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Abstract
Flourish of service oriented organizations especially banking organizations largely depend on satisfaction of customers. Present comparative study is conducted to evaluate the level of satisfaction of customers between public and private sector banks regarding different issues and to identify reasons of dissatisfaction. Agrani Bank Limited (ABL) as public state owned private bank and Shahjalal Islami Bank Limited (SIBL) as Islamic private bank is selected purposively. Study reveals that the customers of SIBL are more satisfied than those of ABL. The main reasons of dissatisfactions of customers are due to having low technological knowledge of employees, no-seriousness of employees about providing better services to customers and non-furnishing the branches with modern equipments etc.

Keywords: Bank; Customer; Satisfaction; Service; Z-test

1. Introduction
Contemporary business world is very competitive and success in the competition is achieved mainly through providing the consumers with satisfaction (Islam, Hossain, Islam & Siddiqui, 2013). Service Quality can help an organization to differentiate itself from others and to gain a sustaining competitive advantage (Siddique, Karim & Rahman, 2011). The key stakeholders for any service oriented organization, especially in the banking sector, are the customers.

Banking is doing business with others’ money. Banks collect deposits from customers
and invests the money in different sectors; aiming for higher returns. Banks play an important role in the economy of Bangladesh as they contributed a total of Tk.41264 crores (2.84% of total GDP) in the FY 2013-2014 (Bangladesh Economic Review, 2014). Banks deal with a large number of customers and render various services; as a result, customer satisfaction is a key factor in the formation of customer’s desires for future purchases (Mittal & Kamakura, 2001). Furthermore, satisfied customers will spread word to others about their experiences (Mosahab, Mahamad & Ramayah, 2010). Dissatisfied customers destroy the backbone of service oriented businesses like that of a bank. It is very costly and almost next to impossible to recover unsatisfied customers. Since the competition has grown manifold in the recent times, it has become a herculean task for organizations to build loyalty, the reason being that the customer of today is spoilt for choice. It has become imperative for both public and private sector banks to perform to the best of their abilities to retain their customers by catering to their explicit as well as implicit needs. Many a times it happens that the banks fail to satisfy their customers leading to huge losses. So an endeavour is made to compare satisfaction level of customers of public (Agrani Bank Limited) and private bank (Shahjalal Islami Bank Limited) based on their opinion.

2. Objectives of the Study

Objectives of the study are as follows-

1. To measure the customer satisfaction of selected banks;
2. To compare the customer satisfaction level of selected banks;
3. To identify problems causing customers to be satisfied and
4. To recommend suggestions to overcome those problems.

3. Literature Review

The researchers tried to review sufficient literatures to find out research gap. Due to space constraint some of those are stated below:

Khondaker and Mir (2011) focused on how customer satisfaction indicators can influence the policy measures in shaping and reforming the state-owned banks. Since the customers are not satisfied with the existing service quality of the state owned commercial banks, it was recommended to improve levels of customer satisfaction of state owned commercial banks as well as private, foreign and Islamic banks in Bangladesh.
Franklin and Arul (2014) showed the service gap is lower in private sector banks than in the public sector banks, indicating that the private sector banks’ customers were highly satisfied when compared with those of public sectors bank. Both types of banks must find solutions to minimize the existing service gaps and improve their customer satisfaction level, particularly the public banks.

Alidadi and Nazari (2013) argued that customer satisfaction has become an important issue in customer marketing. They investigated customer satisfaction based on the viewpoint of bank managers who understood their customers’ needs. The study examined the importance of various strategies that improve customer satisfaction and also determine their priorities. The results indicated that improving services and facilities is the most effective strategy to improve customer satisfaction.

Shafie, Azmi and Haron (2004) analysed CARTER dimensions to study the perception of retail customers of Malaysian Islamic banks and conclude that the level of satisfaction is significant. The CARTER was based on 35 items and evaluated on six dimensions of compliance, assurance, reliability, tangible, empathy and responsiveness. Results prove the reliability of these instruments.

Saad (2012) studied that the customer satisfaction is critically important for banks because the customer is the ultimate source of income for any organization. The study examined the level of customer satisfaction on Islamic banks as well as conventional banks in Malaysia and also investigates the relationship between different demographic variables and the satisfaction of customers. The result in this study suggests that customers are mostly satisfied with the quality of services which include competency, friendliness, and efficiency of the staff of the Islamic and conventional banks.

Ahmad, Rehman and Safwan (2011) conducted a study to examine customers’ satisfaction on Islamic banking and conventional banking in Pakistan. Islamic banking practices accelerated the pace of competition to retain customers as satisfied in the existence of the conventional banks. The results indicate that customers of IB are more satisfied as compared to customers of CB also found that there is significant difference in the level of satisfaction among male and female customers in case of IB while there is no difference in the perception of satisfaction among customers of CB.

Gill and Arora (2013) studied to understand and compare the factors influencing
customer satisfaction in both private and public banks in India confining the research to people of Punjab and the results of this research will be helpful to banking sector, in order to devise a better strategy to satisfy their existing customers and also to develop new schemes and promotions by understanding the demands and requirements of probable customers in the market. The analysis revealed that public sector banks, though bit behind technologically compared to private banks, have more customer faith in their style of banking and satisfies customers by giving more options of investments.

On the basis of review of literatures it can be said that there is no comprehensive research work on evaluation of customer satisfaction of Agrani Bank Limited and Shahjalal Islami Bank Limited: a comparative analysis. So the researchers have chosen this topic to study.

4. Overview of Sample Banks

Agrani Bank Limited: Agrani Bank Limited (ABL) was nationalized after liberation of Bangladesh. It started functioning as a commercial bank in 1972 and continued as a leading commercial bank with 927 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas exchange houses and hundreds of overseas correspondents. ABL came into being as a Public Limited Company on May 17, 2007. The services and products of ABL are possible to classify in the broad divisions like personal, corporate, business, agriculture & rural, SME, merchant, NRB and Islami etc.

Shahjalal Islami Bank Limited: Shahjalal Islami Bank Limited (SIBL) commenced its commercial operation in accordance with the principles of Islamic Shariah on the 10th May 2001 under the Bank Companies Act, 1991. It started functioning with a vision to develop itself as a unique Islami bank of the country with all modern services and products available for the clients and to make significant contribution to the national economy During the last thirteen years SIBL has diversified its service coverage by opening new branches at different strategically important locations across the country offering various service products both investment & deposit.

5. Methodology of the Study

Agrani Bank Limited (ABL) and Shahjalal Islami Bank Limited (SIBL) have been selected as sample purposively by researchers. Primary and secondary data have been used to know level of customers’ satisfaction. Secondary data have been collected from published articles, books, annual reports of banks etc. Most of the data used in this research paper have
been collected from primary sources. Primary data have been collected from the customers of ABL and SIBL by using interviews and structured questionnaire where the questions were related to satisfaction. Each set of questionnaire contains 10 questions and a total of 600 customers are interviewed with same set of questionnaire out of which 300 from ABL and 300 from SIBL. Respondents are interviewed from Dhaka, Gazipur and Mymensingh district in the year of 2014. ‘Five Point Likert Scale’ is used to make the qualitative answer to quantitative data. Quantitative value 1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Neutral, 4 stands for Agree and 5 stands for Strongly Agree. In this research report, the researchers at first developed a null hypothesis based on questionnaire and then select the level of significance or risk. The level of significance is the probability of rejecting the null hypothesis when it is true, denoted by $\alpha$. Researchers decide to use .05 level of significance to get 95% perfection about the results. It is possible to use various types of test statistic but depending on sample size ($n >30$), researchers use $Z$ test. Different elements of $Z$-test are calculated as follows:

**Weighted Average**

$$(\bar{x}) = \frac{\{(\text{Strongly disagree} \times 1) + (\text{Disagree} \times 2) + (\text{Neutral} \times 3) + (\text{Agree} \times 4) + (\text{Strongly agree} \times 5)\}}{\text{Number of Respondents}}$$

**Standard Deviation ($\sigma$)**

$$\sigma \bar{x} = \frac{\sigma}{\sqrt{N}}$$

**$Z$ test**

$$Z \text{ test} = \frac{\bar{x} - \mu}{\sigma \bar{x}}$$

6. Limitations of the Study

Data have been collected only from three districts out of sixty-four. Understanding the language of respondents, especially the illiterate customers, was a challenge for the researchers (communication barrier).

7. A Brief Statistics of Sample

A brief statistics of sample (customers) are stated in Table No. 1, 2 and 3:
### Table: 1

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
<th>ABL</th>
<th>SIBL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>497</td>
<td>82.83%</td>
<td>236</td>
<td>261</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>103</td>
<td>17.17%</td>
<td>64</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N =600</td>
<td>100%</td>
<td>n=300</td>
<td>n=300</td>
</tr>
</tbody>
</table>

### Table: 2

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
<th>ABL</th>
<th>SIBL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18-32</td>
<td>157</td>
<td>26.17%</td>
<td>36</td>
<td>121</td>
</tr>
<tr>
<td>2</td>
<td>33-47</td>
<td>173</td>
<td>28.83%</td>
<td>111</td>
<td>62</td>
</tr>
<tr>
<td>3</td>
<td>Over 48</td>
<td>270</td>
<td>45.00%</td>
<td>153</td>
<td>117</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N =600</td>
<td>100%</td>
<td>n=300</td>
<td>n=300</td>
</tr>
</tbody>
</table>

### Table: 3

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Profession</th>
<th>Frequency</th>
<th>Percentage</th>
<th>ABL</th>
<th>SIBL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business</td>
<td>156</td>
<td>26.00%</td>
<td>52</td>
<td>104</td>
</tr>
<tr>
<td>2</td>
<td>Service</td>
<td>297</td>
<td>49.50%</td>
<td>189</td>
<td>108</td>
</tr>
<tr>
<td>3</td>
<td>Housewife</td>
<td>92</td>
<td>15.33%</td>
<td>36</td>
<td>56</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>55</td>
<td>09.17%</td>
<td>23</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>N =600</td>
<td>100%</td>
<td>n=300</td>
<td>n=300</td>
</tr>
</tbody>
</table>

### 8. Hypotheses Development

With a view of fulfilling the objectives, some relevant hypotheses have been formulated for this study. These hypotheses are commonly formulated for both ABL and SIBL.

**Table 4: Result Summary of Hypothesis of ABL**

<table>
<thead>
<tr>
<th>Hypothesis-1:</th>
<th>H₀: Bank is not sincere in solving customers’ problems as required.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis-2:</td>
<td>H₀: Right services are not provided at first time sincerely.</td>
</tr>
<tr>
<td>Hypothesis-3:</td>
<td>H₀: The behaviour of employees is not satisfactory to all sorts of services.</td>
</tr>
<tr>
<td>Hypothesis-4:</td>
<td>H₀: Customers don’t feel safe in transactions with this bank as their demand.</td>
</tr>
<tr>
<td>Hypothesis-5:</td>
<td>H₀: Bank is not furnished with modern equipment properly.</td>
</tr>
</tbody>
</table>
Hypothesis-6: \( H_0: \) Banks don’t take reasonable service charge for services as feel by customers.

Hypothesis-7: \( H_0: \) Operating hours are not convenient to all its customers.

Hypothesis-8: \( H_0: \) All employees are not well known about modern technology.

Hypothesis-9: \( H_0: \) Benefits from all sorts of deposits are not satisfactory.

Hypothesis-10: \( H_0: \) Bank doesn’t take reasonable service time for its customers always.

9. Discussion

Table No. 4 and 5 presents the opinion of respondents, mean value, standard deviation, \( Z_{\text{calculated}} \) and \( Z_{\text{Critical or table value}}. \) Based on the results of \( Z \)-test, the following discussions are arranged to explain the hypotheses.

Hypothesis 1 shows, ABL \( Z_{\text{cal}} (-17.88) < Z_{\text{tab}} (1.96), \) so the null hypothesis \( H_0 \) is accepted, i.e. ABL is not sincere in solving customers’ problems as required. Similarly, in the case of SIBL also \( Z_{\text{cal}} (24.42) > Z_{\text{tab}} (1.96), \) so \( H_0 \) is rejected, i.e. SIBL is sincere in solving customers’ problems as required. SIBL puts more emphasis on its customers when they face any problem compared to ABL.

When hypothesis 2 is tested, then it is found that in case ABL \( Z_{\text{cal}} (-14.77) < Z_{\text{tab}} (1.96), \) so the null hypothesis \( H_0 \) is accepted, i.e. Right services are not provided on the first time sincerely by ABL. On the other hand in case of SIBL \( Z_{\text{cal}} (22.52) > Z_{\text{tab}} (1.96), \) so \( H_0 \) is rejected, i.e. Right services are provided on the first time sincerely by SIBL. First experience of customers is better for SIBL than ABL.

For hypothesis 3, \( Z_{\text{cal}} (2.43) > Z_{\text{tab}} (1.96) \) and \( Z_{\text{cal}} (24.71) > Z_{\text{tab}} (1.96) \) respectively for ABL and SIBL. Here in both cases the null hypothesis \( H_0 \) is rejected. Rejection of \( H_0 \) indicates that, the behaviour of employees of both banks is quite satisfactory to all sorts of services. But customers are more satisfied with the behaviour of SIBL (SIBL \( Z_{\text{cal}} (24.71) \) and ABL \( Z_{\text{cal}} (2.43) \)).

When look at the hypothesis 4, then results represent the null hypothesis \( H_0 \) is rejected for both cases; ABL \( Z_{\text{cal}} (38.13) > Z_{\text{tab}} (1.96) \) and \( Z_{\text{cal}} (37.11) > Z_{\text{tab}} (1.96). \) So Customers feel safe in transactions with these banks. Satisfaction level is near to equal in both cases.

Hypothesis 5 is related to banks are furnished with modern equipments or not. In the case of ABL, \( Z_{\text{cal}} (-23.95) < Z_{\text{tab}} (1.96), \) so the null hypothesis \( H_0 \) is accepted. It means ABL is
not decorated properly with modern equipments. Again in case of SIBL \( Z_{\text{cal.}} (29.86) > Z_{\text{tab.}} (1.96) \), so \( H_0 \) is rejected. It means SIBL is decorated properly with modern equipments.

For hypothesis 6, \( Z_{\text{cal.}} (13.05) > Z_{\text{tab.}} (1.96) \) and \( Z_{\text{cal.}} (11.72) > Z_{\text{tab.}} (1.96) \) respectively for ABL and SIBL. Here in both cases the null hypothesis \( H_0 \) is rejected. Rejection of \( H_0 \) indicates that, the reasonable service charges are taken by both banks. But ABL’s service charges are more reasonable than SIBL.

When hypothesis 7 is tested, then results represent the null hypothesis \( H_0 \) is rejected for both cases; ABL \( Z_{\text{cal.}} (27.71) > Z_{\text{tab.}} (1.96) \) and SIBL \( Z_{\text{cal.}} (10.95) > Z_{\text{tab.}} (1.96) \). So, the operating hours are convenient to all the customers for both banks. Survey results disclose that ABL’s operating hours cover more customers demand.

Hypothesis 8 is related to employees being well informed about modern technologies or not. In case of ABL, \( Z_{\text{cal.}} (-2.63) < Z_{\text{tab.}} (1.96) \), so the null hypothesis \( H_0 \) is accepted. It means employees of ABL are not well known enough about modern technologies. Again in case of SIBL, \( Z_{\text{cal.}} (23.66) > Z_{\text{tab.}} (1.96) \), so \( H_0 \) is rejected. It means employees of SIBL are well known enough about modern technologies.

Satisfaction of deposit benefits are measured by hypothesis 9. For ABL \( Z_{\text{cal.}} (-2.73) < Z_{\text{tab.}} (1.96) \), so the null hypothesis \( H_0 \) is accepted. It means customers are not satisfied with the benefits come from deposit. For SIBL \( Z_{\text{cal.}} (3.03) > Z_{\text{tab.}} (1.96) \), so \( H_0 \) is rejected. It means customers are satisfied with the deposit benefits. But mean results disclose that customers don’t more dissatisfy nor satisfy from deposit benefits with both banks.

Hypothesis 10 measures the time takes to provide services to its clients. In case of ABL, \( Z_{\text{cal.}} (-1.82) < Z_{\text{tab.}} (1.96) \), so the null hypothesis \( H_0 \) is accepted. It means ABL takes more time to provide services to its customers. In case of SIBL \( Z_{\text{cal.}} (28.69) > Z_{\text{tab.}} (1.96) \), so the null hypothesis \( H_0 \) is rejected. It means SIBL takes reasonable time to provide services to its customers.

<table>
<thead>
<tr>
<th>Answer and Value</th>
<th>( H_1 )</th>
<th>( H_2 )</th>
<th>( H_3 )</th>
<th>( H_4 )</th>
<th>( H_5 )</th>
<th>( H_6 )</th>
<th>( H_7 )</th>
<th>( H_8 )</th>
<th>( H_9 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>81</td>
<td>77</td>
<td>9</td>
<td>0</td>
<td>137</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>152</td>
<td>134</td>
<td>28</td>
<td>6</td>
<td>98</td>
<td>8</td>
<td>4</td>
<td>46</td>
<td>71</td>
</tr>
<tr>
<td>Neutral</td>
<td>36</td>
<td>55</td>
<td>208</td>
<td>28</td>
<td>53</td>
<td>154</td>
<td>47</td>
<td>213</td>
<td>186</td>
</tr>
<tr>
<td>Agree</td>
<td>27</td>
<td>29</td>
<td>32</td>
<td>39</td>
<td>12</td>
<td>112</td>
<td>82</td>
<td>34</td>
<td>31</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>5</td>
<td>23</td>
<td>227</td>
<td>0</td>
<td>26</td>
<td>167</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Answer and Value</td>
<td>H_1</td>
<td>H_2</td>
<td>H_3</td>
<td>H_4</td>
<td>H_5</td>
<td>H_6</td>
<td>H_7</td>
<td>H_8</td>
<td>H_9</td>
</tr>
<tr>
<td>--------------------------</td>
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<tr>
<td>Strongly Disagree</td>
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<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>17</td>
<td>9</td>
<td>3</td>
<td>15</td>
<td>9</td>
<td>0</td>
<td>13</td>
<td>42</td>
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<tr>
<td>Neutral</td>
<td>37</td>
<td>52</td>
<td>47</td>
<td>28</td>
<td>36</td>
<td>167</td>
<td>204</td>
<td>46</td>
<td>177</td>
</tr>
<tr>
<td>Agree</td>
<td>202</td>
<td>152</td>
<td>188</td>
<td>82</td>
<td>143</td>
<td>98</td>
<td>72</td>
<td>133</td>
<td>46</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>48</td>
<td>73</td>
<td>56</td>
<td>187</td>
<td>106</td>
<td>26</td>
<td>24</td>
<td>108</td>
<td>28</td>
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<td>300</td>
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</tr>
<tr>
<td>Mean</td>
<td>3.95</td>
<td>3.90</td>
<td>3.97</td>
<td>4.51</td>
<td>4.13</td>
<td>3.47</td>
<td>3.40</td>
<td>4.12</td>
<td>3.15</td>
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<td>Standard Deviation</td>
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<td>.6923</td>
<td>.6800</td>
<td>.7047</td>
<td>.6556</td>
<td>.6946</td>
<td>.6325</td>
<td>.8199</td>
<td>.8582</td>
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<tr>
<td>z-test value</td>
<td>24.42</td>
<td>22.52</td>
<td>24.71</td>
<td>37.11</td>
<td>29.86</td>
<td>11.72</td>
<td>10.95</td>
<td>23.66</td>
<td>3.03</td>
</tr>
</tbody>
</table>

z-test critical value at 05% level of significance = 1.96

10. Findings

Following are the findings based on survey and hypothesis test-

- ABL is not sincere in solving customers’ problems;
- First impression of ABL to customers is not delightful;
- Behaviour of customers with clients is satisfactory for both cases;
- Customers feel safe in transactions with both banks;
- ABL is not furnished with modern equipments compared to SIBL;
- Both banks take reasonable service charge from its customers;
- Operating hours are convenient to its customers for both banks;
- Most of the employees of ABL have no knowledge about modern technologies.
- Newly appointed employees of both banks have enough knowledge of handling modern technologies;
- Customers are satisfied moderately with deposit benefits for both banks;
- Employees of ABL take more time to provide services to its customers.

11. Recommendations

From this study it is found that customers of ABL are dissatisfied in most of the cases.
However, following suggestions are recommended to overcome the problems-

- Emphasis on solving customers’ problems;
- First impression is important determinant of satisfaction, so it should be realized wisely;
- Branches must be furnished with modern equipment;
- Customers service should be provided as swiftly as possible;
- Deposit benefits should be increased for both banks;
- Appoint employees who possess enough knowledge of handling modern technology and equipment and initiate training for existing employees to familiarize them with new technologies.

12. Conclusion

The banking sector in Bangladesh has witnessed heightened competition with the emergence of several other banks coming up with all their potential and using their global strength to their advantage in order to establish themselves in the market. Shahjalal Islami Bank seems to satisfy its customers with good services and it has been successful in retaining its customers by providing better facilities than Agrani Bank Limited during the study period. Still Shahjalal Islami Bank needs to go a long way to become customers’ first preference. On the other hand, Agrani Bank Limited as an old bank has a huge number of customers but it needs to emphasize more on fulfilment of customers’ demand to retain existing customers and attract new ones. New financial products and services have to be continuously introduced in order to stay competent. Both banks have to be furnished with modern technological equipment to provide fast services. Without customers, existence of a bank is impossible, so satisfaction of customers should be emphasized more.

References


Quarterly, 4(4), 83-93.


