

Customer Service Quality: A Study on Foreign Banks Operating in Bangladesh

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Abstract: *The study examines perception on service quality of different foreign banks operating in Bangladesh among a sample of customers. This study was conducted based on a sample of 200 customers from all the foreign banks conducting business in Bangladesh. Especially our study area is the entire foreign bank located and conducting their operation in Dhaka city. The results indicate that the customers of foreign banks are satisfied though they are not highly satisfied. Satisfaction of customers is found in reliability, responsiveness, assurance, empathy, courteousness, and tangibles dimensions of SERVQUAL model whereas dissatisfaction is found in accessibility dimension. Moreover, the result also indicates that from the seven variables of SERVQUAL model, four of them are positively related with the dependent variable customer satisfaction implying that if reliability goes up by 1%, then customer satisfaction will go up by 1.3%; if assurance goes up by 1%, then customer satisfaction will go up by .53%; if empathy goes up by 1%, then customer satisfaction will go up by .00048%; and if accessibility goes up by 1%, then customer satisfaction will go up by .12%. Indeed, negative relationship is found with responsiveness, courteousness & tangibility dimensions. We have got these results through regression analysis. However, with the increasing competition amongst banks, the findings can act as a strategic tool to achieve competitive advantage and customer satisfaction. It is also an eye-opener for the foreign banks to see the gap between customer expectation and perception regarding the quality of services rendered.*

Keywords: *Service quality, Customer satisfaction, SERVQUAL, Foreign banks, Variable.*

1.0 Introduction

Dealing with customers every day is not an easy job. Foreign banks serve a wide variety of customers individually and conduct business with a variety of financial needs. It takes special skills and knowledge to handle customers successfully. As a bank's boom or bust largely depends on customer satisfaction, a unique understanding of customer needs must be developed. All kinds of services provided by a bank are closely related to the customer/client satisfaction. Since customer is a very important factor for the bank every bank tries to satisfy its customers by providing them various types of services. A

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bank should be well concerned and knowledgeable regarding customer needs & wants to achieve its ultimate goals towards success. Every bank tries its best to satisfy its customers to establish their own business in the most competitive business world. On behalf of any bank, every banker tries to capture the faith and trust of his/her customers. Now a days, banking is no longer regarded as a business dealing with money transactions alone, but is also seen as a business related to information on financial transactions (Padwal, 1995). In other words, it is believed that information technology (IT) plays a significant role in providing better customer service, presumably at a lower cost. Several innovative IT-based services such as automated teller machines (ATM), electronic fund transfer, anywhere-anytime banking, smart cards; net banking, etc. are no longer alien concepts to banking customers (Rawani and Gupta, 2000). But the diffusion of technology is somewhat slow in domestic banks (public and private sector banks) (Banker, 1998). In the case of private sector banks, bank automation has been far easier as their size is small and they also started their operations afresh. As regards the foreign banks, they already have the advantage of good automation experience in several banking applications (Kaujalgi, 1999). Although the presence of private sector banks and foreign banks have kindled a competitive spirit among them, with respect to the quality of services delivered by them in terms of the intensity, depth, diversity and range of services offered differ from one another. Service quality issues from the perspective of the customers in the foreign banking operation in Bangladesh are highly appreciated. Foreign banks are running their business successfully in Bangladesh before the independence. In case of foreign banks, reliability, credibility, and tangibility are the only significant factors affecting their service quality. It is possible only because of its' better service to satisfy all of their customers. Therefore, a constant and thorough research on customer satisfaction is crucial to the foreign banks to hold its customers and attain the desired banking goal.

SERVQUAL model provides a technology for measuring and managing service quality (SQ). Since 1985, when the technology was first published, its innovators Parasuraman, Zeithaml and Berry, have further developed, promulgated and promoted the technology through a series of publications (Parasuraman *et al.*, 1985; 1986; 1988; 1990; 1991a; 1991b; 1993; 1994; Zeithaml *et al.*, 1990; 1991; 1992; 1993). Service quality (SQ) has become an important research topic because of its apparent relationship to costs (Crosby, 1979), profitability (Buzzell and Gale, 1987; Rust and Zahorik, 1993; Zahorik and Rust, 1992), customer satisfaction (Bolton and Drew, 1991; Boulding *et al.*, 1993), customer retention (Reichheld and Sasser, 1990), and positive word of mouth. Service quality is widely regarded as a driver of corporate marketing and financial performance of foreign banks operating in Bangladesh.

Customer Satisfaction has become an important dimension for performance measurement particularly for foreign banks. As most banks and finance organizations offer similar products and services, improving customer satisfaction and loyalty is the most important factor in maintaining as well as increasing market share for these organizations. Customer satisfaction is evaluated by the customer service quality of foreign banks operating in Bangladesh. The ability to satisfy customers is vital for a number of reasons. For example, it has been shown that dissatisfied customers tend to complain to the establishment or seek redress from them more often to relieve cognitive dissonance and failed consumption.

1.1 Objectives of the study

The main objective of the study is to evaluate the customer service quality of foreign banks operating in Bangladesh. The specific objective of the study is to measure current satisfaction level as perceived by the existing customers of foreign banks. Moreover, the study is intended to suggest ways for improving the service standard that accommodates a rapidly growing customer volume.

1.2 Literature review

1.2.1 The theory of SERVQUAL

Foreign Banks are competing in a highly competitive environment to offer quality oriented services according to customers' expectations. Foreign banks face stiff competition from their peers and conventional banks prevailing in the economy. Different aspects of banks are studied by researchers e.g. operations, service quality, employee satisfaction, customer satisfaction, financing products, bank efficiency, financial performance etc. as the key segments for research. Many studies tried to assess the quality of services/products offered by the banks. Customers became a center for all banking activities due to increased competition for greater market share. Foreign banks also focus on demographic characteristics of customers to assess their needs. Foreign bank is trying to enhance its performance by improving its service quality according to customers' expectations. A number of foreign banks have started their operations in Bangladesh during last few decades. It requires a study to analyze the bank services and its outcomes in the shape of customers' satisfaction and performance. Foreign banks provide financial inter-mediation, consultancy and agency services that are diversified with the passage of time. Services are different from goods because they are intangible as they cannot be seen, touched or felt; perishable as we are unable to store them; inseparable because they are attached with a service provider, and insubstantial due to heterogeneity (Parasuraman *et al.* 1985; Hoffman and Bateson, 2002). Parasuraman *et al.* (1985) argued that evaluation of service quality is difficult as compared to physical goods. Physical existence of goods facilitates the customers to buy them due to its

aesthetic characteristics. Hanson (2000) suggested that service quality shows the organization's ability to meet customers' desires and needs. So organization must improve their services to meet the customers' wants and requirements. It is found that customers' perception of service quality is very important for managers to compete in the market (Hoffman and Bateson, 2002). Quality is an ability of any product to meet customers' expectations and requirements. It is a set of features, characteristics or attributes that are required or expected by the customers. There are several studies that found a relationship between the service quality offered by banks and its consequences as satisfaction level among customers. It is reported that quality is observed as a major factor in reference to customer acquisition and retention (Galloway and Ho, 1996). Morre (1987) identified that concentration on service quality leads to differentiation that enhance the competitive position of the organization for long term benefits. Service quality and customer satisfaction became core issues for the successful survival of any service organization. Service quality is considered very important indicator towards customer satisfaction (Spreng and Machoy, 1996). Service quality got popularity among professionals and academia due to increased competition. It contributes a lot to gain competitive advantage to maintain long-term relationship with customers (Zeithmal *et al.* 2000). Quality factors vary from one to another in reference to the importance and their impact on the satisfaction level of the customers. It was found that specific activities like increasing the speed of processing information have resulted in delighted customers. Similarly, improvement in the reliability of equipment lessened dissatisfaction (Johnston, 1997). However, it was reported that service quality is the subjective comparison between what the customers require and what they actually get (Gefan, 2002). Ibáñez *et al.* (2006) investigated service quality dimensions and found a significant effect of service quality on satisfaction in Spain. In another study, a conceptual framework to measure service quality from the customer's perspective is empirically tested for convergent validity, unidimensionality and reliability (Saravanan and Rao, 2007).

There is an ongoing discussion about the service quality and its dimensions. But there is a lack of consensus in the literature about the uniform dimensions among researchers. It may be due to demographics, cultural, religious, geographical or other attributes that vary from one country to another. Apparently, there are two perspectives of service quality: Europeans and Americans. Service quality is a multilevel and multidimensional concept, which varies in meanings among researchers (Cronin *et al.*, 2000).

Gronroos (1982) identified three dimensions of service quality as technical quality (actual outcome of the service); functional quality (service delivery process by interaction between service provider and service recipient); and corporate image (perception of customers about service organization). Similarly, in another study three dimensions of service quality are identified i.e. physical quality; corporate quality and interactive

quality (Lehthinen and Lehthinen, 1982). Both studies reflect almost the same characteristics of the service quality. Parasuraman *et al.* (1985) investigated the different service industries and explored 10 dimensions of service quality i.e. tangibility, responsiveness, reliability, courtesy, access, credibility, communication, competence, understanding, and security. They continued their research to purify the dimensions of service quality and developed a widely used research instrument called SERVQUAL. It is equally applicable in different service industries including banking industry. They refined these dimensions and summed up into five dimensions like reliability, responsiveness, tangibility, assurance and empathy (Pararsuraman *et al.* 1988, 1991). Gronroos (1990) explored six factors of service quality: attitude and behavior; skills and professionalism; accessibility and flexibility; reliability and trustworthiness; recovery; reputation and credibility. In another study, a four-factor scale that consists upon 17 items was used to measure service quality in branches of an Australian commercial bank (Avkiran, 1994). Johnston (1995) identified 18 dimensions of service quality to measure the performance of service industries: aesthetic, availability, attentiveness, access, care, cleanliness, comfort, commitment, communication, competence, courtesy, friendliness, flexibility, functionality, integrity, reliability, responsiveness and security. Oppewal and Vriens (2000) used 28 attributes to measure the service quality in retail banking sector.

Similarly, Bahia and Nantel (2000) found six dimensions of service quality that consists of 31 items to measure the service quality in the banking sector. Sureshchander *et al.* (2002) developed 41 items scale to measure the service quality in the banking sector. Although there are different dimensions of service quality exist in the literature. But this study follows SERVQUAL instrument based on seven dimensions to measure the impact of service quality on customer satisfaction and bank performance. Parasuraman *et al.* (1985, 1988, 1991b) tested this research instrument in different industries like banking, insurance and telephone repair industry. The reliability and validity coefficients of SERVQUAL were very high and increased its acceptability all over the world. It is also widely used by the researchers to assess the service quality in the banking sector. The dimensions of service quality are frequently studied by the researchers according to their own local environment, cultural and socioeconomic conditions.

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Given the financial and resource constraints under which service organizations must manage it is essential that customer expectations are properly understood and measured and that, from the customers' perspective, any gaps in service quality are identified. This information then assists a manager in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on – a critical decision given scarce resources. While there have been efforts to study service quality,

there has been no general agreement on the measurement of the concept. The majority of the work to date has attempted to use the SERVQUAL (Parasuraman et al., 1985; 1988) methodology in an effort to measure service quality (e.g. Brooks et al., 1999; Chaston, 1994; Edvardsson et al., 1997; Lings and Brooks, 1998; Reynoso and Moore, 1995; Young and Varble, 1997; Sahney et al., 2004).

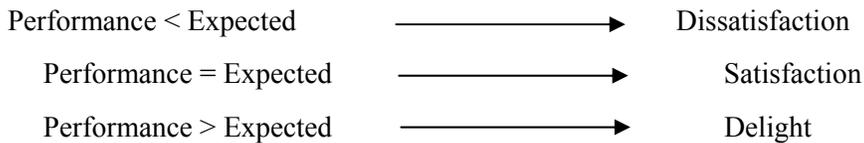
1.2.2 Service quality

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996). S Asubonteng et al. (1996) (as cited in Saha and Zhao, 2007) defined it as "The difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received". Bitner et al. 1990, (as cited in Hank and Beak, 2004) define service quality as "the consumers' overall impression of the relative inferiority/superiority of the organization and its services." There are, however, several definitions of service quality may vary from person to person but essence is the same. Ojo (2010) argues that the definitions of service quality vary only in wording but typically involve determining whether perceived service delivery meets, exceeds or fails to meet customer expectations. Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990). Always there exists an important question: why should service quality be measured? Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery. Edvardson et al. (1994) states that, in their experience, the starting point in developing quality in services are analysis and measurement. The SERVQUAL approach, which is studied in this study, is the most common method for measuring service quality.

1.2.3 Customer Satisfaction

Satisfaction has been defined and measured in different ways over the years (Oliver, 1997). Johnson et al. (1996) describe two basic conceptualizations of satisfaction: transaction-specific and cumulative. Transaction-specific satisfaction is a customer's transient evaluation of a particular product or service experience, while cumulative satisfaction describes the total consumption experience of a product to date (Cronin and Taylor, 1992). An important advantage of the cumulative satisfaction construct over a more transaction-specific viewpoint is that it is better able to predict subsequent

behaviors and economic performance (Johnson et al., 2001). One of the latest formal definitions of satisfaction as a composite construct has been developed by Oliver (1997, p.28) who proposed it to be —the consumer's fulfillment response, the degree to which the level of fulfillment is pleasant or unpleasant. In this study individual satisfaction has been defined as a consumer's personal overall evaluation of satisfaction and pleasure. Moreover, there is a common definition of customer satisfaction. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. (Farris et al, 2010). So, we can say that,



1.2.4 Relationship between Service quality and Customer Satisfaction

Over the past few years there has been a heightened emphasis on service quality and customer satisfaction in business and academia alike. Sureshchandar et al, (2003) identified that strong relationships exist between service quality and customer satisfaction while emphasizing that these two are conceptually distinct constructs from the customers' point of view. Spreng and Mackoy (1996) also showed that service quality leads to customer satisfaction while working on the model developed by Oliver (1997). In a recent study conducted by Ribbink et.al (2004) revealed that this relationship also exists in the e-commerce industry.

1.2.5 Model of service quality gaps

There are seven major gaps in the service quality concept. The model is an extension of Parasuraman et al. (1985). According to the following explanation (ASI Quality Systems, 1992; Curry, 1999; Luk and Layton, 2002), the three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers.

Gap1: Customers' expectations versus management perceptions: as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

- Gap2: Management perceptions versus service specifications: as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardization and an absence of goal setting.

- Gap3: Service specifications versus service delivery: as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

- Gap4: Service delivery versus external communication: as a result of inadequate horizontal communications and propensity to over-promise.

Gap5: The discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

- Gap6: The discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by front-line service providers.

- Gap7: The discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.

For the purpose of this study, seven dimensions of service quality have been taken into account i.e. reliability, responsiveness, assurance, empathy, tangibility, accessibility and lastly courteousness. Based on these dimensions, the questionnaire has been developed and tried to find out the present service quality that is perceived by the customers of foreign banks operating in Bangladesh.

1.3 Scope

The study attempts to relate the growing customer base with different services as perceived by customers. The study is mainly done on perception of the customers of the different foreign banks.

1.4 Rationale of the study:

The significance of the study is multi-dimensional. This kind of study is pretty much applicable for all. The study will help foreign banks if they take findings of the study into account and assume their current standing. All in all, anyone in the society who is interested in this arena should find this study interesting and something to learn from as utmost effort has been given to make it a qualitative work. So the study is highly rationale.

2.0 Methodology

2.1 Data & data source

This study is based on both primary and secondary sources of data. Primary data has been collected from the sample size of 200 current customers of foreign banks. A lot of secondary data has been used to provide a theoretical basis of the study. Secondary data were collected mainly from the banks as well as the Internet. Data has been also collected from the newspapers, relevant journals and various publications.

2.2 The study instrument-tools used

For this study, a structured questionnaire was used to collect primary data. The questionnaire was designed in such a way that would reduce the total error in the data collection process. The questionnaire was based on the funnel technique which started with the general questions and moved to specific ones so that respondents' biases could be reduced. All the questions were designed with a view to finding out what the customers truly think about the banks' services. The questions were based on 27 SERVQUAL statements developed on a 5 point Likert scale with 5 being 'strongly agree' and 1 being 'strongly disagree'.

2.3 Sample design

- ❖ **Target Population:** People aging from 18-70 years of age belonging to middle and upper class who are the actual customers of foreign banks.
- ❖ **Sample frame:** Salaried employees, Business people, Students, Self Employed.
- ❖ **Sample Size:** 200
- ❖ **Sample Area:** All the branches of foreign banks within Dhaka city.
- ❖ **Sampling unit:** Individuals

2.4 Variables used

Two types of variables were used in this study. One is dependent variable/response variable i.e. Customer satisfaction /service quality and another is independent variables i.e. Reliability, Responsiveness, Assurance, Empathy, Accessibility, Courteousness, Tangibles.

2.5 Survey technique used/Sample selection:

Non probability sampling (convenience sampling) technique has been used to collect data. This was purely convenience as this was the only feasible technique given resources, time and other variables. The respondents chosen were on a non random basis. Whoever was willing and was vicinity, participated in the survey.

2.6 Data analysis

The data was counted manually and then this data was entered into the software SPSS. This has many advantages. As paper questionnaire is used, the responses had to be taken manually one by one. This also helped to find out the biases and contradictions, which had to be eliminated in order to get a fair result.

2.7 Communicating the result

The major results have been communicated through regression analysis and t-test mainly. Regression analysis examines the relation of the dependent variable (response variable) to specified independent variables (explanatory variables) in the study .T-test will help to test the hypothesis and reach to a fair conclusion.

3.0 Findings & analysis

3.1 Cross tabulation: Statistics regarding use of phone service and age of the sample group

Table 1: Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Use of phone service * Age of the sample group	200	100.0%	0	0%	200	100.0%

Source: Survey

Table 2: Use of phone service * Age of the sample group Cross tabulation

Count		Age of the sample group				Total
		18-24	25-34	35-44	45 & above	
Use of Phone Service	Never	5				5
	Hardly	7				7
	Sometimes		28			148
	Always	5	3	120	32	40
Total		17	31	120	32	200

Source: Survey

Table 3: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	306.319 ^a	9	.000
Likelihood Ratio	245.095	9	.000
Linear-by-Linear Association	79.443 200	1	.000
N of Valid Cases			

a) 9 cells (56.3%) have expected count less than 5. The minimum expected count is .43.

Source: Survey

Analysis

Here customers exchange information with bankers through phone. Information means they can know their account status and frequency of transaction as well as their balance amount time to time with the help of cellular phone. Among the N=200 respondents, respondents were missing, so the cross tabulation was done on the entire respondents. In the cross tabulation, in the “NEVER” category, out of 5 respondents, all of them were under '18-24' age group. In the “HARDLY SOMETIMES” category, out of 7 respondents, all of them were under '18-24' age group. 28 respondents went for the “SOMETIMES” category who fell under the 25-34 age group while 120 people were aged under 34-44 who voted for the similar category. And for the customers who “ALWAYS” take services over phone, 5 of them were under '18-24', 3 were '25-34' and 32 respondents fell under 45 & above age group.

Chi-Square test:

Chi Square (df) = value, p=?

Chi Square (9) = 306.32, p= .000 < .05

Therefore, the test is statistically significant and all these tables have goodness for fit.

3.2 Regression analysis

Relationship between Customers Satisfaction (dependent) and Reliability, Responsiveness, Empathy, Courteousness, Assurance, Accessibility, Tangibility (Independent Variables)

Table 4: Descriptive Statistics

	Mean	Std. Deviation	N
Satisfaction level	4.03	1.034	200
Avg_Rel	4.07	.871	200
Avg_Resp	3.88	.954	200
Avg_Assu	4.10	.832	200
Avg_emp	3.87	.919	200
Avg_Access	3.36	1.009	200
Avg_Court	3.76	.937	200
Avg_Tan	4.20	.722	200

Source: Survey

Table 5: ANOVA ^b

Model	Sum of squares	df	Mean squares	F	Sig.
1	206.166	7	29.452	842.844	.000 ^a
Regression	6.079	192	.035		
Residual					
Total	212.875	199			

Source: Survey

- a. Predictors: (Constant), Avg_Tan, Avg_Access, Avg_Assu, Avg_Court, Avg_emp,
- b. Dependent Variable: Satisfaction level

Analysis

From the above table

F (df1, df2) = value, p=?

F (7, 192) = 842.84, p= .000<0.05

Therefore the relationship is statistically significant.

Table 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.594	.107		-5.563	.000
Avg_Rel	1.310	.130	1.102	10.036	.000
Avg_Resp	-.199	.113	-.184	-1.759	.080
Avg_Assu	.531	.083	.427	6.381	.000
Avg_emp	.0004896	.111	.044	.442	.659
Avg_Access	.125	.054	.122	2.327	.021
Avg_Court	-.338	.079	-.306	-4.283	.000
Avg_Tan	-.345	.080	-.241	-4.333	.000

a) Dependent Variable: Satisfaction level

Source: Survey

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.984 a	.968	.967	.187

a. Predictors: (Constant), Avg_Tan, Avg_Access, Avg_Assu, Avg_Court, Avg_emp, Avg_Resp, Avg_Rel

Source: Survey

Analysis

From the coefficient table,

H₀, Null hypothesis = There is no relationship between customer satisfaction and reliability, responsiveness, empathy, courteousness, assurance, accessibility & tangibility

H₁, Alternative hypothesis = There is relationship between customer satisfaction and reliability, responsiveness, empathy, courteousness, assurance, accessibility & tangibility

Now,

Y= Dependent variable = Customer Satisfaction

X= Independent variable

X₁ = Avg. Reliability

X₂ = Avg. Responsiveness

X3 = Avg. Assurance

X4 = Avg. Empathy

X5 = Avg. Accessibility

X6 = Avg. Courteousness

X7 = Avg. Tangibility

B = constant

The estimated regression model is,

$$Y = B + B1 X1 + B2 X2 + B3 X3 + B4 X4 + B5 X5 + B6 X6 + B7 X7$$

$$B = -.594$$

$$B1 = 1.310$$

$$B2 = -.199$$

$$B3 = .531$$

$$B4 = 0.0004896$$

$$B5 = .125$$

$$B6 = -.338$$

$$B7 = -.345$$

Now, we can easily understand, what is the impact of $B + B1 X1 + B2 X2 + B3 X3 + B4 X4 + B5 X5 + B6 X6 + B7 X7$ on Y.

$$Y = -.594 + 1.310 * (\text{Avg. Reliability}) + (-.199) * (\text{Avg. Responsiveness}) + .531 * (\text{Avg. Assurance}) + 0.00048 * (\text{Avg. Empathy}) + .125 * (\text{Avg. Accessibility}) + (-.338) * (\text{Avg. Courteousness}) + (-.345) * (\text{Avg. Tangibility})$$

Interpretation

So, from the equation, we can see that from the seven variables, 3 of them are negatively related with the dependent variable. It means that if reliability goes up by 1%, then customer satisfaction will go up by 1.3%; if assurance goes up by 1%, then customer satisfaction will go up by .53%; if empathy goes up by 1%, then customer satisfaction will go up by .00048%; and if accessibility goes up by 1%, then customer satisfaction will go up by .12%. We can see that there is negative relationship with responsiveness, courteousness & tangibility. This can be valid because customers expect of a better service with these attributes attached with it, but in reality they are not satisfied with these particular dimensions. Therefore, responsiveness, courteousness and tangibility are negatively related with customer satisfaction level for sample group of 200 respondents. From the Model summary, it is observed that R square= 0.968 or 96.8%, which means that 96.8% of the total summary can be explained by the seven factors for customer satisfaction.

4.0 Hypothesis testing

To test the hypothesis, t-test has been used because this suits the data. Here, sample size is 200.

Research hypothesis

Null Hypothesis (H_0): The customers of foreign banks are not satisfied with the current service.

Alternative Hypothesis (H_A): The customers of foreign banks are satisfied with the current service.

Reliability

Table 8: Hypothesis test regarding reliability dimension

Variables	Mean	Average Sample Mean for the dimension (\bar{X})	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Reliability on service promised	3.98					
Reliability on service dependability	4.18					
Reliability on service at first call	3.89	4.07	3.5	0.871	200	0.05
Reliability on service at promised time	4.23					
Reliability on service with accurate info on record	4.06					
Null : $D \leq 3.5$ Alternate: $D > 3.5$						
t cal			9.5			
t table			1.645			
t cal > T table			So, reject null			

Source: Authors

Analysis

The first dimension is the reliability dimension, which checks how the customers think the banks are serving them with care and how much they can depend on the banks. From the hypothesis test, we see that the null has been rejected ($t_{cal}=9.5$, $t_{table}=1.645$) implying the customers are satisfied with the banks even at this dimension. This is a significant accomplishment and a big success on the banks' part as for banking institutions earning the trust of the customers is vital for success and long time prosperity. Referring to Parasuraman's research, reliability is the most important dimension considered by the customers and therefore succeeding in this dimension is definitely triumphant for foreign banks.

Responsiveness

Table 9: Hypothesis test regarding responsiveness dimension

Variables	Mean	Average Sample Mean for the dimension (X)	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Responsiveness on when the service will be performed	4.15					
Responsiveness on prompt service	3.42	3.8	3.5	0.954	200	0.05
Responsiveness on willingness to help	4.04					
Responsiveness on prepared service	3.93					
Null : D \leq 3.5 Alternate: D $>$ 3.5						
t cal			5.0			
t table			1.645			
t cal > T table			So, reject null			

Source: Authors

Analysis

The second dimension of the SERVQUAL tests the responsiveness of the service providers. Testing the hypothesis with the sample, once again the null has been rejected ($t_{cal}=5$, $t_{table}=1.645$). The customers of the foreign banks' say that banks are responsive and serve them in time.

Assurance**Table 10: Hypothesis test regarding assurance dimension**

Variables	Mean	Average Sample Mean for the dimension (X)	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Assurance on feeling confident	4.01					
Assurance on secured system	4.11	4.09	3.5	0.832	200	0.05
Assurance on the right solution	4.17					
Null : D \leq 3.5 Alternate: D > 3.5						
t cal			9.8			
t table			1.645			
t cal > T table			So, reject null			

Source: Authors

Analysis

The third dimension of the SERVQUAL tests the assurance of the service providers. Foreign Banks succeeded at the assurance dimension and the null is rejected ($t_{cal}=9.8$, $t_{table}=1.645$) proving the banks' performance is satisfactory and this stays in line with previous findings.

Empathy

Table 11: Hypothesis test regarding empathy dimension

Variables	Mean	Average Sample Mean for the dimension (X)	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Empathy on individual attention	3.57					
Empathy on perception of being caring	3.90	3.87	3.5	0.919	200	0.05
Empathy on understanding	4.14					
Null : D \leq 3.5 Alternate: D $>$ 3.5						
t cal		6.17				
t table		1.645				
t cal $>$ T table	So, reject null					

Source: Authors

Analysis

The dimension tests whether the service providers are caring to the customers or not and the findings speaks for it positively (t cal=6.17, t-table=1.645). The findings suggest that the customers of foreign banks think that banks are giving them enough individual attention and they understand their problem. It is a great achievement on the banks' part as they are perceived as being caring in their customer mind, which is a must to retain satisfaction not only in the short term but also in the long run.

Accessibility**Table 12: Hypothesis test regarding accessibility dimension**

Variables	Mean	Average Sample Mean for the dimension (X)	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Accessibility on getting the phone free @ the first time	2.47					
Accessibility on waiting to have the service	4.17	3.3	3.5	1.009	200	0.05
Accessibility on suitable timing	3.15					
Accessibility on satisfactory access	3.65					
Null : $D \leq 3.5$ Alternate: $D > 3.5$						
t cal			-2.8			
t table			1.645			
t cal < T table			So, accept null			

Source: Authors

Analysis

From the test, it is very clear that t-cal is very less than t-table (t cal=-2.8, t-table=1.645) and it falls in the acceptance region. So here, the null hypothesis is accepted by rejecting the alternative hypothesis. So it proves that as far as accessibility dimension is concerned, the customers are not satisfied in this regard as it is very apparent that foreign banks have some problems regarding this concern. They have limited phone lines and it is hard to get the phone free at the first attempt. Therefore, there is a huge scope to improvise things under this particular dimension.

Courteousness**Table 13: Hypothesis test regarding courteousness dimension**

Variables	Mean	Average Sample Mean for the dimension (X)	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Courteousness on warm greeting	3.92					
Courteousness on politeness over phone	3.51	3.7	3.5	0.937	200	0.05
Courteousness on being helpful over phone	3.83					
Courteousness on satisfactory behavior	3.79					

Null : D \leq 3.5 Alternate: D $>$ 3.5

t cal	3.3
t table	1.645
t cal > T table	So, reject null

Source: Authors

Analysis

The sixth dimension of the SERVQUAL tests is the courteousness of the service providers. From the test ($t_{cal}=3.3$, $t_{table}=1.645$), it is understandable that the respondents perceive foreign banks as banks that are courteous to its customers. Hence, undoubtedly banks play their roles as a key input as far as customer satisfaction is concerned.

Tangibility

Table 14: Hypothesis test regarding tangibility dimension

Variables	Mean	Average Sample Mean for the dimension (X)	Hypothesized Population Mean (μ)	Standard Deviation (s)	Sample Size (n)	Significance Level (α)
Tangibility on up-to-date equipment & furniture	4.01					
Tangibility on employees being well-dressed & tidy	4.27	4.2	3.5	0.722	200	0.05
Tangibility on outlook reflecting an international image	4.31					
Null : D \leq 3.5 Alternate: D $>$ 3.5						
t cal			14			
t table			1.645			
t cal $>$ T table			So, reject null			

Source: Authors

Analysis

The seventh dimension of the SERVQUAL tests is the tangibility of the service providers. From the hypothesis test, it proves (t cal=14, t-table=1.645) that the customers are happy with the foreign banks' personnel and branch outlook.

5.0 Suggestions and policy implications

In considering the customer satisfaction on the service, the following recommendations are made, which will benefit both foreign banks and their customers.

1. In case of reliability, the customers are satisfied. But as we have seen that still there are a lot of scope to achieve or increase some satisfaction to the mid-satisfied customers, so banks should grab the opportunity and ensure that the customers are not only getting accurate information but also the promised service in the first and promised time so that customer can highly rely on service.
2. In case of responsiveness though the customers are satisfied, some necessary steps can be taken for improvement. Giving the prompt solution or informing the customers about the action taking time and also proper maintenance of this informed action taking time could improve the customer satisfaction from very to high level.
3. Again in case of assurance, right solution should be given so that the customers feel more confident after getting the service.
4. Only understanding the customer problem will not satisfy them unless individual attention and caring highly satisfy them. So proper individual attention and caring should be there to make customers highly satisfied.
5. In accessibility, the customers are totally dissatisfied. Limited phone line and service time with uncertain access, a long time consuming waiting time to get the service is becoming time consuming and costly to the customer. So in order to improve this situation, phone line should be increased with the increase of other resources.
6. Though customers are satisfied with the courteousness, warmly greeting is replaced by the artificial one. Proper warm greetings, more polite and helpful behavior could get the highly satisfied customers.

6.0 Conclusion

Today, the banking industry in Bangladesh is a competitive field and to retain their position in the market, foreign Banks need to provide new and innovative solutions to their banking services for the local clients. The relationship of clients with a bank is usually set for a long-term period. When clients come to a bank for services and solutions relating to their company or business, they would definitely expect a superior quality and standard for these services. It is thus the banks' responsibility and more specifically the client relationship segment's duty to make sure that the clients receive their expected quality of services.

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