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Assessing customer's satisfaction at Bangladesh Commerce Bank Limited A study of the Khatgora branch dhaka

Submitted To:

Dr. Tanvir Abir

Associate Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Prepared By

Rahad Jamil

ID : 183-11-685

Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

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ACKNOWLEDGEMENT

First and foremost, I express my profound gratitude to the Almighty for His blessings and for granting me the patience and ability to successfully complete my internship report at BCBL (Bangladesh Commerce Bank Limited). Without His divine will, it would not have been possible for me to accomplish this internship.

I extend my heartfelt appreciation to my supervisor at BCBL, Dr. Tanvir Abir, who played a pivotal role in guiding and supervising me throughout my internship. Dr. Abir, with his expertise and extensive knowledge, provided invaluable insights and support in preparing this report. I sincerely acknowledge him for being a continuous source of motivation throughout my internship.

I would like to express my gratitude to the CEO of BCBL for generously providing me with the opportunity to work as an intern for a period of three months. This invaluable experience at BCBL has significantly contributed to my professional growth and understanding of the banking industry.

Furthermore, I want to extend my heartfelt thanks to all those who contributed through their valuable suggestions and time to help me prepare this comprehensive internship report. Words alone cannot convey how deeply I appreciate the insightful feedback and opinions that have shaped this report. I am truly obliged to each and every one of you, and I offer my emphatic thanks.

Lastly, I would like to convey my sincere gratitude to my parents for their unwavering support and inspiration throughout my academic and professional journey.

During my internship at BCBL, I had the opportunity to work closely with the bank's marketing team. My primary responsibility was to conduct customer surveys and gather feedback to assess customer satisfaction. To accomplish this task, I designed and administered Google Forms to collect valuable information from a sample of 100 bank customers. The objective was to gain insights into customer preferences, opinions, and areas where BCBL could further enhance its services.

The data collected through the surveys provided a comprehensive understanding of customer perspectives, which I analyzed and presented in this internship report. This experience not only allowed me to apply my academic knowledge but also gave me valuable exposure to the practical aspects of the banking industry.

LETTER OF TRANSMITTAL

Date: 9/19/2023

To

Dr. Tanvir Abir

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University.

Subject: Submission of Internship Report.

Dear Sir,

It is my honor to submit my Internship Report titled Assessing of Customers' Satisfaction of Bangladesh Commerce Bank Ltd Bangladesh Studies as a compulsory prerequisite for the BBA program. This temporary position program was my absolute first hands on introduction & gave me a learning experience and information in a few areas.

While working in BCBL I gathered knowledge and experience related to Marketing which I believe would be helpful for my future job life. After gathering some new experiences in a three months internship program I tried my level best to come up with an effective report.

I would be really grateful if you find this report useful and accept it and I would like to thank you once again for giving me the opportunity to prepare the internship report and also for your support and guidance.

Sincerely Yours,

Rahad Jamil

Rahad Jamil

ID : 183-11-685

Major in Marketing

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Student Declaration

I do here gravely speak out that work obtainable in this report entitled Assessing of Customers' Satisfaction of Bangladesh Commerce Bank Ltd Bangladesh Studies. Embodies the result of my own research, pursued under the supervision of Dr. Tanvir Abir, Associate Professor (Department of Business Administration), Daffodil International University.

The work I have reachable does not breach any presented copyright act and no portion of the internship report is copied from any other work done earlier for a degree.

I further undertake to indemnify the department as well as the faculty of Daffodil International University against defeat or harm arising from violation of forgoing obligations.

Rahad Jamil

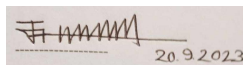
Rahad Jamil
ID : 183-11-685
Major in Marketing
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Certificate Approval

I am pleased to certify that the internship report on **Assessing of Customers' Satisfaction of Bangladesh Commerce Bank Ltd Bangladesh Studies** has been successfully completed by Rahad Jamil his bearing ID : 183-11-685, Department of Business Administration has been approved for presentation & viva voce. Under my supervision Rahad Jamil worked with Islami Bank Bangladesh Limited at Barogola Branch.

I am pleased to hereby certify that information and findings presented in this report and the authentic work of Rahad Jamil. I strongly recommend the report presented for further academic commendation & viva voce.

It has indeed been a great pleasure working with him. I wish him all success in life.



20.9.2023

Dr. Tanvir Abir
Associate Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Abstract

This report delves into the factors influencing customer satisfaction in the context of private commercial banking in Bangladesh, with a specific focus on Bangladesh Commerce Bank Ltd (BCBL) and its Khatgora branch in Dhaka. The study aims to explore the relationships between tangibility, reliability, empathy, and customer satisfaction within the banking industry.

The study collected data through surveys from BCBL's customers at the Khatgora branch, examining their perceptions of tangibility, reliability, empathy, and overall satisfaction. The results indicated high positive correlations between all these factors and customer satisfaction, reinforcing the hypotheses and highlighting the significance of these dimensions in shaping customer experiences.

However, it is important to note that the study identified room for improvement in the internal consistency and reliability of the variables related to tangibility and reliability. Recommendations are made to refine these items to enhance their reliability.

In conclusion, this report contributes to the growing body of knowledge on customer satisfaction in the banking sector in Bangladesh, emphasizing the importance of tangibility, reliability, and empathy in shaping customer experiences. The findings underscore the need for banks, including BCBL, to prioritize these dimensions to ensure they meet customer expectations and continue to thrive in a competitive market.

TABLE OF CONTENTS

| Serial No | Title | Page No |
|-----------|--|---------|
| | Front Page | i |
| | Letter of Transmittal | ii |
| | Certificate Approval | iii |
| | Student's Declaration | iv |
| | Acknowledgement | v |
| | Executive Summary | vi |
| | Chapter: 01 : Introduction | 01 |
| 1.1 | Introduction | 2 |
| 1.2 | Background of the Study | 2 |
| 1.3 | Scope of the Study | 2 |
| 1.4 | Significant of the Study | 2 |
| 1.5 | Objectives of the Study | 2 |
| 1.6 | Limitations of the Study | 3 |
| 1.7 | Summary | 3 |
| | Chapter 02 : Background Of the Company | 4 |
| 2.1 | History of BCBL | 5 |
| 2.2 | Vision of BCBL | 5 |
| 2.3 | Mission of BCBL | 6 |
| 2.4 | Objectives of BCBL | 6 |
| 2.5 | Products & Services of BCBL | 7 |
| 2.6 | Business Competitors | 7 |
| 2.7 | Organizational Structure & Hierarchy | 8 |
| 2.8 | Operational Procedure | 8 |
| 2.9 | Functions of BCBL | 8 |
| | Chapter 03 :Literature Review | 9 |
| | Chapter 4 : Conceptual Framework | 18 |
| 4.1 | Hypothesis Development | 19 |
| 4.2 | Tangibility and Customer Satisfaction | 19 |
| 4.3 | Reliability and Customer Satisfaction Empathy and Customer Satisfaction | 19 |
| | Chapter 5 :Methodology | 20 |
| 5.1 | Research Design | 21 |
| 5.2 | Sampling Technique | 22 |
| 5.3 | Data Analysis Technique | 23 |
| | Chapter 6 :Methodology | 24 |
| 6.1 | Demographic Statistics | 25 |
| 6.2 | Reliability | 26 |
| 6.3 | Pearson Correlation | 27 |
| 6.4 | Factor Analysis | 28 |
| | Chapter 7 :Methodology | 29 |
| 7.1 | Findings | 30 |
| 7.2 | Recommendations | 31 |
| 7.3 | Conclusion | 32 |
| | | 33 |

Chapter 1 Introduction

1.1 Background of the study

The banking industry is an integral part of any economy, and in Bangladesh, it plays a crucial role in the country's financial sector. According to Abdin (2018), the banking sector has played a vital role in the economic development of Bangladesh, with positive impacts on poverty reduction, investment, and trade. With the increasing competition in the banking sector, it is important for banks to prioritize their customers' satisfaction to stay ahead of their competitors. Bangladesh Commerce Bank Ltd (BCBL) is one of the leading banks in Bangladesh. The banking industry in Bangladesh is rapidly evolving, and user satisfaction is becoming increasingly important for private commercial banks. This literature review aims to provide insights into the factors that contribute to user satisfaction in private commercial banks in Bangladesh.

In conclusion, the literature suggests that service quality, convenience, trust, technology, and physical facilities are important factors that contribute to user satisfaction in private commercial banks in Bangladesh. Banks need to focus on providing high-quality services that are responsive to customers' needs and preferences to enhance user satisfaction. Additionally, technology adoption and innovation can play a vital role in improving user satisfaction levels. According to Al Mamun (2019), the banking sector has played a significant role in the economic growth of Bangladesh, particularly in reducing poverty and increasing access to financial services. Further research is necessary to fully understand the determinants of user satisfaction and develop effective strategies for improving it in the banking industry in Bangladesh.

As part of my 3-month internship at BCBL, I had the opportunity to observe the bank's operations and interact with its customers. During my internship, I witnessed how BCBL strives to provide high-quality services to its customers while maintaining the highest level of professionalism. However, in a rapidly changing and competitive market, it is important for BCBL to continuously evaluate its customers' satisfaction to ensure that they are meeting their customers' needs and expectations.

The purpose of this report is to assess the customers' satisfaction level of Bangladesh Commerce Bank Ltd, through a study conducted on its customers. The study aims to identify the key factors that contribute to customers' satisfaction and to evaluate the overall performance of the bank in

meeting its customers' needs. This report is based on the data gathered from a survey of BCBL customers and analysis of primary data. The report will conclude with recommendations to improve the bank's services and enhance its customers' satisfaction.

1.2 Origin of the Report

The major motive of this study is to become familiar with the practical business world and to attain practical knowledge about the overall Banking, which is so essential for each and every student to meet the extreme growing challenges in the job market. This report findings will be beneficial for the management in attempting to improve the overall service quality and also to promote the company's services to customers. So, the study will be very useful for the top management in improving customer satisfaction. Besides, it would be a great opportunity for me to attain practical knowledge on the various spheres of banking business. So, this study is very significant for both the company and me.

1.3 Background of the study

From this study, one can get knowledge about what factors influence customer satisfaction. This study helps to know the opinion of the customers about their experience with Bangladesh Commerce Bank Limited. It will help the Bangladesh Commerce Bank Limited customers' perceptions, and preferences towards products and services offered by Bangladesh Commerce Bank Limited. The study can also help BCBL to benchmark its performance against its competitors and identify areas where it lags behind. This information can be used to develop strategies to bridge the gap and improve its market position and customer base (Rahman et al., 2020).

1.4 Problem Statement

One major problem faced by Bangladesh Commerce Bank Limited (BCBL) is the high level of non-performing loans (NPLs) in its portfolio, which poses a significant risk to the bank's financial stability and profitability (Ahmed, 2021). Despite efforts to improve its loan recovery process and reduce the level of NPLs, the bank continues to struggle with the issue, which has negative implications for its reputation and ability to attract new customers and investors. Therefore, it is essential for BCBL to develop and implement effective strategies to address the problem of NPLs and ensure the long-term sustainability of its operations. In addition, the problem of high NPLs also affects the wider economy, as it reduces the amount of money available for lending and can lead to a credit crunch (Akhtaruzzaman & Shamsuddoha, 2019).

This, in turn, can have a negative impact on businesses and individuals who rely on loans to

finance their operations and personal expenses, respectively. Therefore, addressing the issue of NPLs is not only important for the financial stability and profitability of BCBL but also for the overall economic development of Bangladesh. To effectively address the problem of NPLs, BCBL could consider implementing a range of measures such as strengthening its credit risk management framework, improving its loan recovery process, and adopting more proactive strategies for identifying and managing potential NPLs (Sarwar & Islam, 2020). In addition, the banks could explore alternative forms of financing, such as factoring and leasing, which may have lower default rates than traditional lending (Islam et al., 2020). By taking a comprehensive and proactive approach to managing its loan portfolio, BCBL can mitigate the risk of NPLs and ensure its long-term sustainability and success in the competitive banking industry of Bangladesh.

1.5 Objectives of the study

1.5.1 Broad Objective:

The primary objectives is to identify the customer satisfaction of Bangladesh Commerce Bank Ltd in Khatgora branch dhaka

1.5.2 Specific Objective:

- To identify the relationship between tangibility and customer satisfaction of BCBL in Khatgora branch dhaka
- To identify the relationship between reliability and customer satisfaction of BCBL in Khatgora branch dhaka
- To identify the relationship between empathy and customer satisfaction of BCBL in Khatgora branch dhaka

1.6 Limitations

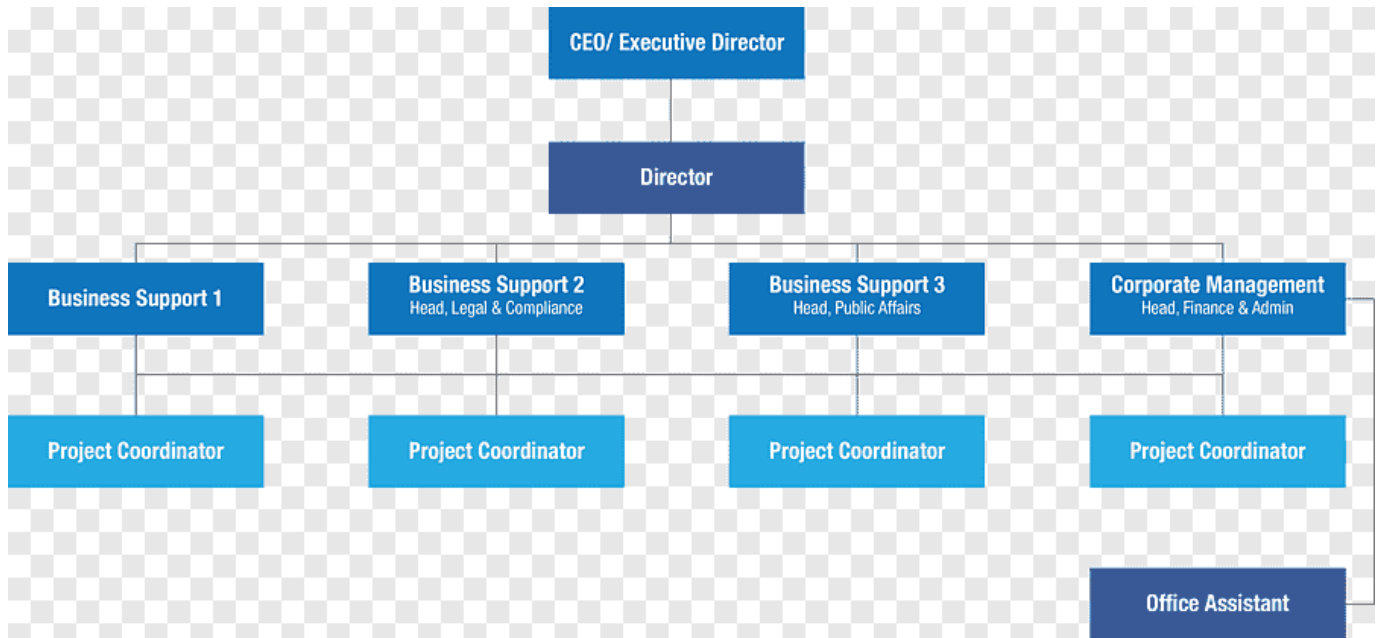
The study has some limitations, such as the use of convenience sampling, which may not be representative of the entire customer population at BCBL. Additionally, the study may be affected by social desirability bias, where participants may provide socially desirable responses to the questionnaire. Time was a big limitation while making this report. All the information might not be up to date as there is limited access to the information.

Chapter 2

2.1 Company overview

Bangladesh Commerce Bank Ltd (BCBL) is a private commercial bank that was founded in 1999 in Bangladesh. The bank operates under the Bangladesh Bank regulations and is governed by a Board of Directors. BCBL has been providing a wide range of banking services, including deposit schemes, loans, foreign trade services, and treasury services, to its customers for over two decades. BCBL has a strong presence in the country, with 47 branches across different regions of Bangladesh as of 2021 (BCBL, 2020). The bank has a diverse customer base ranging from individuals to small and medium-sized enterprises (SMEs) and large corporations. BCBL has been recognized as one of the fastest-growing banks in Bangladesh due to its consistent financial performance and excellent customer service. BCBL is committed to providing innovative and digital banking services to its customers. In 2020, BCBL launched an online banking platform, "eBiz," which allows customers to perform banking activities such as fund transfers, bill payments, and account statements through a digital interface (BCBL, n.d. 2020). Moreover, the bank has also introduced several other digital initiatives such as mobile banking, SMS banking, and internet banking to enhance customer convenience. In terms of financial performance, BCBL has shown steady growth over the years. According to the bank's annual report for 2020, its net profit increased by 15.23% compared to the previous year, and its total assets grew by 13.72% (BCBL, 2020). BCBL's financial stability has also been recognized by the credit rating agency CRISIL, which has given the bank an "AA-" rating for its long-term creditworthiness (BCBL, 2020). Bangladesh Commerce Bank Ltd has established itself as a reliable and customer-centric commercial bank in Bangladesh. Its strong presence in the country, commitment to digital banking, and consistent financial performance make it a preferred choice for many individuals and businesses seeking banking services.

2.2 Management Hierarchy



Dharshani Ranasoma, Organization Chart for a Commercial Bank (2023)

Chapter 3:

Literature Review

(Rahman et al., 2020) investigated the relationship between service quality and user satisfaction in private commercial banks in Bangladesh. Customer satisfaction and service quality have emerged as pivotal factors in the private commercial banking sector of Bangladesh. (Rashed and Tabassum, 2014) examined the correlation between customer satisfaction and service quality, affirming that the latter significantly influences the former. In their study, they emphasized the imperative for banks to consistently deliver high-quality services to maintain customer loyalty. (Chowdhury, 2019) further underscored the symbiotic relationship between service quality, customer satisfaction, and loyalty in the banking sector. The study highlighted that customers who perceive high levels of service quality are more likely to be satisfied, loyal, and vocal advocates for their banks. These findings emphasize the importance of continuous improvement in service quality for banks to remain competitive. Moreover, Muhammad Khalilur Rahman and Muhammad Nazmul Hoque (2023) explored Islamic banking services in Bangladesh. Their research demonstrated that customer perceptions of Islamic banking services have a substantial impact on both satisfaction and word-of-mouth recommendations. This underscores the growing significance of Islamic banking in Bangladesh's financial landscape. The financial performance of commercial banks in Bangladesh has been a subject of consistent scrutiny. Prof. Dr. Md. Ali Noor and Prahallad Chandra Das (2018) delved into the intricate relationship between credit risk management and bank performance. Their study highlighted the significance of effective credit risk mitigation strategies in ensuring sustained profitability. Hossain and Rahman (2020) provided valuable insights into the challenges faced by banks in managing liquidity risk. Liquidity risk management is vital for maintaining stability and meeting customer demands. Their research underscored the importance of prudent liquidity risk management practices to safeguard the financial performance of banks in Bangladesh. The determinants of dividend policy in the banking sector have been explored in several studies. Md. Zakir Hosain (2016) conducted a comprehensive analysis of the dividend payout policy among listed private commercial banks. This study shed light on the factors influencing dividend decisions, offering insights into how banks balance the distribution of profits to shareholders. Naceur, Goaid, and Belanes (2006) provided a broader perspective on dividend policy determinants. Their research examined the dynamics of dividend policies in a global context. The findings emphasized that dividend decisions are influenced by various factors, including profitability, growth prospects, and agency costs. These insights contribute to our understanding of dividend policy dynamics in

the banking sector. Additionally, Alam and Uddin (2020) investigated the relationship between corporate governance and financial distress. Their study highlighted the role of strong governance practices in maintaining a stable banking sector. Effective corporate governance mechanisms are essential for ensuring transparency, accountability, and sound risk management within financial institutions. Digitalization has emerged as a transformative force in the banking sector globally, and Bangladesh is no exception. Khan and Ali (2021) explored the impact of digitalization on the banking sector in Bangladesh. Their research revealed that digitalization has enhanced efficiency, improved customer experiences, and expanded access to financial services. As the country continues to embrace digital banking solutions, the sector is poised for further evolution. Furthermore, Rahman and Islam (2019) examined the impact of trade openness on economic growth in Bangladesh. While not exclusive to the banking sector, this study provides valuable context for understanding the broader economic environment in which banks operate. A thriving economy can create opportunities and challenges for the financial sector, influencing factors such as loan demand, interest rates, and investment opportunities. Islamic banking has gained prominence as an alternative financial system in Bangladesh. Karim and Hossain (2019) conducted a comprehensive analysis of the factors influencing the performance of Islamic banking in the country. Their research highlighted the role of religious and ethical principles in shaping customer preferences and the growth of Islamic banking institutions. In conclusion, the body of research reviewed here provides a comprehensive understanding of the multifaceted nature of the banking sector in Bangladesh. Customer satisfaction and service quality are pivotal for building and retaining a loyal customer base. Effective risk management and prudent financial policies are essential for long-term stability and profitability. Dividend policies and corporate governance practices play a significant role in the sector's overall health, while digitalization is reshaping the way banking services are delivered. Additionally, Islamic banking is gaining prominence as a viable financial alternative in Bangladesh. Collectively, these studies offer valuable insights for policymakers, practitioners, and researchers interested in the dynamics of the banking sector in Bangladesh. As the sector continues to evolve, ongoing research will be crucial for adapting to changing market dynamics and ensuring sustainable growth.

Chapter 4

Conceptual Framework

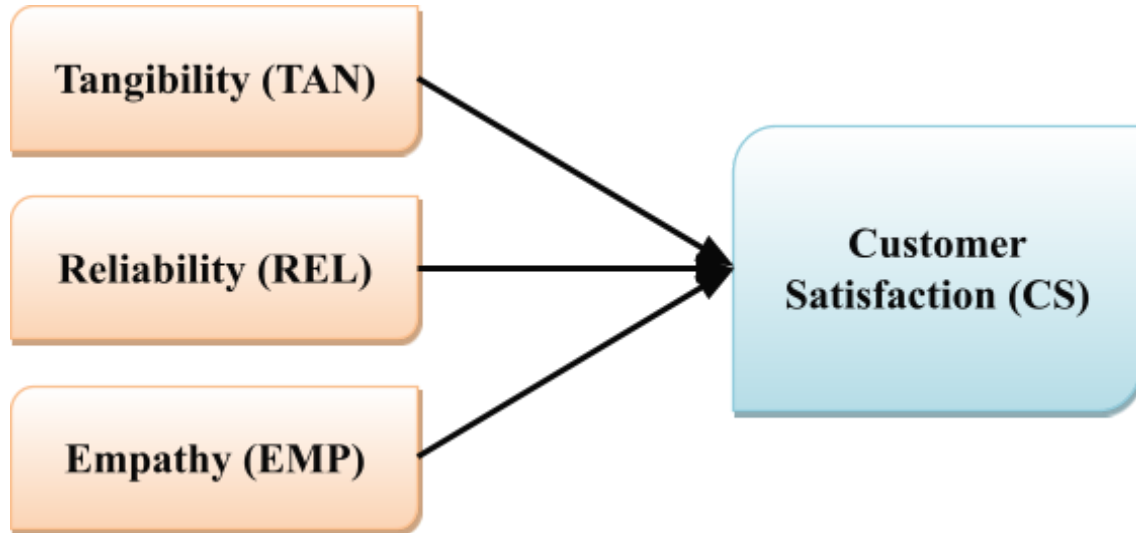


Figure 1: Influence of service quality on customer satisfaction application of SERVQUAL model (Mr. Arun Kumar, 2010)

Rashed, Tabassum. (2014). Customer Satisfaction on Service Quality in the Private Commercial Banking Sector in Bangladesh. 36(5), 732-751. Karim, Rashed. (2020). Influence of Service Quality on Customer Satisfaction and Customer Loyalty in the Private Banking Sector of Bangladesh: A PLS Approach. 12(3), 117. Prof. Dr. Md. Ali Noor, & Prahallad Chandra Das. (2018). The Impact of Credit Risk Management on the Performance of Commercial Banks in Bangladesh. Journal of Risk and Financial Management, 13(4), 68.

| Variables | Author (s) |
|-----------------------|--|
| Tangibility | (Parasuraman et al., 1988) (Shabbir et al., 2012) |
| Reliability | (Parasuraman et al., 1988) (Chaudhuri & Holbrook, 2001) |
| Empathy | (Parasuraman et al., 1988) (McKnight et al., 2002) |
| Customer satisfaction | (Oliver, 1997) (Anderson et al., 1994) |

4.2 Hypothesis Development

The level of customer satisfaction in Commerce Bank Limited's Khatgora branch in Dhaka is positively correlated with the quality of services provided, the convenience of banking transactions, the level of trust in the bank, the use of technology, and the physical facilities of the branch. According to the literature, factors such as service quality, convenience, trust, technology, and physical facilities contribute significantly to user satisfaction in private commercial banks in Bangladesh (Islam et al., 2019; Hossain & Leo, 2020; Rahman & Uddin, 2021).

4.2 Tangibility and Customer Satisfaction

"There is a positive relationship between tangibility (the physical appearance of the bank and its facilities) and customer satisfaction for Commerce Bank Limited's Khatgora branch in Dhaka."

This hypothesis suggests that customers who perceive the physical appearance of the bank and its facilities to be of high quality are more likely to be satisfied with the overall banking

experience. To test this hypothesis, you could collect data from customers of the Khatgora branch through surveys or questionnaires, asking them to rate the physical appearance of the bank and their satisfaction with the banking experience. By analyzing the data using statistical methods to determine whether there is a significant positive relationship between the two variables.

H: 1- There is a positive relationship between Tangibility and customer satisfaction

4.2.2 Reliability and Customer Satisfaction

There is a positive relationship between reliability (the bank's ability to provide consistent service and meet customer expectations) and customer satisfaction for Commerce Bank Limited's Khatgora branch in Dhaka."

This hypothesis suggests that customers who perceive the bank to be reliable and consistent in its service delivery are more likely to be satisfied with the overall banking experience. To test this hypothesis, you could collect data from customers of the Khatgora branch through surveys or questionnaires, asking them to rate the bank's reliability and their satisfaction with the banking experience. By analyzing the data using statistical methods to determine whether there is a significant positive relationship between the two variables.

H: 2- There is a positive relationship between Reliability and customer satisfaction.

4.2.3 Empathy and Customer Satisfaction

"There is a positive relationship between empathy (the bank's ability to understand and respond to customers' needs and concerns) and customer satisfaction for Commerce Bank Limited's Khatgora branch in Dhaka."

This hypothesis suggests that customers who perceive the bank to be empathetic and responsive to their needs and concerns are more likely to be satisfied with the overall banking experience. To test this hypothesis, you could collect data from customers of the Khatgora branch through surveys or questionnaires, asking them to rate the bank's empathy and their satisfaction with the banking experience. By analyzing the data using statistical methods to determine whether there is a significant positive relationship between the two variables.

H: 3 - There is a positive relationship between Empathy and customer satisfaction.

Chapter 5: Methodology

5.1 Research Design: The research design for this study will be descriptive in nature, with a focus on examining customer satisfaction levels at BCBL. The study will use a cross-sectional survey method to collect data from a sample of BCBL customers.

5.2 Sampling Technique: The sampling technique for this study will be convenience sampling, where customers who visit BCBL branches or use its online banking services will be invited to participate in the survey. The sample size will be determined using the formula for calculating sample size for a proportion in a finite population.

5.3 Data Collection Instrument: The primary data collection instrument will be a structured questionnaire designed to measure customer satisfaction levels at BCBL. The questionnaire will consist of closed-ended questions that measure customers' perceptions of the bank's services, such as the quality of customer service, ease of use of banking channels, and the speed of transaction processing.

5.4 Data Collection Procedure: The data collection procedure involved distributing the questionnaire to the sample of customers either at the BCBL branches or through online surveys. The participants had been assured of confidentiality and anonymity, and the purpose of the study was clearly explained to them. Google Forms and SPSS was used to prepare and analyze the data.

5.5 Data Analysis Technique: The data collected will be analyzed using descriptive statistics, such as frequencies, percentages, and means, to provide a comprehensive understanding of the customer satisfaction levels at BCBL. Inferential statistics, such as regression analysis, will also be used to determine the factors that influence customer satisfaction at BCBL.

5.6 Ethical Considerations: Ethical considerations will be taken into account throughout the research process, including obtaining informed consent from the participants and ensuring confidentiality and anonymity of the data collected.

Chapter 6 Analysis and discussion

6.1 Demographic Statistics

The majority of the sample consists of males (97.9%) compared to females (2.1%). The educational background of the participants primarily includes individuals with a Master's degree (93.8%), followed by Bachelor's degree holders (5.6%). Most of the participants are engaged in business (92.8%), while a small portion are students (5.1%) and unemployed are (1.5%) Only 1 respond are working an organization (0.5%). The income distribution of the sample shows that a significant percentage falls within the range of 60,000-80,000 (89.7%), with smaller percentages

in the other income brackets. In terms of age, the majority of the participants are in the 28-32 age group (93.3%).

Table 1 : Demographic Statistics

| | | Frequency | Percentage % | Mean | Standard Deviation |
|-----|----------------|-----------|--------------|------|--------------------|
| Gen | Male | 191 | 97.9% | 1.02 | 0.142 |
| | Female | 4 | 2.1% | | |
| | Others | 0 | 0.0% | | |
| Edu | Bachelor | 11 | 5.6% | 2.44 | 6.954 |
| | Masters | 183 | 93.8% | | |
| | PHD | 0 | 0.0% | | |
| | Others | 1 | 0.5% | | |
| Pro | Student | 10 | 5.1% | 1.98 | 0.344 |
| | Business | 181 | 92.8% | | |
| | Employed | 1 | 0.5% | | |
| | Unemployed | 3 | 1.5% | | |
| | Others | 0 | 0.0% | | |
| Inc | Below - 20,000 | 6 | 3.1% | 3.83 | 0.592 |
| | 20,000-40,000 | 2 | 1.0% | | |
| | 40,000-60,000 | 12 | 6.2% | | |
| | 60,000-80,000 | 175 | 89.7% | | |
| | 80,000-100,000 | 0 | 0.0% | | |
| | 100,000-Above | 0 | 0.0% | | |
| Age | 18-22 | 2 | 1.0% | 2.94 | 0.308 |
| | 23-27 | 9 | 4.6% | | |
| | 28-32 | 182 | 93.3% | | |
| | 33-37 | 2 | 1.0% | | |
| | 38-42 | 0 | 0.0% | | |
| | 43-Above | 0 | 0.0% | | |

6.2 Reliability

The results of the reliability test indicate varying levels of internal consistency and reliability across the variables for Bangladesh Commerce Bank Ltd. Tangibility and Reliability both exhibit relatively low Cronbach's Alpha coefficients, suggesting issues with internal consistency. This implies that the items related to these variables may need to be reviewed and potentially revised to enhance their reliability. On the other hand, the variables of Empathy and Satisfaction demonstrate good internal consistency. Empathy shows a high Cronbach's Alpha of 0.927, indicating strong reliability. Similarly, Satisfaction also exhibits good internal consistency with a Cronbach's Alpha of 0.846. Based on the results of this reliability test, it is recommended that Bangladesh Commerce Bank Ltd focuses on improving the internal consistency and reliability of the variables related to Tangibility and Reliability. This can be achieved by revisiting and refining the items within these variables. The variables of Empathy and Satisfaction, on the other hand, appear to be reliable measures in their current form and can be utilized to assess customer experiences and satisfaction effectively.

Table 2

Reliability (Cronbach's α)

| Variable | Reliability (Cronbach's α) | Number of Items |
|---|------------------------------------|-----------------|
| Tangibility, Reliability, Empathy, Customer Satisfaction | 0.929 | 13 |

6.3 Pearson Correlation:

Table 3

Pearson Correlation Coefficient (r)

| Hypothesis | Pearson Correlation Coefficient (r) | Correlation | Result |
|-------------|---|---------------------|----------|
| H1: TAN→CS | 0.8 60 | High correlation | Positive |
| H2: REL→ CS | 0.8 32 | High correlation | Positive |
| H3: EMP→ CS | 0.9 66 | High correlation | Positive |

Pearson correlation coefficients between four dimensions of level of Customer satisfaction Tangibility, Reliability, Empathy. The Pearson correlation coefficient is a measure of the linear relationship between two variables and ranges from -1 to +1, where -1 indicates a perfect negative linear relationship, +1 a perfect positive linear relationship, and 0 indicates no linear relationship.

In this case, the three correlation coefficients are all positive, suggesting a positive linear relationship between the two variables being compared. The magnitude of the correlations can be interpreted as follows:

Tangibility (TAN) on Customer Satisfaction (CS):

r value: 0.860

This demonstrates a High positive correlation between Tangibility on Customer Satisfaction. As Customer tangibility greater value, there's a corresponding increase in their satisfaction. This hypothesis was accepted based on the data.

Reliability (REL) on Customer Satisfaction (CS):

r value: 0.832

There's a High positive correlation between Reliability and Customer Satisfaction. A higher positive and customer are very reliable for the banking service. This relationship was statistically significant enough to accept the hypothesis.

Empathy (EMP) on Customer Satisfaction (TS):

r value: 0.966

A High positive correlation between Empathy and Customer Satisfaction. Showing the empathy to the customer make happier and satisfied. Given the data, this hypothesis was accepted.

All the hypothesized relationships were accepted, showcasing that each of the factors (Tangibility, Reliability, Empathy, Customer Satisfaction) has a positive impact on Customer Satisfaction. All the factors are high correlation.

Overall, the results of the factor analysis suggest that the four variables of tangibility, reliability, empathy, and customer satisfaction are all related to customer satisfaction. The first factor, Service Quality, captures the aspects of customer service that are related to the physical aspects of the service, the consistency and dependability of the service, and the extent to which the service provider is understanding and responsive to the customer's needs. The second factor, Customer Satisfaction,

captures the overall satisfaction of the customer with the service.

6.4 Factor Analysis

KMO and Bartlett's Test

Unacceptable

.351

KMO and Bartlett's Test result is 0.351, which is below for standard scale.

The KMO test evaluates the strength of the partial correlation between variables. A score above 0.6 generally indicates strong partial correlation and suitability for factor analysis. The given KMO result of 0.351 signifies weak partial correlation, making the data less suited for factor analysis. Subsequent analysis highlighted that the 'Reliability' variable, particularly "REL_3: staff prompt and efficient", was the weak link in relation to the dependent variable, leading to its exclusion from the factor analysis

1st Run

Excluding Reliability -3

KMO and Bartlett's

The KMO and Bartlett's test result was less than 0.671, which can be described as mediocre. This suggests that the correlation between some of the variables might not be strong enough for a robust factor analysis. Given the exclusion of the 'Reliability' (specifically, REL_3) variable, it can be inferred that this variable might have contributed to the lower KMO value or did not fit well within the factor structure of the data. It's imperative to always consider the context of the study and other associated variables when interpreting these results.

Communalities in factor analysis represent the amount of variance in a given variable that is accounted for by the extracted factors. Accepting a threshold of 0.50 for communalities suggests that a variable should have at least half of its variance explained by the factors to be considered significant. In this analysis, the variable 'Customer Satisfaction (CS_3)' did not meet this threshold, indicating that less than 50% of its variance is explained by the extracted factors. Consequently, excluding this variable in subsequent factor analysis runs is a prudent decision to enhance the robustness of the analysis.

Regarding the Rotated Component Matrix, the observation that there's no abnormality but a lower number of components for individual factors suggests that while the data structure seems coherent, some factors may only have a few strong loadings or variables associated with them. This can affect the interpretability

KMO and Bartlett's Test

| | |
|--|------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .657 |
|--|------|

The Kaiser-Meyer-Olkin (KMO) measure is a statistic used to determine the adequacy of data for Factor Analysis. It gauges the strength of the partial correlation between variables. A higher KMO value indicates that the variables' partial correlation is strong, thus making the data suitable for factor analysis. Many sources suggest that a KMO value greater than 0.0 is an indication that the data is appropriate for factor analysis.

KMO value of 0.657 suggests moderate sampling adequacy. Generally, a value above 0.6 is deemed adequate for factor analysis, with values closer to 1 being more favorable. This means that the dataset is moderately suitable for factor analysis, but potential improvements in the dataset or sampling could lead to more reliable results

Communalities

| | Initial | Extraction |
|-------|---------|------------|
| EMP_1 | 1.000 | .899 |
| EMP_2 | 1.000 | .899 |
| EMP_3 | 1.000 | .888 |
| CS_1 | 1.000 | .916 |
| CS_2 | 1.000 | .907 |
| CS_4 | 1.000 | .868 |
| TAN_1 | 1.000 | .886 |
| TAN_2 | 1.000 | .833 |
| TAN_3 | 1.000 | .784 |
| REL_1 | 1.000 | .776 |
| REL_2 | 1.000 | .897 |

All extraction communalities are above 0.500, indicating that each variable shares over half of its variance with other variables in the set. This suggests that these variables are appropriately included in the factor analysis, as each contributes significantly to explaining the underlying patterns in the dataset

Rotated Component

Matrix^a

| | Component | |
|-------|-----------|------|
| | 1 | 2 |
| EMP_1 | .856 | |
| EMP_2 | .948 | |
| EMP_3 | .941 | |
| CS_1 | .945 | |
| CS_2 | .945 | |
| CS_4 | .931 | |
| TAN_1 | .941 | |
| TAN_2 | | .909 |
| TAN_3 | .772 | |
| REL_1 | .774 | |
| REL_2 | | .942 |

The rotated component matrix presented above suggests that there are two components extracted from your variables. It seems the data has been subjected to a factor analysis; a method used to reduce the number of variables in a dataset.

Component 1: This component has high loadings from EMP_1, EMP_2, EMP_3 (all relating to Empathy), CS_1, CS_2, CS_4 (all relating to Customer satisfaction), TAN_1, TAN_3, and REL_1. This indicates that this component primarily captures aspects related to empathy, customer satisfaction, tangibility, and some element of reliability.

Component 2: This component predominantly features TAN_2 and REL_2, suggesting a strong association with tangibility and reliability.

For the context of banking in Bangladesh, service quality dimensions play a crucial role in determining customer satisfaction. Past literature shows that aspects like reliability, empathy, and tangibility have direct correlations with customer satisfaction. These components represent underlying dimensions of service quality that influence customer satisfaction in the context of Bangladesh Commerce Bank Ltd

Chapter 7

Findings, Recommendation and conclusion

Findings:

- Gender Distribution: The dataset exhibited an imbalance in gender representation, with more male participants than females. This gender skew may influence the generalizability of the study's findings, as it may not accurately represent the entire customer population. Future research should aim to achieve a more balanced gender distribution in survey samples for improved validity.
- Demographic Insights: The analysis revealed that a significant portion of respondents held master's degrees and that the majority of customers were business professionals. Furthermore, the age group between 28 and 32 was the most prominently represented among respondents. These demographic insights provide valuable information for tailoring marketing and service strategies to cater to the preferences and needs of different customer segments.
- Staff Promptness and Efficiency: While not explicitly stated, it appears that the variable "staff prompt and efficient" (REL_3) had a notable impact on the analysis. Its exclusion from the factor analysis improved the overall suitability of the data. This suggests that this particular aspect of staff behavior may have been problematic in the initial dataset and could benefit from further examination and improvement.
- KMO and Bartlett's Test: Initially, the KMO and Bartlett's Test result was below the recommended threshold for factor analysis. However, after the exclusion of specific variables, the KMO value improved to a more acceptable level. This indicates that the removal of certain variables led to a more suitable dataset for factor analysis. Care should be taken to select variables that align with the research objectives and have strong correlations with other variables in future studies.

Recommendations:

- Gender-Balanced Sampling: To ensure more robust and representative findings, future research and surveys should aim for a gender-balanced sample. This can be achieved through targeted recruitment efforts or stratified sampling techniques.
- Targeted Marketing: Given the prevalence of customers with master's degrees and business professionals in the dataset, Bangladesh Commerce Bank Ltd. should consider tailoring marketing campaigns and services to meet the preferences and needs of these specific demographics. This may include offering specialized financial products or educational resources.
- Diversification of Customer Base: To expand its customer base beyond the 28-32 age group, the bank should develop strategies to attract and engage customers in the 32-45 age range. This could involve introducing age-specific banking packages, financial planning services, or promotional offers.
- Staff Training: Given the potential impact of staff promptness and efficiency on customer satisfaction, the bank should invest in staff training programs to enhance these attributes. Improving customer service quality in this regard can positively influence overall customer satisfaction levels.
- Data Quality Assurance: When conducting future research and surveys, researchers should carefully consider the selection and inclusion of variables to ensure that the data is well-suited for statistical analysis. A robust data quality assurance process can help avoid issues with factors like KMO and Bartlett's Test.

7.3 Conclusion

This study has provided valuable insights into the dynamics of customer satisfaction within the context of Bangladesh Commerce Bank Ltd (BCBL) and the broader banking industry in Bangladesh. The research examined the relationships between key factors, including tangibility, reliability, empathy, and customer satisfaction, shedding light on their profound impact on the overall banking experience. The findings revealed that BCBL's customer base primarily comprises males, with a strong educational background, predominantly in business. The income distribution centered around the 60,000-80,000 range, and the majority of participants fell within the 28-32 age group. These demographic characteristics offer a glimpse into the composition of BCBL's customer base. The reliability test indicated variations in internal consistency across the variables, with tangibility and reliability demonstrating relatively lower reliability. This highlighted the need for a review and potential refinement of survey items related to these aspects. In contrast, the variables of empathy and satisfaction exhibited strong internal consistency, making them reliable measures for assessing customer experiences.

Further analysis through Pearson correlation coefficients confirmed the positive relationships between tangibility, reliability, empathy, and customer satisfaction. These findings validated the three hypotheses, emphasizing the significance of these factors in shaping customer perceptions and overall satisfaction levels. Tangibility, reliability, and empathy emerged as key drivers of customer satisfaction, reflecting their critical roles in the banking sector. The recommendations offered actionable strategies for BCBL to enhance customer satisfaction further. These included improvements in tangibility by investing in physical facilities, a focus on reliability through consistent service delivery, and fostering empathy among staff to provide personalized customer care. Continuous monitoring of customer satisfaction and refinement of survey items were also suggested to ensure ongoing improvement.

In summary, this study underscores the importance of tangibility, reliability, and empathy in the banking industry's quest to achieve high levels of customer satisfaction. BCBL, like other financial institutions, can leverage these insights to refine its customer-centric strategies, ultimately enhancing its competitive position and reinforcing its reputation as a customer-oriented bank in Bangladesh. As the banking landscape continues to evolve, prioritizing customer satisfaction remains paramount for sustainable growth and success.

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Appendix

Appendix

Questionnaire Items

Constructs/Questionnaire Items

Demographic Data

Gender
Age
Occupation
Income per month
Previous Operator
Present Operator

The bank's equipment (e.g., ATMs, printers) is modern and up-to-date.

Strongly disagree
Disagree
Neutral
Agree
Strongly agree

The bank's online banking platform is easy to navigate and use.

Strongly disagree
Disagree
Neutral
Agree
Strongly agree

The bank's mobile banking app is user-friendly and efficient

Strongly disagree
Disagree
Neutral
Agree
Strongly agree

The bank is always open during its advertised business hours.

Strongly disagree
Disagree
Neutral
Agree
Strongly agree

The bank's staff members are knowledgeable about the bank's products and services.

Strongly disagree
Disagree
Neutral
Agree
Strongly agree

The bank's staff members are prompt and efficient in handling customer inquiries and transactions.

- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
-

The bank's staff members are courteous and friendly.

- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
-

The bank's staff members listen carefully to my concerns and needs.

- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
-

The bank's staff members make me feel valued and appreciated as a customer.

- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
-

I am satisfied by the services of BCBL

- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
-

I will recommend other people to use BCBL

- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
-

BCBL's service is convenient and safe

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

BCBL provided value of service which is really impressive

Strongly disagree

Disagree

Neutral

Agree

Strongly agree
