

## CUSTOMER SATISFACTION TOWARDS PRIVATE AND PUBLIC COMMERCIAL BANKS IN BANGLADESH

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***Abstract:** The purpose of conducting this research is to compare public and private sector banks of Bangladesh by evaluating their customer satisfaction. This research is mainly based on primary data which has been collected through a well-structured questionnaire. The questionnaire has been distributed to 100 different respondents on different chosen locations. This paper makes a useful contribution as there are very low number of studies has been conducted in Bangladesh on such areas like price, technology, reliability, customer service, location and infrastructure. This research shows that customer satisfaction varies from person to person and, bank managers need to conduct more researches in order to evaluate customer satisfaction more strongly. From the result of the correlation analysis it was found in private sector that one studied independent variables are moderately correlated with dependent variable. Most of the variable supports very weakly the dependent variable. In public sector bank most of the variables are weakly and very weakly support the dependent variable. Based on findings some recommendations are also given at the later part of this paper.*

***Keywords:** Customer Satisfaction, Public Commercial Banks, Private Commercial Banks.*

### INTRODUCTION

A good banking sector with a good banking habit can accelerate the pace of development in a country. Banking is a key industry in the service sector and it can be considered as the financial nerve center of the economy. Banking sector in Bangladesh can be divided mainly into four categories which are Nationalized Bank, Local Private Commercial Bank, Specialized financial institution and Foreign Bank. Despite many fundamental banking reformations, domestic banks are lagging behind on many fronts compared with foreign commercial banks with wide range of capitalization, overseas network, modern management expertise, experience, technological advancement, etc. That results for the domestic banks relative weakness in service quality and product quality as delivered to domestic customers. Again due to globalization and free market economy, this industry is facing severe competition in Bangladesh. Technology has also made tremendous impact by introducing anywhere banking and anytime banking. The financial sector now operates in a more competitive environment than before and involves

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relatively large volume of international financial flows. In the wake of greater financial deregulation and global financial integration, the biggest challenge before the public sector banks is to match the market requirement. Market positioning, cost of intermediation and service delivery are likely to be determinants of the efficiency of banks with respect to their competitiveness. To meet the competition, creating satisfaction of customers has become primary objective of each bank. Quality in service is very important especially for the growth and development of service sector business enterprises. It works as an antecedent of customer satisfaction. In past, quality was measured only for the tangible products because of less dominance of service sector in the economy. Due to the increasing importance of service sector in the economy, the measurement of service quality became important. This project deals with the measurement of customer satisfaction of banks both in private and public sector in Bangladesh. The study shows that banking sector of Bangladesh is at the growing stage. Since early 1990s, after the open market policy of the Bangladesh government, this sector has been growing rapidly. It is generally viewed that customers are hardly getting desired and improved services from the banks. In the past, customers were simple persons and were happy at whatever banks dished out to them. Over a period of time with the competition and technological improvements, customers have become fully aware of their rights. They now demand nothing short of excellent and prompt services. In fact, over a period of time customer service has become customer satisfaction and customer delight and it can be said what they look forward to now is, customer ecstasy. Umpteen alternatives are available to enlightened customer and they choose only those banks that they consider best suite them. Hence, it is essential to identify the factors responsible for the quality of the services. The findings of this study would be useful to the policymakers of the banks to improve their service quality to the clients.

## **LITERATURE REVIEW**

Customer satisfaction is becoming an increasingly salient topic in many firms and in academic research. Customer Satisfaction is a measure of how products and services provide by any organization meet the expectations of a customer. It varies from person to person and service to service. A customer can be defined as a user or potential user of banking services. For a bank a customer would include an account holder, or a person carrying out casual business transactions with a bank. The efficiency of a banking sector depends upon how best it can deliver services to its target customers. In order to survive in this competitive environment and provide continual customer satisfaction, the banking services providers are required to frequently increase the quality of services.

Customer satisfaction plays a vital role in gearing up the banking sectors and their performance. Here we have made a short review about the studies relating to the customer satisfaction and the service quality. Silky et al. (2007) stated

some of the factors responsible for customer satisfaction. The factors that influence the customer satisfaction are innovative services, network access and technicalities, behavior, comfort and image. Their study revealed that public and private sector banks do not differ significantly in providing customer satisfaction. Hummayoun et al. (2009) carried out comparative investigations to identify the impact of service quality on customer satisfaction in banking sector. Their study resulted that service quality is the strong predictor of customer satisfaction. They have stated that if any particular bank effectively manages the service quality that bank can satisfy the customers. Sankar et al. (2010), conducted a study on identifying the major reasons for dissatisfaction with public sector banks. Agathee (2010) advocated that there are increasing urgent needs for bankers to meet customer expectations for faster and better service with the number of branches. Their study revealed that the high income group customers are more likely to be dissatisfied with banks services and it is highlighted in the study that to improve the customer service and quality improvement, the bankers has to gear upon two components i.e., reliability and responsiveness.

Singh and Arora (2011) suggested that training on stress management and public dealing should be imparted to the employees of nationalized banks. Their results indicate that the customers of nationalized banks were not satisfied with the employee behavior, ambience and infrastructure, while respondents of private and foreign banks were not satisfied with high charges, accessibility and communication. Kailash (2012) compared performance among two categories of banks such as public and private sectors. Roth et al. (1991) said that the competitive priorities of retail banks were empirically linked with operations strategy contents of structure, infrastructure and integration choices. Zaithaml et al. (1996) offered a conceptual model of the impact of service quality on particular behavior that signal whether customers remain with or defect from a company. Using the proposed model, they have examined the relationships concerning customers' behavioral intentions which have strongly influenced service quality. Abratt and Russell (1999) have suggested the key factors influencing customers' selection of a bank that includes the range of services, rates, fees and prices charged.

There have been several studies emphasizing the significance of customer retention in banking industry (Dawkins and Reichheld, 1990; Zimmerman, 1999; Page et al., 1996; Reichheld and Kenny, 1990; Fisher, 2001). Fornell (1992) noted that although customer satisfaction and quality appear to be important for all firms, satisfaction is more important for loyalty in industries such as banks, insurance mail order and automobiles. Armistead, Pritchard and Machin (1999) suggested and predicted two critical challenges which prevail on customer satisfaction. Several studies (Schlenger and Heskett, 1991; Norman and Ramirez, 1993; Liedtka et al, 1997) focused on the specific relationship between employee satisfaction, service quality and customer satisfaction. In these studies, the relationship is often described as the "Satisfaction Mirror" reinforcing the

idea that business success results from employee satisfaction being “reflected” in terms of customer satisfaction. Whilst Silvestro and Cross (2000) cast some doubts on the strength of the relationship, the balance of evidence suggests that employee satisfaction is a key driver of service quality and customer satisfaction. Voss et al. (2004) found that employee satisfaction directly affects both service quality and customer satisfaction. Vilares and Coehlo (2003) have convinced about the recommended changes to the existing customer satisfaction indexes (ECSI) which recognized that there exists a cause and effect relationship between employee behavior and customer satisfaction. Kano et al. (1984) identified three types of customer requirements; they are “must be”, “one dimensional” and “attractive”. “Must be” requirements are simply taken for granted by the customer. “One dimensional” requirements customer satisfaction is proportional to the level of fulfillment. “Attractive” requirements provide the greatest opportunity to “delight” the customer. Lewis (1995) adopted the terminology of “hygiene factors”, “enhancing factors” and “dual threshold factors”.

Customer satisfaction has been gaining increasing attention from the researchers and practitioners as a recognized field of scholarly study and is a fundamental tool used by financial institutions for enhancing customer loyalty and ultimately organizational performance and profitability. The importance of customer satisfaction cannot be dismissed because happy customers are like free advertising. In this situation, customer satisfaction has been regarded as a fundamental determinant in maintaining long-term customer relationship behaviors (Oliver, 1980; Zeithaml et al., 1996; Anthanassopoulos et al., 2001; Anderson and Sullivan, 1993; Fornel, 1992; Levesque and McDougall, 1996). Therefore, enhancing customer satisfaction should be a key driver for banks in maintaining a long term relationship with their customers. In the banking industry, a key element of customer satisfaction is the nature of the relationship between the customer and the provider of the products and services i.e. banks. Thus, both product and service quality are commonly noted as a critical prerequisite for satisfying and retaining valued customers.

Fast and efficient service, confidentiality of bank, speed of transaction, friendliness of bank personnel, accuracy of billing, billing timeliness, billing clarity, competitive pricing, and service quality are the key factors which significantly affect customer’s satisfaction (Hokanson, 1995). A survey conducted on college students in Bahrain indicated that young customers places more emphasis on factors like a bank’s reputation, friendliness of bank personnel, convenient location, 24/7 ATM, and availability of parking space in selecting their banks (Almossawi, 2001). Meanwhile Levesque et al. (1996) found that the performance of the service provider on core and relational dimensions of service quality was an important driver for customer satisfaction in retail banking. Although, it is apparent that for superior service, it is not sufficient to only focus on satisfying customers, as customers switched their financial institutions because of service quality problems and failures (Gerrard

and Cunningham, 1997), and stop the use of a financial service provider because of poor service performance (Allred and Addams, 2000). According to Sivadas and Baker-Prewitt (2000), satisfaction also influences the likelihood of recommending a bank as well as repurchase. Also, customers are likely to recommend a service provider when they are satisfied with the services and when they have a favorable relative attitude towards that service provider.

Evans and Lindsay (1996) stated that companies with satisfied customers have a good opportunity to convert them into loyal customers who purchases from those firms over an extended time period. However, Bowen and Chen (2001) said that having satisfied customers is not enough, there has to be extremely satisfied customers. This is because customer satisfaction must lead to customer loyalty. Sivadas and Baker-Prewitt (2000) examined that there is an increasing recognition that the ultimate objective of customer satisfaction measurement should be customer loyalty. Fornell (1992) found that high customer satisfaction will result in increased loyalty for the firm and that customers will be less prone to overtures from competition. This view was also shared by Anton (1996) who stated that satisfaction is positively associated with repurchase intentions, likelihood of recommending a product or service, loyalty and profitability. Loyal customers would purchase from the firm over an extended time (Evans and Lindsay, 1996). Gultinan et al. (1997) also examined that satisfied customers are more likely to be repeat (and even become loyal) customers and don't think to switch to other service providers. Similarly, Bontis et al. (2007) examined the causal construct between customer satisfaction and customer loyalty in the North American banking industry and found that there is positive association between customer satisfaction and customer loyalty.

Rust and Zahorik (1993) stated that greater customer satisfaction leads to greater intent to repurchase. According to Anderson and Sullivan (1993), a high level of customer satisfaction will decrease the perceived need to switch service provider, thereby increasing customer repurchase and ultimately enhancing profitability of the organization (Bowen and Chen, 2001). In the services sector literature, strong emphasis is placed on the significant importance of service quality perceptions and the association between service quality and customer satisfaction (Cronin and Taylor, 1992; Taylor and Baker, 1994). Again, Anderson (1994) affirmed that satisfaction is a post consumption experience which compares perceived quality with expected quality. According to Anderson and Fornell (1994), customer satisfaction is the term which may lower the chance of customers being driven away due to the poor quality of products or services. Fornell (1992) noted that the more satisfied customers are the one that are greater in their retention while, Anderson and Sullivan (1993) added that satisfied customer would intend to repeat purchase which would enhance organizations profitability. In association with this Jones and Sasser (1995) acknowledged that completely satisfied customers are those who are much more loyal than merely satisfied customer. Therefore, customer satisfaction in banking service refers to as service recovery satisfaction in this proposed research.

## OBJECTIVES

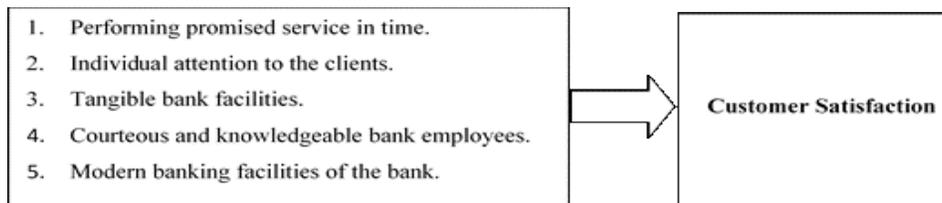
The broad objective of the research is to identify and analyze various factors of customer satisfaction of Bank customers of both private and public banks in Bangladesh. Specific objectives of the research are:

1. to compare the level of satisfaction of customers of both public and private through.
2. to evaluate the impact of service attributes offered by the banks on the level of satisfaction of customers.
3. to evaluate different services provided by these banks.
4. to identify the problems faced by the customers.
5. to identify the relationship between service quality, customer satisfaction and customer value in the public and private banks in Bangladesh.

## DEVELOPMENT OF CONCEPTUAL FRAMEWORK

The conceptual framework for the proposed study is presented below:

**Figure 1: Conceptual Framework of Research Variable and their Relationship**



## HYPOTHESIS DEVELOPMENT

- H<sub>0</sub> 1 : Banks doesn't provide their service at the time they promise to do so.
- H<sub>0</sub> 2 : When clients face problem, banks doesn't show a sincere interest to solve it.
- H<sub>0</sub> 3 : Employees doesn't give prompt service to their clients.
- H<sub>0</sub> 4 : You are not satisfied with the performance of the bank.
- H<sub>0</sub> 5 : Banks don't have operating hours convenient to all their clients.
- H<sub>0</sub> 6 : Banks doesn't give clients individual attentions.
- H<sub>0</sub> 7 : The employee of banks doesn't understand specific needs of their clients.
- H<sub>0</sub> 8 : Banks physical facilities (environment & decoration) are not visually appealing.
- H<sub>0</sub> 9 : Banks have not up to date equipment (hardware & software).
- H<sub>0</sub> 10 : Bank's employees are not well dressed and neat in appearance.

H<sub>0</sub> 11 : You are not satisfied with the tangible bank facilities.

H<sub>0</sub> 12 : Employees are not competent to do their jobs well.

H<sub>0</sub> 13 : Clients doesn't feel trust in their transactions with banks employees.

H<sub>0</sub> 14 : You are not satisfied with courteous and knowledgeable bank employees.

H<sub>0</sub> 15 : Modern banking (internet, online) facility is not available of your bank.

H<sub>0</sub> 16 : In case of remittance, you are not satisfied with the service of your bank.

H<sub>0</sub> 17 : Do you think loan taking process from your bank is not easy?

H<sub>0</sub> 18 : The bank doesn't operate a regular and effective compliant handling process.

H<sub>0</sub> 19 : The employees are not quick and efficient in service delivery.

H<sub>0</sub> 20 : The bank doesn't maintain strong customer relationship.

H<sub>0</sub> 21 : The bank doesn't provide ATM service in multiple locations.

H<sub>0</sub> 22 : The bank doesn't provide good E-Banking service.

H<sub>0</sub> 23 : Location of the bank is not convenient.

H<sub>0</sub> 24 : The bank doesn't give you good interest on saving accounts.

## **METHODOLOGY**

This study has been design to test the hypotheses by conducting a co-relational research. The preceding conceptual framework (Figure1) of the proposed model depicts the pattern and structure of the co-relational relationships among the set of measured variables. The conceptual framework illustrates the name of research variables and relationship with them. Also one sample t-test was used to know the impact of independent variable over dependent variable.

In this study primary data was collected by using self-administered questionnaires which were distributed to respondents and they were briefed on the purpose of the study. The structure of the questionnaire is clear, easy to understand, and straightforward. In order to test the hypothesis the questionnaire was designed to find out as to what are the factors that determine the customer satisfaction. The questionnaire is divided into five sections. First section consists of performing promised service in time, second section consists of individual attention to the clients, third section consists of tangible bank facilities, forth section consists of courteous and knowledgeable bank employees and last section consists of modern banking facility of the bank.

The sample of this research is formed by the clients who had taken service from renowned private and public commercial banks in Dhaka city during the data collection period of this study. A simple random sampling method is used to collect data from the population of this research. The sample size was 100 in this case.

The questionnaire, which is mentioned before to be used for data collection of this study will be distributed among the clients who have a bank account and taking services from the bank. There are several reasons behind the selection of this method. First, it allows large amounts of information to be obtained at a relatively low cost. Second, more accurate responses are obtained because interviewer bias is avoided and secondary data was collected from previous research, annual report etc. Data was collected from Sonali Bank Limited, Agrani Bank Limited, Rupali Bank Limited, Janata Bank Limited, Standard Chartered Bank Bangladesh Limited, HSBC Bank Bangladesh Limited, Dhaka Bank Limited, Dutch-Bangla Bank Limited, Prime Bank Limited and Shahjalal Islami Bank Limited in Dhaka city.

In the questionnaire most of the questions are in likert form, which is a five point rating scale. This scale has specific category and each specific category has its own description. In my research questions I have defined categories and their descriptions are, strongly disagree= 1, disagree= 2, neutral= 3, agree= 4, strongly agree= 5. After collecting the data, correlation matrix for the variables will be prepared and the researcher will use one sample test and reliability test to test the strength of associations between the study variables.

### **FINDINGS AND ANALYSIS**

In interpreting the strength of relationships between variables, the guidelines suggested by Rvontree (1981) were followed. His classification of the correlation coefficient (r) is as follows:

0.0 to 0.2	Very weak, negligible
0.2 to 0.4	Weak, low
0.4 to 0.7	Moderate
0.7 to 0.9	Strong, High, Marked
0.9 to 1.0	Very strong, very high

This study made reliability and correlation analysis using inter-item correlation matrix and statistics to test the hypotheses. Firstly, in this test we see that in performing promised service in time part there is correlation between  $H_01$ ,  $H_02$  and  $H_03$  and alpha value is .402 which support performing promised service in time moderately (Table 1).

**Reliability and Correlation Analysis of Private Sector Bank****Table 1: Inter-Item Correlation Matrix**

	Service	Clients Problem	Give Prompt Service
Service	1.000	.176	.112
Clients problem	.176	1.000	.266
Give prompt service	.112	.266	1.000
Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items		N of Items
.402	.404		3

In personnel attention to the client part there is correlation between H<sub>05</sub>, H<sub>06</sub>, H<sub>07</sub>, H<sub>018</sub> and H<sub>024</sub> and alpha value is .188 which support individual attention to the clients very weakly (Table 2). Then, in tangible bank facility part there is correlation between H<sub>08</sub>, H<sub>09</sub>, and H<sub>010</sub> and alpha value is .093 which supports tangible bank facility very weakly (Table 3).

**Table 2: Inter-Item Correlation Matrix**

	Operating Hours of the Bank	Individual Attention	Specific Needs	Effective Compliant Handling Process	Provide Good Interest on Saving Accounts
Operating hours of the bank	1.000	-.184	-.028	.035	.017
Individual attention	-.184	1.000	.200	.302	-.058
Specific needs	-.028	.200	1.000	-.110	.133
Effective compliant handling process	.035	.302	-.110	1.000	.135
Provide good Interest on saving accounts	.017	-.058	.133	.135	1.000
Reliability Statistics					
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items				N of Items
.188	.188				5

**Table 3: Inter-Item Correlation Matrix**

	<b>Physical Facilities</b>	<b>Up to Date Equipment</b>	<b>Employees Appearance</b>
Physical facilities	1.000	.074	.018
Up to date equipment	.074	1.000	.007
Employees appearance	.018	.007	1.000
<b>Reliability Statistics</b>			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items		N of Items
.093	.093		3

Again, in courteous and knowledgeable bank employees part there is correlation between  $H_{12}$ ,  $H_{13}$ ,  $H_{14}$ , and  $H_4$  and alpha value is .233 which support courteous and knowledgeable bank employee's part weakly (Table 4). Moreover, in modern banking service part there is correlation between  $H_{015}$ ,  $H_{016}$ ,  $H_{017}$ ,  $H_{021}$  and  $H_{022}$  and alpha value is .193 which supports modern banking part very weakly (Table 5).

**Table 4: Inter-Item Correlation Matrix**

	<b>Employees Competency</b>	<b>Trust in their Transaction</b>	<b>Courteous and Knowledgeable</b>	<b>Performance of the Bank</b>
Employees competency	1.000	-.125	.097	.253
Trust in their transaction	-.125	1.000	-.069	.149
Courteous and knowledgeable	.097	-.069	1.000	.152
Performance of the bank	.253	.149	.152	1.000
<b>Reliability Statistics</b>				
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items			N of Items
.233	.248			4

**Table 5: Inter-Item Correlation Matrix**

	<b>Modern Banking</b>	<b>Remittance</b>	<b>Loan Taking Process</b>	<b>ATM in Many Locations</b>	<b>E-Banking Service</b>
Modern banking	1.000	.154	.046	.366	.117
Remittance	.154	1.000	.051	-.040	-.302
Loan taking process	.046	.051	1.000	-.026	-.071
ATM in many locations	.366	-.040	-.026	1.000	.257
E-Banking service	.117	-.302	-.071	.257	1.000
<b>Reliability Statistics</b>					
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items				N of Items
.193	.193				5

While we test the data of public banks we got slightly different correlation among the variables than to private banks. In performing promised service in time part there is correlation between  $H_2$  and  $H_3$  and alpha value is .386 which support performing promised service in time in low quality (Table 6), where in individual attention to the client part we have observed correlation between  $H_5$ ,  $H_6$ ,  $H_7$ ,  $H_{18}$ ,  $H_{20}$  and  $H_{24}$  and alpha value is .082 which support individual attention to the clients very weakly (Table 7).

### Reliability and Correlation Analysis of Public Sector Bank

**Table 6: Inter-Item Correlation Matrix**

	<b>Give Prompt Service</b>	<b>Clients Problem</b>
Give prompt service	1.000	.240
Clients problem	.240	1.000
<b>Reliability Statistics</b>		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.386	.386	2

**Table 7: Inter-Item Correlation Matrix**

	Operating Hours of the Bank	Individual Attention	Specific Needs	Effective Compliant Handling Process	Customer Relationship	Provide Good Interest on Saving Accounts
Operating hours of the bank	1.000	-.167	.326	-.099	-.012	-.157
Individual attention	-.167	1.000	.035	-.202	.270	-.108
Specific needs	.326	.035	1.000	.018	.091	-.012
Effective compliant handling process	-.099	-.202	.018	1.000	-.143	.225
Customer relationship	-.012	.270	.091	-.143	1.000	.043
Provide good Interest on saving accounts	-.157	-.108	-.012	.225	.043	1.000
Reliability Statistics						
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items					N of Items
.082	.042					6

Again in tangible facility part there is correlation between  $H_8$ ,  $H_9$ ,  $H_{10}$ ,  $H_{11}$ , and  $H_{23}$  and alpha value is .326 which supports tangible facility to the clients in low quality (Table 8). In courteous and knowledgeable bank employees part there is correlation between  $H_{012}$ ,  $H_{013}$ ,  $H_{014}$  and  $H_{019}$  and alpha value is .530 which support courteous and knowledgeable bank employees moderately (9). Lastly in modern banking service part there is correlation between  $H_{015}$ ,  $H_{016}$ ,  $H_{017}$ ,  $H_{021}$  and  $H_{022}$  and alpha value is .040 which supports modern banking service part very weakly (Table 10).

**Table 8: Inter-Item Correlation Matrix**

	Physical Facilities	Up to Date Equipment	Employees Appearance	Tangible Facilities	Convenient Location
Physical facilities	1.000	.255	.160	-.100	.115
Up to date equipment	.255	1.000	.111	-.056	.148
Employees appearance	.160	.111	1.000	.011	.076
Tangible facilities	-.100	-.056	.011	1.000	.173
Convenient location	.115	.148	.076	.173	1.000
Reliability Statistics					
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items				N of Items
.326	.329				5

**Table 9: Inter-Item Correlation Matrix**

	<b>Employees Competency</b>	<b>Trust in their Transaction</b>	<b>Courteous and Knowledgeable</b>	<b>Employees Efficiency</b>
Employees competency	1.000	.217	.188	.003
Trust in their transaction	.217	1.000	.386	.245
Courteous and knowledgeable	.188	.386	1.000	.346
Employees efficiency	.003	.245	.346	1.000
<b>Reliability Statistics</b>				
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items			N of Items
.530	.546			4

**Table 10: Inter-Item Correlation Matrix**

	<b>Modern Banking</b>	<b>Remittance</b>	<b>Loan Taking Process</b>	<b>ATM Service in Multiple Locations</b>	<b>E-Banking Service</b>
Modern banking	1.000	-.105	-.159	-.030	.108
Remittance	-.105	1.000	-.071	-.139	-.059
Loan taking process	-.159	-.071	1.000	.054	.069
ATM in multiple locations	-.030	-.139	.054	1.000	.462
E-Banking service	.108	-.059	.069	.462	1.000
<b>Reliability Statistics</b>					
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items				N of Items
.040	.062				5

This study also conducts t-test for hypotheses testing and some interpretation is made. Based on the result of the data collected from private banks- this study accept the null hypothesis of  $H_05$ ,  $H_013$ ,  $H_016$ ,  $H_017$  and alternation hypothesis of  $H_1$ ,  $H_2$ ,  $H_3$ ,  $H_4$ ,  $H_6$ ,  $H_7$ ,  $H_8$ ,  $H_9$ ,  $H_{10}$ ,  $H_{11}$ ,  $H_{12}$ ,  $H_{14}$ ,  $H_{15}$ ,  $H_{18}$ ,  $H_{19}$ ,  $H_{20}$ ,  $H_{21}$ ,  $H_{22}$ ,  $H_{23}$ ,  $H_{24}$  (Table 11 in Appendix). Again based on the result of data collected from public banks- this study accept the null hypothesis of  $H_06$ ,  $H_09$ ,  $H_015$ ,  $H_020$ ,  $H_021$  and alternation hypothesis of  $H_1$ ,  $H_2$ ,  $H_3$ ,  $H_4$ ,  $H_6$ ,  $H_7$ ,  $H_8$ ,  $H_9$ ,  $H_{10}$ ,  $H_{11}$ ,  $H_{12}$ ,  $H_{14}$ ,  $H_{15}$ ,  $H_{18}$ ,  $H_{19}$ ,  $H_{20}$ ,  $H_{21}$ ,  $H_{22}$ ,  $H_{23}$ ,  $H_{24}$  (Table 12 in Appendix).

These results of hypotheses testing expose the variables that are most influential for customer satisfaction. The results show that customers are satisfied when they get the service at promised time. They feel important as the employees show sincere interest in their problems and give individual attention to them. The customers feel blissful when employees of the banks are courteous and knowledgeable and they understand specific needs of the customers. The customers are contended when the delivery of services is regular and efficient and their complaints are handled regularly and in effective manner. This study also identifies that the presence of some tangible amenities like visually appealing physical facilities, availability of modern banking equipment, good and secured e-banking services, ATMs and multiple locations and well-dressed employees who are neat in appearance made the customer sated. Despite these positive things of banks, customers also determine some problems. Firstly, the inconvenient operating hours followed by banks. They also noticed that the remittance services of banks are not satisfactory at all. Finally, they discerned that the banks are running complicated loan processing systems. The documentation in taking loans made lackadaisical attitude toward taking this service.

### **SIGNIFICANCE OF THE STUDY**

Business organizations success is recognized as the dominant factor of the loyalty of the customer or client towards the brand or organization. It is commonly known that customer satisfaction is related to customer loyalty, which in turn related to profitability (Hesket and Storbacka, 1994). The purpose of this study is to understand the customer satisfaction towards (a) performing promised service in time, (b) individual attention to the clients, (c) tangible bank facilities, (d) courteous and knowledgeable bank employees and (e) modern banking facility of banking industry in Bangladesh. The study will make the following significant contribution in the context of banking industry in Bangladesh. First, this study will help the researchers to extend their understanding of the correlation relationship between each part of the bank service. The results of this study will expose the importance and impact of their relationship in the banking sector in Bangladesh. Second, the present study will help the banks manager to better understand of how to hold loyal clients by satisfying their overall needs,

and hold the clients trust upon the bank which thus results good profit, and enhances reputation as well. Third, no such study was conducted to address this concern in the context of private and public commercial bank in Bangladesh. The study result will produce a methodology which can be imitated by other study also. Finally, as the researcher are only considering bank, there is always scope for further study in other service organizations in Bangladesh like hospitals, hotels, telecommunication companies, airlines, etc.

### **RECOMMENDATIONS AND CONCLUSION**

After analyzing the study variables in the context of the banking industry of Bangladesh, the following issues were found to be recommended. From the result of the correlation analysis it was found in private sector that one studied independent variables are moderately correlated with dependent variable. Most of the variable supports very weakly the dependent variable. In public sector bank most of the variables are weakly and very weakly support the dependent variable. In hypothesis's testing in private and public sector bank doesn't support all hypotheses overall service quality should be taken especial care for the benefit of the bank. Although different kind of banking card or product, and scheme has been introduced in our country by foreign bank and private bank, still majority people are not aware about that. Because banking products are completely different from other product and their functions are also vague and complex in people mind. So management of banks should take effective measure so that they can bring their product to peoples mind and make them understand about their products attributes. Beside that management should ensure that all of their branches are operating in similar fashion and providing similar product choices (such as savings, cards, and personal loans) so that clients of any location have similar perception about bank. Furthermore, managers should improve quality of their product overtime with the changing environment. The survey result of this study indicates that the main reason for customer to planning to switch to a new bank is that new bank provides a greater variety of bank products. Therefore, if managers were to become convinced that product quality plays an important role in the process of positive reputation building, they could identify the key antecedents and take measure to improve it. On the other hand every corporation should contribute in nonprofit oriented social welfare activities which build a positive image on peoples mind and thus the reputation of bank increases. Corporate social performance represents their belief, values, behavior, culture, etc and can be also considered as promotional activity. Finally it is therefore very important for any private and public sector bank in Bangladesh to take effective measures to improve service quality, product quality, and corporate social performance if they are to build and enhance their reputation and thus attract a large share of profitable customers and maintain a sustainable competitive advantage in the long run.

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**APPENDIX****Table 11: T-test for Private Bank**

Factors	Test Value= 3					
	t	d.f.	Sig. (Two Tailed)	Mean Difference	95% CI of the Difference	
					Lower	Upper
Service	4.822	59	.000	.700	.41	.99
Clients problem	4.634	59	.000	.650	.37	.93
Give prompt service	7.007	59	.000	.917	.65	1.18
Performance of the Bank	5.898	59	.000	.750	.50	1.00
Operating hours of the Bank	1.823	59	.073	.267	-.03	.56
Individual attention	2.147	59	.036	.317	.02	.61
Special needs	2.205	59	.031	.317	.03	.60
Physical facilities	8.714	59	.000	1.150	.89	1.41
Up to date equipment	9.776	59	.000	1.117	.89	1.35
Employee appearance	5.536	59	.000	.667	.43	.91
Tangible facilities	4.535	59	.000	.583	.33	.84
Employees competency	5.399	59	.000	.817	.51	1.12
Trust in their transaction	1.651	59	.104	.233	-.05	.52
Courteous	4.064	59	.000	.550	.28	.82
Modern Banking	9.248	59	.000	1.167	.91	1.42
Remittance	1.106	59	.273	.167	-.13	.47
Loan taking process	1.837	59	.71	.283	-.03	.59
Effective compliant handling process	4.019	59	.000	.933	.29	.87
Employees efficiency	8.596	59	.000	.367	.72	1.15
Customer relationship	2.471	59	.016	1.000	.07	.66
ATM in multiple locations	7.111	59	.000	.967	.72	1.28
E-Banking service	6.878	59	.000	.333	.69	1.25
Convenient location	2.098	59	.40	.667	.02	.65
Provide good interest on savings	4.345	59	.000		.36	.97

**Table 12: T-test for Public Bank**

Factors	Test Value= 3					
	t	d.f.	Sig. (Two Tailed)	Mean Difference	95% CI of the Difference	
					Lower	Upper
Service	4.356	39	.000	.600	.32	.88
Clients problem	2.662	39	.011	.425	.10	.75
Give prompt service	4.837	39	.000	.750	.44	1.06
Performance of the Bank	5.731	39	.000	.800	.52	1.08
Operating hours of the Bank	5.721	39	.000	.925	.60	1.25
Individual attention	1.778	39	.083	.225	-.03	.4
Special needs	2.061	39	.046	.325	.01	.64
Physical facilities	3.365	39	.002	.525	.21	.84
Up to date equipment	.628	39	.534	.100	-.22	.42
Employee appearance	2.731	39	.009	.425	.11	.74
Tangible facilities	5.099	39	.000	.800	.48	1.12
Employees competency	7.965	39	.000	1.275	.95	1.60
Trust in their transaction	10.243	39	.000	1.350	1.08	1.62
Courteous	3.606	39	.001	.500	.22	.78
Modern Banking	-.321	39	.750	-.050	-.37	.27
Remittance	5.940	39	.000	.950	.63	1.25
Loan taking process	5.278	39	.000	.750	.46	1.04
Effective compliant handling process	5.342	39	.000	.650	.40	.90
Employees efficiency	6.132	39	.000	.900	.60	1.20
Customer relationship	.829	39	.412	.150	-.22	.50
ATM in multiple locations	-.172	39	.864	-.025	-.32	.27
E-Banking service	2.888	39	.006	.425	.13	.72
Convenient location	6.132	39	.000	.900	.60	1.20
Provide good interest on savings	3.047	39	.004	.50	.17	.83