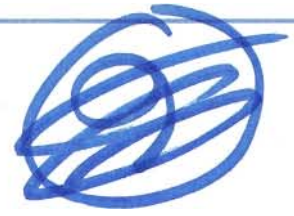


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TERM PAPER

ON

“A COMPARATIVE STUDY ON CUSTOMER SERVICES IN PUBLIC AND PRIVATE SECTOR BANKS IN BANGLADESH”

Scan done.

SUMMER - 2007



EAST WEST UNIVERSITY

19 JULY, 2007

Mr. Sayeed Alam
Course Instructor
East West University



Dear Sir

SUBMISSION TERM PAPER ON “A COMPARATIVE STUDY ON CUSTOMER SERVICES IN PUBLIC AND PRIVATE SECTOR BANKS IN BANGLADESH.”

I take this opportunity with great pleasure to submit this term–paper to your goodself on the aforesaid subject in order to fulfill the partial requirements of the Bachelor of Business Administration.

Because of paucity of time, non-availability of proper information & some other situational realities, I could not cover all the objectives of the foregoing study, despite my sincere-most desire to work with validity and reliability.

I never worked with any Bank and as such I don't have any practical knowledge about Banks and it's services/operations. But your prudent advice has helped me to complete this Term-Paper.

I most fervently recall your kind patience- hearing & advice to above constraints and to prepare this Term-Paper a worthy one.

I shall be highly grateful, if your goodself is kind enough to accept this Term-Paper of mine.

Wishing you happiness & success.

Thank you in anticipation.

Sincerely,

(MD. MUSHFIK MONJUR)
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DEPARTMENT OF BUSINESS ADMINISTRATION
EAST WEST UNIVERSITY

**THIS TERM-PAPER IS DEDICATED
TO
THIRTY LACS MARTYRS KILLED
AND
TWO LACS HEROIC LADIES WHO WERE RAPED
BY
BRUTE AND INHUMAN PAKISTAN ARMY
MEMBERS AND THEIR COLLABORATORS
DURING
WAR OF LIBERATION OF 1971
AND
MARTYRS OF LANGUAGE MOVEMENT OF 1952**

PREFACE

Marketing had been prevailing since the dawn of business activities and it got momentum during last century. Customer has become the focal point of all the marketing activities. Every organization is thriving it's best for creating value for customers. This is true for Banking Services in a competitive situation as seen even in a poor country like Bangladesh. Because the banks in public or private sector-are selling/marketing their financial products to various types of customers for the respective bank's growth & survival through customer satisfaction by providing effective & efficient customer services.

I proposed to work either on promotion or customer service or new/old products to make a comparative study between public & private sector banks in Bangladesh and my prudent guide Mr. Sayeed Alam selected "Customer Service" for the study & I worked on it while time was short, respondents were sporty but they had also time constraints . I mostly worked on primary information based on questionnaire prepared by this humble self & amended by my respected guide.

The contents of this Term-paper are confidential & can be used for academic purpose only if found suitable & logical to the users. Any critical observation(s) is(are) solicited for upgrading the quality of this presentation as there is a general saying that "organizations in public sector suffer from red-tapism, inefficiency and they are reactive while on the contrary private sector organizations are free from such red tapism, inefficiency and they are proactive". Under these circumstances the Term-Paper will cover a comparative study with special reference to customer services of Banks in both the sectors.

MD. MUSHFIK MONJUR



ACKNOWLEDGEMENT

It is my privilege to have benefit from the guidance, assistance, help & advice from various quarters in completing this term paper.

I am very grateful to my prudent guide Mr. SAYEED ALAM-Supervisor, EWU, Dhaka- who with great care and patience guided me to complete this interesting Term-Paper. Mr. Sayeed Alam also taught us Consumer Behavior, Sales Management and Salesmanship. His art of instructing was interesting & helpful to us.

I am indebted to Mr. Yusuff Hasan, Senior Management Counselor, Mr. Md. Salek, Senior Management Counselor and Ms. Farhana Ahmed, Management Counselor for their art of instructing which also helped me a lot to complete this Term-Paper.

I am also indebted to Mr. Kabir, Manager, Sonali Bank, TC Road Br, Dhaka, Mr. Sarwar, Manager, Sonali Bank, Bangabandhu National Stadium, Dhaka, PS to MD, Sonali Bank, Dhaka and Mr. Abdul Jabbar, instructor, Sonali Bank Staff College, Rajarbagh, Dhaka. Addingly I am indebted to Mr. Humayun Nakshband, NBL Head office, Dhaka and Principle of NBL Training Institute. My thanks are given to Mr. Tajul Islam Khan, Joint Secretary(Administration), Ministry of Shipping, Mr. Chowdhury Khaliqzaman, Joint Chief, Ministry of shipping, Mr. Mahbubur Rahaman, Senior Assistant Secretary, Ministry of Shipping for their support and appreciation for my doing the course.

My thanks are also given to Bangladesh Shipping Corporation to accord approval to me to complete this report, which I am going to complete on my own purpose. I am also delighted to have moral support from Capt. Serajul Huda, Executive Director(commercial), BSC-Ctg, Mr. T.K. Datta, Acting General Manager, BSC, Dhaka, Mr. A. K M Zahed, A.G.M BSC, Dhaka & Mr. Waliullah, Assistant Manager(Administration), BSC, Ctg. All of them verbally appreciated my desire to complete this. However

My thanks go to my family and friends. Because they missed my constant presence.

Last but not the least, I bow dawn my head to Almighty Allah who gave me kindest opportunity to complete PGDMM program and this Term-Paper.

MD. MUSHFK MONJUR

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INTRODUCTION

Oxford Advanced Learner's Dictionary with worksheets (5th edition 9th impression 1997 at page 40) define "Bank" as

"An organization or a place that provides a financial service. Customers keep their money in the Bank safely and it is paid out when needed by means of cheques."

The aforesaid Dictionary at page 288 defined "Customer" as :

" a person or organization that buys something from shop or business,"

While David L. Loudon and A.J.D. Bitta in their book Consumer Behavior concept and application (4th edition 1993 Mcgraw- hill, Inc at page – 5) defined 'customer' as :

"Customer" is typically used to refer to someone who regularly purchase from a particular store or company".

The aforesaid definitions of customer are a bit alike with 2 (two) differences as found in Loudon and Bitta's book and these are

-Regularly

-Particular

During questionnaire of answer session it was found that Banks in Bangladesh generally defines customer as

"a person or an organization who has an account with Bank and should be in a habit of dealing with the Bank."

During Questionnaire and answer session it was revealed customer service refers to services given to customer to satisfy their need effectively and efficiently in time with a view to achieve profit as a logical sequence to Banks. Hence customer service is aimed to mutual benefit of both the customers and the respective banks both in public and private sector.



Modern Marketing management science says that customers are of 2 (two) types

External customers (i.e. the ultimate users)

Internal customer (i.e. the employees)

I considered both and prepared questionnaire accordingly and got reply from both the internal and external customers (despite limitations problems and constraints) to arrive at logical conclusion required for this comparative study.

2) **IMPORTANCE OF THE TERM-PAPER**

Banks play a vital role in running the economy of a country. It helps in local and foreign trade also savings. In Bangladesh there are Banks both in public and private sectors. Until market economy was practiced, public sector banks were playing prime role in Bangladesh, but now a good number of Banks have come up in private sector. So far, it is understood, presently 3rd generation local private Banks have come up who provide more importance to customer service by providing customized service effectively and efficiently.

Customer services are very important in running a Business organization for it's survival and growth. It is truer in competitive service organization like Banks.

Because satisfaction of the customers will help in achieving goals and objectives of a Bank, either in public or in private sector, to grow more and more and survive with profit as a logical sequence.

3) **OBJECTIVES OF THE TERM-PAPER**

Primarily the main aim to prepare this report was to keep following objectives in view:

- (i) To determine the customer characteristics
- (ii) To determine Market characteristics
- (iii) To determine Market and prospects

- (iv) To determine Market share and future demand
- (v) To develop an effective and efficient customer service strategy, if necessary
- (vi) To Fulfill the partial requirement of BBA.

4) ACTIVITY SCHEDULE

The activity schedule fell between 24 May, 2007 to 20 July 2007 i.e. total 58 days out of which there were 9 Fridays (i.e. weekly holidays) and for designing the term paper to submission of proposal took 4 days from 14 July, 2007 to 18 July, 2007 i.e. for rest of the work this humble self got only 54 days. This can be seen in activity schedule 2007.

5) SCOPE OF THE STUDY

The scope of the term paper was quite wide, but owing to mainly time-constraints, red tapism even in private Bank (for which EBL was scratched), my sudden surprising job in an Engineering Company put a big bar to utilize the rest of the opportunities. This situation virtually led me to conclude the term paper on primary information/data.

6) LIMITATIONS FACED DURING PREPARATION OF THIS TERM-PAPER.

During the currency of preparing this Term – paper I faced some limitations, which were as under:

- (i) The Term- Paper had to be done within a short period of 58 days and it was very difficult to complete all the relevant aspects like collection of information, meeting sufficient people concerned, by reaching various segments of them.
- (ii) Lack of initiative and some sort of fear on the part of the respondents facing questionnaire put bar on getting proper response they were reluctant to reply to maintain their secrecy.

(iii) Owing to shortage of time, expert opinions on the subject could not be taken.

(iv) Red – Tapism prevailed in Sonali Bank and Eastern Bank Ltd. People in Eastern Bank Ltd. showed indifferent attitude and Sonali Bank personnel department. did not accept our EWU letter of “To whom it may concern” and they wrote EWU for a direct letter to them. However I managed to obtain necessary information from my friends and well wishers in Sonali Bank informally at personal level. I scratched EBL and then went to NBL where my friends helped me a lot to obtain primary information. Adding, I found Sonali Bank (public sector Bank) more friendly than Eastern Bank Ltd. (Private Sector for Bank).

7) STATEMENT OF THE PROBLEM

Each and every person of this world is different and unique. Their hopes and desire also differ accordingly. Marketing of products- be it service or goods, requires careful, efficient and effective handling of customers, specially in a competitive situation like banking sector. Here in Bangladesh these are following types of Banks:

- (i) Public Banks i.e. Nationalized Commercial Banks.
- (ii) Private Banks e.g. ABBL, NBL, EXIM Bank etc.
- (iii) Specialized Banks e.g. BKB, RKB, Ansar- VDP Bank.
- (iv) Foreign Banks e.g. AMEX, STAN-CHART, State Bank of India etc.
- (v) Co – operative Banks.

All the Banks are to follow rules and regulations of Bangladesh Bank for their business within the territory of Bangladesh. Local Banks of public and private sectors have to follow BB rules and regulations even if they operate in foreign land where also they have to abide by local rules and regulations as well.

In modern business, any marketer has to accept customer as the focal point of any business and any contrary to it will generate negative effect resulting in vanishing from business arena. Market must be customer- oriented i.e. he/she/ the organization must customize their products- be it services or goods.

Here problem was whether public and private sector Banks think alike in correction with customer service or not owing to competition now prevailing in Bangladesh, market of Banks is buyer's market not seller's market owing to which customer service deserves more and more attention by the Banks both in public and private sector. None can ignore the need of customer service.

The Main objective of the Term – Paper and questionnaire was to reveal whether there is any substantial difference in customer service in both the sector of Banks or not ? And which one is in a better position as customer service provider with coming up of “so called” open Market economy. There should be debate on presence of public and private sectors specially in Banking to provide services to customers/users. It should find out whether these should be public sector Banks or private sector Banks only or both in a poor county like Bangladesh. This factor/ issue is directly related to the general socio - economic conditions of the country.

8) REVIEW OF LITERATURES

To structure and prepare this Term – Paper, some Text – Books, relevant class notes previous Term – Papers shown by my guide helped a great deal.

Banking being in the sector of service marketing

-“service Marketing” of Lovelock helped to recapitulate services and its -markets,

“consumer Behavior” of Loudon and Bitta reminded the customer and its related concepts

- “Marketing” of Churchill JR and Peter assisted in reminding the general concepts of marketing,
- “Strategic Marketing” of D.W. Cravens reminded customer and market-driven strategies and other relevant features
- “Marketing Research” of Boid, Westfall and Stasch helped to formulate questionnaire, information collection etc.
- “Marketing to Banking services” of R.K Seth helped a great deal as I had virtually no knowledge about Banking and its related activities.

Last but not the least relevant class notes of Mr. Dr. Ferhat Anwar- my teacher, Mr. Rabiul Alam, Mr. Md. Arif Mahmood, Ms. Farhana Ahmed helped me to

recapitulate Magnetic topics/aspects of various fields of marketing which helped to structure and prepare this Term-Paper.

9) METHODOLOGY & INFORMATION/DATA SOURCES AND DESCRIPTIONS

Owing to paucity of time & probably due to nature of job, Primary and Secondary numerical data was not required & collected. Job was mostly done on Interview based on questionnaire (open and close ended). They – both Customer & Bank Executives - replied according to the question. They replied & this humble- self wrote their replies in their presence. The respondents were not ready to mention their names & addresses. So, in order to avoid complication self wrote down their respective answers in their presence & their numbers were as under:

Sonali Bank Executive	: 6	✓
Sonali Bank Customer	: 4	✓
NBL Executive	: 5	✓
NBL Customer	: 4	✓

SAMPLE
SIZE

Information from their answers were analyzed result of which is to follow later on. In addition to this, my personal observations were also there & **all these led to**

- Findings on the subject
- Recommendations
- Conclusions

10) TYPES OF CUSTOMERS

Customers are people with every human response. They are of 2 (two) types.

- Internal customers** (i.e. the employees): They are the employees of all strata of the bank right from sweeper to Managing Director who gets compensation from the bank's pay rule. The happy and satisfied internal customer are always ready to satisfy external customers who come to the banks for efficient and effective service. External

customers are not in the payroll of the banks, rather they add revenues to each and every bank's earnings.

- ii) **External Customers:** (i.e. the users): These are the people who come to the banks to take / get efficient and effective services in time with utmost care. The banks in a highly sensitive and competitive situation must always extended highest cooperation to satisfy their external customers. Because a satisfied customer is the supreme advertiser favoring the bank(s). This can be made possible through efficient and effective customer services for all time to come and promptly. This customer service should / must include ways and means of entire satisfaction of the customers giving value to their

- Assets
- Costs
- Desire
- Time

with zero mistakes.

In case of any mistake or unbecoming of services, situation may arise when the customer may lodge complaint(s). These complaints must be accommodated sportily by the banks and matter/problem must be solved in time to satisfy the complaining customer.

11) IMPORTANCE OF CUSTOMER SERVICE

Customer is the most important and sensitive factor of a bank. They should be kept above all agenda. Banking is a business where mutual trust, confidence and relationship with customer and “service first” are the essences of customer banker relationship. If the bank can satisfy their customers- big or small, the situation will automatically bring ultimate success of the banks as a logical sequence resulting in achieving bank's goal and objective fulfilled.

12) EXPECTATIONS OF EXTERNAL CUSTOMERS FROM A BANK

The external customers expect following from a bank- be it public or private:

- Prompt and timely service

- Personalized and chamber service
- Courtesy and friendly attitude
- Secrecy and confidentiality
- Late hour services
- Credit facilities
- Misc. Service as and when required



13) AREAS OF CUSTOMER SERVICE DEVELOPMENT

The areas which can be considered while developing customer service, are as under

- Reception and quickest response promptly
- Efficient, effective personal attention in time
- Maintaining accuracy, proper counseling and follow up
- Social contact and relationship
- Timely decision on loan and credit facilities and related matters
- Maintaining and conducting good behavior from the banks officials and staffs
- Preventing frauds, forgeries and irregularities

14) REQUIREMENTS FOR CUSTOMER SERVICE DEVELOPMENT

During currency of this term-paper, one bank executive from Sonali bank truly said that 'it is not the policy, rules and regulations only can develop customer service but also man representing the bank can mainly play the vital role'. I agree to this opinion of the Sonali bank executive and add that the following aspects of banks executives and staffs will certainly add positive result in offering customer service:

- Attitude
- Commitment
- Dedication
- Drive
- Honesty
- Initiative
- Motivation

- Skill
- Sincerity
- Tact

15) FINDINGS DURING PREPARATION OR THIS TERM PAPER

All the findings will be seen in the tables 1-8 out of which

- Table 1-6 were made by interviewing Bank executive of Sonali Bank and National Bank Limited.
- Table 7-8 were made by interviewing bank customers of Sonali Bank and National Bank Limited.

From table:1 it will be found that 80% external customers of Sonali bank have education below SSC standard and rest are above that. Their monthly income ranges from Tk. 500.00 to 1,00,000.00 above per month. Male and female ratio is 70-90 : 30-10. This table further shows that customer of NBL have education SSC and above and their monthly income ranges Tk. 20,000.00 – Tk. 100,000/- and above per month. **table : 1** is given below:

Table-1
Level of customers with characteristics

Particulars	Sonali Bank (SB)	National Bank Limited (NBL)
Education		
Below SSC	80% & alike	-
SSC/ HSC and above	20% & alike	Mostly SSC/ HSC and above
Income (in Tk.) per month	* 500.00 -100,000 & above	20,000-100,000 and above
MISC	Status high with small income people	Higher middle class, elites
Male	70-90%	80%
Female	30-10%	20%

From table :2 it will be revealed that both Sonali Bank and National Bank Limited have no written customers service policy. They are doing everything on case to case basis. The table:2 is appended below:

Table:2
Availability of customer service policy

Particulars	SB	NBL
Written	No but traditional with some updating	No written policy but maintained accordance tradition
Non written	-	-

From table:3 it will be observed that Sonali Bank in principle goes for mass marketing without ignoring selective marketing and NBL goes for both selective and mass marketing. It was felt, however, that NBL goes virtually for selective marketing without ignoring mass marketing.

The **table:3** is provided below

Table: 3
Banking whether selective or mass marketing

Particulars	SB	NBL
Selective market	-	Yes
Mass Marketing	Mass marketing without ignoring selective marketing as Govt./Bank policy to cover all most all the people	Yes

Table:4 refers to customers satisfaction, complaints and its handling. The table 4 is given below:

Table: 4
Customer satisfaction and complaint and its handling

Banks	Satisfaction	Customer Complaint	Complaint handling
SB	More or less yes	Yes	Generally prompt
NBL	Yes	Some time	Prompt

The table:4 shows that customers of Sonali Bank are more or less satisfied. They complained and same was handed promptly. Customer of NBL are satisfied, complained irregularly which were handled promptly. Here I felt that respondents were suppressing the truth. Their all the answers may be nearer the truth, but not nearest to truth. **However, this is reality and I had to work for such situation.**

Table:5 shows that receipt of public utility bills by SB and NBL and the table is given below:

Table-5
Receipt of public utility bills and disbursement

Banks	Electricity Bills	Gas Bills	TNT prime bills	WASA Bills	MISC
SB	Yes	Yes	Yes	Yes	Govt. Widow payments, govt. primary school payments, freedom fighters payment etc.
NBL	No	No	Generally no but in some places only	No	REB bills in some places, Sheba and Grameen cell phone bills only

Table-5 will show that Sonali Bank receives PDB / DESA/ DESCO electricity bills, Titas Gas bill, T&T phone bills, WASA bills from hundreds and thousands of bill holders who are not even direct users of this bank. Sonali Bank also disburses some payments to widows, old personals, freedom

fighters, primary school teachers etc. On the contrary NBL receives only Sheba, Grameen cell phone bills and these are of limited number. NBL also collects REB bills in some places. It will not be out of place to mention here that NBL goes for easy and big businesses while Sonali Bank goes for laborious and small businesses of enormous numbers to cover entire population of Bangladesh as far as possible without ignoring big businesses.

Now come table 6 which refers to section human resource management and compensation package policy for internal customers (i.e. members of the pay roll) of Sonali bank. The table is given below:

Table : 6
Presence and application of scientific human resources management and compensation policy

Banks	Sc. HR MNGT	Price index and compensation policy
SB	No. Primitive rules and regulations	Compensation policy not based on price index and similar job market competition. No medical facilities on actual for family members. Adding, compensation policy is based on government rules.
NBL	Yes	Compensation policy exactly not based on price index ; yet it is reviewed from time to time as a result of which internal customers (Employees) - except lower and middle strata - are satisfied.

From table 6 it will be found that Sonali bank has old aged rules and regulations and their compensation policy is to follow the govt. rules and regulations not the prevailing bank market competition and price index. They do not have medical coverage on actuals for family member. Here it was added informally that in the past some people made money out of medical bills and entire Sonali Bank population was put under 'punishment'. If it is true it is the failure of SB management it must be reserved with proper control.

On the other hand, NBL executives said that their HRM may not scientific but somewhat updated & moral. Their comparative package policy is based not on price index. Yet it is reviewed from time to time for which except lower &



middle strata employees others are somewhat happy & satisfied with the compensation policy. Here it is to be noted that satisfied internal customers extend their hand to external customers (the ultimate users) efficiently & effectively for their (external customers) satisfaction which in turn helps the concerned bank(s) to achieve its goals and objectives as a logical sequence.

Now comes the table (7-8) made out of interviewing customers (the users) of SB & NBL. Table : 7 is produced below :

Table-7
Level of Customers as interviewed

Banks	Occupation	Age level (years)	Education	Income level per month (TK.)	Personal House/ flat/ Car etc
SB	Service (P & G), Business	25 and above	HSC and above	Below 10,000-20,000 and above	Around 50% of customers have residential facilities
NBL	Private service, Business	25-50 years	Min. Graduate	5,000-10,000 (appears not true) and 10,000 and above	25% both house and car 75% nothing (appears to incorrect)

From Table : 7, level of SB customers will be found as under :

- Occupation : Govt. & Private Service & Business
- Age : Generally 25 yrs & above.
- Education : HSC & above
- Income Level : Below 10,000.00 to 20,000.00 & above.
- In Taka Per month :
- Personal Assets : 50% of SB customers have either House or Flat.

While NBL customers level is as under :

- Occupation : Private service & Business
- Age : 25-50 yrs
- Education : Minimum Graduate
- Income Level : 5,000.00- 10,000.00 (it appeared to me to be
- In Taka Per month :

not true) & 10,000.00 & above.

Personal Assets : 25% have both residential & car facilities and 75% have nothing (this appears to be not true)

Now comes table : 8 which is produced below :

Table: 8
Satisfaction over service

Banks	Whether satisfied	Whether any lacking in service	Whether any complaint made	How complaint was received and handled	Any advice
SB	Yes: 50% No: 50%	Yes: 50% No: 50%	Yes: 25% No: 75%	Not properly replied by the respondents	Should improve their service facing prevailing competition. They have ample opportunities to improve
NBL	Yes: 100%	No lacking	No	Did not arise	Every one has opportunities to improve more and more.

Table : 8 shows the satisfaction of the customer SB Customers say

Satisfaction : 50%
 Lacking in service : 50%
 Complaint made : 25%
 Complaint Handling : Not properly answered by the respondent that means handling was not proper.

Advice : SB should improve their service.

NBL customer reveals

Satisfaction	:	100%
Lacking in service	:	No Lacking
Complaint made	:	Nil (appeared to be not true)
Complaint Handling	:	Did not arise (appears to be not true)
Advice	:	NBL should improve their service further.

Findings from interviews ends here on both Sonali Bank & National Bank Ltd's Customer Service.

16) SOME RELEVANT ASPECTS

During the period of interview of Bank Executives it is revealed that

Sonali Bank has

1220	:	Local Branches
2	:	Foreign Branch in Calcutta & Shiliguri.
1	:	UK branch known as Sonali Bank (UK) Ltd. with 51% Govt. & 49% Bank's Share.
1	:	Sonali Exchange in Newyork which is 100% subsidiary of Sonali Bank.

During interview session it was further revealed that as a policy Sonali Bank has some Public & Social Commitment for which they are always ready to go for door to door service for the benefit of people, Country & the Govt.

On the other hand NBL has only 76 Branches all over the country & they have a FOREX remittance Agency known as Western Union in Newyork. Their branches cover big district towns & Big Business Areas only.

The ratio of branches of SB & NBL local Branches is as under

$$1220 : 76 = 16.053 : 1$$

i.e. when NBL has 1 Branch, then Sonali Bank has 16.053 branches to serve the customers. This refers that Sonali Bank gives more service to the Customer,

Nation, Govt. & the country. I believe they could give more if Sonali Bank takes.

- A Scientific Human Resource Management Policy.
- A Logical Compensation Package Program Policy, not directed by the Govt., but by price index according to prevailing compensation program of the Competing Banks.

17) MEASURES TO IMPROVE CUSTOMER SERVICE IN BANKS.

In both cases, external customer (i.e. the ultimate users) opined for customer service for both Sonali Bank & National Bank Ltd. is public Bank & Private Bank & following measures can be taken for the purpose.

- i) To select, recruit & Train efficient & dedicated Bank officials & Staffs.
- ii) To develop professional knowledge for efficient, effective & prompt customer service of all the bank branches.
- iii) To develop behavioral & inter-personal skill of the Bank official & staffs.
- iv) To visit Branches by top officials on regular Basis to see the position of customer service.
- v) To develop habit of reading circulars, Bangladesh Bank Instruction, Book let, relevant local & foreign journals etc.
- vi) To develop environment so that complaints are services & handled promptly to satisfy customers.
- vii) To use new technology & computerization of all branches.
- viii) To spread one stop service for overall Business Development.
- ix) To attach taskforce under Managing Director for Monitoring Customer Service in Branches for taking necessary corrective steps.
- x) To review periodically at all levels to delegate powers to meet Customer Demand for more services in time.

18) SOME MORE FINDINGS

During currency & analysis of interview based on questionnaire (for both Bank officials & customers) it has been clearly found that:

- Private Banks are operating with the main objective of earning profit by serving Elites & their interests. Their commitment to society, people & country is just minimum.
- Public Banks are operating with a main objective of serving people, society, country & to assist in developing the economy of the country.

19) PRODUCTS OF SONALI BANK & NBL

The products of SB and NBL are as under:

Sonali Bank (Public Sector Bank)

- Savings A/C
- Current A/C
- Fixed Deposit A/C
- DPS
- SDPS
- CC A/C (i.e. cash credit A/C)
- Industrial Credit Scheme
- Agricultural Credit Scheme
- Consumers' Credit Scheme.

National Bank Ltd. (Private Sector Bank)

- Savings A/C
- Current A/C
- Fixed Deposit A/C
- CC A/C
- Industrial Credit Scheme
- Agricultural Credit Scheme
- Consumer Credit Scheme
- Savings Insurance Scheme

- Monthly Savings Scheme
- NBL Master Card.
- Western Union Money Transfer
- NBL ATM Service.



20. RECOMMENDATIONS

For : Public Banks.

Despite some situational Drawbacks like

- Absence of Scientific Human Resource Management
- Absence & Compensation Package / Policy based on Price Index or Competing Banks' Compensation Policy.
- Absence of Medical Facilities on actual for employees & their respective dependent family members.

I found Sonali Bank is serving people right from lowest rank to highest one. For better Customer Service, the competent authorities should think logically to provide.

- i) Scientific HRM policy for Internal Customer
- ii) Proper Compensation Package based on Price Index or Competing Banks compensation policy for Internal Customer.
- iii) Medical Facilities on actual for the employee of Family Members (for internal customers)
- iv) Savings Insurance Scheme
- v) Monthly Savings Scheme
- vi) Special Savings Scheme
- vii) Public Bank Master Case
- viii) One stop service for all products.
- ix) ATM in all branches.
- x) On-line Banking in all branches within next 2 years from now.
- xi) Credit Facilities to lower middle class. Middle class & upper middle class at a maximum simple interest of 3-5% for housing, House-hold goods & Car purchase etc. & these assets have to be mortgaged to banks until credit is repaid by the receiver to the bank giving loan.

- xii) Small Credit Scheme for unemployed people against no-collateral with proper controlling, monitoring & follow up & maximum 3-5 % simple interest.
- xiii) Any other product that may come forward with the passage of time & as per requirement of the customer.

Public Banks has social commitment. No branches should be closed, rather be increased to cover more places & people with a view to develop country's economy. And if it is done, I believe public banks will do better than their present activities & can compete positively with competing Private Banks.

For : Private Banks

Officially & legally Private Banks have commitment to the society, people & the country; but virtually & practically they go for profit maximization only in a poor country like Bangladesh where people are not fully aware of their rights. So such recommendations will be mere wastage until such recommendations bring profit for them i.e. Private Banks. However following are some recommendations:

- i) To reduce commission charged by the Private Banks to the users.
- ii) To provide small credit scheme for unemployed people against no-collateral with maximum 3-5% simple interest. Proper controlling, monitoring & follow-up.
- iii) Credit facilities to lower middle class, middle class, upper middle class at a maximum simple interest of 3-5% for Housing, Household goods & car purchase etc & there assets are to be mortgaged to Bank until the credit is repaid by the receiver to the Bank.
- iv) ATM & On-line Service in all branches.
- v) One Stop Service in all branches.

Adding, Bangladesh Bank has to control, motivate, review and follow-up activities of Private Banks to see whether their commitment to society, people and the country is fulfilled or not.

21. CONCLUSION

Virtually there was no local private banks just after liberation of Bangladesh on 16 December 1971. Govt. took over prevailing local banks of erstwhile Pakistan & renamed these Banks as under :

- Sonali Bank
- Janata Bank
- Agrani Bank
- Pubali Bank
- Uttara Bank
- Rupali Bank.

Later on some shares of Pubali, Uttara & Rupali Bank were sold out in market & first 3 bank remained in the public sector, until Private Banks came into being in late 70's early 80's till time.

I believe Public Banks have long way to go as a facilitator to Private Bank activities.

Let there be healthy competition between Public & Private Banks. The fittest bank will survive by providing effective & efficient customer service promptly in time with commitment & sincerity which has so far been more or less done by public Banks by providing customer services despite odds. I believe the Public Banks shall overcome any difficulties if their given commercial freedom and shall have success.

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APPENDIX