

Prime bank

[Literature](#), [Russian Literature](#)



1. 1 Introduction of the Report In the modern competitive environment, the pursuit of service quality is now considered to be an essential strategy. Offering a superior product is no longer sufficient, as firms in the 21st century economy compete on a much broader platform. In terms of the banking sector, service quality has become an increasingly important factor for success and survival (Cui, Lewis, & Park, 2003).

Provision of high quality service aids in meeting several requirements such as customer satisfaction and its consequent loyalty and market share, soliciting new customers, improved productivity, financial performance and profitability (Collet, Lancier, & Olliver, 1990; Julian & Ramaseshan, 1994; Lewis, 1989, 1993; Llosa, Chandon, & Orsingher, 1998). It has also become an important research topic because of its important relationship to corporate marketing and financial performance.

In the current study the researcher intends to find out the customer service performance of Prime Bank Limited and also compare the performance with other private sector banks. The Prime Bank Limited is a national banking group that is incorporated on the 12th February, 1995 as a consequence of relentless and decided efforts of a group of entrepreneurs having excellence of experience exposure in the different fields of industry, trade and commerce of Bangladesh.

To prepare a specific and precise analysis on service quality performance, the researcher will consider the SURVQUAL model proposed by Parasuraman, Zeithaml, and Berry (1988) which consists of five key dimensions like reliability, responsiveness, assurance, empathy, and tangibles.

1. 2 Origin of the Study This report has been prepared as a requirement of <https://assignbuster.com/prime-bank/>

the internship program of School of Business, North South University (NSU). The organization attachment started on 24 January 2010 and ended on 24th April 2010.

This project on “ Comparative Analysis of Customer Service Quality of Prime Bank Limited with other Private Commercial Banks” is assigned by Kazi Tozammel Huq, Assistant Vice President, Motijheel Branch, Prime Bank Limited (PBL) and it was approved by institution supervisor Mr. Muntasir Alam, Lecturer, School of Business, North South University (NSU).

1. 3 Purpose of the Study The purpose of the study is to make a comparative analysis of customer service quality of Prime Bank Limited with other private commercial banks.

This study attempted to understand the customer perceptions on different service quality dimensions while dealing with these banks. The purpose is also to make recommendations for improving the quality and soundness of different services provided to the customers by Prime bank Limited.

1. 4 Statement of the problem In the current study, the researcher will use five important dimensions like reliability, responsiveness, assurance, empathy, and tangibles to find out the customer service quality of Prime bank Limited and thus compare the service quality with other private commercial banks in Bangladesh.

The problem statement, then, is stated as follows: The current study will identify the customer service quality of Prime bank Limited considering key dimensions such as reliability, responsiveness, assurance, empathy, and tangibles and compare the performance with other private commercial banks in Bangladesh.

1. 5 Research Methodology

1. 5. 1 Research design As the

purpose of this study is to make a comparative analysis of customer service quality of different private commercial banks, therefore descriptive research was undertaken to fulfill the main purpose of the study.

The current study will compare the customer perceptions of service quality of Prime Bank Limited with the private commercial banks such as Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd under five key dimensions like tangibles, reliability, responsiveness, assurance, and empathy. This research will use a descriptive study to discover the ideas and insights of these different service quality dimensions. Therefore, the current study will be characterized as a descriptive study.

1. 5. 2 Sampling method

For the current study, the researcher will use the customers of four different private commercial banks such as Prime Bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd as the sample for the study. For this proposed study, the population will be the customers of different private commercial banks in Bangladesh. The researcher will use stratified random sampling to collect the sample for this study. In a recent study Sureshchandar, Rajendran, and Anantharaman (2003) have also utilized this sampling method to make a comparative analysis of customer perceptions of service quality in the banking sector.

The stratification will be done based on the four different banks. From each of the banks, about 20 customers will be randomly selected and thus the sample size will be 80. Data have been collected using the “personal-contact” approach, i. e. the respondents have been approached personally and given a detailed explanation about the survey.

1. 5. 3 Survey Instrument

In the current study, the researcher will use a questionnaire to collect the

data from the sample. Structured questionnaire will be used in this research. The questionnaire used in this study is comprised of two parts.

The first part contains questions about personal profiles of the respondents including age, occupation and types of accounts currently holding. Then the next and final part includes expectations of respondents according to five dimensions. These dimensions are reliability, responsiveness, assurance, empathy, and tangibles. A seven-point Likert scale ranging from “strongly disagree = 1” to “strongly agree = 7” was used to measure the 21 items. This 21-item SERVQUAL scale is developed by Parasuraman, Zeithaml, and Berry (1988). Since Parasuraman et al. 1988) introduced the SERVQUAL instrument, many researchers have also used, extended and developed this scale to study service quality in different sectors of the services industry (Fick & Ritchie, 1991; Babakus & Mangold, 1992; Coyle & Dale, 1993; Cronin & Taylor, 1992; Lewis & Pescetto, 1996; Smith, 1995; Buttle, 1996; Lam, Wong, & Yeung, 1997; Lim & Tang, 2000; Oldfield & Baron, 2000; Gounaris, Stathakopoulos, & Athanassopoulos, 2003).

1. 5. 4 Data Collection The study was conducted on the basis of both the primary and secondary sources of information. Primary data Primary data were collected through questionnaire from the customers of Prime Bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd. Secondary data Annual reports of PBL, Instruction circular of Head Office, Brochures of different Banks, online articles.

1. 5. 5 Data analysis procedure In the current situation, the proposed study is a comparative study which intends to analyze the customer service quality of Prime Bank Limited with other Private Commercial Banks.

As a result, after collecting the data the researcher will use Mean value to make the comparison among the banks considering the five dimensions of service quality measurement. Several studies have utilized the mean value to analyze the service quality dimensions (Joseph & Stone, 2003; Dotchin & Oakland, 1994; Cuthbert, 1996; Allred & Addams 2000). In this study, the researcher will also use factor analysis to analyze the data for the proposed study.

The researcher intends to check if the scale items included in the questionnaire constituted a single dimension in the specific context of the different private commercial banks and then make a comparison between the banks. Some previous studies have also utilized factor analysis to study service quality of different service organizations (Cui, Lewis, & Park, 2003; Cuthbert, 1996; Arasli, Mehtap-Smadi, & Katircioglu, 2005). To analyze the data gathered from the survey Microsoft Excel 2003 and SPSS 12.0 is utilized.

1.5.6 Survey Time The survey time for the current study is April, 2010.

1.6 Limitations of the Study

The major limitations of this study are given as follows

- a. There were some restrictions to have access to the information confidential by concern authority.
- b. For the comparative analysis only the branches of the four private commercial banks which are located in Gulshan, Banani and Mohakhali areas are selected to collect data for the research.
- c. In the current study only the perceptions of the customers regarding the service quality is measured. The expectations of the customers regarding the five dimensions of service quality could be measured in such study to evaluate the gap score between perceptions and expectations.

. Sufficient records,

publications regarding customer service were not available as per requirement. e. Non-cooperative behavior of some officials from few branches. 2. 1 Introduction of the Organization The Prime Bank Limited (PBL) is a national banking group that is incorporated on the 12th February, 1995 as a consequence of relentless and decided efforts of a group of entrepreneurs having excellence of experience exposure in the different fields of industry, trade and commerce of the country. It started operation as a commercial bank on the 17th April 1995 with a branch at Motijheel.

At present the bank has 36 branches spread all over the country. It renders all types of commercial banking services to the customers of all strata in the society within the stipulations laid down the bank company act 1991 and rules and regulations formed by Bangladesh from time to time. Diversification of products and services and innovation of products suited to the needs of the customers in keeping with relevant rules and laws have made it different from other commercial banks of the country. PBL's national business in personal banking, corporate banking and its markets are its special strengths.

It maintains correspondent relationship with all over the banks in countries. Prime Bank Limited is a forward looking and modern local bank with a record of sound performance. It is discarding its erstwhile conservative mould and in response to the current dynamic trends in locally financial activities, adopting an aggressive customer focused system. The effort that Prime Bank makes in order to portray the bank as a brand image is very strong and successful. The general image is that it is “ trustworthy, efficient, helpful and committed”. The logo of the bank depicts the merger of confidence.

Prime Bank Ltd. has already made significant progress within a very short period of its existences. The bank has been graded as a top class bank in the country through internationally accepted CAMEL rating. The Bank made satisfactory progress in all areas of business operation in 2004. Prime Bank offers all kinds of commercial corporate and personal banking services covering all segments of society within the framework of banking company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail Banking and Consumer Banking.

Prime Bank Ltd. was designed to provide commercial and investment banking services to all types of customer ranging from small entrepreneur to big business firms. Besides investment in trade and commerce, the Bank participates in the socioeconomic development through the participation in priority sectors like agriculture, Industry, housing and self-employment. Prime Bank Ltd. want to establish, maintain, carry on transact Undertake and conduct all types of banking, financial all investment and trust business in Bangladesh and abroad.

2. 2 Mission of PBL

To build Prime Bank Limited into an efficient, market driven, customer focused institution with good corporate governance structure. Continuous improvement in our business policies, procedures and efficiency through integration of technology at all levels.

2. 3 Goals and Objectives of PBL

Maximization of Profit through customer satisfaction is the main objective of the Bank. In addition, the others relevant objectives are:

- ? To be market leaders in high quality banking products and services.
- ? Active excellence in customer service through providing the most modern and advance

technology in the different spheres of banking. To participate in the industrial development of the country to encourage the new and educated young entrepreneurs to undertake productive venture and demonstrate their creativity and thereby participate in the national development ? To provide credit facilities to the small and medium size entrepreneur located in urban & sub-Urban area and easily accessible by our branches. ? To develop saving attitude and making acquaintance with modern banking facilities. ? To inspire for undertaking small projects for creation employment through income generating activities. To play a significant role in the economic development of the country.

2. 4 Organogram of Prime Bank Limited

2. 5 Hierarchy of Prime Bank Limited

2. 6 Business Activities of PBL

Prime Bank Limited provides a full range of products and services to its customers, some of which are mentioned below with a brief overview of the major business activities.

Consumer Finance There are branches and finance centers under this division with a qualitative workforce of employees. Some of the services provided by this division are unsecured personal loans, credit cards, and vehicle related lease etc.

Personal Banking There are branches with highly qualified workforce provide various kinds of loans, various types of accounts, cheques, card money etc.

Corporate Banking & institutional Banking There are some branches under this division. The services provided by this division are International Trade Management, Institutional Banking, Custody and Cash Management.

Custodial Service PBL equator fulfills its strategic commitment to provide custody and clearing services. Equator's main focus is on the following: ?

Commitment to quality ? Dedication to customer needs Sustained

investment in people and systems International Trade Management This division is operational throughout the group and PBL's core strength is trade finance and services. With an experience Prime Bank has developed knowledge of trade finance, which is world class. Principle services to importers include imports letter of credit, import bills for collection and back to back letters of credit facilities. Services provide to exporters include export letters of credit, direct export bills for collection, bulk letter of credit collection, bonds, and guarantees.

Cash Management Prime Bank recognizes the importance of cash management to corporate and financial institutional customers, and offers a comprehensive range of services and liquidity management. Institutional Banking Through Prime Bank it is very well positioned to provide a wide range of services to institutional clients, commercial, merchant and central banks; brokers and dealers; insurance companies; funds and managers, and others. It provides relationship managers who are close to their customers and speak local language.

This wide network of institutional banking facilities includes transaction, introduction, problem solving and renders advice and guidelines on local trading condition. Treasury Treasury operations had been consideration as an important avenue for income generation purpose within Head Office. In fact, in the past, income from treasury operation was quite sizable and significant to the total income generated by the bank. The treasury division publishes daily and weekly currency news letters, which provide analyses of currency trends and related issues.

Seminars and workshops are conducted for customers from time to time on foreign exchange related topics. Customers can also have access to bank's information database round the clock through phone banking. Prime Bank is one of the first local banks in Bangladesh to integrate treasury dealings of local money market and foreign currency under one Treasury umbrella. The bank has handled significant volumes of treasury over the last several years. Prime Bank's Dealing Room is connected with automated Reuters Terminal facility thus enabling the bank to provide forward/future facilities to its corporate clients at a very competitive rate.

In 2004 the treasury operation recorded an income of TK 180. 12 million excluding money market income of TK 72. 25 million. Electronic Banking Electronic Banking provides various types of support through a wide range of operating systems, sweeping transactions accessions with the provisions of reporting features or other special functions. Foreign Exchange Business Over the years, foreign trade operations of the bank played a pivotal role in the overall business development of the bank. The bank has established relationship with as many as 110 new foreign correspondents abroad thereby raising the total number of correspondents to 350.

The total import business handled by the bank during the year 2004 was tk 19564 million against taka 13428 million of the year 2003. The growth rate was 46%. The bank has also entered into remittance arrangements with several banks and exchange houses and expects to handle increased volume of remittance business over the near future. Online Branch Banking The bank has set up a Wide Area Network (WAN) across the country to provide online

branch banking facility to its valued clients. Under the scheme clients of any branch shall be able to do banking transaction at other branches of the bank.

Under this system a client will be able to do following type of transactions: ?

Cash withdrawal from his/her account at any branch of the bank irrespective of the location. ? Cash deposit in his/her account at any branch of the bank irrespective of the location. ? Cash deposit in other's account at any branch of the bank irrespective of the location. ? Transfer of money from his/her account with any branch of the bank. SWIFT Prime Bank limited is one of the first few Bangladeshi banks, which have become member of SWIFT (Society for Worldwide Interbank Financial Telecommunication) in 1999.

SWIFT is a member-owned co-operative, which provides a fast and accurate communication network for financial transactions such as Letters of Credit, Fund Transfer etc. By becoming a member of SWIFT, the bank has opened up possibilities for uninterrupted connectivity with over 5, 700 user institutions in 150 countries around the world. Information Technology in Banking Operation Prime Bank limited adopted automation in banking operation from the first day of its operation. The main objective of this automation is to provide efficient and prompt services to the bank's clients. At present all the branches of the bank are computerized.

At branch level, the bank is using server-based multi-user software under UNIX operating system to provide best security of automation. Profitability and Shareholder Satisfaction The bank had been one of the most profitable in the banking sector. The bank's return on assets (ROA) crossed 3. 75 percent in the year 2004. Even though the capital market of the country has been suffering over the last few years, the good performance of Prime Bank

made sure that the banks share price remained in a respectable position. 2. 7 Products and Services of Prime Bank Limited Prime bank Limited offers various kinds of deposit products and loan schemes.

The bank also has highly qualified professional staff members who have the capability to manage and meet all the requirements of the bank. Every account is assigned to an account manager who personally takes care of it and is available for discussion and inquiries, whether one writes, telephones or calls.

Deposit Products ? Monthly Contributory Savings Schemes(CSS) ? Monthly Benefit Deposit Receipt(MBDR) ? Special Deposit Receipt Scheme(SDR) ? EducationSavings Scheme(ESS) ? Fixed Deposit Receipt Scheme(FDR) ? Current Account ? Savings account ? Short Term Deposit ? Multi Currency Account

Loan Schemes: ? General Loan Scheme Consumer Credit Scheme ? Lease Finance ? House Building Loan & Apartment Loan Scheme ? Advance against Shares ? Custodial Services for investors (both individual & institutional) investing in through Stock exchange ? One stop services for payment of utility bills. ? Credit card

2. 8 Financial Position of Prime Bank Limited The financial position for the last three years of Prime Bank Limited is given below: (Taka in million)

Particulars	2007	2008	2009
Total Deposits	16481. 0	20483. 23	28069. 24
Loans and Advances	12686. 85	16492. 22	23219. 67
Investment	1996. 23	2749. 71	3083. 81
Foreign Exchange Business	31753. 70	41930. 80	56248. 80
Operating Income	1196. 20	1593. 9	1970. 37
Operating Expenditure	448. 36	592. 28	824. 23
Operating Profit	747. 84	1001. 41	1146. 14
Total Assets	19358. 93	24249. 13	32361. 62
Market value per share	307. 51	374. 25	879. 0
No of Branches	27	30	36

No of Employees | 730 | 777 | 894 | | No of Shareholders | 1727 | 1993 | 2620
| | No of Foreign Correspondences | 422 | 441 | 501 |

3. 1 Literature Review .
1. 1 Service Quality Lehtinen and Lehtinen (1982) defined service quality in terms of physical quality, interactive quality and corporate (image) quality. Physical quality relates to the tangible aspects of the service. Interactive quality involves the interactive nature of services and refers to the two-way flow that occurs between the customer and the service provider, or his/her representative, including both automated and animated interactions. Corporate quality refers to the image attributed to a service provider by its current and potential customers, as well as other publics.

Lewis and Booms' (1983) definition clearly states that service is a measure of how well the service level delivered matches customer expectations and delivering quality service means conforming to customer expectation on a consistent basis. In some earlier studies, researchers define service quality as the extent to which a service meets customers' needs or expectations (Lewis & Mitchell, 1990; Dotchin & Oakland, 1994; Asubonteng, McCleary, & Swan, 1996; Wisniewski and Donnelly, 1996).

Zeithaml (1987) defined that service quality is the consumer's judgment about an entity's overall excellence or superiority. It is a form of attitude, and results from a comparison of expectations to perceptions of performance received. Zeithaml, Berry, and Parasuraman (1990) on the other hand, have chosen to define service quality ``as the extent of the discrepancy between customers' expectations or desires and their perceptions''. Service quality has been also defined as the consumers overall impression of the relative inferiority or superiority of the organization and services (Zeithaml et al.

1990; Taylor & Baker, 1994). Christopher, Payne, and Ballantyne (1993) have defined service quality as the ability of the organization to meet or exceed customer expectations. Service quality is believed to depend on the gap between expected and perceived performance (Anderson, Fornell, & Lehmann, 1994). Gitlow, Oppenheim, and Oppenheim (1989) also stated that service quality is the extent to which the customer or users believe the service surpasses their needs and expectations.

Parasuraman, Zeithaml, and Berry (1985) proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. Service quality has been also defined as a consumer attitude reflecting the perceived overall superiority and excellence in the process and outcome of a service provider (Parasuraman et al. , 1988). Gronroos (2001) recently defined service quality as a mixture of three elements: quality of the consumption process itself, the quality of the outcome of the process; and image of the provider of the service.

Service quality has become an increasingly important factor for success and survival in the banking sector. Provision of high quality service aids in meeting several requirements such as customer satisfaction and its consequent loyalty and market share, soliciting new customers, improved productivity, financial performance and profitability (Collet et al. , 1990; Julian and Ramaseshan, 1994; Lewis, 1989, 1993; Llosa et al. , 1998). Bank Service quality has become an important factor in determining market shares and profitability (Andereson et al. , 1994; Spathis, Kosmidou, & Doumpous, 2002). . 1. 2 Service Quality Dimensions Since a conceptual model concerning perceived service quality was proposed by Parasuraman,

Zeithaml, and Berry (1985), service quality dimensions have become an area of interest in marketing research (Bolton & Drew, 1991b; Brown & Swartz, 1989; Carman, 1990; Cronin & Taylor, 1992, 1994; Parasuraman et al. , 1988, 1994; Teas, 1993, 1994; Zeithaml et al. , 1996). One of the important issues related to service quality is the dimensions of service quality, and the measurement tool, SERVQUAL developed by Parasuraman et al. 1988) has been the starting point of the controversy in this area. Parasuraman et al. (1988) identify five quality dimensions which link specific service characteristics to consumer expectations of quality. These five basic dimensions are: (1) Reliability: Reliability is defined as the ability to perform the promised service dependably and accurately (Parasuraman et al. , 1988). Reliability involves consistency of performance and dependability. It means that the firm performs the service right first time. It also means that the firm honors its promises.

Specifically it involves: accuracy in billing; keeping records correctly; performing the service at the designated time. (Parasuraman, Zeithaml, & Berry, 1985) Reliability basically refers to the extent to which the retail service provides what was promised when it was promised (Dabholkar, Thorpe, & Rentz, 1996). Zeithaml et al. (1990) defined reliability as the ability to perform the promised service dependably and accurately. (2) Responsiveness: It is defined as the willingness to help customers and provide prompt service (Parasuraman et al. , 1988).

It Concerns the willingness or readiness of employees to provide services. Responsiveness involves timeliness of service like: posting a transaction slip immediately; returning a phone call quickly; giving prompt service; setting

up appointments quickly. According to Zeithaml et al. (1990) responsiveness refers to the motivation to help (internal) customers and provide prompt service to them. (3) Assurance: Parasuraman et al. , (1988) defined assurance as the knowledge and courtesy of employees and their ability to convey trust and confidence.

Assurance involves trustworthiness, believability, honesty. It involves having the customer's best interests at heart. Contributing to credibility includes company name; company reputation; personal characteristics of the contact personnel; how much a hard sell is employed in interactions with the customer (Parasuraman et al. , 1985). Zeithaml et al. (1990) defined assurance as the awareness and good manners of the employees and their ability to convey trust and confidence to the customers. 4) Empathy: According to Parasuraman et al. , (1988) empathy is defined as caring and individualized attention provided to customers. Empathy refers to graciousness, respect, consideration and friendliness of contact personnel including receptionists, telephone operators, etc. It includes: consideration for the consumers' property; clean and neat appearance of the contact personnel. (5) Tangibles: Tangibles are the physical facilities, equipment, and appearance of personnel in services (Parasuraman et al. , 1988).

It includes all the physical evidence of the service: facilities; appearance of personnel; tools or equipment used to provide the service; physical representations of the services (e. g. statements); other customers. Zeithaml et al. (1990) stated that tangibles are the appearance of physical facilities, equipment, personnel, and communication materials. Tangibles of service are the tangible facets of the service facility (equipment, machinery,

signage, employee appearance, etc.) or the man-made physical environment, popularly known as the “ servicescapes” (Sureshchandar, Rajendran, & Anantharaman, 2003). . 1 Comparative Analysis on Service Quality For comparative analysis, the data retrieved from the perception score given by the customers of Prime Bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd are analyzed in the current study. By analyzing the mean value of the results the researcher intends to find which Bank's customer service quality is more appreciable to the customers. The comparative analysis is based on the mean score of the actual score given by the customers on the items of each of the service quality dimensions. 4. 1. Comparative Analysis on Reliability dimension: In reliability dimension the customers were asked to give score about their perception on the basis of five scale items. The following Table 1 shows the comparative results in the reliability dimension for Prime Bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd. The result shows that Prime Bank receives maximum scores in four scale items except the one which asks whether the bank provides its services at the time it promises to do so. For that particular scale item Prime Bank receives a mean score of 4. 95 whereas the mean score for Dhaka Bank is 5. . Table 1: Mean Quality Scores of Prime bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd for Reliability dimension | Perception Statements in Reliability Dimension | Prime | Dhaka | Southeast Bank | Mercantile Bank | | | Bank | Bank | | | 1. When your bank promises to do something by a | 5. 7 | 5. 3 | 4. 75 | 5. 3 | | certain time, it does so. | | | | 2. When you have a problem, your bank shows a | 5. 2 | 4. 95 | 4. 3 | 4. 45 | | sincere interest in

solving it. | | | | | 3. Your bank performs the right service at first | 5. 2 | 4. 45 | 4. 7 | 4. 80 | | time. | | | | | 4. Your bank provides its services at the time it | 4. 95 | 5. | 4. 55 | 4. 6 | | promises to do so. | | | | | 5. Your bank keeps you informed about when services | 5. 2 | 4. 4 | 4. 45 | 4. 6 | | will be performed. | | | | | In terms of scale item 1 the customers of Prime Bank have relatively high perception than the customers of other banks as the bank does the work within the promised time. Prime Bank receives a mean score of 5. in this aspect while Dhaka Bank, Southeast Bank, and Mercantile Bank receive 5. 3, 4. 75, and 5. 3 respectively. Prime Bank also receives a mean score of 5. 2 as the bank shows sincere interest to solve the problems of the customers than the other banks do. Prime Bank also receives a comparatively high mean score in the aspect of that the bank keeps customers informed about when services will be performed. 4. 1. 2

Comparative Analysis on Responsiveness dimension: The responsiveness dimension consists of three items. The following Table 2 shows the comparative results in the responsiveness dimensions for the banks.

The result shows that Prime Bank receives comparatively low scores in all three items of the dimension. The mean score of Prime Bank for scale item 6 is 4. 65 which is lower than Dhaka Bank and Southeast Bank. Table 2: Mean Quality Scores of Prime bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd for Responsiveness dimension | Perception Statements in Responsiveness Dimension | Prime | Dhaka | Southeast Bank | Mercantile Bank | | Bank | Bank | | | 6.

The employees in your bank give you prompt service. | 4. 65 | 5. 1 | 4. 95 | 4. 45 | | 7. The employees in your bank always willing to help | 4. 8 | 5. 15 | 4.

05 | 4. 55 | | you. | | | | | 8. The employees in your bank are never too busy to | 4. 5 | 4. 9 | 5. 05 | 4. 3 | | respond to your request. | | | | The customers of Dhaka Bank perceive more about the willingness of the employees to help them than the customers of Prime Bank do. For the item 8 Prime Bank again receives a mean score of 4. 5 whereas the mean score for Southeast Bank is 5. 05 and Dhaka Bank is 4. 9. 4. 1. 3 Comparative Analysis on Assurance dimension: According to the SERVQUAL scale developed by Parasuraman et al. (1988) the assurance dimension of service quality consists of three items.

The following Table 3 shows the comparative results in the assurance dimensions for the preferred banks. The result shows that the customers of Prime Bank have given low score in aspect of employees' behavior and employees' courteousness than the score given by the customers of other banks. The customers of Prime Bank perceive that the behavior of the employees does not inspire enough confidence in them. Thus the mean score of Prime Bank for item 9 is 4. 6 which is lower than all other banks. In terms of employees courteousness Prime bank again receives a mean score of 4. which lower than Dhaka Bank and Southeast bank. Table 3: Mean Quality Scores of Prime bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd for Assurance dimension | Perception Statements in Assurance Dimension | Prime | Dhaka | Southeast Bank | Mercantile Bank | | | Bank | Bank | | | 9. The behavior of the employees of the bank inspires | 4. 6 | 5. 35 | 5. 25 | 4. 8 | | confidence in you. | | | | | 10. You feel safe in your transactions with your | 5. 35 | 5. 25 | 4. 25 | 4. 25 | | bank. | | | | | 11. The employees in your bank consistently courteous | 4. 7 | 5. 25 | 4. 9 | 4. 65 | | with you. | | | | | 12. The employees in your bank have the knowledge to | 4.

| 4. 8 | 4. 3 | 4. 4 | | answer your questions. | | | | The customers also perceive that the employees of Dhaka Bank are more knowledgeable (Mean score 4. 7) than that of Prime Bank (Mean score 4. 8). However, in this dimension Prime Bank receives a high score than other banks in terms of safe transactions with the bank. The customers of Prime Bank perceived that they feel safer while transacting with the bank than that of other banks. 4. 1. Comparative Analysis on Empathy dimension: The following table 3 shows the customers' perception on empathy dimension of service quality which consists of four items. This comparative analysis evaluates that the customers of Prime Bank perceives high individual attention from their bank. In this aspect Prime Bank receives a mean score of 5. 0 whereas Dhaka Bank, Southeast bank, and Mercantile Bank receive 4. 7, 4. 2, and 4. 2 respectively. Table 4: Mean Quality Scores of Prime bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd for Empathy dimension | Perception

Statements in Empathy Dimension	Prime	Dhaka	Southeast Bank	Mercantile Bank
13. Your bank gives you individual attention.	5. 0	4. 7	4. 2	4. 2
14. Your bank has employees who give you individual	4. 75	4. 9	4. 35	3. 65
attention.	4. 9	4. 35	4. 15	4. 55
15. Your bank has your best interests at heart.	4. 9	4. 35	4. 15	4. 55
16. The employees in your bank understand your	4. 65	4. 8	4. 75	4. 45
specific needs.	4. 65	4. 8	4. 75	4. 45

| | | | However when it comes to the aspect of employees' individual attention towards the customers, Prime Bank receives a relatively low mean score of 4. 5 whereas Dhaka Bank receives 4. 9. The customers of Prime bank also perceive more in the aspect that the bank has their best

interests at heart than the customers of other banks do. Prime Bank receives a mean score of 4.9 in this item. On the other hand, Prime Bank receives a relatively low mean score in case of employees' understanding of customer's specific needs. Prime Bank receives a mean score of 4.65 whereas Dhaka Bank and Southeast Bank receive mean scores of 4.8 and 4.75. 4.1.5 Comparative Analysis on Tangible dimension: The tangible dimension of service quality consists of five items.

The subsequent Table 5 shows the comparative results in the tangible dimension for the private commercial banks that is based on the perceptions of the customers. The result explains that the physical facilities of Prime Bank are more visually appealing than other banks. In this aspect Prime Bank receives a mean score of 5.35, which is higher than the scores of other banks. The customers of Prime Bank also perceive more that materials associated with the service are visually appealing at the bank than the customers of other banks do.

Table 5: Mean Quality Scores of Prime bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd and Mercantile Bank Ltd for Tangibles dimension | Perception Statements in Tangible Dimension | Prime | Dhaka | Southeast Bank | Mercantile Bank | | Bank | Bank | | | 17. The bank has modern-looking and hi-tech | 5.2 | 5.4 | 5.0 | 4.4 | | equipments. | | | | 18. The bank's physical facilities are visually | 5.35 | 4.6 | 4.25 | 3.85 | | appealing. | | | | 19. The employees of the bank appear neat. | 4.8 | 5.1 | 4.65 | 4.5 | | 20. Materials associated with the service are | 5.45 | 5.35 | 4.8 | 4.5 | | visually appealing at the bank. | | | | 21. Your bank has convenient business hours. | 5.5 | 5.6 | 5.1 | 5.3 | However Dhaka Bank receives a

mean score of 5.4 in the scale item which refers that the bank has modern-looking and hi-tech equipments whereas Prime bank receives a mean score of 5.2 in this scale item. The customers of Prime Bank also perceive less about the employees' appearance than the customers of Dhaka Bank do.

In this aspect Prime bank receives a mean score of 4.8 while Dhaka Bank receives a mean score of 5.1. 4.2 The five SERVQUAL dimensions: An overall comparison of bank customers' perception and grand mean scores The following table (Table 6) represents the Grand Mean scores of Prime bank Limited, Dhaka Bank Ltd, Southeast Bank Ltd, and Mercantile Bank Ltd for the five service quality dimensions. In the reliability dimension Prime Bank obtained the highest grand mean score of 5.25 as the customers of Prime bank think the bank is highly reliable than the customers of other banks do.

However, in responsiveness dimension which refers to the willingness of the employees to help customers and provide prompt service, Prime Bank obtained a relatively low grand mean score of 4.65. In this dimension Dhaka Bank and Southeast Bank receive 5.05 and 4.83 respectively. This result evaluates that the customers of Prime Bank are not getting adequate and prompt response from the employees of the bank. Again in terms of assurance Prime Bank obtained a grand mean score of 4.82 whereas Dhaka Bank receives a grand mean score of 5.16.

This dimension is defined as the knowledge and courtesy of employees and their ability to convey trust and confidence. The customers of Prime Bank perceive less about the employees' courteousness than the customers of Dhaka Bank do. The next service quality dimension is empathy which is

defined as caring and individualized attention provided to customers (Parasuraman et al. , 1988). Prime Bank obtained a grand mean score of 4. 91 which is relatively higher than the other banks. The customers of Prime Bank also think that the bank has adequate modern looking and hi-tech equipments and the physical facilities are visually appealing.

So the bank obtained a grand mean score of 5. 26 in tangibles dimension while in the same service quality dimension Dhaka Bank, Southeast Bank, and Mercantile Bank receive 5. 21, 4. 76, and 4. 54 respectively. Table 6: Grand Mean Quality Scores for five SERVQUAL dimensions | Five Dimensions of Service Quality | Prime | Dhaka | Southeast Bank | Mercantile Bank | | Bank | Bank | | | Reliability | 5. 5 | 4. 82 | 4. 55 | 4. 75 | | Responsiveness | 4. 65 | 5. 05 | 4. 83 | 4. 43 | | Assurance | 4. 83 | 5. 16 | 4. 67 | 4. 52 | | Empathy | 4. 82 | 4. 68 | 4. 36 | 4. 21 | | Tangibles | 5. 26 | 5. 1 | 4. 76 | 4. 54 |

According to results of the Grand Mean scores, Table 7 represents the rankings of the banks in five different dimensions and which is prepared on the basis of customers' evaluation. The result shows that Prime Bank is ranked first in reliability, empathy and tangibles dimensions. However in terms of responsiveness Prime Bank is ranked as third while Dhaka Bank is ranked first. Again in case of assurance Prime Bank is ranked second whereas Southeast Bank is ranked first.

Table 7: Ranking of the Private Commercial Banks on the basis of the perception of the customers on five SERVQUAL dimensions | Name of the Private Commercial Banks | Reliability | Responsiveness | Assurance | Empathy | Tangibles | | Prime Bank Limited | 1 | 3 | 2 | 1 | 1 | | Dhaka Bank Ltd | 2 | 1 | 1 | 2 | 2 | | Southeast Bank Ltd | 4 | 2 | 3 | 3 | 3 | | Mercantile Bank

Ltd | 3 | 4 | 4 | 4 | 4 | 4. Factor Analysis on SERVQUAL dimensions The study also includes a factor analysis of the five SERVQUAL dimensions for four different banks using varimax rotation. The factor analysis of five service quality dimensions will help the researcher to check whether the scale items included in the questionnaire constituted a single dimension in the specific context of the different private commercial banks or not. Factor 1: Reliability The data gathered on the scale items for the service quality questionnaire developed by Parasuraman et al. (1988) are factor analyzed to check the component structure of the reliability dimension for four different commercial banks.

Appendix 1 summarises the scale items used for the dependent and independent variables used for the study. Appendix 2 represents the total variance for the five service quality dimensions. In case of Prime Bank, two scale items out of five of the reliability dimension appeared to be too generalized in terms of explaining reliability and could be remove from the factor. Scale Items 1, 2, and 3 could be retained for the final factor structure (Table 8), which resulted in a single factor and explained 30. 36% of the cumulative variation. On the other hand, all the items are grouped into one single factor in terms of Dhaka Bank (Table 9). Table 8: Factor Analysis: Prime Bank Table 9: Factor Analysis: Dhaka Bank

Rotated Component Matrix (a, b) Component Matrix (a, b) | | Dhaka Bank | | | Component | | | 1 | | ITEM 3 |. 834 | | ITEM 2 |. 810 | | ITEM 5 |. 758 | | ITEM 4 |. 742 | | ITEM 1 |. 729 | | | Prime Bank | | | Component | | | 1 | 2 | | ITEM 3 |. 860 |. 186 | | ITEM 1 |. 769 |-. 050 | ITEM 2 |. 428 |-. 153 | | ITEM 4 |-. 024 |. 852 | | ITEM 5 |-. 047 |. 817 | Table 10: Factor Analysis: Southeast Bank Table

11: Factor Analysis: Mercantile Bank Rotated Component Matrix (a, b)

Rotated Component Matrix (a, b)		Southeast Bank		Component		1		2	
ITEM 1	.893	-.005	ITEM 3	.827	-.237	ITEM 5	.753	.138	
ITEM 2	-.58	.881	ITEM 4	.017	.784	Mercantile Bank			
				Component		1		2	
ITEM 2	.850	.119	ITEM 4	.568	-.129	ITEM 5	-.084	.857	
ITEM 3	.537	.607	ITEM 1	.533	-.534	However, in case of Southeast Bank two out of three items again seemed too general and thus they could be eliminated from the reliability factor.			

Table 10 shows that Scale Items 1, 3, and 5 could be retained in a single factor for Southeast Bank and explained 41.04% of the cumulative variation. For Mercantile Bank, Item 1, 2, 3, and 4 could be retained to construct a single factor, which explained 32.51% of the variation. Factor 2: Responsiveness The scale items of responsiveness dimension are factor analyzed, which confirmed that the items were grouped into one factor. For Prime Bank the result in Table 12 shows that all the scale items on responsiveness dimension constitute a single factor and explained 45.21% of cumulative variance. Also for Dhaka Bank all three of the items constituted a single factor however it explained 48.65% of the variance.

Table 12: Factor Analysis: Prime Bank Table 13: Factor Analysis: Dhaka Bank

Component Matrix (a, b)		Prime Bank		Component		1	
ITEM 6	.722	ITEM 7	.706	ITEM 8	.580	Dhaka Bank	
ITEM 7	.853	ITEM 6	.839	ITEM 8	.170		

Table 14: Factor Analysis: Southeast Bank Table 15: Factor Analysis: Mercantile Bank Rotated Component Matrix (a, b)

Component Matrix (a, b)		Mercantile Bank		Component		1	
ITEM 8	.903	ITEM 6	.810				

ITEM 7 |. 493 | | Southeast Bank | | Component | | 1 | 2 | | ITEM 6 |. 779 |. 287 | | ITEM 8 |. 772 |-. 296 | ITEM 7 |. 000 |. 937 | In terms of Southeast Bank, two out of three scale items constituted a single factor and thus Item 7 could be removed. The single factor explained 40. 10% of the cumulative variation. However, all the three initial items constituted again a single factor and resulted in 57. 14% of the variance for Mercantile Bank. Factor 3: Assurance Four scale items are initialized to constitute a single factor for assurance dimension. Table 16 shows that two scale items such as Item 10 and Item 12 have shown the possibility to represent a single factor with a variance of 41. 10% for Prime Bank Limited.

Item 9 and Item 11 which represent the behavior of the employees and the courteousness of the employees, seemed weak to fit in the single factor for Prime Bank as they represent only 29. 12% of the cumulative variance. Table 16: Factor Analysis: Prime Bank Table 17: Factor Analysis: Dhaka Bank Rotated Component Matrix (a, b) Component Matrix (a, b) | | Prime Bank | | Component | | 1 | 2 | | ITEM 12 |. 892 |. 171 | | ITEM 10 |. 889 |-. 154 | | ITEM 9 |. 77 |. 750 | | ITEM 11 |-. 159 |. 741 | | Dhaka Bank | | Component | | 1 | | ITEM 12 |. 854 | | ITEM 10 |. 711 | | ITEM 9 |. 618 | | ITEM 11 |. 539 | Table 14: Factor Analysis: Southeast Bank Table 15: Factor Analysis: Mercantile Bank Rotated Component Matrix (a, b) Rotated Component Matrix (a, b) | | Southeast Bank | | Component | | 1 | 2 | | ITEM 9 |. 811 |. 129 | | ITEM 12 |. 781 |-. 054 | | ITEM 10 |. 163 |-. 830 | | ITEM 11 |. 270 |. 783 | | Mercantile Bank | | Component | | 1 | 2 | | ITEM 11 |. 910 |. 178 | | ITEM 9 |. 841 |-. 094 | | ITEM 12 |-. 152 |. 871 | | ITEM 10 |. 477 |. 01 | In assurance dimension, three out of four scale items constituted a single factor for Southeast Bank

Ltd. Item 9, 10, and 12 represents that single factor and explained 34. 15% of the cumulative variance. Item 11 that represents employees' consistent courteousness could be removed from the scale of assurance dimension for Southeast Bank Ltd. In terms of Mercantile Bank Ltd, three items could be retained to constitute a single factor and explained 44. 66% of the cumulative variance. Factor 4: Empathy The factor analysis on empathy dimension shows that Item 17 and Item 18 are more likely to constitute a single factor for Prime Bank (Table 16).

This single factor represents 37. 52% of the variance. On the other hand, three out of four scale items appeared to constitute a single factor for Dhaka Bank with 42. 08% of the variance. Table 16: Factor Analysis: Prime Bank

Table 17: Factor Analysis: Dhaka Bank Rotated Component Matrix (a, b)

Rotated Component Matrix (a, b) | | Dhaka Bank | | Component | | 1 | 2 | |

ITEM 13 |. 836 |-. 226 | | ITEM 16 |. 828 |. 285 | | ITEM 14 |. 163 |. 875 | ITEM

15 |. 522 |-. 660 | | | Prime Bank | | Component | | 1 | 2 | | ITEM 17 |. 857 |.

312 | | ITEM 18 |. 820 |-. 323 | | ITEM 16 |. 252 |. 830 | | ITEM 15 |. 177 |-. 558

| Table 14: Factor Analysis: Southeast Bank Table 15: Factor Analysis:

Mercantile Bank Rotated Component Matrix (a, b) Rotated Component Matrix

(a, b) | | Mercantile Bank | | Component | | 1 | 2 | | ITEM 16 |. 894 |. 083 | |

ITEM 14 |. 878 |. 004 | | ITEM 15 |-. 133 |. 830 | | ITEM 13 |. 237 |. 773 | | |

Southeast Bank | | Component | | 1 | 2 | | ITEM 15 |. 883 |-. 135 | | ITEM 13

|. 776 |. 415 | | ITEM 14 |-. 108 |. 891 | | ITEM 16 |. 473 |. 725 |

In terms of Southeast Bank, three out of four scale items constituted a single factor and thus Item 14 could be removed. The single factor explained 40. 43 % of the cumulative variance. Again, for Mercantile Bank Item 16 and Item

14 appeared to constitute a single factor and explained 41.08% of the variance. Factor 5: Tangibles The tangible initially contains five scale items. After factor analysis for Prime Bank Limited, the result shows that two items are too generalized and thus could be removed. Thus Item 17, 18 and 21 constituted a single factor which explained 33.94% of the variance. Three items also constituted a single factor structure for Dhaka Bank although here the items are 18, 19, and 20 with 32.3% of the variance. Table 16: Factor Analysis: Prime Bank Table 17: Factor Analysis: Dhaka Bank Rotated Component Matrix (a, b) Rotated Component Matrix (a, b) | | Prime Bank | | Component | | 1 | 2 | | ITEM 17 |. 778 |. 137 | | ITEM 21 |. 772 |-. 499 | | ITEM 18 |. 691 |. 291 | | ITEM 20 |. 048 |. 774 | | ITEM 19 |. 124 |. 736 | | Dhaka Bank | | Component | | 1 | 2 | | ITEM 18 |. 859 |. 048 | | ITEM 19 |. 853 |. 258 | | ITEM 21 |-. 082 |. 776 | | ITEM 20 |. 300 |. 657 | | ITEM 17 |. 224 |. 612 | Rotated Component Matrix (a, b) Rotated Component Matrix (a, b) | | Mercantile Bank | | Component | | 1 | 2 | | ITEM 21 |-. 768 |. 029 | | ITEM 19 |. 687 |. 142 | | ITEM 20 |. 25 |-. 409 | | ITEM 17 |. 269 |. 881 | | ITEM 18 |. 345 |-. 490 | | Southeast Bank | | Component | | 1 | 2 | 3 | | ITEM 18 |. 902 |-. 223 |-. 074 | | ITEM 20 |. 689 |. 427 |. 177 | | ITEM 17 |-. 059 |. 936 |. 067 | | ITEM 19 |. 458 |. 491 |-. 488 | | ITEM 21 |. 069 |. 092 |. 917 |

The factor analysis for Southeast Bank in tangible dimension shows that three out of five scale items constituted a single factor which represented 30.13% of the variance. In terms of Mercantile Bank four items constituted a single factor with 32.88% of variance. 5.1 Findings of the Research On the base of survey, theoretical analysis and practical experience of 3 months internship program the following findings are identified during the research

period: ? The customer service quality of Prime Bank Limited is not satisfactory enough in terms of responsiveness and assurance of the employees in comparison with the studied private commercial banks. Customers perceived a relatively low quality in these dimensions than the customers of other private commercial Banks. The courteousness, promptness, and attitude of the employees towards their work are the critical issues and need to improve significantly to provide better quality service to the customers. ? The Bank has no segmentation to handle different type of customers. They are equally treating of all the customers to provide service. Nevertheless high status clients seek on extra honor from Bank or institution. ? It is found that the recruitment policy of the bank is not always fair. Intelligence and capability are not always the criteria for selection. People who have good relation with influential persons have the chance to enter through backdoor. Most of the times these people do not have the ability to compete with other banks' workforce in terms of performance.

As a result the service quality and innovativeness of the bank is deteriorating day by day whereas the other private commercial banks that have a good recruitment policy are doing well and are also enhancing their reputation among talented job seekers. ? PBL has a very long hierarchy than other Bank. In some of the bank there are only 9-10 posts before Managing Director but in PBL this number is 15, which might be a cause of demotivation to the employees. ? Most of the customers of the bank ask for more quality service especially quick, accurate service and good behavior from bankers as they think a private bank should provide such quality

sufficiently. Lack of Good Cooperation is identified among the work procedures and also among the employees of the bank which results in lengthiness and ineffective service. Recommendations As per earnest observations some suggestions for the improvements of the situation are given below: ? Bank is a service-oriented financial organization. Its business profit depends on its service quality. That's why the authority always should be aware about their service quality and thus should take initiative to measure the service quality of the bank periodically on different dimensions. ? Management should carefully handle the different departments of general banking in regard to provide better quality service. ? The quality of customer service should be considered as absolutely indispensable. In general banking department it is necessary to implement modern banking process instead of traditional system. It should be more computerized to. ? As Prime Bank Limited is the financial institution and one depends to another to complete a process fully. So lack of cooperation should be minimized to provide prompt service