interval is 95% and the calculated P-value is .391 which is significant.

Calculated P .391 > Critical P .05

So, at 95% confidence interval, the null hypothesis acceptable

Hence, percentage of household income transferred in IB account does not affect customer satisfaction.

Multiple Regression Analysis:

Multiple regression analysis helps us to ask the questions about the “Best Predictors”. It looks at the combined effect all variables have on the dependent variable.

Descriptive Statistics:

This table shows the mean value depicting the overall customer satisfaction. As far as this descriptive statistics is concerned customer satisfaction is on a fair satisfaction level (with a mean value of 2.22 on a 5 point scale).

Model Summary:

In the column labeled R are the values of the multiple correlation coefficient between the predictors and the outcome. The closer it is to 1, the stronger the effect independent variables have on the dependent variable. Here R value is .692 which is as close to one it should be. Therefore, it shows a better influence of the independent variables on the dependent variable.

The value of the R square, is a measure of how much of the variability of the outcome is accounted for by the predictors square here shows that about 55% dependent variables is explained by the independent variable. It is a large value, so the model is a good fit.

ANOVA:

The ANOVA table tests for significance. The F test is used to test the null hypothesis that there is no association. The F value should be large and sig should be below .05 to be considered significant. In this case a “Sig.” value is .007 indicating that the model fits very well and is significantly related to the dependent variable

Coefficient Table:

Examining the results it can be found the degree to which the customers believe that the company cares for them and it is the best predictor of customer acceptance.

The Predictors here are Internet Banking Usage, ATM Usage, internet security assurance by the customer, reason or benefits for internet banking and the level of receiving prompt service. With regression analysis we can predict the degree to which each variable contributes to overall satisfaction.

Reliability Analysis:

Reliability analysis has been conducted using scaling method in SPSS.

		N	%
Cases	Valid	100	94.3
	Excluded	6	5.7
	Total	106	100.0

a. Listwise deletion based on all variables in the procedure.

Case Processing summary table provides data that have been entered into the spss for reliability analysis.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items ^a	N of Items
.650	.655	5

Interpretation: Reliability Analysis or Cronbach's Alpha value here is .650 which means 65% reliability among the items chosen for reliability score. Here, the number of items were N=5. A composite score has been calculated based on the data. 65% of the variances included in the score will be considered "True Score Variance". There are several recommendation for a standard score of reliability, normally it amounts to .70. As the score is almost close to .7, which is .650, it is considered reliable.

Chapter 7: Findings & Conclusion

Findings:

After analyzing from all the aspects that can affect customer acceptance regarding internet banking and studying the case of Bank Asia Limited, it can be mentioned that:

- Overall customers are satisfied with the current services that Bank Asia is offering because customers always expect the best service at the lowest possible price
- The mandatory online charges that Bank Asia asks for is only about 575 per year, lower than most other banks
- Regression analysis shows strong dependency of consumer satisfaction of Internet Banking Services

Recommendation:

- Internet Banking service should be more flawless, faster and smoother
- Banking software should be improved
- Customers should be more well acquainted with the E-Banking system, a separate campaign on this regard can be arranged
- Customer service personnel regarding E-banking should be trained properly

Conclusions:

Internet banking services in Bangladesh have become more widespread than before and customers are becoming more dependent on internet banking. If the security assurance can be increased and faster service can be assured, customer satisfaction will also increase. Therefore, banks in Bangladesh can come one step forward in competition with the foreign banks. My three month long internship program has enabled me to gain a proper understanding about the customer's outlook and their acceptance rate of the internet banking system.

Appendix:

Multiple Regression: Multiple regression is an extension of simple linear regression. It is used when we want to predict the value of a variable based on the value of two or more other variables. The variable we want to predict is called the dependent variable (or sometimes, the outcome, target or criterion variable)

Descriptive Statistics			
	Mean	Std. Deviation	N
Customer Satisfaction	2.2200	.91652	100
IB Usage	.7000	.46057	100
ATM_usage	1.4300	1.29689	100
Internet security assurance	.3000	.46057	100
Reasons for IB	2.8100	4.60060	100
Prompt service Received	3.2800	6.35018	100

Correlations							
		Customer Satisfaction	IB Usage	ATM_usage	Security	IB Benefits	Service quality
Pearson Correlation	Customer Satisfaction	1.000	-.249	-.140	.321	-.043	.237
	InternetBanking_usage	-.249	1.000	.590	-.857	-.061	-.088
	ATM_usage	-.140	.590	1.000	-.607	-.056	.212
	Internet_security assurance	.321	-.857	-.607	1.000	.070	.088
	Reasons_forBankaccount	-.043	-.061	-.056	.070	1.000	-.034
	prompt service	.237	-.088	.212	.088	-.034	1.000
Sig. (1-tailed)	Customer_Satisfaction	.	.006	.083	.001	.337	.009
	InternetBanking_usage	.006	.	.000	.000	.275	.191
	ATM_usage	.083	.000	.	.000	.291	.017
	Internet_security assurance	.001	.000	.000	.	.244	.191

	yassurance						
	Reasons_forBan kaccount	.337	.275	.291	.244	.	.368
	prompt service	.009	.191	.017	.191	.368	.
N	Customer Satisfaction	100	100	100	100	100	100
	InternetBanking _usage	100	100	100	100	100	100
	ATM_usage	100	100	100	100	100	100
	Internet_securit y assurance	100	100	100	100	100	100
	Reasons_forBan kaccount	100	100	100	100	100	100
	prompt service	100	100	100	100	100	100

Linear Regression:

Hypothesis 1:

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Internet_secu rityassurance b	.	Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.321 ^a	.103	.094	.87254

a. Predictors: (Constant), Internet_securityassurance

b. Dependent Variable: Customer Satisfaction

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.550	1	8.550	11.231	.001 ^b

Residual	74.610	98	.761		
Total	83.160	99			

- a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Internet securityassurance

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	2.029	.104		19.452	.000	1.822	2.236
Internet securityassurance	.638	.190	.321	3.351	.001	.260	1.016

- a. Dependent Variable: Customer Satisfaction

Hypothesis 2:

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	Services_Utilized ^b	.	Enter

- a. Dependent Variable: Customer Satisfaction
b. All requested variables entered.

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	19.295	1	19.295	29.608	.000 ^b
Residual	63.865	98	.652		
Total	83.160	99			

- a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Services Utilized

Hypothesis 3:

Descriptive Statistics

	Mean	Std. Deviation	N
Customer Satisfaction	2.2200	.91652	100

Reasons for IB account	2.8100	4.60060	100
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Correlations

		Customer Satisfaction	Reasons for IB account
Pearson Correlation	Customer Satisfaction	1.000	-.043
	Reasons forBankaccount	-.043	1.000
Sig. (1-tailed)	Customer Satisfaction	.	.337
	Reasons forBankaccount	.337	.
N	Customer Satisfaction	100	100
	Reasons forBankaccount	100	100

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.152	1	.152	.179	.043 ^b
	Residual	83.008	98	.847		
	Total	83.160	99			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Reasons_forBankaccount

Hypothesis 4:

Descriptive Statistics

	Mean	Std. Deviation	N
Gender	.4700	.50161	100
Household income percentage	2.1500	2.33279	100

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.510	.068		7.451	.000	.374	.646
	Household_income_percentage	-.019	.022	-.087	-.862	.391	-.062	.024

a. Dependent Variable: Gender

Correlations

		Gender	Household income percentage
Pearson Correlation	Gender	1.000	-.087
	Household income percentage	-.087	1.000
Sig. (1-tailed)	Gender	.	.195
	Household_income_percentage	.195	.
N	Gender	100	100
	Household_income_percentage	100	100

Excel Inputs:

1. Gender

	Gender
Male Clients	52.50%
Female Clients	47%

2. Which of the following age groups do you fall into?

Age-group	Percentage of clients in each group			
18-24	21%			
25-34	27%			
35-44	30%			
45-54	14%			
54-65	7%			
65+	1%			

3. Professions—

Professions	Percentage
Businessman	26%
Student	17%
Service holder	28%
Housewife	19%
Doctor(others)	10%
Total	100%

4. Just approximately, which income category best describes your total annual household income?

Annual Household Income		Percentage
25000-34000		17%
35000-44000		30%

45000-54000			29%
55000-64000			19%
65000			5%

5. Do you use any internet Banking Services?

Responses	Internet banking usage rate		
Yes	70%		
No	30%		

6. Do you think internet banking provides Security of financial transactions?

Responses	Internet banking Security Assured		
Yes	70%		
No	30%		

7. How long have you been using the Internet Banking Services?

Time Period	Percentage of users	
1-6 month	10%	
less than one month	42%	
7-12 month	27%	
over 12 months	21%	

8. How frequently do you visit your bank branch per month?

Visit Frequency		Percentage
Never		5%
1-4 Times		23%
5-8 Times		41%
9-12 Times		25%
Over 12 Times		6%

9. How frequently do you use an Automated Teller Machine (ATM) per month?

Never		35%
1-4 times		17%
5-8 times		29%
9-12 times		13%

Over 12 times	6%
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10. Have you purchased any product through online Banking?

Response	Percentage
Yes	62%
No	38%

11. Approximately how many times have you purchased any product through the Internet in the last 12 months?

Frequency	Percentage
Never	13%
1-4 times	42%
5-8 times	34%
9-12 times	11%

12. What banking services do you use which your Internet bank offers?

Services Utilized	Percentage
On-line bill pay	21%
Calculate loan info	14%
Download Application	19%
Check Balance	18%
Apply online loans	14%
Inter account transfers	14%

13. In the past five years, other than for geographical relocation, how many times have you switched to a different bank?

Shifting Frequency	Percentage
Never	47%
1-4 times	53%
5-8 times	0
9-12 times	0
over 12 times	0

14. What are the most important reasons you opened an Internet bank account?

Reasons For IB	Percentage
Better Rates	26%
Curiosity	26%
Low service charge	17%
Convenience	20%
Easy transaction	11%

15. What is the percentage of your household monthly income you deposit to your Internet bank account?

Options	Percentage
Do not know	75%
Not applicable	23%
10-20%	1%
20-30%	1%
over 30%	0%

16. What was the single most important reason that you choose this particular bank as your Internet bank?

Reasons	Percentage
Have traditional account	47%
Brand Name	22%
Excellent Service	31%

18. How often do you use our online services?

Frequency	Percentage
Daily	24%
Weekly	47%
Monthly	29%
Others	0%

19. Would you use your mobile phone to do your banking?

Mobile Banking Usage	Percentage
Yes	67%

No			33%
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20. How frequently do you use telephone banking services per month (for example, balance inquiry, fund transfer between accounts)?

Frequency	Percentage
Never	34%
1-4 times	48%
5-8 times	17%
9-12 times	1%
Over 12	0

21. Overall, how satisfied are you with our online banking service?

Satisfaction Level	Percentage
Very satisfied	25%
satisfied	36%
Neutral	31%
dissatisfied	8%

22. Do you always get prompt services whenever use the online banking services?

Prompt Service	Percentage
Always	43%
often	22%
sometimes	25%
rarely	10%
never	0%

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