

Testing of Banking Services in Bangladesh: A Study on Prime Bank Limited Rangpur Branch

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ABSTRACT

Customer satisfaction is asset .At present clients are so much conscious and sensitive about the services what they receive. The study focused on testing of banking services in Bangladesh to know the gap between customer expectation and customer satisfaction. Findings of the study clearly suggest that clients are overall satisfied, and their attitude is very positive towards Prime Bank Limited Rangpur Branch. It also shows that they are not delighted with existing services. The study recommends putting more attention for the services, providing something new to the customers to gain competitive advantage and have an impact for a long time and help developing the sector with a fair competitive environment.

Keywords: services, bank, service quality, customer satisfaction, empirical

INTRODUCTION

The present world is changing rapidly to face the challenge of the competitive free market economy. At the present competitive age, proper marketing of services is a necessity for customer satisfaction, and customer satisfaction is a necessity to survive in the market at the long run. So the importance of service marketing is much greater. The banking sector faces a stiff competition in providing services. So they always try to provide better client service. As they try to provide better client service, testing of their services time to time is much needed. This analytical study tried to focus on that for all the banking organizations.

Before selecting a bank, each customer expects certain types of service from the bank. If there is a gap or discrepancies between the customer perception and management perception of a bank, then it influences the customer. These gaps may be created from the following issues such as word-of-mouth communication, personal needs, expected service, past experience, bank service, actual service delivery, management perception of customer, external communication, service value, image value, monetary cost, time cost, energy cost etc. Prime bank Limited started its operation as a commercial bank on April 17, 1995. At present it has 136 branches spread all over the country. Prime bank Limited, Rangpur Branch started its journey on December 02, 2007. Right now it is the only branch in Rangpur, Bangladesh. It provides products such as deposit accounts and schemes, loans, utility services and others. The bank is committed to provide high quality services to contribute to the growth of GDP, industrialization, boosting up export, creating employment opportunity for the educated youth, rising standard of living of limited income group and overall sustainable socio-economic development of the country.

LITERATURE REVIEW

High customer satisfaction leads to repeat visitation of stores, repeat purchase of products and services and word-of-mouth promotions to friends while low customer satisfaction associated with complaining behavior (Zeithaml, Berry and Parasuraman, 1996).

Zhang and Feng (2009) titled, 'The Impact of Customer Relationship Marketing Tactics on Customer Loyalty-within Swedish Mobile Telecommunication Industry'. Findings showed that service quality, price perception, and value offers have an impact over customer loyalty.

If expectations are greater than the performance then the perceived quality is less than the satisfaction and hence customer dissatisfaction occurs (Parasuraman, Zeithamal, Berry, 1986). Lewis and Booms (1980) pioneered service quality research by defining service quality as a "Measure of how well the service level delivered matches the customer's expectations".

Customer satisfaction should be mentioned and managed just as any physical asset. Therefore, the business that hopes to prosper will realize the importance of this concept, putting together a functional and appropriate operational definition (McCull Kenedy & Schneider, 2000).

OBJECTIVES OF THE STUDY

- To know the importance of services and customer satisfaction.
- To track clients' attitude towards the existing services.
- To find out service efficiency.
- To know about constraints and problems in providing services.
- To suggest a supportive role in the progress of banking sector.



METHODOLOGY

This research is empirical in nature. Sample size was 56. Of them, 50 were clients (service holder 25, businessman 15, housewife 05, and student 05) and 06 were employees of the bank. Primary data collected from Prime Bank Limited, Rangpur Branch. Secondary data acquired from bank reports, websites, annual report, journals, articles, books, newspapers, etc. Data collected through depth interview for bank employees and personal interview for clients using survey questionnaire. Credit Section, billing Section, foreign exchange and deposit Sections were used to collect primary data. A pre-tested questionnaire has been used consist of open-ended, close-ended and dichotomous questions. Likert scale used for close-ended questions in the questionnaire.

FINDINGS AND ANALYSIS

Main reason for choosing Prime Bank Limited, Rangpur Branch

Personal relation with banker	Good or efficient service	Effective service charges	Employees behavior	Location of the bank
6	51		3	

Source: Client' Survey Data

The above data show that 85% of the clients prefer or choose this bank for good or efficient service, about 10% clients choose for personal relation with banker & rest of the 5% clients chooses for employees' behavior.

Client's have knowledge about various types of banking products

Yes	No
50	12

Source: Client' Survey Data

From the above table it can be told that, 80% of the clients are well known about various types of existing policy (various types of deposit scheme, loan) & others 20% clients are not well known about this policy.

Convenience in getting electronic services than manual service

Yes	No
48	12

Source: Client' Survey Data

From the above table it can tell that, 80% of the clients are happy to it & other 20% clients are not.

Clients want to spend time for taking service

5 to 10 minutes	10 to 20 minutes	20 to 30 minutes
30	18	12

Source: Client' Survey Data

To see the above data it can tell that, 50% of the clients want to take service within 5 to 10 minutes & 30% clients have willingness to take that service within 10 to 20 minutes & rest of the 20% clients have willingness to take service within 20 to 30 minutes.

Clients spend actual time to take service

5 to 10 minutes	10 to 20 minutes	20 to 30 minutes	More than 30 minutes
10	20	20	10

Source: Client' Survey Data

The above table show, 33% clients, have told they have to spend within 10 to 20 minutes to take service & another 33% clients have told they get service within 20 to 30 minutes & 17% have told that they get service within 5 to 10 minutes & another 17% have stated that they spend more than 30 minutes to get service.

Reasonability of charges and interest rate

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	6	6	30	18

Source: Client' Survey Data

From the above table, it can tell that, the majority of the clients are highly dissatisfied for higher charges and interest rate.

Clients' satisfaction for existing bank products (loan, deposit scheme, money transfer & others)

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
15	36	6	3	

Source: Client' Survey Data

From the above table, it can tell that, most of the clients are strongly agreed & agreed with existing policy.

Client's overall evaluation about foreign exchange department (Import, Export, Remittance related) service

Strongly satisfied	Satisfied	Neutral	Dissatisfied	Strongly dissatisfied
45	12	3		

Source: Client' Survey Data

From the above table, it can tell that, foreign exchange department of this bank provides very excellent service to the service taker.

Client's satisfaction with online banking service

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
48	9	3		

Source: Client' Survey Data

From the above table it can tell that, this bank provides excellent online banking service to the people.

Client's problem using debit and credit card

Yes	No
12	48

Source: Client' Survey Data

The above table shows that, 80% clients do not feel problem use debit card & rest of the 20% clients feel problem use debit card.



Satisfied with no. of ATM booths

Yes	No
18	42

Source: Client' Survey Data

The table shows, 70% clients told that, ATM booth is not available & other 3% clients told that, ATM booth is available.

Safety and security in taking services

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
50	10			

Source: Client' Survey Data

The table tells that, this bank is completely safe & secure for providing services to the clients.

Get exact services what they need

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
40	20			

Source: Client' Survey Data

From the above table it can tell that, this bank provides proper services to the parties when they come to the bank.

Services comparing to time

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
30	24	3	2	1

Source: Client' Survey Data

From the above table it can tell that, 50% clients strongly agreed, 40% clients agreed, 5% neutral, 3% disagreed & 2% strongly disagreed in terms of getting services in time.

Employee's co-operation in meeting queries and other needs

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
18	40	2		

Source: Client' Survey Data

From the above table it can be told that, employees of this bank are co-operative in meeting queries and other needs.

Efficiency in problem-solving

Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
6	48	3	3	

Source: Client' Survey Data

From the above table, it can tell that, employees of this bank are efficient in problem-solving.

Client's loyalty rate to stay with this bank if any other bank/banks come up with the similar offers

Yes	No
57	3

Source: Client' Survey Data

The above table shows that, 95% clients will be loyal to this bank if another bank come up with the similar offers but rest of the 5% clients will not be.

From the above survey result, it is clear that, people are satisfied as this bank is well enough in providing services. Findings clearly tell, in most of the dimensions or services criteria service takers are satisfied. In some minor areas they (the bank) are not reasonable as per the survey.

PROBLEMS

- Lack of clients' awareness about their policies.
- The branch consumes more time than expected.
- Inadequate exclusive promotional strategies.
- Very few number of ATM booths.
- Unavailability of schemes & services such as Single Counter Service, Locker, etc.
- Unavailability of some loans and credits such as packing loan, Lease Finance, Project Finance, Doctors loan, Overseas Employment loan, etc.
- Inadequate employees to provide services to the clients.

RECOMMENDATIONS

- They would increase clients' awareness.
- They should increase load management capacity during peak hours to provide services quickly.
- They would try for some exceptional promotional strategies.
- They should make ATM booths available.
- They would try to introduce more schemes and services such as locker service.
- They need to observe services regularly.
- They would try to reduce tall formalities for sanctioning loans/making loan disbursement policy easy.
- They would provide more opportunity to the women entrepreneur.

CONCLUSION

Proper marketing of services is much needed for any organization, especially in the service organization all the time. Prime Bank Limited, Rangpur Branch is well enough for marketing its services & attitude of the clients are positive towards their existing services. Finally, it can conclude that, the bank needs to think more about client services and the level of client satisfaction, the way to bring more speed for banking services, the way to achieve more efficiency and apply some strategies to boost up confidence to the clients.

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