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Advance Working Report on Customer Satisfaction of NCC Bank Ltd In Context of Private Commercial Bank

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Advance Working Report on Customer Satisfaction of NCC Bank Ltd In Context of Private Commercial Bank

By

Refat Ahmed Robin
Id: 0720146

An Internship Report Presented In Partial Fulfillment
Of The Requirements of the Degree
Bachelor of Business Administration

INDEPENDENT UNIVERSITY, BANGLADESH
May 2012

Advance Working Report on Customer Satisfaction of NCC Bank Ltd
In Context of Private Commercial Bank

By

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Id: 0720146

Has been approved
May 2012

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School of Business
Independent University, Bangladesh



Abul Khair Jyote
Internship Supervisor
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Independent University, Bangladesh.

Subject: **Submission of Internship Report**

Dear Sir,

I am submitting my Internship report and would like to take the opportunity to thank you for Your guidance and supervision in its completion. I completed my Internship Attachment at NCC Bank Ltd. from the 7 of February 2012 to 7 of May 2012. The title of my report is **"**customer satisfaction of NCC bank**".** The report has its due limitations and conducting the research was not without difficulties. However, with your guidance, it was completed in the best possible manner.

Sincerely Yours,

Refat Ahmed Robin
ID: 0720146

ACKNOWLEDGEMENTS

Preparing this report was both exciting and hard work at the same time; it is for the first time that I had a real life experience working on an actual project. I would like to express my gratitude to Mr. Abul Khair Jyote internship supervisor, School of Business, Independent University, Bangladesh for providing me with the proper guidance and support.

I would also like to thank Mrs. Farhana Alam NCC Bank Ltd. for giving me time in his busy schedule, for providing me information that was needed to complete the report, and to properly guide me throughout my internship period.

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INTRODUCTION

Bank as the financial services industry is approaching full historical cycle. Originally the banking system operated as full service industry, performing directly or indirectly all financial services. Banks are direct agents to create opportunities for development in a country and also provide large scale of employment opportunities. Banks mobilize savings and make it advances to investors and by this process make profit. As they deal with public money, their form of business is different from others. Banks must refund public's money when they demand & qualityful services either it makes or not. So, overall operation system of bank should be evaluated carefully.

Banking sector is expanding its hand in different financial events every day. At the same time the banking system is becoming faster, easier and the banking area is becoming wider. As the demand for better service increases day by day, they are coming with different innovative ideas & products. In order to survive in the competitive field of the banking sector, all banking organizations are looking for better service opportunities to provide their fellow clients. As a result, it has become essential for every person to have some idea on the bank and banking system.

The evaluation of banking system is a complex process involving interactions between the environment, internal operations, and external activities. The ultimate objective of management is to maximize the value of bank's equity shares by attaining the optimal mix of returns and risks. In this respect bank management needs to develop a comprehensive plan in order to identify objectives, goals, budgets and strategies that will be consistent with the maximization of share values.

In researcher's thesis paper, researcher has selected one private commercial bank to evaluate the banking system in our banking industry. This is NCC Bank LTD. This bank has a great impact in our economy. NCC Bank LTD has been operating their services from 1985 as a leasing company and from 1993 as a Bank in our country through its 16 branches.

Background of National Credit & Commerce Bank Ltd (NCCBL)

National Credit and Commerce bank Limited bears a unique history of its own. The organization started its journey in the financial sector of the country as an investment company back in 1985. The aim of the company was to mobilize resources from within and invest them in such way so as to develop country's Industrial and Trade Sector and playing a catalyst role in the formation of capital market as well. Its membership with the bourse helped the company to a great extent in this regard. The company operated up to 1992 with 16 branches and thereafter with the permission of the Central Bank converted in to a full-fledged scheduled private commercial bank in May **1993** with paid up capital **Tk. 39. 00** core to serve the nation from a broader platform. During last 12 years of its operation NCCBL has acquired commendable reputation by providing sincere personalized service to its customers in a technology-based environment. The Bank has set up a new standard in financing in the Industrial, Trade and Foreign Exchange business. Its various deposit and credit products have also attracted the clients-both corporate and individuals who feel comfort in doing business with the Bank.

The initial authorized capital of the Bank was Tk. **75.00** core and, paid-up capital Tk. **19.50**, core at the time of conversion, which is now raised, to Tk. **39.00** cores. The present authorized capital is Tk. **250.00** core and paid up capital is Tk. **60.78** core. The sponsors of the new bank consisted of 26 (Twenty six) Members, who comprised the first Board of Directors. The share price of the bank is currently being quoted at both Dhaka and Chittagong Bourses at an average price of Tk. 320/- against per value of Tk. 100/-.

NCC Bank based upon its commendable business performance for the year ended 2004, has meanwhile declared stock dividend at the rate of 30%. The Bank which started with 16 branches in 1993, has at present **41** (forty one) branches and 03 (three) Booths located in prime commercial areas of Dhaka, Chittagong, Sylhet, Feni, Khulna, Jessore and Rangpur District Headquarters, out of which as many as **17** (seventeen) are Authorized Dealer Branches, fully equipped for dealing in direct foreign exchange businesses.

NCC BANK AT A GLANCE

(Tk. in millions)

Particulars	2010
Authorized Capital	750.00
Paid up Capital	607.81
Reserve fund & other Reserves	761.18
Equity Fund	1368.99
Deposits	16069.23
Loans & Advances	15211.15
Investment	4385.23
Import Business	13274.08
Export Business	5771.65
Operating Income	2283.37
Operating Expenses	1562.88
Operating Profit	720.49
Profit before Tax	445.50
Profit after Tax	285.16
Undistributed Profit	14.28
Total Assets (excluding contra)	21469.02
Fixed Assets	297.22
Number of Branches	36

Work Responsibilities:

In internship program I work in general banking site (Should be Side). My job responsibilities as an intern are given below.

- Helping customers to open various (Savings, SSS, FDR) new Accounts.
- Taking Cheque book Requisition.
- Receiving Cheque
- Inward outward Clearing register writing
- Maintain chequebook Register
- Update Account opening Form
- Act as a Liaison between customers and bank
- Solving various customer quarries

1.0 EXECUTIVE SUMMARY

Satisfying customers are the only way to stay competitive in today's marketplace. The balancing act between what customers want and what the company can provide must be optimized in order to maximize company's long-term profits. NCC bank has done numerous researches to understand the level of customer satisfaction. They are already in a good position in the customers mind but understanding the customer's satisfaction level, will help the company to exceed the present level of customer satisfaction. However, no such research has been done to understand the level of customer satisfaction level of NCC bank. This study investigates the level of customer satisfaction of internet banking. On assessing the level of customer satisfaction, what marketing tools, like promotional efforts and other marketing efforts, are necessary to improve the customer satisfaction level will be given as recommendation by the researcher. This study is based on primary data, as no such previous research has been done to understand the level of customer satisfaction of NCC bank. It is a kind of research and information was gathering by questionnaire survey. The researcher covered the Geographical base of Dhaka city. Upon completion of the research analysis, the researchers understood the level of Customer satisfaction of the customers. All respondents were moderately satisfied with the Bank services. But one service is very poor which internet banking. Researcher also found that all customers are moderately satisfied. So they should try to develop their other service

2.0 Statement of the Problem:

in the current environment of increased competition with rapid market entry of new service concepts and formats, the customer satisfaction also presents a challenge. NCC Bank is threatened to lose their existing market share due to their weak internet banking service which is commonly offered by other banks. This has enticed them to conduct a survey to find alternative solution to satisfy their customers. For that I was assigned to find the factors (that they need to look at or do further research) on related to customer satisfaction.

2.1 Purpose of the Study

The key purpose of this study is to find the factors that can ensure customer Satisfaction and NCC Bank's performance in those factors. Thus identify the service need gap and set up proper strategy to improve further to the extent that customers remain satisfied.

2.2 Scope of the Study

The study is to be done only on NCC bank customers or account holders who have Been using NCC Bank account for more than a year and visit bank at least once a week. The competition customers have not been considered since the bank at this point of time feels they still need to improve further to be more competitive. Improving further is only possible when they can satisfy their existing customers make them stay with their bank.

2.3 Limitations of Study

The unavailability of proper database making me unable to select respondent using a pure simple random sampling. The data was collected from only one branches of NCC Bank in Dhaka. Branches outside Dhaka were not considered. So an absolutely actual representation of bank's customers is not in this report. Also unwillingness to participate in the survey was a big obstacle.

2.4 Timeline

2012	14th February	Research Proposal Writing
2012	20th February	Literature Review
2012	25th March	Data Collection
2012	10th April	Data Analysis & Interpretation
2012	20th April	Draft Paper
2012	29th April	final paper Submission

3.0 Review of Related Literature

3.1 Customer Satisfaction

Customer satisfaction is defined as an "evaluation of the perceived discrepancy between Prior expectations and the actual performance of the product" (Tse and Wilton, 1988, Oliver1999). Gardial & Woodruff (1996) mentioned that a customer's positive or negative attitude toward the value of using a business service in a specific situation is customer satisfaction. Where as, Vukmir (2006) said that the amount of the timing and caring driving customer satisfaction in business service. Bennet (2004) stated that positive high level of loyalty is not always a result of high level of customer satisfaction. According to Muffatto (1995), customer satisfaction makes a business competitive and facilitates its future planning. Hansemark (2004) said that, good relationship with a customer can create satisfied feelings. And Leonard, Johnson and Walker said (2006), customer satisfaction drives profitability.

3.2. Customer Services

Customer service is a system of activities that comprises customer support systems, complaint Processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Kim, Park and Jeong, 2004). As far as economic factor is concerned, services should satisfy the needs of the customers (Turel and Serenko, 2006; Melody, 1997). For developing satisfaction among customers, the bank service providers need to be extra careful for the customer services they provide. Satisfaction of customer is determined by his evaluation of service provided by a brand (Gustafsson, Johnson and Roos, 2005). The study of Ahn, Han and Lee (2006) shows that when the customers, do not get their complaints considered properly, they start looking for other banks. It happens because either the customer service centers do not handle the complaints or the customers are not able to address them properly Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leaves a positive impression on the customer which lead towards customer satisfaction (Soderlund and Rosengren,

2008). On the other hand, if a bank service provider lacks in providing services to its customers it experiences customer churn.

3.3 Interpersonal Relationship

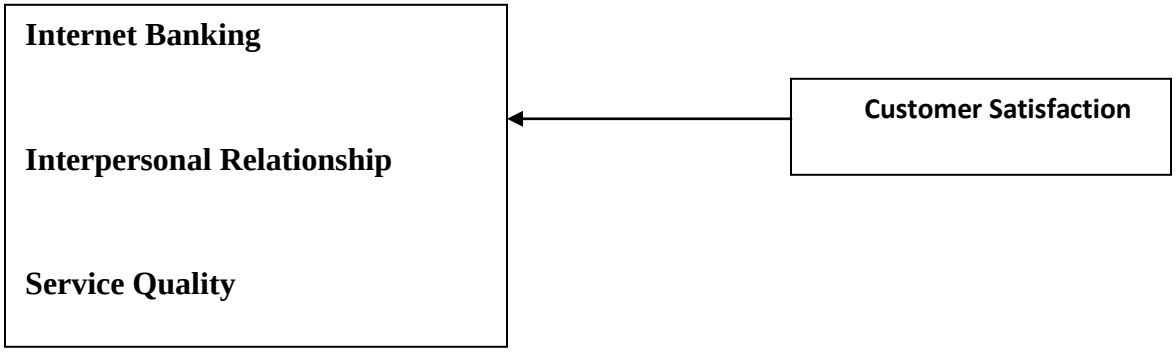
According to Amy Hawke & Troy Heffernan interpersonal relationship increase commitment from both Customers & suppliers sides which finally increases trust between each other rendering business growth. According to Juan Pablo Maicas Lopez, Yolanda Polo Redondo and Fco. Javier Sese Olivan Customers maintaining a Long-lasting relationship will be less predisposed to switch as they are with the firm for a long time, using the service more in depth and investing in complementary services.

3.4 Internet Banking

Introduction and development of e-banking especially began in 1990s (Pikkarainen et al.2004, p.224). A research made in U.S in year 1999 stated that there have been huge increases in the use of e-banking in America. Examining the development of online banking in the world, one can say that the European countries are still the leader of the use of newest banking technologies and online banking (Pyun et al, 2002,p.73). According to a study, less than 15 percent of banks with transactional websites will realize profits directly attributable to those sites(Courchanne et al,2002, p.354). E-banking has affected customers' expectations as bank's clients prefer to deal with banks that offer enhanced, well-organized, professional and innovative services. Banks have to bring improved quality services to their customers to survive in this vulnerable environment (Uppal, 2008,p.64). There are many forces that have an effect on banks to develop their online banking services. One of them is to reduce the cost of their services. With the online channels, banks can eliminate costly transactions by reducing the number of branches. New physical locations have high starting up costs and online services and ATM banking reduces the need of new branches. The freedom of no time limitation and the benefit of low-cost services can be considered therefore the key reasons behind the development of online banking services (Robinson T, 2000,p. 104). Many firms adapt rapidly to changes in internet and technology.

Many companies improve their business efficiency and service quality via new applications in the internet, and attracting new customers(Nath, et al.,2001,p.21)

4.0 Development of Conceptual Framework



5.0 Research Methodology

5.1 Research Design

The conceptual framework work shows that there is a direct relationship between the independent variables and the dependent one. But it will be important to explore the type & intensity of this relationship so that the earlier mentioned purpose of the study can be met. The study will enable the bank to understand the factors influencing customer satisfaction and identify service gap in these factors. Thus they can plan their future plan of action or strategies to keep strong hold of their current customer base.

5.2 Sampling

A total of 30 customers to be interviewed from Malibagh branch a systematic random sampling method is to be used where every 3rd customer arriving in the branch will be contacted. Among those whoever fall under the criteria of holding an account for more than a year & visiting the branch at least once every two weeks will be interviewed.

5.3 Measurement Instrument/Questionnaire

A close ended definitive scale questionnaire has been used to collect survey data. There is also a gender and occupation of the questionnaire. There is two Variable Dependent and Independent.
The questions are set in statement format where respondents are given a five point Likert scale to rate their level of agreement. The questionnaire is designed to assess the existing relation between dependent & independent variables. The statements are all set in a positive Tone following laddering technique to collect responses on each of the variables. Each variable have their own constructs. Q1 to Q 3 are constructs for Customer Satisfaction Then Q4 to Q6 are constructs for customer service .Q7and Q8 are construct for interpersonal relationship Q9and q10 are internet banking.

5.4 Data Collection

This has been done from 10th April to 15th April, 2012 in Malibagh branch. Data is collected during 4 days full banking hour for each of this branch.

5.5 Data Analysis

This is done using Ms Excel. And the result shown by graph

6.0 Results and Analysis

The data obtained from the research are analyzed through Ms Excel average basis. All result Shown in average. Result r given below and also show some chart.

Gender	
Male	47%
Female	53%

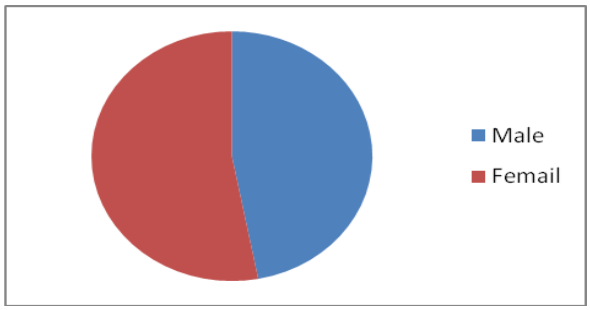


Figure: 1

In the above mention chart shows the gender. In the questionnaire sample, gender is 47 percent and female is 53 percent respondent.

Occupation	
Service holder	50%
Student	7.14%
Business	21.42%
House wife	21.42%

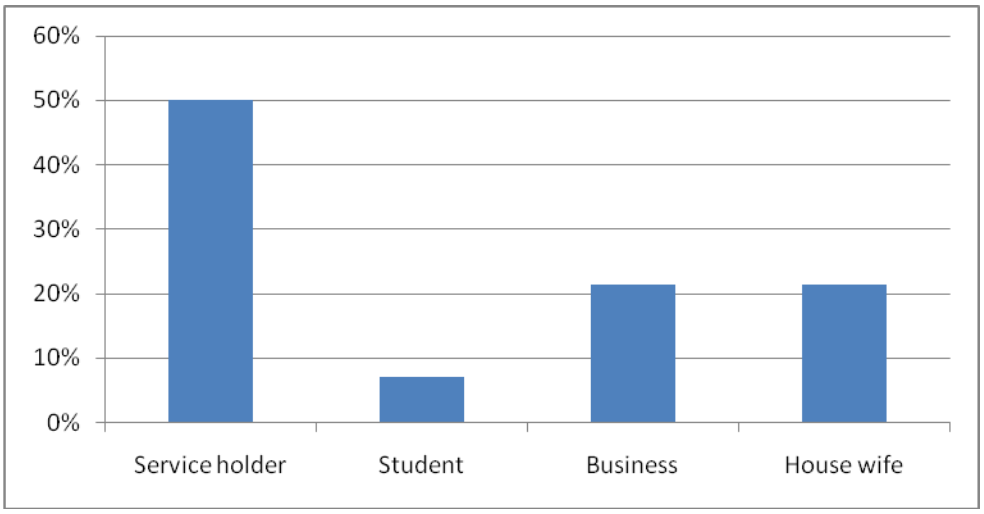


Figure: 2

The respondents are 50 percent is service holder. 7.14 percent is student. 21.42 is businessmen. 21.42 is housewife. The bar graph shows that service holder is highly respondent.

Customer service	
Not satisfied	23%
Moderate	47%
Satisfied	30%

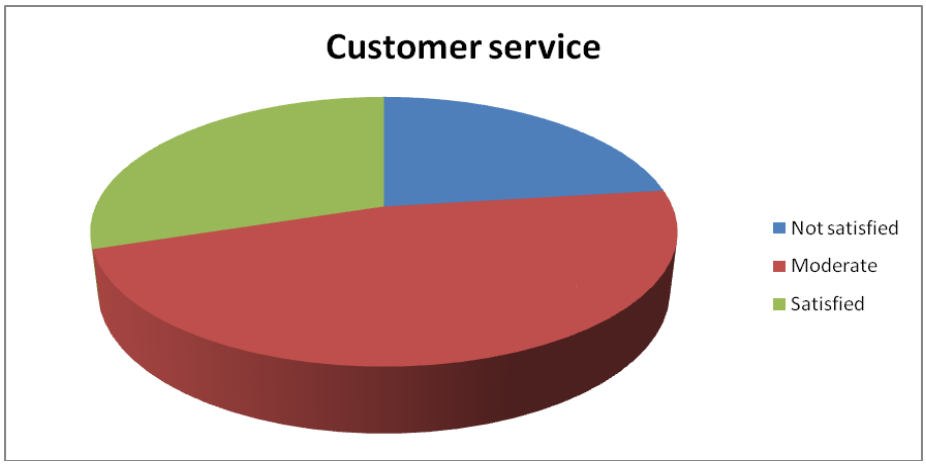


Figure: 3

This pie chart shows customer service which bank provide. Here most of the respondent is moderate. Not satisfied is 23percent, satisfied is 30 percent. Which is very low?

Interpersonal relation	
Not satisfied	30%
Moderate	53%
Satisfied	17%

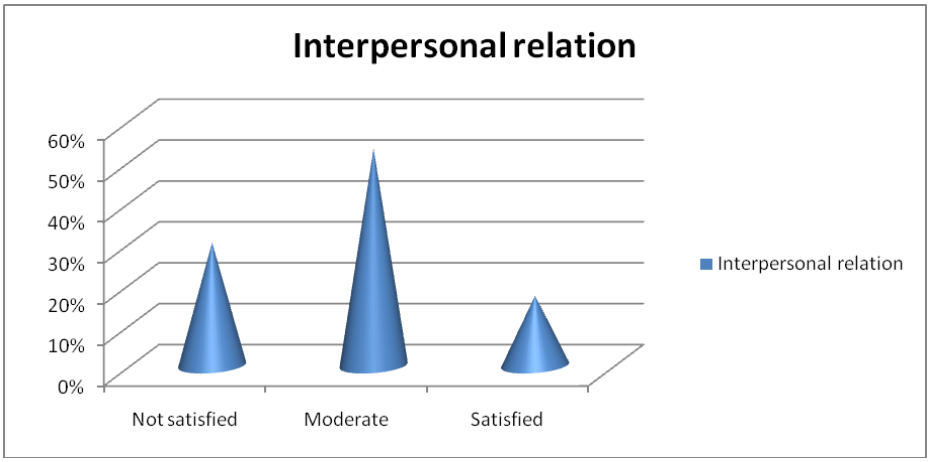


Figure: 4

In the interpersonal relationship, customers are highly moderate which percent is 53. But 30 percent customers are not belief this relation. On the other hand 17 percent customer is satisfied with interpersonal relation.

Internet Banking	
Not satisfied	63%
Moderate	7%
Satisfied	30%

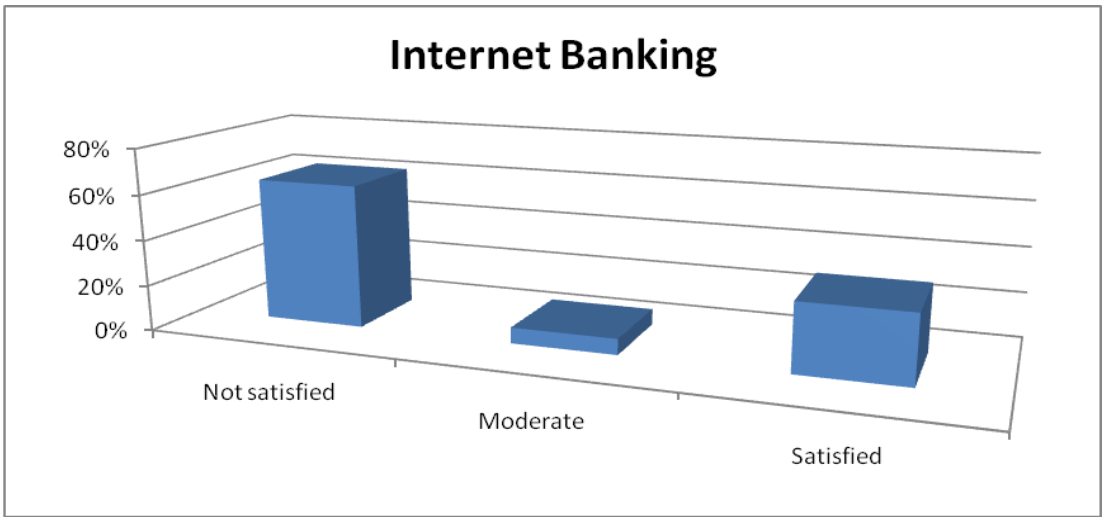


Figure: 5

Here this graph shows satisfaction label of customer about internet banking.63 percent customer are not satisfied there internet banking this shows that they lose their customer only for internet banking. On the other hand 30 percent are satisfied which is very few. 7 percent is moderate

7.0 Recommendation

NCC bank Ltd, Bangladesh seems to have received good level of satisfaction from its existing account holders. The interpersonal relationship between the customers and employees are also high. Both of these positively drive customer satisfaction. However, in this research context, a weak relationship is found between internet banking so, bank needs to put some effort to maintain this service. Customer satisfaction in such competitive market situation via ensuring best possible quality management in terms of offices internal environment, customer attendant & efficient complaint handling. On the other hand, a very good sign is customer's service and interpersonal relationship. Since NCC bank Ltd, cannot control its external environment such as competition behavior but it can at least take a step of its own via communicating that changing bank is hassle & undesired when customers can have some additional benefits from their existing bank. These additional benefits should be something to substitute competitive lag in terms of internet banking. Overall, working on customer satisfaction, customer service, interpersonal relationship seem important since all these have moderate relationship with Customer satisfaction. Internet banking, should develop recently otherwise bank lose their customer.

8.0 Conclusion

In a nutshell, NCC bank Ltd, Bangladesh seems to have acceptable level of satisfaction & interpersonal relation with its customers. But internet banking in this country have brought in revolutionary change in banking service at it has made it much faster, easier & hassle free. Looking in to the future, there seems to be no alternative option to substitute this internet banking service. Even though satisfaction is moderate, NCC bank should try & adopt this as early as possible and till its introduction should retain its customers through offering them some additional value added service. However, a separate study needs to be conducted on each of those variables to understand them better.

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Appendix 1
QUESTIONAIRRE

Good Morning / Good Afternoon, I am Refat Ahmed Robin doing my Internship in NCC Bank Ltd. I have to submit a report as a part of my Internship program And for that I am conducting a survey on NCC bank customers. I would be glad and Grateful if you help me in the process through answering some of the survey questions**.**

◯ Male ◯ Female Occupation:

Please rate your level of agreement on the following statements based on a 5 point scale

Where "1= strongly disagree", "5= strongly agree" & "3= Moderate"."2=Disagree"

.

1= strongly disagree	2= Disagree	3= Moderate
4=Agree	5= Strongly Agree	

1. I am satisfied with this branch's location 1 2 3 4 5

2. I am satisfied with this branch's internal environment 1 2 3 4 5

3. I am satisfied with this branch's employee's behavior with me 1 2 3 4 5

4. I am satisfied with this Branch's fast and efficient service 1 2 3 4 5

5. I am happy about the interest rate they offer for savings account 1 2 3 4 5

6. I am satisfied about the time the branch take to open an account 1 2 3 4 5

7. I have direct relationship (uncle/aunties, cousins etc.) with at least One employee in this branch 1 2 3 4 5

8. Familiarity and Good relationship with branch's employee increases the satisfaction level of the job 1 2 3 4 5

9. I am happy with the e- banking service facilities the bank offer 1 2 3 4 5

10. I am happy with the ease of use of internet banking 1 2 3 4 5