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Determinants of Service Quality Factors towards the Public Specialized Banks of Bangladesh

Md. Rasel Uddin [α], Akash Saha [σ], Md. Julfikar Ali [ρ] & Md. Jewel Rana [ω]

Abstract- To make the customer that concerned with services and making long term relationship for sustainable business organization there no time to compromise the expectation of customer and making available for. This study is related with the determinants of service quality factors concentrated on the specialized banks of Bangladesh. The empirically descriptive study has been conducted over the 75 respondents those are the customer of three specialized banks of Bangladesh. A well stuffed questionnaire was set to collect the primary data with considering each bank 25 respondents;it has beenanalyzed with taking the help of differentstatistical tools and encoding the data with Statistical Package for Social Sciences –SPSS (v-21).After Disseminating data it presents for the reader to make as for the well perceive. It has been revealed that explanatory variables are strongly associated to explain the service quality factors of Public Specialized Banks.The multiple regression analysis is a technique of multivariate analysis, adopted to determine the importance of the perceived service quality factors in this research. By regression, we can articulate that, if these factor changes then what will be the impact on overall customer satisfaction.The study finds that Reliability and Responsiveness are the most relative factors in determining the customer satisfaction ofpublic specialized banks followed by empathy, tangible and assurance. It also finds that these five factors or dimensions vary across gender, age, education level, and occupation. It is the recommending issues to make the better services of the customer that's why the specialized banks of Bangladesh requisite follow the adaption by the means of customer database system, modern and trendy basis services, sophistication genre of environment, integrating more professional efficiency to serve the more integration of the customers'oriented services of the baking sectorsin Bangladesh.

Keywords: determinants, specialized banks, services, customer expectation, contented.

I. Introduction

Amplified competition, highly erudite customers, and intensification in ordinary of living are obliging many businesses to assessment their customer service strategy. Commercial banks are concentrating more determinations to preserve prevailing customers somewhat than to attain new ones since the price tag of obtaining new client is superior than cost of absorbent standing customers. Make the most of customer satisfaction through quality customer service has been termed as 'the ultimate weapon' by Davidow and Vital (1989). The expectation that comes from service determination the factors of customers such as endorsements of services, particular needs and bygone understandings The anticipation of service and the apparent service result may not be equal, thus separation a gap. So for the determining the level of services there very much important to make a level of services that the customers expect, what are the available by the industry for. Specialized banks of Bangladesh are the banks they are trying to meet the customer satisfaction by providing the sophistication mode of services with taking the determinations of particular services of banking sector. They are giving the forces to bounce the best with integrating service environment. Customer satisfaction and service quality is interconnected with each other. Gratification of customer is contingent upon service quality and service quality is progressively offered as a strategy by marketers to make a place themselves more meritoriously in the financial market. Due to the arrival of e-banking, quality of service has been enhanced a lot as related to outdated banking services and for the trending situation at all everything is now on the level of challenging why not for the specialized banks of Bangladesh.

II. Objectives of the Study

The objectives are the followings: -

- To identify the customers' attitude towards the present service quality of banks.
- To find the persuadingfactors of services.
- To evaluatethe performance of government specialized bank on the basis of quality of services
- To make some recommendations from the overall level of service quality in governments specialized banks.

III. Literature Review

The replication of portion is to carry an insightfulassessment of the past inquest all of it accompanying with theDeterminants of Service Quality Factors, encircled by the researches completed the subsequent study, enclosed by the explores thru the followings.Business dictionary.Com explained service

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quality by followings way "assessment of how well a delivered service conforms to the client's expectations. Service business operators often assess the service quality provided to their customers in order to improve their service, to quickly identify problems, and to better assess client satisfaction.'' [1]. Jain, Gupta & Smrita (2012) "The Reliability and Responsiveness are the most relevant factors for the service quality perception and they have compared the individual scores with the average mean value scored by the private banks." [2]Ashaduzzaman, Moniruzzaman& Sheila (2012),'The organization needs to ensure the right products and services supported by the right promotion and making it available at the right time for the customers. A business that caters to their customers` needs will inevitably gain the loyalty of their customers, thus resulting in repeat business as well as potential referrals. Consequently, it is imperative that businesses get to know their customers. Study revealed Positive and significant relationship has been found between service quality dimensions (reliability, responsiveness, assurance, empathy, and tangibles) and customer satisfaction.'[3]Heryanto (2011), "there is a significant relation between the service quality and the customer satisfaction. And service quality is very important and consists of actions like quick response, commitment, staff availability, right service fat right time, complaint solution, competency and capability of the staff in the bank''[4]Holy Ghost, Fatima and Gnanadhas, Edwin (2011) "The existence of a close bond between the service quality factors and the customer satisfaction level and the impact of the service quality factors on customer satisfaction was varying with the demography of the customers.×[5]Munusamy, Chelliah and HorWaiMun (2010),"The assurance has a positive relationship with customer satisfaction, but without significant effect and the Reliability is the timeliness and accuracy in service provided, reliability does not have much impact on customer satisfaction. Tangibles include the appearance of the company, and the study found that it has high positive correlation with customer satisfaction." [6]

Customer relationship is one alternative facet the banks essential to be given par prominence dealing customer relation resourcefully is a plus that the banks should distillate to win the state of affairs. Aforementioned study mostly overwhelmed services factor and quality issues from different pipelines by this study, it is interpreted determinates of services quality of government specialized banks at the context of Bangladeshi banking mode and customer satisfaction culture practices determinants. From side to side this study it'll be shown the different insightful service quality determinants towards the specialized government bank of Bangladesh.

IV. Methodology

This research is empirically descriptive in nature. The primary data has been collected throughpersonal interview while respondents were conducting banking activity. It has covered theopinion of customers of three government special banks.The information about customer satisfaction in specialized banks of Bangladesh has been obtained through a survey conducted at a sample of population. A total of 75 respondents were taken as sample based on randomly technique. The survey questionnaires were conducted via face to face interviews. Respondents wereasked to respond about their perceptions of the servicesquality provided by government special bank in Bangladesh in terms of the five services qualitydimensions. To record the responses of the sample respondents, a structured questionnaire wasused. Five point *Likert*scaleranking as 1 (strongly disagree), 2(disagree), 3(Neutral), 4(agree) and 5(strongly agree) has been used to pull togetherthe data.

a) *Respondents' Profile:*The customer is vested in in three banks namely BDBL, BKB and RAKUB to the survey. The profiles of customer are described below:

Table 01: Name of Bank

Name of bank	Frequency	Percentage
BDBL	25	33.3%
BKB	25	33.3%
RAKUB	25	33.3%
Total	75	100%

The following table shows that, out of 75 respondents an equal number of 25 respondents (33.3%) from the three banks namelyBDBL, BKB and RAKUB.

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Table 02: Age Group of Customers

Age	Frequency	Percentage
Under 20	3	4%
20 – 30	24	32%
30 – 40	18	24%
40 – 50	17	22.67%
Above 50	13	17.33%
Total	75	100%

According to the table, we can see that most of the respondent's age limit is 20-30 years and the percentage is 32. The second highest percentage is 24 that are between 30-40 years and the 40-50 years is 22.67%, above 50 years' percentage is 17.33 and less than 20 years is 4% respectively.

Table 03: Gender of Customers

Gender	Frequency	Percentage
Male	62	82.67%
Female	13	17.33%
Total	75	100%

From the table of the gender of the respondents, it is asserted 82.67% respondents are male and 17.33% respondents are female. So the majority of the customers are male.

Table 04: Occupation of customers

Particular	Frequency	Percentage
Business man	19	25.33333%
Service holder	13	17.33333%
Housewife	7	9.333333%
Farmer	21	28%
Student	6	8%
Others	9	12%
Total	75	100%

From the above table it can articulate that most of the clients are farmer 21 then businessman 19, service holder 13, others 9, housewife 7and student 6 respectively.

Table 05: Account Types of Respondents

Particular	Frequency	Percentage
Saving Account	32	42.67%
Deposit Account	21	28%
Current Account	16	21.33%
Loan Account	06	8%
Total	75	100%

After investigating the above data, it has found that42.67% customers have a saving account which contains the most percentage. Loan account has the less percentage. Deposit account and current account have 28% and 21.33% respectively.

Table 06: Educational Qualification of Respondents'

Educational qualification	Frequency	Percent
Below SSC	9	12%
SSC	13	17.33%
HSC	19	25.33%
Graduation	14	18.67%
Post-graduation	9	12%
Others	11	14.67%
Total	75	100%

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The table shows that 9 persons are below SSC. the most numbers of customers are HSC conceded which contains the percentage 25.33%. The number and percentage of graduate and Post-graduate are 18.67%, 12% respectively.

Table 07: Main Causes for Choosing Specialized bank

Reasonable Interest	Personal relation with banker	Good or efficient service	Effective service charges	Employees Behavior	Location of the bank	Reputation of the bank	Total
15	4	9	12	7	19	9	75
20%	5.33%	12%	16%	9.33%	25.33%	12%	100%

The above table shows that 25.33% of the clients prefer or choose this bank for Location of the bank. About 16% clients choose forEffective service charges & 9.33% clients choose for employee's behavior, for personal relation with banker 5.33 %. For the reputation of the bank and Good or efficient service clients are both 12% each.

Table 09: Duration of Accounts

Less than 6 Months	6 – 12 Months	1 – 2 Years	3 Years and above	Total
6	14	21	34	75
8%	18.67%	28%	45.33%	100

45.33% or 34 persons are related with the bank about 3 Years and above. 8%, 18.67%, 28% are respectively less than 6 Months, 6 – 12 Months and 1 – 2 Years ancient.

V. Findings and Analysis

Correlation Analysis: The relationship between two or more variables is called correlation.Toknow the strength of the relationship correlation is used.

Let some hypothesis:

1. H_0:There is no relationship between reliability and customer satisfaction.
2. H_0:There is no relationship between responsiveness and customer satisfaction.
3. H_0:There is no relationship between assurance and customer satisfaction.
4. H_0: There is no relationship between empathy and customer satisfaction.
5. H_0:There is no relationship between tangibility and customer satisfaction.

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Correlations

		Customers Satisfaction	Reliability	Responsiveness	Assurance	Empathy	Tangibles
Customers Satisfaction	Pearson Correlation	1	.421**	.330**	.134	.170	.238*
	Significance(2-tailed)		.000	.004	.252	.144	.040
	N	75	75	75	75	75	75
Reliability	Pearson Correlation	.421**	1	.033	.014	-.053	-.118
	Significance(2-tailed)	.000		.781	.902	.654	.314
	N	75	75	75	75	75	75
Responsiveness	Pearson Correlation	.330**	.033	1	-.122	-.217	-.036
	Significance(2-tailed)	.004	.781		.299	.061	.762
	N	75	75	75	75	75	75
Assurance	Pearson Correlation	.134	.014	-.122	1	-.121	-.102
	Significance(2-tailed)	.252	.902	.299		.301	.383
	N	75	75	75	75	75	75
Empathy	Pearson Correlation	.170	-.053	-.217	-.121	1	.006
	Significance(2-tailed)	.144	.654	.061	.301		.956
	N	75	75	75	75	75	75
Tangibles	Pearson Correlation	.238*	-.118	-.036	-.102	.006	1
	Significance(2-tailed)	.040	.314	.762	.383	.956	
	N	75	75	75	75	75	75

***. Correlation at 0.01(2-tailed)*

**. Correlation at 0.05(2-tailed)*

These variable Reliability and Responsivenesshas a significant relationship ($p<.0.01$) with customer satisfaction ($r=.421$) and ($r=.330$) respectively. So these reject the null hypothesis. Therefore, it can be said that there is a weak positive relationship between reliability and customer satisfaction. And there is a weak positive relationship between responsiveness and customer satisfaction statistically significant at 1% level of significant. Tangibles statistically significant at 5% level of significant ($r=.238$, $p<.05$). Assurance and Empathy both have weak positive relationship with customer satisfaction.

The empirical result of the study is presented in the SPSS output below-

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.707[a]	.500	.464	.57438

a. Predictors: (constant) Tangibles, Empathy, Reliability, Assurance, Responsiveness.

In the model summary, multiple $R=.707$, means that relationship between dependent and independent variables is strong positive, $R^2=.500$ This means that explanatory variables are strongly associated to explain the service quality factors of Public Specialized Banks and the adjusted $R^2=.464$, which tells that after taking into account the number of regresses, the model explains 46.4% of the variation in determining the service quality factors of Public Specialized Banks in Bangladesh.

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a) Analysis of variance

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Significance
Regression	22.783	5	4.557	13.812	.000[b]
Residual	22.764	69	.330		
Total	45.547	74			

a. Dependent Variable: Customers Satisfaction

b. Predictors: (constant) Tangibles, Empathy, Reliability, Assurance, Responsiveness.

From the ANOVA table, found that the P-value to obtain F-value (13.812) is almost zero. So overall acceptability of β has been tested by analysis of variance (ANOVA), which also shows the acceptability of the model at the 5% significance level.

b) Multiple Regression Analysis

The multiple regression analysis is a technique of multivariate analysis, adopted to determine the importance of the perceived service quality factors in this research.After analyzing the regression, we can articulate that, if these factor changes then what will be the impact on overall customer satisfaction. When a problem involves three or more variables, it is subjected to multivariate analysis. When the data are on interval scale and one wish to find out the levels of perceived service quality,Given the levels of two or more independent variables, multiple regression analysis would be conducted. Therefore, the models are specified as follows:

$$Y=\alpha+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\beta_5X_5+\varepsilon$$

Where

Y=*customer satisfaction,* X_1= Reliability,X_2= Responsiveness, X_3= Assurance,X_4= Empathy, X_5= Tangibles, ε =*error* .

$\beta_1-\beta_5$= regression coefficient to be estimated.

The coefficient αrepresents the intercept and all $\beta_1-\beta_5$are partial regression coefficients. The least squares criterion estimates the parameter in such a way as to minimize the total errors. Regression output is automatically produced by the SPSS program. After analyzing the multiple regressions output, researchers will identify underlying dimensions, or factors, that explain the correlations among a set of variables.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance
		B	Std. Error	Beta		
1	(Constant)	-3.604	.662		-5.442	.000
	Reliability	.463	.087	.459	5.347	.000
	Responsiveness	.312	.065	.426	4.826	.000
	Assurance	.352	.122	.251	2.878	.005
	Empathy	.391	.109	.316	3.573	.001
	Tangibles	.330	.086	.331	3.833	.000

a. Dependent Variable: Customers Satisfaction

The estimated regression equation is,

$\hat{Y}$= -3.604+.463X1+.312X2+.352X3+.391X4+.330X5

VI. Recommendations and Conclusion

*Recommendations:*Overall, public specialized banks of Bangladesh actively participate in the growth and expansion of the national economy by its services properly. Ifbanks, follow the following recommendation then the dissatisfied customers will be turn into satisfied. After then some of the problems were mostly viewable while measuring clients' satisfaction. Followings are some suggestions for improving service quality. These are:

i. Modern Looking Equipment:The present age is highly competitive and there are many banking institutions around the clients. So they expect more and want to get customized service. But most of the branch of specialized banks was not well decorated like other private and public commercial bank so that lack of modern looking equipment decreases the confidence of customers for further investment.

ii. Reception Desk:The activities of reception desk are fully absent here. From the survey result it is found that most of the customer are disagreed or strongly disagreed on the point of reception desk employees are neat appealing.

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iii. Number of Employee:Compare to the customers, the number of employees is not sufficient. So employees couldn't give quality service to which may affect the reputation of specialized banks of Bangladesh.

iv. Sincerity to Solve the Problem(s):Most of the customers have given their opinion that banks don't sincerely solve their problem and work process is slow. So hasty service is requiring for solve the customers' relevant problem. That's will make the customer satisfaction scenario on the side of banks think so.

v. Online Banking &ATM Booth:Most of the customers giventheir valuable opinion for that. So they should give more concern on start online and ATM booths service and solve these sought of problems as soon as possible.

vi. Increase Professional Efficiency:New employees always have inefficiency in their profession. So bank should arrange sufficient training program for new employees to improve their work knowledge and effectiveness.

vii. Promotional Strategies: A bank takes various types of promotional strategies to introduce its services and to influence clients to take that service. But these banks have no effectiveactivities like this.

viii. Customer Oriented Pricing Strategy: Today's market is highly price sensitive. If clients see they are paying much more than receiving, then level of dissatisfaction increase. So banks should reduce its higher charges & interest rate.

ix. To make all Scheme and Services Available:All the scheme and services are not available in banks which can make the customer satisfied. So banks should make all the scheme & services available like others private bank such as locker service.

VII. Conclusion

As the conducted report points out, there are some problems that surface in the effort of evaluating customers' satisfaction. First, above findings suggest the need and relevance of heavy investment on tangibles particularly computer based banking, Mobile-banking, 'anywhere and anytime banking', etc. Today, customers are exposed to the standards of international banking and expect the same range of service quality from specialized banks of Bangladesh specialized banks of Bangladesh should continually assess and reassess how customers perceive bank services as to know whether the bank meets or exceeds or be below the expectations of their customers. Customer service is complex in nature and dynamic in action. Also, what is 'good service' today may become 'indifferent service' tomorrow and 'bad service' the next day.They are doing quite good but if they want to maintain a strong position among all the commercial banks running in Bangladesh then they requireaccentuating more on uninterrupteddevelopment of the service to gratify their appreciated customers. The banking sector in Bangladesh is undergoing major changes due to competition and the advent of technology. The process of fulfilling customer needs, therefore, requires tailoring bank services that customers want, rather than making them accept whatever banks can conveniently provide. All the leading banks in our country have various extra facilities to offer the customers in comparison with other banks but specialized banks of Bangladeshare mostly so lag behind. The benefits of such surveys represent a clearer picture of the customers' necessity. In this method these banks have the coincidental to consent to a higher customer contentment level and preserve a durablebond with their customer.

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