Internship Report on
"Factors Affecting Effective Customer Service in Banking: A Case Study on Al-Arafah Islami Bank PLC"

Submitted To

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Letter of Transmittal

Date: 23rd June 2025

Department of Business Administration
Daffodil International University
Daffodil Smart City (D.S.C.),
Birulia, Savar, Dhaka-1216

Subject: Request to accept my report on **"Factors Affecting Effective Customer Service in Banking: A Case Study on Al-Arafah Islami Bank PLC".**

Dear Sir,
I am extremely happy to publish this internship report as a vital part of my bachelor degree based on 3 months Internship in Al-Arafah Islami bank PLC, Ati Bazar branch, Keranigonj. My Internship Title is, "Factors Affecting Effective Customer Service in Banking: A Case Study on Al-Arafah Islami Bank PLC". I have attempted in this report to summarize all the learning points, which I believe are the key points that I have learnt during this internship period.

I have gone into diligence in what is the task of the report, and I hope my work will perform its task. The planning of the file will be extremely useful in my future profession, as it provides useful data and experience about the monitoring of certain land. I might be thankful that you are kind enough to verify this and do this task.

Sincerely yours

Ifat Kabir Sristy
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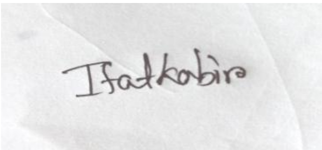
Declaration of the Student

I am Ifat Kabir Sristy, Student of Bachelor of Business Administration, Major in Marketing, Daffodil International University. I, as the author of this internship report claim that the internship report titled **“Factors Affecting Effective Customer Service in Banking: A Case Study on Al-Arafah Islami Bank PLC”** is the sole property of my own work conducted. This work is a collaboration of contributions including help in providing relevant references to the review, survey conduction, survey processing for topic and discussion analysis, and data analysis.

Also to state that I did not commit any immoral actions in the course of the report preparation, and that it is only prepared for research purposes.



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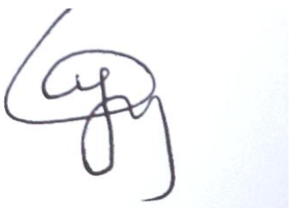
Supervisor Declaration

I have read the Internship Report on **"Factors Affecting Effective Customer Service in Banking: A Case Study on Al-Arafah Islami Bank PLC,**" for the Bachelor of Business Administration (BBA) in Marketing, which was prepared under my guidance and supervision. To the best of my know, this internship report has never been submitted for a degree diploma, title or any other recognition before.

She has got a lot going on in her personal life and all we, we here at so wish her all the best in life.



…………………….............……

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Acknowledgment

I would like to express my greatest appreciation to almighty Allah for helping me with every challenges I had in my life and guiding me to the right path. The one who has made my sailing in the ocean of knowledge docked smoothly and lighter is Allah.

I specially thank my supervisor Dewan Golam Yazdani Showrav Sir (Associate Professor, Department of Business Administration) who has showed me the right path through out my way since the very beginning of my BBA life. He is my sole source of inspiration and motivation that made me independent. I honor so much that gets to this report for the sake of his everlasting efforts, and effortful graciousness. But this report has all those limitations and weaknesses and they are all on me.

I convey my sincere gratitude to my colleague as all officials of Al-Arafah Islami Bank Limited. I would like to express my gratefulness to all the people who are helping me, providing with information that needed for writing this report, particularly 4. I am thanking to the Senior Vice President, Md. Mazharul Islam who gave me such opportunity and guided me in my whole internship program with his vast experience in the Ati Bazar Branch of **Al-Arafah Islami Bank PLC** in Bangladesh.

Last but not least, big thank you to the faculty, authorities and classmates who have supported me throughout this journey. Without a big part of you who tried to direct me and support me, I wouldn't be where I am now, and for that, I am grateful to each of you.

Executive summary

This report is based on 03 (Three) month internship at **AL-Arafah Islami Bank PLC**, Ati Bazar branch, Keranigonj. So basically this internship serves as a bridge which includes both theory and practice. This will be useful for me to understand the real life to activities & operation strategies of **Al-Arafah Islami Bank PLC.** Title of the Report: "Factors Affecting Effective Customer Service in Banking: A Case Study on **Al-Arafah Islami Bank PLC.** Organizational part of the report based on Secondary data such as the annual report, publications, and the official website of **Al-Arafah Islami Bank PLC**. This study explores some key factors that assist the Bank in delivering better customer service.

Method: Utilizing both primary and secondary data. Abstract: Secondary Data were taken from different annual reports, published materials and website of Al-Arafah Islami Bank. This research employs primary data, which is collected from the 109 branch customers using a structured questionnaire.

A survey-based analysis with Microsoft Excel 2010 of the data entry and visualizing Excel with bar-, and pie- diagrams etc. The SERVQUAL model was used to measure service quality attributes of reliability, responsiveness, assurance, empathy, and tangibility.

Sampling techniques were non-probability as respondents were selected based on availability and high relevance. Data was analyzed using SPSS and similar statistical tools.

The findings reveal that customer satisfaction is primarily influenced by staff professionalism and responsiveness, service reliability, banking operating systems, and branch physical environment. Generally speaking, customers discuss the way the bank and its staff treat them. It has a direct impact on the overall Satisfaction with, and word-of-mouth recommendation of, the bank from the customer.

Considering these research results, the following suggestions have been given to **Al-Arafah Islami Bank** for the improvement of its service quality performance resulting the enhancement of its customer satisfaction. The recommendations includes investing in recruitment, training and (Human Resources employees) development where relevant to improve competency and responsiveness, make banking processes better to improve efficiency of such processes, provide high reliable services and service guarantees through physical and human resources and development of user friendly and easy physical facility at Ati Bazar, Keranigonj Branch. In this way, proper service quality performance will enhance by the management of Al-Arafah Islami Bank PLC regarding the customer expectation and can also elevate the customer satisfaction level.

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Abbreviations

Assurance	AR
Empathy	EP
Responsiveness	RS
Reliability	RB
Tangibles	TG
Customer Satisfaction	CS

Chapter-1: Introduction

1.1 Introduction

The current internship report is about to submit to as a title **Factors Affecting Effective Customer Service in Banking: A Study on Al-Arafah Islami Bank PLC**, Ati-bazar Branch Keranigonj. Banking is a space that is quite spirited and forceful during the course of the modernization period of 2023. Consumer service has always played a major part in the recipe of an institutions success. As banks struggle to draw in and keep customers, quality service is providing at least one advantage to some. Consumer confidence is rooted in good service, just as unjust economic institutions lead to the downfall of a nation. In addition, the service quality of the banking customer is dependent by the number of aspects, including technical improvement, employees, communication procedures and satisfaction of management. Considering the massive adoption towards digital banking, customers have started to expect faster and more efficient services and transformed experiences. Abstract This internship report includes the major aspects which depicts the productivity of customer service with respect to banking.

Today banks have started expanding their activities into products and services with strings in credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, custodian services, private equity, etc. At the same time, in view of cutthroat competition today bank has to be on their toes on service front and it requires team effort.

Even the banking sector has an eye on improvisation in the service quality as per the customer and market expectations. However, due to the uniqueness of banking service, the SERVQUAL model must be modified based on the most important predisposing factors that reliability, tangibility, responsibility, security and empathy This paper attempts to connect the gap in the service quality which determine customer satisfaction by comparing the dimensions of customer perceived service quality with that of the service quality which were expected in banks services in Navi Mumbai by use of multidimensional, generic, internationally used market research instrument SERVQUAL.

1.2 Company Overview:

With the aim of winning here & hereafter by following the way shown by Allah and the path proclaimed by His Rasul (SM), Al Arafah Islami Bank PLC was registered as a private limited company on 18th June, 1995. It was inaugurated on 27th September 1995.

Bangladeshi people as one of the major Islamic country are sensitive about the Islamic way of life. Here is the Qur´anically of spirituality By Hamza Alić The inner and astral balanced life forms surrounding are at large a fundamentalist adherers of the Qur´an and one the artistic of the following generation of mystics one generation of bottom masters older. So live Haram free lifestyle, they endeavored to follow Islamic rules in every possible way. The consequence of this development led to the formation of the demand of shariah Banking in Islam here in Bangladesh. The inception of the Al-Arafah Islami Bank PLC on 18 June 1995 is indeed a natural response to the aspiration of the people for an Islamic shariah bank. Also the rotatable begotten of Al-Arafah having its banking known 27 Sept 1995.

The bank is concurrently functioning with a Capital of 15,000.00 million and fully paid as 9, 943.06 million. The guidance on the bank, during the turn and control is mostly balanced. A proper group of Islamic Scholar combined with scholarly plus expert businessmen ensures bank a success under the Islamic Shariah, no any kind of sign of usury while profiting home equity a portion of any finance plan. However, in other brokers banks, the authorized capital is 100% owned by the original shareholders.

Corporation Details:

Registered on 18th June, 1995

Branch 1 Motijheel Branch, Dhaka

Date of opening observance27 September, 1995

Provide financing in the form of government guranteed Jason -- [for use in 2000 - 2007] --E.

Paid-up Capital 10,968.49 million Local Partnership of Capital 100% Min.

Equity 26,497.62 million

Branches 215

Total Deposit: 419,307.25 millions

Overall Investment 447,131.45 million

Employees 5,769

Shareholders 16,294

1.3 Research Objectives:

1.3.1 General objective:

The main purpose of this study is to determine the factors of customer satisfaction of Al-Arafah Islami Bank PLC, Ati Bazar Branch, Keranigonj. The following specific objectives shall be proposed and validated under the proposed structural relationship amongst the three independent mediating and dependent variables/constructs in this study.

1.3.2 Specific objectives:

1. Relationship Between Assurance And Customer Satisfaction of Al-Arafah Islami Bank PLC
2. To determine the nature of the relationship between Empathy and Customer Satisfaction of Al-Arafah Islami Bank PLC
3. Determine the Relationship between Responsiveness and Customer Satisfaction in Al-Arafah Islami Bank PLC.
4. Analyzing the Relationship of Reliability and Customer Satisfaction in the Al-Arafah Islami Bank PLC
5. Identify the link between Tangibles and Customer Satisfaction in the Al Arafah Islami Bank PLC.

Chapter 2: Literature Review

2.1 Literature Review:

This sturdiest measure the relation of service quality to customer satisfaction of the customers **Al-Arafah Islamic banks**. For this study a modified SERVQUAL model was applied, where compliance, a dimension outside of conventional SERVQUAL in the service industry was added to it. To this end, a field survey with a self-administered questionnaire was employed based on modified SERVQUAL dimensions. The respondents has been selected from 450 Islamic bank walk-in customer. Statistical analysis of sample data was conducted using exploratory and later with confirmatory factor analysis (CFA) and structural equation modelling (SEM) analysis to measure service quality perception and customer satisfaction. In fact, CFA employed to allow model validity and SEM for effect testing of the dimensions of service quality on customer satisfaction. Conclusion: The multidimensional scale of service quality is positively and significantly correlated with the unidimensional measures of customer satisfaction. It was evident that the compliance dimension of the SERVQUAL contradicted itself in the model being the most contributing part. This study also offers a theoretical contribution for Islamic bank customer that can assist Islamic banks mangers to understand much more the difference behaviors intention between the customers of Islamic banks and urges the Islamic bank policy-makers to concern more serious attention.

More important is that it affords a more holistic and integrative perspective of service quality performance and its consequences on customer pleasure, especially for the banking industry. Finally, there exists a great deal of service quality research on which the SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) is well established and adapted to the banking industry. This model [26] is a measure of service quality which also discussed the measure w.r.t the tangibility, reliability, responsiveness, assurance & empathy and is being used for Bank studies also.

Albertus et al. The study (2019) on the customer perception towards digital banking of Al-Arafah Islami Bank PLC done by Jagdish (2021) found that there is a positive perception of service quality, which brings a positive customer satisfaction towards this institution. However, their research did not investigate or emphasize the service quality performance drivers.

This is why there is a firm association in literature of the importance of service quality performance and its effect on customer satisfaction in banking sector as well. However, further examinations regarding this relation between its net interest revenue and after taking into account deposit interest expenses need to be conducted **Al-Arafah Islami Bank PLC**, Ati Bazer,Keranigonj branch. A specific set of variables was used, in this case the quality-of-service performance as well as the satisfaction of the customers, and by focusing on these variables, the research pushed towards effective results for proper development of service quality performance and customer satisfaction on the case of **Al-Arafah Islami Bank Ltd.**

Since in the banking industry service quality performance & customer satisfaction are generally conceptualized relative to each other so the factors given below are many things are based on the performance.

Reliability– this means that the bank should be able to provide the services exactly so that the customer is serviced in the same manner every single time. The immense burden of trust on the experience of the user. The greatest benefit to your customers is error-free service delivery, whilst impeccable record-keeping is a quality assurance standard that can render your bank reliable and elevate customer satisfaction. The need for reliability in banking. Reliability is considered to be one of the major determinants of service quality in Islamic banking (Hassan et al., 2006; Ali & Raza, 2017).

Empathy : the last one but not the least, when people say I am much into process automation, that is to say that I am not at all into the customer behind the computer screen, which is why I am the new way to solve your customer needs, that too what I will be saving you from excessive human intelligence. If we take the main relations of the study the influence of empathy over customer satisfaction or unique demands of the customers and tailor design can ameliorate customer satisfaction to a greater extent as well Naessens, reinforcing that success as customer satisfaction also directly impacts customer empathy.

Assurance : this is bringing confidence in the customers by way of employees who are well-trained and well-mannered. Studies in the domain of banking have proof of assurance being an influencing factor on customer satisfaction. Employees who are informed and well-mannered bring about a sense of trust in CC, and hence customer satisfaction. And it also shows why assurance matters in the banking space.

Tangible: the physical component of the service: physical facilities, equipment, personnel appearance✌?, and communications material. We find that customers seem to react positively to tangibility. The need of the hour starts with the banks of the banking sector to create customer-centered offerings, which act as bait for transactions and eventually create an induced long-term attachment of customers. It is the physical aspect of a service that your customers will use to assess quality. Tangibles – this consists of the physical facilities, tools and machines used to provide the service and image of the service, like papers, slips, slips A debit and credit cards Speed, performance of service transactions The tangible dimension is facilitated by this study in which the presentation of banking 30 facilities, trustworthiness and professionalism 31 (concerning employee appearance) has a positive effect on customer perceptions of service 32 quality, thus confirming the relationship between tangibility and customer 33 satisfaction.

Customer Satisfaction: Customer satisfaction is taken as a dependent variable in this study, and it has all the infers also through with a correlated high degree of service quality dimensions and customer satisfaction, and the other variable also get directly affected by the service quality of the bank. But this relationship has to be examined thoroughly here at the case of **Al-Arafah Islami Bank Limited.**

In this aspect of responsiveness, observers could know exactly whether the employee served them with the pleasure and skill and speed with which he or she served them. These, however, are the two essences of excite and quick-response, and so the catch happens here: the responsiveness. It is also referring to the duration of the customer. The second factor, in terms of the most dominant impact, was Responsiveness positively and significantly influenced by Islamic JIMA Doctor Muneer Al-Mubarak banking service quality.

Trade on that together is indicative of association of service quality performance and perform customer satisfaction at organization of Bank sector and would Understand Al-Arfah Islami Bank PLC to address performance for customer satisfaction.

The following two studies robustly confirm determinant levels in our conceptual model, as well as the significance of these determinants.

Chapter 3: Conceptual Framework and Hypothesis Development

3.1 Conceptual Framework:

This is also referred to as a conceptual framework that describes of how you expect the variables to be related. It outlines the relevant objectives to conduct your research process and align them so that they come together to produce cohesive conclusions. A conceptual framework is the blueprint that outlines the relationship that you expect your variables, or the feature, or attribute that you hope to study.

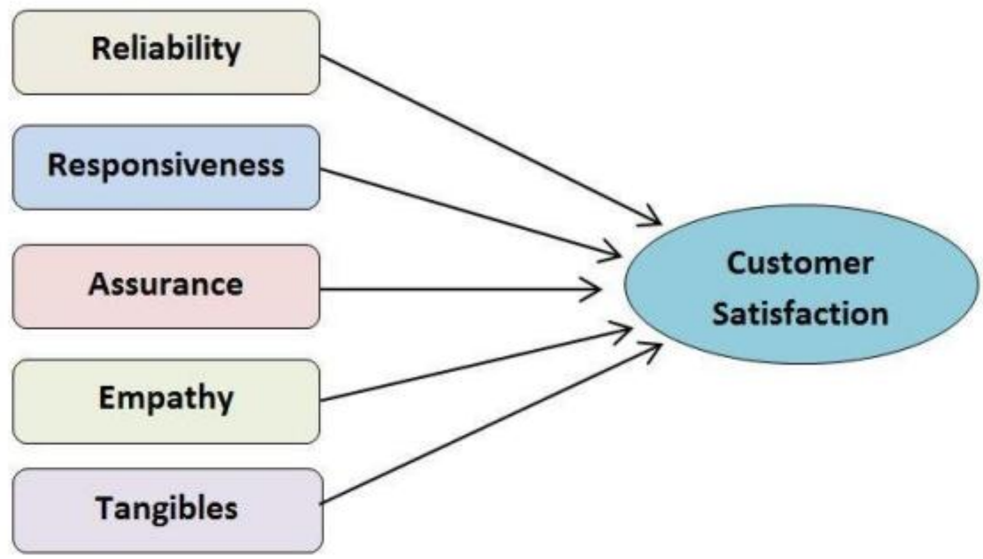

Figure 2: Conceptual Framework

3.2 Hypothesis Development

3.3.1 Hypothesis-1

Assurance: It is all the verbal and non-verbal communication between bank employees and its customer which brings trust, belief and confidence into the customers. It also includes etiquette, behavior, courtesy, awareness to work with people. Based on the Islamic banking study, it showed that a good level of assurance is vital in determining the quality of service. So, then the good requires staff being courteous with the customers, skilled, labored in delivering sound monetary recommendation, simple transparency to prospects account particulars. Furthermore, the validity of banks can provide the customers satisfaction and trust to the Islamic bank. Therefore, we propose H1:

H1. Assurance has positive effect on customer satisfaction in Islamic bank.

3.3.2 Hypothesis-2

Empathy: Empathy is personalized delivery of customer service. This can be when a bankis very sensitive about secrecy of consumer data, and get workers And Customers must be supported by management. In the case of retail banking, several of the categories that contribute to the overall assessment of customer satisfaction are economic in nature (e.g., high/low bank fees and rates) and related to staff helpfulness. Prior research conducted on Islamic banking sector giving the order of significance in correlating customer satisfaction and service quality as empathy, tangibles, assurance etc – empathy and. This is conceivable because ordinarily Islamic bank customers inclined substantially on the empathy measurement. The dimension of empathy thus shows the degree to which the bank gives the customers the care and attention on a personalised basis. In light of this discussion, we propose H2:

H2. Empathy expression and customer satisfaction in Islamic banking perspective

3.3.3Hypothesis-3

Reliability: It implies the successful and accurate accomplishment of the service promise where stated that speed of transaction is the most important item affecting customer satisfaction which means providing fast and safe transaction, wider product and service range, open more counters at peak time also under the same roof of reliability. Yet one of the prominent service quality antecedents in Islamic banking has been Reliability. The role of Islamic banks that reliable will become more efficient and have an impact on the satisfaction of customers. giving rise to the following H3 :

H3. Reliability and Its Impact on Customer Satisfaction in Islamic Banking

3.3.4 Hypothesis-4

Responsiveness: which addresses the promptness and accuracy of services. Good responsiveness may look like speedy customer care representatives, sufficient courier branches, and ATM. Islamic JIMA 8,4 598 Downloaded from Banking by Doctor Muneer Al-Mubarak, the finding indicated that relative to reliability, the projection of service quality is stronger on responsive, Muslim. claimed, as a leading consideration at the retail banking level, that responsiveness and efficiency in painfully handling remote enquiries leads to remote satisfaction, and ultimately a contribution toward overall customer satisfaction. If Islamic banking institution can over-promise or at least can full a bare minimum stage of responsiveness, it can improvement consumers delight. Based on this, H4 is posited:

H4. It is indeed found that a positive impact of the customer satisfaction in Islamic bank by the responsiveness which supports our accepted hypothesis H1.

3.3.5 Hypothesis-5

Tangible : It is the physical part of servicing and all tools and equipment used to deliver services. the idea that you are giving some kind of functional version of finacne is what seems to me the biggest bait of all time to bring in clients. The good balance the tangible and intangible service surely will help you to serve you with both you'll inflate your sales, tangible is be delivered in tangible space that is why you must enjoy your job subservient to customer as well and so your finance sectors towards business provisioning sectors, very Attractive all of technological things provision by banking sectors around tangible and intangible service but both sector have been enjoyed the eye of all customers in public sectors and private sector. As the customers trust the private sector more, they have more no of physical facilities & more dashing decors around the bank, you can say you can find a better quality & better service nearby.

The absence of the up-to-date approach and techno survey labour force has generally been less in public sector banks as compared to private sectors in the earlier mentioned studies. This lack of modern technology would lead to unhappy customers. However concerning explanatory power of service quality dimension tangible with customer satisfaction both for public and private banks suggest attractiveness of the physical aspects of the.. For public sector the modernisation of branches is long overdue while over the release of capital on private banks & maturity of their lending channels should see both public & private banks rolling out new oddments, equipment & machineries promoting higher degree of customer centric focus. It is essential for the banks of the banking sector to develop such customer oriented services with appealing transaction environment so as to form Long term Bonding with Bank. The capacity which is enhanced by Modern, Sophisticated equipment public banks introduced to customer Parts of the business, imaginative administrations, IT base administrations, ATM kinds of administrations of the Banking area can open the new market course and acknowledge a Customer scale. So, this study assume;

H5 — Concrete leads to customer happiness.

Chapter-4: Methodology

Methodology:

This study utilizes data from both primary and secondary sources. Having the 109 Participants we implemented survey research framework in such a way, so it can depicts the perceptions of all stakeholders on the bank. So these respondents represent a perfectly accurate cross section of opinions given the manner in which they were selected through a simple random sampling procedure process.

Using a 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree), we assessed their perceptions. This would allow us to maintain the nuance of their responses. We inputted the survey data into SPSS, a statistical software that was used to perform analysis on our data.

In addition to the primary data you see, we also consume a great deal of secondary material. Much of our research covered a broad spectrum of online resource-data, digital libraries, scholarly and research resources, scholarly journals, and conference papers, allowing us to expand and expand our knowledge base on the subject.

4.0 Population and Sample Size:

The population of the study was Al-Arafah Islami Bank PLC At Bazar, Keranigonj Branch Customers. Identifying the population in such studies can be extremely difficult because bank offerings and customer engagement are not static. From the population point of view, we selected all the customers of Ati Bazar, Keranigonj Branch who did a transaction in last one year as our population for this study. Apparently, 109 people were contacted so only 106 Bonafide responses would be good. Thus the response rate was, 98.3%.

Even so, the "Convenience Sampling" method is used and in the sense that allowing each respondent, to have similar characteristics as a group of people. They also have a fundamentally demographic desire for a bank account.

4.1 Questionnaire design:

The study entitled "Factors Affecting Service Quality Performance on Customer satisfaction in AL Arafah bank PLC: A study on Ati Bazar, Keranigonj branch" is based on questionnaire based data on five latent variables Reliability, Assurance, Empathy, Tangibility, Responsiveness and Customer Satisfaction. Each of these latent variables (Reliability, Assurance, Empathy, Tangibility) was assessed with two items, whereas Customer Satisfaction was assessed with one item, yielding a total of nine indicator variables. Respondents provided scores for their level of agreement/disagreement, with answers on a 1 to 5 Likert scale: 1=Strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=Strongly agree.

One of the most familiar tools used in social science to assess attitudes, beliefs and opinions is the Likert scale which asks its respondent to agree or disagree with multiple statements. The five point Likert scale was used (_) designating one as "strongly disagree" to five as "strongly agree."

There were five latent variables in this study as claimed, and the questionnaire design, or questions for all these latent variables can be found in the report synchronized in the Appendix. The contents for the variables in the research model were prepared from the questionnaire responses. Wherein indicator and latent variables are a widely accepted technique in social science research for the measurement of abstract constructs and concepts.

4.2: Data Collection:

Data is the plural of datum or form of one piece of information. Experiment, survey, census, observation, whatever the case may be, data is being collected. They can also simply gather the data themselves. Approach – This was a questionnaire survey, employing convenience sampling. A pilot study was conducted prior to the data collection in order to confirm the validity of the questionnaire as related to service quality main dimensions: reliability, assurance, empathy, Tangibles and Responsiveness [33] and to customer satisfaction. This method exposed us to relevant data which we needed for our analysis.

Once we painstakingly collected information from pilot survey feedback, many wordings of survey questions were reframed to be more concise and clear from the standpoint of answering questions. The research focuses on the customers of Al Arafah Islami PLC Bank, Atibazar branch of Keraniganj, Dhaka. This approach aims to ensure that we are truly reflecting the ideas and lived experiences of many of our customers, and of this vibrant community.

The three census grouped population were potential customers of Al Arafah Islami Bank PLC. This audience was later used when contact was finally made with the Bank to receive client info. As soon as we furnished the client details IMMEDIATE reach out to the clients happened. To address the above issue, we started spreading Google Forms with the clients to get the answers of clients more efficiently. That ensured a relevant and accurate data collection that was relevant to the study.

The most popular of these are Likert scale within psychometric scale a question substrate typically used in a questionnaire to represent human individual with various attitudes, opinions, personalities and behaviors. No doubt, its main advantages are being free, generating visual appealing questions and easy analyses.. However, quality of sampling design has a major impact on the overall quality of the research as it contributes the most for the methodological rigor of the study and for the generalisability of the data [58]. In this chapter you have been guided through the components of a sampling design. This is a selection of individuals in such a manner that they represent the population from which they were selected.

4.3 Time Dimension:

It was an observational study with a cross-sectional data collection method, since data was collected at one time-point from the participants. Time will need to be asserted as both findings on this issue cannot expect to be conducted over three months (January 2025-June 2025)

4.3.1 Time frame:

There is research done between January 2025 and June 2025. The date was informed by the project timeline and the resources that were available to complete the project. This careful arrangement allowed for extensive deliberation on the issue while still adhering to administrative timelines.

4.3.2 Timestamp of Data Collection:

Data collection for the study was launched on February 20, and completed on February 25. These weeks were about planning to have the participants brought in and scheduled properly for the implementation of the survey.

4.3.3 Data Analysis:

Quantitative data collected in this research study were analysed using SPSS 26 and Microsoft Excel. Extensive statistics was conducted by means of SPSS 26 (descriptive Analysis, hypothesis test, correlation Analysis and factor Analysis). These analyses were not only vital in demonstrating the relationships of variables of interest, testing the proposed hypotheses, but also in identifying the drivers of the respective constructs in the study. Quantitative data are highly dependent on SPSS and our outcomes were sent for such analysis. This is why SPSS has guaranteed us the results you are seeing below are as accurate as you can get. Microsoft Excel spreadsheets are used for the arrangement, collection, and presentation of quantitative data in an orderly manner. Assists in data organization, creating summary tables and charts to visualize key findings with prominence. The conclusion reached is to use a combination of SPSS for statistical computation and Excel for managing and reporting the data as this worked as a good practice to make the quantitative data clear and clean at the outputs of the study.

Chapter 5. Findings and Analysis

5.1 Demographic Profile of the Sample

Table 5.1

Demographic Information of the Respondents (N=109)

		Frequency	Percentage %	Mean	Standard Deviation
Gender	Male	48	44.0%	1.44	.499
	Female	61	56.0%		
Education	Below-HSC	46	42.2%	18.01	36.199
	Masters	45	41.3%		
	Others	18	16.5%		
Profession	Student Employed	24 47	22.0% 43.1%	28.55	43.617
	Unemployed	8	7.3%		
	Others	30	27.5%		
Income	Below 20,000	42	38.5%	2.19	1.228
	20,001-40,000	29	26.6%		
	40,001-80,000	19	17.4%		
	80,001-100,000	13	11.9%		
	Above-100,000	6	5.5%		
ge	18-25	30	27.5%	2.20	1.043
	25-32	43	39.4%		
	32-38	24	22.0%		
	38-42	8	7.3%		
	43-Avobe	4	3.7%		
Marital Status	Married	66	60.6%	1.39	.491
	Unmarried	43	39.4%		

Most respondents in the sample were male, making up 44.0% of participants, while females constituted 56.0%. No respondents identified as "others." The overall mean value for gender is 1.44, with a standard deviation of 0.499.

The highest level of education of the sample was below-HSC (42.2%) The next largest percent was those with master's degrees — 41.3%. Only a small percentage (16.5%) stated they had other credentials. Education All locations weighted mean total, mean of 18.01, standard deviation 36.199.

Regarding employment status, 43.1% were employed, 7.3% were unemployed. 28.2% were engaged in professional work categorized as "other." The average for this professional spread is 28.55, with a standard deviation of 43.617.

In terms of income distribution, the majority (38.5%) were earning under 20,000. The next biggest chunk was the 20,001 — 40,000, which made up 26.6% of the group. Proportions declined steadily as income levels increased – just 5.5% earned 100,001 and above. This income group has an overall mean value of 2.19 and a Standard deviation of 1.228.

Looking closer at the age of our respondents, we discover that the biggest group (39.4%) is between the ages of 25–32. In the groups 18–25 and 25–32 there were 27.5% and 39.4% respectively. At the same time, the age groups of 32–38 years, and 38–42 years, represented 22.0% and 7.3%, respectively. Just 3.7% of the sample was version 43 or older. Age distribution Mean and Standard deviation is 2.20 and 1.043

Reliability Test

We did have a metric of dependability which is defined based on how consistently same items that measure the same construct give similar outcomes. We verify with the help of the reliability test by SPSS, using Cronbach's Alpha, that the data are consistent internally.

Table 5.3

Reliability (Cronbach's α)

Variable	Reliability (Cronbach's α)	Number of Items	Internal consistency
Assurance	0.666	3	Acceptable
Empathy	0.696	3	Acceptable
Reliability	0.678	3	Acceptable
Tangibles	0.620	3	Acceptable
Responsiveness	0.810	3	Good
Customer Satisfaction	0.633	3	Acceptable

We obtained Cronbach’s α coefficients from 0.620 to 0.810, confirming an internal consistency close to strong across all the measures:

Reliability (α = 0.678, 3 items): This scale had acceptable reliability, and use of each item produced a consistent interpretation and response from respondents.

Tangibility (α = 0.620, 3 items): This measure has relatively low reliability but still has adequate consistency in the way respondents interpret and respond to it.

Empathy (α = 0.696, 3 items): This is quite an internally consistent measure that represents the latent construct well.

Assurance (α = 0.666, 3 items): This measure has a good score and feels relatively stable at capturing the concept intended.

Responsiveness (α = 0.810, 3 items): Indicatively, this measure is characterized by the highest value of the same index across the board, corroborating that the respondents understood the items and interpreted them consistently.

Measurement of Customer Satisfaction (α = 0.633, 3 items): This measure has an acceptable level of reliability, which shows that respondents understand and answer the items in a consistent manner.

5.2 Correlational Analysis

The correlations among the independent variables and the dependent variable, Customer Satisfaction (CS) are shown in the Table 3: AR → CS (r =. EP → CS (r = 0.735), RS → CS (r = 0.851), RB → CS (r = 0.602), and TG → CS (r = 0.569). According to these results, H1, H2, H3, H4, and H5 are accepted.

Table 5.3

Hypothesis	**Pearson Correlation Coefficient (*r*)**	**Result**
H1: AR→CS	0.671	High Correlation
H2: EP→ CS	0.735	High Correlation
H3: RS→ CS	0.851	Very High Correlation
H4: RB→ CS	0.602	High Correlation
H5: TG→ CS	0.569	Moderate Correlation

Pearson Correlation Coefficient (r)

Table 3: Result of the tested Pearson Correlation

The relationship between Customer Satisfaction with the five-dimensional models of service quality: Reliability, Tangibility, Empathy, Assurance, and Responsiveness, the respective Pearson correlation coefficients were all positive, as shown above. The Pearson correlation coefficient is a number which ranges from -1 to +1, determines the strength of linear relationship between 2 variables. Where -1 indicates a perfect negative linear relationship, +1 indicates a perfect positive linear relationship and 0 indicates no linear relationship whatsoever.

For this analysis, the three correlation coefficients are all positive, providing clear evidence of a positive linear relationship between the service quality dimensions and customer satisfaction. These correlations are strong and provide valuable insight into the relationships

Reliability (RB) and Satisfaction of Customer (CS):

The positive correlation coefficient of 0.602 indicates that there is a strong positive linear relationship between reliability and customer satisfaction. That is to say that the higher the feeling of reliability of the bank, the higher the level of customer satisfaction. But, again, though this is statistically significant, the relationship is weak.

Tangibility (TG) and Customer Satisfaction (CS):

The correlation coefficient of 0.569 indicates a moderate degree of positive linear relationship between Tangible and Customer satisfaction. This means the more customers view the bank services as tangible (e.g., physical facilities, equipment, appearance of personnel), the more satisfied they are Very significant, but moderate correlation

The output variables are empathy (EP) and customer satisfaction (CS):

The correlation coefficient of 0.735 indicates a strong positive linear relationship between empathy and customer satisfaction. This shows why Banking customer experience relates very closely with empathetic response by the bank. This means– customers who perceive the bank to be customer-centric and that their interactions with the bank show caring behaviors are likely to be satisfied.

Responsiveness (RS) & Customer Satisfaction (CS):

The very positive linear relationship of assurance and customer satisfaction is indicated through high correlation of 0.851. Such correlation coefficient suggests the highest correlation between factors here. That is, the assurance provided by the bank has a strong relationship to customer satisfaction. The greater the confidence the customer has in the ability of the bank to provide services in a safe and competent manner, the higher the level of satisfaction of the customer.

One thing to keep in mind, is that correlation is not causal; other factors or variables could be inflating the correlation either positively or negatively for the 2 variables being compared. More work needs to be done to understand how strongly and in what direction they are related and whether something is causing that relationship.

Assurance (AR) & Customer Satisfaction (CS):

The correlation coefficient of 0.671 indicates a strong, positive linear relationship between reliability and customer satisfaction. This means that customer satisfaction increases when the perceived reliability of the bank increases. Nevertheless, although the association is significant, it is still strong and considered acceptable.

Factor Analysis:

Factor analysis (FA) is a statistical procedure that (when applied correctly) uncovers the underlying constructs or factors that explain the correlations between a set of highly interrelated variables or items (Field, 2018). This feature helps research to reduce data complexity and extract an underlying structure within data from machine learning. Various common tests are used to perform factor analysis, such as KMO (Kaiser-Meyer-Olkin) measure, Bartelt's test of sphericity, Components Rotated Matrix test, and Communalities test. KMO measure assesses the appropriateness of the sample for factor analysis and the percentage of variance in the variables that may be common variance [20]. Values KMO which approach to one represents a good sampling adequacy.

5.4: Factor analysis First Run:

In the first analysis, there was a high abnormal value presented in the communality, especially TG3, the value of which reached 0.246, lower than 0.5—an acceptable limit that indicates the minimum level at which progressive adjustment can be performed. We also found some issues in the Rotated Component Matrix with respect to items AR1 (0.575/0.539), RB (0.525/0.550), and TG3 (0). The values indicate lack of internal consistency allowing us to state that both AR1 and RB do not load well on any of the components found. For instance, TG3 has an empty entry, which indicates the absence of an important component association. These results make it necessary to drop the AR1, RB, and TG3 items from our analysis. This will allow us to conduct a new factor analysis.

Factor analysis 2nd and Final Run:

KMO and Bartlett's Test

KMO and Bartlett's Tast	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.777

The KMO or Kaiser-Meyer-Olkin measure of sampling adequacy is a statistic that indicates the appropriateness of the data for factor analysis. A KMO value of. The data will be suitable for factor analysis because the common variance is high as implied by a KMO of 777. This value, 0.813, which is far greater than the often-used cut-off value of 0.6, suggests that the correlation between items is large enough to conduct a reliable factor analysis. KMO value to justify performing factor analysis The KMO value, in short, supports the decision to run factor analysis, indicating that the dataset should produce factors that are robust and different.

Table:5.4

Communalities		
	Initial	**Extraction**
AR2	1.000	.866
AR3	1.000	.702
EP1	1.000	.872
EP2	1.000	.941
EP3	1.000	.768
RS1	1.000	.829
RS2	1.000	.925
RS3	1.000	.914
RB2	1.000	.806
RB3	1.000	.656
TG1	1.000	.652
TG2	1.000	.833
CS1	1.000	.769
CS2	1.000	.732
CS3	1.000	.845

The communalities obviously indicate the proportion of variance in each of the variables accounted for by the extracted factors. Higher extraction communalities are unambiguously reveal a larger amount of accounted variance. In factor analysis, communalities are important measures of the proportion of each variable's variance accounted for by the factors extracted. These communalities are shown in two important stages that are initial and extraction. In the first stage of the factor analysis with dimension reduction (using Varimax rotation), we observe important information about the loading of variables onto the components (factors). Kaiser-Meyer-Olkin (KMO) Measure of Adequacy – 0.777 If anything, the extraction communalities, which indicate the amount of variance explained by the extracted factors, all had value upper to 0.5. The above-mentioned significant Reproduced correlation coefficients provide good evidence that the factors extracted by EFA accounted for a relatively high variance in each variable.

Table 5.5

Rotated Component Matrix				
	Component			
	1	2	3	4
AR2	.905			
AR3		.778		
EP1			.827	
EP2	.900			
EP3		.813		
RS1			.795	
RS2	.780			
RS3		.914		
RB2	.841			
RB3				.626
TG1			.699	
TG2				.865
CS1			.852	
CS2	.679			
CS3		.890		

***Table 5*.5**

In Table 5.5,

The Rotated Component Matrix shows how each item loads on six components, giving an indication of the structure of the dataset. The items that constitute assurance (AR), empathy (EP), responsiveness (RS), reliability (RB), tangibles (TG), and customer satisfaction (CS) are spread over these components with diverse degrees of loading; most of the items have high loading on a single component, indicating that factor structures are relatively simple.

The table titled Rotated Component Matrix provides critical information about the correlations between each variable and with the three factors which were generated through the factor analysis. The loadings you see here are indicative of the strength of the relationship between each variable and each factor. A variable with high loadings on a factor shows a strong association with the factor, and therefore a greater relationship to the underlying construct that the factor represents.

We can see that there are no abnormal values in the matrix table in this analysis and all values are acceptable. Hence, all the variables can be said to be valid.

Therefore, Table 5.5 describes the factor loadings of each of these items with the three factors isolated in the factor analysis. The number which describes that relationship is called the loading; the higher the loading, the more closely related the variable is to the factor. This gives us an idea as to what construct lies behind and helps in interpreting the dimensions that are affecting the observed variables.

5.5: Findings:

This is an important part of my report titled, **Factors Affecting Effective Customer Service in Banking:_A Case Study on Al-Arafah Islami Bank PLC, at Ati Bazar branch.** In finding part, I am interpreting the results of my survey on 109 sample customers. The result of this study is stated below:

1. The five dimensional of service quality namely: Reliability, Tangibility, Empathy, Responsiveness and Assurance are positively and significant correlated with customer satisfaction of Al-Arafah Islami Bank, Ati Bazar Branch.
2. Of all factors studied, Responsiveness (r = 0.851) had the highest positive effect on customer satisfaction, followed by Empathy (r = 0.735), Assurance (r = 0.671), Reliability (r = 0.602), and Tangibility (r = 0.569) in that order. So H1, H2, H3, H4 and H5 are all accepted.
3. Customers appreciate personalized care and courtesy more than you know, and all these statistics show that empathy and assurance go a long way in getting customers to trust you and be satisfied. Most respondents are very satisfied with AIBPLC employees, as indicated that AIBPLC employees are knowledgeable and experienced concerning the product and service offered.
4. The factor analysis results substantiated that the SERVQUAL dimensions which have been employed in the study is reliable and valid, and there is no imperfection in the final model. The sample of 109 respondents from one branch of one company brings limitations to the findings. This indicates that the results are less generalizable, and should be conducted elsewhere in different branches.
5. Al-Arafah Islami Bank Ltd is an Islamic Shariah-oriented bank, mostly profit-sharing oriented. This bank provides several types of loans, such as retail loans and corporate loans. Retail loans has a smaller sized loan and there is a fixed non negotiable pricing for corporate loans it is bigger in size and is negotiated between the lender and the client
6. Talk about lack of advertisements, let us not blame Al-Arafah Islami Bank Ltd for ignoring the power of advertisements. As the banking sector is highly competitive, the bank needs to develop its advertising activities to successfully penetrate and hold the market.
7. The biggest strength of Al-Arafah Islami Bank is its strong and loyal customer base.

8. The bank's slogan is based on KYC.
9. Particularly, this bank service is a popular choice for customers because of its high-quality and quick-response. This is the uncompromising service which suits your requirements!
10. Most customers are content with the location of their branch If the bank is located close to their office or home, customers are already inclined in favour of opening an account with this bank, as safety is the main preference.
11. The clients find the best solution of the problem. The bank is careful solution of the customers problem. Employees behave good that is the reason customer is happy.
12. Bank Branch Environment is Good but Employees should get regular training. Bank timely conduct training. But it should be increased.

Chapter 6: Discussions and Conclusion

6.1 Discussions:

This study shows clearly the attitudes that reflect customer of Al-Arafah Islami Bank PLC. AS for the correlation, it denotes the relationship between an independent variable (which in this case is Responsiveness (RS)) and a dependent variable (which in this study is Customer Satisfaction (CS)). We see that there is a positive and strong direction between the Responsiveness (RS) and Customer Satisfaction (CS) with a correlation coefficient of (r = 0.851). It indicates that responsiveness is one of the major indexes to improve service quality in Al-Arafah Islami bank which greatly leads to the betterment of customer satisfaction level.

In addition, the Empathy (EP) ability shows the strongest correlation with Customer Satisfaction (CS) at (r = 0.735), which reflects that a greater level of ability and employees' trust and professionalism serves as the key to win customers' trust. On the other hand, the role of Assurance (AR) is significantly correlated to Customer Satisfaction (CS) as well (r = 0.671) Thus, the managers of the banks can use these findings as a way to identify a better perspective in relation to the need of the customers in order to provide better service.

And the fact that the relationship between Reliability, Tangibility, Empathy, Assurance, Responsiveness and Customer Satisfaction is that near to one is what is emphasized by the data. This research evidently shows that the service quality of Al-Arafah Islami Bank can be improved to achieve greater customer satisfaction.

It would be useful for future researchers to explore other factors that may impact on customer satisfaction, market orientation, innovation orientation. These should all be considered to give a complete picture of what drives customer satisfaction. Banks should try to invent better and fresh marketing schemes in order to promote their Islamic products and services.

The outcomes of services provided through the bank help bank managers to wrestle and exceed customer service needs and care. In order to further confirm these results, we would recommend future research to include a larger sample size and to also control for the effects of a wide range of other variables, such as market orientation and innovation orientation. Innovative marketing strategies should be developed in order to promote the Islamic products and services offered by banks.

6.2 Conclusion:

Internship is a way of acquiring practical knowledge and my internship at **Al-Arafah Islami Bank PLC** was a very helpful in learning about practical banking. It has allowed me to evaluate hands-on experience against book learning. Since my internship worked in all departments to a limited extent it is not possible to go to the depth of every act of the branch due to time limitations. Nevertheless, I attempted to put in my best effort towards fulfilling the aims of the internship scheme.

KEYWORDS - service quality, customer satisfaction, **Al-Arafah Islami Bank PLC,** dimensions of service quality (Reliability, Tangibility, Empathy, Responsiveness, and Assurance) ABSTRACT This study tries has been designed to probe into the dimensions of service quality and to find out the extent to which service quality dimensions (Reliability, Tangibility, Empathy, Responsiveness, and Assurance) are correlated with customer satisfaction specifically in **Al-Arafah Islami Bank Limited** at Ati Bazar, Keranigonj Branch.

Provides helpful insight into customers on what they should do to satisfying customers in the bank. Banks can increase customer satisfaction by working to improve reliability, tangibility, empathy, and assurance. As a result, this enhancement can help you build better loyalty and retention rates among customers.

This research only focused on the Ati Bazar, Keranigonj Branch of **Al-Arafah Islami Bank**, which needs to be recognised. Waiting for additional studies with greater sampling and different branches will provide more insight into the variables that general satisfaction inside the financial institution.

Al-Arafah Islami Bank PLC Is Not Satisfied With Just One Service. However, the report tells us more about how it has managed to keep its customers satisfied and is working on its lacking too. In order to remain competitive with the conventional and Islamic banks, it needs to focus on improving its service quality in order to remain to be the choice for more customers. Additionally, they have been trying to update them with the new technology for faster customer service. To sustain further growth, AIBL needs to use new technology and innovation for better and prompt service. In this regard, they need their strength and also have to evaluate their weakness. The results presents some practical implications for **Al-Arafah Islami Bank PLC** and also add some new dimensions to the existent literature on service quality and customer satisfaction.

Chapter-7: Recommendations

7.1 Recommendations:

Al-Arafah Islami Bank Bangladesh Limited is very efficient and excellent management and expertise and in production are maintaining with utmost care and concern. However, the performance can be ample measures to get around these limitations. Based on my survey of 109 customers, I have some recommendations for the Al-Arafah Islami Bank. Those are given below:

1. Product and Service Expansion: Al-Arafah Islami Bank should conduct market research to identify the untapped products and services to attract and retain customers.
2. They should monitor compliance-related aspects to ensure that the Islamic principles, the essence of the Shariah, are not violated in the way the service is delivered.
3. There is a potential for fast growing Islamic banking where banks can make strategic choices and also new service offerings and position it to get the competitive advantage.
4. Islamic banking should go out to this segment, develop it and build it as there is an increasing target market for Islamic banking.
5. The new variable of compliance focus on it as a differentiator of delivery of service.
6. In conclusion, the quality of services for managers and policies utilize the diagnostic SERVQUAL to detect gaps in service and to close these gaps in order to achieve overall customer satisfaction.
7. The credit approval and monitoring system of Al-Arafah Islamic Bank may be made more customer friendly.
8. It should not be complex rather the loan sanction process should be easier so that at the time clients will not face any difficulties while taking a loan from the bank.
9. Bank should also add more facilities in Customer credit card, visa card, and ATM machine etc.
10. We need to focus on the size, location, personal connection and reputation of the bank. Avoid information that is not necessary.
11. In order to maintain the level of customer satisfaction, the respective bank should introduce new products and ensure that better services are provided as per customer requirements. Banks should properly promote it in order to bring more customers to become card holders and that comes by motivating the account holders to pick the debit or credit card.
12. A customer Complaint or suggestions box can be arranged to allow customers express their views freely.

Appendix

Questionnaire Items

Demographic Data
Gender
Age
Profession
Income
Education
Marital Status

1. Reliability	**SA**	**A**	**D**	**SD**	**N**
1. AIBL provide customer services right the first time.					
2. The service charges of AIBL are reasonable as comparatively to other banks.					
3. AIBL's service representative are well trained.					

2. Tangibles	**SA**	**A**	**D**	**SD**	**N**
1. AIBL has modern looking equipment and technologies that better satisfy your needs.					
2. AIBL employees are neat appearing.					
3. AIBL online facilities are visually appealing					

3.Empathy	SA	A	D	SD	N
1.AIBL consider customers wish and needs.					
2. AIBL employee are provides and individual attention.					
3. AIBL employee always understanding of specific demands.					

4.Assurance	SA	A	D	SD	N
1 Client feels safe in transaction with the bank.					
2. Bank employees consistently courteous towards their customer.					
3. Client feels easy to open a bank account of AIBL.					

5.Responsivness	SA	A	D	SD	N
1.AIBL provide cheque book and ATM card delivered timely and efficiently.					
2. AIBL services are performed within the promised time.					
3. The staff and employees of AIBL are helpful and cordial.					

6. Customer Satisfaction	SA	A	D	SD	N
1. AIBL is providing higher interest than another bank.					
2.AIBL ensure customer satisfied financial service and advice.					
3 .AIBL give online banking service for satisfied their customers					