

Report On
“Mystery Shopping” – An effective tool for quality assurance.

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelors in Business Administration

BRAC Business School
BRAC University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our 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.

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Letter of Transmittal

Mr. Riyashad Ahmed
Assistant Professor & Executive MBA Coordinator,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: The submission of internship report on **“Mystery Shopping” - An effective tool for quality assurance.**

Dear Sir,

With your guidance and support, I am hereby presenting my internship report where I discussed about an interesting survey method called ‘Mystery Shopping’ and detailed my findings while I conducted such a survey on behalf of my employer Lankabangla Finance Ltd.

This report has certainly widened my knowledge and gave me a first-hand experience on different methods regarding customer survey. I have attempted to the best of my abilities to complete the report with my acquired knowledge and the necessary data in a significant, compact and comprehensive manner as possible.

Sincerely yours,

Ahmed Kamal Hasin
ID: 16304078
BRAC Business School
BRAC University
Date: June 13, 2021.

Non-Disclosure Agreement

This agreement is made and entered into by and between Lankabangla Finance Ltd. and the undersigned student at BRAC Business School, BRAC University.

Ahmed Kamal Hasin.

Acknowledgement

I would like to thank the Almighty for keeping me healthy and giving me strength during my internship period. Specially during the pandemic, it was challenging and risky yet I am grateful that I was able to pull this off.

At the beginning, I want to convey my heartiest gratitude towards my honorable intern supervisor, Mr. Riyashad Ahmed who has given me guidance, support and a lot of helpful suggestions and tips that aided me in completing my report.

Moreover, I would like to express my gratitude and appreciation to all the people that acted as my guide during my tenure at Lankabangla Finance. Firstly, Mr. Zahidur Rahman, Head of contact center who assigned me my roles and also shared with me his wonderful insights about many market related issues. Next, I would like to thank my trainer, Ms. Naima Alam who took time out of her busy schedule to give me one on one training and teach me about different products of LBF.

Finally, I cannot show enough towards my in-house supervisor, Yeasin Arafat who was always by my side and basically taught me the ins and outs of the roles I had to play during my internship.

Before ending I want to say that I am glad to have had the opportunity to work in such a prestigious institution as Lankabangla Finance Ltd.

Executive Summary

NBFIs or non-bank financial institutions are an integral part of a country's financial sector. They are not fully licensed as regular bank however, they still facilitate many other financings such as investment, brokering, consulting, transmission of cash etc. Therefore, they have equal significance in the financial industry. As such, all NBFIs are also bound to go by the mandates of the central bank just like any other schedule bank. In order to maintain optimal functionality and retain customer loyalty and most importantly their trust, all the successful NBFIs implement different measures to improve their quality of service. Along with that they regularly monitor if their implementations are being maintained or not. One such monitoring activity is a customer service/satisfaction survey that is often conducted in the form of 'Mystery Shopping/Auditing'. This report gives a brief demonstration of how Lankabangla Finance Ltd. utilizes Mystery Shopping as a method to scrutinize their customer service level across all its branches and from its feedback continues to improve themselves. This report shows that in terms of quality control and dealing with customers LBF always puts extra effort that establishes their reputation in the industry on a high ground which in turn helps them become one of the top NBFIs in Bangladesh.

Keywords: Financial institution; Schemes; Survey; Customer service; Mystery shopping.

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List of Acronyms

LBF – Lankabangla Finance

FI – Financial Institution

NBFI – Non banking financial institution

B2C – Business to Consumer

BEFTN – Bangladesh Electronic Fund Transfer Network

BoP – Base of Pyramid

Chapter 1

Overview of Internship

1.1 Student's Information

I am Ahmed Kamal Hasin, ID: 16304078, student of BRAC Business School. I have started my undergraduate program from Summer 2016. I have done my major on Finance and Supply Chain Management.

1.2 Internship Information

1.2.1: Period, Company, department & Address

I have joined Lankabangla Finance Ltd. as an intern under their contact center department. I worked as a Customer Care executive during my internship period. My internship lasted for 3 months starting from 1st of March and ending on 31st of May. Lankabangla Finance is one of the leading non-banking financial institutes in Bangladesh. They provide financial service all over the country, most popular of them being the credit card services. I was posted at their Contact Center which is located at Tropical Molla Tower, Progoti Shoroni, Middle Badda, Dhaka 1212.

1.2.2: Company Supervisor's Information

During my internship period I worked under and reported to Mr. Yeasin Arafat. He is posted as Asst. Officer & Inbound Team Leader at the Lankabangla Finance Ltd. Contact Center.

1.2.3: Job Scope

I worked as a customer service executive at the Lankabangla Contact Center. My main responsibilities were dealing with customers' inquiries regarding the various deposit schemes that Lankabangla offers and also to assist customers with opening new deposit accounts. At the time the contact center did not have dedicated personnel to handle the deposit scheme related issues. So, my role was important as I had to call each customer and provide our service. My job was also significant because I had to represent the corporate culture of Lankabangla during those calls as well as uphold the company's reputation. Since manner and behavior is very important when talking with customers, I had received some training from different people at my workplace that included my supervisor and the in-house trainer,

Ms. Naima Alam. I had also studied about the types of deposit products Lankabangla offers as having sufficient product knowledge was also very important whenever I was assisting a customer. Typically, I used to receive a list of potential customers with their contact information who had showed interest in opening deposit accounts. My job was then to call their number and try to understand what type of deposit schemes met their requirements. Then I would inform them about suitable deposit products and the procedures of opening new deposit accounts. If the customer agreed then I would pass the information to my supervisor and he took care of the final processes of the account opening. The whole account opening process usually takes about a week.

During the last two weeks of my internship, I was tasked to conduct a customer service quality survey on all the LBF branches. The method of this survey is called Mystery Shopping. It basically means the person who is conducting the survey poses as a regular customer and visit the branches and observes different aspects of the customer service and branch experience. Moreover, I also did a customer survey for the branches outside of Dhaka city by calling random customers and asking them some basic questions related to their branch visit experience.

1.3 Internship Outcomes

1.3.1: My contribution to the company

From the very beginning of my internship my goal was to get accustomed with the corporate and workplace culture as this was my first time working at any institution. Moreover, I wanted to be as much helpful as possible to the company I worked for. When I first joined all the inquiries about deposit products were handled by the regular customer care executives. However, they are mostly preoccupied with taking customers' calls and solving the various issues they have. So, they often would not have time to call up customers who had previously wanted to know about deposit products. When I joined at the contact center, I was faced with a three-month backlog of call list that had to be cleared. During my internship period I managed to call all those customers and brought my employer up to date with the list of potential deposit customers. Customers always expect quick replies therefore it is necessary to follow up with their inquiries as soon as possible. As I was part of the customer care executive team, it was my responsibility to ensure the customers got the accurate information and all the necessary assistance for opening a deposit account.

I had also prepared a PowerPoint presentation on an interesting topic that is “Mystery Shopping” on request from my department head Mr. Zahidur Rahman. This became useful later on as I had to do a Mystery Shopping survey myself on all the LBF branches. I personally visited all the Dhaka branches acting as a regular customer looking for information and gave rating for each branch on the service they provided. This task helped me understand how a successful company like LBF keeps their customer service quality on a high-level year after year.

1.3.2: Benefits to the student

The main purpose of an internship program is to introduce a student to the professional realm. During my internship I got to experience what working for an institution at a professional setting is actually like. I was able to observe and learn from all my colleagues who were more experienced in the field. The work culture at Lankabangla Finance Ltd. is very professional and I was pleased to learn about the ins and outs of how a financial institute operates. All the people I met were very helpful and guided me whenever I needed any assistance. I believe I now understand how to maintain a good work ethic and professionalism by working with such amazing people. Moreover, I was really grateful to meet the Head of Contact Center, Mr. Zahidur Rahman. I had a few conversations with him where he shared his unique insights regarding many different industries of our country and specially the financial and online retail industry which were eye opening. I was also grateful to witness his professionalism and amazing leadership skill that ensures and maintains the optimal performance of the whole department.

1.3.3: Difficulties faced during the internship

It goes without saying, the biggest difficulty that I faced was the pandemic situation. That, along with the lockdowns made life difficult for not just me but for everyone else as well. During the height of daily Covid cases many employees including myself could not go to work due to health and safety reasons. Lankabangla management was really careful about the safety of their employees and they took all the necessary steps as the situation demanded. Due to the nature of my job, it wasn't possible for me to work from home either, so that was really unfortunate. Other than that, my overall experience at Lankabangla was great.

1.3.4: Recommendations

The Contact Center is a very integral part of Lankabangla Finance Ltd. It handles many customer-related issues that otherwise would require the customer to visit a branch in person which can be a waste of time and money. Customers can get any sort of problems solved just by calling the Contact Center and talking to one of the executives. Therefore, my recommendation would be to expand the Contact Center and hire more personnel if possible because at current capacity it sometimes becomes difficult to provide service to all the customers during peak hours.

Chapter 2

Organization Part: Overview, Operations and a Strategic Audit

2.1 Introduction

I have done my internship at Lankabangla Finance Ltd. Now I would like to give an overview of the company, its operations and its financial performance.

2.1.1: Objective

The objective for this chapter is to briefly learn about Lankabangla as a company, their history, roles and significance in the industry and also how they conduct different operations in order to provide service and grow.

2.1.2: Methodology

The majority of the data that was collected for this chapter was collected from the internet and various resources published by Lankabangla Finance Ltd. Since I worked at the contact center, my duties never necessitated me dealing with key financial information of the company so I had to rely on online secondary resources for data collection. I have done some calculation of financial ratios of the company. Also gave an outlook on their management, operations, marketing and financial performance.

2.1.3: Limitations

As an intern it is not always possible to gain access to key financial information for my employers as they are often confidential. Therefore, I had to rely on the publicly available data that is on the internet.

2.1.4: Significance

This part of my report will give us a visualization of financial growth and current market performance Lankabangla Finance and also point out any potential areas where they might be able to improve upon.

2.2 Overview of the company

Lankabangla Finance Ltd. is our country's one of the top non-banking financial institutes and leading integrated financial services provider. Lankabangla has started its journey in Bangladesh in 1997 with a license from BB under Financial Institution Act-1993. The company provides services to Retail and Corporate customers, provides SME loans, asset and liability management and also stockbroking services (Lankabangla, 2021). In addition to the wide variety of services, Lankabangla is the only non-banking financial institute to operate credit cards (Master & Visa) and provide card processing services as a third party for different banks. Lankabangla is very popular and among the top choices for credit card customers in the country. Currently Lankabangla Finance has 27 physical branches throughout the country, among them 7 are situated across Dhaka city. In addition to that Lankabangla provides services through online mediums and their Contact Center all over the country.



Lankabangla has won several awards that recognizes their commitment to upholding ethical practices and correct compliance. The company received National Award for Best Published Accounts and Reports announced by Institute of Chartered Accountants of Bangladesh (ICAB). The South Asian Federation of Accountants has awarded them “Best Presented Annual Report” for years 2014 to 2017. (Lankabangla, 2021)

2.2.1: LankaBangla Subsidiaries

In addition to its main business that is LankaBangla Finance, LankaBangla has a few more subsidiary companies that provide different kinds of services. They are: -

- LankaBangla Securities Limited.
- LankaBangla Investments Limited.
- LankaBangla Asset Management Company Limited.

2.3 Management Practices

As a financial institution all the authority of Lankabangla Finance lies with its board of directors. They are the main policy and decision makers. Currently the board consists of a chairman, 6 directors, two independent directors and the MD/CEO. Under them, Lankabangla has an expert management team with years of experience in the financial industry. The CEO, the Head of Operation and the Head of Retail Financial Services holds the top managerial positions and under them an expert array of personnel looks after all the major divisions of the company.

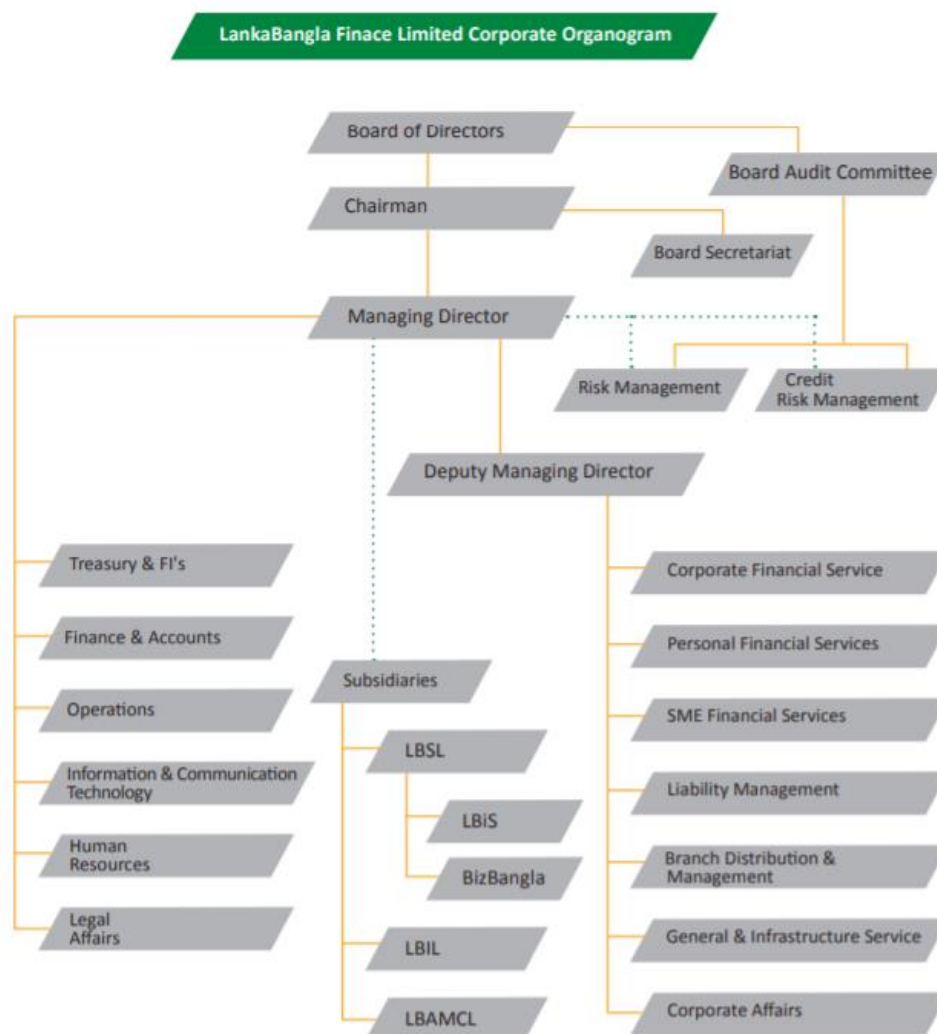


Figure 1: Lankabangla Corporate Organogram

Source: Lankabangla Annual Report, 2019.

2.3.1: Measures during the pandemic

During the pandemic Lankabangla had to take special measures as the situation had demanded. The lockdown periods were also very difficult as Lankabangla has an 'Employee First' policy when it comes to their safety. Lankabangla considers its employees the most valuable asset and in order to maintain the health and safety of them the management had implemented roster duty that allowed them to work from home. In regards to maintaining its customer service Lankabangla had maintained communication via SMS, Emails and social media and instructed their customers not to visit the branches physically rather to communicate with the contact center for any of their needs. (LBF Annual report 2020)

2.4 Marketing Practices

I'm going to explain the marketing practices of Lankabangla with help of the 4 'P's of Marketing Mix strategies:



Figure 2: 4Ps of Marketing Mix

- **Product:** A successful company first finds out what are the needs of their customers and then brings out products that satisfies those needs. Lankabangla offers many financial services that cater to the needs of Bangladeshi customers. One of their most popular services are the Master and Visa credit cards that enables customers to shop

with ease and avail many lucrative offers that the supported vendors provide. Customers that hold Lankabangla Titanium credit cards can avail free airport lounge facilities at Dhaka and Chattogram airport. In addition to that LBF provides many different kinds of loans to its customers many of which comes bundled with the credit cards. Moreover, LBF gives customers the opportunity to invest in several deposit schemes that has the best rates in the country.

- **Price:** LBF has set competitive and attractive prices and rates for all the services they provide. LBF credit card holders can get special discounts at the many supported shops and vendors. Frequent users can also get exemptions from different yearly charges. On the other hand, LBF has many deposit schemes that offer higher return rates than any other banks or FIs in the country. This makes LBFs deposit schemes most profitable among others.
- **Place:** Lankabangla Finance provides services to its customers throughout the country. Even though it does have that many physical branches compared to traditional banks, LBF is able to serve its customers anywhere via their website, newly launched financial apps and through their contact center. Lankabangla has been trying to establish new systems where customers will not have to visit the branches themselves rather, they can have all their issues dealt with through the contact center and through the web. When it comes to the process of opening accounts with LBF, customers can simply download forms from the websites and fill it with necessary information and send for processing online. They do not need to visit the branches if they do not want to. In some cases, dedicated sales persons will travel to the customers' location and assist them.
- **Promotion:** LBF uses various marketing methods to promote their services. These include TV and print media, social media posts, online advertisements etc. Moreover, LBF uses SMS services to inform its existing customers about different offers and discounts. In addition, nowadays most retail shops and outlets have POS transaction machines and many of those shops offer discounts to LBF card holders. This is another way in which LBF promotes their services.

2.5 Financial Performance

Lankabangla first got listed on DSE and CSE in 2006 and started trading of shares at the end of that year. As of right now, they have a market cap of BDT 19.18 billion. (Investing.com)

According to their annual report of 2020 LBF had 539 million of shares outstanding and also has paid up capital of BDT 5388.39 million.

2.5.1: Credit Rating

Listed below is the credit rating for LBF that is done by the Credit Rating Authority of Bangladesh (CRAB).

Particulars	2019	2018
Long Term	AA3	AA3
Short Term	ST-2	ST-2
Outlook	Stable	Stable

Table 1: Credit Rating (valid till June 30,2021)

AA3	ST-2
Very strong capacity Very high quality Very low credit risk	High grade Strong capacity Commendable liquidity

Table 2: Credit Rating Parameters

Source: lankabangla.com

Now we'll take a look at some financial figures and their 5-year Compound Annual Growth Rate (CAGR) %:

Particulars	2016	2017	2018	2019	2020	5-year CAGR %
Total Asset	63,935	85,443	87,889	84,363	81,835	6.37%
Shareholders' Equity	6,687	8,327	9,823	9,482	10,094	10.85%
Net Profit	796	1,926	444	508	979	5.31%
Year to Year Net Profit Growth Rate %	89.07%	141.96%	-76.95%	14.41%	92.72%	
Earnings per share	1.48	3.52	0.81	.94	1.81	5.19%

Table 3: Financial Performance (all figures in BDT millions except %)

Source: Annual Report of LBFL, 2020.

2.5.2: Net Profit Growth

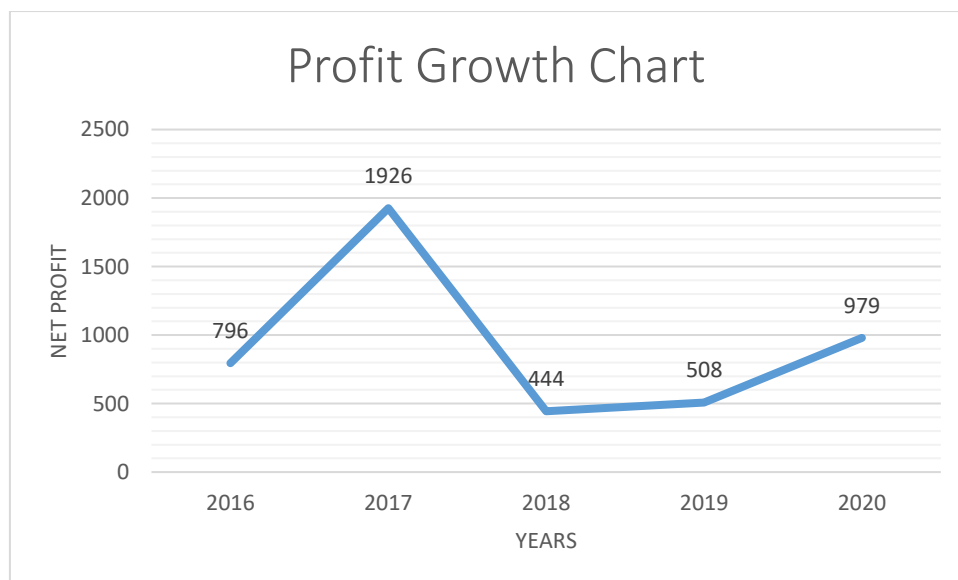


Figure 3: Growth Chart of Net Profit

The company saw a big rise in net profit in 2017 followed by a -76.95% dip the year after. From then we can see a steady growth again till year 2020.

2.5.3: Revenue Growth

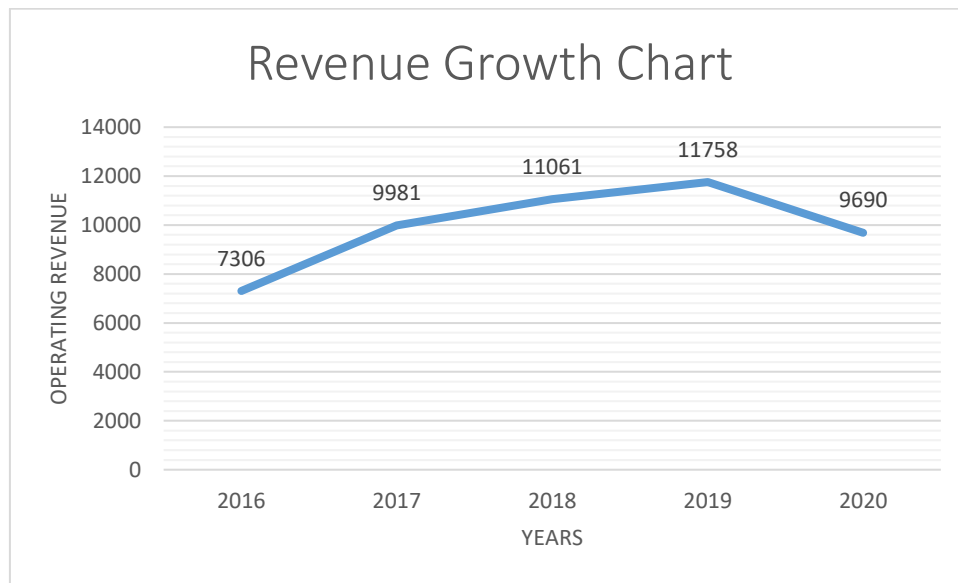


Figure 4: Revenue Growth

Here we can see a steady growth in operating profit until year 2019 and a decrease in year 2020. It can be assumed that due to the pandemic revenue earning became less.

2.5.4: EPS Growth

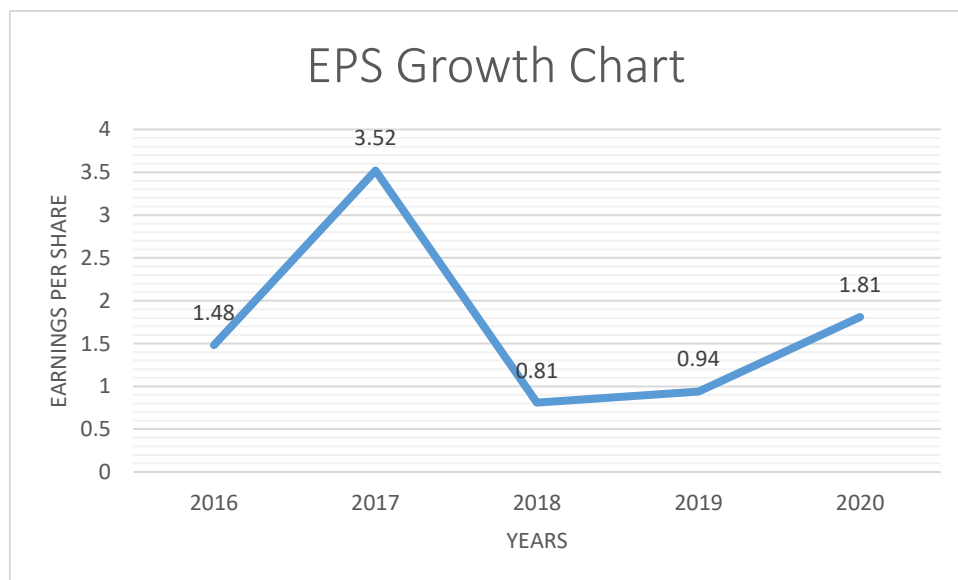


Figure 5: EPS Growth

The company had a negative EPS growth in year 2018 because of the decrease in Net profit. In the year after EPS has grown again and continues to grow till 2020.

Source: Annual Report of LBFL, 2020.

2.5.5: Financial Ratios

Here are some key financial ratios of LBF for recent years:

Ratio	2019	2020
Gross Profit Ratio	61.88%	61.63%
Operating Profit Ratio	13.69%	13.72%
Capital Adequacy Ratio	16.75%	18.31%
Current Ratio	1.04	1.13
Debt Equity Ratio	6.90	6.12
Return on Equity (%)	5.27%	10.00%
Return on Assets (%)	0.59%	1.18%

Table 4: Financial Ratios

Source: Annual Report of LBFL, 2020.

2.6 Operations Management and Information System Practices

The major areas of operation Lankabangla that has dedicated divisions are Credit card division, Credit and Investment division, Merchant banking division, Treasury and its Stock Brokerage services.

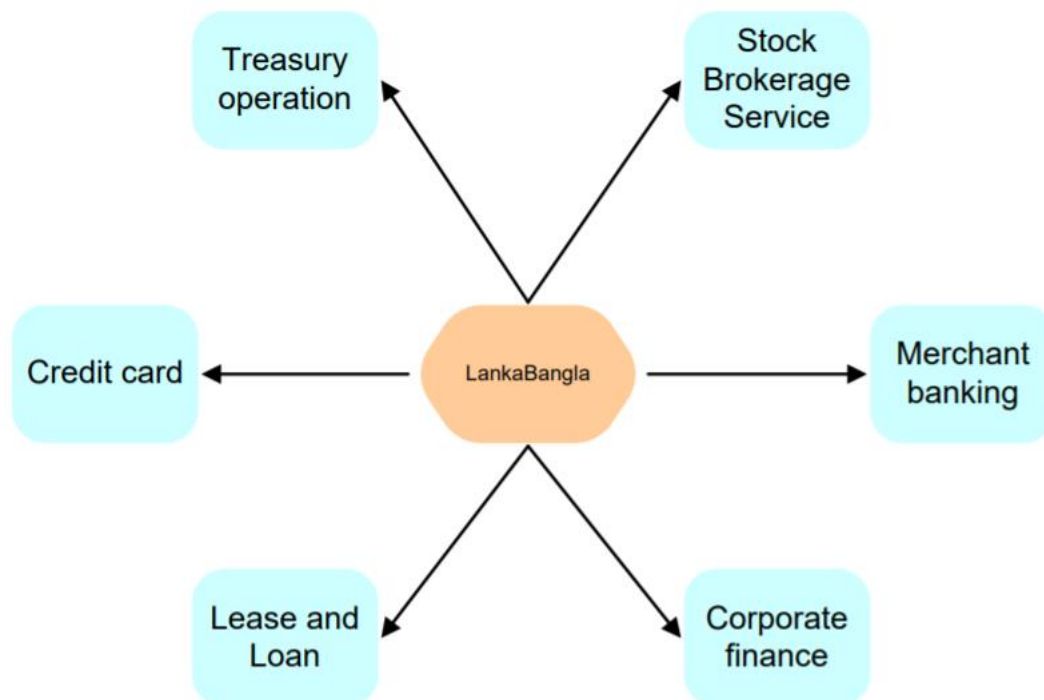


Figure 6: Operational areas of Lankabangla

Lankabangla Finance has always been trying to run their operations as efficiently as possible. One of the things that they attempting to do is to reduce the need for customers to visit their branches. Traditionally, normal banks have many branches that are located all over the country. However, LBF is trying to streamline the different processes of customer accounts and making it so that they can be completed without the customers visiting their branches. Nowadays most of the operational tasks can be done through software and via online. Since the launch of the LBF contact center, customers rarely need to visit the branches now. They can just call the number 16325 can the CM executives will listen to their queries and try to give solutions right then. It can be an account opening or closing issue, unwanted charge related issue, lost or replacing the card anything can be done just by calling the contact center. If the issue at hand is such that it will require more time then the customers are notified through emails and sometimes, they receive phone calls from the contact center. Usually card opening, replacing or closing procedures can take a few days as all the information provided by the customers have to be verified. LBF has a dedicated card operations department that handles that.

2.6.1: MIS

As I've mentioned most of the customers operations are done by the LBF contact center, they use a specialized software called 'gPlex' that helps the agent receive customer calls efficiently. LBF also uses their own software to keep track of all customer data and also it can perform many other procedures like activating customers' credit cards, updating their information, sending various task requests to other departments etc. Recently Lankabangla Finance has launched an Android app that will help customers with many things such as checking balance of credit and deposit schemes, requesting cheque book, applying online for credit card/ deposit account opening, certificate and statement request for deposit/ credit cards etc.

2.7 Industry and Competitive Analysis

Currently there are 34 non-banking financial institutions in Bangladesh with 94 branches operating in Dhaka and 182 branches outside of Dhaka (Ministry of Finance, 2020). Two of the NBFIs are fully govt. owned, one is a subsidiary to a govt. commercial bank, 15 are privately owned and 15 are joint ventures. On the other hand, there are 61 scheduled banks currently in Bangladesh (bb.org.bd). These are the main competitors for Lankabangla Finance.

Most NBFIs are involved in lease financing as their major business. However, many of them are involved in other businesses such as merchant banking, equity financing, term lending, venture capital financing, house financing etc.

2.7.1: Recent scenario

Let's take a look at the financial status of NBFIs in BD for 2019,

**All amounts in crore except percentage*

Type of Account	Amount
Total paid-up capital & Reserve	11,373.27
Paid-up Capital	8,069.33
Total Shareholders' Equity	11,840.34
Total Asset	87,152.72
Total Outstanding Loan/Lease	67,632.27
Total Classified Loan/Lease	6,398.76
Investment in Capital Market	1,841.32

Table 5: Financial Status of NBFIs (2019)

Source: Ministry of Finance: Bangladesh Economic Review 2020

2.7.2: Competitive SWOT analysis

SWOT analysis can measure a company or organizations key Strengths, Weaknesses, Opportunities and Threats. Let us now look at a SWOT analysis of Lankabangla Finance Ltd.



Figure 7: SWOT

Strength:

- LBF has top level management aided by mid-level and front tier teams.
- They are uncompromised in practicing good governance.
- LBF is the only NBFI to operate Master and Visa credit cards.

- LBF does their risk management through separate commissioned credit committee takes care of risk factors and asset-liability monitoring.
- Their operations in different service areas are exclusively innovative and diversified. Specially they are strong in innovative product launching.
- LBF is able to provide the highest rates of deposit products in the country.
- As a subsidiary, Lankabangla Securities is the country's largest brokerage house.
- LBF's stand-alone IT department is there to operate their sophisticated MIS infrastructure that has made day to day operations more seamless.

Weakness:

- LBF is incurring higher administrative costs than competing NBFIs.
- Employee turnover is a bit high specially after the pandemic.
- Recent decrease in deposit product rates is discouraging for new customers.

Opportunities:

- Scheduled banks are mostly involved in short term financing and trade finance, therefore LBF has potential to grow more in the long-term finance market.
- Currently LBF has the highest rates for term deposits. With proper marketing and promotions, they can get more customers on board.

Threats:

- Sudden changes in regulation from BB can affect LBF's operation unexpectedly.
- Other NBFIs are also working hard to grow in the industry.
- More banks are getting into the lease financing market with their reduced cost of funds. Thus, the market can become saturated for LBF to stay attractive to customers.

2.8 Summary & Conclusion

It has always been the vision of Lankabangla Finance Ltd. to be the most preferred service provider in the financial industry and it did manage to become one of the top NBFIs in the country. However, as market keeps moving towards more digitization LBF will have to follow the trend and provide services supported by latest technology. They need to stress more on the recovery sector so that they have reduced expenses and non-performing loans.

They should also focus more on promoting their term deposit products in order to increase their sources of funds.

Chapter 3

Project Part: “Mystery Shopping” – An effective tool for quality assurance.

3.1 Introduction

The topic that I’ve chosen as my main project is called Mystery Shopping. This was part of my actual duties during my internship period at Lankabangla Finance Ltd. I found this topic very interesting and enjoyed conducting my tasks that were associated with it. Here I am going to discuss about the background, objective, significance and findings of my project.

3.1.1: Background

Mystery Shopping (or Mystery Audit) is a research method or a survey method that is usually used by companies and organizations related to marketing research in order to measure quality of sales and services, regulatory compliance, job performance and in addition gather particular info and facts about a market or competitors regarding their strengths and weaknesses associated with their products or services. This type of survey is mostly common in B2C industries such as Retail, Hotel, Restaurant, Hospital, E-Commerce etc. (wiki/Mystery shopping, 2021) Usually, companies hire research firms to conduct mystery shopping for them it is required on a large scale. In some cases, however companies will assign one of their own employees to do the survey, although it carries a risk of the results becoming biased. Therefore, choosing the right person to conduct the survey is important.

3.1.2: Objective

The objective of my report is to discuss the benefits and importance of Mystery Shopping (or Mystery Audits) for a company or organization. Moreover, I want to showcase my own

findings when was tasked by my employers at LBF to conduct “Mystery Shopping” on all their branches across the country.

3.1.3: Significance

This report is significant because it will describe many important aspects of Mystery shopping. I will also show my findings from the survey I had conducted for LBF and try to give an analysis from the results.

Mystery Shopping gives a company an idea for what kind of company they are from a customer’s perspective. A mystery shopper can provide objective, unbiased accounts of customers’ experiences. If the business sells products the shopper can test what do actual customers experience when they visit the store. Similarly, a service provider can also identify if their customers are happy with the system in place or not. Mystery shopping helps identify gaps in expectations both on the organization’s part and the customer’s part and helps take remedial actions. A successful company typically has a set standard of customer service quality they aspire to maintain. However sometimes it can get degraded due to lack of awareness of the staff or due to some flaw in their system that interacts with the customers. A mystery shopper will try to point out the areas that may need improving or fixing in order to ensure quality service and positive experience for the customers. Therefore, from the learnings of the report the company can raise awareness of their company’s procedures and improve staff conduct.

Regular customer service quality monitoring like this can result in more sales for a company because customers tend to prefer brands or companies that provide superior service. For example, a 2011 survey done by American Express indicates that 70% of their customer were willing to pay on average 13% more on companies that provided them excellent customer service. (Intelli Shop, 2011)

Mystery shopping can also be done by governments, regulators, policy makers and other monitoring authorities to assess if certain businesses are abiding by the rules in place. For example, mystery shopping done by the authorities in Mexico and India revealed that in certain banks sales staff are unwilling to disclose information about savings accounts with lower costs to regular customers which are mandated by the govt. (Jensen, Boudot, Mowl, 2014).

3.2 Methodology

This report contains both primary data and secondary data. The primary data was collected by me while I was conducting mystery shopping/auditing on the branches of LBF. I will try to give both qualitative and quantitative results from my survey. In addition, secondary data was gathered for preparing the financial, managerial and operational overview of LBF and also for detailed information regarding different aspects of mystery shopping in general.

3.3 LITERATURE REVIEW

In the financial sector there are a lot of institutions involved that has close business relations with many consumers. It is important for the sustainability of a country's financial industry that consumers actively take part in the trading of financial products. When there is a lot of money in the business, it is expected that some company or institution might be incentivized to use tricks or nefarious activities to illegitimately benefit from unaware customers. This is why regulator and policy makers usually have several mandates for monitoring the activities of financial institutions such as their sales practices.

The article that I have read while working on this report which is titled "Mystery Shopping for Financial Services: A Technical Guide" describes the importance of Mystery shopping as an effective tool for monitoring the sales activities of financial institutions and checking what methods they follow when customers ask for financial advice/suggestions. Without in-depth monitoring the financial service providers may take advantage of the lack of due diligence by making customers choose costly products that they did not really need. Mystery shopping can simulate a real customer inquiry situation which can reveal what information are the sales staff providing to customers and whether they are following the market conduct rules disclosing detailed product information, giving sound financial advice and finally offering suitable products according to customers' needs. The articles also highlighted some real-world examples of noncompliance by sales staff in a few countries such as Mexico, India, Kenya where sales staff were offering customers financial products that didn't match their low-cost requirements rather those products would financially benefit the FIs more. Often times customers with lower experience and knowledge about financial products would be the victims. According to the article, these types of abusive behavior towards low income, basic customers would discourage them from using any financial products or services and also

cause them financial loss. This will potentially lead the industry from missing out on a large chunk of customer base.

The article therefore provides a guideline for policy makers, consumer protection agencies and regulatory authorities on how to design, plan and execute effective mystery shopping and afterwards analyze the gathered data.

3.4 How to conduct Mystery Shopping

Mystery shopping is usually carried out internally or via third party research firms. They are done by ‘Mystery Shoppers’. A mystery shopper poses as a legitimate customer in order to provide their first-hand experience to the client. Their primary job is to observe different aspects of their experience and “objectively” report those observations. The company or firm who employ the mystery shoppers gives a set of criteria to focus on. These criteria are meant to focus on testing the consistency of habits and performance deemed important to the company/organization. In developed markets such the U.S or the UK mystery shoppers are usually independent contractors or part-time workers. However, in our country independent mystery shoppers are uncommon.

3.5 Mystery Shopping/Auditing – points of observation

A company usually have some major points that they want the shoppers to observe and report on while on their assignment. These are:

- **Customer service:** The shoppers act as regular customers and judge whether they are receiving the proper service or not. They make reports on the satisfaction level of the experience and if there are any shortcomings they notice.
- **Product knowledge:** It is very important that the sales person or customer service provider in charge has proper product knowledge of the things they are trying to sell. The mystery shopper will ask various questions about the products or service and they’ll judge how effectively the respective personnel can answer them.
- **Employee training:** In addition to product knowledge the shoppers will also observe whether the person they talk to have the adequate training to how to handle and behave with a customer. Etiquette and the ability to handle disputes is often judged here.

- **Company sales process:** It is very important for a successful company that along with having competent staff their sales process is also quick, smooth and hassle-free. The shopper will observe how much time and effort it takes to get the product or service once a customer has decided to make a purchase.

3.6 Elements mystery shopping reports focus on

The company that is conducting the survey will generally give the shoppers a set of elements that they will have to report on. It may come in a form of a questionnaire or an evaluation form or just a checklist. Here are some common elements that companies want to know about:

- **Reaction to phone calls/emails/website activities:** This related to mostly businesses that are in the service industry. Usually, customers communicate with these businesses through calls, emails or via their website. The E-commerce sites in particular run their business almost completely through their websites. Therefore companies want report on how the experience of the customers is when they try to use these mediums.
- **General appearance of the branch/store:** The look and feel of the branch or store matter so much in creating a good impression on a customer's mind about the company. When a customer first steps into a store/branch there needs to be a welcoming ambiance. Surrounding things need to be clean and laid in an organized manner. Sometimes there needs to be a running theme in the decorations of the branch/store that matches the brand. So, the mystery shoppers will make note of this criteria as well.
- **Staff availability, friendliness, appearance & attitude:** The staff should be ready and available to serve the customers. Moreover, how they approach and talk with the customers is key to a positive customer experience. Depending on the nature of the business it may be important that the customer is greeted nicely when entering. A warm welcome lets the customer know that their presence is being acknowledged and the staff are prepared to be of service.
- **Waiting times, response times:** If the customer has to wait for a long time in order for his/her product or service to arrive that creates a negative impression. Sometimes the staff are not prompt enough, there are long queues, the machines or tools being used

are old, if it's an app or website then maybe the load times are high; all these can lead to long waiting times. Companies doing the mystery auditing try to find out about these as well.

- **Service fulfilment (timely execution, quality of work):** Shoppers also evaluate how successful are the staff in making a sale. Because at the end of the day their primary job is to pursuing the customers into purchasing. So, the mystery shoppers rate them on their ability to make a convincing sales pitch. In most cases the staff are expected to try and upsell after a customer makes a purchase, for example, offering a supplementary product or a bundle deal (Kesteren, 2018). Companies want to know if the staff are capable of performing these tasks.
- **Explanation of offers and services:** The staff need to thoroughly explain the features of the products or services they are trying to sell to the customers. If it's a website then all the information needs to be available in an easy-to-understand manner. Often customers visit stores to know more about a product or service before they make a purchase decision. Therefore, the staff needs to tell them about the features and benefits in a convincing manner so that the customers are swayed into purchasing. The mystery shoppers will take note if the staff are properly explaining the features and if they are using the supplementary notes, brochures or other demonstration methods.

3.7 Mystery shopping in financial services

Since the company I had done my internship in is Lankabangla Finance Ltd. which provides financial services, it is important to know what a financial institution would need to focus on while conducting their own mystery shopping survey. Most of the elements that are discussed so far will apply to a financial institution as well. However, there are a few more special criteria that a bank or NBFIs will need to keep an eye on. Such as:

- **How well sales staff comply with disclosure regulations:** Sometimes financial institutions are mandated by regulators to disclose particular features of schemes to the customers. Not all customers are thoroughly knowledgeable about the schemes on offer or what type of charges apply to them. Mystery shoppers can check whether the sales persons are giving the honest information to customers that might be new to opening an account or getting a loan etc.

- **Quality of customer attention:** Sales staff should pay attention to customers and understand what type of products would meet their demands. As customers want products or schemes that would most benefit them, if the staff are not attentive enough the customer might end up with a wrong suggestion.
- **Suitability of financial advice:** Not every customer need or can afford the same kind of products. The sales person needs to understand what type of schemes would be most suitable for a customer and suggest accordingly. However, if the sales person suggests an option that comes with extra unwanted charges or deductions or excessive limits that wouldn't be suitable for that particular customer, they could unnecessarily lose money. Regulators often mandate providers to have some basic low-cost savings options for customers with lower income (Rafe, Xavier, Christina 2015). However, if the staff choose not to offer them due to lack of knowledge or financial incentive then that creates a lack of compliance with rules regarding market-conduct.
- **Access to and use of resources when things go wrong:** Mystery shoppers can also check how the staff handle disputes with customers having issues with their saving or accounts. The staff should put enough care into solving their issues and use available resources at hand that can make the process as quick as possible.
- **Disparate treatment of vulnerable customers:** It is possible that the sales staff present more information to 'experienced' customers and less information to new customers for example costs or charges that come with financial products. This type of sales practice is often deemed uninformed and abusive specially towards the base of the pyramid (BoP) customers that can bring detriment to them and discourage them from being involved in the financial market (Rafe, Xavier, Christina 2015). Mystery shoppers in financial institutions look for these types of ill practices.

3.8 Mystery shopping by regulatory authorities

In the financial market there is always the risk of fraudulent activities. Companies often try to find loopholes or take advantage of customers with lower knowledge in order to gain clandestine financial benefits. Therefore, the regulatory authorities and the financial consumer protection agencies often use mystery shopping methods in order to monitor the activities of the financial institutions. Typical enquiries are:

- **Are the mandated financial product information being presented to the customers?** – Sales staff may not utilize all the required documentations during process of sales. It could be because the paper-works are too complicated to complete or they want to hide certain information regarding the products from the customer (Rafe, Xavier, Christina 2015). Either way that would be a noncompliance with the mandated sales practice rules.
- **Are the consumers being steered towards less suitable products?** – Suitability is a mandated requirement that requires financial service providers to offer products based on the customers' characteristics and their financial needs. Sometimes sales staff may make false statements regarding eligibility that can steer low-income customers away from getting basic service.
- **Is there any fraud or overcharging?** – Regulators look for potential fraudulent activities as well as unnecessary overcharging of the customers.
- **Are different information being presented to more 'experienced' customers?** – Sales staff may often trick less experienced customers into buying premium products that they do not need that may cause economic loss for the customers. Therefore, regulatory authorities check whether the institution is being equally transparent to all types of customers.

3.9 Categorizing the data from financial institutes

After conducting the survey, the company or the firm doing the mystery shopping will have gathered a large assortment of data concerning sales practices, characteristics of products and compliance of regulatory mandates. Before analysis it is a good idea to classify the gathered data into categories based on the information types. For example,

- **Product details:** Key information such as tenor of products, interest rates, costs, legal requirements, different fees and charges, other variable and non-variable features etc.
- **Physical Notes:** All the documents, rate charts, brochures, leaflets and other physical written information that were presented to the mystery shopper.
- **Requirements and barrier to acceptance:** All the required materials and criteria fulfilments in order to acquire the products.

- **Experience regarding sales procedures:** Feedback from the shopper while the branch visit in terms of delayed service, number of processes to go through etc.
- **Reflection from the customers:** Enquiries to the customers that the institution did concerning satisfaction level, behavior of the sales staff, personal opinions etc.
- **Offered products vs. suitability:** Suitability of the products that the staff finally offered based on the preference and needs of the customer.

3.10 Analysis of the data from the mystery shopping

After the categorization, the data can be analyzed against profiles of different mystery shoppers based on financial history, product preference, experience, attire etc. (Rafe, Xavier, Christina 2015) The analysis should focus on disclosure compliance and how suitable the product advice was coming from the sales staff which can be done in two ways.

Firstly, by setting a benchmark for term disclosure by taking the full list of all the products and features on offer by the institution and then comparing it to what products were actually offered by the staff during the shoppers' visits.

Secondly, in order to measure the suitability of the products, the total costs and returns for all possible products are calculated, then they are compared with the products that were recommended to the shoppers by the staff to determine if they indeed offered the lowest available cost options that relates to the shoppers' needs.

Chapter 4

Project Part cont. – Findings and Analysis

For my final assignment during my internship at Lankabangla Finance Ltd. I was tasked with conducting a mystery shopping survey on all of their branches. Lankabangla does this survey once or twice a year in order to maintain their high level of customer service quality. I did this on the last month of my internship, last couple of weeks to be exact.

For all the branches that are located in Dhaka, my method of conducting this survey was that I had to visit all the branches one by one myself acting as a regular customer, ask questions about products that I was ‘interested to buy’ and observe how the sales person handled those conversations and also the overall environment of each branch. After that I had to give scoring to each branch under different categories.

For all the branches that were located outside of Dhaka, Lankabangla provided me a list of customers with their contact numbers that were served at the branches outside Dhaka. I then had to randomly call customers that were served at each branch and took small interviews of them regarding their experience while visiting the branches. The interviews were about 4-5 minutes long for each customer. Out of the 27 total branches that LBF has, 20 are located outside of Dhaka. For each branch outside of Dhaka I had called 5 random customers, and based on their answers I gave scores to each branch. The 5 scores were later averaged and the average value was that final score of that particular branch and their sales staff.

For the purpose of this survey, I was given an evaluation form with scoring areas on different categories. Both my own ratings and the questions that I asked the customers were based the evaluation form. Given below is the evaluation form with the maximum possible score:

Skills and Parameters	If yes	If no
Greeting Skill	15	
Immediate Acknowledgement	3	0
Eye Contact	3	0
Greeting by Salam/Good Morning/Good Evening	2	0
Salutation by Sir/Madam/Bhai/Apa etc.	2	0
Smiling Face	3	0
Offered Seat	2	0

Speaking Skill	6	
Voice tone loud and clear	2	0
Comfortable conversation speed	2	0
Avoiding uttering jargons	2	0
Listening Skill	9	
Avoid asking same question multiple times	3	0
Listening without interruptions	3	0
Showing attentiveness while listening	3	0
Attire & Professional Conduct	15	
Proper dress-up	4	0
Keeping table organized	3	0
Handling disputes without blaming LBFL/customer	3	0
Served proactively	3	0
Presence at the desk	2	0
Product & service focus & promptness	9	
Right answer to the queries/Performed the service accordingly	3	0
Avoid diverting the customer to other desks	3	0
Used leaflets/notes while explaining the customer	3	0
Politeness and Courtesy	10	
Avoid eating, drinking/displaying food in front of the customer	2	0
Avoid leaving seat unnecessarily for long period	2	0
Avoid being engaged in prolonged conversations with others	2	0
Did not behave rudely/made rude comments	3	0
Said sorry/Excuse me while taking any phone call/Did not take/receive any phone calls	1	0
Closing Skill	6	
Saying Thanks	2	0
Welcoming again	2	0
Maintaining smiling face	2	0
Total Staff Score	70	

Table 6: Evaluation form 1st part

TAT	Weight	
A/C opening effort	2	0
Renewal, Interest Payment & Encashment	1	0
Query Management Time	2	0
Statement/Certificate	1	0
Queue waiting time	2	0
A/C closing effort	2	0
Total Score	10	
Queue Management	If yes	If no
Promote alternative channel	4	0
Well Organized Queue	4	0
Staff's role in queue management	2	0
Total Queue Management Score	10	
Branch Environment	If yes	If no
Clean internal premises	4	0
Organized resources	2	0
Comfortable temperature	1	0
Guard/ Staff opened the door	1	0
Guard wearing his uniform and boots	2	0
Total Branch Environment Score	10	
Total Score	100	

Table 7: Evaluation form 2nd part

The scoring system also had some ratings assigned to certain score brackets based on which I gave a rating to each branch:

Final Score	Rating
>85	Excellent
>80	Very good
>75	Good
>70	Fair
<70	Poor

Table 8: Score Bracket

4.1 Findings from the survey

Here are the consolidated total scores and ratings for all the LBF branches:

1. Gulshan Branch - **Very good**

Greeting Skill	11
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	10
Closing Skill	4

Total Staff Score	56
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	10

Total Score	82
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2. Banani Branch - **Excellent**

Greeting Skill	13
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	14
Product & service focus & promptness	6
Politeness and Courtesy	10
Closing Skill	4

Total Staff Score	60
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	10

Total Score	86
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3. Dhanmondi Branch - **Very good**

Greeting Skill	13
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	10
Closing Skill	4

Total Staff Score	58
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	10

Total Score	84
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4. Mirpur Branch - **Very good**

Greeting Skill	13
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	4

Total Staff Score	57
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	7

Total Score	80
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5. Motijheel Branch - **Very good**

Greeting Skill	13
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	10
Closing Skill	4

Total Staff Score	58
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	83
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6. Bangshal Branch - **Very good**

Greeting Skill	13
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	4

Total Staff Score	57
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	82
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7. Uttara Branch - **Very good**

Greeting Skill	13
Speaking Skill	5
Listening Skill	8
Attire & Professional Conduct	14
Product & service focus & promptness	7
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	59
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	7

Total Score	82
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8. Savar Branch - **Excellent**

Greeting Skill	14
Speaking Skill	5
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	8
Politeness and Courtesy	8
Closing Skill	6

Total Staff Score	62
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Total TAT Score	8
Total Queue Management Score	7
Total Branch Environment Score	9

Total Score	86
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9. Gazipur Branch - **Very good**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	10
Closing Skill	4

Total Staff Score	60
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Total TAT Score	7
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	84
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10. Keraniganj Branch - **Very good**

Greeting Skill	14
Speaking Skill	5
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	5

Total Staff Score	58
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	83
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11. Narayanganj Branch - **Excellent**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	6
Politeness and Courtesy	10
Closing Skill	5

Total Staff Score	62
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	87
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12. Narsingdi Branch - **Very good**

Greeting Skill	14
Speaking Skill	5
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	5

Total Staff Score	58
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	83
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13. Faridpur Branch - **Very good**

Greeting Skill	12
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	6
Politeness and Courtesy	8
Closing Skill	5

Total Staff Score	58
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	83
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14. Cumilla Branch - **Very good**

Greeting Skill	14
Speaking Skill	5
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	5

Total Staff Score	58
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Total TAT Score	9
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	84
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15. Chowmuhani Branch - **Very good**

Greeting Skill	12
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	6
Politeness and Courtesy	8
Closing Skill	5

Total Staff Score	58
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Total TAT Score	8
Total Queue Management Score	9
Total Branch Environment Score	9

Total Score	84
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16. Sylhet Branch - **Excellent**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	14
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	5

Total Staff Score	62
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Total TAT Score	9
Total Queue Management Score	8
Total Branch Environment Score	9

Total Score	88
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17. Rajshahi Branch - **Excellent**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	6
Politeness and Courtesy	8
Closing Skill	5

Total Staff Score	60
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Total TAT Score	9
Total Queue Management Score	9
Total Branch Environment Score	9

Total Score	87
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18. Bogura - **Very good**

Greeting Skill	13
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	6
Politeness and Courtesy	9
Closing Skill	4

Total Staff Score	59
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Total TAT Score	9
Total Queue Management Score	8
Total Branch Environment Score	8

Total Score	84
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19. Dinajpur Branch - **Good**

Greeting Skill	12
Speaking Skill	6
Listening Skill	7
Attire & Professional Conduct	12
Product & service focus & promptness	6
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	55
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	7

Total Score	78
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20. Mymensingh - **Very good**

Greeting Skill	13
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	8
Politeness and Courtesy	9
Closing Skill	4

Total Staff Score	61
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Total TAT Score	7
Total Queue Management Score	8
Total Branch Environment Score	8

Total Score	84
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21. Barishal Branch - **Excellent**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	14
Product & service focus & promptness	6
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	60
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Total TAT Score	8
Total Queue Management Score	9
Total Branch Environment Score	8

Total Score	85
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22. Khulna Branch - **Good**

Greeting Skill	11
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	8
Politeness and Courtesy	6
Closing Skill	4

Total Staff Score	56
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Total TAT Score	7
Total Queue Management Score	8
Total Branch Environment Score	8

Total Score	79
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23. Jashore Branch - **Very good**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	12
Product & service focus & promptness	7
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	59
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Total TAT Score	8
Total Queue Management Score	9
Total Branch Environment Score	8

Total Score	84
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24. Agrabad Branch - **Very Good**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	8
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	61
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Total TAT Score	7
Total Queue Management Score	8
Total Branch Environment Score	8

Total Score	84
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25. CDA Avenue Branch - **Excellent**

Greeting Skill	14
Speaking Skill	6
Listening Skill	8
Attire & Professional Conduct	14
Product & service focus & promptness	9
Politeness and Courtesy	9
Closing Skill	5

Total Staff Score	65
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Total TAT Score	8
Total Queue Management Score	9
Total Branch Environment Score	8

Total Score	90
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26. Habiganj Branch - **Good**

Greeting Skill	12
Speaking Skill	5
Listening Skill	8
Attire & Professional Conduct	13
Product & service focus & promptness	8
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	58
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Total TAT Score	7
Total Queue Management Score	7
Total Branch Environment Score	6

Total Score	78
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27. Kushtia Branch - **Very good**

Greeting Skill	13
Speaking Skill	5
Listening Skill	8
Attire & Professional Conduct	14
Product & service focus & promptness	8
Politeness and Courtesy	8
Closing Skill	4

Total Staff Score	60
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Total TAT Score	8
Total Queue Management Score	8
Total Branch Environment Score	7

Total Score	83
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Source: LBF Contact Center.

4.2 Results

Here is the overall picture we've got from the survey:

Rating	No. of Branches
Excellent	7
Very Good	17
Good	3
Fair	0
Poor	0

Table 9: Overall Result

And here is a doughnut chart of the percentage of different ratings obtained by the branches:

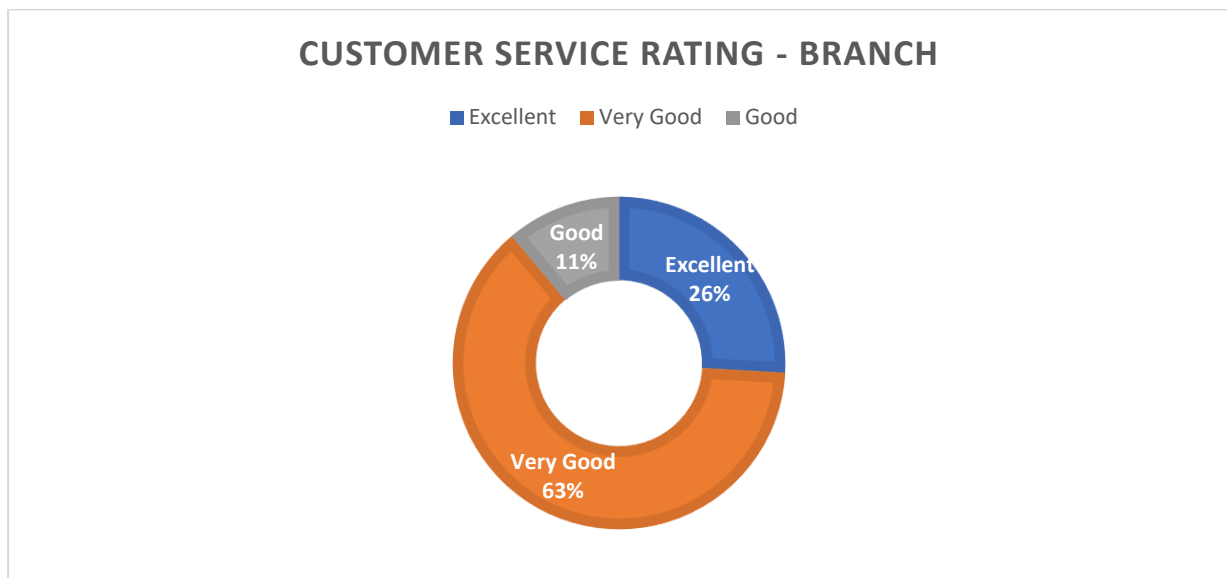


Figure 8: Customer service rating percentage

4.3 Analysis

From the survey results we can see that out of the 27 branches, 7 of them got 'Excellent' rating, 17 of them got 'Very good' rating and 3 of the branches got 'Good' rating. According to my own experience and reflection Very good to Excellent is the optimal place to be in. From the chart we can see that 89% of the branches are in that range. The 3 branches that got 'Good' rating were also very close to getting 'Very good' rating, however it is obvious that they need some polishing to do in the categories that they scored lower. Overall, I would say that on average the performance of all the staff and the environment of the branches are very satisfactory, but still all the branches should always strive to get the 'Excellent' rating.

The branches that I personally visited; the staff were very well trained in each of the branch. They've explained to me different features of the products I asked about with enough care and also provided physical documentations that had all the information necessary. The environment in each of them were also quite nice.

When it comes to doing evaluations based on other customers' accounts it becomes a bit tricky as all the opinions are subjective and no two people are alike. Therefore, depending on the customer's preferences and character judgements and opinions may vary dramatically which was evident from some of the calls I made. Lankabangla usually does not need large branches as scheduled banks as they do not usually serve customers in the branches in the same number as a typical bank does. Interestingly, few customers were liking a branch's size to the trustworthiness of the company. Therefore, they gave lower ratings in terms of the branch environment. Other than that, most of the customers praised the ambiance of LBF branches. Thankfully, all the customers were satisfied with the service they got from the sales person they talked to.

4.4 Limitations

The branches where I personally did the mystery shopping, I only went there pretending as a customer who wanted detailed information about certain products. I did not actually make any purchase or open any accounts myself. So, I could not personally judge the sales process for those branches. On the other hand, it is very difficult to give an accurate rating just based on a short Q&A of a customer as no customer wanted to be bothered for a long conversation regarding a survey, therefore I had to make my best estimates based on the limited reaction I could get from each customer.

4.5 Summary & Conclusion

Lankabangla Finance has been one of the top NBFIs of Bangladesh for a long time and they want that to reflect in terms of their quality of service and their performance in the industry. The Covid-19 pandemic has been a hard blow for many individuals and companies all over the country. However, even in these trying times Lankabangla has been able to show resilience and tackle the adverse market condition with confidence. Even in the bad economy they have offered higher returns than most other financial institutes. In addition, they have continued to maintain top notch customer service which was evident from the survey I helped them conduct during my internship period.

“There is only one boss. The Customer. And he can fire everybody in the company from the chairman on down simply by choosing to spend his money somewhere else” – Sam Walton.

This is a quote I stumbled upon while reading online about mystery shopping. I believe this captures the importance of quality of service by a company or organization perfectly. A company might have the best product or service in the market, but if the customer service is not up to the mark, then eventually all the customers will switch to different vendors even if the company has been able to initially capture a large portion of a market because of a superior product. It is said that customer retention is harder than acquiring customers. All the successful companies must keep that in mind.

4.6 Recommendations

Based on my experience while working on this assignment for LBF, I would like to give some suggestions that I believe will make the quality of service better –

- Often times customers do not get timely updates when their new account has been opened or when they want to know the current status of their running accounts. LBF should be more attentive regarding this.
- LBF usually sends sales representatives to customers' locations if they live far away from their branches. However, currently the number of sales personnel is inadequate. They should hire more sales rep. so that customers can get timely service.
- Credit card users very often get charged with fees that are revokable, however they have to call the contact center and place a request for that. An automated service that revokes the charges should be implemented so that customers can be free of this hassle.

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Appendix.

Net Profit Growth Rate:

Formula: Percentage Increase = $\frac{\text{Final Value} - \text{Starting Value}}{|\text{Starting Value}|} \times 100$

- 2015 to 2016 = $\frac{796 - 421}{|421|} \times 100 = 89.0736\%$
- 2016 to 2017 = $\frac{1926 - 796}{|796|} \times 100 = 141.96\%$
- 2017 to 2018 = $\frac{444 - 1926}{|1926|} \times 100 = -76.947\%$
- 2018 to 2019 = $\frac{508 - 444}{|444|} \times 100 = 14.4144\%$
- 2019 to 2020 = $\frac{979 - 508}{|508|} \times 100 = 92.7165\%$