

Study on Private Commercial Banks in Bangladesh

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Abstract

The study was undertaken to investigate the effect of banks overall service quality, product quality, and corporate social performance on bank reputation within the context of private commercial banks of Bangladesh. Here, banks overall service quality, product quality, and corporate social performance were independent variables and bank reputation was considered as dependent variable. The survey yielded a total of eighty` complete usable questionnaires given to clients and employees of ten private commercial banks of Dhaka City area. Correlation analysis and stepwise regression were performed to assess the hypothesis. The correlation analysis revealed concise support to prove almost all the hypothesis but the stepwise regression provided partial support to the hypothesis. After successfully analyzing the gathered information, it was stated that all the measured independent variables (i.e., overall service quality, overall product quality, and corporate social performance) statistically and significantly correlated with bank reputation. The study concluded that to build and enhance bank reputation at an acceptable level, there was no alternative but to improve the status of service quality, product quality and corporate social performance.

Key Words: Overall Service Quality, Product Quality, Corporate Social Performance Bank Reputation

Introduction

Despite many fundamental banking reformations, domestic banks in Bangladesh are lagging behind on many areas compared to foreign commercial banks with wide range of capitalization, overseas network, modern management expertise, technological advancement, etc. That results into the relative weakness in service quality and product quality as delivered to customers by domestic banks. So there is a competition between domestic and foreign banks with special reference to customer services. The domestic banks management are now strictly focusing on improved service quality and product quality to build positive reputation for increasing profits. Because reputation plays an important strategic role in service markets since the pre purchase evaluation of service quality is necessarily vague, and incomplete. According to Julian and Ramashen(1994), delivering quality services and products to customers is essential for success and survival of today's competitive banking environment. The provision of products and services of high quality enhances reputation, improves customer retention, attracts new customer through word of mouth, and increase financial performance, and profitability. So it is important for any

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retail bank in Bangladesh to understand the main drivers of bank reputation as well as to take effective measure to improve both service and product quality which will enhance their reputations and thus attract a large share of profitable customers, and maintain a sustainable competitive advantage in the long run (Yonggui Wang, Hing- P. Lo, 2003).

The researchers in the proposed study intend to investigate the effect of overall service quality, overall product quality and corporate social performance on bank reputation within the context of private commercial banks of Bangladesh. Previous research by Yonggui Wang, Hing- P. Lo,(2003) conducted on several banking industries in China reveals the importance of overall service quality, and overall product quality in the development of bank reputation and investigated a relationship among overall service quality ,overall product quality, and bank reputation. Moreover , the studies by Benjamin A. Neville(1995), Simon J. Bell and Bulent Menguc(1996) give researchers strong evidence to show a relationship between reputation and company's social performance which was unrevealed in Yonggui Wang, Hing- P. Lo, 2003 study. In the context of commercial banks of Bangladesh no such studies were carried out previously on this subject. which instigated the researchers to conduct the study to explore if there is any significant relationship existing among banks overall service quality, overall product quality, corporate social performance and bank reputation.

Research Questions

This study proposed to investigate the following research questions:

1. Is there any significant relationship between overall service quality of bank and bank reputation in the context of banking industry of Bangladesh?
2. Is there any significant relationship between overall product quality of bank and bank reputation in the context of banking industry of Bangladesh?
3. Is there any significant relationship between corporate social performance and bank reputation in the context of banking industry of Bangladesh?

Review of Related Literature

Quality of service is essential for customer satisfaction (Cronin and Taylor, 1992; McAlexander et al., 1994), repeat purchases (Schneider and Bowen, 1995), and winning customer loyalty (Zeithaml et al., 1990), and customer retention (Zeithaml et al., 1996). It also affects companies' market share, and thus profitability (Schneider and Bowen, 1995).Service quality has been the subject of considerable interest by both practitioners and researchers in recent years, spurred on by the original work by Parasuraman, Zeithaml and Berry, (1985). An important reason for the interest in service quality by practitioners results from the belief that this has a beneficial effect on bottom line performance for the firm. Definition of service quality revolved around the idea that it is the result of comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Lewis and Booms, 1983; Lehtinen & Lehtinen, 1982; Gonoroos, 1984; Parasuraman et al, 1985,1988, 1991, 1994). Lehtinen and Lehtinen (1982) gave a three dimensional view of service quality. They see it as consisting of

what they term “interaction”, “physical” and “corporate” quality. Traditionally, service quality has been defined as the difference between customer’s expectation of service to be received and perception of service actually received. (Gonoroos, 1984; Parasuraman et al, 1988, 1991). Furthermore Dabholkher et al. (2000) suggested that it is better to consider factors associated with service quality like reliability and responsiveness as being antecedents of customer’s perceptions of service quality as dimension and components of the construct. Yonggui Wang, Hing-P, Yer V, Hui; 2003 measured service quality by customer perception only through the SERVPERF model (Cronin and Tylor, 1992). According to their study they suggested tangibility, reliability, responsiveness, assurance and empathy of service as antecedents of service quality and their study proposed that tangibility, reliability, responsiveness, assurance and empathy of service have a positive impact on customer perception of service quality. Furthermore service quality is often conceptualized as the difference between customer’s expectation of service to be received and perception of service actually received (Gonoroos, 1984; Parasuraman et al, 1988, 1991) and this construct was used in the study to define overall service quality.

Researchers have found several different conceptualizations of product quality. According to Yonggui Wang, Hing-P Lo (2003) opinion, in marketing and economics literature, quality has been viewed in terms of products attribute. In contrast, in the field of operations management, quality has been defined as having multiple dimensions such as fitness of use (whether the product does what it is supposed to do and whether it possesses features that meet the needs of customers), reliability (to what extent the product is free from deficiencies). In service point of view Parasuraman et al (1988) defined product quality as an overall assessment. Garvin (1988) defined product quality in very comprehensive manner. According to Garvin (1988), overall product quality comprises the following eight attributes: performance, features, conformance, reliability, durability, serviceability, aesthetics, and customer perceived quality. In brief, performance means a product’s primary operating characteristics, features refers to the additional features (or the bells and whistles) of the product, conformance represents the extent to which a product’s design and operating characteristics meet the established standards, reliability indicates the probability that a product will operate properly over a specified period of time under stated condition of use, durability means the amount of use the consumer gets from a product before it physically deteriorates or until a replacement is preferable, serviceability refers to the speed, competence and courtesy of repair, aesthetic refers to how a product appeals to the five senses, customer perceived quality indicates the customer’s perception of a product’s quality, based on the reputation of the corporation. The researchers utilized the definition of Garvin (1988) for this study.

The concept of corporate social performance evolved from the concept of corporate social responsibility and corporate social responsiveness, which responded to questions regarding organizations’ social responsibilities and how these should be enacted (Benjamin A. Nevile, Simon J. Bell and Bulent Mengic, 2006). According to Woods (1991) definition, corporate social performance is a business organization’s configuration of principles of social responsibility, processes of social responsiveness, policies, programs and observable outcomes as they relate to firms’ societal relationship. Whereas Zeller, Lapenu and Greeley, (2003) stated that the social

performance of an organization (whether a private-for-profit firm, cooperative or NGO) comprises the relations of the organization with its clients and with other stakeholder groups. Social performance is not equal to social impact, i.e. the change in welfare and quality of life (in all of its dimensions) among clients and non-clients (and the wider local, national and global community) due to the activities of an organization. The measurement of social performance involves investigating the structure of an organization (i.e. mission, ownership, management principles, relation to and care for its staff) and its conduct in the market and local and wider community such as services, products, market behavior, other relations with clients and other stakeholders, incl. community and social/political organizations (Zeller, Lapenu and Greeley, 2003). Furthermore based on Davis (1973) iron law of responsibility, the principle of corporate social performance incorporates the principle of legitimacy, whereby the society has the right to define an organization's legitimate functions such as the principle of public responsibility, where an organization must take responsibility of social problems that are related to their business operation (Preston and Post, 1975) and the principle of managerial discretion, which recognized that business decision are made by moral human actors (Carroll, 1979). For this study, the definition of Wood (1991) was used to define corporate social performance.

Reputation plays an especially vital strategic role in service markets because, the pre-purchase evaluation of service quality is necessarily vague and incomplete. It is apparent that bank reputation also plays an important role in the determining of purchasing and repurchasing and behaviors of customers (Yonggui Wang, Hing P; 2003). According to (Barich and Kotler, 1991; Andressen and Lindestad, 1998) customer loyalty is similarly enhanced especially in retail banking industry where quality cannot be evaluated accurately before purchase. It is also widely acknowledged that a positive reputation is a strategic factor that can be employed to earn above average profit (Weigelt and Camerer, 1988). Nguyen and Leblenc (2000) defined reputation as an effective means of predicting the outcome of the service production process and can perhaps be considered the most reliable indicator of the ability of a service firm to satisfy a customer's desires. Economists have analyzed issues of reputation in relation to product quality and price (Shapiro, 1983). Researchers in marketing have considered reputation under the rubric of brand equity or customer equity and have associated it with the credibility of the firm (Aaker, 1996; Rust et al, 2001). Gatewood et al, (1993) and Shapiro (1983) described reputation as a combination of tough competitor, providing a good place to work and having quality products. A good reputation among different stakeholders provides several benefits such as higher customer retention (Caminiti, 1992; Preece et al, 1995) thus increasing repurchases and higher product prices (Shapiro 1983) which both lead to higher income as well as lower costs via reduced personnel fluctuation (Caminiti, 1992; Dowling, 1986; Edson and Master, 2000; Preece et al, 1995; Nakra 2000). Finally reputation is a result of the past action of a firm, and can be viewed as a mirror of the firm's history of communicating to its target group information about the quality of its product in comparison with those of competitors, thus reflecting what stakeholders think and feel about the firm and indicating that the organization is highly esteemed, worthy and meritorious (Weigelt and Camerer, 1988; Hall, 1993; Fombrun and Shanley, 1990). The researcher used the definition of Nguyen and Leblenc (2001) to define bank reputation for this study.

Reputation plays an important strategic role in service markets because the pre-purchase evaluation of service quality is vague and unpredictable (Barney 1991; Hall 1993). So according to Yonggui Wang (2003) statement, it is apparent that quality of service and product not only benefits by lowering cost through reduced waste and decreased deficiencies in products and services, but also by increasing competitiveness through the establishment of a good reputation. Rao (1994) claimed that the reputation is a result of financial performance, production quality, service quality, management effectiveness- or some combination of these various factor that appeal in one way or another to a firm's multiple constituencies. So it is widely agreed in all manufacturing industries as well as all service industries that improvement in service quality will certainly contribute to apposite reputation. Finally the following hypothesis was proposed by Yonggui Wang and Hing P (2003) 'banks overall service quality has a positive impact on bank reputatio Product quality has been a priority of mangers if they are willing to build a strong reputation for their firm, Yonggui Wang and Hing P (2003).

This is because customer value products as well as services in the course of accumulating the judgment over time about quality- determines the effectiveness of the reputation building activities of a firm especially in service industries (Nguyen and Leblenc, 2001). So Julian and Ramaseshan (1994) stated that, delivering quality product and service to customer is essential for success and survival in today's competitive banking environment. The provision of products and services of high quality enhances reputation, improve customer retention, attract new customer through word of mouth, and increases financial performance and profitability. Finally the following hypothesis was proposed by Yonggui Wang and Hing P (2003) "banks overall product quality has a positive impact on bank reputation"

Reputation has recently received increased attention by scholars as an important theoretical construct for the study of corporate social performance . This has resulted from the recognition that stake holder's resource allocation decisions are based on an overall evaluation of organizations behavior thus corporate social performance. Zeller, Lapenu and Greeley, (2003) stated that the social performance of an organization (whether a private-or-profit firm, cooperative or NGO) comprises the relations of the organization with its clients and with other stakeholder groups. On the other hand reputation is stakeholder's assessment of the credibility of the organizations projection. Reputation therefore comprises a holistic evaluation of organizations image, framed by stock holder's personal value regarding corporate social performance. More specifically, corporate reputation comprises a global perception or net assessment of the organizations social behavior based on stakeholder's instrumental or normative expectation (Benjamin A. Neville, Simon J.Bell, bulent Menguc, 2005). Moreover stakeholder evaluates organizations motivation, processes, outcomes and reputation holistically and relative to their particular expectation about social performance. So finally (Benjamin A. Neville, Simon J.Bell, bulent Menguc, 2005) propose that "corporate reputation will be directly and significantly related to corporate social performance". They also added that the positive relationship between corporate social performance and corporate reputation will strengthen as the fit between social initiatives and corporate strategy increases.

The results of the review revealed that the studies were conducted in different contexts & the present study was conducted more fully on Bangladesh context the results of which would be different from the earlier contexts where lies the justification of the study.

Operational Definitions

Summaries of the operational definitions of the measured variables that have been used are listed below in Table 1.

Table 1: Operational Definitions of Measured Variables

Measured Variable	Operational Definitions
Banks overall service quality	Will be operationally defined by (Gonoroos, 1984)
Banks overall product quality	Will be operationally defined by Garvin (1988).
Corporate social performance	Will be operationally defined by Wood (1991)
Bank reputation	Will be operationally defined by Nguyen and Leblenc (2001)

Hypothesis

The hypotheses derived from the research questions are:

1. There is a significant relationship between overall service quality of a bank and bank reputation in the context of banking industry of Bangladesh.
2. There is a significant relationship between overall product quality and bank reputation in the context of banking industry of Bangladesh.
3. There is a significant relationship between corporate social performance and bank reputation in the context of banking industry of Bangladesh.

Methodology

Research Design

This study was designed to identify the research questions and to test the hypotheses by conducting a co-relational research. In this study the researchers have investigated the relationship between overall service quality, overall product quality, corporate social performance and bank reputation within the context of banking industry in Bangladesh. According to Cooper & Schindler (2003), the research that study the relationship between two or more variables is referred to as a co-relational study. That is why co relational research design has been adopted in order to detect the appropriate answers of research question and to test the hypotheses. The purpose of this study is to investigate the causal relationship among the measured variables. Here banks overall service quality, overall product quality and corporate social performance were considered as independent variables and bank reputation was considered as dependent variable.. A co relational study provides a measure of the degree between two or more variables. Therefore, the present study was characterized as a co relational study

Sampling Method

The sample of this research was formed by the clients who had taken service from 10 renowned private commercial banks in Dhaka city during the data collection period. The researchers used simple random sampling method to determine sample size from the population. The sampling frame was client's database of each bank, and from this data base the researchers collected the name of clients and during the survey period who had undertaken transaction, data were collected from them. The list was considered as the appropriate source to use for this study. It covers all clients of the bank who deposited and withdrew cash on a regular basis in a particular time. The sample size was 80 in this case, and due to time limitations researchers only used the said sample size on convenient considerations.

Data Collection and Analysis

The questionnaires were distributed among the clients through the researchers. There are several reasons behind the selection of this method. First, it allows large amounts of information to be obtained at a relatively low cost. Second, more accurate responses are obtained because interviewer bias is avoided. Finally, the number of non-usable questionnaires was reduced since the personal contacts tend to make respondents more cooperative in completing the questionnaires.

Pearson's Correlation analysis was used to find out whether any relationship exists between the independent and dependent variables. After collecting data, correlation matrix for the variables was prepared and the researchers used enter and stepwise regression to test the strength of associations between the study variables. The Statistical Package for Social Science (SPSS) version 11 was employed to analyze the collected data from the survey.

Limitations of the study

There are many limitations of this study which are given as below:

Firstly, the respondents are limited in terms of size and composition. Since, the researchers have conducted the survey and the clients have filled in the questionnaire, there were a lot of chances that all the respondents are reluctant to fill up the questionnaire.

Secondly, data collection is restricted within Dhaka city only, which may fail to represent the actual scenario of the relationship between measured variables. The result could be different if people from outside Dhaka city were brought under consideration.

Thirdly, the researchers have considered the clients of only one branch of each bank and did not include the other clients of other branches.

Results and Discussions

The results of analysis of data through quantitative method have been presented below:

Table 2 Reliability Coefficients and Descriptive Statistics

Variables	Number of Items	Alpha Values	Mean	Std.Deviation
Overall service quality	9	0.9261	5.2167	1.32438
Overall product quality	9	0.9315	4.5028	1.41432
Corporate so-performance	9	0.5509	6.1375	0.81024
Bank Reputation	2	0.8049	4.6500	1.56989

n= 80

Above table depicts the calculated value of alpha, mean and standard deviation of the studied variables. The questions in the questionnaire to approach the variables were obtained from various articles. The alpha values, means and standard deviations have been calculated by SPSS11 through input of research data. The survey was done with a questionnaire having a 7 point likert scale as the response format. The alpha values represent the reliability of each studied variable. The value of alpha ranges from 0 to 1. The nearer the value of alpha to 1, the better the reliability. If the value is low, either there are too few items or there is very little commonality among the items (Churchill, 1979). At the early stages of research, Nunnally (1978) suggested that the reliability of 0.50-0.60 is sufficient, although a coefficient of 0.7 or above is desirable (Hair et al., 1998). The total alpha of the study is 0.9553. Table 2 lists alphas for all variables for private commercial bank in Bangladesh. The means have been calculated by taking the average of all the answers of the questions in each variable. The calculated mean for banks overall service quality is 5.2167 with a standard deviation of 1.32438. This shows that on an average people think fairly positively about overall service quality as the value is above 4 which is a point that shows the indifference of people's opinions. The mean for overall product quality is 4.5028 and has a standard deviation of 1.41432. So it can be interpreted that respondents generally have slightly positive perceptions about banks overall product quality. Corporate social performance has a mean of 6.1375 and a standard deviation of 0.81024. This shows that people have a positive perception on corporate social performance. The mean value for bank reputation is 4.6500 with a standard deviation of 1.56989. This gives the idea that the general people have an above average perception regarding bank reputation. The standard deviation shows how much people's opinion differs from the mean value for each other's perception.

Table 3 Correlation Analysis

Service quality	Product quality	Social performance	Bank reputation
O.All service quality	0.832**	0.500**	0.809**
O.All product quality	-	0.335**	0.742**
Corporate So-Performance		-	0.362**
Bank reputation			-

** . Correlation is significant at the 0.01 level (2 tailed)

A correlation analysis was conducted on all variables to explore the relationship between two variables particularly relationships among the independent variables with dependent variable. The bivariate correlation procedure was subject to a two tailed of statistical significance at two different levels, highly significant ($p < .01$) and significant ($p < .05$).

In interpreting the strength of relationships between variables, the guidelines suggested by

Rwontree (1981) were followed. His classification of the correlation coefficient (r) is as follows:

0.0 to 0.2	Very weak, negligible
0.2 to 0.4	Weak, low
0.4 to 0.7	Moderate
0.7 to 0.9	Strong, High, Marked
0.9 to 1.0	Very strong, very high

The results of correlation analysis for all the variables were shown in Table 3

The variable, overall service quality significantly and strongly positively correlated with the dependent variable bank reputation ($r = .809$, $p < .01$). Overall product quality is found fairly and positively correlated with bank reputation ($r = .742$, $p < .01$). The variable, corporate social performance is weakly and positively correlated with bank reputation ($r = 0.362$, $p < .01$). Banks overall service quality is also significantly and positively correlated with banks overall product quality ($r = 0.832$, $p < .01$). But overall service quality is very moderately correlated with corporate social performance ($r = 0.500$, $p < .01$), and overall product quality is very weakly correlated with corporate social performance ($r = 0.335$, $p < .01$).

Table: 3 Linear Regression (enter method)

Variables	R	R ²	Adjusted R ²	Std. error of the estimate
Overall service quality	0.820	0.673	0.660	0.91524
Overall product quality				
Corporate Social performance				

In table 3 linear regression show how much independent variable is influencing dependent variable. From the R² it is very apparent that overall service quality, overall product quality, and corporate social performance had 67.3% influence on bank reputation. In the above table R square (R²) or adjusted R square (R² adj) show how well the linear combination of IVs in the regression analysis predicts the percentage of total variance of DVs, whereas the a change in R² is the difference between an R² for one set of predictors and an R² for a subset of these predictors.

Table: 4 Stepwise Regression of Bank Reputation

Dependent variable bank reputation				
Independent Variables	B	SEB	β	R ²
Overall Service Quality	0.960	0.079	0.809**	0.655

Further, stepwise regression was shown in order to find out which one of the three components influence the clients to consider as a key antecedent of bank reputation. Table 4 shows the result of the analysis. At this stage, the overall service quality ($p < .01$) is found to be significantly related with bank reputation, while the rest two (Overall product quality, and Corporate social performance) fail to be considered. It implies that the banks clients still consider service quality as a main driver of bank reputation. Overall product quality and corporate social performance, these two variables has been excluded from the regression equation because they don't have significant association and hence it would not fit into it. From the R² it is apparent that, overall service quality explains 65.5% of the variance of the bank reputation. Regression coefficient (B) reflects the relative impact of IVs on DV. Hair et al. (1998) cautioned that beta coefficients should be used only as a guide to the relative importance of the independent variables included in the equation, and only over the range of values for which simple data actually exist. The beta (β) value indicates the effect of IVs on DV to the effect on DV of other IVs at each stage, because this value reduces regression coefficient to a comparable unit, the number of standard deviations

(Tabachnick & Fidell, 2001). Standard Error of the Beta (SEB) coefficient is the standard error of the estimate of beta (B). In case of SEB, a small standard error implies a more reliable prediction.

Assessment of research hypotheses

Hypothesis 1

There is a significant relationship between banks overall service quality and bank reputation in the context of banking industry of Bangladesh.

The result of correlation analysis depicts that banks overall service quality is positively and significantly correlated with bank reputation ($r = 0.809$, $p < .01$). It is obvious that a positive correlation exist between service quality and reputation because if people get best service from the bank he will recommend that bank to others thus reputation enhances. Thus, the result of correlation analysis provided support for hypothesis 1.

Moreover, the result of stepwise regression also depicts that in overall service quality of a bank ($p < .01$), is found to be statistically significantly related with bank reputation. Significantly and positively related predictor variable, service quality explained 65.5% of the bank reputation. Hence, the result of stepwise regression support for hypothesis 1.

Hypothesis 2

There is a significant relationship between overall product quality and bank reputation in the context of banking industry of Bangladesh.

The result of correlation analysis depicts that banks overall product quality is positively and strongly correlated with bank reputation ($r = 0.742$, $p < .01$). Thus, the result of correlation analysis provided support for hypothesis 2.

However, the result of stepwise regression describe that overall product quality of a bank within the context of Bangladesh failed to enter into the regression equation which indicates that it is not significantly associated with bank reputation. Therefore, the result of stepwise regression analysis provided no support for hypothesis 2. As far as theory and previous empirical studies are concerned; it should support the hypothesis but may be the in attentive and whimsical responses of the respondents created the unsupportive nature of the result of regression analysis.

Hypothesis 3

There is a significant relationship between corporate social performance and bank reputation in the context of banking industry of Bangladesh.

The result of correlation analysis depicts that corporate social performance is positively and weakly correlated with bank reputation ($r = 0.362$, $p < .01$). Because social performance indicates social responsibility and firms contribution to social welfare that makes a good perception among clients. Thus, the result of correlation analysis provided support for hypothesis 3.

However, the result of stepwise regression describe that corporate social performance of a bank within the context of Bangladesh failed to enter into the regression equation which indicates that it is not significantly associated with bank reputation. Therefore, the result of stepwise regression analysis provided no support for hypothesis 3. As far as theory and previous empirical studies are

concerned; it should support the hypothesis but may be the inattentive and whimsical responses of the respondents created the unsupportive nature of the result of regression analysis.

Significance of the Study

Business organization's success is recognized as the dominant factor for the loyalty of the customer/client towards the brand or organization. It is commonly known that customer satisfaction is related to customer loyalty, which in turn related to profitability (Hesket et al, 1994; Storbacka et al, 1994). On the other hand good reputation derives from the factor of clients overall satisfaction, and these two variables can achieve profitability.

The study would make the following significant contribution in the context of banking industry in Bangladesh.

First, this study will help the researchers to extend their understanding of the correlation between banks overall service quality, overall product quality, corporate social performance, and bank reputation. The results of this study will expose the importance and impact of their relationship in the banking sector of Bangladesh.

Second, the present study will help the banks manager to better understand of how to hold loyal clients by satisfying their overall needs, and hold the clients trust upon the bank which thus results hefty profit, and enhances reputation as well.

Third, no such study was conducted earlier to address this concern in the context of commercial bank in Bangladesh. The study results developed a methodology which can be imitated by other study also.

Finally, as the researchers considered only bank, there is always scope for further study in other service organizations in Bangladesh like hospitals, hotels, telecommunication companies, etc.

Recommendations

After analyzing the study variables in the context of the banking industry of Bangladesh, the following issues were found to be recommended for the study:

Firstly, the result of stepwise regression, it was revealed that only overall service quality is significantly related to bank reputation thus it seems very important drivers for bank reputation for the clients. So overall service quality should be taken especial care for the benefit of the bank.

Secondly, although different kind of banking products and schemes have been introduced by foreign banks in Bangladesh, still most people are not aware of their activities in different areas. So management of such banks should take effective measure so that they can bring their product to peoples mind and make them understand about their products attributes. Beside that management should ensure that all of their branches are operating in similar fashion and providing similar product choices (such as savings, cards, and personal loans) so that clients of

any location have similar perception about bank. Furthermore, managers of such banks should improve quality of their product overtime with the changing environment.

Thirdly, the survey result of this study indicates that the main reason for customer to switch over to a new bank is that new bank provides a greater variety of bank products. Therefore, if managers were to become convinced that product quality plays an important role in the process of positive reputation building, they could identify the key antecedents and take measure to improve it.

Fourthly, each and every bank should contribute in nonprofit social welfare activities which could build a positive image on peoples mind and thus the reputation of bank increased to an acceptable level. Corporate social performance represents their belief, values, behavior, culture, etc and can also be considered as promotional activity.

Finally it is very important for any retail bank in Bangladesh to take effective measures to improve service quality, product quality, and corporate social performance if they are to build and enhance their reputation and thus attract a large share of profitable customers and maintain a sustainable competitive advantage in the long run.

Conclusion

The Private Commercial Banks in Bangladesh have a key role to play for the growth of the economy through their reputed services to the clients. Because, the customers value the quality of banks with respect to their services, products and corporate social performance. The present study has proved that for the cause of reputation, private commercial banks should deliver promised quality services to customers through their diversified products and social commitments.

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Appendix - 1

Questionnaire for Banks clients

The following questions are related to your opinion regarding the overall service quality of Bank

1= Strongly Disagree, 2= Somewhat Disagree, 3= Disagree, 4= Uncertain, 5= Agree, 6= Somewhat Agree and 7= Strongly Agree.

- | | | | | | | | | |
|---|--|---|---|---|---|---|---|---|
| 1 | The complementary equipment automatic transactions inquiries and product bulletin are adequate | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2 | When customers have a problem, the service provider shows a sincere interest in solving it. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | The service provider delivers its services at the times it promises to do so. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4 | The employees give me a prompt service. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5 | The employees are always willing to help me. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6 | Customers feel safe in transactions with the service provider. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7 | The employees are consistently courteous with customers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | The service provider has operating hours and locations convenient to all its customers. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9 | Service of a very high quality. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The following questions are related to your views on the overall product quality of Bank.

- | | | | | | | | | |
|----|---|---|---|---|---|---|---|---|
| 10 | It is convenient and easy to get or use the bank's product mix in terms of difference kinds of savings. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11 | It is convenient and easy to get or use the bank's product mix in terms of all kinds of banking cards. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 12 | It is convenient and easy to get or use the personal finance product mix including private loans. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 13 | Product variety and features for different kinds of saving adequate. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 14 | Product variety and features for different kinds of banking cards product are adequate. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 15 | Product variety and features for personal finance products including private loans are adequate. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 16 | Product quality is adequate in terms of variety and features. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 17 | Product quality is adequate in terms of product inconvenience. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 18 | Overall product quality is adequate based on experiences. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The following questions are related to your opinion regarding corporate social performance of Bank. (For employee use only)

- | | | | | | | | | |
|----|--|---|---|---|---|---|---|---|
| 19 | Bank conducted Socio-economic studies to as the situation of their clients. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 20 | Bank ever changed its products and services due to negative impact of social cohesion or welfare of its clients. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 21 | Bank provides some kind of insurance that frees the family from the burden of death in case of the death of borrower | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 22 | Bank proposes specific measures (such as rescheduling of the loan) in case of natural disaster. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 23 | Banks actions are compatible with the local culture and values. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The following questions are related to your perception about Bank reputation

- | | | | | | | | | |
|----|---|---|---|---|---|---|---|---|
| 24 | Bank's reputation is adequate based on the overall experiences. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 25 | Bank's reputation after comparing with that of other competitors is adequate. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Please tick (✓) the appropriate answers

Gender: Male Female

Age Group: 15 – 20 20 – 25 25 – 30 30 - 35 35 - 40 40 - 45 above 45