Internship Report

On

“Comparative Analysis of Mobile Finance Market in Bangladesh: A Study on bKash.”

Submitted To:

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LETTER OF TRANSMITTAL

Date: 13-07-2025

Professor Dr. Mohammad Shibli Shahriar

Department of Business Administration
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Subject: Submission of Internship Report

Dear Sir,

With great pleasure, I am submitting my internship report on **"Comparative Analysis of Mobile Finance Market in Bangladesh: A Study on bKash"** which was given me as part of my MBA course. I finished my paper with the assistance and knowledge you have occasionally provided.

I sincerely appreciate your guidance and constant collaboration, and I am optimistic that the paper has finished to satisfy you.

Thank you

Sincerely yours,

Md.Nuruddin Zico
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STUDENT DECLARATION

I am Md.Nuruddin Zico ID: 212-14339 student of MBA program, Daffodil International University, thusly pronounces that the internship report entitled on "**Comparative Analysis of Mobile Finance Market in Bangladesh: A Study on bKash**", perfectly set up by me I just finished my internship at bKash Limited according to the direction and supervision of

Professor Dr. Mohammad Shibli Shahriar, **Department of Business Administration**, **Faculty of Business & Entrepreneurship**, Daffodil International University.

I am announcing that the paper, titled **"Comparative analysis of Mobile Finance Market in Bangladesh: A Study on bKash**", submitted to Daffodil International University, Dhaka for the fulfilment of MBA program.

Md.Nuruddin Zico
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LETTER OF ACCEPTANCE

It certifies that the internship report with the title "**Comparative Analysis of Mobile Finance Market in Bangladesh: A Study on bKash**" is prepared by Md.Nuruddin Zico, ID # 212-14-3339, as a requirement of MBA program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil International university.

I wish him success.

Professor Dr. Mohammad Shibli Shahriar
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

ACKNOWLEDGEMENT

First, I want to thank Almighty for allowing me to finish this internship report on time. It would be impossible for me to finish my report in time without Allah's help.

Internship reports are a component of the MBA program since, in just three months, an intern can gain practical knowledge by observing and performing the day-to-day tasks of the chosen firm. My internship at bKash Limited has been set up in this regard.

I would like to start by thanking my supervisor Mohammad Shibli Shahriar, PhD Professor & Director Faculty of Business & Entrepreneurship, Daffodil International University of Bangladesh who supervised me and given me best instructions.

I admit to being indebted to Sanjia Khan Sivan, Assistant Manager, for her consistent guidance from time to time and I am also thankful to Motiur Rahman Emon, Acquisition Executive in charge for helping.

I must emphasize this organization's fantastic working atmosphere and teamwork, which allowed me to do a lot of tasks and services throughout my three-month internship.

Lastly, I want to thank all of my friends for providing the motivation I needed to finish the course and this report.

EXECUTIVE OF SUMMARY

This report has been prepared based on four-month work experience in bKash Limited one of the best Mobile Finance Marketing companies in Bangladesh Mobile financial service became very popular because of quick money transferring, paying bills, getting discount from online shopping through payment. Customers can retain money in their mobile wallets and send and receive money at any time, from any location, thanks to the flexibility of accessing financial services. Throughout my intern report first I incorporated Goal, Origin of study, Scope of study, Methodology, Limitation and Literature Review. I have analyzed the company position, Organization View, Activities of the Company and Comparative Analysis of the Competitors, Competitive Analysis using Porter's Five-Factor Model and SWOT analysis, Industry Growth. There is little risk of New Entrants, medium to low Suppliers Bargaining Power, Internal Competition Rivalry, little risk of Threat of Substitutes, and middling Customers Bargaining Power. The social condition is good, the technological situation is bad, and the economic situation is moderate. The legal situation is positive. In the case of growth analysis average a year, Number of Customer is 17.62%, Active Customer 17.85% and Gross Revenue 15.85%When analyzing the three major companies in the industry, bKash, Nagad and Rocket, and other factors, I discovered that bKash is good in terms of organizational structure, technology partnerships, developing plans for special offers, brand recognition, and the availability of agents and subscribers.

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Chapter 01

Introduction

Introduction of the Study

As a subsidiary of the BRAC Bank incomplete, bKash is a mobile budgetary administration operating in Bangladesh. It is overseen by Bangladesh Bank. BRAC Bank Limited, Bangladesh, and Money in the World collaborated to create this portable cash system.

The American company Motion LLC. Customers of bKash have access to a variety of services, including local money exchange and cash withdrawals, payment processing, and the purchase of broadcast appointment top-up, after storing money in their mobile accounts. Bill and Melinda Gates Foundation joined the organization as a financial expert in March 2014, and International Finance Corporation (IFC), a member of the World Bank Group, became a value partner in April 2013. In 2017, the Fortune magazine list of the top 50 organizations to "Progress the World" included bKash. They claim that with 4.5 million daily transactions, 22% of Bangladeshi adults utilize bKash.

1.1 Background of study

A BRAC Bank subsidiary is bKash Limited. It is a partnership between Money in Motion, LLC in the US and Brac Bank Limited in Bangladesh. Its goal is to offer customers financial services that are reasonable, practical, and trustworthy. The Fundamo (Visa) technological platform is used (Bangladesh Bank, 2013). Additionally, Full Mobile Financial Service permission is granted. Robi, Grammen Phone,Teletalk, Banglalink, are partners with bKash's mobile network. It is the only provider of mobile banking services that offers a single service menu to all operators. It has 300000 agents in all around the nation. It continues to have the most agents in Bangladesh. Free registration is available, in addition to free balance checks, statement checks, and PIN changes. It is also accessible through all Robi WICs, the BRAC channel, and the Continental Courier channel in addition to the authorized agents. 25,000 Taka is the highest daily transaction limit, and 150,000 Taka is the highest monthly transaction limit. In Bangladesh, bKash continues to be the most well-known mobile bank. From the start, there is a lot of advertising. Advertising on television, radio, billboards, posters, festoons, leaflets, shop pointers, etc. are all used in its marketing campaign.

1.2 Origin of the Study

Every student who wants to earn an MBA in business administration must complete an internship program. The major goal of this program is to get corporate life experience and apply it to the knowledge acquired through academic coursework. Every student has the opportunity to work for a different business where they can experience a diverse working environment and gain practical experience.

1.3 Scope of the Study

On data that is readily accessible to the public, the study was constructed. The study's goal is to concentrate on how the sector is developing and how consumers view it. The study also compares the positions of three key players in the market, bKash, Nagad and Rocket.

1.4 Objective of the Study

Objectives are:

- Demonstrating the potential of mobile finance marketing in Bangladesh.
- Explain the marketing operations of bKash.
- To discover problems linked to bKash's marketing operations.
- To identify industry standards by doing competitive analysis.
- Making recommendations to resolve the issues.

1.5 Methodology of the Study

Primary and secondary data were employed in the study with the goal of performing the analyses that were reported. Employees and users of bKash Limited provided the first information on general activities and client happiness levels. Numerous sources, including webpages and government documents, were used to gather secondary data.

1.5.1 Nature of the Study

This study is qualitative research done on the problems bKash consumers face and the prospects for this company. The aim of this study is to evaluate their business performance so that they can implement it in their business. Since this research is done taking consideration of real consumers, this will reflect the general perception of the industry as well. Overall, this will provide a consumer centric view of bKash user experience and how to improve this service.

1.5.2 Sources of Data

Primary data:

- Survey on customer perception
- Interacting with and conducting interviews with the relevant officers

Secondary data:

- The bKash Limited website
- Customer face-to-face conversation.
- Some case study data that was gathered.
- Official records of bKash limited
- For the bKash annual financial statement for the five-year period (2016-2021), secondary data are gathered.

1.5.3 Target population

i. **Loyal bKash users:** Users who have been using bKash for the past 3 years, at least 3 or more services.

ii. **Churned bKash users:** Users who have faced difficulties in user experience and stopped using the service

iii. **Non-users:** Users who use other services but not bKash. The reason to target them is to understand why they use a different service and not bKash.

1.5.4 Sample Size

There was a total of 100 people interviewed for this research. A mixture of urban and rural populations was taken into consideration.

1.5.5 Sampling Method

For this research I have used a random sampling method. I have selected a region and went to different households and asked them if they were willing to participate in the survey.

1.5.6 Method of Data Collection

Data for this study was collected using the SERVQUAL model, which aids in gathering information about the company's service quality. Customers were questioned using a questioner format under this model.

1.6 Limitations of the Study:

Support from various sources is essential for providing up-to-date information and for making the report read well. Despite my best efforts, I was unable to compile certain information at the time of the examination. Therefore, the restrictions that come with it apply to this investigation as well:

- Lack of the necessary distribution reports
- I'm not skilled or experienced enough to build up a regular report
- One major issue with the data collection process was the client's lack of concentration and time.
- Large-scale investigations were not feasible because of the financial institution's demands and restrictions.
- Another limitation of this report is the banks' tactic of limiting some information and data that would be especially helpful.

Chapter 02

Literature Review

2. Literature Review

In 2011, the banking sector in Bangladesh introduced Mobile Financial Services (MFS). This initiative enabled many individuals, particularly the economically disadvantaged, in both urban and rural areas—to access a broad range of financial services.

However, maintaining digital banking operations in Bangladesh continues to face significant problems due to IT security, regulatory restrictions, and cultural differences. It became clear that banks would dominate the industry after the central bank released regulations on "Mobile Financial Services for Banks" in September 2011

Bangladesh has seen significant increase in the number of account holders, volume, and number of transactions in MFS since the system's launch in 2011.

Multiple research investigations have shown how finance affects growth by facilitating the effective transfer of resources between investors and savers. However, due to a lack of direct access to the products and services and excessive fees, banks are unable to involve a significant section of our people. This demographic, who lacks access to traditional banking services, benefits most from mobile financial services due to their lack of essential infrastructure and accessibility. MFS is currently a potent tool for developing Bangladesh's digital economy. Since its beginning, mobile financial services (MFS) have had significant growth, and 41.9 million people today use them.

Funds can be deposited, withheld, or used for a variety of services through the client account, the bKash mobile wallet, and a VISA technology platform that is fully encrypted to ensure the safest transactions.

Through wages, loans, domestic remittances, and other disbursements, customers will be able to electronically deposit money into their bKash accounts. Later, they will be able to withdraw the money from bKash approved agents and ATMs.

According to Chen and Rasmussen (2014), bKash's rapid growth can be attributed to a specialist firm founded to provide mobile financial services, a common aim of scale among a diversified investor group, and a regulatory framework that is friendly and supportive.

According to the BB Annual Report for 2014–15, there are 28.64 million MFS customer accounts overall, 0.53 million agents, and 4.32 billion Bangladeshi Taka as the average daily transaction. Although many banks are running MFS, bKash of BRAC Bank Limited (58% of the market share in terms of customers).

Chapter 03

Mobile Banking

3.1 World View of Mobile Banking

According to Mas (2010), the world of financial transactions is undergoing a financial revolution that is impacting both the skyscrapers of affluent corporations and the slums of underdeveloped nations. Mobile banking's branchless banking model is enabling this change. In 2001, mobile banking was initially made publicly available. There were just 10 mobile banks in service globally between 2001 and 2006. This number of mobile banks jumped to 50 by the middle of 2011 from 25 in 2009, 38 in 2010, and 25 in 2010. Unexpectedly, there were up to 140 m-commerce companies by the end of 2011. African nations experienced the largest m-commerce boom, which was then followed by Asian nations (Michael U. Klein, 2011) various mobile businesses are entering the m-commerce market in African nations. Orange Mobile Company operates a mobile banking service under the Orange Money brand. They have enrolled 1 million people since 2008. Despite the number of mobile banks operating in African countries, M-Pesa has had the biggest influence. A Vodafone subsidiary, M-Pesa, is a mobile bank. Only in Kenya M-Pesa have more than 13 million users, compared to 6 million in Tanzania, and 670 million transactions were made using this mobile banking service overall in 2010. In four Latin American nations, Telefonica is introducing the mobile banking service. Mobile banking is rapidly gaining momentum in the nations that make up Brazil. While 90% of residents in Latin America have mobile phones, barely 35% have bank accounts. Nearly 20% of Americans in the northern part of the continent regularly use mobile banking services. Mobile banking is also getting popular in Asia. In Pakistan, where only 14% of residents use normal banking, 500,000 people have already registered for mobile banking. Similarly popular in South Korea, Japan, China, and Malaysia is mobile banking. Bangladesh and the Maldives are also participating in this race. 77 banks in India have so far been licensed for mobile banking. Even though mobile banking has more success overall, the European region has not yet experienced it. In Germany, there were 22 banks providing services for mobile banking in 2003, but by 2006, there were only 14. It is predicted that mobile banking will succeed in Europe once 3G connectivity is ready throughout the continent.

3.2 Infrastructure for Mobile Banking

Two possible ways can be used to offer a mobile banking service. One of these is the ability of banks to offer their customers direct access to their mobile banking services. Banks are using their own network systems during this operation. Unfortunately, in some process's companies use a third party to provide this mobile financial facility

During this process, banks only supervise the information storage system while a third party is responsible for providing the services. The service can now be executed in two distinct ways based on these processes. The first one uses the GPRS protocol while the second uses SMS. Mobile banking based on SMS is used significantly in most nations, particularly in developing nations. It is also quite simple to grasp and uses a small amount of money and bandwidth.

3.3 Mobile Banking in Bangladesh

Bangladesh, a country with a population of about 169 million, is the eighth most populous nation in the world. Based on the Central Intelligence Agency (CIA), 2024 approximately 24.5% of Bangladesh's population is poor. Only 36% of this enormous population has a bank account. On the other hand, almost 100 million people in Bangladesh utilize mobile phones. As according to Bangladesh, institutional, infrastructure, and regulatory issues are barriers to the growth of e-banking. Behind the overall system are a shortage of competent workers, a centralized networking infrastructure, and appropriate policies. The payment system of the nation is being implemented by Bangladesh Bank, but all the banks at that time are struggling to upgrade their ICT systems. With the current financial system, it is challenging to reach a large population in this situation. The idea of mobile banking was born out of this strategy to provide banking services to the unbanked. According to Bangladesh Bank, using a mobile device to access financial services in rural areas of the country is the easiest route. The Bangladesh Bank has still only recognized 23 banks to operate this mobile banking service. Of them, 9 banks are only allowed to conduct foreign remittance transactions via mobile, while the remaining 14 banks have full approval for Mobile Financial Services. (Bank, January 2024)

Chapter 04

Organizational Overview

4.1 History of bKash

On July 21, 2011, bKash was launched with the following basic services: money, in real money out, send cash, broadcast appointment top-up, and charges payment. This was done since more than 70% of Bangladesh's population lives in rural areas where access to formal keeping money services is challenge.

4.2 Mission and vision

Beneficial, reasonable, and reliable. For the general people of Bangladesh to safely send and bKash aims to widen the field of financial consideration by providing monetary services that are receive money via mobile phones, bKash must provide a solution based on a very flexible Mobile Money platform.

4.3 Objective

Providing a wider range of banking services to Bangladeshi citizens is the main goal of bKash. With a particular focus on providing services that are useful, cost-effective, and dependable to assist the nation's struggling inhabitants in fostering more financial autonomy.

4.4 bKash Overview

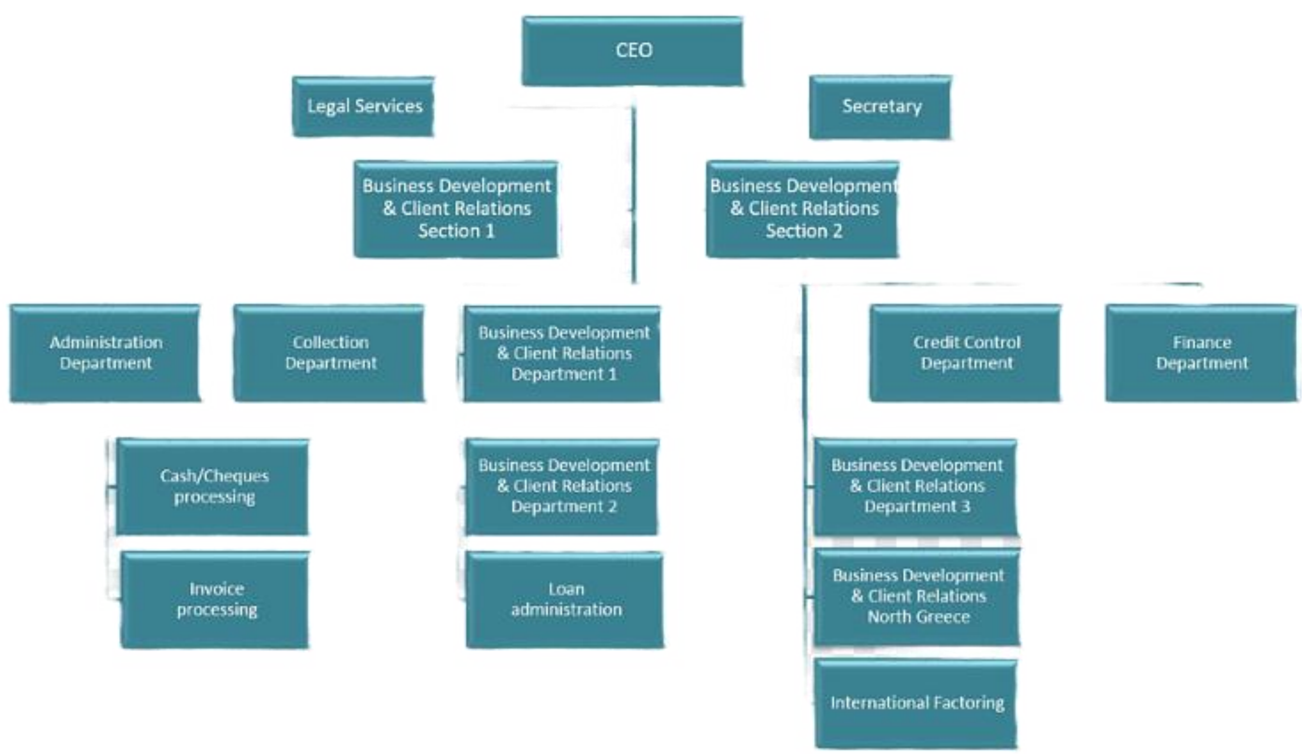
bKash Limited, the top mobile banking provider in Bangladesh, was named one of the 50 well-known businesses with a good social impact in Fortune's third annual "Change the World" list, Came in at number 23. Due to technical obstacles, banks were unable to reach the unbanked population. However, by taking advantage of the significantly increased number of mobile subscribers, bKash Limited was able to provide mobile banking services to both bank account holders and non-bank account users. Currently, about 22% of Bangladesh's adult population uses bKash for various financial transactions, and there are more than 4.5 million daily transactions conducted through bKash.

The Bill & Melinda Gates Foundation invested in the business in April 2014 after becoming an equity partner in April 2013 with the International Financial Corporation (IFC), a member of the World Bank Group. In order to promote financial inclusion for Bangladesh's underbanked and unbanked communities, Ant Financial Service Group, the company that runs Alipay, recently partnered with bKash Limited.

Grameenphone, Robi, Banglalink, Airtel, and Teletalk are bKash's MNO (Mobile Network Operator) partners. In January 2018, bKash introduced its remittance service through Western Union, allowing recipients from more than 200 countries to deposit funds directly into their bKash accounts.

It will make it possible for Bangladeshis residing overseas to transfer money home, which will greatly aid in generating foreign currencies. Additionally, bKash introduced a mobile application in April 2018 that allows users of bKash accounts to send money, purchase airtime, withdraw money from an ATM, pay bills, and request money using the app, except for remittance services.

4.5 Company Organogram of bKash Limited



4.6 The Activities of bKash Limited

bKash provides ten types of services. They are:

- Send Money
- Send Money to Non bKash User
- Mobile Recharge
- Payment
- Pay Bill
- Cash- In
- Cash-Out
- Microfinance
- My bKash
- Reset PIN

4.7 Send Money

You can send money between two bKash accounts using the Send Money function. The ways to send money are as follows:

- Dial *247# to access any bKash Mobile Menu.
- Select to "Send Money"
- Enter the user's bKash account number to send money to.
- Enter the desired cash amount.
- Provide the transaction with reference in your entry.
- To finish the transaction, enter the bKash Mobile Menu PIN currently.

4.8 Send Money to Non bKash User

- The bKash App's "Send Money" page will appear.
- Either choose the person's phone number from your phone book or input it
- Input the amount and continue.
- Review the specifics and finish by inputting your bKash PIN, send money.

- The bKash App download link will be sent to the recipient's phone number via an SMS.
- The recipient must download the app and use it to create a bKash account.
- • The money will be deposited into the user's bKash account after the account registration process is complete.

4.9 Mobile Recharge

- Dial *247# to access your bKash mobile menu.
- Selecting "Buy Airtime"
- Decide on an operator.
- Decide on the sort of connection.
- The 11-digit cellphone number you want to purchase airtime for must be entered.
- Enter the desired amount of airtime.
- To confirm, enter your bKash Mobile Menu PIN.

4.10 Payment

Any "Merchant" who accepts "bKash Payment" can be paid from a "bKash Account" by anyone. For instance, the method will be as follows if someone wants to pay after shopping:

- Dial *247# to access your bKash mobile menu.
- Select "Payment"
- For the transaction, enter the Merchant bKash Account Number.
- Choose the desired payment amount.
- The salesman at the cash register will inform you of the counter number that you must enter.

Now, input your PIN for the bKash Mobile Menu to confirm.

4.11 Pay Bill

Pay Bill method provides some vital services in our daily life. You can easily pay your bill through bKash. The services are:

- Electricity
- Gas
- Water

- Internet and Phone
- TV
- City Services
- Education
- Financial services

4.12 Cash- In

This is the procedure for adding funds to a bKash account. The agent point offers this service. The entire procedure is described below:

- Go to any bKash representative.
- Inform the representative of the amount you plan to cash in.
- The Agent Register, note the bKash Account Number and the Cash In amount.
- Pay the amount you want to cash in
- The agent will send balance to bKash Account in return.

4.13 Cash- Out

Users of bKash can withdraw cash at any moment if there is enough money in their bKash Account. There still are two possible ways to withdraw money from a BKASH account: through agents and via an ATM at a BRAC Bank booth.

4.14 Microfinance

Through bKash, you can easily and comfortably pay your loan, DPS, or savings installment to your microfinance organization while receiving a digital receipt and passbook.

4.15 My bKash

My bKash method provides these services:

- You can your Balance here
- Request Statement
- Change PIN
- Add Priyo Number
- Save Bill and others

4.16 Reset PIN

- Call *247#,
- Enter 10 and choose Reset Pin.
- Type the NID, passport, or license number associated with your bKash account.
- The year of your birth
- Pick up a service from the past 10 transactions.
- Before the decimal point, enter the amount.
- You'll receive a temporary PIN through confirmation SMS.
- To change the PIN, call *247# to access
- My bKash Type 1 and set a new Type 1 PIN.
- Set your new PIN (remember to choose a random 5-digit PIN that has not been used in the last three attempts and does not begin with "0") after entering the temporary PIN you received via SMS.
- Reconfirm with the new PIN.
- Your PIN has been reset

Chapter 05

Comparative Analysis between bKash, Nagad and Rocket

Here comparison to the three most widely used mobile banking services in Bangladesh are

- bKash
- Nagad
- Rocket

5.1 Concentrated Role

bKash: To reach the prospective market, bKash places great emphasis on providing mobile-based service. It has its own identity as a subsidiary and is solely focused developing and advancing the digital currency pattern, as opposed to depending on the parent bank's services.

Nagad: An affiliated division of the Ministry of Post and Telecommunication, Bangladesh Post Office, oversees the Bangladeshi Digital Financial Service known as Nagad. It is the updated version of the Bangladesh Post Office's previously introduced Postal Cash Card and Electronic Money Transfer System. To offer the residents and small enterprises of the nation a complete, digital, and dynamic financial service.

Rocket: In Bangladesh, Dutch Bangla Bank was a pioneer in mobile banking. As the first bank, it provided banking services via a variety of mobile phones. Rocket is a banking system that operates without a bank branch and effectively and affordably offers financial services to underbanked populations. Rocket refers to the provision of banking and financial services using mobile technology devices, i.e., mobile phones, such as cash-in, cash-out, merchant payment, utility payment, salary disbursement, overseas remittance, government allowance distribution, and ATM money withdrawal.

5.2 Core Competencies of bKash

- High Brand Recognition
- The parent company said: "Impressive group of investors."
- One and only organization built on MFS that is completely reliable
- Strong Network

5.3 Core Competencies of Nagad

- Excellent Brand Recognition
- Collaboration with all Bangladeshi Mobile Network Operators
- Strong Network

5.4 Core Competencies of Rocket

- An effective ATM network
- Dependable Parent Bank
- Banking Services with Solid Interconnections

5.5 bKash's special offers for customers are:

- Purchases made at certain retailers using bKash payment, customers will receive instant cashback of 5%, 10%, 15%, and 20%.
- During the campaign duration, customers can receive a Cashback of up to BDT 300 overall and up to BDT 150 per day.
- Up to 20% cash back on purchase from Sailor
- Up to 10% cashback on purchase from Lotto
- Up to 12% cashback on purchase from Daraz

5.6 Nagad's special offers for customers are:

- Up to 30% discount on Nagad payment
- 2500tk discount in Nagad payment on purchase from Midea AC

- 15% cashback on shopping from Nagad Mela
- 20% instant cashback on Movie Tickets
- 67% discount on Nagad payment on Domestic Hotels and Resorts

5.7 Rocket’s special offers for customers are

- 12% bonus on remittance
- Up to 15% cashback on selected brands
- 20% discount on purchase from Agora

5.8 Market Analysis

The provision of financial services through mobile financial services (MFS) enables consumers to undertake banking transactions by fusing banking with mobile wireless networks. This pertains to the ability to transfer and receive money, withdraw cash, and add funds to an account. Bank agents are often employed to facilitate these services, permitting mobile account holders to trade at independent agent locations other than bank premises.

The purpose of this study is to describe MFS's early development in Bangladesh and learn from it. Families can better organize and manage their lives if they have access to formal financial services. MFS offers the opportunity to create a new channel that extends outside the network of bank branches and ATMs, allowing millions of consumer’s quicker access to the established banking system.

5.9 Findings on the MFS Market Structure

The MFS norms and Bangladesh Bank's assumption of the "honest broker" position have been critical to this industry's recent expansion. After a few years of uncertainty, Bangladesh Bank's decisive action to develop MFS standards sent out a strong message that is boosting market expansion. Nagad is a Bangladeshi Digital Financial Service (DFS) and BRAC Bank have recently witnessed rapid growth in this market thanks in large part to Bangladesh Bank's proactive efforts to mediate disputes between commercial banks and MNOs. Surveys and interviews with banks and MNOs have repeatedly shown that people are expecting small payments to be the MFS's primary early drivers. Some people also realize the advantages of keeping money safe at the same time. It's worth noting that banks and MNOs do not consider receiving significant amounts of international remittances via MFS. The key goal is to deploy initiatives that promote minor domestic payments and develop new mobile accounts. The market's early leaders include Dutch Bangla Bank and BRAC Bank/bKash. Through partnerships with NGOs or other third-party distribution companies, they have founded these early agent networks. Both companies' transaction volumes since start have been higher than others' so far, and they each have several hundred thousand new mobile accounts. Contracts with MNOs are the main source of income for Rocket, Nagad and BRAC Bank/bKash through the use of USSD channels. There are a variety of reasons why these talks are challenging. The first is that, given the obvious choice for a bank-led market, banks seem to have a regulatory edge. They believe they bring distribution strength, a grasp of mass market consumer preferences, and expertise in managing businesses with millions of customers. However, MNOs might not completely comprehend the regulatory concerns or the banks' commercial argument. For example, MNOs might misjudge the potential float revenue gains for banks. These perception gaps are found all over the world. Even with agreements in place, it will be essential for the growth of the market to continue negotiating changes and additions to the partnerships. While some are simply looking for a few hundred thousand users, others consider that there is room for tens of millions of people in the market. A strong return on investment is something that some market makers anticipate within a year and a half.

Others consider that the micropayments industry needs to be very large in order to succeed, and as a result, they expect that the market may not grow for up to five years. The method of partnership negotiation is challenging since there are different viewpoints on the size and timing of the market.

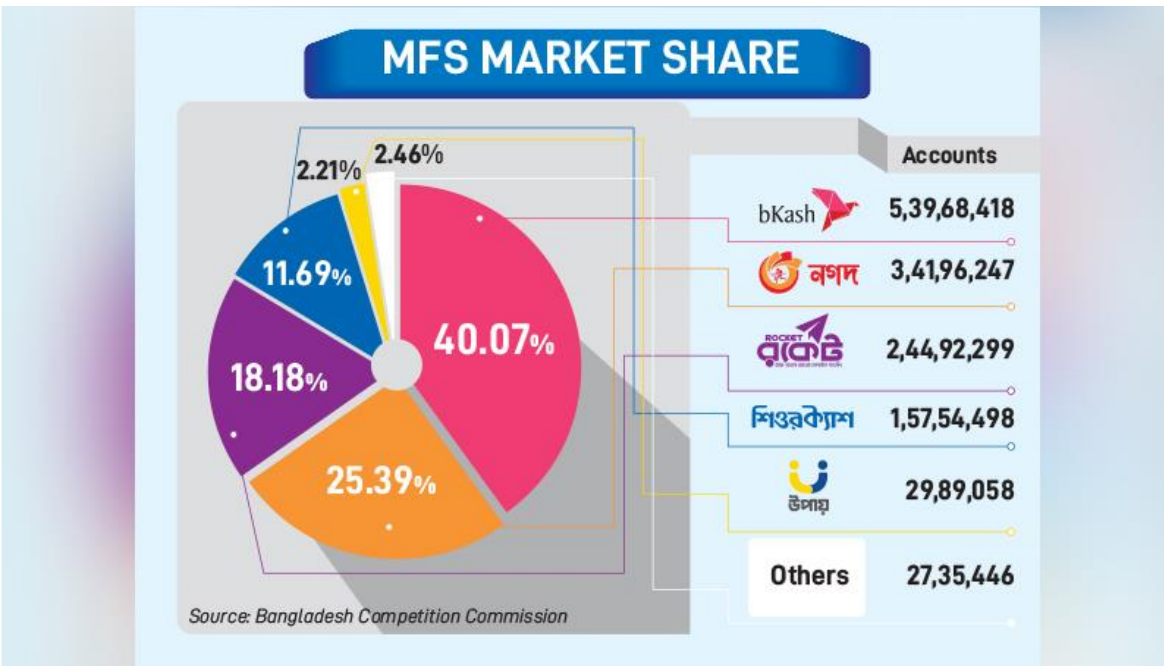
5.10 Comparative Analysis of Performance

BRAC, a significant development organization, launched BRAC Bank in 2001. BRAC Bank is a part of the larger BRAC organization even though it became public after its first three years of operation but in recent years, it has grown into more retail and corporate work.2011 had seen the creation of bKash, a 51% owned subsidiary of BRAC Bank, together with sponsorship from the American company Money in Motion. Under the MFS regulations, banks and their affiliates are particularly permitted to conduct MFS operations. When BRAC Bank/bKash officially began for business in July 2011, Robi was its first MNO partner. Grameen Phone allowed its subscribers to use bKash by opening a USSD channel to the service in January.

The Fandom platform, which was originally designed in South Africa and has now been owned by Visa, is used to deliver the service offered by BRAC Bank/bKash. All districts of Bangladesh are serviced by BRAC Bank/bKash, which aims to reach tens of millions of Bangladeshis using MFS on a significant scale in the next years. A $11 million donation from the Bill and Melinda Gates Foundation and technical support from Shore Bank International have also been given to BRAC Bank/bKash to aid in the introduction of their MFS services. The key issue, in the eyes of BRAC Bank and bKash, is to create sound business relationships with MNOs. Motivating employees and customers to use the service more consistently is the other problem. Establishing the business will require additional time, scale, and awareness raising, according to BRAC Bank/bKash. With about 65 million customers out of the estimated 167 million subscribers in the market as of March 2022, bKash Limited is now driving the sector. With 22 million members, Nagad is the second-largest provider in the sector. With 17 million Rocket is the third provider.

5.11 Market Share

The mobile banking industry is a relatively new one in Bangladesh. With a current market share of roughly 40%, bKash is in first place. Nagad own a 25% market share. Rocket own 18%.The majority of the market is mostly handled by bKash& Nagad. Rest of the market is made up of companies like Islami Bank, Trust Bank, Mercantile bank, Eastern Bank, and others.



5.12 Agents Analysis

The overall number of agents is a good indicator of how the business is doing in the marketplace. Therefore, every corporation tries to agitate their employees. Although the growth rate of bKash agents is a little slower than that of Nagad, there are currently 300,000 bKash agents in Bangladesh as compared to 240,000 for Nagad. While Rocket is the third place in the mobile banking section with 238,000.

5.13 Analysis on Branding

Since every mobile financing service provider is a bank or Ministry, organizations in the industry are not particularly aware of branding. In fact, it indicates that bKash, Rocket and Nagad are more careful about branding than others. These three service providers' branding exhibited originality, emotional connections, and consistency. Below, we analyze their branding in terms of a few fundamental branding traits.

One of the essential components for any branding is sufficient visibility levels; without them, branding cannot be beneficial. When it comes to branding, BKash is more noticeable than other brands. Though Nagad is the fastest growing mobile banking in Bangladesh, bKash, for example, has more billboards spread out across the nation with a clearly visible label than Nagad. While Rocket try to compete with those two companies via ads, sponsors and offers.

The distinctiveness of any product or service is one of the most vital components of its branding. Both bKash, Rocket and Nagad attempt to be distinctive in their branding, if we look at those three companies' branding. In addition, if we contrast these three, bKash branding is more recognizable than Rocket and Nagad. bKash has branding on boats, bumper stickers, dramas, and TV commercials. The other site, Nagad tries to brand through the similar way of bKash but not enough. And Rocket tries to brand through sponsors but not enough. Here, I've included the image of bKash's distinctive branding.

5.14 Target Audience

Rural and limited income people are this industry's primary target markets. MFS tries to offer banking services to individuals who typically aren't keen in banking. So that the business can promote its products to the intended audience. If we look at all of bKash and Rocket's TVCs, we will observe a rural population scenario. In fact, because bKash is more sophisticated than Rocket, they are also targeting urban people by offering payment services.

"The rural portions of the nation are home to Nagad's target audiences. Locals or tea shop proprietors always repeat the slogan "Nagad ey aschi" whenever I visit a place like that.

5.15 Performance Evaluation Using Porter's Five Forces Model

Since previous year, mobile financing market has faced severe competition from new and larger competitors in addition to ongoing special offers and new value-added services.

Using Michael Porter's five forces model, the following sections outline the field's competitive environment.

5.16 Threat of New Entrants

A new regulation mandating mobile banking services for all banks was recently issued by the Bangladesh Bank. Therefore, getting in isn't that difficult. For new customers, the Bangladeshi bank does have certain requirements, though. Existing enterprises' branding and economies of scale in coverage serve as entry barriers. Furthermore, there is a pricing war between the service charge rivals. Because of the limitation of licenses, prospective direct entry into the industry is currently somewhat limited.

5.17 Suppliers Bargaining Power

Suppliers with high industry power include GP, Banglalink, Robi,and Teletalk in the mobile banking sector. The network's strategic importance and brand identification, in addition to the company's scale, are important factors that influence bargaining leverage in the mobile industry. However, the mobile banking sector has a wide range of possible suppliers and vendors, including various agents, shops, and significant telecom equipment providers in Bangladesh. As a result, the sector is medium to weak.

5.18 Internal Competition Rivalry

This mobile banking sector is expanding quickly. The market was currently dominated by bKash, Nagad and Rocket. In addition to rapidly covering the market, these three are also attempting to cut into their market share before further calculations. However, Islami Bank has recently unveiled M Cash. It might be a major customer for those three businesses. Banks like Prime Bank, Bank Asia, Trust Bank, Dhaka Bank, Mercantile Bank, Premier Bank, and Jamuna Bank provide mobile banking services to the mobile finance industry. They are all excellent candidates to compete in this market. Nowadays, businesses are organizing themselves to operate mobile banking. However, they are not focusing on this site, making it simple for bKash, Rocket and Nagad to grab the market. BRAC Bank is doing clever advertising since they introduced bKash to this market. With many agents, they are currently handling 41% of the market. They also promote their services through TV commercials, billboards, and newspaper ads. In addition, Nagad and Rocket use this type of branding to market its mobile banking services. bKash is currently the dominant player in the mobile banking sector, although this sector is expanding quickly. Therefore, anyone can enter this industry, which poses a threat to BKash. This is something that bKash is quite aware of, which is why they are quickly gaining market share. In addition, they advertise their services in every market they can. Since entering the market, M cash from Islami Bank is growing. They are providing other businesses with a challenging calculation. M Cash employs active marketing tactics in relation to other businesses. The business enjoys strong visibility. Hence, there is strong competition among current rivals.

5.19 Threat of Substitute

High-tech services such as mobile banking are being replaced by alternatives. Although there are alternatives, they pose minimal threat to the mobile telecom industry because they are either in the early phases of development or are almost obsolete. The replacement services, on the other hand, are not as useful, therefore corporations do not pay as much attention on them. So, in Bangladesh, the threat posed by alternatives is low.

5.20 Customer Bargaining Power

In Bangladesh, there are basically six mobile banking providers, and they all provide services that are nearly identical. Because switching between providers is inexpensive, this gives customers a very strong negotiating position. In this sector, purchasers' bargaining strength is mediocre. Except for clients in distant areas who lack access to other services.

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Chapter 06

SWOT Analysis & Growth Analysis of bKash

6.1 SWOT Analysis

SWOT analysis is a basic, yet essential tool used to assess a company's position and the overall condition of its industry. It is a frequently utilized technique that managers use to quickly summarize the strategic status of a company.

6.2 Strengths

- Bangladesh's first money mobile financial service provider, bKash, operates under the expansive umbrella of BRAC Bank.
- bKash provides its services to a broad variety of customers in the Bangladeshi market by employing the reliable and expansive mobile networks of major mobile operating industries (Robi, GP, Banglalink, and Teletalk).
- With the best technology support, bKash can provide customer service in the quickest amount of time.

6.3 Weaknesses

- Shopping online has grown in popularity recently in the Bangladeshi market. The fact that bKash currently does offer some sort of transaction solution for online shoppers but no enough compared to others, is a significant problem for the business.

- Since the corporation does not offer any form of security to the field agent, local businesspeople are uneasy about joining the agency ship of bKash.

6.4 Opportunities

- The people who usually get ignored by the big financial service providers and their offers are the target market of bKash Limited. Bangladesh has a significant population in these segments; hence bKash has an excellent chance of gaining a sizable market share.
- Due to its partnerships with two significant international money transfer firms, bKash may be able to offer more extensive services for international transactions.

- Capability to expand the market and reach more in mobile banking sector.

6.5 Threats

- The group encountered numerous terrorism-related challenges over the previous years in several Bangladeshi cities because of the country's inadequate security infrastructure. The likelihood that local agents and clients may stop utilizing this service if these incidents keep happening brings a serious threat.
- Market share loss is a possibility if the company is unable to make the necessary defenses against the competition. Several other Bangladeshi banks have recently begun offering the same kind of service to the market along with new incentives and conveniences.
- Competitors could provide special features and offers to gain customers.

6.6 Growth Analysis of bKash

6.7 Number of Customers

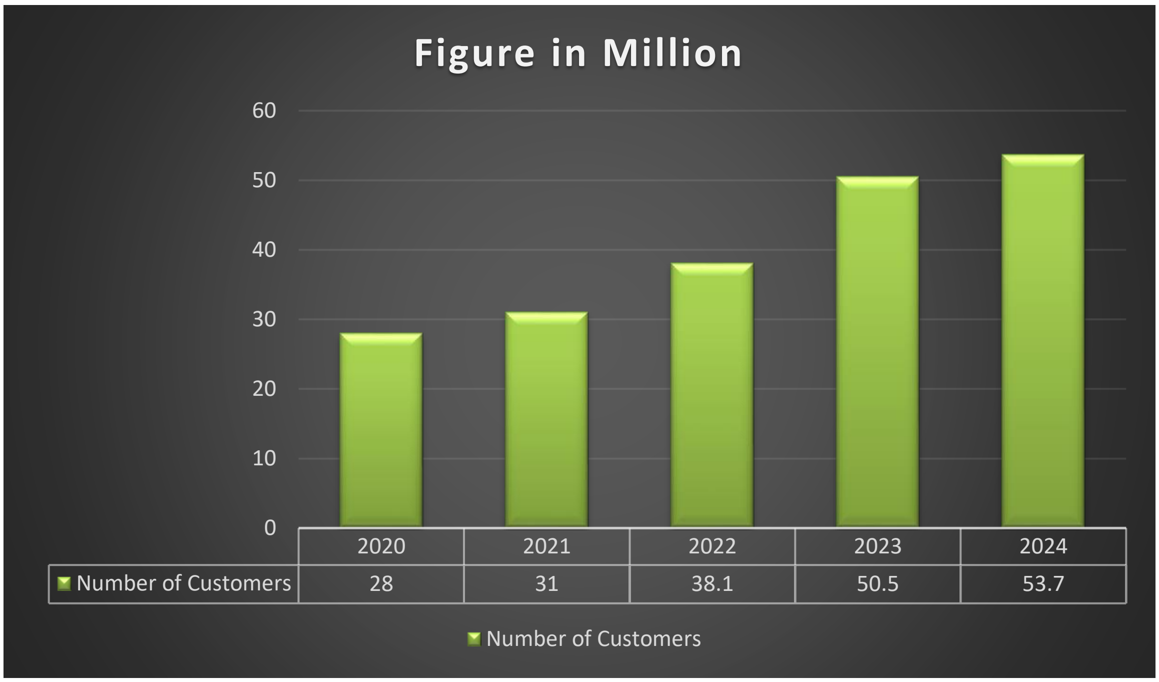

Figure: 1

Figure 1 indicates a massive increase in customers over the years. Customer increasing rate on average 17.62% over the following years, taking to the total number of 53.7 million. It indicates the company's value and trust from the people.

6.8 Active Customers

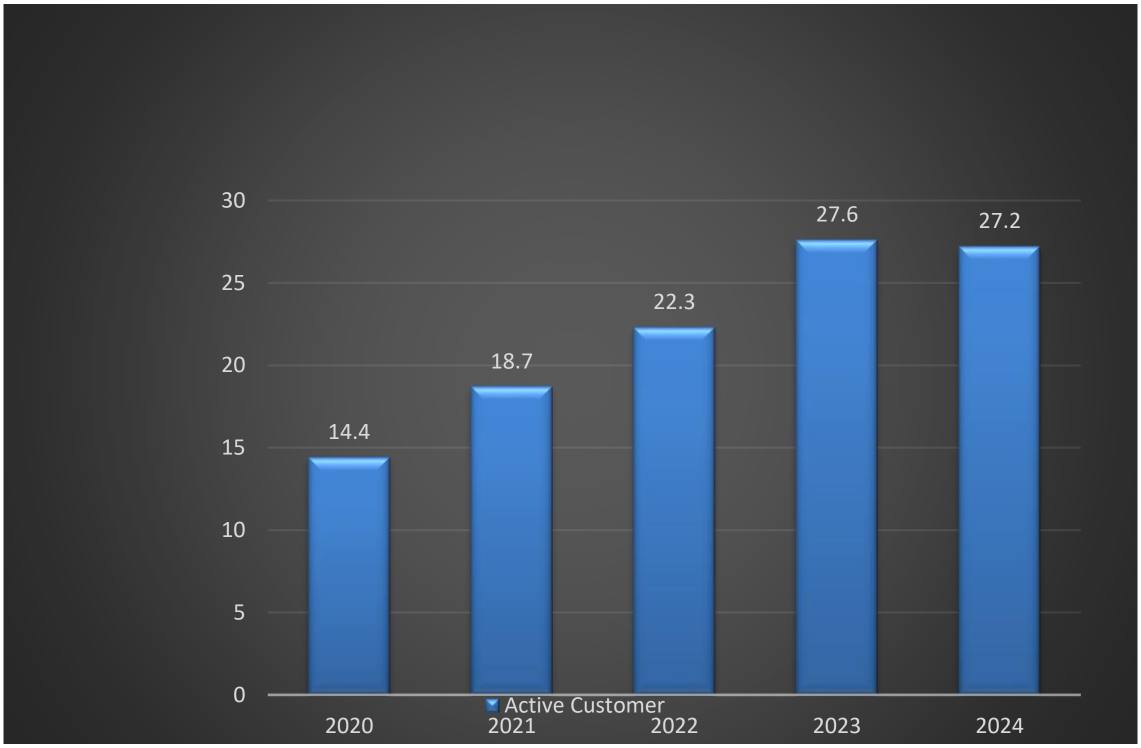

Figure: 2

bKash registered 17.85% growth in Active customer (defined as those who made at least one transaction in 90 days) over the past years.

6.9 Gross Revenue

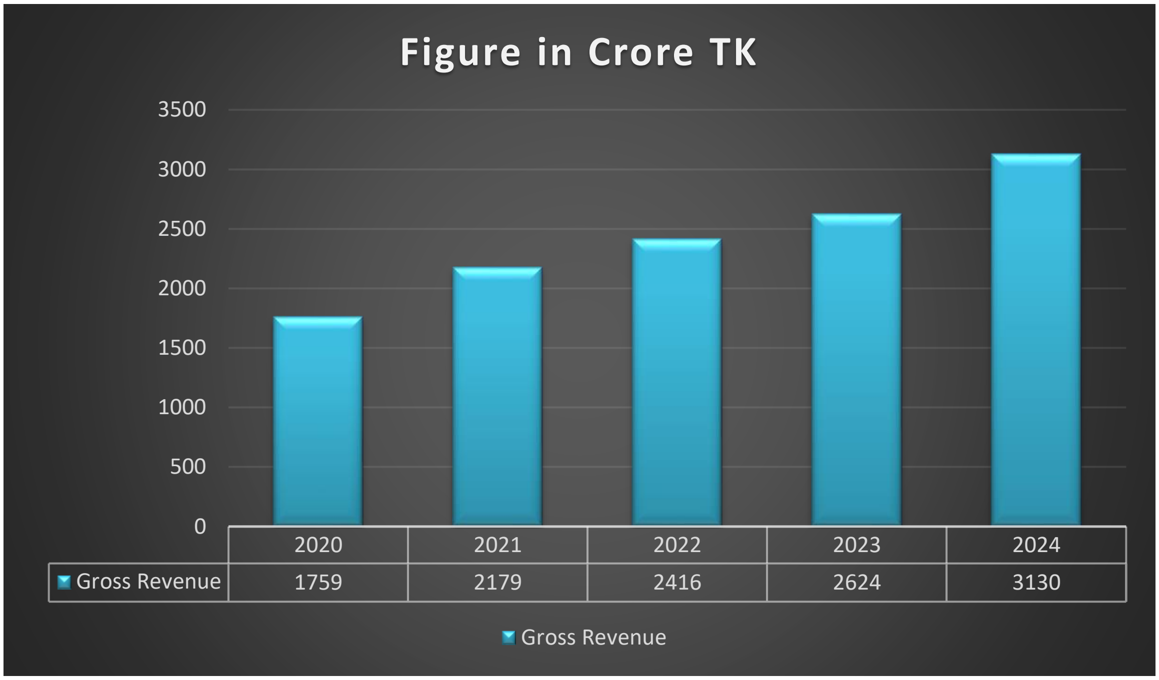

Figure: 3

A massive growth over the past few years bKash registered 15.65% growth gross revenue taking to the total number 3130 crore TK.

6.10 Profit after Tax

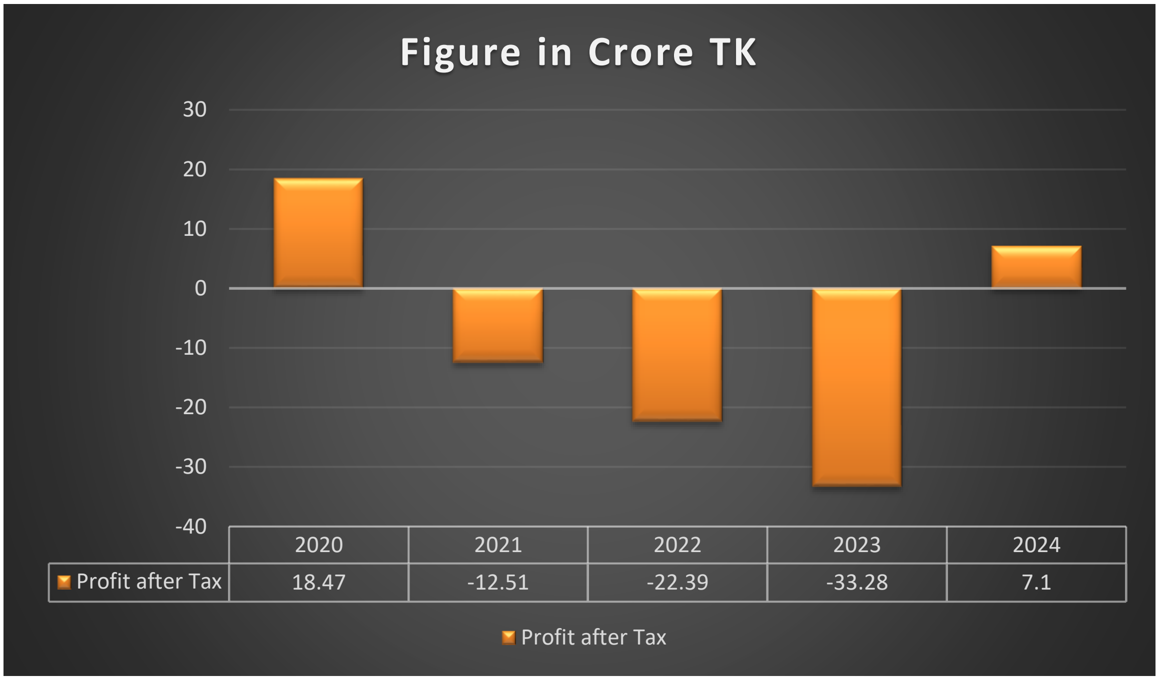

Figure: 4

Loss after tax increased the last three years have seen losses for bKash despite being the biggest MFS supplier. In 2021 it faced losses of 12.51 crore, in 2022 it was 22.39 crore and 2023 it was 33.28 crore. A massive investment in last three years in technology department bKash finally make profit over 7 crores in 2022.

Chapter 07

Problems, Recommendations and Conclusion

7.1 Problems Identified

1. **Server Down:** Server down in bKash app is now a common problem to the customers. Sometimes the apps sever goes down and are not working. Customers often get stuck and cannot complete their transaction.

2. **Remittance Service:** Customers have no idea about remittance service. This service is not enough publicized but has many benefits.

3. **Recover Money from Wrong Number:** Sending money to the wrong number is a big hassle to recover. Sometimes it happens to the customers but there is no permanent solution.

4. **Hackers Attack:** It is the time of the modern technology era and there are some threats like hackers can access the account. Sometimes hackers put customers in trouble by transferring money.

5. **Highest Amount Charge:** There are many mobile financing companies in Bangladesh, but bKash charges the highest amount of money in terms of transaction which is uncomfortable for the users.

6. **Security Awareness:** In Bangladesh, security has been viewed as one of the most important considerations. This system's safety has long been a source of concern for a number of groups.

7.2 Recommendations

The recommendations are:

1. Since technology is what drives mobile financing services, bKash should upgrade their server as quickly as possible.

2. Since almost everyone is familiar with bKash's international remittance service, it needs to be heavily publicized.

3. Senders often send money to the incorrect number, and bKash does not yet have a plan in place to reclaim this money. This system needs to be updated.

4. A safe transfer is the most important factor for a mobile banking user, however occasionally hackers can access another person's mobile banking account and transfer money. So, a strong security system is needed.

5. Compared to other mobile financial services bKash charges the highest amount of money in terms of transaction which is high. So, bKash should reduce their transaction charge so that the customers do not turn away from them.

6. bKash should come up with more safety transactions so that customers can fully trust.

7.3 Conclusion

As part of my research program, it delights me greatly to finalize my report. The report is an accurate representation of my efforts, sincerity, credibility, and our collaboration with bKash Limited. I put to provide as much detail as I could. Being employed by a company that offers so many learning possibilities makes me very happy. The work environment is also among the best among Bangladeshi businesses. The mobile finance sector is expanding at a fantastic rate. Due to the industry's relative youth, there are plenty of chances for every other company to increase its market share. The sector offers brand-new interns a ton of possibilities. At the conclusion, it can be noted that bKash limited is still making a lot of effort to gain market share despite having a 40% market share. However, this industry's competitiveness grew quickly. bKash is releasing additional services to ensure its position as the market leader. They have a bright potential if they can maintain the level of customer service they are now providing.

Appendix

Comparative Analysis of Mobile Finance Market in Bangladesh: A Study on bKash

Dear Sir,

I am a student at Daffodil International University (DIU), and to complete my MBA project, which is titled "Comparative Analysis of Mobile Finance Market in Bangladesh: A Study on bKash," I need the responses from this survey. Give me four or five minutes to finish this information. Please help me, sir, to complete my reports. I appreciate you giving your valuable time some thought.

Name:

Gender: (a) Male (b) Female

Age: (a) 20-25 (b) 25-30 (c) 30-35 (d) 35-40 (e) 40 and above

Rating Scale:

a	b	c	d	e
Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree

1. I prefer transaction via MFs

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

2. All age group of people Mobile Finance service (MFS) beneficiary

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

3. Mobile Finance Service (MFS) has a significant role in our daily life

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

4. People do not feel secure using Mobile Finance Service

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

5. Still MFS is not universal payment service

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

6. MFS remains the faster growth industry in Bangladesh

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

7. MFS reduced unemployment in Bangladesh

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

8. With 24/7 availability MFS can be carried out anywhere anytime

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

9. Challenging for those who are not in touch with technology

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

10. Upcoming days MFS industry in Bangladesh will face intense competition.

(a) Strongly Agree (b) Agree (c) Neutral (d) Disagree (e) Strongly Disagree

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