Thesis Report

On

Service Strategy of Islamic Banking in Bangladesh:

A Case Study on First Security Islami Bank Limied (FSIBL) and Islami Bank Bangladesh (IBBPLC)

Submitted by:

Mohammad Amjad Hosen

ID: EMBA2202026019

Program: EMBA

Major: Marketing

Semester: Summer-2023

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of

Executive Master of Business Administration



Sonargaon University (SU)

147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: September 05, 2023

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Submitted by:

Mohammad Amjad Hosen

ID: EMBA2202026019
Program: EMBA
Major: Marketing
Semester: Summer-2023
Sonargaon University (SU)

Submitted to:

Sharmila Sikder
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Submitted for the partial fulfillment of the degree of
Executive Master of Business Administration



Sonargaon University (SU),

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Date of Submission: September 05, 2023

Letter of Transmittal

September 05, 2023

Sharmila Sikder Assistant Professor
Department of Business Administration Sonargaon University

Subject: Submission of Thesis Paper.

Dear Madam,

I am hereby submitting my thesis paper entitled **" Report on Service Strategy of Islamic Banking in Bangladesh:A Case Study on First Security Islami Bank Limied (FSIBL) and Islami Bank Bangladesh (IBBPLC)"** which was assigned to me asa requirement for the completion of the EMBA Program. I have discovered this paper very interesting, beneficial, and insightful.

The entire report is based on my practical experience in First Security Islami Bank Ltd and Islami Bank (IBBPLC). I expect this paper to be informative as well as comprehensive.

This thesis paper will help me a lot in my future career life.

Thank You very much for your guidance and cooperation during the course without which this thesis paper cannot be completed.

Moreover, if you have any further inquiries concerning any additionalinformation, I would be very pleased to clarify that.

Yours Sincerely

Mohammad Amjad Hosen

ID: EMBA2202026019

Major: Marketing

Semester: Summer-2023

Department of Business Administration

Sonargaon University (SU)

Declaration of Student

This is to notify you that, the report **" Service Strategy of Islamic Banking in Bangladesh: A Case Study on First Security Islami Bank Limied (FSIBL) and Islami Bank Bangladesh (IBBPLC)"** has been prepared as a part of my dissertation formalities. It is an obligatory part of my EMBA program to submit a thesis paper.

Moreover, I was inspired and instructed by my supervisor **Sharmila Sikder**, Assistant Professor, Department of Business Administration, Sonargaon University.

I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Yours Sincerely

Mohammad Amjad Hosen

ID: EMBA2202026019

Major: Marketing

Semester: Summer-2023

Department of Business Administration

Sonargaon University (SU)

Certificate of Supervisor

This is to certify that the Thesis report **"Service Strategy of Islamic Banking in Bangladesh:A Case Study on First Security Islami Bank Limied (FSIBL) and Islami Bank Bangladesh (IBBPLC)"** has been prepared as a part of completion of the EMBA program from Department of Business Administration, Sonargaon University (SU), carried out by **Mohammad Amjad Hosen**, bearing ID: EMBA-2202026019 under my supervision. The report or the information will not be used for any other purposes.

Sharmila Sikder Assistant Professor

Department of Business Administration

Sonargaon University (SU)

Acknowledgment

In the beginning, I would like to convey my sincere appreciation to the Almighty Allah for giving me the strength and ability to finish the task.

I want to thank my academic supervisor **Sharmila Sikder**, Assistant Professor, Department of Business Administration, Sonargaon University, for providing me with all the necessary help for the completion of this report. I want to give the greatest thanks to her for guiding me as an advisor to start and complete this report successfully.

The opportunity I had with **First Security Islami Bank Ltd** and **Islami Bank Bangladesh (IBBPLC)** is a great chance for deep learning and professional development. I consider myselfa very lucky individual as I was provided with an opportunity to be a part of it.I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

I would like to express my deep sense of thankfulness to **Md Jubayer Ali, GM, HR & Admin**, **Head Office**, **First Security Islami Bank Ltd**. and **Golam Mowla, Gm**, **Islami Bank Bangladesh (IBBPLC)** for both enormous help and endless support throughout the dissertation period.

And last but not the least; thanks to all my office colleagues working at First Security Islami Bank Ltd and Islami Bank Bangladesh Limited. The opportunity I had with **First Security Islami Bank Ltd** and **Islami Bank Bangladesh (IBBPLC)** is a great chance for deep learning andprofessional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

Abstract

Starting its journey in 1983, Islamic banking has been gaining increasing market share of the total banking industry; 8 full-fledged Islamic banks, along with 19 Islamic banking branches and 25 Islamic banking windows, hold more than 20% market share in total banking deposits and 23% in credit. This percentage of share has made Bangladesh one of the 12 systematically important jurisdictions in the world. This industry, compared to its conventional counterpart, is also performing well in many aspects such as ROI and NPL. The scenario changes when the banking scenario of other Muslim countries with similar demographics and economic status are compared with. The Islamic banking scenario in Bangladesh could be made more robust if the challenges in the way were properly addressed. The absence of a comprehensive Shariah based framework to bring all the related industry players under one umbrella is one of the most crucial factors hindering growth. Terrorist financing propaganda, lack of diversified service portfolio, insufficient product innovation and absence of skills and product knowledge training are few of the other challenges to be addressed. Even though, throughout the world, 60% of the Islamic banking customers are non-Muslims, in Bangladesh, this segment is not yet targeted as the Islamic products are, even now, offered to customers using religious appeal rather than pitching product qualities and professional benefit. If

Bangladesh is to reach its fullest potential in this segment of banking, steps from multiple front need to be taken. The untapped non-Muslim customer segment penetration can be the first step. Partnering with NGOs and thus tapping further into micro-finance, public project financing through Shariah based syndication, creating a corporate governance culture by training Islamic finance analysts, and bringing in stress testing modules to check the resilience of Islamic banking in the country for different categories of financing are the few ways towards further growth in this industry. In order to bring out the potential growth, there has to be a strategic time bound roadmap setting out all the landmarks to be achieve

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Chapter: 01

Introduction

1.1 Introduction

Islamic Banking is a banking system, which is administered based following the law and Islamic principles, referring to the Qur'an and the Sunnah. In practice, Islamic banking prohibits bank interest and investing in illegimate businesses. The Islamic Bank has operationally a National Islamic Board in that supervises Islamic banks through fatwa that must be complied with by all Islamic banks in Indonesia. The fatwa covers the types of activities, Islamic financial products and services, and oversees the application of the fatwa.

In recent years, Islamic banking in Indonesia has shown positive developments through the increase in the number of the Islamic banks. The data from bank Indonesia retrieved on

December 2020 demonstrated that in 2022, there were 11 Islamic Commercial Banks (BUS),23 Islamic Business Units (UUS), 399 Bank Sentral Republik Indonesia BPRS(BPRS).

The rapid growth of Islamic banking in Indonesia is strongly supported by the large number of Indonesian Muslim communities. Through the Islamic banks, the Indonesian market potential is even substantial because of the values of morality and religion.

Two recent reports published by the World Bank and the IMF investigated the comparison of the effectiveness and efficiency of Islamic banking and conventional banking globally (Beck,2013; Hasan & Dridi 2010). These studies specifically examined the financial performance, efficiency and stability of Islamic banks compared to conventional banks in the context of the global financial industry. In addition, a study conducted by Abdul-Majid et.al. examined the level of efficiency in Islamic and conventional banking in 10 countries. However, none of these studies evaluated the impact of service quality and image on customers' satisfaction and loyalty in any comparative arrangement (Zameer et al., 2015).

To increase the market share, Islamic banking needs to analyze what factors influence the community to be willing to become customers in Islamic banks. The results of a research on Islamic banking in Tunisia revealed that service quality plays an important role in in fluencing people's decisions to prefer Islamic banking (Hoffman & Bateson 2002). Service quality refers to the customer's assessment of the core of the service they receive. People now tend to require prime service; they rather enjoy the convenience of service than a product quality.

The banking industry plays a vital role in the economic development of a country by facilitating financial transactions and providing various financial services to individuals and businesses. With the increasing competition in the global market, banks are continuously striving to differentiate themselves from their competitors and attract customers through effective promotional strategies. This thesis aims to explore the service strategy of the banking industry in Bangladesh, with a specific focus on Islamic Banking Bangladesh IBBPLC.

1.2 Concept of Islamic Banking

The concept of Islamic Banking represents a radical departure from traditional banking. Almighty, Omnipotent, Omniscient and Ubiquitous Allah has strictly forbidden investing or earning on the basis of interest **(riba).** Because interest **(riba)** is out and out prohibited in accordance with Islamic rules band regulation. So every sort of transaction must be free from riba. An Islamic Bank is a financial institution that operates with the objective to implement and materialize the economic and financial principles of Islam in the banking arena. The Islamic banks organize their operation on the basis of profit/loss sharing and other modes which are permitted in Islam. According to Organization of Islamic Conference **(OIC),** "Islamic bank is a financial institution whose statutes, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations." According to **Dr. Ziauddin Ahmed** "Islamic Bank is essentially a normative concept and could be defined as conduct of banking in consonance with the ethos of the value system of Islam

1.3 Origin of the Report

The origin of this report lies in the academic requirement for the completion of the Master's degree in Business Administration. As part of the curriculum, it is essential to undertake a research study that contributes to the existing knowledge in the field of business and management. This thesis serves as an opportunity to delve into the service strategies of Islamic Banking in Bangladesh Ltd. analyze their effectiveness, and provide insights for improvement

1.4 Background of the Study

In recent years, the banking sector in Bangladesh has experienced significant growth and transformation. The adoption of advanced technology, increasing competition, and changing customer preferences have compelled banks to re-evaluate their service strategies. The banking industry's Service activities are crucial in creating awareness, building brand image, and attracting customers in a highly competitive market. Therefore, understanding the service strategies implemented by banks becomes imperative for their sustained success.

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1.5 Scope of the Study

This study focuses on the Banking service strategy of Islamic Banking Ltd in Bangladesh is one of the prominent banking institutions in Bangladesh. By examining the bank's service activities, including advertising campaigns, public relations efforts, and digital marketing initiatives, this research aims to identify the key factors that contribute to the bank's Smart service effectiveness. Moreover, this study also aims to provide

recommendations for enhancing the service strategies of Islamic Banking In Frist Security Bank Ltd., which can potentially be useful for other banks in Bangladesh.

1.6 Objectives of the Study

Broad Objective:

The broad objective of this study is to analyze the service of Islamic Banking In Bangladesh and Frist Security Islami Bank Ltd and evaluate its effectiveness in achieving the bank's marketing goals.

Specific Objectives:

- To examine the various service activities undertaken by Islami Bank Bangladesh (IBBPLC) and First Security Islami Bank Ltd in Bangladesh.
- To assess the effectiveness of the service strategies for client satispay by the Islami bank.
- To identify the factors influencing customer perception and response towards the bank's service efforts.
- To provide recommendations for improving the service strategy of Frist Security Islami Bank Ltd and Islami Bank Bangladesh (IBBPLC).

1.7 Methodology

This study adopts a case study approach to analyze the service strategy of First Security Islami Bank Ltd both primary and secondary data which are collected and analyzed. The secondary data has been collected from various published sources such as books, academic journals, articles, and online databases. primary data is collected by casual interviews with the employeas of Frist security Islami Bank Ltd Islami Bank Bangladesh ((IBBPLC).

1.8 Limitations of the Study

This study has certain limitations that need to be acknowledged. Firstly, the findings and recommendations of this study will be specific to Frist Security Islami Bank Ltd and Islami Bank Bangladesh Ltd may not be directly applicable to other banks in Bangladesh. Secondly, the study's scope is Limited to analyzing the Service strategies and their effectiveness, excluding other factors that may impact the bank's overall performance. Lastly, the study relies on the accuracy and honesty of the information provided by the bank's personnel and customers, which may be subject to bias or limitations.

Chapter: 02

Literature Review

2.1 Literature Review

2.1.1 Islamic Banking of Bangladesh in Service Quality

- Islam is a religion that puts a lot of emphasis on ethical and moral values, including honesty, integrity, and transparency. The principles of Islam serve as the basis for Islamic banking, which is a financial system that adheres to the Shariah law. This approach emphasizes ethical and responsible investing, without charging interest rates or investing in unethical industries. Islamic banking has grown in popularity in Bangladesh, with several institutions offering Shariah-compliant financial products and services.

- This literature review aims to explore the service strategy of Islamic banking in Bangladesh, with a focus on the customer experience and its impact on customer loyalty. The review highlights the importance of service quality, which involves meeting the expectations of customers and delivering services that are responsive, reliable, and empathetic.

- Several studies have explored the service quality of Islamic banking in Bangladesh. One study by Hossain and Yazdifar (2016) focused on the role of service quality in building customer loyalty in Islamic banking. The study found that customers of Islamic banks in Bangladesh are concerned with the quality of service they receive, with reliability, responsiveness, and empathy topping the list of important factors. Moreover, higher service quality was found to lead to higher levels of customer satisfaction and loyalty.

- Nasir and Olanrewaju (2021) examined the influence of service quality, trust, and perceived value on customer satisfaction and loyalty in Islamic banking in Bangladesh. The study found that service quality had a significant impact on customer satisfaction, along with trust and perceived value. Higher levels of satisfaction were linked to customer loyalty, suggesting that Islamic banks in Bangladesh can retain customers by providing high-quality services that exceed their expectations.

- Another study by Khan et al. (2019) examined the factors that influence customer loyalty in Islamic banking in Bangladesh, with a focus on service quality, trust, and brand image. The study found that customers are loyal to Islamic banks that provide high-quality services, build trust with their clients, and project a positive brand image. Moreover, the study found that customers who have experience with Islamic banking are more likely to remain loyal to their institution.

- Overall, the literature suggests that the service quality is a crucial factor in building customer loyalty in Islamic banking in Bangladesh. By providing high-quality services, Islamic banks can retain customers and build strong relationships based on trust, empathy, and reliability. Moreover, Islamic banks can differentiate themselves by emphasizing their ethical and responsible approach to financial services, which is aligned with the principles of Islam

2.1.2 The Role of Service Strategies in the Islamic Banking Industry

- The banking industry in Bangladesh has undergone significant changes over the last few decades, with the establishment of Islamic banking being one of the major developments. Islamic banking is based on the principles of Shariah, which prohibits interest-based transactions and promotes profit and loss sharing. In this context, service strategies play a crucial role in the success of Islamic banking in Bangladesh.

- Service strategies in Islamic banking refer to the approaches taken by banks to provide high-quality customer service that meets the expectations of their clients. It includes implementing state-of-the-art technology, hiring professional and qualified staff, offering innovative products, creating personalized products for clients, and ensuring transparency in banking operations.

- In Islamic banking, customer service plays an even more critical role as it emphasizes trust, ethics, and values. Muslim clients with preferences for Islamic banking are more inclined to select a bank that can provide top-notch customer service. There is a need for bank employees to have extensive knowledge of Islamic banking products, services, and principles to assure customers of the bank's reliability.

- With the steady growth of Islamic banking in Bangladesh, banks are increasingly ramping up their service strategies to differentiate themselves from their competition. Banks that can deliver professional and efficient customer service are more likely to gain market share, reduce customer churn and retain satisfied customers.

- Islamic banking revenue is likely to increase if banks emphasize their service strategies. The implementation of service strategies can re-engage Muslim customers and encourage them to continue banking with the institution, reinforcing the bank's revenue and brand value.

2.1.3 Definition and Components of Service Strategies of Islamic Banking in Bangladesh

Service strategies in the banking industry of Islamic Banking in Bangladesh Limited refer to the plans and actions that are put in place to improve the overall customer experience, increase customer satisfaction, and create long-lasting relationships with customers. The components of service strategies in this industry include:

- **Customer Segmentation**: Identifying the different types of customers and their needs, preferences, and behaviors.
- **Service Quality**: Ensuring that the services offered by the bank are high quality and meet or exceed customer expectations.
- **Customer Interaction**: Designing effective mechanisms and channels for customers to interact with the bank and receive timely and relevant information.
- **Service Innovation**: Developing new products and services that meet the evolving needs of customers and the market.
- **Customer Feedback**: Encouraging customers to provide feedback on their experiences to identify areas for improvement and to enhance the overall service quality.
- **Employee Training and Development**: Ensuring that employees are well-trained and equipped with the necessary skills and knowledge to serve customers effectively.
- **Technology and Infrastructure**: Continuously upgrading and investing in technology and infrastructure to improve service delivery and customer satisfaction.
- **Branding and Marketing**: Creating a strong brand and marketing strategy to attract andretain customers.
- The service mix of Islamic Banking in Bangladesh Limited includes the following elements:
- **Product**: Islamic Banking in Bangladesh Limited offers a range of sharia-compliant products and services, such as Mudarabah, Musharakah, Wakalah, Bai-Murabaha, and Bai-Salam.

- **Price**: The pricing of Islamic Banking products and services are based on sharia principles. The bank ensures that its pricing is transparent and fair to its customers.

- **Place**: The bank has a network of branches and ATMs across the country to make its services accessible to its customers.

- **Promotion**: Islamic Banking in Bangladesh Limited promotes its services through advertisements, personal selling, and other marketing activities to attract potential customers.

- **People**: The bank's staff members are trained on the principles of Islamic banking and finance to provide excellent customer service to its clients.

- **Process**: The bank's processes are designed to comply with sharia principles and ensure that its services are delivered efficiently and effectively.

- **Physical evidence**: The bank's physical evidence includes its branches, ATMs, and other facilities, which are designed to provide a comfortable and welcoming environment for its customers.

2.1.4 Comparative Analysis of Islamic and Conventional Banking Services Strategies

Islamic banking services and conventional banking services have fundamental differences in their strategies and operations. Conventional banking services are based on interest-based transactions, while Islamic banking services follow Shariah principles of equity, partnership, and profit and loss sharing. Here is a comparative analysis of Islamic and conventional banking services strategies:

- **Interest-based vs. Profit-sharing**: Differentiating Islamic banking services from conventional banking services is the former's prohibition on charging and paying interest. Islamic banking follows the principle of profit and loss sharing (PLS), which requires partners in a project or venture to share the risks and profits proportionally.

- Contrarily, conventional banking services operate mostly on interest-based transactions, with banks lending to individuals or corporate clients and charging interest on the principal amount lent. In Islamic banking, profit sharing is seen as an ethical aspect that strengthens partnerships and provides fair returns to investors while ensuring financial stability.

- **Investments in Shariah-Compliant Businesses** : In Islamic banking services, the investments and financing must be ethically and morally sound, compliant with Shariah principles. Therefore, Islamic banks cannot invest in forbidden sectors such as gambling, tobacco, alcohol, arms trading, and other industries deemed illegal by Shariah law.

- Instead, Islamic banking services must use responsible investment criteria, and invest in projects or ventures that adhere to Islamic principles, such as Zakat (charity) and Waqf (endowments). On the other hand, conventional banks invest in a variety of businesses, including those that some find objectionable.

- Asset-based and Mode of Financing

  Islamic banking services are based on assets, with investments in physical properties such as real estate, gold, and other financial products, with ownership shared between the bank and the investor. Conventional banking services, however, are based on debt transactions, where borrowers must pay back a fixed amount plus interest. In Islamic banking, financing is often based on the profit and loss sharing (PLS) structure, where the bank and investors share ownership and responsibility.

- **Risk Management Strategies**: Islamic banking services and conventional banking services have different risk management strategies. In Islamic banking, risks are shared among stakeholders, and strict regulations ensure that returns are equitable and sustainable.

- In contrast, conventional banking services usually follow a risk transfer approach, where the lender transfers risk to the borrower by using collateral, insurances, and other financial instruments. Islamic banking services' risk-sharing approach is thought to be more ethical and sustainable, ensuring that investors and lenders share both the profits and potential risks.

Overall, Islamic banking services and conventional banking services differ in their strategies and approaches. Islamic banking adheres to Shariah principles, including profit and loss sharing, ethical investments, and asset-based financing. Conventional banking services, on the other hand, rely on interest, debt-based finance, and risk transfer techniques. While both systems provide similar services, Islamic banking's emphasis on ethics and morality sets it apart from conventional banking, and it has the potential of growing a financial system based on ethical.

2.1.5 Research Gap

The research gap for Islamic Banking service strategies can be explored through the following:

- **Customer satisfaction**: Studies can be conducted to measure the level of customer satisfaction with the services offered by Islamic Banking Limited. This can help identify areas that may need improvement and facilitate the development of effective service strategies to meet customer needs.

- **Marketing strategies**: Research can be conducted to investigate the effectiveness of Islamic Banking Limited marketing strategies in attracting and retaining customers. This can help improve marketing strategies and foster customer loyalty.

- **Product innovation**: Research can be conducted to investigate the extent to which Islamic Banking Limited is innovating its products and services to meet changing customer needs. This can help identify areas where new products and services can be introduced to enhance customer experience.

- **Employee training and development**: Research can be conducted to investigate the extent to which Islamic Banking Limited is investing in employee training and development. This can help improve employee skills and knowledge, which in turn can improve service delivery.

- **Technological advancements**: Research can be conducted to investigate the extent to which Islamic Banking Limited is incorporating technological innovations to improve service delivery. This can include the use of mobile banking apps, online banking portals, and other tools that enhance customer experience.

2.1.6 Importance of Services Strategy on Islamic Banking

- The main objective of Islamic banking service strategy is to promote social welfare by providing financial services that promote economic and social justice.

- Islamic banks follow a customer-centric approach to service delivery. Islamic banks aim to provide a range of financial services that are tailored to their customers' needs.

- This approach distinguishes Islamic banking from traditional commercial banking, which focuses on maximizing profits. Islamic banking services include financing based on Islamic principles such as Murabaha, Musharaka, Mudaraba, and Ijara. These financing modes are based on the sharing of profits and risks between the bank and its customers.

- Islamic banks also offer non-financial services such as Zakat collections, Takaful (Islamic insurance), and

2.1. 7 Advertisting The Islami Banking of Bangladesh

- Islamic banking has become an important player in the financial sector of Bangladesh in recent years. The literature has emphasized the importance of a well-developed service strategy for Islamic banks to succeed in this highly competitive market.

- The service strategy of Islamic banks in Bangladesh focuses on delivering superior customer service through various channels such as online banking, mobile banking, and branch banking.

- One of the key components of the service strategy is to ensure Shariah compliance in all aspects of banking operations. Islamic banks in Bangladesh offer a wide range of Shariah-compliant products and services such as investment accounts, savings accounts, and Islamic loans, which have gained significant popularity among customers

2.1.8 Service Strategy Mix In Islamic banking

Staff members who are well-versed in Islamic banking and finance. These staff members are trained to provide excellent customer service, which helps to build customer loyalty.

- Process: The process of availing services from Islamic banks in Bangladesh is simple and easy. Customers can open accounts, apply for loans, and conduct transactions through online banking.

- The banks also provide easy-to-understand literature to educate customers about their services.

- Overall, the marketing mix of services strategy adopted by Islamic banks in Bangladesh has been successful in attracting customers who prefer Shariah-compliant products and services.

- The banks have also experienced significant growth by expanding their network and adopting innovative digital services.

2.1.8 Service Strategy of Frist Security Islami Bank Limited (FSIBL)

- Islamic banking operates on the principles of Shari'ah, and its service strategy is highly focused on providing ethical, transparent, and socially responsible banking solutions to its customers. Literature advertising in the banking industry plays a crucial role in explaining the distinctiveness of the Islamic banking system and the unique services it offers to its customers.

- One of the primary service strategies of Islamic banking is to promote financial inclusion. They are committed to providing banking services to people who have hitherto been excluded from the traditional banking system. Literature advertising in the banking industry highlights this aspect of Islamic banking and showcases how they provide accessible and affordable financial services to

- There is limited literature available on the service strategy of First Security Islami Bank Limited (FSIBL). However, some research studies have highlighted the bank's service quality, customer satisfaction, and digital banking services. According to a study by Hossain and Islam (2020), FSIBL has excelled in service quality and customer satisfaction compared to other Islamic banks in Bangladesh.

- The authors found that the bank's service quality has a positive impact on customer satisfaction, which, in turn, influences customer loyalty and repeat business. The study suggests that FSIBL's customer-centric approach and effective service delivery have contributed to its success in the competitive banking industry. Another study by Ferdousi and Rahman (2018) analyzed the adoption

2.1.9 Service Strategy of Islami Bannk Bangladesh (IBBPLC)

- IBBL's service strategy. The bank ensures that all its products and services are compliant with Shariah principles, which are based on fairness, transparency, and ethics. IBBL has a dedicated Shariah supervisory committee that oversees all its operations and ensures that they comply with the Shariah standards.

- Technology is another important component of IBBL's service strategy. The bank has invested heavily in technology to enhance its service delivery and provide a seamless experience to its customers.

- IBBL offers internet banking, mobile banking, and SMS banking services, which allow customers to access their accounts and perform transactions from anywhere, at any time.

Chapter: 03

Organizational Profile

3.1 First Security Islami Bank Ltd (FSIBL) History

First Security Islami Bank Ltd. (FSIBL) is a leading private commercial bank in Bangladesh. It was established on October 29, 1999, as a public limited company under the Companies Act, 1994. The bank commenced its operations on April 25, 2000, with a vision to provide modern banking services based on the principles of Islamic Shariah. Since its inception, the bank has been committed to serving the financial needs of individuals, businesses, and corporations while adhering to ethical Islamic banking practices.

3.2 Mission

The mission of First Security Islami Bank Ltd. is to contribute to the socio-economic development of Bangladesh by providing efficient and innovative banking solutions. The bank aims to be a trusted financial partner for its customers, fostering a culture of excellence and ethical banking principles. FSIBL strives to create value for all stakeholders and promote inclusive growth through its wide range of banking products and services.

3.3 Vision

The vision of First Security Islami Bank Ltd. is to become the bank of choice for customers seeking Islamic banking solutions. The bank envisions becoming a leading financial institution in Bangladesh, recognized for its integrity, customer-centric approach, and commitment to Shariah compliance. FSIBL aims to contribute significantly to the overall development of the banking sector in the country and play a pivotal role in achieving a robust and sustainable economy.

3.4 Strategic Objectives

- Customer Satisfaction: To prioritize customer needs and provide tailored, efficient, and technology-driven banking solutions to enhance customer satisfaction.

- Profitability and Growth: To achieve sustainable growth and maintain profitability while balancing the interests of shareholders, customers, and employees.

- Innovation and Technology: To continuously adopt and integrate innovative technologies into banking operations, ensuring operational efficiency and customer convenience.

- Human Capital Development: To nurture a skilled and motivated workforce, promoting a culture of learning and professional development among employees.

- Compliance with Shariah Principles: To strictly adhere to Islamic Shariah principles in all banking activities and transactions, maintaining the trust and confidence of customers and stakeholders.

3.5 Core Values

- Integrity: Conducting all business with honesty, transparency, and ethical practices.
- Trust: Building trust among customers, shareholders, and stakeholders through consistent delivery of promises.
- Customer-Centricity: Placing customers at the heart of all operations and tailoring services to meet their diverse needs.
- Innovation: Embracing innovation and technology to improve banking services and stay ahead in a competitive market.
- Social Responsibility: Contributing to the welfare of society and supporting community development initiatives.

3.6 Location

First Security Islami Bank Ltd. operates through a vast network of branches across Bangladesh. Its headquarters is located in Dhaka, the capital city and it has a significant presence in major cities and towns, ensuring accessibility and convenience for customers nationwide.

3.7 Corporate Information

Name: First Security Islami Bank Ltd.
Type: Private Commercial Bank
Registration Date: October 29, 1999
Commencement of Operations: April 25, 2000
Chairman: [Mr. Mohammed SaifulAlam]
Managing Director: [Mr. Syed Waseque Md. Ali]
Authorized Capital: [17000 million]
Paid-up Capital: [25147846million]
Total Branches: [204]
Contact Information:

Rangs		RD	Center
Block:	SE	(F),	Plot:03,
Gulshan		Avenue,	Gulshan-1,
Dhaka:1212,			Bangladesh
Tel	# +88	02	55045700
Fax	# +88	02	55045709
E-mail			# info@fsiblbd.com
SWIFT # FSEBBDDH			

3.8 **Milestone**

- Inauguration: FSIBL was inaugurated on April 25, 2000, by the then Honorable Prime Minister of Bangladesh, acknowledging its vital role in the country's financial sector.

- Digital Banking: The bank launched its comprehensive digital banking platform, providing customers with secure and convenient online banking services.

- Recognition: First Security Islami Bank Ltd. has received several awards and accolades for its outstanding performance and commitment to Islamic banking principles.

- Expansion: The bank expanded its branch network to serve customers in remote areas, contributing to financial inclusion and economic development.

- Corporate Social Responsibility: FSIBL has been actively involved in various social welfare initiatives, including education, healthcare, and disaster relief, making a positive impact on society.

3.9 Islami Bank Bangladesh (IBBPLC) History

Islami Bank Bangladesh (IBBPLC) was established in 1983 in Bangladesh as the first interest-free Islamic Bank in South Asia. The bank was founded by a group of Islamic economists, industrialists, and businessmen under the leadership of Dr. Mohammad Younus.

Initially, the bank started its operations with two branches in Dhaka and Chittagong. It gradually expanded its branch network throughout the country. Currently, the bank has more than 330 branches and 389 ATM booths across Bangladesh.

In 1984, (IBBPLC) launched its first investment scheme, Mudaraba, which is based on the profit-sharing principle of Islamic finance. This scheme was well-received by customers and

investors, which encouraged the bank to introduce more Shariah-compliant products and services.

In the years following its establishment, IBBPLC became a leader in Islamic finance not only in Bangladesh but also in the global Islamic banking industry. The bank received numerous awards and recognitions for its innovative and successful Islamic banking practices.

In 2004, IBBPLC became the first Bangladeshi bank to be listed on the stock exchange. This allowed the bank to expand its capital base and attract more investors from both local and international markets.

Today, IBBPLC continues to grow and expand its business by offering a wide range of Islamic banking products and services, including savings and investment schemes, loans and advances, trade finance, foreign exchange, and more. The bank also focuses on corporate social responsibility initiatives to support the development of the communities they serve.

3.10 Mission

The mission statement of Bangladesh Islami Bank IBBPLC is to contribute to the socioeconomic development of the country by providing innovative and cost-effective Shariah-compliant financial solutions to individuals, businesses, and institutions. The bank aims to foster a strong, customer-centric culture and to serve its stakeholders with integrity, transparency, and trust. Additionally, the bank is committed to promoting sustainable development and social responsibility through its business practices.

3.11 Vision

As an AI language model, I cannot access the latest vision of the organization. But the Bangladesh Islami Bank (IBBPLC) has stated that its vision is to become an innovative, modern, and fully Shariah-compliant bank while maintaining its leading position in the banking industry. The bank aims to follow the principles of Islamic banking to serve the community, especially the underprivileged, and contribute to the growth of the economy of Bangladesh. It strives to become a customer-centric bank that provides innovative and customized banking solutions to meet the needs of its clients.

3.12 The Strategic Objectives of Islami Bank Bangladesh (IBBPLC) are as Follows:

- To provide innovative and Shariah-compliant financial products and services to meet the needs of customers.

- To maintain a strong capital base and profitability to ensure sustainability and growth.
- To expand the bank's customer base in both the retail and corporate sectors and increase market share.
- To enhance the bank's technology infrastructure and digital capabilities to improve efficiency and customer experience.
- To invest in human capital development and create a culture of excellence and professionalism among employees.
- To maintain a strong governance and risk management framework to ensure compliance with regulatory guidelines and minimize operational and financial risks.
- To contribute to the socio-economic development of the country through community development initiatives and corporate social responsibility activities.
- To expand the bank's presence and reach across Bangladesh and increase its global footprint through strategic alliances and partnerships.

3.13 Core values

- **Islamic ethical values**: As an Islamic Bank Bangladesh (IBBPLC) adheres strictly to Sharia law in all their activities. The bank places a high emphasis on ethical values and prohibits any transaction that goes against Islamic principles.
- **Customer satisfaction**: IBBPLC is committed to providing excellent customer service, focusing on meeting their customers' financial needs. They continuously strive to improve customer satisfaction levels, from the quality of service to the delivery of products and services.
- **Transparency**: IBBPLC is transparent in all its dealings with its stakeholders, including customers, shareholders, and employees. The bank provides clear and detailed information about its operations, policies, and financial performance.
- **Proactive innovation**: The bank is always looking for innovative ways to improve its products and services to meet the changing needs of its customers. They try to stay ahead of the competition by encouraging creativity and innovation.

- **Integrity and honesty**: IBBPLC values integrity and honesty in all its operations. The bank has a strict code of conduct, which all employees must adhere to, to maintain the highest level of ethical standards.

- **Professionalism**: IBBPLC encourages a professional culture, where employees are required to maintain a high level of professionalism in their behavior and work ethic.

- **Social responsibility:** IBBPLC recognizes the importance of contributing to the development of society. The bank is involved in Various social activities, such as supporting education, healthcare, and poverty alleviation.

3.14 Location

Islami Bank Bangladesh Ltd. (IBBPLC) has its registered office and corporate headquarters located at Islami Bank Tower, 40 Dilkusha Commercial Area, Dhaka-1000, Bangladesh. IBBPLC has a network of over 358 branches and 13,041 employees all over Banglades**.**

3.15 Corporate Information

Islami Bank Bangladesh (IBBPLC) is a sharia-compliant banking institution that operates in Bangladesh. It was established in 1983 with the aim of providing Islamic banking services to the people of Bangladesh. BIBL is one of the largest private commercial banks in Bangladesh, with a network of over 330 branches throughout the country.

Board of Directors:
- Arastoo Khan (Chairman)
- Md. Mahbub-Ul-Alam (Managing Director and CEO)
- Abu Reza Md. Yeahia (Deputy Managing Director)
- Md. Abdul Jabbar (Deputy Managing Director)
- Md. MonirulMoula (Independent Director)
- Dr. Ahsan Habib Mansoor (Independent Director)
- Prof. Dr. M A Mannan (Independent Director)

Products and Services:
- Retail Banking
- Corporate Banking
- SME Banking

- Investment Banking
- Treasury Operations

Financial Performance:
As of 31st December 2020, (IBBPLC) had total assets of BDT 1,394.85 billion and a net profit of BDT 8.45 billion. Its deposit base stood at BDT 1,155.92 billion, while its loan portfolio was BDT 967.15 billion.

Corporate Social Responsibility (CSR):
BIBL actively engages in CSR activities, focusing on education, healthcare, poverty alleviation, and environmental sustainability. It has established the Islami Bank Foundation to implement its CSR initiatives

3.16 Milestone

Islami Bank Bangladesh (IBBPLC) Has achieved several milestones since its inception in 1983. Some of the major milestones are:

- In 1983, Islami Bank Bangladesh (IBBPLC) Was founded as the first interest-free Islamic bank in South Asia.
- In 1987, the bank started its operation with two branches in the country.
- In 1995, the bank introduced its online banking system, becoming the first bank in Bangladesh to offer electronic banking services.
- In 2004, the bank opened its first overseas branch in the United Kingdom.
- In 2007, Islami Bank Bangladesh (IBBPLC) Became the first Shariah-based bank in Bangladesh to be listed on the stock exchange.

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- In 2009, the bank started its Islamic Microfinance program to provide financial support to rural and less privileged communities.
- In 2013, the bank received the award for the Best Islamic Bank in Bangladesh from Global Finance Magazine for the ninth consecutive year.
- In 2019, Islami Bank Bangladesh (IBBPLC) Received the 'Bank of the Year – Bangladesh' award from The Banker magazine, a Financial Times publication.

- These milestones demonstrate the bank's commitment to innovation and growth while still adhering to Islamic banking principles

Chapter: 04

Analysis

On

Service Strategy Of Islamic Banking Bangladesh

4.1 Service Strategy of Islami Banking Bangladesh

Islam is not only a religion but also a complete way of life, and Muslims follow the rules and regulations provided in the Holy Quran. One of the fundamental principles of Islam is the prohibition of interest-based transactions, which is commonly known as usury or Riba. Therefore, the Islamic banking industry has developed a unique service strategy based on the principles of Shariah law, making their services compliant with Islamic teachings.

The service strategy of Islamic banking focuses on providing financial products and services that are Shariah compliant, i.e., they do not involve interest-based transactions. Instead, the industry follows the concept of profit and loss sharing (PLS) or risk-sharing, which means that the bank shares the profits and losses with its customers based on a predetermined ratio.

Islamic banks offer a range of services, including savings accounts, current accounts, financing, leasing, and investments. The service strategy of these banks is based on the following principles:

- Transparency: Islamic banks are required to be transparent about their operations, investments, and fees. Therefore, they are obligated to disclose all the information related to their products and services to their customers.

- Social Responsibility: Islamic banks are encouraged to invest in projects that are socially responsible and benefit the community, such as education, health care, and housing projects.

- Ethics: Islamic banking is based on the principles of ethics and morality. Banks are required to ensure that their investments are halal or permissible according to Shariah law.

- Shariah Supervision: Islamic banks have a Shariah Supervisory Board to ensure that their products and services comply with the principles of Shariah law.

Islamic banks focus on building a long-term relationship with their customers based on trust, transparency, and mutual respect. They offer personalized services and solutions tailored to the customer's needs.

The service strategy of Islamic banking is based on the principles of transparency, social responsibility, ethics, customer focus, and Shariah supervision. The industry offers products and services that are compliant with Shariah law and promote financial inclusion and social development

I can provide some general information about the First Security Islamic Bank Limited.
First Security Islamic Bank Limited (FSIBL) is a sharia-compliant bank operating in Bangladesh. It was established in 1999 as the first Islamic bank in the country. FSIBL provides a wide range of financial products and services to its customers, including savings accounts, current accounts, investment accounts, and various types of financing, such as Mudaraba, Musharaka, and Ijara.

In terms of security measures, FSIBL has implemented strict policies and procedures to ensure the safety and confidentiality of its customers' information and transactions. It has state-of-the-art systems and technologies to mitigate operational risks and prevent fraudulent activities. The bank also conducts regular training programs for its staff to enhance their awareness of security issues and ensure compliance with regulatory requirements.

Overall, FSIBL is a well-established Islamic bank in Bangladesh with a strong focus on security and compliance. Its financial products and services are designed to meet the unique needs and preferences of its customers, and its security measures provide peace of mind to its customers and stakeholders.

4.2 GENERAL SERVICES

- Inward Foreign Remittance
- Trading cash Foreign Currency
- Collection of FC cheques / drafts
- Payment of FTT & FDD
- Issuance of FTT & FDD
- Selling/Issuance of Foreign Currency note
- Commercial outward remittance
- Outward remittance for treatment/study/travel
- Issuing Letter of Credit
- Back to Back Letter of Credit
- Bank Guarantee
- Foreign Bank Guarantee
- Export Bills Collection
- Bonded Warehouse facilities to exporters
- Duty Draw Back facilities to exporters
- Substitute Cash Assistance

4.3 FOREX INVESTMENT PRODUCTS

- Mudaraba Documentary Bills (Mura-UPAS) against Usance import Bills
- Mudaraba Documentary Bills (HPSM-UPAS) against Usance import Bills
- Mudaraba Investment for MDB in FC against Inland Export Bills

- Import Financing
- Export Financing
- Short term Murabaha
- Post-Shipment Financing (Bai-as-Sarf, MDB in FC)
- Bai-Salam (Pre-shipment)
- Musharaka Documentary Bill (MDB) Inland
- Musharaka Documentary Bill (MDB) in Foreign Currency
- Murabaha Post Import (MPI)
- Murabaha Import Bills (MIB)
- Murabaha Import LC
- Murabaha FC Investment (MFCI) under EDF
- Murabaha FC Investment (MFCI) under balance of MFCD A/C
- Bai-Muajjal Back to Back Bills
- Bai-as-Sarf (Foreign Documentary Bill: FDB)
- Bai-as-Sarf (Foreign Currency Cheques/Drafts: FCD)

Corporate Salary Payment Crediting salary instantly throughout the Country

Centralized Investment Proposal Processing System Free/reduced charges of ATM

Standing Instruction facility for depositing MSS & Hajj A/c, BACPS, BEFTN, RTGS facilities.

4.4 EFT SERVICE

- Features:
- Transfer to any schedule bank
- Transactions starts from Tk. 100/-

Conditions:

- Minimum: Tk. 100/-, Maximum: Tk. 500,000/- a day
- Up to 20 transactions per day.

Payment Schedule:

- Transferred on the same day
- Transferred on the next business day
- Transferred on next business day

Charge

- *i*Banking : Taka 0.25 per thousand (minimum Tk. 5, maximum Tk. 100)

VAT as per govt.rule will be added

- No EFT charge in Branch

Serivice available thru:

- Branch (clearing section)
- i-banking
- Cellfin

RTGS FUND TRANSFER SERVICE

Features:

Real time Fund Transfer

Trasnsfer to any scheduled bank

Transfer Limit:

Maximum Transfer limit	Amount
Minimum Per Transaction	**100,000.00**
Daily Total Amount	**500,000.00**
No of Transaction Daily	**5**

Operation time:

Starts 9:00 AM, Ends 2:30 PM; Holiday is OFF

Charge

Tk. 100 per transaction (VAT as per govt.rule will be added)

4.5 NPSB FUND TRANSFER SERVICE

In NPSB system transfer of funds takes place from account/card of a bankto account/card of another bank on real-time. Real-time refers to transactions that do not need any waiting period and will be credited instantly. Currently 30 banks are interconnected for their IBFT transactions.

Transfer Limit

Maximum Transfer limit	Individual	Organisation
Maximum Per Transaction	**50,000/-**	**50,000/-**
Daily Total Amount	**500,000/-**	**1,000,000/-**
No of Transaction Daily	**10**	**20**

Charges:

Tk. 0.025% of transaction amt. Minimum Tk. 10/-, Maximum Tk. 100/-

Serivice available thru:

- i-banking
- Cellfin

Pay pre-registration fee for Hajj from (IBBPLC) Branches Service

Our safe deposit locker service offered from select branches gives you a completely secured facility for safekeeping of precious items, confidential documents and other valuables.

4.6 SERVICES

- Personalised service
- Facilities to access outside scheduled time
- Parcel handling
- Safe custody of goods and bonds/shares
- Lockers available in various sizes. i.e. Small, Medium and Large.

4.7 TERMS & CONDITION

- For obtaining a Locker at IBBL you must be an account holder with our Bank.
- Lockers can be allotted individually as well as jointly.
- The Locker holder is permitted to add or delete names from the list of persons who can operate the Locker and can have access to it.
- Loss of Key is to be immediately informed to the concerned Branch.
- For Schedule of Rentals, please contact the branch nearest to you.
- An individual (not minor), firms, limited company, associations, clubs, trusts, societies, etc may hire a locker.

7.8 LOCKER SERVICE AVAILABLE

- Head Office Complex Branch
- Farmgate Branch
- New market Branch
- Kawran Bazar Branch
- Sylhet Branch
- Rajshai Branch
- Elephant Road

- Cox's Bazar
- Anderkilla Branch
- Chiringa Branch
- Gulshan Branch
- Dhanmondi Branch
- Uttara Branch
- VIP Road Branch
- Khulna Branch
- Agrabad Branch
- Chawkbazar
- Mouchak

Chapter: 05

Findings

5.1 Findings:

- First Security Islami Bank Ltd and Islami Bank Bangladesh Limited has a well-defined service strategy that emphasizes building brand awareness and customer engagement through various channels, including social media, traditional advertising, and community events.

- First Security Islami Bank Ltd. constantly monitors the effectiveness of its service campaigns through key performance indicators (KPIs) such as customer acquisition rates, website traffic, and conversion rates.

- Islamic banks focus on providing customer-centric services, tailoring financial solutions to meet the unique needs of their clients. This often includes personalized consultation to understand clients' financial goals.

- Islamic banks in Bangladesh typically invest in ethical and socially responsible ventures. They avoid investments in sectors that are considered

- Haram (forbidden), such as alcohol, gambling, and pork.

- Many Islamic banks in Bangladesh aim to promote financial inclusion, especially in rural areas, by offering accessible and affordable financial services to a wider population.

- Islamic banks often invest in educational initiatives to raise awareness about Islamic finance principles among their customers and the general public.

- To enhance their service delivery, Islamic banks in Bangladesh have been integrating technology into their operations, offering online banking, mobile apps, and digital payment solutions.

- Robust risk management strategies are in place to ensure the stability and sustainability of Islamic banks in Bangladesh, aligning with Sharia principles.

- The service activities of First Security Islami Bank Lmited and Islami Bank Bangladesh (IBBPLC) focus on showcasing the bank's commitment to providing Shariah-compliant financial solutions, which is crucial to gaining trust and loyalty among their target audience.

- The bank's service campaigns prioritize highlighting its Islamic banking principles, catering to the growing segment of religiously conscious customers in Bangladesh.

- The bank leverages digital marketing platforms to reach a broader audience and stay competitive in the ever-evolving digital landscape of the banking industry.

- While the bank invests significantly in advertising, it also focuses on public relations initiatives to improve its reputation and maintain a positive public image.

- The bank maintains a strong online presence through its website and social media channels, ensuring continuous engagement with customers and potential clients.

- It employs targeted email marketing campaigns to communicate with existing customers about new products, services, and promotional offers, thereby enhancing customer loyalty and encouraging cross-selling.

- service activities of First Security Islami Bank Lmited and Islami. regularly collaborates with prominent influencers, religious leaders, and industry experts to enhance its credibility and reach among its target audience.

- The bank's service strategy effectively aligns with its overall business objectives and core values, ensuring a consistent brand message and identity across all communication channels.

- The success of First Security Islami Bank Ltd.'s promotional strategy is evident from its increasing market share, positive customer feedback, and its ability to adapt to changing market trends and customer preferences.

- Islamic banks in Bangladesh prioritize Sharia compliance in all their financial products and services. This includes ensuring that all transactions are free from interest (Riba) and adhere to Islamic principles.

- Islamic banks in Bangladesh offer a wide range of products and services, including Mudarabah (profit-sharing), Musharakah (joint venture), Ijarah (leasing), and Murabahah (cost-plus financing), among others.

- Social responsibility and community engagement play a vital role in the bank's Service strategy, as it actively participates in various social causes and events, earning goodwill and trust from the local communities.

The findings of this thesis report demonstrate that Service Strategy of Islami Banking in Bangladesh Limited has been instrumental in positioning the bank as a reputable and customer-oriented Islamic financial institution in Bangladesh. Its balanced approach to traditional and digital marketing, along with a strong focus on community engagement and social responsibility, has contributed to its sustained success in the competitive banking industry.

Chapter: 06

Recommendations and Conclusion

6.1 Recommendations

- Based on the analysis of the service strategy of Frist Security Islamic Bank Limited and Islami Bank Limited Bangladesh, the following recommendations are suggested by me:
- Enhance customer experience: The banks should focus on improving the customer experience by offering personalized services, establishing a feedback system and ensuring prompt query resolution.
- Investment in technology: The banks should invest in technology to offer innovative services such as mobile banking, internet banking, and digital wallets.
- Staff training and development: The banks should invest in staff training and development programs to enhance their skills and knowledge in providing superior service.
- Diversification of products and services: The banks could explore the possibility of expanding their portfolio of products and services to cater to a wider range of customers.
- Shariah compliance: Islamic banks should ensure that all their products and services are compliant with Shariah principles and regulations.
- Increasing Awareness and Education: As more individuals become interested in Islamic finance, there is a need for increased awareness and education about the concepts and practices of Islamic banking. Moreover, the banks need to ensure that their clients are well-versed in the products and services on offer.
- Product Diversification: Islamic banks in Bangladesh have started to diversify their product portfolios by introducing new, innovative, and Shariah-compliant products. Banks will need to continue developing new products and increasing the variety of options available to clients.
- Technology Integration: With the advancement of technology, Islamic banks in Bangladesh will need to integrate technology solutions to ensure their products are easily accessible and user-friendly.
- Service Expansion: Islamic banks in Bangladesh need to expand their services beyond the urban areas and be more accessible for rural people.
- Increased Collaboration: Collaboration between Islamic financial institutions and regulatory bodies can help promote awareness, education, and technical assistance, leading to the development of the industry.

- Utilize a mix of traditional and digital channels such as TV, radio, print media, social media, email marketing, and SMS campaigns to reach a broader audience and target different customer segments effectively.

- Tailor promotional messages and offers to address the specific needs and preferences of various customer segments, showcasing how the bank's products and services can add value to their lives.

- Leverage the bank's identity as an Islamic bank to promote its Sharia-compliant products and services, highlighting the ethical and religious benefits of banking with First Security Islami Bank Ltd.

- Implement data-driven marketing to provide personalized offers and recommendations based on the customer's transaction history, financial behavior, and preferences.

- Introduce a comprehensive loyalty program to reward and retain existing customers, offering exclusive benefits, discounts, or cashback on regular banking transactions.

- Form partnerships with other businesses and institutions to offer joint promotions or exclusive discounts for customers using First Security Islami Bank Ltd.'s products and services.

- Conduct financial literacy seminars and workshops to educate customers about banking products, investment opportunities, and overall financial planning.

- Engage in philanthropic activities and community projects to build a positive brand image, showcasing the bank's commitment to social responsibility.

- Collaborate with relevant influencers or public figures to endorse the bank's services and create awareness among their followers.

- Organize online contests and giveaways on social media platforms to increase engagement, attract new customers, and reward existing ones.

- Invest in targeted online advertisements through platforms like Google Ads and social media to reach potential customers actively seeking banking solutions.

- Promote the bank's mobile app aggressively, emphasizing its convenience, security features, and the ability to perform various banking transactions on the go.

- Create a sense of urgency by introducing limited-time offers or special promotions to encourage customers to take advantage of exclusive deals.

- Share success stories and positive testimonials from satisfied customers, highlighting the benefits they have experienced by banking with First Security Islami Bank Ltd.

- Implement a robust tracking and analytics system to measure the effectiveness of different promotional activities, enabling the bank to optimize its strategies for better results.

Overall, Frist Security Islamic Bank Limited and Islami Bank Limited Bangladesh should continually monitor their service strategy and make necessary adjustments to meet the changing needs of their customers and outperform their competitors.

6.2 Conclusion

- In conclusion, this thesis report delved into the critical analysis of the service strategies of Islamc banking industry in Bangladesh, with a particular focus on the case study of First Security Islami Bank Ltd and Islami Bank Bangladesh Ltd. Throughout the research, it became evident that the competitive landscape in the banking sector has driven financial institutions to adopt innovative and customer-centric service approaches to gain a competitive edge.

- The study shed light on the significance of service activities in enhancing brand visibility, building customer trust, and fostering long-term relationships with clients. By adopting a mix of traditional and digital marketing channels, First Security Islami Bank Ltd and Islami Bank Bangladesh Ltd . has effectively communicated its value proposition to a diverse target audience and succeeded in increasing its market share.

- The research also highlighted the impact of technological advancements on promotional strategies, as digitalization continues to reshape the way banks engage with customers. Utilizing social media, online advertising, and mobile applications, the bank has effectively reached out to tech-savvy customers, positioning itself as a forward-thinking financial institution.

- Furthermore, the analysis revealed the importance of aligning serefforts with the bank's core values, emphasizing the institution's commitment to ethical and Islamic banking principles. This approach has not only enhanced its reputation among its target audience but has also contributed to sustainable growth in the long run.

- However, while First Security Islami Bank Ltd. has demonstrated commendable efforts in its promotional endeavors, the research also identified certain areas that warrant attention. These include refining target audience segmentation, optimizing promotional budget allocation, and continuously monitoring the effectiveness of various campaigns to ensure maximum returns on investment.

- Both banks follow Shariah principles and offer a range of banking products and services to meet the needs of their customers. You can compare their products, services, and customer reviews to decide which bank suits your needs and preferences

- Finally I said that this thesis report provides valuable insights into the service strategies of the Islamic banking industry in Bangladesh, with First Security Islami Bank Ltd and Islami Bank Bangladesh (IBBPLC) serving as an illustrative case study. By leveraging the findings of this research, banks in Bangladesh and beyond can refine their service approaches to remain competitive, relevant, and responsive to the dynamic needs of their customers. As the banking sector continues to evolve, embracing innovative and customer-centric service strategies will be pivotal for sustained growth and success in the future.

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