

# Report

On

# Mobile Banking Industry of Bangladesh





**United International University**  
*QUEST FOR EXCELLENCE*

## **Project Report**

**On**

## **Mobile Banking Industry of Bangladesh**

**Submitted To:**

**Prof. Dr. Salma Karim**

Professor

School of Business & Economics

United International University

**Submitted By:**

**Yasser Arafat**

ID: 111 143 203

United International University

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## Letter of Transmittal

12 June, 2019

Prof. Dr. Salma Karim  
United international University

Subject: Submission of project report titled “**Mobile Banking Industry of Bangladesh**”.

Dear Mam,

I would like to submit the report titled “Mobile Banking Industry of Bangladesh”, as a requirement of the BBA Course Curriculum. It was a great achievement to work under your supervision.

The report will highlight how mobile banking industry had grown over the past few years. A detail case study about the mobile banking arena showing market share, emergence, policy and competitive analysis. This project gave me both academic and practical exposure.

Thanking you generously for giving me this opportunity to work on such an interesting and unique matter. I will be obliged, if you kindly accept this report and acknowledge my work.

Sincerely yours,

---

**Yasser Arafat**  
ID- 111 143 203  
United international University

## **Acknowledgement**

All praise to Almighty Allah, who gave me strength to complete this report. The writing of this report has been difficult, but the preparation was a more difficult journey. Without the help of few people I would have not been possible to complete this report on due time. So I am really much thankful to those people for their tremendous support to make this report a reality. To start with, I am utmost grateful to my supervisor Prof. Dr. Salma Karim for her great support and assistance. Her guidance in choosing the subject area of the report helped me immensely and guided me to stay on the right track and successfully complete my report.

My gratitude goes to all the people for their active cooperation and willingness to help me at all times. Without them, I would not have the amazing experience to finish my report.

I would like to give a special thanks to the United International University authority for making this opportunity available for me and putting this kind of content which will help us to fight the real world. Finally, I would like to thank my friends and family members who gave me mental support and strength to complete my report successfully.

## **Executive Summary**

Over the years mobile banking has become an integral part of our life. It plays an important role of business operation as well as day to day activities. In Bangladesh, where the number of mobile subscribers is increasing day by day, mobile banking has become a very engaging factor. To have better understanding this report was prepared in a simple language so that readers from every background can get sufficient idea. Graphical representation was widely used to make it more attractive.

The first part of the report represents basic idea about mobile banking along with scenario in international arena and mobile banking from Bangladeshi perspective. Followed by the second phase which contains detail description about the mobile banking industry. It involves in depth review about market player, market shares, service charge comparison etc. Moreover an industry analysis was undertaken using SWOT analysis and Porters five forces. The report also highlights the advantages and disadvantages of mobile banking.

In the final part a survey was undertaken to know about the users' perception regarding the mobile banking service. It involves detail analysis of the research and provides greater insight about the usability of mobile banking. A discussion about the challenges in this sector was also included. My review about this report demonstrates that Bangladesh is progressing towards mobile users and mobile internet clients are additionally an enormous solidarity to the banking industry to advance the mobile banking

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## **1.0 INTRODUCTION**

According to “*Investinganswers.com*” Mobile banking refers to the use of a smart phone or any other cellular device to carryout online banking function while away from computer device and perform activities such as monitoring account balances, transferring funds between accounts, bill payment and locating an ATM etc. Mobile banking is currently the latest technology and tool for convenient banking in this futuristic world. With the leap of time mobile banking is becoming immensely popular in Bangladesh. For that reason it is essential to conduct such type of study for evaluating the effectiveness of mobile banking and how further this type of service can be improved. In light of the global hype and vast development around mobile banking, this special issue is highly timely. Mobile banking typically operates across all major mobile providers in the Bangladesh through any of these three ways or all together: SMS messaging; mobile web; or applications developed for iPhone, Android devices. It increased the connection between banks and customer and opened door for new business opportunities. Financial institution has played a significant role in reducing poverty and accomplishing inclusive growth and greater access to financial services for firms and individuals may accompany to accelerate growth and reduce income inequality. Because access to bank accounts, savings and payment mechanisms escalate savings, empowers women, creates jobs and boosts investment and consumption. Mass improvement of technology around the globe opens ample of opportunities that are reshaping the mode of banking industry day by day. As consumers are progressively moving online and becoming more inclined towards smart phones, digitalization is forcing banks to undergo such huge transformation. Technological platform like mobile banking helps to extend the services of bank to better meet the desire of customer. Reason behind “mobile banking” getting greater emphasize is due to more than 4 billion mobile subscribers who represent 61% population of world. So it creates the best pathway to reach the biggest portion of world population. Also, mobile banking requires less processing time than general banking operation. It helps the banks to bring down cost, and improves efficiency of the e-banking process. Also mobile banking facilitates better operation than internet banking.

## **1.1 Brief History of Mobile Banking**

The earliest mobile banking services were inaugurated through sms known as sms banking. Later after the introduction of WAP and internet system in phone, European banks started to offer mobile banking on this platform to their customers. The European company known as Pay Box which was supported financially by Deutsche Bank, in 1999 started mobile banking operation. However the higher cost of data plans and the slower internet speed were also restricting factors in the growth of mobile banking. Another company and also identified as a leader in the field was a Spanish initiative (backed by BBVA and Telefonica), called Mobi Pago. Later the name was changed to Mobi Pay and all banks and mobile operators in Spain were invited to join. Mobile banking before 2010 was mostly via sms but after the rapid growth of phones based on Google's Android (operating system) and iPhone has led to increasing use of special mobile apps created way for mobile banking. Mobile banking initiatives was mostly taken by European countries such as Germany, Austria, Sweden, Spain, France and the UK.

## **1.2 Mobile Banking in International Arena**

According to Mas (2010), a financial revolution is going on around the world in the arena of mobile banking and it is not just limited to rich developing countries but it also spread out to developing countries. This phenomenon is happening through the revolutionary branchless banking system of mobile banking. It is reported that up to the middle of 2011, the number of mobile bank increased up to 50%. Surprisingly African countries like Senegal, Madagascar, Kenya, Ivory Coast, Tanzania and Niger have made significant progress on mobile banking amidst significant technological and economical drawback. One key company is M-Pesa which is a subsidiary of Vodafone has made a real impact in African nations. Only in Kenya, M-Pesa register more than 13 million subscriber, while in Tanzania, M-Pesa has 6 Million subscribers and in 2010 in total 680 million transactions generated through mobile banking service. Moving to Latin America only 35 percent people have bank account while 90 percent people have mobile phones. Telefonica is giving the service of mobile banking in four countries and among these countries Brazil is in a pole position and relatively ahead of other countries in mobile banking.



Experts believe that African and Latin America has potential to be a huge successful market for mobile banking. And a study from North America suggests that, in USA almost 20% people are using mobile banking service in regular purpose. In Asian side mobile banking is in the brink of making a huge success. According to (<http://www.thecitizen.co.tz>) in Pakistan where 14% population is under banking system already gained a subscriber amount of more than 500,000 in mobile banking. Mobile banking is showing progressive growth in other countries like South Korea, Japan, China and Malaysia. Other Asian emerging economies like Bangladesh, Maldives and India are also joining this race of technological progression. In 2016 a survey by Ing International reveals that mobile banking users in Europe has increased by 47% and is expected to grow more 12% in the following year. Mobile device owners who adapted mobile banking were considerably high in Austria, Luxembourg and Czech Republic. European citizen has expressed positive regards that mobile banking contributes to better management of money. The ING international survey also shows that 47% mobile device owners in Europe are banking with mobiles.

### **1.3 Mobile Banking in Bangladesh**

Among the current growing industry, the mobile communication is growing rapidly and cited as the fastest growing industry in Bangladesh. In the concept of financial presence through mobile banking among the Bangladeshis has eased the transfer of money through mobile phones has been getting great attention and interest between the users in the last few years. People who do not have the luxury to official banking or non-banking services are receiving direct benefits through this method. The use of mobile phone has rapidly grown popular across different categories of people regardless of their financial capabilities, educational achievement and technological knowledge. This is working as a medium for direct financial services. It also contributed to the development of socio-economic situation through formation of small business and giving scope to further expand current services. The policy-makers (Bangladesh Bank) and the supervisory stakeholders are also providing excessive support to make the service more specialized and efficient day by day.

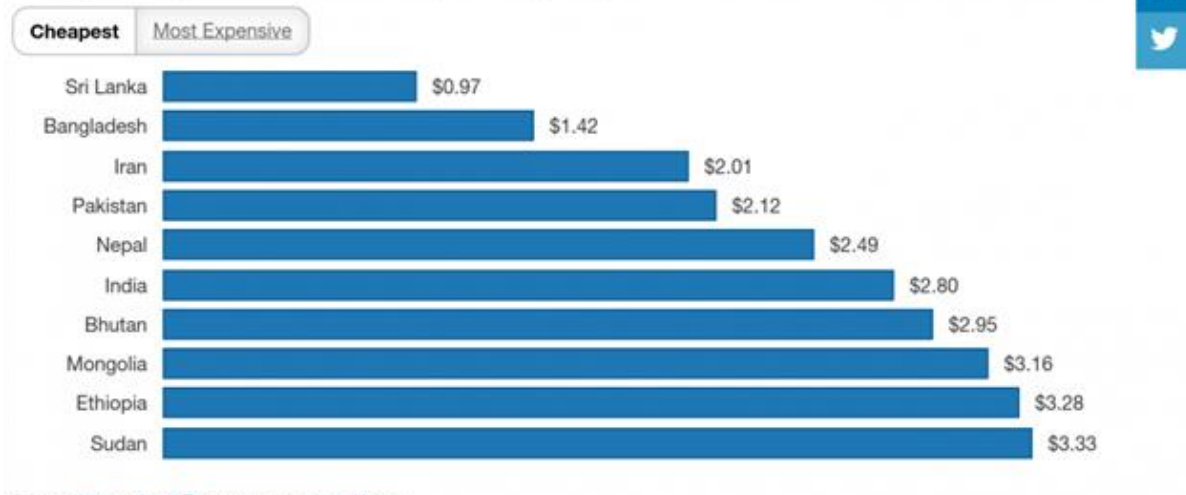
According to statistics, over 65% of the people live in the rural and semi-urban areas where the formal financial services are almost unavailable or very infrequent. It is estimated that only 15%

of the population are connected to the official banking system in Bangladesh. And a huge chunk of population was somehow dependent on other mediums of cash transfer. Dwellers situated in the rural or remote areas were in the constant need of secure and efficient way to transfer money from distant locations. Being one of the most innovative discoveries of the modern technology, mobile phone has much more than just building communication network. At the beginning, this technology was mostly used for communication but now a days it has set itself as a useful tool to transfer money from one place to another to facilitate the financial requirement quickly.

As stated by Daily Star, mobile banking transaction per day generates tk. 994 crore and the total number of mobile banking customers stands at 6.4 crore out of which 3.6 crore are actively doing transaction. Being a developing country, Bangladesh can be regarded as a prime example of successful implementation of mobile banking. Since the initial implementation, banks have seen wide spread growth in the number of mobile banking users and expect the growth to continue in the foreseeable future. However execution of mobile banking has not progressed without its challenges and ensuring security and developing the sense of security among the users have been the biggest challenge of all time. Not only in the developed countries but also in Bangladesh smart phone is one of the most recognized and well accepted technologies among the people and also it is predicated that traditional branch banking is going to reduce due to the increase activities of mobile banking. This growth in Bangladesh does not only pivot on only technological advances but also on the mindset of the people in accepting its service. Result of a Bangladesh Bank survey (July 2012) showed that people are eager to accept this system as good one as the survey reported 69% are positive about its potential. So it can be considered that mobile banking is initially a new concept in Bangladesh and it is seen through various reports that Bangladesh Bank is influencing banks to use this medium to reach to the unbanked population of Bangladesh. Bangladesh Bank believes that mobile is the easiest and convenient way to reach to the rural part of the country for providing banking service and expand financially. In August 2018 Bangladesh Bank brought down the monthly maximum cash-in limit from Tk150, 000 to Tk100, 000, and the monthly maximum cash-out limit from Tk150, 000 to Tk50, 000.

## The Cheapest and Priciest Places for Mobiles

Monthly phone usage cost in 2014 U.S. dollars (not including device)



According to “International Telecommunications Union”, Bangladesh is in a pole position of cheapest mobile handsets in the world. This has opened ample opportunities for mobile banking sector due to the number of increased handset; it contributes to the growth of the industry because without handset it is not possible to operate mobile banking transaction.

## **2.0 OBJECTIVE OF THE STUDY**

- To explain the present scenario and evaluate the competitiveness of major players of M-banking in Bangladesh.
- To examine the features, benefit and drawbacks of mobile banking services.
- To analyze the mobile banking industry using SWOT analysis and Porters Five Forces Model.
- To identify the consumer satisfaction levels basing on the individual products and services of mobile banking facilities of Bangladesh
- To analyze the setbacks and challenges of mobile banking industry for future prospects.
- To highlight some recommendations for providing M-banking services effectively.

This report will provide a scenario analysis about the mobile banking sector in Bangladesh and its potential to reach vast majority of unbanked people.

### **3.0 LITERATURE REVIEW**

Mobile banking could have several different type of definition but if we examine all definition quite have similar meanings. One of the most used definition of mobile banking can be regarded as a form of digital money that could be used to carry out business or other type of commercial or noncommercial activities with the help of mobile phone. (Lawack, V. A, 2013).

Baten (2010) studies about the scope and benefits of e-banking compared with the existing traditional system. His study highlights the advantage digital banking system that could benefit Bangladeshi banking sector. The study also shows that the Bangladeshi users do not have enough knowledge about the e-banking services provided by banking sector in Bangladesh. Despite huge prospects, only a handful of few adopted mobile banking in Bangladesh during the last few years. Mizanur (2013) addresses mobile phones have vastly escalated as a successful and popular mode of communication in recent years and the author believes that growth of mobile banking in Bangladesh is inevitable, especially in the case when banks do not have enough number of branches in the rural areas of Bangladesh. Donner, Jonathan, Tellez, and Camilo (2008) add that —mobile banking costs comparatively less cost to send small amount of money at a great distance. For instance, sending small amount of money through bKash mobile service is very quick and fairly reasonable which is preferred in comparison to a regular bank fund transfer that usually costs just about the same or even more money and takes longer to reach the recipient. Akram Hossain & Ziaul Haque (2014) evaluated the customer’s perspective of the adoption of m-banking in Bangladesh. The customer’s perception was found to be overwhelmingly positive towards mobile banking. Several different factors such as technical and security standards, and business and legal issues, regulatory and supervisory issues were found to be the main factors that is hindering the mobile banking implementation process in Bangladesh. Avasthi and Sharma (2000 - 2001) highlighted that rapid advances in technology are set to change the face of banking system, technology has transformed the delivery channels in retail banking and the technology based services has impacted the markets of banks and industry. The study also explored the challenges that banking industry and its regulator face.

## **4.0 METHODOLOGY**

The report is constructed by using both primary and secondary data. In order to determine the consumer satisfaction level of mobile banking services mostly primary data has been collected. Except that most of the report was carried out using secondary data. As many companies maintain high level of confidentiality for data and information, as result of that secondary data was limited to some extent.

A small scale survey was carried out to judge the users perception and attitude towards mobile banking. This type of research will further make path ways to carry out further research on a big scale to get hold of the industry and know about the industry on a huge scale. This survey also helped to know about the customer perspective a total picture of satisfaction and dissatisfaction about mobile banking service. Despite a company being unable to always satisfy their customer but the goal of the company is always to keep the entire customer satisfied.

### **Primary data**

#### **Survey**

Some specific questions were developed based on the objectives in order to collect required information from consumers which helped to dictate the consumer's satisfaction level regarding the use of mobile banking service.

#### **Face to face interview**

Interview session was conducted with many people such as family members, friends, relatives, teachers and known people in order to obtain the necessary information to complete the report.

#### **Observational findings**

While living in a society where a huge chunk of people use mobile banking service observation was carried out related to some scenario of them using the services and was involved interaction with consumer base which assisted in preparing the report.

#### **Secondary data**

Secondary data has been drawn out from various online sources such as the official website of all the mobile banking companies, some articles and reports and research journal was extracted and

analyzed from the online archive. Due to high level of confidentiality maintained by companies regarding data a little number of secondary data has been collected for preparing this report.

#### **4.1 Research Method**

Descriptive research method was used in the report in order to gain the objectives of the report. Due to lack of expertise in SPSS descriptive research was given priority because it is more appropriate and goes with the topic and it would be easier for readers to understand this way.

#### **4.2 Survey Method**

The primary intention for doing survey is to measure the consumer satisfaction level and perception of users towards the mobile banking service. This survey is undertaken by preparing questionnaires and for data collection purpose (11) questions were prepared. The question covers the ease of using service, access to the market, customer service, transaction policy, availability of products and service point. The questionnaires are filled up by participant through Google form with the use of internet. The questions were designed in a really simple way so that participants understand them easily and make an opinion.

#### **Population**

The population of this report is all the people of mobile banking service users inside Bangladesh as I believe all companies aims is to serve all the people of Bangladesh.

#### **Sample**

Sample is the subset of a population depending on it the main research has been organized. The sample size is 91. Among them 63 are male and 23 are female and in terms of percentage figure 69.2% and 30.8%.

## **5.0 LIMITATIONS OF THE STUDY**

While full effort was given with hard and soul to make this report an ideal one, but some conciliation have to be made due to some limitations being a student where it was hard to get access to some data. Company officials maintain a high level of confidentiality about their many of their data and operations which made it really difficult to get access to some secondary data. Due to this limitation some assumptions had to be made in some sections. Moreover, without working with the institutions it is not enough to bring out a total picture of the industry.



# **6.0 FINDINGS AND** **ANALYSIS**

## **Present scenario and evaluate the competitiveness of major players of M-banking in Bangladesh.**

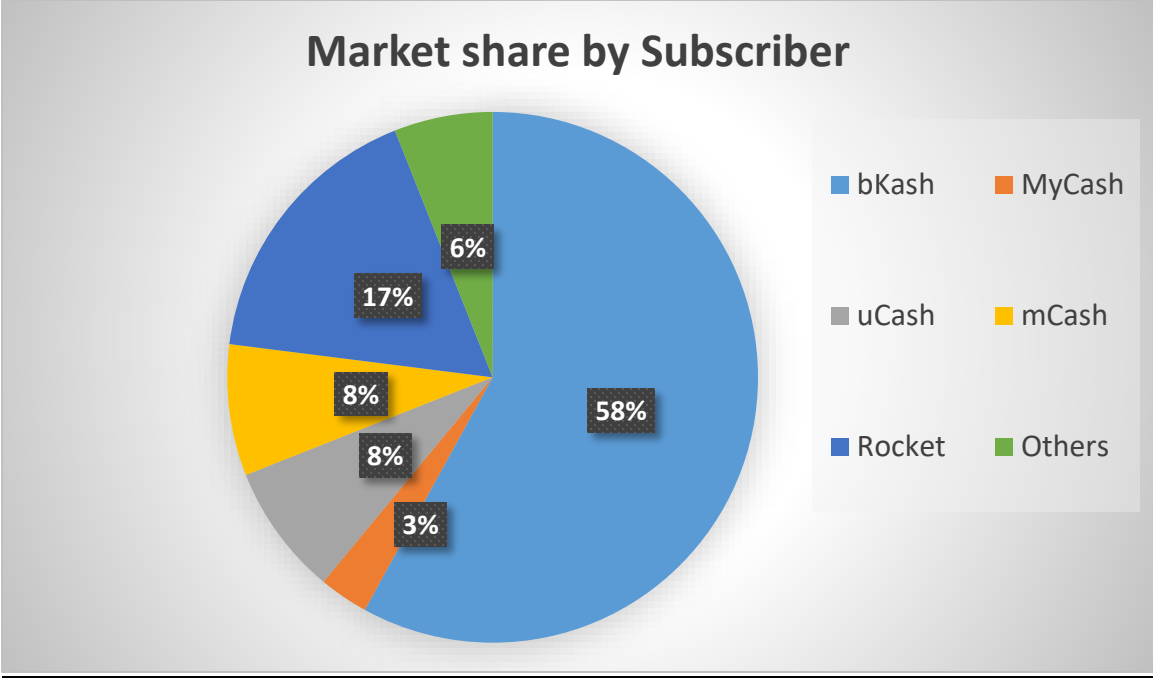
### **Major Players in Mobile Banking Industry**

Bangladesh Bank has allowed license to 28 banks to offer mobile banking services but currently only 18 banks are providing the service according to the website of Bangladesh Bank. Some major companies currently dominating the mobile banking industry are mentioned below:

<b>Service Name</b>	<b>Service Provider Name</b>
bKash	Brac Bank Ltd. Bangladesh
DBBL Mobile Banking (Rocket)	Dutch Bangla Bank Ltd. Bangladesh
My Cash	Mercantile Bank Ltd. Bangladesh
UCash	United Commercial Bank Ltd. Bangladesh
Nagad	Bangladesh Post Office Ltd.
T-cash	Trust Bank Ltd. Bangladesh
OK Mobile Banking	One Bank Ltd. Bangladesh
mCash	Islami Bank Bangladesh Ltd.
Mycash	Mercantile Bank Bangladesh

### **Market Share Analysis**

<b>Service Name</b>	<b>Market Share (%)</b>
bKash	58%
DBBL Mobile Banking (Rocket)	17%
My Cash	3%
UCash	8%
mCash	8%
Others	8%



Source: <https://www.slideshare.net/AliMuntaka/mobile-banking-in-bangladesh-75635996>

**Availability of Agents**

<i>Service Name</i>	<i>Number of Agents</i>	<i>Bank Branches</i>
bKash	160000	300
Rocket	116000	3005
mCash	86238	450
Mycash	95275	730
UCash	105000	107

**Comparison of service charges among the Mobile Banking Companies**

<i>Mobile Financial Services</i>	<i>bKash</i>	<i>Rocket</i>	<i>UCash</i>	<i>Mycash</i>	<i>mCash</i>
Account Opening	Free	Free	Free	Free	Free

Cash-in(At Agent)	Free	0.9% or BDT 5 (which one is higher)	Free	Free	Free
Cash-out (From Agent)	1.85%	0.9% or BDT 5 (which one is higher)	1%	General: 1.85%; Salary: 0.925%	1.80%
P2P Transfer	BDT 5	BDT 5	BDT 5	BDT 5	BDT 4
Cash-out (From ATM)	2%	Free	N/A	General: 2.00%; Salary: Free	1% or BDT 5 (which one is higher)

## **Features, benefit and drawbacks of mobile banking services.**

### **Features offered by mobile banking Companies:**

Most of the companies are offering the below mentioned products and services to all of its users:

#### **Cash In**

Individual can load cash in their account through any of the agent or ATMs.

This process is fully free of charge and without any hidden conditions.

#### **Cash Out**

Mobile banking allows users to withdraw cash from their accounts from the agents as well as from the ATMs. Companies charge a significant amount for this service.

#### **Send Money**

Money can be transferred from one account to another account virtually through mobile banking feature.

#### **Payment**

Provides payment solution in the majority of the markets.

#### **Buy Airtime**

Helps people to recharge their mobile phone account directly from their phone without wasting energy cost to go to retailer for recharge.

### ✚ Interest on Savings and Bank account management

Users can enjoy up to 4% of interest annually on their savings in the few of the mobile banking accounts like bKash.

### ✚ International Remittance

Many companies has signed up agreement with western union and MasterCard to receive money from the foreign countries in behalf of remittance holders which has enabled the people from rural and remote areas to directly receive money from the family members who are living abroad.

## App Interface of three popular Mobile Banking Services

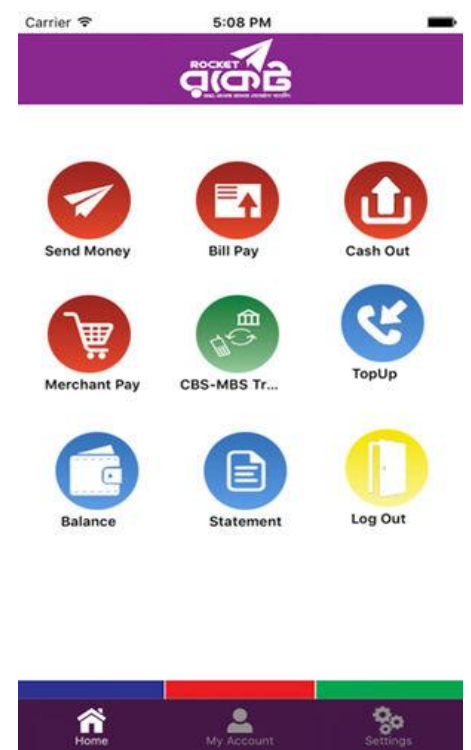
### BKash



### Nagad



### Rocket



## **Advantages and Disadvantages of Mobile Banking**

### Advantages of Mobile Banking

1. **Availability:** There are no specific hours of mobile banking; customers can check their account, move money, pay bills 24/7, wherever they are more at their convenience.
2. **Paperless:** With mobile banking customers won't get any more annoying junk mails because no one enjoys getting bank statement through mail. Not just environmental friendly it's also cheaper and safe as you do no longer have to throw away sensitive information into the trash or bin.
3. **Control:** Mobile banking makes it really easy to have complete control over your banking account. We can avoid overdraft fees by moving money between accounts. We also can get alerts when it's time to pay bill or fees or set up recurring bill payments.
4. **Safe:** Mobile banking is regarded as safe and secure. All reputable banks and financial institutions providing mobile banking services use encryption to safeguard and protect our privacy and information.
5. **Mobile Check Deposit:** Skip the hassle and energy cost to go bank and download the check straight from your phone. Most mobile apps offer mobile check deposit.

### Disadvantages of Mobile Banking

1. **Security:** Experts generally agree that mobile banking is quite safer than computer banking and the reason for is that very few viruses and Trojans exists or are made for phone. But that does not mean mobile banking is immune to security threats. Mobile banking can be subject to scams like phishing. Many people fall for this trick and lose huge chunk of money and it's quite common in Bangladesh.
2. **Compatibility:** Mobile banking is not compatible with every phones and also all bank doesn't provide mobile banking. If an individual does not possess a mobile phone then mobile banking service usually provide limited option to them.
3. **Cost:** The cost of banking is deemed cheaper but still a user has to pay data and text messaging fees. Some bank also charge extra charge for using mobile banking service. These charges may pile up to be a significant number especially if a user access mobile banking often.

## **Industry analysis using SWOT and Porters Five Forces Model.**

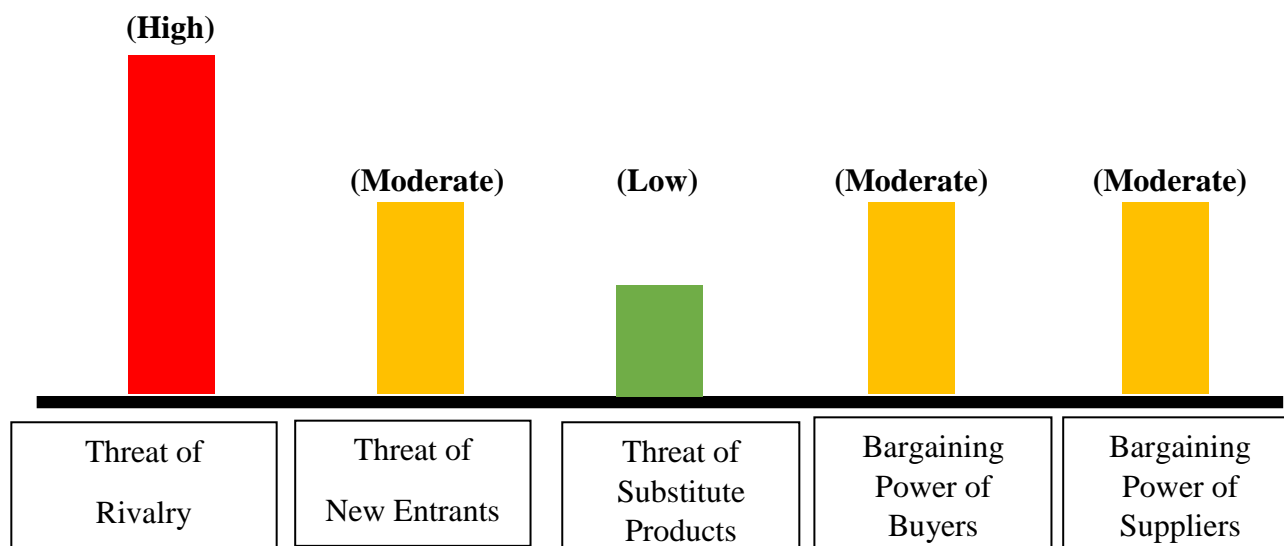
### **SWOT Analysis**

To have a greater understanding of the business environment, it is essential to analyze both the general environment and the firm's industry and competitive environment. One of the most basic techniques and useful technique for analyzing firm and industry conditions is SWOT analysis. It is a widely used and popular technique through the world which allows the managers to create a quick overview of a company's strategic situation. Here we used mainly the example of Bkash to demonstrate the SWOT analysis as they are the market leader to give an overall scenario of mobile banking industry.

### **SWOT Analysis**

<p><b><u>Strengths</u></b></p> <ol style="list-style-type: none"><li>1. Mobile as a useful technology dispense all the support required to leverage Banking transactions services.</li><li>2. Ease of availability- anywhere available at any time.</li><li>3. Positive growth of mobile phone market and wireless technology</li></ol>	<p><b><u>Weaknesses</u></b></p> <ol style="list-style-type: none"><li>1. Lack of awareness among the user about the potential exploitability of mobile banking.</li><li>2. Security concern about using new technology.</li><li>3. Lack of knowledge or expertise about mobile phone operability.</li><li>4. Distribution of mobile app facility to all concern users.</li></ol>
<p><b><u>Opportunities</u></b></p> <ol style="list-style-type: none"><li>1. Rapid increase of mobile subscriber and high acceptability even in the rural areas.</li><li>2. With greater technological advancement better feature can be equipped in the mobile banking service.</li><li>3. Reduction of mobile tariffs especially internet and sms price.</li></ol>	<p><b><u>Threats</u></b></p> <ol style="list-style-type: none"><li>1. Regulatory restriction imposed by the "Bangladesh bank."</li><li>2. Acceptance and getting familiar with new technology.</li><li>3. Fraudulent misuse of product and services.</li><li>4. Traditional risk also prevails in E-Banking sector.</li></ol>

## Competitive Analysis through Porters Five Forces Model



### **1. Threat of Rivalry (high)**

With the inclusion of other banks entering the mobile banking sector rapidly, the industry faces high threat of competitors.

### **2. Threat of New Entrants (moderate)**

With the introduction of smooth policy and encouragement from Bangladesh Bank, almost every bank is on the brink of providing or is becoming readily available to enter into the market.

### **3. Threat of Substitute Products (low)**

The substitute product in the mobile banking industry are considered as Government post office money order, credit card, ATM Card etc. which doesn't possess high level of threat to the industry.

### **4. Bargaining Power of Buyers (moderate)**

There are lots of major players in Mobile Banking industry at least 10 which gives a lot of option to the buyers

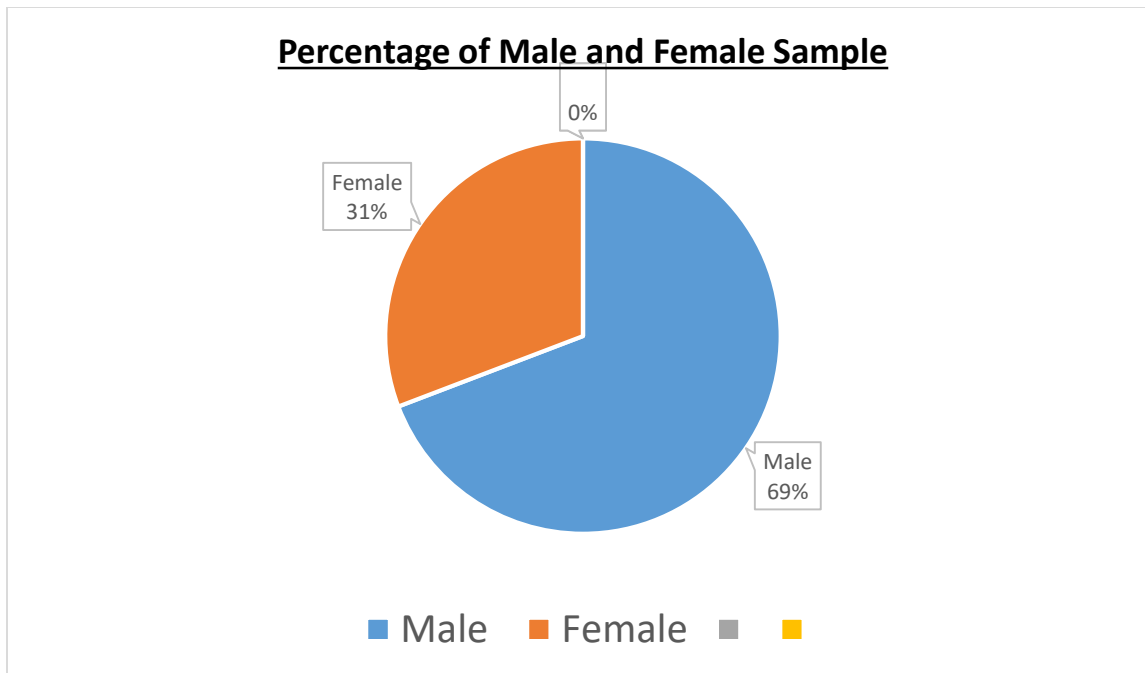
### **5. Bargaining Power of Suppliers (moderate)**

Two most important suppliers are telecom operators (GP, Robi, Teletalk, and Airtel) and agents. Since the agents are huge in number and if they are not provided with better incentives they might switch to other companies.



## **Consumer Satisfaction Analysis regarding Individual products and services of Mobile banking facilities of Bangladesh**

A survey was undertaken to judge the consumer satisfaction level towards the mobile banking services available in Bangladesh. The sample size is 91. Among them 63 are male and 23 are female and in terms of percentage figure 69.2% and 30.8%.

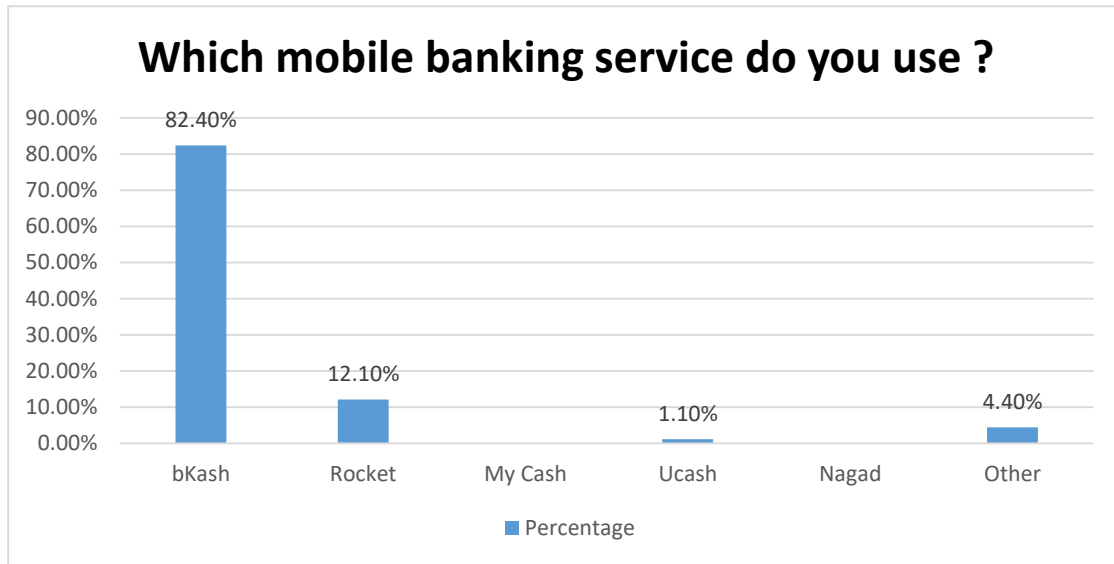


**Figure 1 Percentage of Male and Female Sample**

As there were (11) questions asked covering few specific areas like ease of using service, access to the market, customer service, transaction policy, availability of products and service point. The result analysis of each question is given below:

➤ **Question: 1**

1.	Statement	bKash	Rocket	My cash	UCash	Nagad	Other
	Which mobile banking service do you use?	75	11	0	1	0	4

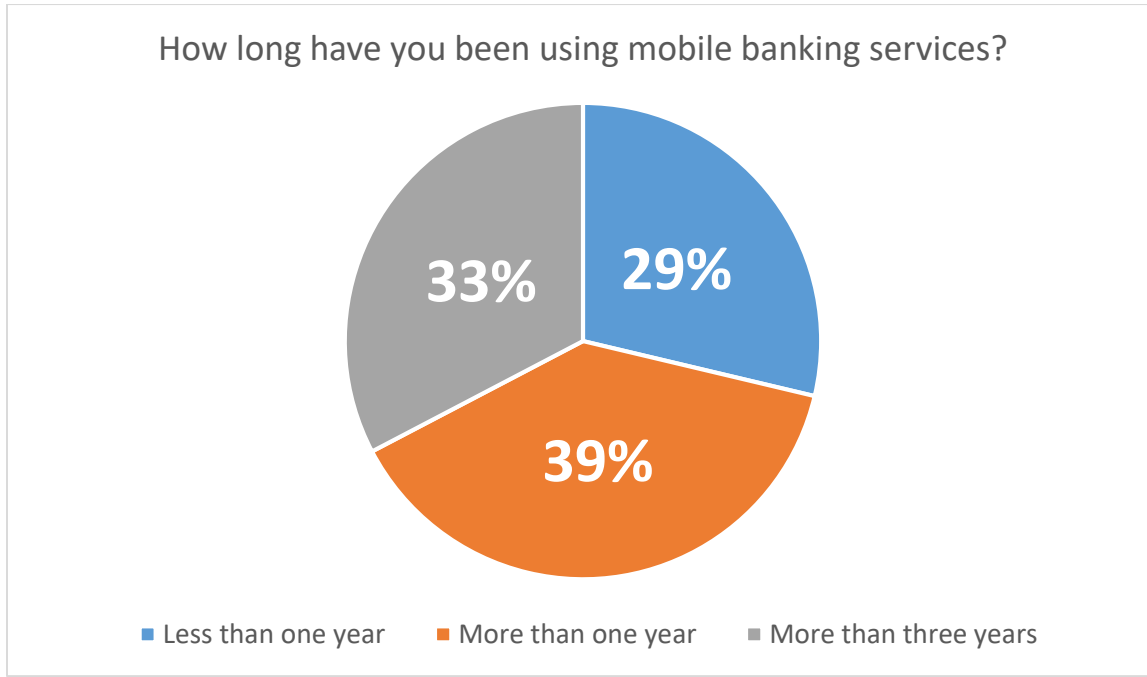


**Figure 2: Which mobile banking service do you use?**

The first question asked was which mobile banking service the consumers uses and as expected being bKash the market leader, 82.4% of the respondents use bKash. We expected the answer would be like this but another purpose was to find out the use of other mobile banking companies. Rocket being the pioneer in mobile banking still holds a significant position backward.

➤ **Question: 2:**

2.	Statement	Less than one Year	More than one year	More than Three Years
	How long have you been using mobile banking services?	26	35	30



**Figure 3: How long have you been using mobile banking services?**

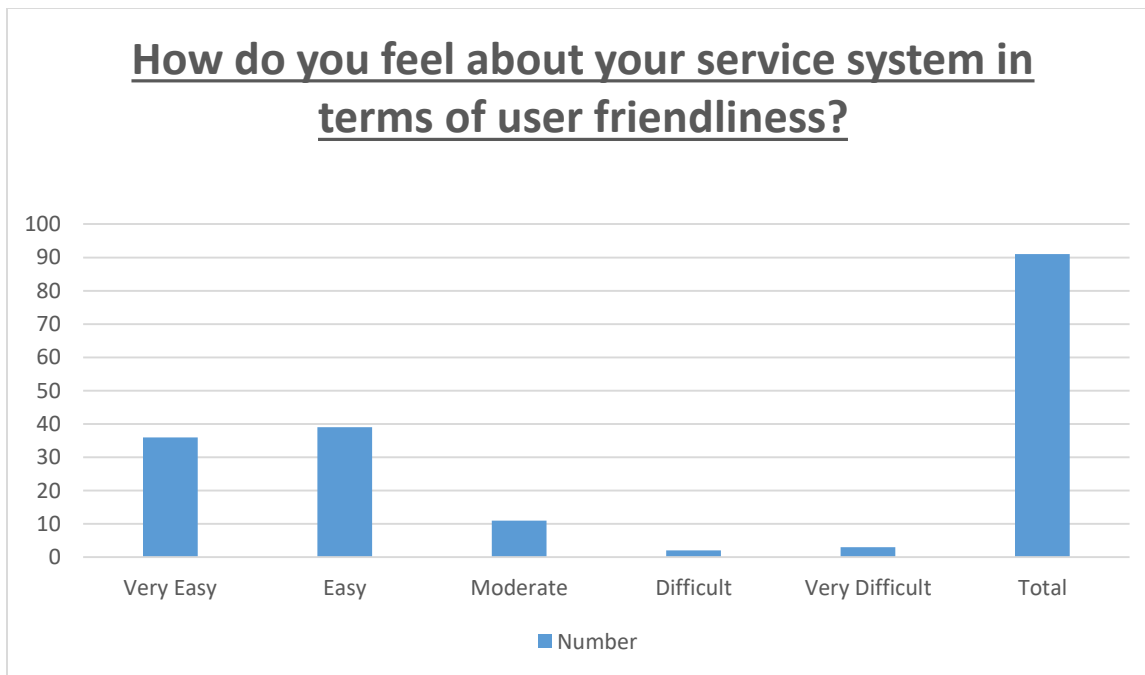
**Interpretation:**

The second question covers the time span of mobile banking users, we all know the mobile banking is the scene for quite a long time and over the year it important to assess whether people are sticking to the service and how many user subscribers are using the service. With this potential we can see positive results that **33%** of the people are using mobile banking for over three years and **39%** people are using it over one year so that’s a long time hold also and **29%** are less than one year. So we can assume more and more people are entering the mobile banking industry day by day.

➤ **Question: 3:**

User friendliness may define a hardware or software interface that is not difficult to operate or use. It should have some common attributes like it should be simple, clean, intuitive and reliable also. The main aim of user-friendliness is to provide smooth experience by designing the service in such ways. This question covers the user friendliness of the mobile banking users.

3.	Statement	Very Easy	Easy	Moderate	Difficult	Very Difficult
	How do you feel about your service system in terms of user friendliness?	<b>36</b>	39	11	2	3



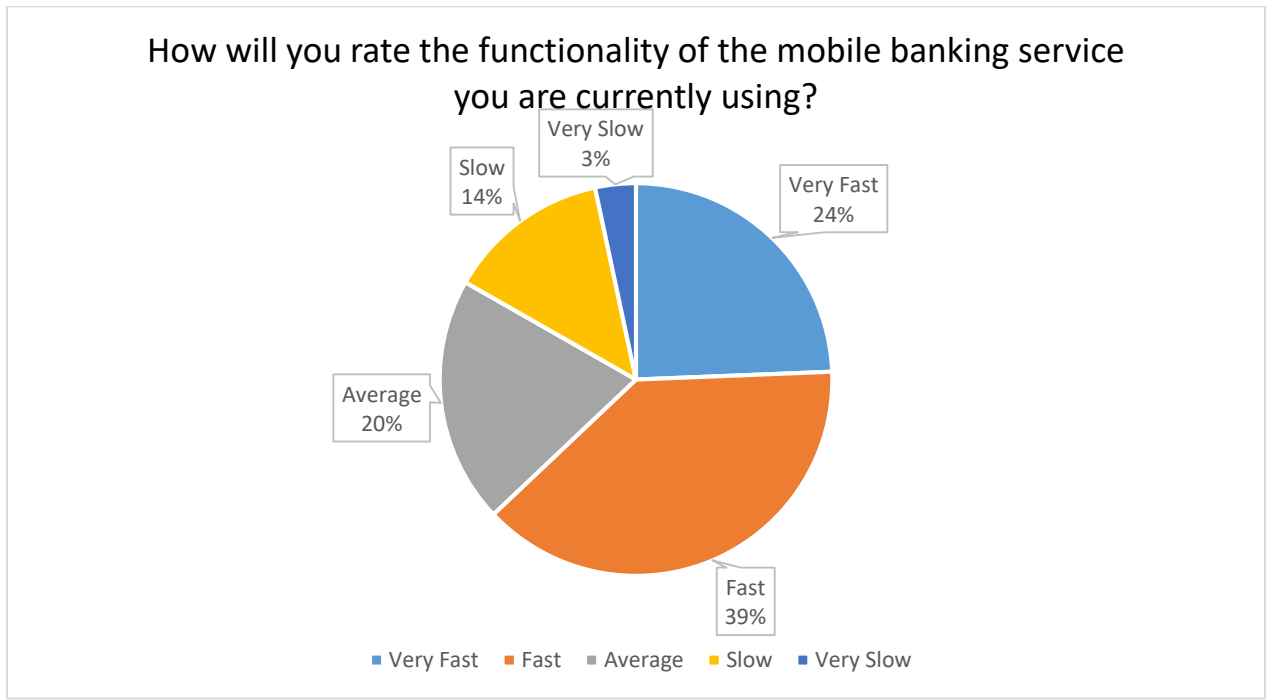
**Figure 4: How do you feel about your service system in terms of user friendliness?**

**Interpretation:**

Most of the people think it's an excellent service with over **75%** respondents saying it an easy to use feature. Only **12%** people think it's a moderate level feature and its average to use the mobile banking service. Other than that few percentages such as less than **5%** people thinks it's a difficult feature to get familiar with mobile banking.

➤ **Question 4:**

4.	Statement	Very Fast	Fast	Average	Slow	Very Slow
	How will you rate the functionality of the mobile banking service you are currently using?	22	35	19	12	3



**Figure 5: How will you rate the functionality of the mobile banking service you are currently using?**

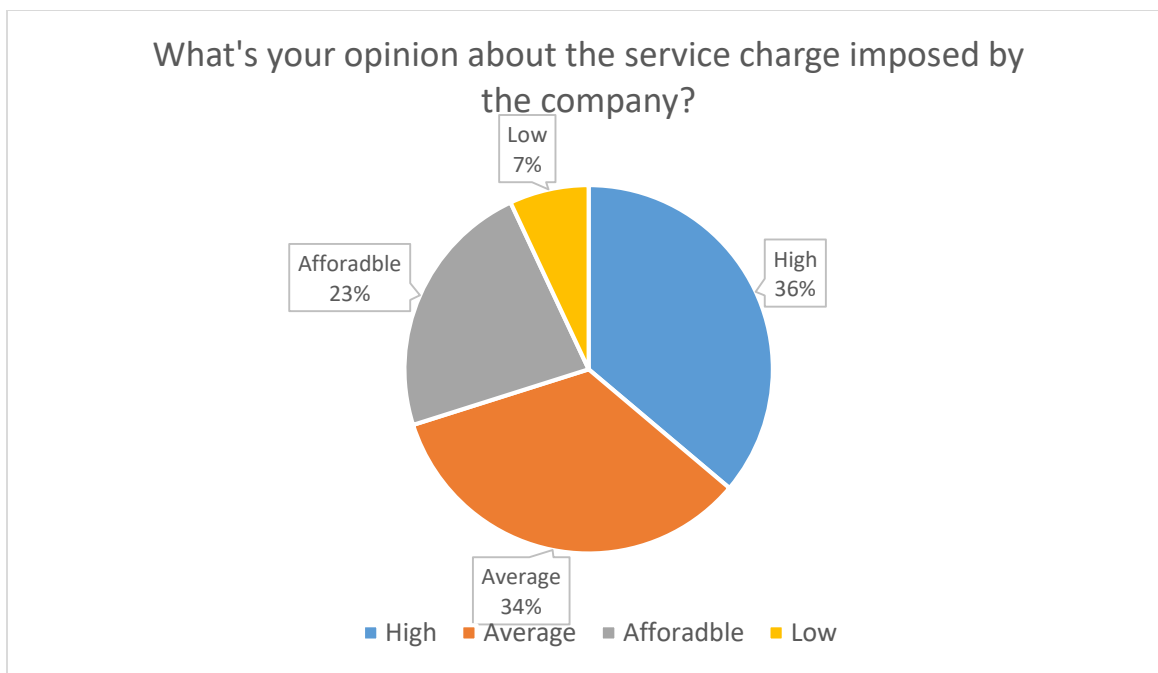
**Interpretation:**

This question tells us that 35 people sought to the service to be fast and very fast covers **24%** of the respondents. So it can be concluded most of the people are happy with the pace of the service but there is still scope for improvement as **20%** rated it average and **17%** are tagging it as a slow and very slow service which shows room for refinement.

➤ **Question 5:**

Service charge refers to the amount of money which may be added to the base price for something you buy. Huge portion of Bangladesh people is moving to digital payments and banking system. This question covers the awareness of the costs that are attached with the service.

	Statement	High	Average	Affordable	Low
5.	What's your opinion about the service charge imposed by the company?	<b>33</b>	31	21	6



**Figure 6: What's your opinion about the service charge imposed by the company?**

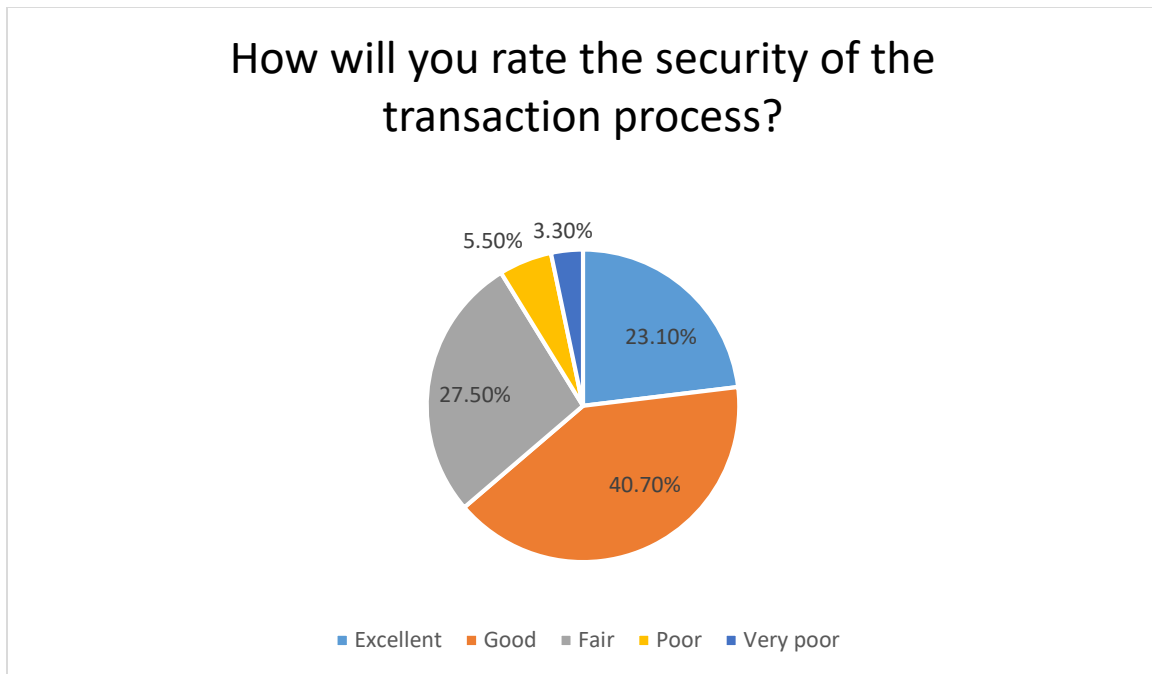
**Interpretation:**

From the survey it was found that the highest number of people voted for service charge to be high which is alarming and the figure stands at **36%**. About **34%** feels its average but not affordable to their range. The survey tells us that 21 people who represent **23%** find it affordable. Only **7%** of the respondents says the service charge is low and is very cheap compared to the service provided.

➤ **Question 6:**

One of the most notable features of mobile banking is that they let you manage your money through mobile which raises a big concern for security. Because of the concern, it is essential to acknowledge whether the companies are providing sufficient security.

	Statement	Excellent	Good	Fair	Poor	Very poor
6.	How will you rate the security of the transaction process?	21	<b>37</b>	25	5	3



**Figure 7: How will you rate the security of the transaction process?**

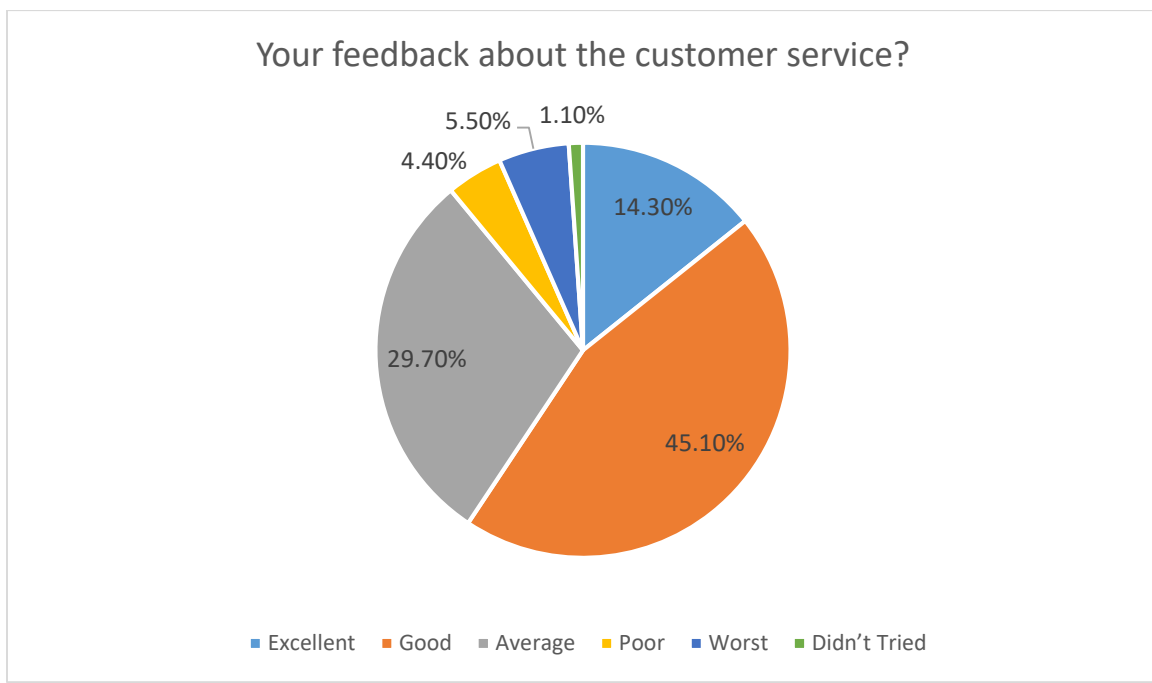
**Interpretation:**

Results of the survey shows people are actually satisfied with the security provided to them with **40%** people saying its good and **23.10%** are regarding it as excellent. It highlight people trust the companies with their money. A handful of people almost **28%** are rating it as fair. From the chart we can also witness **5.50%** highlighted it as poor and **3.30%** deems it very poor.

➤ **Question 7:**

Customer service can be defined as addressing the need of customer by providing and delivering service that is helpful and also be of high quality. There should be promptness, politeness and professionalism. This area covers the customer service satisfaction and two questions are addressed here.

	Statement	Excellent	Good	Average	Poor	Worst	Didn't Tried
7.	Your feedback about the customer service?	13	41	27	4	5	1



**Figure 8: Your feedback about the customer service?**

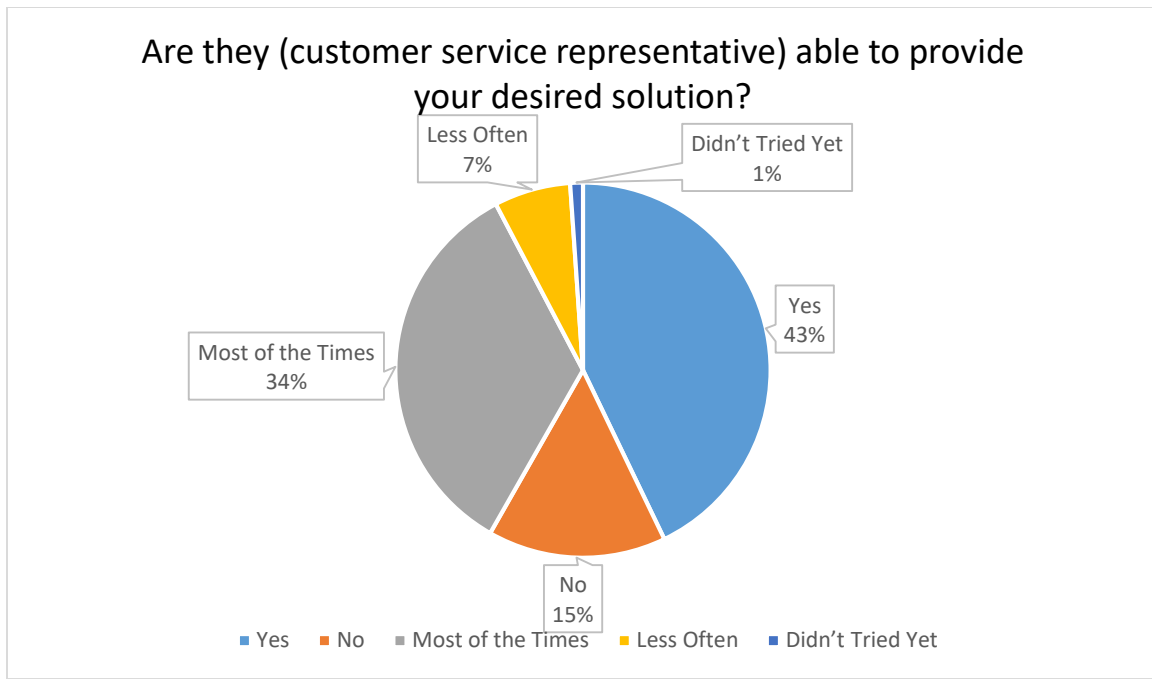
**Interpretation:**

Respondent seems satisfied with the customer service rating **41%** as good and **14.10%** deemed it excellent. At around **29.70%** respondent feel its average regarding the delivery of after service. And a small percentage find it poor **4.40%** followed by **5.50%** rated it worse and **1.15%** didn't tried the customer service yet.



➤ **Question 8:**

8.	Statement	Yes	No	Most of the Times	Less Often	Didn't tried Yet
	Are they (customer service representative) able to provide your desired solution?	<b>39</b>	14	31	6	1



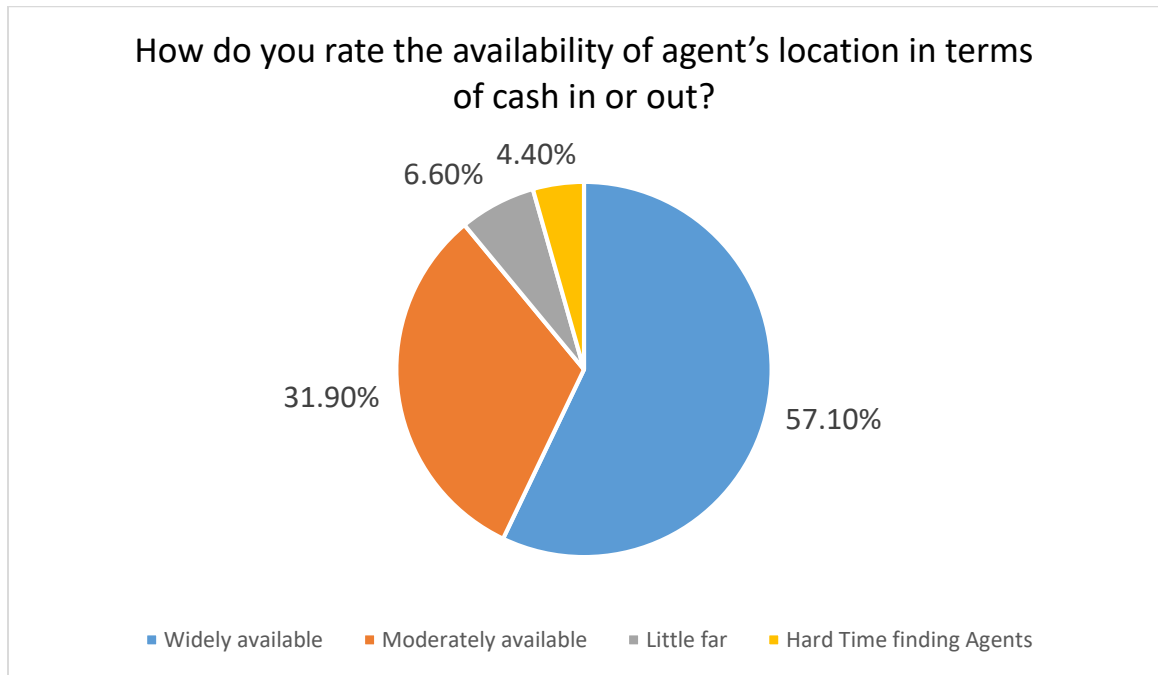
**Figure 9: Are they (customer service representative) able to provide your desired solution?**

**Interpretation:**

From the analysis out of 91 people 39 of them (43%) are convinced that they receive the solution to their problem. And most of the time 34% figure says that 31 out of 91 people had a solution to their problem. Around 15% that account accounts for 14 out of 91 people feel they didn't get any solution through customer service.

➤ **Question 9:**

9.	Statement	Widely available	Moderately available	Little far	Hard Time finding Agents
	How do you rate the availability of agent's location in terms of cash in or out?	52	29	6	4



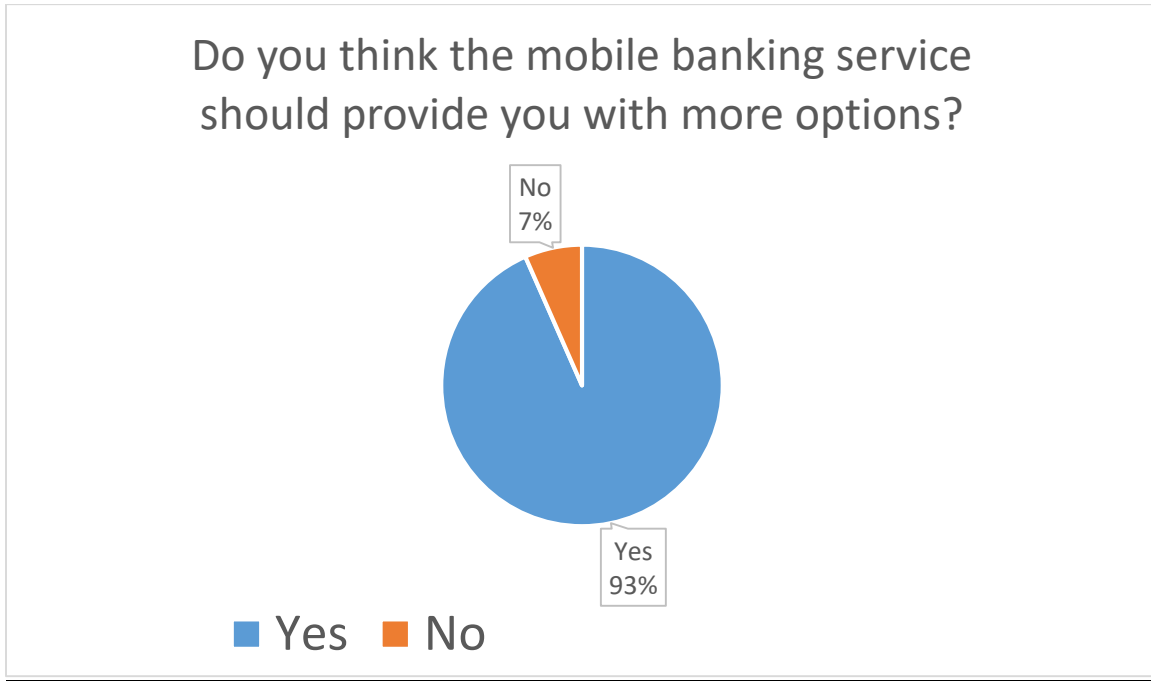
**Figure 10: How do you rate the availability of agent's location in terms of cash in or out?**

**Interpretation:**

It can be witnessed from the chart that the availability of agents is rated at **57.10%** that means more than half of the respondents have agent within their range. Agents are an important part of mobile banking transaction and **31.90%** suggested that agents are moderately available in their area. Around **6.60%** answer that agent seemed to be little far from their operation and **4.40%** had a really hard time finding their respective agent.

➤ **Question 10:**

	Statement	Yes	No
10.	Do you think the mobile banking service should provide you with more options?	<b>85</b>	6



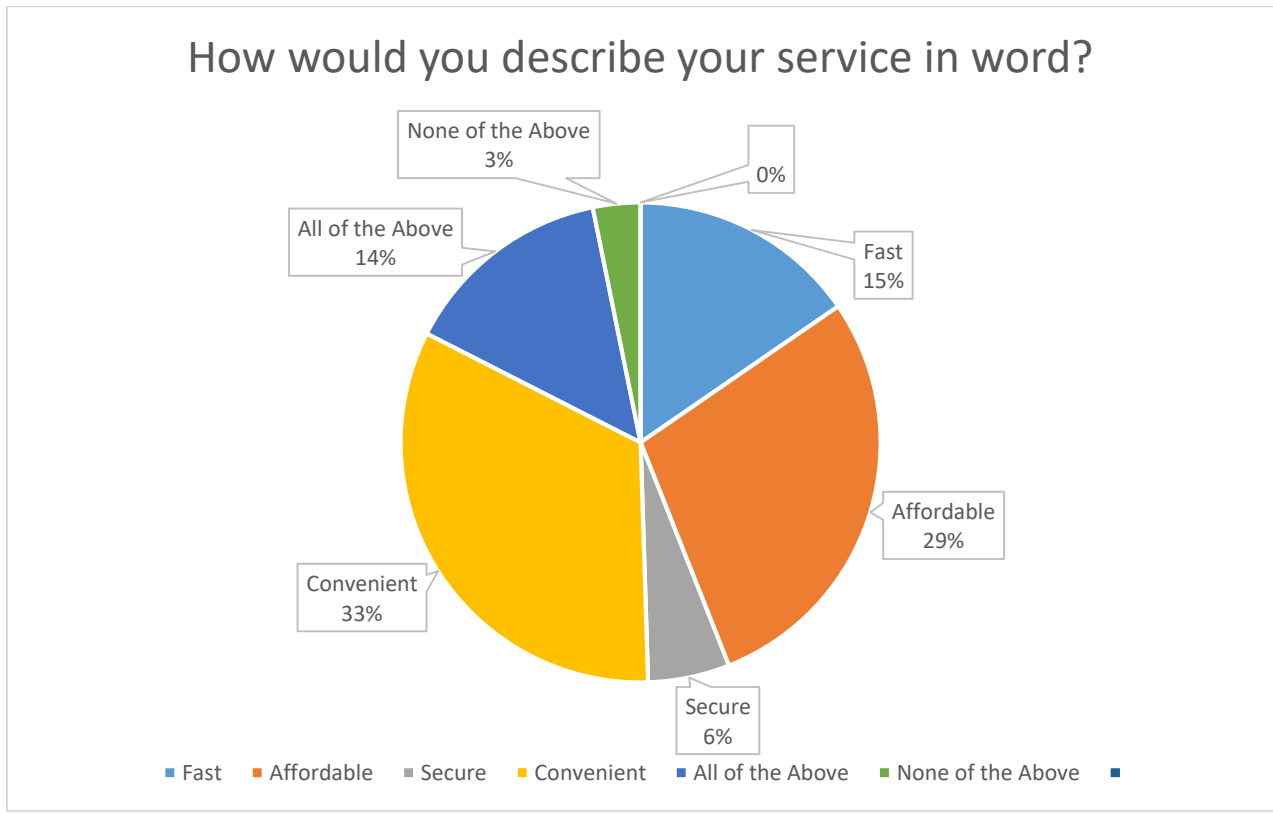
**Figure 11Do you think the mobile banking service should provide you with more options?**

**Interpretation:**

A very big portion of our respondents declare that they should be provided with more mobile banking options and that number stands at huge chunk 85 out of 91 which is **93%**. And **7%** of people are currently satisfied with options provided to them.

➤ **Question 11:**

11.	Statement	Fast	Affordable	Secure	Convenient	All of the Above	None of the Above
	How would you describe your service in word?	14	<b>26</b>	5	30	13	2



**Figure 12:How would you describe your service in word?**

**Interpretation:**

At last but not the least, the last question asked was how they will rate their service in few words. Interestingly **15%** of the people tagged their companies as fast, followed by **33%** feel that the mobile banking service is convenient and **29%** feels it's affordable. Moreover **14%** feels all of the option can be applied for their respective mobile banking company and **2%** aren't happy with any of the option provided to them and **1%** feels insecure with the service.

## **Setbacks and Challenges of mobile banking industry for future prospects.**

### **Setback and Challenges of the Industry**

Even though the mobile banking industry is growing rapidly at a large scale, it is still in the early phase of its cycle. Quoted from CEO of one of the leading mobile banking companies, “There is a long way to go and much still to do to build the business.” The technological platform needs to be constantly updated to keep with the huge amount of transactions. Customers need to be encouraged so that they are more cautious while doing transaction. One of the most important challenges faced by companies is the increase of fraudulent activities. A survey report found that more than half of consumers show risky behavior and do not understand the risks of fraud which is alarming. Multi-factor authentication can be seen as a layer of security for the user. However, using it smartly can balance both the security and the efficiency of mobile banking. Young generation is more interested to use mobile banking rather than traditional retail banking but they demand more updated system and user friendly interface integrated apps. So the institution faces this challenge to keep up with the demand of future customers who can be retained for a longer period of time. Banks need to address this critical issue of Privacy and Security as this can be the main setback of their business. As the customers are also concerned will they lose their money if they lose their handset? Telecom companies also have a responsibility for the safe functioning of the service.

Another core challenge is from the perception of low income users regarding technology. Many users think that they need to grasp advance skill to use the mobile banking technology and another issue raises in their minds that they require advance English to operate the service. If a customer inputs wrong amount of money or wrong account number while sending money to another account, there is no option to recover the money lost. This is a major drawback of this service; I believe the companies are researching about this matter to solve the issue. Because humans are prone to errors and mistake may happen while sending money. Charges set the company while entering and taking out cash increase the additional charges of using the service. This may discourage customers regarding the use of mobile banking. For example: the service charge of bKash is higher than other mobile banking service.

We can witness many mobile banking agent shops in urban areas but the scenario is bit different in rural areas where the number of agents of is relatively few in the rural areas of different districts in Bangladesh. Some agents do not want to take the risk of money. If the agent mistakenly does Cash Out to wrong customer number, he has to take liability and repay the money to the client from his own pocket because of limited recovery systems in mobile banking. The external security of mobile banking service is very lower compared to normal banking. In a traditional tangible bank, customer makes their transactions after entering an ATM booth or into the bank premises. So, mobile banking service is more risky than other normal forms of banking service.

Customer service centers or touch points are not located everywhere. Customer care line service process is lengthy and costly too. Buying Airtime service through which mobiles are recharged is sometimes unavailable due to random network problem and connection problems with telecommunication operators. Technological up-gradation program need to keep pace with the service, then it would benefit both companies and telecommunication operators as it would enable them to meet the committed services more efficiently and keep the customers satisfied.

Mobile Banking service is usually provided through agents, they may not have sufficient fund available all the time. Also as per regulatory requirement, companies has also limitation regarding the maximum amount of money that can be kept in any particular account, which also limits the number of transactions per day and the amount of withdrawals in a given time period. Furthermore most of the agents' shops are located in open public places where huge gathering of people are witnessed. These places make monetary transaction risky and people are more vulnerable to robbery. There are high chances that robbers may attack customers while withdrawing or submitting money from such risky places.

## **7.0 RECOMMENDATIONS**

1. **Customer Service:** Companies have a scope to work on the customer service section to provide greater support to the users and many users actually face a hard time about the service. It is the outmost responsibility of the company more specifically the customer representative to make their experience a smooth one. Customer service is one of the backbones of the service and the customer seeks help and information only from them. Most of the customers want immediate solutions.
2. **Functionality:** More and more of the company are moving towards app based service, so maintain the functionality of the mobile apps for better user experience and friendliness is a big challenge. Companies need to drop some funds in order to design extraordinary UI (User Interface) interfaces for their apps.
3. **Pin Issue:** Pin issue is a concern for many users, security of pin and sometimes many users forget their pin and block issue is a disturbing concern for many users. Companies need to pay attention in this segment.
4. **Service Charge:** One of the most major concerns about the users is about the service charge; many respondents feel that regular transaction pile up huge service charge which may not be always affordable for general people.
5. **Security:** Mobile banking users face huge hassle with fraudulent activities. A circle of perpetrators has formed who trick people leading to financial harm. The company to first bring more enhanced security system would have an added advantage for capturing the greater market share.
6. **Customer Retention Policy:** As the competition is fierce, companies should bring up policy to retain the customer for a longer period of time.
7. **Commission:** Agents and distributor are important stakeholders of the business. It is crucial to keep them satisfied with the commission rate; otherwise they have many options to switch.
8. **Foreign Remittance:** Bangladesh has huge amount of foreign remittance coming inside the country, but not all banking services offer them affordable and easy going service. Mobile banking companies can design the service to cater the needs of these segments to broad up market share.

## **8.0 CONCLUSION**

Today mobile banking has opened door to enable financial services to a huge unbanked sector which allowed new windows of prosperity and inspiration to Bangladeshi people. The research proves that the people of Bangladesh has indeed adopted this new technology with great ease and if the companies can live up to their expectation then mobile banking would be a huge hit in the coming days. With the huge economic growth, it is also essential for the financial sector to grow at a rapid pace. And financial service like mobile banking would facilitate for the economic growth of the country. It also needs to provide other options that would contribute to further growth. People from other countries are also observing the scenario of mobile banking and thinking about the benefits of this service. In this journey company such as bKash has played a huge role to educate the market about mobile banking. Greater innovation also needs to be undertaken to keep pace with people's expectation and for companies to differentiate themselves. Mobile banking is also assisting banks to expand their client base so mobile banking is an integrated system and need to work in harmony with traditional banking. But as the volume of transaction increase it also further raises questions about security. Bangladesh bank also has a huge role to play in this ultra wide market and need to act as a proper regulatory body in order for the mobile banking to thrive.



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## **Appendix**

### **Users Attitude/Perception towards mobile banking.**

This survey is undertaken to know about the user experience about the mobile banking service in Bangladesh. I appreciate you for giving me your precious time in filling up this survey./ এই জরিপ টি করা হচ্ছে বাংলাদেশের মোবাইল ব্যাংকিং এর বেপারে গ্রাহক দেব মতামত কি, তা যাচাই করতে। আপনার অংশগ্রহন এর জন্য ধন্যবাদ।

#### 1. Gender

- Female
- Male

#### 2. Which mobile banking service do you use?

- bKash
- Rocket
- My Cash
- UCash
- Nagad
- Other

#### 3. How long have you been using mobile banking services?

- Less than one Year
- More than one year
- More than Three Years

#### 4. How do you feel about your service system in terms of user friendliness?

Very Easy	Easy	Moderate	Difficult	Very Difficult
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#### 5. How will you rate the functionality of the mobile banking service you are currently using?

Very Fast	Fast	Average	Slow	Very Slow
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#### 6. What's your opinion about the service charge imposed by the company?

High	Average	Affordable	Low
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#### 7. How will you rate the security of the transaction process?

Excellent	Good	Fair	Poor	Very poor
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8. Your feedback about the customer service?

Excellent	Good	Average	Poor	Worst	Didn't Tried
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9. Are they (customer service representative) able to provide your desired solution?

Yes	No	Most of the Times	Less Often	Didn't tried Yet
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10. How do you rate the availability of agents' location in terms of cash in or out?

Widely available	Moderately available	Little far	Hard Time finding Agents
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11. Do you think the mobile banking service should provide you with more options?

Yes	No
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12. How would you describe your service in word?

Fast	Affordable	Secure	Convenient	All of the Above	None of the Above
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