Report on

Customer Perception on Mobile Banking Applications Offered by Private Banks

By

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22164074

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Master of Business Administration (MBA)

BRAC Business School
Brac University
August, 2025

Declaration

It is hereby declared that

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

Student's Full Name & Signature:

Sumaiya Mazed Chowa
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Saif Hossain
Assistant Professor, BRAC Business School
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Letter of Transmittal

Saif Hossain
Assistant Professor,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on 'Customer Perception on Mobile Banking Applications Offered by Private Banks.'

Dear Sir,

I am grateful for being able to submit my internship report on ''Customer Perception on Mobile Banking Applications Offered by Private Banks,' which has been prepared as a requirement for the completion of my degree.

This report reflects the outcome of the experience and knowledge I have gained through the internship program. I have tried my best to present all the relevant information and analysis in a concise and well-structured manner in the report. I am grateful for your continuous guidance during the internship period.

I hope this report meets your expectations.

Sincerely yours,

Sumaiya Mazed Chowa
22164074
BRAC Business School
BRAC University
Date: August 3, 2025

Non-Disclosure Agreement

This agreement is made and entered into by and between Al-Arafa Islami Bank PLC and the undersigned student of BRAC Business School, Brac University.

1. I have to maintain all secrecy about the affairs of he Bank.
2. I have to obtain prior permission from the competent authority in connection with any report to be submitted by them in regards to their internship with a copy to the branch authority & the undersigned.

I agree to the terms of the Bank.

Student's signature

____

Sumaiya Mazed Chowa
ID: 22164074

Supervisors signature

____

Mohammad Sujon Mia
SPO & GB In-Charge
Al-Arafa Islami Bank PLC
(Uttara Model Town Branch)

Acknowledgement

At the outset, I would like to convey my gratitude to the Almighty Allah for giving me the perseverance and strength to complete my internship and the report.

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Executive Summary

This report evaluates customer perception of mobile banking applications provided by the private banks. The main focus includes user experience and familiarity, satisfaction level, challenges, and suggestions for improvements. The study was conducted on 50 individuals who use banking applications of various banks such as BRAC Bank, Al-Arafa Islami Bank PLC, City Bank, Bank Al-Falah, and Bank Asia A structured online survey was distributed among the participants to gather the primary data, alongside secondary data from relevant literature. The findings suggested that people use these apps for convenience, 24/7 availability, and time-saving nature. However, the challenges found included technical glitches, slow performance, security concerns, and inadequate customer support. It was seen that customers will switch banks if they are offered better functionality in a banking app. So private banks must invest in the addition of features, an easier user interface, and better customer service to ensure long-term engagement and maintain loyalty.

Keywords: mobile banking, user satisfaction, app usability, customer perception, digital banking.

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List of Acronyms

AIBPLC	Al-Arafa Islami Bank PLC
ATM	Automated Teller Machine
CBS	Core Banking System
CSR	Corporate Social Responsibility
FDR	Fixed Deposit Receipt
ICT	Information and Communication Technology
KYC	Know Your Customer
KPI	Key Performance Indicator
OTP	One-Time Password
UI/UX	User Interface/ User Experience
AML	Anti-Money Laundering
CMSME	Cottage, Micro, Small and Medium Enterprise

Glossary

Mobile Banking	It is a service offered by banks that allows customers to do financial transactions through mobile device.
Mudaraba	It represents an Islamic financial partnership where capital is provided by one party and the other party provide expertise and manages the investment activity.
Shariah	It means the Islamic rules and regulation.
Digital Onboarding	It refers to a process where a customer doesn’t need branch visit and can acquire and verify information digitally.
Risk Profiling	It is an evaluation of a customer’s financial behavior and attributes to determine their risk level for banking purpose.

Chapter 1: Overview of internship

1.1 Student Information

Name: Sumaiya Mazed Chowa

ID: 22164074

Program: Masters of Business Administration

Major: Marketing

1.2 Internship Information

1.2.1 Period, Company, Department. Address

Period: 3 months, 10th April, 2025 to 10th July, 2025

Company Name: AL-Arafa Islami Bank PLC

Department: General Banking

Address: House-01, Road: 13, Sector: 04, Uttara, Dhaka-1230

1.2.2 Internship Company Supervisor's Information

Name: Mohammad Sujon Mia

Position: Senior Principal Officer & GB in-Charge

1.2.3 Job Scope

During my internship at Al-Arafa Islami Bank PLC, I worked in the general banking division. I worked under the supervision of the Senior Principal Office. I was assigned a range of tasks to gain hands-on experience in the banking functions but main focus of my duty was assisting the officer of general banking. My duties included:

- Entering customer data on various account opening forms such as savings deposit, pension deposit scheme, and monthly profit payable accounts using identification documents such as NID, and TIN Certificate
- Conducted risk profiling of customers by assessing factors such as account type, transaction amount, occupation, nationality. A score system was used and attaining a score above 15 were flagged as high risk. In this case, I was to notify my supervisor.
- Guiding customers in completing a range of banking activities for example, filling out account opening forms, writing cheques, registering account through the mobile banking application.
- Applying official seals to various banking documents.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

During the internship period, I tried my best to contribute to the daily operations of the general banking department by actively engaging in assigned tasks. By entering customer information in the account opening forms and conducting risk grading of customers, I helped to reduce the workload of the officers, particularly during banking hours when officers were occupied with serving customers and controlling transactions. Generally, they had to work overtime to fill up the forms and risk grading. My contribution to those tasks alleviated some of their responsibilities and minimized the need for overtime so often. Although my role was primarily supportive, my efforts helped officers to focus on other administrative work better.

1.3.2 Benefits to the Student

Working at AIBPLC was a great opportunity to both enhance my professional competencies and gain a stronger grasp of the banking sector. Following are the key benefits I gained from my internship experience:

- I have gained a deeper understanding of core banking operations from my experience working in the General Banking division.
- I have gained skills such as attention to detail, accuracy, and analytical thinking from my daily tasks, which included data entry and risk grading.
- I have improved my communication skill and gained confidence in dealing with people by interacting with customers and assisting them
- I learnt a sense of professional behavior and etiquette by observing the work ethics of bank employees.

1.3.3 Difficulties Faced During the Internship Period

During the internship period, my supervisor made an effort to ensure a seamless internship experience. Nonetheless, I encountered a few obstacles.

- My primary responsibility was supporting activities so I only got to observe the utilization of key resources such as banking software.
- Due to limitation of the internship period, it was challenging to explore all of the banking divisions, and achieve more comprehensive learning outcome.

1.3.4 Recommendation

To improve the internship program of AIBPLC, the bank can implement the following suggestions.

- The bank can assign challenging and significant projects to the interns. This will motivate interns to work harder and come up with creative solutions.
- The bank can offer trainings to the interns. This initiative will help interns to expand their skills and expertise.
- The bank can introduce performance evaluation system and provide feedback once in a month. This will help the interns to learn about their performance and improve.
- The bank can introduce an exit interview. This will help the bank to enhance their internship program by hearing the intern’s experience.

Chapter 2: Organization part

2.1 Introduction

AIBPLC was established as a private limited company on 18 June 1995 aiming to succeed both here in this world and in the afterlife by following the decree of Allah and the teachings of His Prophet (SM). The official opening ceremony was held on the 27th of September 1995. It has 211 branches countrywide with 26 as Authorized Dealer, and has aided significantly in the enhancement of the national economy and society. Throughout the years, it has gained sustained returns and claimed a satisfying dividend. The means of the bank's accomplishment is ensuring extraordinary customer care with inclusion of state-of-the-art products and technologies. To fulfil the requirements of the customers, the bank has meticulously crafted many different services and products.

2.1.1 Vision

“To be a pioneer in Islami Banking in Bangladesh and contribution significantly to the growth of the national economy” (Al-Arafa Islami Bank PLC, n.d.).

2.1.2 Mission

Al-Arafa Islami Bank PLC (n.d.) lists its missions as follows:

- “Attaining the pleasure of the Almighty Allah both in this world and in the afterlife.”
- “Increasing awareness and popularity of banking practices based on Shariah.”
- “High standard economic services embracing trends and innovations.”
- “Swift and productive services for the clients.”
- “Asserting high standards for business values.”
- “Harmonic evolution.”
- “Stable and high yields on the equity of shareholders.”
- “Next generation banking at affordable cost.”
- “Interesting and maintaining qualified workforce.”
- “Granting attractive comprehensive benefits to the workers.”
- “An unwavering devotion to the progression of the federal economy.”
- “Increase in engagement in the investment of SMEs and microbusinesses.”

2.1.3 Commitments

- To persevere as a client oriented and pioneering Islami bank in Bangladesh through constant progression in mobilization of financial resources and strategic investment.
- To provide corporate customers, small and medium-sized corporations, and retail customers with cordial banking facilities at all branches throughout the

nation.

- To formulate corporate schemes according to the fluctuating market and commercial necessities of the clients.

2.2 Overview of the company

2.2.1 About Al-Arafah Islami Bank Limited

AIBPLC has attained the image of an advance and flourishing financial firm, and has achieved significant appreciation in the banking sector of the country within a short span of time. Regardless of the ruthless rivalry among banks, AIBPLC had a considerable growth in its total financial outcome, which enhanced the credibility of the bank. From year 2023 to 2024 calendar year, total deposit grew by 8.37%; total investment grew by 6.68%; total paid up capital increased taka 548.43 million and operating profit increased by 290.79 million which is 3.53%. Twenty religious and prominent Islamic experts from Bangladesh make up the bank's board of directors. The bank boosts cash flow and moves the economy of the country through its various financial schemes. As an example, people deposit money in the bank, shareholders buy bonds, the traders make money, staff receive wages and other benefits, different business flourishes from investments by bank, people in strained circumstances benefits from CSR activities and the government earn from taxes. 83.8 % of total income in 2024 came from investments in various sectors such as industries, finance trades, constructions, agriculture, transport and so on supporting the country's economy. Furthermore, the Bank is involved in essential export and import business both of which showed a record of approximate 27.6 % growth in 2024. In the same year, the bank spent BDT 299.21 million in CSR works that brought immense enrichment in health, disaster management, education and environment protection. The bank pledges to enhance its services to global standard that is always ready with flexible action, advanced visions, cordial attitude, transparent transactions, ethical strategies and dedicated to top notch services to the clients. It thrives for the betterment of its management, security and enhancement of its technologies, boosting profitable causes and having stable increasement. AIBPLC is a dynamic company today that cultivates novelty, boosts advancements, honors proactiveness, and fosters staff who turns struggles into prospects. Above all, the bank is strongly faithful to openness and adherence to shariah and controlling authorities.

2.2.2 Specialty of AIBPLC

AIBPLC is unparalleled as an Islami bank. Abundance of innovative financial services are contributed within the wide scope of Shariah. It is novel in its solutions, stern in its morals, and firm in its transparency. A few of its exceptional traits that makes it stand out in the Islamic banking industry are as follows:

- To ensure the avoidance of Usury in the nation, all of AIBPLC's transactions are administered on a profit-and-loss based system.
- The Shariah Council Board effectively controls and maintains complete adherence to Shariah law across all variety of methods of its investment principles.
- The Mudaraba depositors received 70% of the investment profit during the 2007 calendar year.
- AIBPLC incorporated online banking to its broad array of services in 2008. Fostering local programmers, this feature presented Bangladeshi software.
- AIBPLC conducts its AGMs (Annual General Meeting) regularly. Extraordinary General Meetings (EGM) are also organized when necessary.
- The bank hands out dividends to its respected shareholders on a regular basis. AIBPLC affirmed a 13.50% bonus dividend to its shareholders in 2013.

- The bank is committed in delivering dutiful services filled with Islamic morals of unity, serenity, and harmony.
- The bank is dedicated to building a welfare-oriented system of banking to accommodate the necessities of the impoverished population.
- The Bank advocates for the principles of Islam, which seeks the formation of a fair financial structure via social relief and just apportionment of resources.
- In line with Islamic practices, it facilitates economic advancement of underprivileged people, making prospects of works and supporting villages with the intention of confirming a uniform progression of the nation.
- The bank trusts in social and humanitarian movements and founded AIBPLC English Medium Madrasha, AIBPLC Library and Al-Arafah Islamic Bank Foundation Kidney dialysis center.

2.2.3 Company Profile

Company Name	Al-Arafah Islami Bank PLC
Registered Office	Al-Arafah Tower, 63, Purana Paltan, Dhaka- 1000
Number of Branches	211
Authorized Capital	15,000.00 million
Paid-up Capital	11,516.92 million
Equity	25,696.08 million
Deposit	454,507.46 million
Investment	476,981.29 million
Total Income	50,562.16 million
Total Expenditure	42,036.98 million
Profit before tax	8,525.18 million
Total Number of Investors	205,873
Total Number of Employees	6,026
Total Number of Shareholders	15,766
Auditors	Shafiq Basak & CO., Hussain Farhad & CO.
SWIFT	ALARBDDH
PABX	44850005-20
E-mail	info@AIBPLC.com.bd
Website	http://www.AIBPLC.com.bd/

Table 1:Company Profile of AIBPLC (as on 31 December 2024)

2.2.4 Organogram of AIBPLC

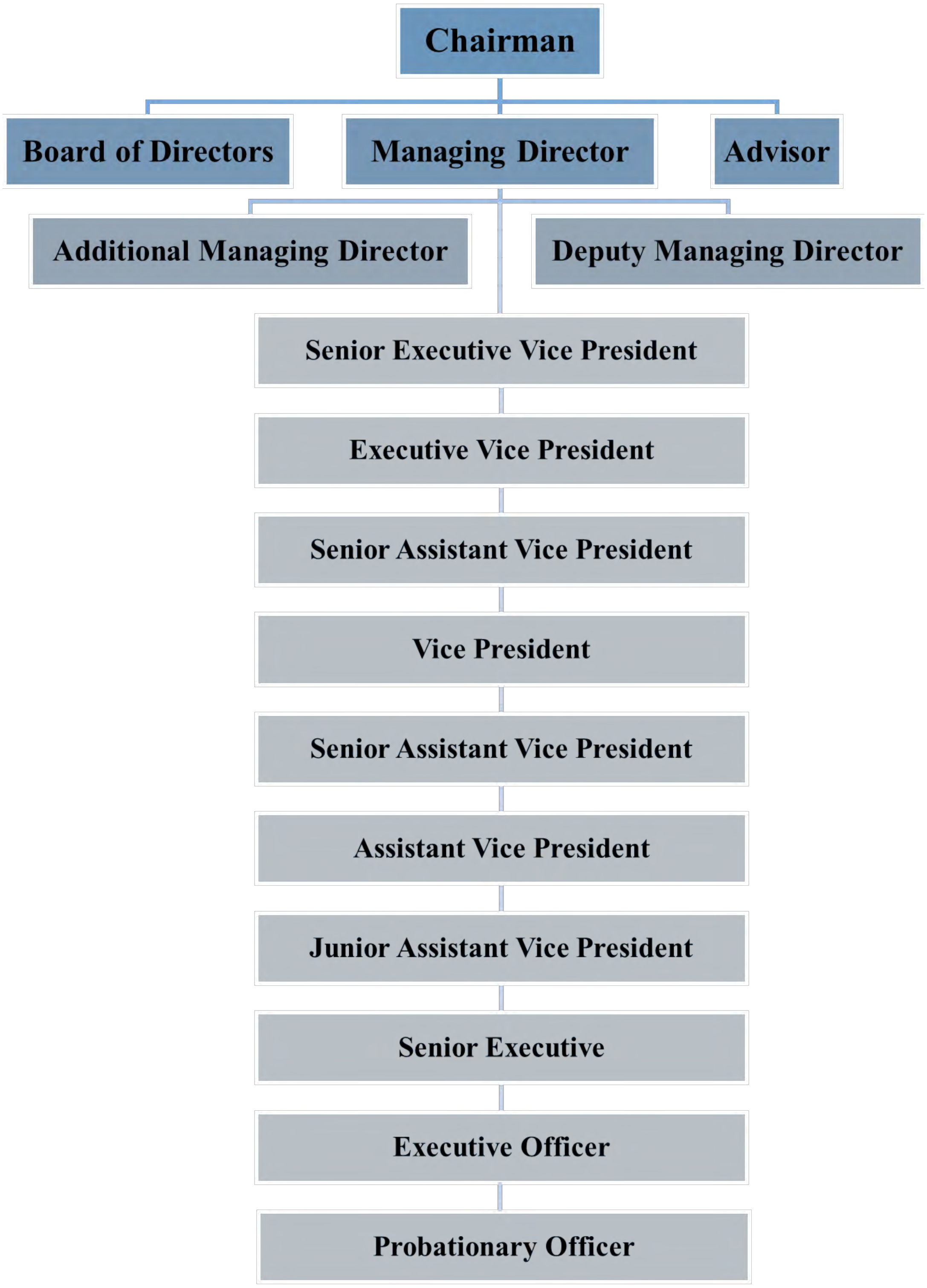


Figure 1: Organogram of AIBPLC

2.3 Management practices

Management practices play a pivotal role in shaping AIBPLC's operational efficiency, employee engagement, and overall performance. This section will provide an insight on the alignment of resources and people toward achieving its objective. Following is a discussion of AIBPLC's several management practices:

2.3.1 Leadership Style

I was informed by the VP & Operational Manager of the Uttara Model Towan Branch that AIBPLC essentially follows a participatory leadership style. This manner of leadership puts emphasis on open communication, collaboration among employees of various levels, and collective decision-making. For example, several meetings are held by the Deputy Managing Director (DMD) throughout the week to identify challenges, such as operational and departmental, and suggestions are made to solve those issues. Employees accumulate a sense of ownership through action and communication among them is enhanced. Another benefit of this leadership style is that it raises the standard of decision-making through diverse perspectives.

Though the participatory leadership style offers many benefits, it still has some drawbacks. As several meetings take place, employees may need to spend a few extra hours at the office, which hampers their work-life balance, and during busy days the overall work efficiency can be reduced. Also, conflicts can arise due to differing opinions; decision-making can be slow as multiple stakeholders are involved, and especially in a crisis situation, this approach may lack the speed to resolve the issue.

2.3.2 Recruitment and selection process

The recruitment and the selection processes at AIBPLC are overseen by the Human Resource Development (HRD) department. The recruitment process is initiated when a vacant position opens up. Generally, the recruitment news is announced by HRD through their website, LinkedIn profile, Facebook page, and third-party websites such as BDjobs. I learned from the Head of HR that the selection process for a suitable candidate usually has three phases. The first phase is a multiple-choice question examination, and the second phase is a written examination. The syllabus for both phases include general knowledge, questions associated with AIBPLC, arithmetical skills, and critical thinking. In the final phase, selected candidates are invited to a face-to-face interview. The short-listed candidate is finally hired for the vacant post.

2.3.3 The compensation scheme

AIBPLC offers a structured and equitable compensation scheme to attract, motivate, and retain employees. I learned from my on-sight supervisor (SPO & GB In-Charge) that both monetary and non-monetary compensation are enjoyed by the employees in this scheme. The monetary compensations that AIBPLC provides are basic salary, medical allowance, travel allowance, two Eid bonuses, provident fund, and performance-based incentives. My on-sight supervisor (SPO & GB In-Charge) also mentioned that in the case of a provident fund, 10% is provided by the bank, and 10% is contributed from the employee salary. Furthermore, the bank provides a car, the salary of the driver, and the cost for fuel for senior staff who are ranked as equal to or above Assistant Vice President (AVP). Additionally, a 40% discount at IBNE SINA Hospital, 35% discount at POPULAR Diagnostics, unlimited tea in the office, training opportunities, career development programs, employee recognition initiatives, medical leave, and paid vacation leave are offered as non-monetary benefits at AILB.

2.3.4 The training and development initiative

Appropriate training and development initiatives are effective for the development of human resources. Thus, AIBPLC holds this in high regard. In a fast-paced and ever-changing world, employees need training to keep up by acquiring knowledge and developing new skills (Al-Arafa Islami Bank PLC, n.d.). So, all the employees are given an appropriate and timely relevant training. It is the responsibility of Al-Arafa Islami Bank Training and Research Institute (AIBTRS) to analyze the organization's needs and craft a yearlong training program. They are also in charge of hiring proper instructors, and overseeing the class material as well (Al-Arafa Islami Bank PLC, n.d.). All new employees have to go through a dedicated one-month training. It is to ensure that they are equipped with knowledge related to their role, know the use of software they have to work with, understands compliance policy, standard operating procedures and control. Usually, training periods can span from a day to up to three months. During this training time, an employee attends AIBTRS instead of the office. Sometimes employees are given short-time training through Zoom. My colleague Senior Executive Officer informed me that a training on IT was held on Zoom recently. The training benefits both the bank and the employees. It helps the bank side increase stability and flexibility within the organization, reduce supervision and direction, ensure regulatory compliance, improve the standard of customer service, increase productivity, and much more. On the other hand, employees gain confidence, adaptability, special incentive, increased job satisfaction and morale, and a paved way toward promotion.

2.3.5 Performance appraisal system

The key tool for understanding if employee goals align with company objectives is performance appraisal. Employee performance is a process where the actions of an employee are compared to a set of standards, and then that information is given to the employee (Sanosra, Maimun, Satoto, & Qomariah, 2022). AIBPLC has an annual performance appraisal system. Primarily, a Key Performance Indicator (KPI) is used to measure an employee's performance. An employee's compensation, training and development, promotion, and other factors depend on the information gathered through KPI. AIBPLC uses KIP to evaluate the productivity, compliance, customer service, synergy among the team, and creative problem-solving procedure of an employee. I was informed by the Senior Executive Officer that AIBPLC has recently introduced the Annual Performance Report (APR) method in its appraisal system to increase the effectiveness and transparency of the appraisal mechanism. The APR is a comprehensive performance record-keeping tool, tracking both the qualitative and quantitative performance of an employee throughout the year. It promotes accountability and ongoing development by incorporating supervisor feedback, self-evaluations, and proof of goal accomplishment. This dual strategy of utilizing KPI metrics in conjunction with the APR allows for a more equitable evaluation and aids in determining an employee's areas of strength, growth potential, and career advancement opportunities.

2.4 Marketing Practices of AIBPLC

In the realm of banking, marketing practices are of the outmost importance. Competitiveness in the market and cultivation of client engagement and loyalty require the application of distinct, time-appropriate marketing practices. AIBPLC has its own marketing strategies that makes customers feel as if it’s their own bank.

2.4.1 Marketing Strategy

Marketing strategies are detailed, long-term plans that businesses create to draw in and keep consumers, improve their market presence, and accomplish long-term objectives. Effective marketing strategies are essential in service-based industries like banking, where offerings are intangible and heavily dependent on customer perception. These tactics help to establish trust and enduring relationships in addition to educating and convincing potential customers.

A significant focus on consumer research and market analysis forms the basis of this approach. The bank determines current demands and project’s future needs in the financial sector by closely observing market trends and assessing similar goods and services (Al-Arafa Islami

Bank Limited, n.d.). AIBPLC can improve its existing financial services or create new ones that suit the tastes and expectations of its clients thanks to this data-driven strategy.

AIBPLC also prioritizes on selecting the proper communication channel to reach targeted customers effectively. Without the proper channel, information about the new product will not reach the customers. To make sure that target customers understand the message, marketing strategies are developed based on customers behavior pattern. The bank used follow-up campaigns and loyalty programs to maintain engagement with customers, gradually enhancing their sense of satisfaction (Al-Arafa Islami Bank Limited, n.d.).

All things considered, marketing tactics in the contemporary financial industry are complex and always changing. Commercial goals must be balanced with regulatory compliance, customer satisfaction, and, in the case of Islamic banking institutions, religious observance. Thus, growth, reputation, and competitive advantage are all significantly influenced by a well-executed marketing strategy.

2.4.2 Target Customer, targeting and positioning strategy

I leaned from my colleague that Al-Arafah Islami Bank PLC uses a mass targeting strategy in an effort to serve a wide range of clients rather than concentrating on specific market segments. People from different demographic, geographic, and socioeconomic backgrounds are drawn to the bank's Shariah-compliant financial products. This encompasses both urban and rural populations, small business owners, salaried professionals, students, and senior customers. The bank aims to increase market reach and brand awareness by marketing its services to a wide range of clients. By taking this approach, AIBPLC is able to establish itself as an accessible and inclusive Islamic financial institution that serves all members of the public, irrespective of their occupation or income level. Bank has also started students account to attract younger customer.

AIBPLC positions itself as a reliable, customer-focused, and socially conscious Islamic bank. It highlights service excellence, religious observance, and transparency as essential elements of its brand identity. The bank presents itself as a value-driven partner dedicated to financial inclusion and ethical banking practices in addition to being a financial institution through consistent messaging and community involvement. In the Bangladeshi market, this unique positioning aids in setting AIBPLC apart from other Islamic banking rivals as well as traditional commercial banks.

2.4.3 Marketing channels

In order to maximize accessibility for its target clientele and to advertise its goods and services, Al-Arafah Islami Bank PLC employs a multi-channel marketing strategy (Al-Arafa Islami Bank PLC, n.d.). The bank makes extensive use of conventional media, including billboards, leaflets, branch displays, print ads in newspapers, and involvement in Islamic banking events and fairs. These strategies work especially well for reaching conservative and rural populations that might not be as accustomed to using digital media. Recognizing the increasing demand for online and mobile banking services, AIBPLC has embraced digital marketing channels in addition to traditional methods. It shares updates, service announcements, and marketing campaigns on its official website, Facebook, YouTube, and other platforms. Additionally, the bank communicates via SMS marketing.

2.4.4 Product development and competitive practices

A product is developed by observing the market need. For banks, the need indicates financial needs. Development and launch of a product can take place in a new market or existing market. A new product means increases in the product line that helps to reduce risk, continuing the life cycle of a product, and help to increase profit. BPMD (Business Promotion and Marketing Division) follows following practices for a product:

- Generating an idea then screening the idea of a new banking product and services to meet the customer need and to stay competitive in the industry.
- After through analyzation of the market a new product or service is developed. Sometimes an existing product or service is upgraded or modified in terms of its features, characteristics, and benefits.
- In order to promote the newly developed or the modified product or service to the customers of all levels, awareness building campaigns take place.
- After the launch of the product, BPMD does routine follow-up, monitoring with the branches and provides necessary suggestion. They take feedback from the branches to see if the product needs any alterations.
- In order to motivate the employees working behind the product, a letter of appreciation and a letter of performance evaluation is gifted.

2.4.5 Branding and Promotion strategies

Branding and promotion are an important tool for the bank in order to maintain sustainable growth and development. It is an integral part of the bank, as it is essential for expanding the client base, and opening new windows of opportunity. AIBPLC has established a positive brand image with comprehensive branding. It has branded itself as an ethical and Shariah rule following bank which help to create a strong bond with the customers. Since 2023 AIBPLC has improved their promotional activity (Al-Arafa Islami Bank PLC, n.d.). They understood that intensive promotion is necessary to strengthen their position in this competitive market. Following are the promotional activities done by AIBPLC:

- AIBPLC has made an excellent use of TV channels. In the year 2023, more than 24 different TV channels was used by the bank to broadcast about its services though news. By doing this, the bank has received national recognition (Al-Arafa Islami Bank PLC, n.d.). 18 different programs to encourage Islamic values were sponsored by the bank (Al-Arafa Islami Bank PLC, n.d.).

- AIBPLC has engaged in several sponsorship programs. Some of those programs are: Banking fair, SME fair, School Banking Conference, Anti-Money Laundering Conference, Fair of Chittagong Metropolitan Chamber of Commerce and Industry (Al-Arafa Islami Bank PLC, n.d.). Involvement in these activities has tightened the relationship with clients and uplifted Bank's faithful image.
- AIBPLC has strengthen its presence in print media. 2360 press release items were published in more than 61 different newspapers and media throughout the year 2023 (Al-Arafa Islami Bank PLC, n.d.). Also 122 different publications published 785 advertisements in the same year.
- From 2023, the bank has given focus to promotion through electronic media as well. Online portal, Facebook, YouTube, Instagram and LinkedIn were used by the bank for online promotions (Al-Arafa Islami Bank PLC, n.d.).

2.4.6 Marketing issues and gaps

Over the years, AIBPLC has improved its marketing practices. However, its tactics are lacking compared to its competitors. The bank has made a proper use of traditional media such as TV and print media but its effort is lacking in terms of digital media. In this age, online platforms have gained more popularity than traditional media. Especially, young generation is more inclined toward digital media. As they are the future clientele of the bank, a lack of focus on marketing through digital platform will result in the loss of potential customers for the bank. AIBPLC uses Facebook, Instagram, YouTube as its primary marketing channel. Few online portals are also used for promotions. But this is not enough, there are more ways to optimize digital platforms. Such as, Search Engine Optimization (SEO) will help the bank to attract more customers to its website which will help to boost awareness (Momotaz et al., 2024). Other popular method of digital marketing is pay-per-click advertisement, Search Engine Marketing (SEM), content marketing, online display advertising etc (Momotaz et al., 2024). While competitors are utilizing those platforms, AIBPLC seems to ignore the significance of those methods. If the bank fails to embrace those methods, the bank may lose its competitive edge, lose potential customers, and fail to retain existing customers.

2.5 Financial performance and accounting practices

2.5.1 Finance performance

AIBPLC has overcome the challenges throughout the years 2023, 2022, and 2021. The bank has taken necessary measure according to the Shariah law to ensure growth of its assets. Good earning and strong liquidity, sound management, and capital adequacy remains the other focused issues of the bank.

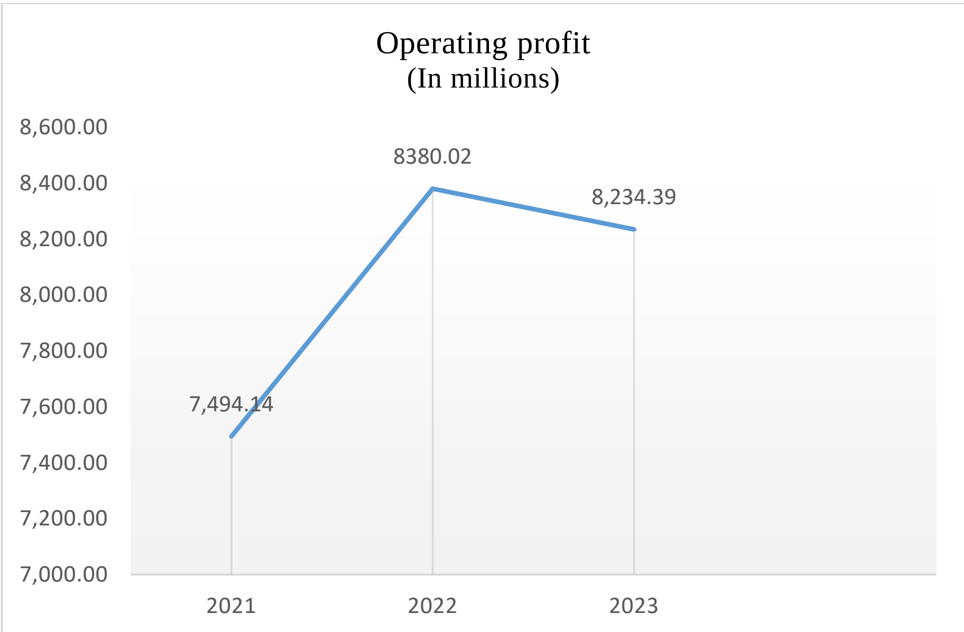


Figure 2: Operation profit (in millions)

The above figure2 represents AIBPLC's operating profit from the year 2021 to 2023. Operating profit has significantly increased in the year 2022 compare to the year 2021 which was 7,494.14 million but slight decrease is seen in 2023 which was 8,234.39 million.

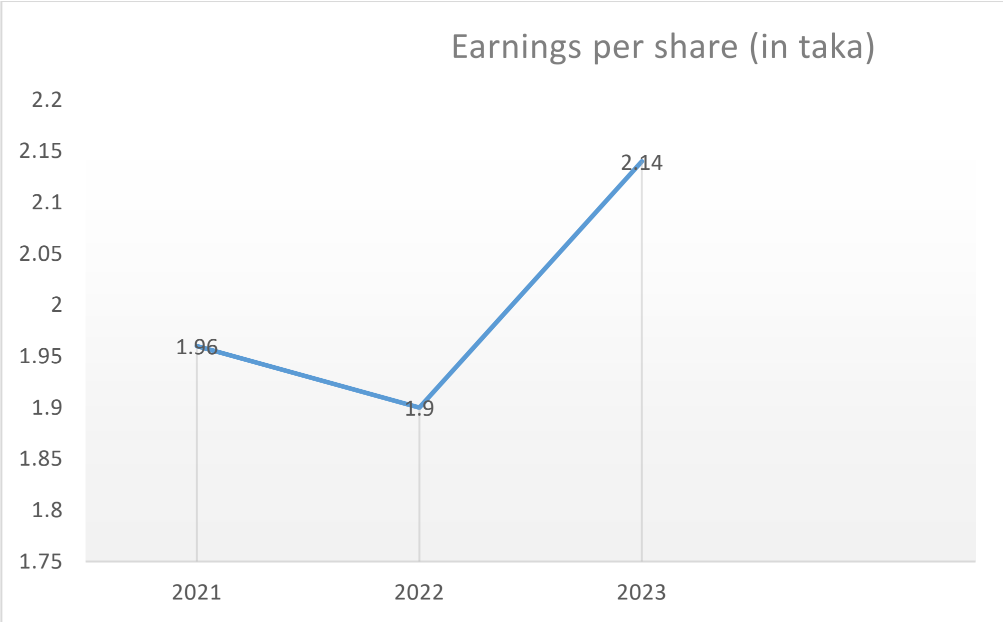


Figure 3: Earning per share (in taka)

From figure3, it can be seen that earning per share has risen significantly to 2.14tk in 2023 which was 1.96tk in the year 2021. In year 2022, 0.06tk decrease is seen in earning er share. Figure4 shows that banks deposit has also increased. Deposit rate seems to increase steadily over the years.

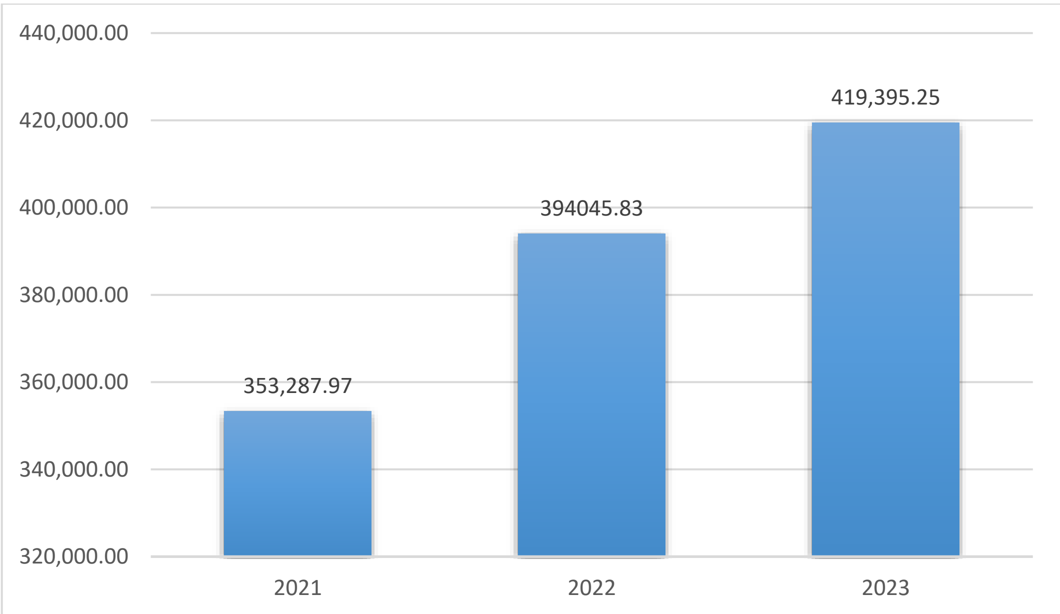


Figure 4: Deposit Growth (In Million Taka)

In 2023, deposit of the bank rose by Tk. 25,349.42 million that shows a growth rate of 6.43% against the year 2022. This indicates that the bank has successfully gained people's trust.

ROA

Return on Asset = Net profit / Total Asset *100

Return on asset (ROA) indicates if the bank is making an efficient use of its total asset to generate profit. Higher value of ROA indicates proper utilization of the total asset. In table2, ROA of 0.46% is seen in the year 2023 which is the highest ROA among all other years. 0.46% ROA means, the bank earns a profit of 0.46taka in net profit for every 100tk of total asset. Lowest ROA of 0.39% is seen in the years 2022 which indicates that the bank did not properly utilize its assets.

	2021	2022	2023
Net Profit	2356.48	2106.63	2126.44
Total Asset	462687.05	534756.11	573,308.83
ROA	**0.41%**	**0.39%**	**0.46%**

Table 2: Return on Asset (In Million Taka)

The table also shows, net profit is lower in 2023 compare to 2021 and higher compare to 2022. A steady increase is seen in total asset. The amount of total asset made a huge jump in 2022 where a growth rate of 16.04% in seen over the previous year. In 2023, a growth of 7.21% in asset is seen over the previous year.

ROE

Return on Equity = Net profit / Shareholder's equity *100

Return on Equity (ROE) indicates if the bank is making an effective use of shareholders equity to generate profit. Higher ROE is better as it indicates that the bank is efficiently using shareholders' funds. ROE is lower in the year 2022 which suggests inefficient use of shareholder's fund. But in 2023, ROE has risen significantly. 8.89% ROE means the bank earns 8.89tk in profit for every 100tk of equity.

	2021	**2022**	**2023**
Net Profit	2126.44	2106.63	2356.48
Shareholders' Equity	25,900.33	25,917.49	26,497.62
ROE	**8.21%**	**8.13%**	**8.89%**

Table 3: Return on Equity (In Million Taka)

Table3 also shows that shareholders equity has made a consistent growth throughout the years.

Economic Value Added Statement

The true economic profit of the company is measured by Economic Value Added Statement (EVA). It shows the amount of profit generated by the bank after covering the full cost of its capital. In table4, fluctuation of EVA over time is presented. EVA of the bank has risen in 2022, demonstrating that the earned profit of the bank was more than the cost of invested capital. On the other hand, EVA has declined in 2023, indicating that the earned profit of the bank was less than the cost of invested capital.

Particular	2023 (In Million Taka)	2022 (In Million Taka)	2021 (In Million Taka)
Shareholders’ equity	26,497.62	25,917.49	25,900.33
Total income	39,098.61	32,738.34	27,696.18
Total expenses	(30,864.22)	24,244.82	20,202.04
Corporate tax	(3,125.17)	3,157.38	2,712.12
Capital charge	(1,645.27)	1,597.35	1,597.35
Economic Value Addition	**3,463.95**	**3,738.79**	**3,184.67**

Table 4: Economic Value-Added Statement of AIBPLC

Market Value Added Statement

Particulars	2023 (In Million Taka)	2022 (In Million Taka)	2021 (In Million Taka)
Market Value of Total Equity	29,894.63	28,901.45	32,575.36
Book Value of Total Equity	26,497.62	25,917.49	25,900.33
Market Value Addition	**3,397.01**	**2,983.96**	**6,675.03**

Table 5: Market Value Added Statement of AIBPLC

Market Value Added (MVA) statement demonstrates the difference between the market value of the bank and the capital contributed by the shareholders. Among all the years, MVA is highest in 2021. This shows that the bank has created significant value for the capital providers. A big decline in MVA is seen in 2022, which suggests the bank was not using its capital effectively. A rise is seen in 2023, which is a good indicator for the bank’s financial well-being.

2.5.2 Accounting principle

AIBPLC follows the guidelines set by the Bangladesh Bank regarding accounting practices. The bank follows Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), which align with International Financial Reporting (IFRS) and International Accounting Standards (IAS) to ensure transparency, accuracy, and regulatory compliance in its financial reporting (Al-Arafa Islami Bank PLC, n.d.).

According to the VP & Operational Manager of AIBPLC, a double-entry bookkeeping system is employed by the bank, and accrual-based accounting is used to record all financial transactions. This means that income and expenses are recorded when they are incurred or earned, rather than when the cash is received or paid. The bank prepares an income statement, a statement of cash flow, and a balance sheet as its financial reports to track all transactions. These reports are subject to internal audit, as well as periodic external audit by a certified third-party auditing firm to ensure correctness and compliance with regulatory standards. The reports are shared on the bank's website for full disclosure. The VP & Operational Manager further described that AIBPLC uses the straight-line depreciation method for fixed assets, where the cost of an asset is averaged over its life. The procedure provides a formal and systematic means of depreciation, and the value of assets becomes more consistent in the long term.

2.6 Operation Management and Information System Practices

2.6.1 Operation Management

Operation management of AIBPLC is designed to be effective to deliver seamless services to the customer and efficient enough to maximize earnings. The operation manager makes sure to optimize all resources to generate favorable outcomes. The DMAIC process is followed by AIBPLC for operation management. DMAIC stands for define, measure, analyze, improve, and control. In the "Define" phase, an outline for the goals is generated by the senior management in cooperation with staff. The primary goal for AIBPLC is to serve customers to maximize satisfaction level. So, the outline revolves around achieving maximum customer satisfaction. In the “Measure” phase, data is gathered from statistical sources using quantitative sources. Then, in the “Analyze” stage, gathered data is examined according to the established standards to figure out if any improvement is needed for the current operation procedures. Upon finding problems in the current procedure, necessary measures are taken for improvement in the “Improve” stage of DMAIC. Lastly, the “Control” stage is concluded by setting up a monitoring system for tracking the implemented improvements.

2.6.2 Information System

In 2006, AIBPLC started its automation journey and in 2008, launched its online banking operation (Al-Arafa Islami Bank PLC, n.d.). Since then, the ICT division of AIBPLC has continuously worked toward transforming banking operations through digitalization, enhancing cybersecurity standards, and broadening digital services for customer. To ensure real-time processing of transection across all branches, AIBPLC uses centralized Core Banking System (CBS) (Al-Arafa Islami Bank PLC, n.d.). The CBS includes services like deposits, withdrawal, loan management, fund transfer, and customer information management.

AIBPLC uses “Ababil” software for its daily operations. This software ensures quality performance, security, and scalability. This software is use by all departments of the bank. “Ababil” software’s functions includes,

- New account setup as well as maintaining the currents ones.
- Complicated banking transactions are automated.
- This system is capable of supporting and processing transaction in various currencies for all service.
- The system can plan and manage debts by estimating repayments on loans.

- It has built-in fraud prevention measure and identity alteration detection tools which are useful for sending fraud alerts in emergencies.
- The system can calculate and distribute profits and revenues accurately among the stakeholders.
- The system can automatically generate detailed reports for organizations internal and external use.

Figure5 represents the user interface of the “Ababil” software.

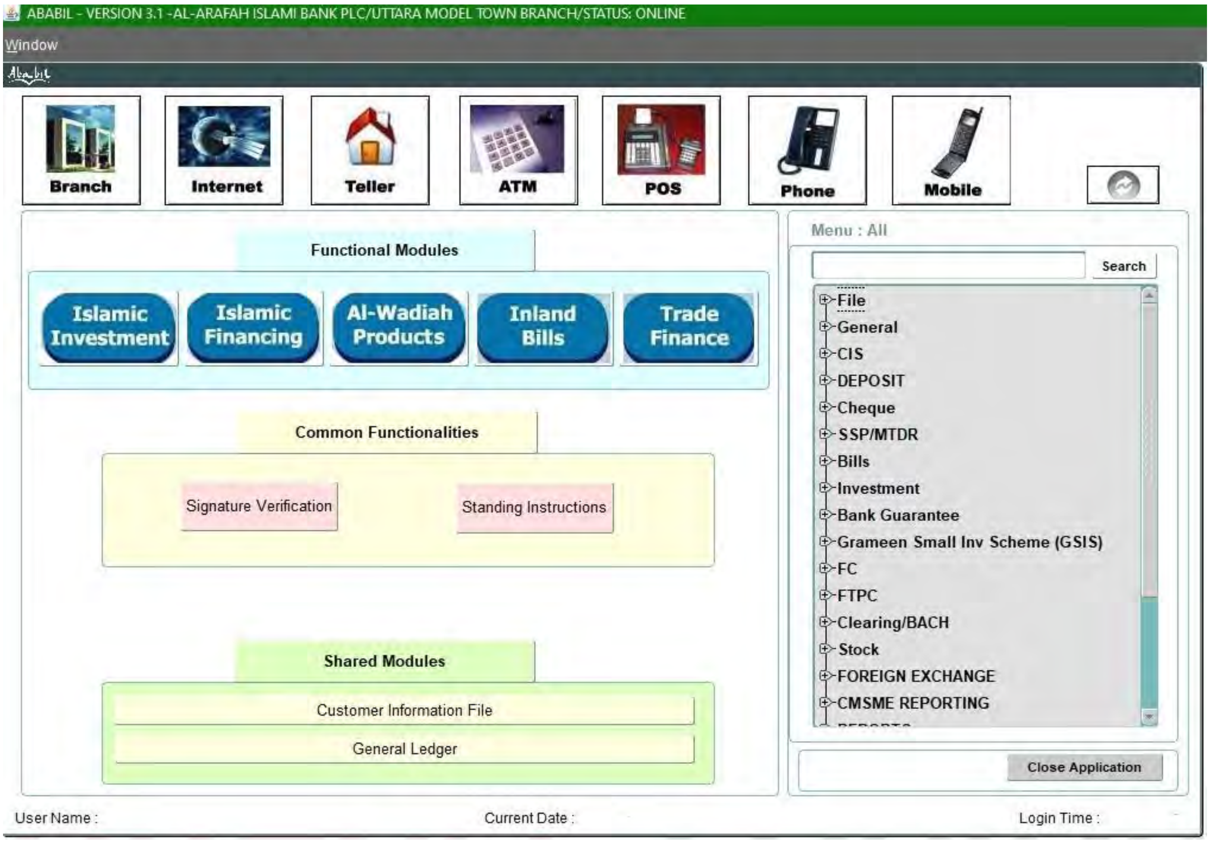


Figure 5: Ababil Software

Besides “Ababil”, various documents produced during transaction hours are managed using a software named “Docudex”. This software helps to centralize all documents, allowing any department to access them when needed.

2.7 Industry and competitive analysis

2.7.1 Porter's Five Forces

The threat of new entrant

The chances of new banks entering the current market is low due to the regulatory barriers set by the Bangladesh Bank. Aside from regulatory complications, establishing a bank demands a large amount of capital investment, making entry into the market both financially and operationally challenging. Furthermore, the current political instability is making Bangladesh less attractive for new ventures.

Bargaining power of supplier

For banks, suppliers include tech service providers and depositors. The bank has an in-house tech division, which reduces dependency on outsiders. However, if external support is needed, the availability of multiple service providers ensures flexibility and bargaining power for the bank. On the other hand, depositors have moderate influence on the bank, as switching costs are low, depositors can easily switch to institutes offering better interest or service.

Bargaining power of buyer

Customers of banks hold significant bargaining power over banks. Due to the low switching cost, customers will swap to other Islami banks if they are offered better interest and better customer service. Corporate clients hold more bargaining power than individual clients, as they often take out large loans.

Threat of substitute product

The threat of substitute products is high for the banking sector. Non-bank financial institutions such as bKash, Nagad, and others serve as an alternative for many banking services. These fintech platforms have made the financial services more accessible to the unbanked population, which is a threat to the traditional banking system.

Competitive rivalry

Competitive rivalry among existing banks is high. Currently, 10 banks are providing Shariah-compliant banking services, while several other conventional banks are trying to establish Shariah-compliant banking divisions. Therefore, competition is intense in the Islamic finance sector. Additionally, the existence of 33 conventional private commercial banks further contributes to the highly competitive market.

2.7.2 SWOT Analysis

Strength

- AIBPLC has a strong internal audit team. Every commercial and ADI (Authorized Dealer) branch has an audit officer stationed in order to oversee every activity of that branch. Any misconduct found is reported to the head office, and immediate action is taken.
- ·AIBPLC exhibits rapid action to the complaints received from both the employees and customers. The resolution period depends on the intensity of the issue. A minor issue is usually addressed and fixed within a single working day. In case of a complex issue, the resolution can take up to 7 days.
- Strong leadership skill is demonstrated at AIBPLC. The officers of high level always ensure that the activities inside the bank are on the right track. The operation manager makes rounds on the floor to monitor employees work and checks with customers if they are having any problems with the services.
- ·AIBPLC is training and development orientated. After joining, each employee is given one month of mandatory training and later given training based on their needs. This

helps them demonstrate proper behavior towards customers, leading to customer satisfaction, as well as eradicates office disputes between colleagues.

- AIBPLC's choice of location for branches is very strategic and excellent. They have high visibility even in the suburbs. For instance, as Banani, Gulshan, etc. are busy commercial zones, there is a high frequency of corporate clients.
- AIBPLC always puts emphasis on customer satisfaction. To ensure that they employ an adequate number of employees for customer service. Thus, long wait lines can be avoided for customers to get their desired service. So, customer satisfaction is achieved, and the bank gets a loyal customer. Not only the customer service but also AIBPLC's reputation as a top Shariah bank ensures customer loyalty from those who are drawn to Shariah banking.
- Islamic Wallet by AIBPLC is unique as it is based on Shariah policies. It has all the necessary features for a consumer, and the best part is its security is robust.
- Through an impressive position both in terms of liquidity as well as high load recovery rate, AIBPLC projects strong financial stability. During the unstable economy due to the July movement in 2024, while most banks were struggling to maintain sufficient cash flow, customers at AIBPLC were accessing their funds without any disruption as AIBPLC successfully ensured liquidity.

Weakness

- Number of employees in the IT department at AIBPLC is insufficient. This deficit in workforce causes delays and inefficiency in operational demands. This also places additional pressure on other employees, which affects the overall service quality.

- As AIBPLC follows Shariah banking, their interest is not fixed. For example, interest in the case of FDR varies from 9% to 12%. This demotivates people who desire high interest returns.
- Marketing activities of AIBPLC are weak. They rely on traditional marketing tactics such as TV, and newspaper ads and hanging banners. Those tactics are not effective enough to attract new customers in modern days.
- To open an account AIBPLC uses traditional forms rather than computerizing the process. The traditional forms are lengthy and consume large space.
- In a few cases, higher-level officers are recruited from outside of AIBPLC rather than promoting the internal forces. This action demoralizes the internal workforce.
- Recruiting top-level management from outside can cause disruption in the operation, as they are not familiar with the Shariah banking policies. The bank may fail to take any timely actions because before implementing any decisions, the top-level officer first needs to learn the structure of Shariah banking.

Opportunity

- Rural areas of Bangladesh are the untapped market for banks. Opening branches there and promoting and educating people about the benefits of Shariah banking would attract more consumers for AIBPLC since people in rural area tend to be more religious.

- AIBPLC can work on the improvement of security and usability of the Islamic Wallet as the upcoming generation will be heavily reliant on the internet and devices like tablets and smartphones rather than visiting the branch. This will help them gain new customers in addition to the current ones.

- AIBPLC can aim for a cooperative venture with a conventional bank to develop new a product. Forging more cutting-edge and diverse Islamic financial services and products will bring more appeal to the customers.
- AIBPLC can support women entrepreneurs and government agencies that work with women-led enterprises. This will broaden the customer base and expand their reputation as a socially involved bank.
- It can be seen that about 9.60% has been invested in Cottage, Micro, Small, and Medium Enterprises (CMSMEs) by the overall Islamic banks. This can widen the scopes for investment and be a bridge to grow the customer base.
- AIBPLC's primary sectors for Corporate Social Responsibility (CSR) are education, health, disaster management, food security, shelter, and cultural activities (Al-Arafa Islami Bank PLC, n.d.). In 2023, AIBPLC spent 513.20 million on CSR. The CSR sector can be expanded more to youth development, financial literacy, and environmental sustainability (Al-Arafa Islami Bank PLC, n.d.). This shows their commitment to social welfare and will enhance its reputation as a responsible organization serving the community.

Threat

- Banks of Bangladesh are interrelated. Any shrewd criticism of one bank can bring the reputation of other banks under scrutiny as well. For example, the scandal revolving around Islami Bank Bangladesh has created doubt among individuals, leading to a loss of trust in other Islamic banks as well. Such events can cause serious damage to the bank.

- Bangladesh Bank is always monitoring and implementing new policies for the private banks. Sometimes the new policies do not align with Shariah banking. Consequently, the bank may face significant setbacks in its operational activity.
- From a security perspective, banks of Bangladesh are weak. Banks are inclined to financial fraudulent activity such as laundering of funds, financial scams, computer hacking, and terrorism funding. These immoral actions lead to a decline in consumers' trust.
- Due to the unpredictability of the foreign exchange market, exchange rates are prone to shifting. This happens due to the existence of war and political, and economic crises throughout the world. The foreign exchange department of AIBPLC is widely impacted by the shifts in exchange rate.

2.8 Conclusion

AIBPLC has positioned itself as a leading Shariah-compliant bank among its competitors. The bank has highly trained employees who provide exceptional services to the clients. The employees make customers from all walks of life feel valued and supported. It provides a wide range of financial services alongside a competitive interest rate to maintain strategic edge in the market. Internal audit is one of the notable strengths of AIBPLC, where they use an in-house developed audit software to closely monitor the activities of all departments. The banks strong profitability reflects that its operational efficiency, superior customer service, and a loyal customer base. Furthermore, AIBPLC is constantly monitoring and implementing rules and regulations to strengthen its position in the industry.

2.9 Recommendation

- AIBPLC can lower the consumption of paper and enhance digitalization efforts to practice eco-friendly habits. Then will make the bank standout among competitor and can gain new customers who are environment conscious.
- AIBPLC should focus more on its marketing strategy to increase its brand recognition. Particularly focus on digital marketing rather than traditional means of marketing.
- In rural areas there are many potential customers who lack knowledge on banking. AIBPLC can deploy dedicated representations who will go there and deliver financial knowledge. This effort will lead to gaining new customers and increase brand recognition.
- AIBPLC should develop a comprehensive disaster management plan to address cyber-attacks, and liquidity problems for quick recovery. This will safeguard sensitive data, ensure operational continuity, and reduce monetary damage.

Chapter 3: Customer Perception on Banking app

3.1 Introduction

The emergence of digital technology has significantly transformed everyday life; this influence is not only limited to individual behavior but also changed the operational mechanism of businesses across industries. The digital revolution has brought FinTech which has disrupted the traditional financial services (Marinkovic et al.2022). As a result, banks were not the sole provider in the financial sector and had to look for solutions to meet the rapidly evolving expectations of the customer and retain competitive edge. In response, banks integrated digital services into their operation through websites and mobile application. This paper will solely focus on mobile applications offered by the banks. Consumers are intrigued by mobile applications as they offer several advantages over traditional banking service such as availability, mobility, and time-saving etc. Banking applications have surely made enormous changes in customer's life but it still remains a matter of ongoing research. Particularly in term of usability, consumer satisfaction, and perceived value. These factors are highly dynamic driven by technological innovation and changing user expectation.

This paper will examine user experience to evaluate the effectiveness of banking applications. A structured survey was distributed among app users of various banks to gain insight into their perceptions. By analyzing the collected data, the paper aims to understand customers perceptions, challenges, and satisfaction levels of the banking app they are using and make recommendations for improving mobile banking apps to enhance user engagement and fostering long-term customer retention.

3.1.1 Literature review

The use of mobile banking has raised more interest among scholars particularly as regards to usability, satisfaction and trust. According to Alhejji et al. (2022), among the main usability concerns, regarding Saudi banking applications, there are interface problems and poor customer support. Responsiveness and convenience, as well as perceived security, proved to influence user satisfaction to a significant degree in the Bangladeshi context (Bashir et al., 2023). Perceived security and trust are the main factors of app adoption. According to what was answered by Apau and Lallie (2022), the user intention is strongly related to trust in the system and does not depend on risk perception when it is low. On the contrary, Waliullah et al. (2025) found that existing cybersecurity risks, such as phishing and data breaches discourage the further use of the technology, suggesting that it should add more encryption and target user security. One relatively exciting approach to creating engagement has been gamification. Rewards and interactive feedback present features that increase retention of the user, according to Prasetyaningrum et al. (2024). That is corroborated by Hentati and Jallouli (2025), who considered that gamification increases user experience, motivation. Ceraa and Khan (2024) further said that it helps enhance adoption because apps become more pleasant and goal-related. Moudud-Ul-Huq (2021) pointed in Bangladesh at the advantages of digital innovations such as the easier interfaces and quicker login systems, which enhance satisfaction and loyalty. This justifies the necessity of constant optimization and an orientation to users to be competitive in designing apps.

3.1.2 Objectives

- To assess customer awareness and familiarity with the apps offered by the banks.
- To understand customer satisfaction level with the overall experience with the mobile banking app.

- To identify the challenges faced by the customer and the benefits they are experiencing while using the app.
- To suggest improvements for the effectiveness of mobile banking app.

3.1.3 Significance

With technological advancement, banks have successfully integrated digital banking services into their operations, particularly mobile banking applications. This study aims to understand customers perception of the current functionality of mobile banking apps and customers expectations for future growth. Firstly, the study will shed light on the extent of the user's familiarity with the app and level of interaction with the app. This analysis will help to understand digital adaptation by the user. Secondly, users' overall satisfaction regarding the app performance will be evaluated to understand whether customer loyalty is associated with satisfaction levels. Thirdly, the primary driving factor behind the usage of the app will be identified alongside the challenges faced by the users. Lastly, the user-suggested features that can enhance the effectiveness of the app will be explored. The findings of this study will help banks to take necessary measures to improve the design and functionality of the app to boost user satisfaction and loyalty and create a long-term engagement.

3.2 Methodology

For the study a quantitative research approach was adopted. A structured survey questionnaire was distributed among 50 respondents to gather primary data. The respondents were of various professions who use banking apps for different functions. The sample size of 50 was considered appropriate for this research, as it covers a wide range of people aged between 18 and above 56 from various professions who use the app. It also considers the experience of both new and long-term users. Moreover, this sample size ensures manageability within the given time period and resource constraints while providing sufficient and quality data. The survey consisted of a total of 25 questions which were divided into five sections. Through each section customer awareness, satisfaction, usability challenges, benefits, and customer expectation from the mobile banking Descriptive statistical techniques were used to analyze the collected responses, helping to pattern them and synthesize major findings. Apart from primary data, secondary research was conducted through a review of relevant academic journals, and published articles. This secondary data assisted in developing contextual insights and recommendations toward improvement of effectiveness of mobile banking applications.

3.3 Findings and Analysis

The overview of the research is discussed in this section. First, demographic of the respondents will be explained. The majority of the participants belonged to the age group of 26 to 35 (66.6% of all respondents), and 22.4% belonged to the age group of 35 to 45. Majority of the respondents were male (66.7% of all respondents). This suggests gender disproportion in the usage of banking app. Almost 66.7% of the respondents were service holders and most of them had been using the app for 1 to 3 years (42.4%). Table6 summarizes the demographics of the respondents.

Category	Percentage
Male	66.7%
Female	33.3%
18-25 years	8.1%
26-35 years	63.6%
36-45 years	21.2%
46- 55 years	5.6%
Above 56 years	1.5%
Service holder	66.7%

Student	10.1%
Self employed	20.2%
Retired	3%
Less than 6 months	9.1%
6 months to 1 year of usage	15.2%
1-3 years of usage	42.4%
3-5 years of usage	15.2%
More than 5 years of usage	18.2%

Table 6: Socio demographics of the respondents

The demographic presented in Table6 had to go through a structured questionnaire consisting four sections. Each section represented separate element regarding respondents' interaction with banking applications. Following is the brief discussion of each section.

3.3.1 Customer Awareness with the App

This section will unfold how respondents first came in contact with the app, their familiarity with the privacy policy, and the most used feature by them. It was found that most of the respondents first came to know about the banking app through the bank's representative (33.3%). The proportion is relatively lower for awareness through internet/social media (24.2%) and advertisement (18.2%). This suggests that the marketing process of the banks needs further improvement.

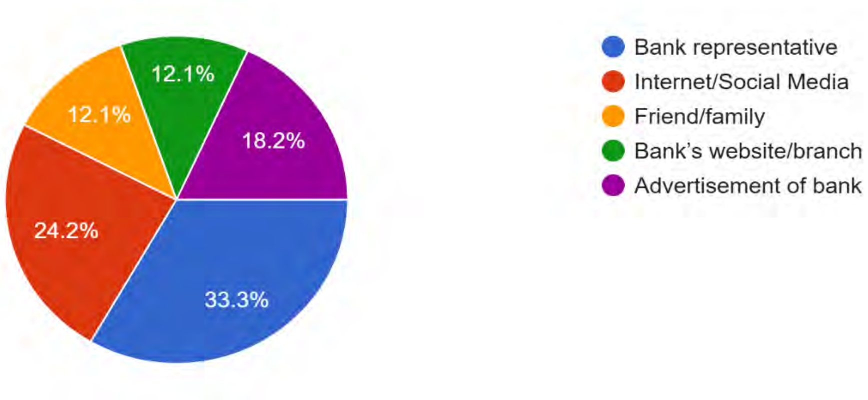


Figure 6: Initial discovery channels for the banking apps.

When asked about the knowledge of the features offered by the app, a large share of participants (63.6%) declared that they are familiar with most of the features. Only 6.1% of participants were not aware of the feature, and they used the app minimally. On the other hand, 30.3% of respondents use the app for standard features. Upon further investigation, it was revealed that the most used features were bill payment and recharge (70.7%), fund transfer (64.60%), and checking account balance (52.50%).

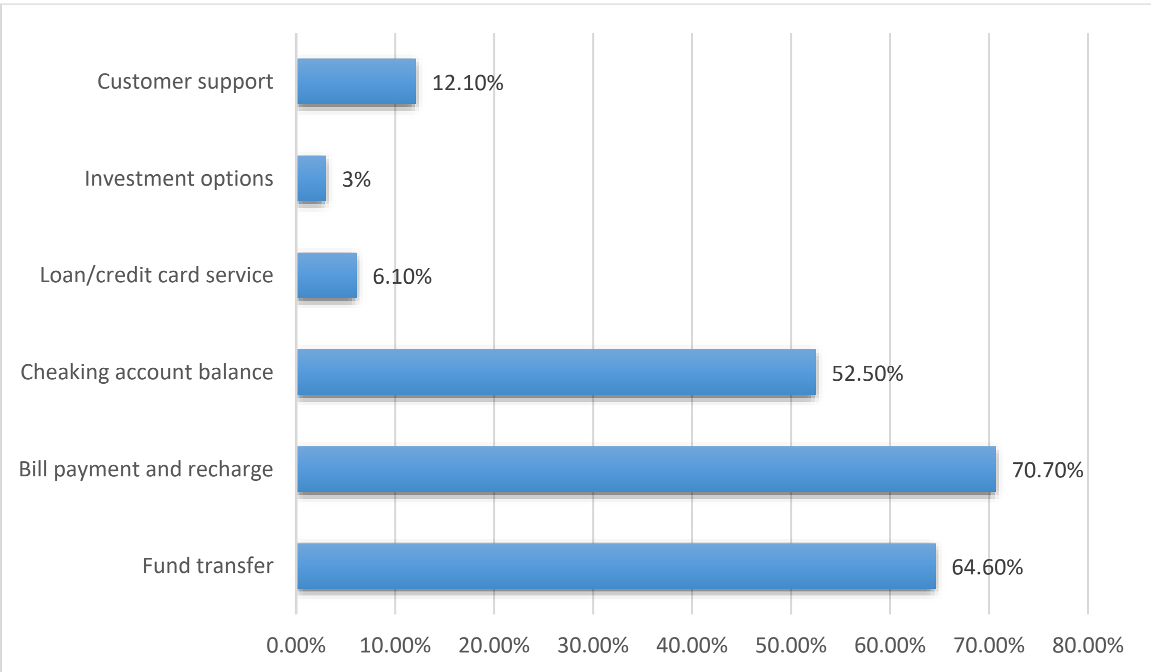


Figure 7: Usage frequency of the features

The figure7 represents the usage frequency of features offered by the banking apps. Furthermore, the inquiry into user's knowledge of the apps data privacy policy led to a result of only 36.4% who had read the privacy policy, 54.5% admitting that they only skimmed through the privacy policy, and 9.1% stated that they had not reviewed it. This suggests that a significant number of users ignore the information regarding privacy policy and this can lead to violation of terms and conditions by the user or exploitation of terms and conditions by the banks to their advantage.

3.3.2 Customer usage satisfaction

In this section, user's satisfaction regarding the apps various functional aspects will be evaluated. A proper understanding of user satisfaction is crucial since satisfaction level is associated with customer retention and loyalty. At the outset, participants were asked to rate the apps interface. The findings revealed that a large number of participants (45.50%) stated that it was easy while 21.20% participants found it very easy to use. Conversely, only a few segments of participants found the interface very difficult (3%) and difficult (6.10%) to use. The proportion of participants who remained neutral on their opinion with the interface usability is 24.20%. Figure8 is a graphical representation of participants opinion.

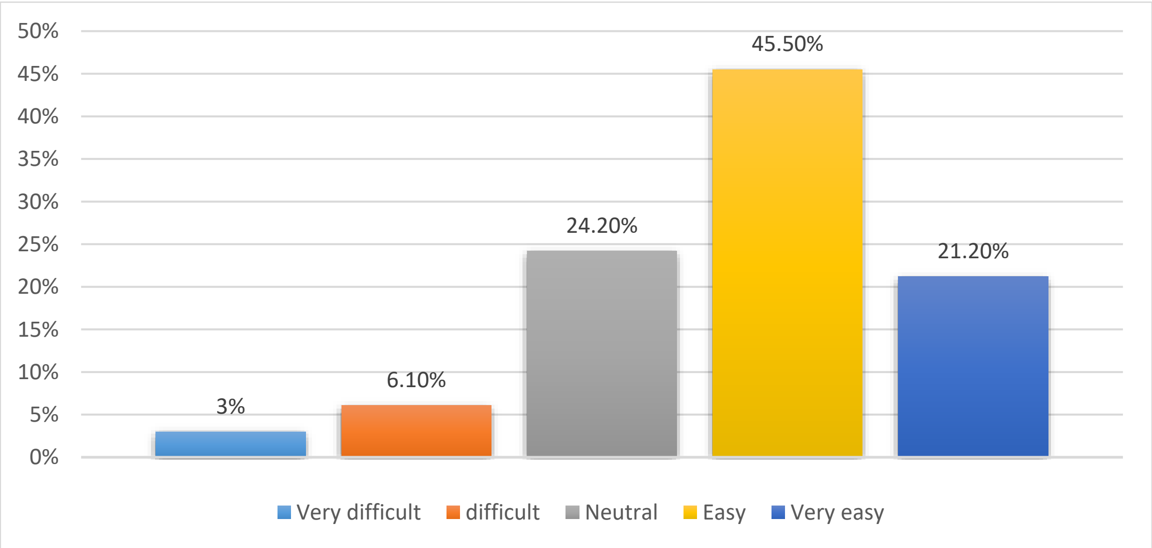


Figure 8: App interface rating

Users' perception of the apps loading speed and performance as well as security features (OTP authentication, fraud alert) is presented in the figure9. In both cases, a significant number of users showed a positive experience - 42.40% rated the apps' loading speed and performance as good and 45.50% rated the security feature of the app as excellent. The result reflects a favorable level of satisfaction, and a sense of trust and confidence in the apps security functions. Notably, neither aspect was rated very poor by the participants. These findings

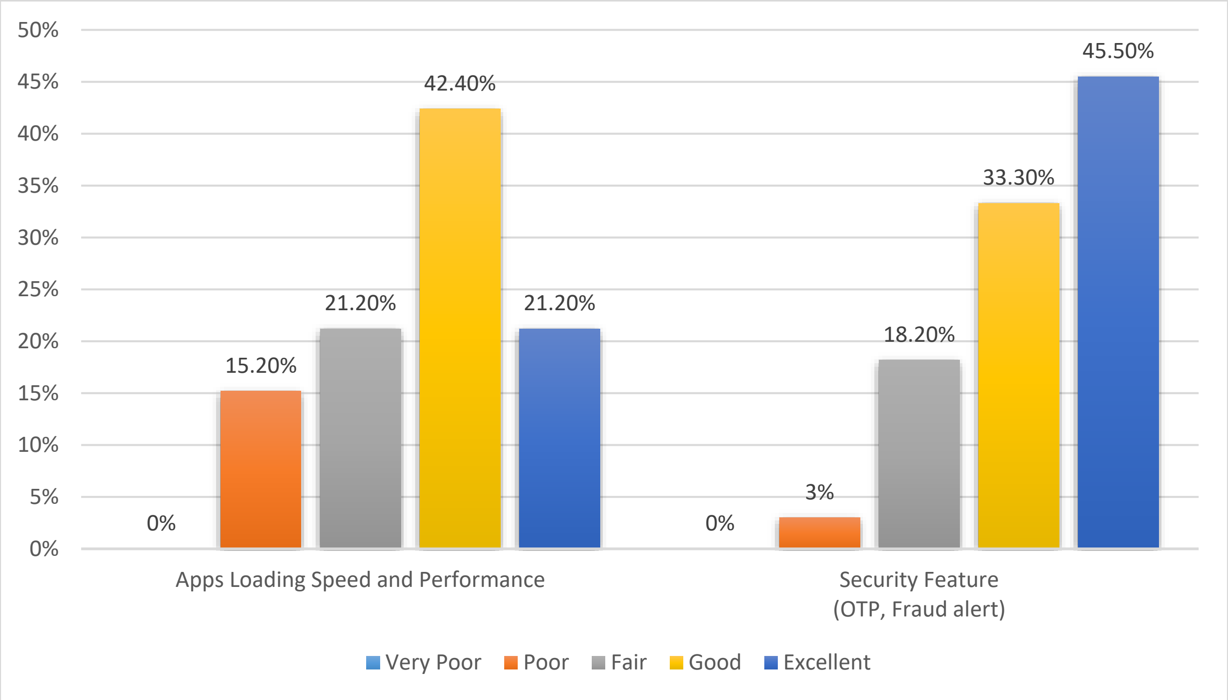
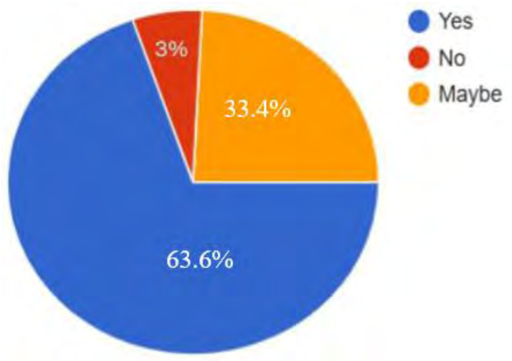


Figure 9: Rating of apps loading speed and performance, and security feature

implies that the app is performing well in the context of loading speed and performance, and security. Further analysis showed that 63.6% of the participants showed an overall satisfaction with the app's performance, while 33.4% recommended some improvements for the app. Conversely, only 3% of the respondents exhibited a negative response, indicating



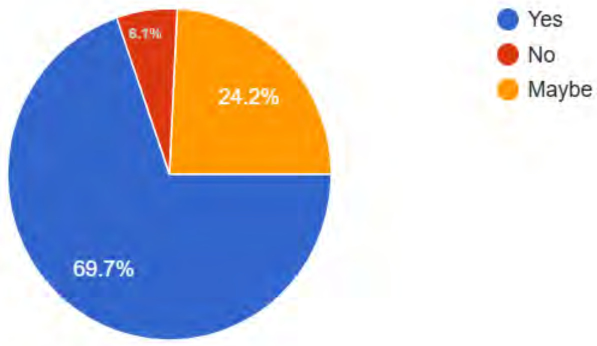


Figure 10: Apps performance rating *Figure 11: Recommendation rate*

dissatisfaction. Finally, upon asking whether the participants will recommend the app to others, only 6.1% showed negative response where a majority of 69.7% respondents demonstrated a positive response while 24.2% remained unsure of their action.

3.3.3 Challenges and Benefits of the App

This section will take a closer look at the perceived benefits and challenges dealt with the users of the banking app. Understanding the advantages and limitations is important as digital adaptation within the banking sector is growing continuously.

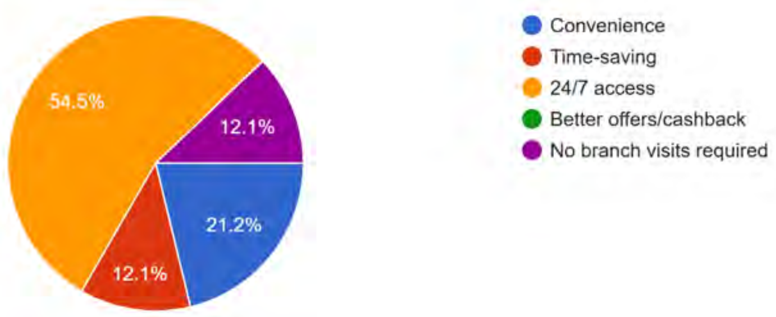


Figure 12: App usage purpose

Firstly, to understand the primary reason for the usage of an app, respondents were asked to identify the reason for using the app. As shown in figure12, the majority of respondents (54.5%) stated that they use it for 24/7 accessibility, followed by no branch visitation (21.2%).

Additionally, both time-saving and cash back offers were reported as 12.1% and 12.1% by the respondents as motivation for using the app.

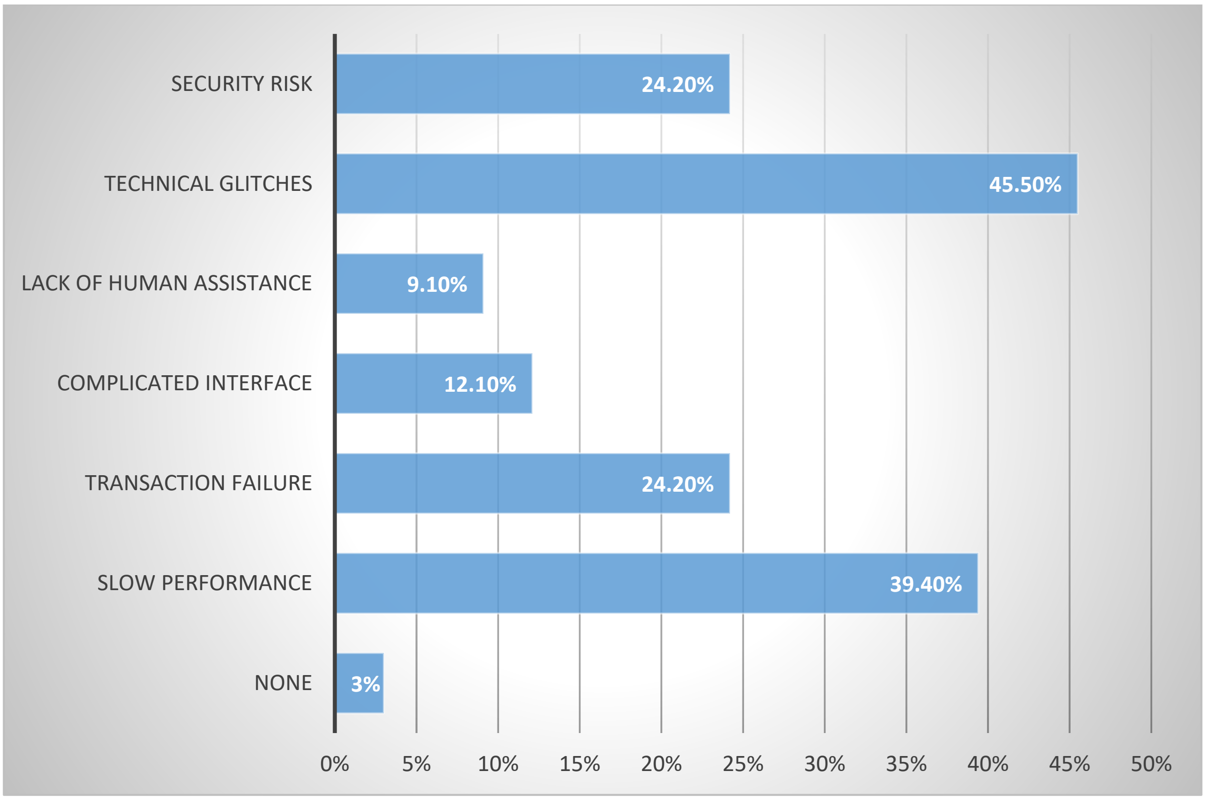


Figure 13: App related challenges

Subsequently, respondents were asked to pinpoint the challenges they experienced while using the app. The figure13 reveals the result. It was seen that users experience most challenges in technical glitches and slow performance. Other commonly reported challenges, in descending order, were security risk, transaction failure, complicated interface, and lack of human assistance. Significantly, only a minority of 3% of the users did not encounter any challenges at all. This indicated that the majority had encountered some form of issue.

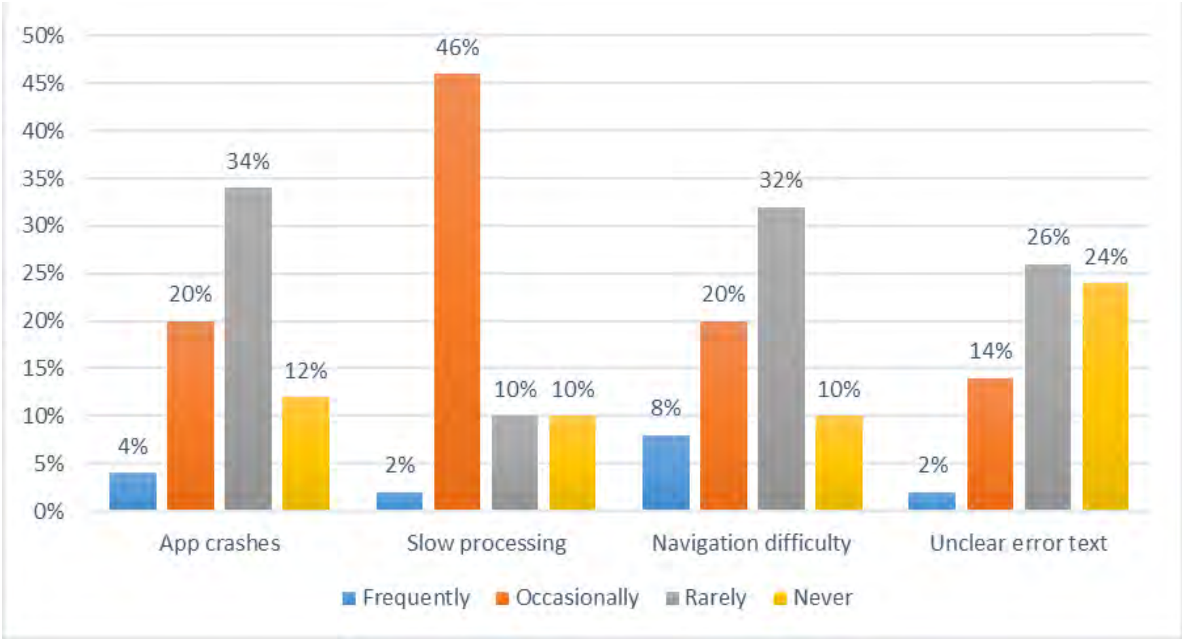


Figure 14: Frequency of some common challenges

For deeper understanding of the frequency of technical issues, responses on some commonly faced challenges, such as app crashes, slow processing, navigation difficulty, and unclear text, were assessed. The findings in figure14 showed that only 12% of users never encountered app crashes, but a total 58% of respondents faced some form issue. Indicating it is not a consistent problem. The most common issue occasionally faced by the respondents was slow processing (46%). The results indicated performance improvement is needed. A total of 60% (frequently, occasionally, rarely) of respondents faced navigation problems, suggesting a need for better UI/UX design. Conversely, unclear error texts often displayed in the app were the least problematic issue, as 24% never experienced them, 26% experienced them rarely and only 14% experienced them occasionally.

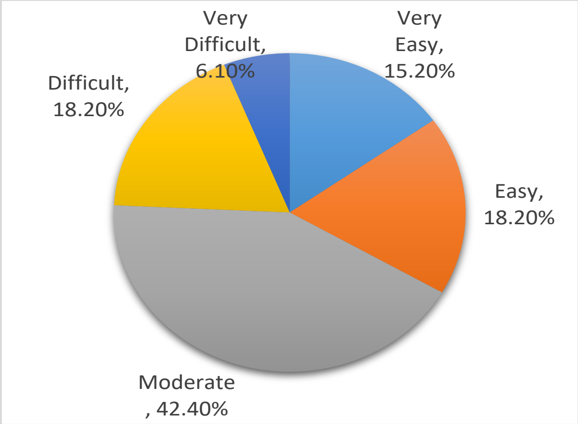


Figure 15: Ease of Problem resolution

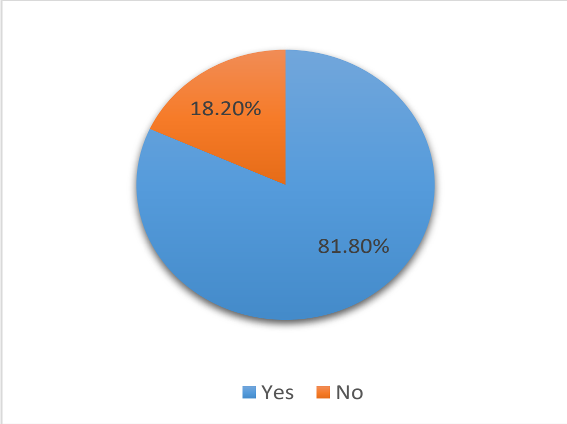


Figure 16:Response to complaints

Mixed results were found regarding the ease of issue resolution. A majority of respondents (42.4%) rated the resolution issue as moderate, while a combined 33% found it easy or very easy to resolve. However, 6.1% reported the resolution to be very difficult, and 18.2% rated it difficult to solve, indicating support inefficiencies. Later, respondents were also asked if the bank had given a proper response when complaints were submitted regarding the app. The result is reflected in figure16, a large number of respondents (81.8%) expressed that the bank responded well to the complaints, while 15.2% showed negative response with the support they received.

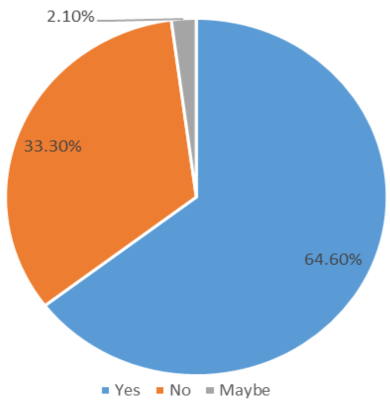


Figure 17: Activation inconvenience

Finally, in the beginning of the survey, respondents were asked whether it was inconvenient to visit the bank to activate the app. A multitude of respondents (64.60%) found the visitation to be a hassle, while 33.3% of respondents did not find it problematic, and 2.1% remained unsure. This was an indication toward digitalization of the onboarding process.

3.3.4 Improvement Suggestion for Effectiveness of the App

This section will explore users' perception on the possibilities of potential improvements of the app and whether any further improvement is necessary to align with evolved user expectation.

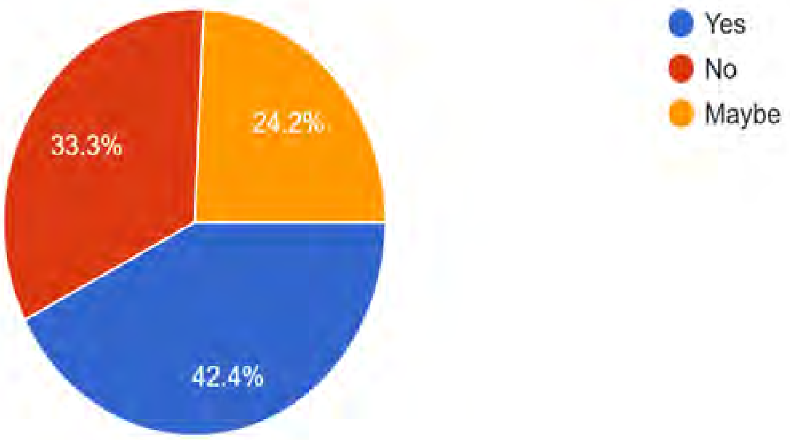


Figure 18: Willingness to switch banks.

First, participants were asked whether they would switch to another bank if offered a better banking app. As illustrated in figure18, 42.4% of the respondents demonstrated a willingness to switch, whereas 33.3% of the respondent's showed loyalty to their current bank. Meanwhile, 24.2% of the respondents were undecided about their action. This clearly indicates that the current performance of the app is generally satisfactory, but improvements are crucial for customer retention and competitive positioning in the market.

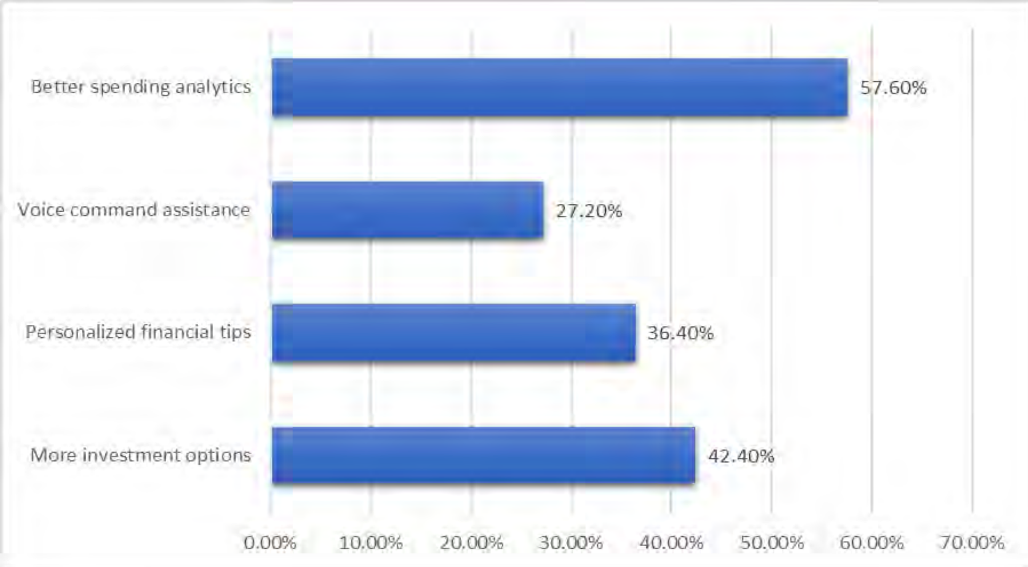


Figure 19: Desired app features

For further investigation of preferred areas of improvement, respondents were given a list of additional features to rate their usefulness. The fixed set of choices was better spending analysis, voice command assistance, personalized financial tips, and more investment options. The result was seen in the figure19. Respondents rated better spending analytics as their most desired feature (57.6%). This was followed by interest in the inclusion of more investment options (42.4%), personalized financial tips (36.4%), and voice command (27.2%). These responses indicated an increasing demand for a more personalized, insight-rich, and interactive banking experience.

In addition to rating predefined options, respondents were welcomed to give open-ended suggestions regarding improvement of the app and its associated services. Key recommendations were,

- To address app-related issues in a better way, enhanced training for the customer service center employees is necessary.
- Increase awareness of the usage of various app features through advertisement.
- During network outage, enable offline functionality of selective features.

- Implementing convenient features like “tap to pay” to enhance transactional ease.
- Simplification of overall user interface for better navigation and accessibility, notably for less tech-savvy users.

3.4 Conclusion

This study aimed to assess user perception of mobile banking applications in terms of application, preference, and expectation. The result of the survey showed a favorable response toward banking apps, particularly in accessibility, user satisfaction, and security features. A successful digital integration was noticed by the user’s utilization of the app for 24/7 convenience and avoidance of branch visitation for basic banking services. However, several crucial challenges were identified that affected user experience, for example, technical glitches, slow performance, navigation difficulties, and issue resolution support. These issues were not major but pointed toward the scope for improvement in app performance, user interface, and support from customer service. The study also highlighted the significance of continuous improvement of the app in order to retain customers and to gain a competitive edge in the market, as customers show an intension of switching when offered a more optimized app.

In conclusion, a customer’s perception toward the current version of the app may seem adequate, but enhancements in both user support and core features are essential in meeting the rising expectations of the customer and to promote long-term user engagement.

3.5 Recommendation

From the analysis of the study, it was revealed that customer perception toward the currently available app is acceptable, but it is not sufficient to retain customers, as with technological advancement customers’ expectations change.

This section will propose several strategic recommendations to amplify the overall potency of the currently available apps.

Some of the most frequently reported technical issues are found to be app crashes and slow loading times. Therefore, an essential next step should be to confirm periodic system upgrades, server optimization, and technical audits to address and solve these issues. This action will improve user satisfaction and reduce frustration. Coupled with enhanced training for customer service representatives is also a definite need to make them well equipped to tackle any technical queries. Moreover, many users are unaware of all the features offered by the app. Promoting app features through advertisement, in-app tutorials, and user guides will be highly beneficial in encouraging broader feature adoption. In addition, a large portion of users found branch visitation inconvenient. There is, therefore, a definite need for the implementation of a fully digitalized onboarding process to reduce entry barriers and refine user experience. There are a number of important features and enhancements that can be suggested to provide customers with a superior experience. Primary services such as balance viewing or transaction history viewing should be made available offline during temporary network outages. Demand for personalized and insightful features such as spending analytics and financial tips is high. Hence, implementing AI to provide personalized services and predictive financial needs will strengthen user engagement and satisfaction (Khemiri & Jallouli, 2022). Also, implementing voice command to avail the features will encourage less tech-savvy customers to use the app. To make apps more engaging and boost regular usage, gamified elements like rewards upon reaching the saving goals or spending challenges can be implemented. Furthermore, convenient features like ‘tap-to-pay’ can also be implemented to facilitate quicker and easier transactions. Additionally, incorporating biometric authentication such as ‘fingerprint scanning’ will strengthen security and can elevate user experience.

The study had a sample size of 50, which was adequate given the limited time period and resources but cannot capture the perspective of all the users of mobile banking apps. The geographical position of the participants was limited to Dhaka as well as limited to a few selected private banks. So, the result can vary when other regions and banks are taken into consideration.

In the future, by taking a larger and more diverse sample size, a broader perception of mobile banking users can be analysed. Research can also compare customer experiences across different banks and regions to differentiate service quality. A bank can conduct this research to identify its shortcomings and strengths to further improve its mobile banking services. Additionally, future research can explore the possibilities of the inclusion of technologies such as artificial intelligence.

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