

## A Relational Study on Banks' Overall Service Quality, Product Quality, Corporate Social Performance and Bank Reputation in the Context of Private Commercial Banks in Bangladesh

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**Abstract** *This research plans 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 are considered as the independent variables and bank reputation is considered as dependent variable. The survey administered 80 questionnaires given to clients and employees of ten private commercial banks of Bangladesh. The SPSS version 11 software was employed in this study for data analysis. Correlation analysis and stepwise regression were performed to assess the hypothesis. The correlation analysis produced precise support to prove almost all the hypotheses but the stepwise regression provided partial support to the hypothesis. After successfully analyzing the gathered information, it was found that all the measured independent variables (i.e., overall service quality, overall product quality, and corporate social performance) were statistically and significantly correlated with bank reputation.*

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

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### **Introduction**

Bank is a institution that is contributes to economic development as well as plays a vital role of financial intermediary of a country. Bank is treated as an important service industry in modern world. But due to globalization and free market economy, this industry is facing severe competition in Bangladesh, and implementation of the clauses of WTO has further increased this competition. Banking sector in Bangladesh can be divided mainly into four categories viz., Nationalized Commercial Banks, Local Private Commercial Banks, Specialized Financial Institutions and Foreign Banks. At present there are 49 scheduled banks operating in Bangladesh.

Of these 4 are nationalized commercial banks, 5 are specialized banks, 30 are local private commercial banks, and 10 are foreign banks. However, despite many fundamental banking reformations, domestic banks are lagging behind foreign commercial banks of capitalization, overseas network, modern management expertise, experience, technological advancement, etc. That result in the domestic banks, relative weakness in service quality and product quality as compound to foreign banks. So there is inevitable competition among domestic and foreign banks because foreign banks are capable of meeting the growing demand for innovative products and services of high quality by customers, who are becoming increasingly knowledgeable about bank services and products. As a result domestic banks are now very strictly focusing on improved service quality and innovative products in order to enhance their reputation and increase profits. As Julian and Ram ashen, 1994 said, 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 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 reputation and thus attract a large share of valued and reliable customers, and maintain a sustainable competitive advantage in the long run (Wan et.al., 2003).

### **Statement of the Problem**

The present research intends to investigate the effect of overall service quality, overall product quality and corporate social performance on bank reputation in the context of private commercial banks of Bangladesh. Previous research (Wang,

et.al., 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 a relationship among overall service quality, overall product quality, and bank reputation. In the current study, the researcher utilizes the study of Wang, 2003 with an added variable, corporation's social performance, to investigate such relationship. In the context of commercial banks of Bangladesh no such studies were previously carried on this topic.

### **Purpose of the Study**

The purpose of this study is to present and test the model, which identifies the relationship among bank's overall service quality, overall product quality, corporate social performance and bank reputation within the context of the banking industry Bangladesh.

### **Review of Related Literature**

#### **Overall service quality**

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., 1996), 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 by the work by Parasuraman, Zeithaml and Berry, (1985).

An Important reason for the interest in service quality by practitioners results from the belief that it has a beneficial effect on bottom line performance for the firm. Definition of service quality revolved round 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. Wang et. Al., 2003 measured service quality by customer perception only through the SERVPERF model (Cronin and Taylor, 1992). These authors in 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 is used in this study to define overall service quality.

### **Overall product quality**

Researcher found several different conceptualizations of product quality. According to Wang, et. al. (2003), in marketing and economics literature quality has been viewed in terms of products attribute. In contrast, in the field of operations management, quality 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). From service point of view Parasuraman et al (1988) defined product quality as an overall assessment. Garvin (1988) defined product quality in a very comprehensive manner. According to Garvin, 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 refer 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. This researcher utilizes the definition of Garvin (1988) for this study.

**Corporate social performance**

The concept of corporate social performance evolved from the concept of corporate social responsibility and corporate social responsiveness, which responded to questions regarding organization's social responsibilities and how these should be enacted. According to Wood's (1991) definition, corporate social performance is a business organizations configuration of principles of social responsibility, processes of social responsiveness, policies, programs and observable outcomes as they relate to firm's societal relationship. 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, including community and social/political organizations.

Furthermore, based on Davi's (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) will be used to define corporate social performance.

**Bank reputation**

Reputation plays an especially vital 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 behaviors of customers (Wang, et.al., 2003). According to Barich and Kotler, 1991 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 Camerar, 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 (Preece et. al., 1995) thus increasing repurchases and higher product prices (Shapiro 1983) both which lead to higher income as well as lower costs via reduced personnel fluctuation (Dowling, 1986; Eidson 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). This researcher uses the definition of Nguyen and Leblenc (2001) to define bank reputation for this study.

### **Relationship between bank's overall service quality and reputation**

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 et.al., Wang (2003), it is apparent that quality of service and product not only benefit 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) claims that the reputation is a result of financial performance, production quality, service quality, management effectiveness or some combination of these factors that appeal in one way or another to a firm's multiple constituencies. So it is widely agreed in all manufacturing as well as service industries that improvement in service quality will certainly contribute to a positive reputation. Finally the following hypothesis was proposed by wang et. al. (2003) 'banks overall service quality has a positive impact on bank reputation.

**Relationship between bank's overall product quality and reputation**

Product quality has become a priority of managers if they are willing to build a strong reputation for their firm (Wang et. al., 2003). This is because customers value products as well as services in the course of accumulating the judgment over time about quality, which 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 Wang et. al., (2003) "bank's overall product quality has a positive impact on bank reputation".

**Relationship between corporate social performance and bank reputation**

Reputation has recently received increased attention by scholars as an important theoretical construct for the study of corporate social performance (Business and Society, Vol.41, No.4, December 2002, special issue). This has resulted from the recognition that stakeholder's resource allocation decisions are based on an overall evaluation of organization's corporate social performance. 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. On the other hand, reputation is stakeholder's assessment of the credibility of the organization's projection. Reputation therefore comprises a holistic evaluation of organizations image, framed by stakeholder'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.

**Operational Definitions**

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

**Table 1: Operational Definitions of Measured Variables**

Measured Variable	Operational Definitions
Bank's overall service quality	defined by Gonoroos (1984)
Product quality	defined by Garvin (1988)
Corporate social performance	defined by Woods (1991)
Bank reputation	defined by Nguyen and Leblenc (2001)

### Research Questions

This study investigates 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?

### 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.

### Development of Conceptual Framework

The researchers have developed a conceptual frame work for this research using variables, such as banks overall service quality, banks overall product quality, corporate social performance and bank reputation. According to Ticehurst and Veal (2000), a conceptual framework indicates how the researcher views the concept involved in a study, especially the relationship between concepts.

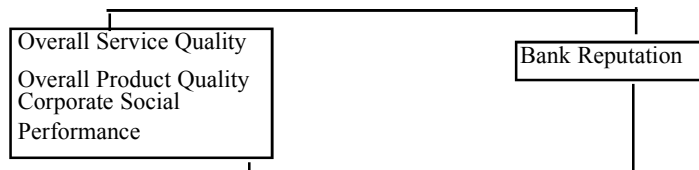


Figure1. Conceptual Framework of Research Variables and their Relationships



## **Methodology**

### **Research Design**

This study has been designed to test its hypotheses by conducting a co-relational research. The conceptual framework of the proposed model depicts the pattern and structure of the relationships among the set of measured variables. The framework illustrates the name of research variables and their relationships. (Figure 1) In this study the researchers have investigated the relationship between overall service quality, overall product quality, corporate social performance and bank reputation in the context of banking industry in Bangladesh. According to Cooper & Schindler (2003), the research that studies the relationship between two or more variables is referred to as a co-relational study. That is why a co relational research design has been adopted in this study in order to detect the appropriate answers of research question and to test the hypothesis.

The purpose of this study is these to investigate the causal relationship among the measured variables. Here bank's overall service quality, overall product quality and corporate social performance are considered as independent variable and bank reputation is considered as dependent variable. In this research, the researchers intended to identify whether any relationship exists between these measured variables or not. So the research attempts to find out if any changes in the independent variable have any effect on the dependant variable as well, thereby proving that a relationship exists

### **Research Approach**

For purpose of the study, the researchers have gathered information from the clients who maintain regular transaction in their deposit account & those who are taking regular service for inland remittance and foreign exchange. A structured questionnaire was used for the study. The rationale behind administering questionnaire to collect data is :

1. It takes relatively less time to fill up a questionnaire
2. Personal interview is both time consuming & costly
3. The data gathered by questionnaire is easy to put in a quantitative analysis

### **Sampling Method**

The sample of this study was chosen from 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 the

sample size from the population. Malhotra (2003) categorized simple random sampling as a probability sampling. The sampling frame was the client database of each bank. From this database the researchers collected the name of clients, and from them information was received during the survey period. The list covers all clients of the bank who deposit and withdraw cash on a regular basis. The sample size was 80. In the previous researches conducted on similar topic the sample size was 100 to 200 (Wang, et.al., 2003). But due to time limitation the present researchers only used a sample size of 80.

### **Survey Instrument**

A structured questionnaire was used in this study to collect data from the respondents. The questionnaire is divided into four sections. First section consists of Bank's overall service quality, second section consists of bank's overall product quality, third section consists of bank's corporate social performance and last section consists of bank's reputation.

The first 9 questions have been set to measure the respondents' opinions regarding bank's overall service quality. This scale was taken from Wang et. al., (2003) and has a reliability of 0.89. Questions (10 – 18) measure the bank's overall product quality regarding product convenience and product availability. These have been used by Wang et. al., (2003) and have a reliability of 0.80. The next 2 questions (19 – 20) are expected to measure bank reputation. This has been taken from Wang et. al., (2003) and has a reliability of 0.81. The last 4 questions measure corporate social performance. The scale was developed and used by Quester and Lim (2003) with a reliability of 0.55. For all of these variables, the previous researchers had used 7 point Likert scale starting from 1 for "strongly disagree" to 7 for "strongly agree". Therefore, the researchers have used 7 point Likert scale to measure all these variables.(Please see the Questionnaire in Appendix)

### **Pilot Test Questionnaire**

A pilot test was conducted to detect weakness in designing instruments and to provide proxy data for selection of probability sampling (Cooper and Schindler, 2003). According to Malhotra (2003), pre-testing refers to the testing of the questionnaire on a small sample of respondents in order to identify and eliminate potential problem. The researchers also conducted a pre-test to evaluate the questionnaire for clarity and relevance.

### Data Analysis Procedure

Pearson's Correlation analysis was used to find out whether any relationship exists between the independent and dependent variables. After collecting the data, correlation matrix for the variables was prepared and the researchers used 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 data collected from the survey.

### Results of the study

The results of quantitative analysis of data are presented in table 2

**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 social performance	9	0.5509	6.1375	0.81024
Bank Reputation	2	0.8049	4.6500	1.56989

n= 80

Table 2 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 SPSS 11 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 banks 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 bank's 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 bank's 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 on an above average perception regarding bank reputation. The standard deviation shows how much people's opinion differs from the mean value for each other perception

**Table 3: Correlation Analysis**

Service quality	Product quality	Social performance	Bank reputation Overall
service quality	-	0.832**	0.500**
Overall product quality		0.335**	0.742**
Corporate Social 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 2 the independent variables with and dependent variable. The bivariate correlation procedure was subject to a two tailed statistical significance at two different levels, highly significant ( $p < .01$ ) and significant ( $p < .05$ ).

The strength of 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 are shown in Table 3. It examines the correlations among bank's overall service quality, overall product quality, corporate social performance, and bank reputation in the context of private commercial banks in Bangladesh. The variable, overall service quality, is 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 bank's 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 4: Linear Regression (enter method)**

Independent Variables	R	$R^2$ $R^2$	Adjusted estimate	Std. error of the
Overall service quality	0.820	0.673	0.660	0.91524
Overall product quality				
Corporate So-performance				

In table 4 linear regression shows how much independent variable is influencing dependent variable. From the  $R^2$  it is very apparent that overall service quality, overall product quality, and corporate social performance have 67.3% influence on bank reputation. In the above table 4 the adjusted R square ( $R^2$  adj) shows how well the linear combination of independent variables in the regression analysis predicts the percentage of total variance of the dependent variables.

**Table 5: Stepwise Regression of Bank Reputation**

Dependent variable bank reputation				
Independent Variables	B	SE B	$\beta$	$R^2$
Overall service Quality	0.960	0.079	0.809**	0.655

Further, stepwise regression has been 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 5 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 bank's clients still consider service quality as a main driver of bank reputation. Overall product quality and corporate social performance are excluded from the regression equation because they don't have significant association and hence it would not fit into it. From the  $R^2$  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 sample data actually exist. The beta ( $\beta$ )

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. 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 bank's 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 exists 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 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 bank's 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 described 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 inattentive 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 but weakly correlated with bank reputation ( $r = 0.362$ ,  $p < .01$ ). Because social performance indicates social responsibility and firm, 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 described 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 of 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 is related to profitability (Hesket et al, 1994; Storbacka et al, 1994). On the other good reputation derives from the factor of clients overall satisfaction, and these two variables can achieve profitability. The study will 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 relationship between bank's 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 in Bangladesh.

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

Finally, as the present research considers bank, there is always scope for further study in other service organizations in Bangladesh like hospitals, hotels, telecommunication companies, airlines, etc.

### **Recommendation and Conclusion**

From the result of the correlation analysis it is found that three studied independent variables are strongly and positively correlated with the dependent variable. But the result of stepwise regression, reveals that only overall service quality is significantly related to bank reputation and thus is an important driver for bank reputation for clients. So overall service quality should be taken especial care for the benefit of the bank. Although different kind of banking card or product, and scheme have been introduced in our country by foreign banks, still majority people are not aware about that. This is because banking products are completely different from other product and their functions are also vague and complex in people mind. So management of banks should take effective measure so that they can bring their product to peoples mind and make them understand about their products attributes. Furthermore, managers should improve quality of their product overtime with the changing environment. The survey result of this study indicates that the main reason for a customer planning to switch to a new bank is that the 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 buildingtake measure to improve it. On the other hand every corporation should contribute in nonprofit oriented social welfare activities which build a positive image in peoples mind and thus the reputation of bank increases. Corporate social performance represents their belief, values, behavior, culture, etc and can be also 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.



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