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## RESEARCH ARTICLE

### Comparative Study of the Quality Services of Banks (Bank Alfalah, Bank of Punjab, MCB Bank)

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#### Abstract

In this research it is concentrated on the assessment of the quality services of the banks which they are providing to their customers. Three banks of Pakistan Bank Alfalah, Bank of Punjab and MCB Bank are compared on the basis of quality service which they are providing to their customers. The data is collected from the relevant customers of banks with the help of questionnaires. Sample size is forty five from all banks. To investigate the customer satisfaction Kano model is applied and quality service is measured that how the banks perceive their customers' demands and proving the quality service.

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## INTRODUCTION

Bank Alfalah Limited is a private limited bank of Pakistan that is owned by the Abu Dhabi Group. In Pakistan, Bank Alfalah commences its functions in the year 1997. Initially it was operational as a public limited company under the companies Ordinance 1948. In November 1997, it started working as a Commercial bank with the name as Bank Alfalah. Bank Alfalah has a partnership with the Abu Dhabi Group that allows the bank to invest advanced and effective technology in order to widen the range of its services and products.

Bank Alfalah Limited is a Pakistan based bank, engaged in banking and financial services. The bank through its subsidiaries provides retail, commercial banking and corporate finance products and services in the Asia Pacific, Pakistan and the Middle East. It provides services such as lending loans and accepting deposits, finance leasing, credit cards and money transfer.

MCB Bank is Pakistan's fourth largest bank by assets having an asset base of US\$6.7 billion, and the largest by market capitalization having a market capitalization of US\$4.1 billion. The Bank has a customer base of approximately 4 million and a nationwide distribution network of more than 1050 branches, including more than 15 Islamic banking branches, and over 350 ATMs, in a market with a population of 170 million.

The Bank of Punjab is working as a scheduled commercial bank, which contains more than 275 branches at all major cities in the country. The Bank provides all types of banking services such as Deposit in PKR Currency,

Deposit in Foreign Currency, Remittances, and credit to Business, Trade Business, Agriculture and Industry. This bank is also providing a different service which includes Consumer banking that includes Auto Loans, Credit cards, home loans, consumer durables, RTCs and etc. Electronic banking which includes telephone banking, online banking, ATMs etc. Corporate banking, which includes the facilities and services such as Short/Long term finance, trade finance, structured finance etc. Treasury & Investment that includes services such as money market, forex market, investment, government securities, correspondent banking etc.

Studies by Parasuraman et. al (1985) and Zenithal et. al (1990), noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers. Accordingly, Newman and Cowling (1996) believes that excellent service quality is vital to business.

Kano Model of customer satisfaction is a very useful tool to help to understand and classify user requirements for designing service quality.

The basic philosophy of Kano model is that the perceived quality of a product or a service is made up of a lot of factors (or requirements). And not all requirements are the same. Some are more important, some that are indifferent after a point etc. Kano model helps to analyze the requirements and maximize the customer experience and perceived quality thereby increasing customer satisfaction.

In our research we find that the MCB bank customers are more satisfied and excited because it is concerned about its customers demand. Bank Alfalah has just satisfied customers and in Bank of Punjab there are 55% dissatisfied customers which is very high rate as compared to MCB bank and bank of Punjab.

## Literature review

As service quality takes on ever greater importance as a point of competitive differentiation for banks, the question arises as to where to budget for it and most banks recognize that customers are major source of banks feedback and success. Some banks see service quality as a marketing tool and make it part of their marketing budget, accordingly. Others see service quality as a separate issue with its own unique set of requirements and budget for it separately. This month's Viewpoint asked a sampling of industry executives, who have responsibility for their banks' service quality programs, for their views on the subject of budgeting for service quality.

In a similar research service quality of Indian commercial banks increases customer satisfaction that fosters customer loyalty. Data were collected from 350 valued customers of scheduled commercial bank branches in Orissa (India). A questionnaire elicited information on socio-demographic variables along with human, technical, and tangible aspects of service quality, customer satisfaction, and loyalty. Results suggest that better human, technical and tangible aspects of service quality of the bank branches increase customer satisfaction. Human aspects of service quality were found to influence customer satisfaction more than the technical and tangible aspects. Customer satisfaction furthers customer loyalty. Increase in service quality of the banks can satisfy and retain customers. In the Indian banking sector, human aspects are more important than technical and tangible aspects of service quality that influence customer satisfaction and promote and enhance customer loyalty (Pratap K.J. Mohapatra). Thus, the key to managing perceived service quality is to minimize this gap. Zenithal (1988) defined perceived service quality as the customers' assessment of the overall excellence of the service. Bolton and Drew (1991) described service quality as a form of attitude that results from the comparison of expectations with performance. Berry et. al (1990) pointed out that since customers are the "sole judge of service quality", an organization can build strong reputation for quality service when it can constantly meet customer service expectations.

## Purpose of Research

In this research it is investigated that the key performance indicators of Bank Al-falah, MCB Bank and Bank of Punjab are directly affecting the quality service of bank. It is also investigated that quality service of banks is directly related to customer's satisfaction.

## Research Objectives

The basic object is to determine the key quality services of banks through their key performance indicators.

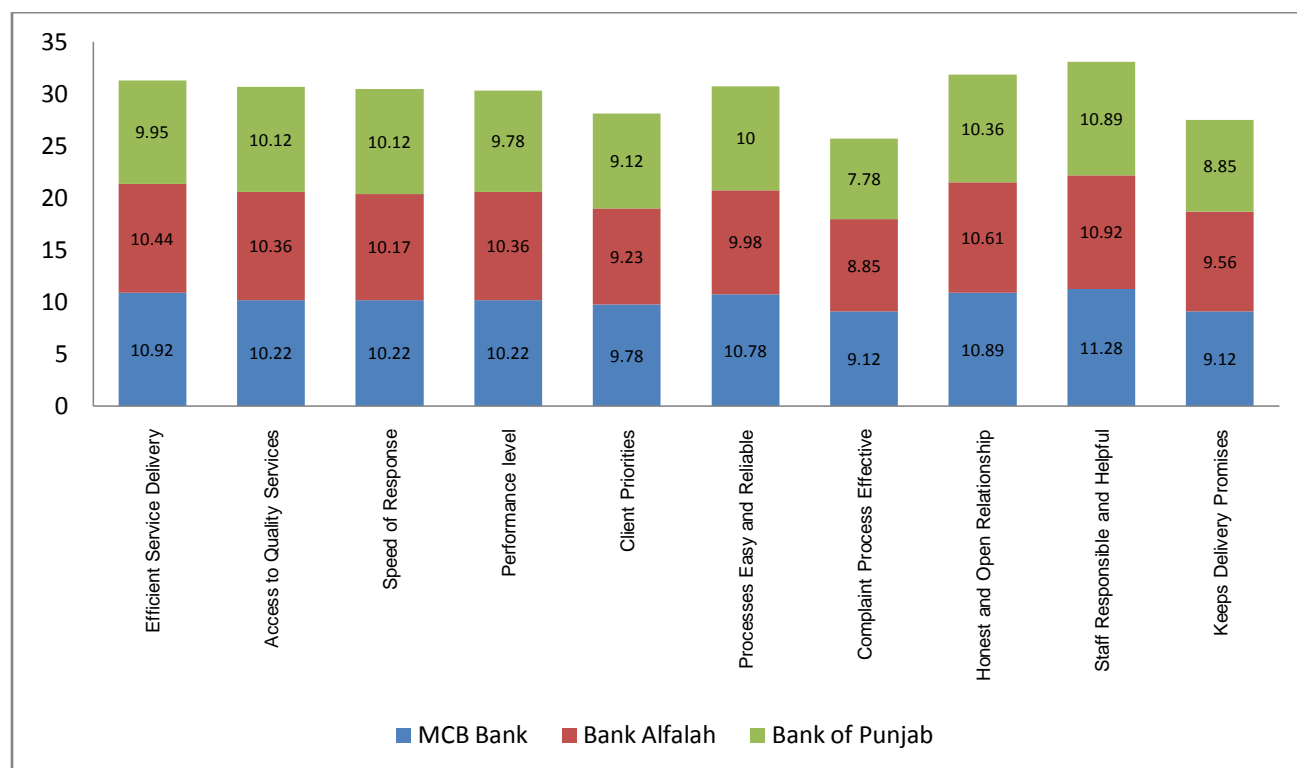
## Research Methods

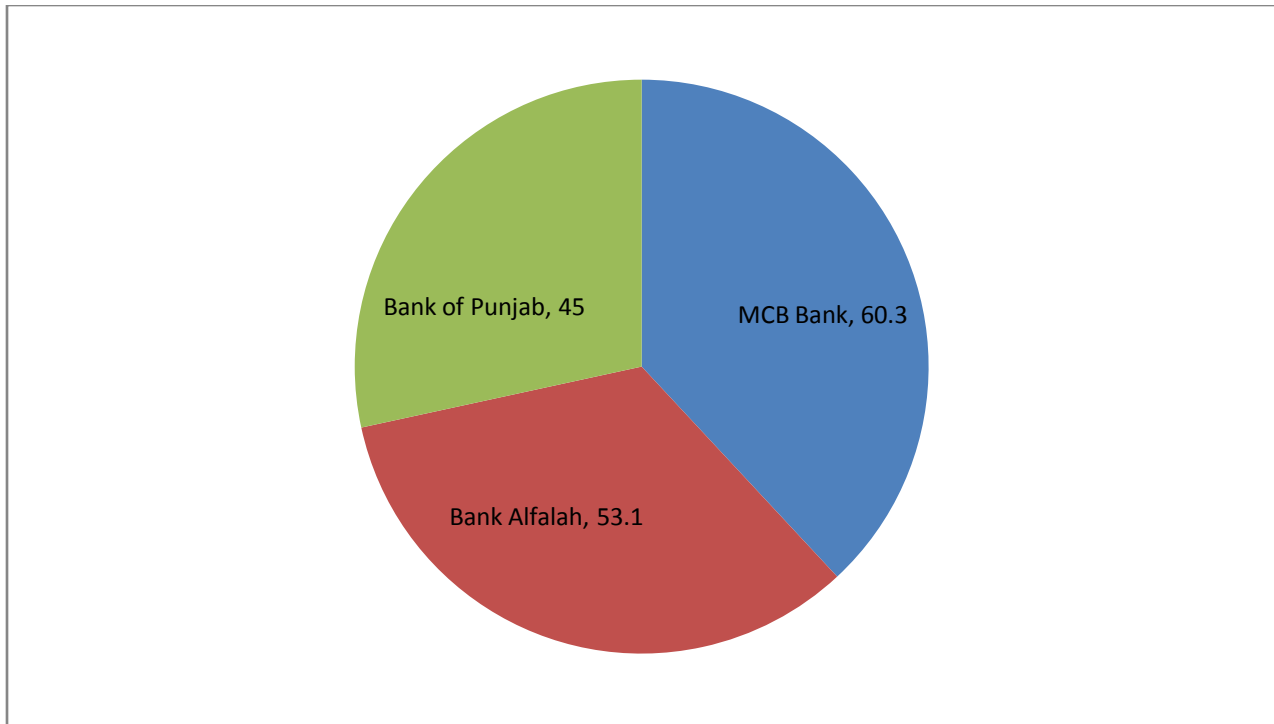
In this research questionnaire are filled out from, interviews structured and unstructured. Sample size is 45 from all banks. Structured and unstructured interviews are conducted from banks regular customers.

## Research Scope

In this research we will investigate the key performance indicators of Bank Al-falah, MCB Bank and Bank of Punjab by comparing the quality services of banks.

## Results





### Findings and analysis

The result of the research shows that MCB Bank quality service is according to its customers demand which is 60.3% and bank Alfalah's 53.1% and bank of Punjab's 45% that show the customer satisfaction. MCB Bank has a clearly defined customer service policy as compared to Alfalah bank and bank of Punjab.

These two banks have to make some changes in their systems and operations according to customers demand and it should be more defined and organized. IT draw backs should be improved also.

### Discussions

The discussion of our research is to improve the Quality service of banks and give suggestions to banks to enhance their services

### Conclusion

The major insight gained from the study suggests that adoption of service quality by banks and the information included in this paper to identify those areas where improvement could be made and resources could be allocated. One of the most important is by knowing the level of service quality in their banks; managers can use such information to make bank wide improvement in quality service. It can also be used as a benchmark to compare the performances of other banks that adopt quality program.

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