

*Internship Report*  
*on*  
*An Analysis of the Marketing Activities of Grameen Bank*

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**Daffodil International University**  
**Dhaka, Bangladesh**

**Date of Submission: 20/03/2022**

# LETTER OF TRANSMITTAL

**Date:** 20/03/222

**Ms. Farhana Noor**

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**Subject:** Submission of Internship Report entitled “**An Analysis of the Marketing Activities of Grameen Bank**”

Dear Ma’am,

With due respect, I am submitting my internship report on the topic entitled “**An Analysis of the Marketing Activities of Grameen Bank**” as a partial fulfillment of my BBA Program.

It is pleasure to inform you that I have already finished my internship in a reputed organization in Grameen Bank. It was a great opportunity to acquire knowledge and experience in respect of the functions, Procedures and operational activities other than my topic of study. This report is integrated parts of my BBA program which I am very much enrich our academic background about to enter the professional field. In preparing this report I tried my level best to accumulate relevant information from all the available sources. I shall be highly encouraged if you are kind to receive this Internee Report Paper.

Therefore, I sincerely hope that you will appreciate my effort and I shall be grateful if my report is accepted for the appropriate purpose.

Sincerely Yours,

*Dola Mohanta*

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**Dola Mohanta**

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## STUDENT'S DECLARATION

I am **Dola Mohanta**, ID: **162-11-5184** student of BBA program, Daffodil International University, thusly pronounces that the internship report entitled on “**An Analysis of the Marketing Activities of Grameen Bank**” Completely ready by me just after my internship at Lanka Bangla Securities Limited under the supervision and guidance of **Ms. Farhana Noor, Assistant Professor, Department of Business Administration, Faculty of Business & Entrepreneurship**, Daffodil International University.

I announce that this report entitled “**An Analysis of the Marketing Activities of Grameen Bank**”. Submitted by me to Daffodil International University, Dhaka for the fulfilment of BBA is of own and has not submitted to any other university.

*Dola Mohanta*  
.....

**Dola Mohanta**

ID: 162-11-5184

Major in Marketing

BBA Program

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## CERTIFICATE OF APPROVAL

This is to certify that **Dola Mohanta**, ID: **162-11-5184**, a student of BBA Program, Daffodil International University has prepared the internship report under my supervision. She has worked at Grameen Bank, Mirpur- 2 Branch as an intern and completed the report entitled **An Analysis of the Marketing Activities of Grameen Bank: A Study on Mirpur – 2 Branch** as a partial requirement for obtaining BBA degree. He has been permitted to submit the report.

I wish her all success in life.



**Ms. Farhana Noor**  
Assistant Professor  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## PREFACE

An internship Program is a very important and essential means for acquiring practical knowledge because the knowledge of a student does not get fulfilled until he acquires knowledge theoretically and practically. For the completion of this study I can't deserve all praise. There were a lot of people who helped me by providing valuable information, advice and guidance for the completion of this report in the scheduled time.

First, I want to express my gratitude to Almighty Allah for giving me the strength and the composure to finish the task within the scheduled time. I would also like to convey my gratitude to my internship supervisor **Ms. Farhana Noor, Assistant Professor**, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, for her continuous support. Her guidance helps me separate the important and necessary details from the unnecessary certainly helped me to stay on the correct track.

I acknowledge my indebtedness to Md. Abdus Sabur Khan (Principal officer, Audio visual unit) whose give me all the support that I needed to proper the report. I would like to thank all the employee of Grameen bank at Mirpur- 2 Branch, Dhaka who gave necessary information and excellent guidance to prepare this internship report. They have been extremely co-operative and willing to help at all time.

## ACKNOWLEDGEMENT

First, I would like to express my deepest gratitude to Almighty Allah for giving me the strength and the composure to finish the report within schedule time. At the very outset, I am deeply indebted to my honorable Supervisor **Ms. Farhana Noor, Assistant Professor, Department of Business Administration, Faculty of Business & Entrepreneurship**, Daffodil International University, for her whole-hearted Supervision to me in preparing this report.

In the preparation of this report the encouragement and assistance given by a number of people from Grameen bank, Mirpur- 2 Branch, Dhaka. I am grateful to the entire department Staff of Grameen bank, Mirpur- 2 Branch, for giving me helpful Support. My heart gratitude goes to her for reviewing the whole report so carefully and expertly and for giving me valuable advices and Suggestion to complete the whole report in a right manner. His suggestion and comments to make the report a good one was really a great source of spirit for me.

## EXECUTIVE SUMMARY

The report is based on the Marketing Activities of Grameen Bank: A Study on Mirpur – 2 Branch. In this report, findings are based on fundamental analysis of marketing strategy, marketing mix, identify the problems and so on.

In this report, the Marketing Activities of Grameen Bank have been examined. The marketing strategy of Grameen Bank are they divided the whole country in 40 zone and they establish 2568 branches among those zones and now they are covering about 81400 villages. Grameen Bank target customer are those who are poor or did not cross the poverty line. Most of their customer (95%) are women. Grameen Bank products are deposit and loans and its price are the interest rate. The principal objective of a bank is to collect the deposit from the surplus portion and supply the accumulated fund to the deficit portion. Therefore, in the case of deposit collection, Grameen Bank done a magnificent job compare to the existing the entire private and government bank in Bangladesh. They make their promotion by door to door service and now they are covering almost the whole country.

At the time of analyzing marketing analysis some problems like the Grameen bank are showing their interest rate are more than 20%, another thing is as the promote their service by door to door visiting some time their representative makes badly behave with their customers have been found. More problems like, some Grameen Bank center are also focusing the middle-class people instead of poor and their promotional way is less effective than other NGO in village. The findings problems may be solved by minimize the interest rate and their employee behave must be good with customer. Without the good promotion Grameen Bank cannot fulfill their vision 'BANKING FOR THE POOR'.

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# Chapter 1

## Introduction

## 1.1 Introduction

Microfinance is a type of financial services that targets people and small enterprises that do not have access to traditional banking and associated services. Microfinance involves the supply of micro loans to low-income customers, the formation of savings and checking accounts, the provision of microinsurance, and the development of payment systems. In order to reach excluded consumers, who are often poorer sectors of the population who are also socially stigmatized and/or geographically isolated, microfinance services are aimed to assist them in becoming self-sufficient. (htt2)

Micro finance supporters, as well as the participants in the Micro Credit Summit Campaign, think that more exposure to the industry would assist impoverished people in escaping poverty. For many, microfinance is a method of fostering economic development, employment, and growth by assisting micro-entrepreneurs and small enterprises; for others, it is a means of enabling the poor to live within their means more effectively and harness economic possibilities while reducing risks.

The effect of microcredit has been a source of substantial debate for some time. Some proponents argue that more employment and better wages will help to alleviate poverty. It is anticipated that this would result in improved nutrition and educational opportunities for the borrowers' children. Some believe that women are driven by the availability of microcredit. In the United States and Canada, it is considered that micro-credit will assist applicants in completing their assistance programs.

For creating microfinance, the practice of lending small quantities of money at low interest rates to individuals who want to establish their own enterprises, Muhammad Yunus was awarded the Nobel Peace Prize. Despite this, he is not a supporter of capitalism. Microfinance was introduced to Bangladesh by Grameen Bank (also known as Grameen Bank), which began operations as a microfinance institution and community development bank in 1982.

The Grameen Bank was founded in 1976 by Professor Muhammad Yunus of the University of Chittagong, who launched a research expedition to investigate into the best approach to design a credit transit mechanism to give financial services to the agriculturally impoverished. As a result

of national legislation passed in October 1983, the Grameen Bank was granted the authority to operate as a non-profit financial organization. The World Habitat Award was given to the Bank in 1998 for its "Low-Cost Housing Program." It was mutually beneficial for the financial institution and its creator, Muhammad Yunus, in 2006 when they were both awarded the Nobel Peace Prize. (htt)

## 1.2 Origin of The Study

A student of Bachelor of Business Administration (BBA) has to work in an organization as an intern. He can put his expertise, which he gained while pursuing his Bachelor of Business Administration (BBA), to use in the practical world. During an internship program, a student will be required to work in a variety of settings such as advertising agencies, insurance firms, garment companies, information technology companies, leasing companies, manufacturing companies, and the financial industry. However, a student must choose the sorts of institutions based on the fact that he or she has completed this particular major.

In most cases, the internship period is three months, during which time a report is produced. To complete an internship, a student must complete his or her job at a chosen company in order to get more theoretical and practical knowledge and experience. In order to finish my Internship program at the Grameen Bank, Mirpur 2 Branch in Dhaka, I was chosen based on the requirements of my Bachelor of Business Administration (BBA) programming degree.

Here I was admitted to report on "An Analysis of the Marketing Activities of Grameen Bank." Materially, what I did on that establishment during my internship is outlined in the study.

## 1.3 Objectives of The Study

The study has been conducted with following objectives;

- To identify marketing strategies of Grameen Bank Limited;
- To explain marketing mix of Grameen Bank Limited;
- To identify the problems related to the marketing activities of Grameen Bank Limited;
- To make recommendations to solve the problems;

## 1.4 Methodology of The Study

The methodology for the report includes direct observation, oral or verbal communication with all department workers, a questionnaire, study materials, and other analytical methods and tactics, as well as current and historical dates, which may be included in the report. As a result, it incorporates both primary and secondary information.

## 1.5 Sources of Data Collection

### **Primary Data**

- Branch manager
- Employees at Grameen Bank
- Face to face communication

### **Secondary Data**

- Grameen Bank website
- Grameen Bank annual report
- Some article
- Another website

## 1.6 Scope of The Study

This report is the output of my practical knowledge during the period of the 3 months' internship at Grameen Bank. This report has covered almost all the recruitment and selection process of Grameen Bank. It also included a brief profile of the organization. It also included the service categories and the distribution channel of Grameen Bank.

## 1.5 Limitations of The Study

This report contains the most up-to-date and accurate information available on the firm, but there were certain limitations that prevented me from presenting the report with the degree of accuracy that I desired. The limitations were as follows:

- Grameen Bank is the most successful microfinance organization in the world, yet its employees were too busy to devote enough attention to me.
- Three months is inadequate time to have an understanding of the marketing operations of Grameen Bank.
- The information I received on the microfinance marketing activities was insufficient in my opinion.

# CHAPTER 2

## Organizational Overview

## 2.1 Historical Profile of Grameen Bank

Grameen Bank (GB) has turned traditional banking practice on its head by eliminating the requirement for collateral and establishing a banking system based on mutual trust, responsibility, participation, and innovation. Grameen Bank provides loans to the poorest of the poor in rural Bangladesh without requiring them to put up any collateral. The bank views credit as a cost-effective weapon in the fight against poverty, and it sees credit as a catalyst in the overall development of poor socio-economic conditions that are kept outside the banking orbit on the grounds that they are weak and therefore not bankable by traditional financial institutions. According to Professor Muhammad Yunus, founder of the "Grameen Bank," if financial resources can be made available to the poor on terms and conditions that are appropriate and reasonable, "these millions of small people with their millions of small pursuits can add up to create the biggest development wonder the world has ever seen."

As of December 2018, the organization has 9.08 million members, with 97 percent of them being female. Grameen Bank has 2,568 branches in 81,677 villages, which accounts for more than 93 percent of the total number of villages in Bangladesh, according to the bank. Grameen receives an average of \$1.5 million every working day in weekly payments on any given working day. Over 97 percent of the borrowers are women, and over 97 percent of the loans are repaid, a recovery rate that is greater than that of any other banking system in the world. Methods developed by Grameen International are being used in projects in 58 countries, including the United States, Canada, France, the Netherlands, and Norway.

The beneficial effect of Grameen Bank on its poor and previously poor borrowers has been demonstrated in several independent studies conducted by external organisations such as the World Bank, the International Food Research Policy Institute (IFPRI), and the Bangladesh Institute of Development Studies (BIDS). (Introduction , n.d.)

## 2.2 Mission of Grameen Bank

By providing comprehensive financial services, Empowering the poor to realize their potential and break out of the vicious cycle of poverty.

## 2.3 Vision of Grameen Bank

### BANKING FOR THE POOR

## 2.4 Grameen Bank Awards

1	ICMAB Awards 2015
2	MCCI Award 2014
3	Norway: Nobel Peace Prize: 2006
4	Petersburg Prize: 2004
5	Gandhi Peace Prize :2000
6	UNITED KINGDOM: World Habitat Award: 1997
7	MALAYSIA: Tun Abdul Razak Award :1994
8	BANGLADESH: Independence Day Award: 1994
9	BELGIUM: King Baudouin International Development Prize: 1993
10	SWITZERLAND: Aga Khan Award for Architecture: 1989

## 2.5 Grameen Bank Methodology

### Method of Action

In Grameen Bank method of action they follow 10 principals. The principals are -

1. ; In order for a credit system to be effective, it must be founded on a survey of the social environment rather than on an already-established banking approach.
2. Adopt a progressive attitude: Development is a long-term process that is dependent on the goals and dedication of the economic actors involved in the process.
3. Make sure that the credit system serves the poor, and not vice-versa: It is possible for credit officials to visit communities and get to know the borrowers by doing so.
4. Establish priorities for action vis-a-vis to the target population: Serve the most impoverished individuals in need of investment resources, but who do not have access to financial services.
5. At the outset, credit should be restricted to income-generating production activity that the borrower has chosen on his or her own. Ensure that the borrower has the ability to repay the loan in a timely manner.
6. Lean on solidarity groups: small informal groupings made up of co-opted individuals who have a common experience and are able to put their faith in one another.



7. Associate savings with credit without it being necessarily a prerequisite.
8. Combining thorough monitoring of borrowers with processes that are as simple and consistent as feasible will result in the best results.
9. Do everything possible to ensure the system's financial balance.
10. Invest in human resources: training leaders will provide them with real development ethics based on rigor, creativity, understanding and respect for the rural environment.

### **Credit Delivery System**

It is the transmission of credit by Grameen banks to the extremely poor in their communities, which is made possible by using the basic components of the Grameen credit delivery system.

### **Breaking the vicious cycle of poverty through microcredit**

A mutually beneficial, morally binding institution assures in place of the collateral needed by typical banks, the Grameen Bank is founded on the voluntary organization of small groups of five individuals to give mutually beneficial, morally binding institution guarantees.

The successful use of this approach suggests that some of the objections to lending to the unemployed may be addressed if careful oversight and control are given for the process. In the past, for example, it had been assumed that the impoverished would be unable to find gainful employment in the future. In reality, the borrowers of Grameen Bank have done the right thing. As a result, it became widely believed that the negative could never pay off; in reality, compensation quotes reached ninety-seven percent. The dreadful rural women in particular were supposed to be unbankable, yet they actually accounted for the majority of creditors in early 1992, accounting for 94 percent of all borrowers. It was also believed that the negative could not be sustained; nonetheless, institution financial savings have shown to be a success. It was anticipated that rural power structures would ensure that this form of bank would fail; instead, the Grameen Bank has shown to be able to grow unexpectedly. Indeed, the club had expanded from less than 15,000 borrowers in 1980 to about 100,000 borrowers by the middle of the 1980s. With 1128 different branches in operation by 1998, there were 2.34 million participants (2.24 million of them females) in 38,957 different communities during the quilting competition. There are 66,581 business centers in total, with 33,126 of them being run by women. The total amount of group savings has reached 7,853 million taka (about USD 162 million), with 7300 million taka (approximately USD 152 million) being saved by females.

It is estimated that the common household earnings of Grameen Bank members are 50 percentage points higher than those of the target institution in the manage village and 25 percentage points higher than those of the target group who do not participate in Grameen Bank activities in the manage village. The landless have reaped the greatest benefits, who have been joined by marginal landowners. As a result, there has been a significant reduction in the number of Grameen Bank members living below the poverty line, with a 20 percentage point reduction compared to a 56 percentage point reduction for identical non-Grameen Bank persons. In addition, there has been a trend away from agricultural pay labor (which is considered to be socially inferior) and towards self-employment in petty commerce. The employment and pay of other agricultural paid workers will benefit indirectly from such a change in occupational patterns as a result of this shift. Due to the fact that it began out as an innovative and contemporary local effort, "a little bubble of wish," it has developed to the point where it is having an influence on poverty alleviation on a national scale."

### **10 Indicators**

Every year, the GB staff evaluates their performance and determines if the socio-economic position of GB members is improving or deteriorating further. GB assesses the poverty status of borrowers based on a set of 10 parameters.

### **16 Decisions**

Grameen Bank is responsible for adhering to the guidelines. They have 16 guidelines in place for its outlying branches and employees.

## 2.6 Grameen Bank at A Glance

Number of members	8,934,874
Percent of female Members	7,594,643
Number of centers	140,262
Number of villages Covered	81,400
Number of branches	2,568
Number of areas	246
Number of zones	40
Amount of loans outstanding (in million bdt)	144,504
Balance of members deposits	141,056

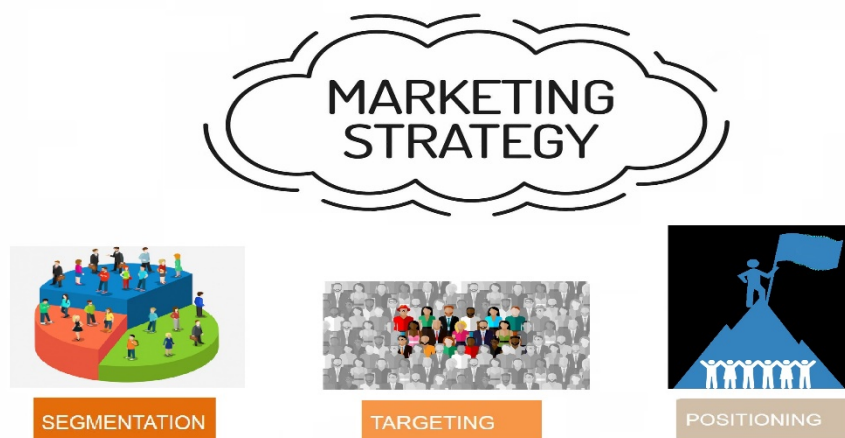
# Chapter 3

## Marketing Activities of Grameen Bank

## 3.1 Marketing Strategy

Based on analysis of the biggest market opportunities, the marketing strategy defines target markets and the value proposition that will be delivered. In other words, marketing strategy is the integration of all of a company's marketing goals and objectives into a single complete plan. Marketing strategies are long-term planning tactics that look forward. Their primary objective is to achieve a competitive edge. A good marketing plan assists organizations in identifying their greatest clients. It also allows them to better understand the demands of their customers. The most successful marketing strategies may be used with a sound approach.

## 3.2 Marketing Strategies of Grameen Bank



### 3.2.1 Segmentation

Market segmentation is the process of breaking a large consumer or company market, which is often comprised of present and prospective customers, into smaller sub-groups of consumers based on some form of common attribute (such as purchasing power). Market segmentation may assist in focusing advertising efforts on just those individuals who are most likely to become pleased customers or enthusiastic content consumers for a brand. For the purpose of segmenting a sector, the company divides it into segments that have comparable features. By segmenting an audience in this manner, it is possible to achieve more success with targeted advertising and tailored content.

Market segmentation is usually beneficial in identifying target audiences and prospective clients, as well as in better understanding these individuals. Similar to advertisers, publishers may utilize

market segmentation to give more accurately targeted advertising options and personalize their content to expanding audience segments.

Grameen Bank segment their market in three ways. They are

**i. Geographic Segmentation**

Dividing a market into different geographic units such as nations, states, region, countries, cities, or neighborhood.

Grameen Bank's microcredit services are targeted towards the country's zone and area, and these areas are covered by the bank's branches. Grameen Bank has 40 zones, 246 areas, and 2568 branches in Bangladesh to provide microcredit services, and they have reached 81,400 villages throughout the country.

**ii. Demographic Segmentation**

Using demographic data like as age, gender, family, income, education, religion, and country to divide the market into groups is called segmentation.

Grameen Bank, which provides microcredit services, is committed to providing credit to the underprivileged in order to improve their living conditions. Almost all of the loan applicants are women who are married with children.

**iii. Behavioral Segmentation**

Buyers are divided into groups based on their knowledge, attitude, usage and reactions to a product, according to behavioral segmentation. Grameen Bank brings its services to the doorsteps of those who are least able to afford them. It encouraged women, who were traditionally considered the weakest members of their communities, to become members of the Grameen brotherhood.

### 3.2.2 Targeting

A target market is a set of consumers within a business's serviceable accessible market who are the focus of the company's marketing efforts and resources. A target market is a subset of the total market for a product or service.

Grameen Bank focuses on the poorest of the poor, with a special emphasis on women, who get for 95 percent of the bank's loans. Women have traditionally had limited access to traditional credit lines and income-generating financial options. They were seen as having an undue share of influence in decision-making in the home.

### 3.2.3 Positioning

The process of positioning a product in such a way that it holds a clear, distinguishable, and desired position in the eyes of target customers in relation to the attainment of goods by providing microcredit, it is possible to develop a product's strategic positioning as well as a full marketing mix to fulfill customer expectation. Grameen Bank has already established a number of branches across the world.

While Grameen Bank provides microcredit, they also give various additional services to loan recipients in order to help them to better their financial status. Grameen Bank's main headquarters are located in Dhaka's Mirpur 2 neighborhood, and the bank has established 2568 branches to ensure that credit is distributed effectively. For every branch, door to door service is provided in 81,400 communities. They are giving superior service in their range around the nation via their door-to-door delivery service.

### 3.3 Marketing Mix

The "marketing mix" is a business foundation concept that has traditionally focused on product, pricing, place, and promotion. The marketing mix has been described as "the collection of marketing instruments that a company use to achieve its marketing goals in a particular market segment."

Effective marketing has a broad impact on a variety of fields, as opposed to marketing that is focused on a single message. This increases the number of individuals who can be reached, and by keeping the four Ps in mind, marketing professionals are better able to maintain their focus on the ones who actually matter. Focusing on a marketing mix assists businesses in making strategic decisions when new items are introduced or existing products are evaluated.

### 3.4 Marketing Mix of Grameen Bank



### 3.4.1 Product

Customer requirements and wishes are met by a product, which is a product or service intended to suit those needs and aspirations. In order to successfully promote a product or service, it is necessary to establish what distinguishes it from competitors' goods or services. The fact that it may be marketed in conjunction with other items or services is also significant.

Grameen Bank is a microcredit institution that provides modest amounts of loan and micro-enterprise loans with periods of six months or one year, as well as certain other services such as education loans and housing for the poor. Grameen Bank recognizes that customer service is a key component of its product strategy, which is supported by data.

#### 3.4.1.1 Basic Loan

The most important product offered by Grameen Bank is the basic loan. Because Grameen Bank is a company that caters to the poor, any impoverished member is eligible to apply for a loan. Many lenders will be able to continue with this easy loan, cycle after cycle, without any difficulty and in the most appropriate manner to satisfy all of their credit demands in the long run. Many lenders are expected to have major challenges and setbacks in the near future. It is necessary to repay the original loan at some point throughout the loan duration in accordance with the repayment schedule.

#### **Conditions to get Basic Loan:**

Grameen Bank Basic loan is for the poor but there are some rules to get this. The rules are –

- Amount of wealth is very low
- Landless, who possess less than one acre of land
- Must be create a group of 5-to-9-woman members

#### **Process of the Loan**

A group of people must be neighbors and know each other well. One group must submit an application to the center manager with the suggestion of the group leader. The bank will support the application with further documentation, and after the procedure is complete, the Area Manager will distribute the funds to the applicants.



### 3.4.1.2 Housing Loan

Having a roof over one's head, having food, and having clothes are the three most basic requirements of humans. Grameen Bank began offering home loans to its customers in 1984 after realizing the importance of having a roof over their heads. People get a feeling of dignity, protection, and self-respect as a result of their home ownership, which serves as a stepping stone to greater economic success and social advancement. The maximum amount that may be borrowed for a housing loan to construct a modest tin roof home is BDT 60,000. The average loan amount is 13,994 BDT per borrower, divided across 5 to 9 members of the team.

### 3.4.1.3 Micro-Enterprise Loans

Grameen Bank is not giving up on its mission to assist these customers in crossing the poverty line. When they do, Grameen Bank provides them with a new financial support package to help them achieve even greater wealth creation levels. The Bank makes greater loans to these members who are moving quickly, which are referred to as micro-enterprise loans. There are no restrictions on the amount of money that may be borrowed. As of the end of 2017, a total of 10.73 million microenterprise loans for a total of BDT 376.12 billion have been issued under this type of financing. The average loan amount each year is BDT 35,061 (about \$3,061).

A wide range of industries, including fish and poultry feed, aquaculture and fish trade, grocery stores, pharmacies, dairy farms, auto-rickshaw transportation, and the sale of stones for building projects, are served by this kind of loan from Grameen Bank. The microenterprise loan program in rural Bangladesh has sparked a quiet revolution through fostering leadership and entrepreneurial abilities, as well as providing financial incentives for self-employment, among other things.

### 3.4.1.4 Higher Education Loans

It is the goal of Grameen Bank to continue assisting members' children long after their school-level research has been finished. With the introduction of the Higher Education Loan Program in 1997, Grameen Bank opened the doors for deserving children of its lenders to pursue higher education at the graduate and postgraduate levels in fields such as medicine and engineering as well as agriculture and other higher education programs.

The loans are intended to cover all of the students' expenditures from the time they enroll in the program until they graduate. The loans are intended to cover the costs of entry, course fees, paperwork, meals and lodging, as well as any relevant expenses. By the conclusion of the fiscal year under consideration, loans under this program had been awarded to 53,882 students pursuing courses in areas of study.

#### 3.4.1.5 Nursing Education Loans

Grameen Bank provides nursing education loans to the female children of Grameen Bank borrowers who are employed as domestic workers. Grameen Bank lends money to students studying at the Grameen Caledonian College of Nursing, which offers an international level 3-year Diploma in Nursing and Midwifery program in order to help the children of Grameen Bank lenders in securing careers at home and abroad.

#### 3.4.1.6 The Struggling Members (beggars) Loan

Beggars are among those who suffer the most under the conventional method of poverty alleviation. Grameen Bank launched an ambitious program in 2002 named the Struggling Members System in an attempt to track down this elusive group. The program's purpose is to give financial services to beggars in order to assist them in finding a respectable way of living, educating their children, and graduating them to become regular members of the Grameen Bank. Grameen Bank wants to make sure that no one in the villages needs to beg for food or water.

There are some basic features in this loan program. The features are

- Existing Grameen Bank rules do not apply to beggar members, they set up their own rules in order to survive.
- All loans will be interest-free for the duration of the program. Loans might be for an extremely lengthy period of time in order to keep payback payments to a bare minimum. In order to finance the purchase of a quilt or a mosquito-net, many borrowers are required to make weekly payments of BDT 2.00.
- Grameen Bank provides the member with an identity badge that includes his or her photo and name, as well as a logo. She/He should display this while she goes about her everyday business, so that everyone is aware that she is a member of the Grameen Bank and that she works behind the scenes of this national institution's operations. (STRUGGLING (BEGGARS) MEMBERS PROGRAMME, 2017)

### 3.4.1.7 Grameen Bank Savings (Deposit Scheme)

Grameen Bank provides members and non-members alike competitive interest rates on their savings accounts. Grameen Bank is open to any citizen of Bangladesh who wishes to make a deposit.

#### **1. Personal Savings**

As a Bangladesh citizen anyone can open this account in bank. This personal savings has two sectors, one for member of Grameen Bank and other for non-member.

##### *i. For member of Grameen Bank*

For members, this is a mandatory savings account to maintain. Each member is required to start this account by making a contribution of 70 takas on the first day of membership. For each week, the bare minimum in terms of savings is 20 taka. Any lender has the right to set his or her own deposit quantity of money at his or her discretion. The interest earned at the end of the year is calculated on the monthly minimum balance.

##### *ii. For non-member of Grameen Bank*

This account may be created by anybody from the society, even if they are not a member. This account operates in the same way as any other commercial bank. Anyone may deposit a certain amount of money once a month and have it withdrawn via the system.

#### **2. Fixed Deposit**

Since the year 2000, Grameen Bank has offered a fixed deposit option to customers. This deposit plan is available to both members and non-members. The lowest time duration is one year, while the maximum time period is three years.

#### **3. Grameen Pension Scheme (GPS)**

On the 30th of August, 2000, Grameen Bank began offering a 5-year and 10-year pension plan to its members and workers, providing them with financial security for the foreseeable future. Non-members will not be able to access this feature. Grameen Bank encourages its members and employees to put money aside for the future.

### 3.4.2 Price

The amount of money that customers must pay in order to purchase the products or Service is known as the price. In the case of Grameen bank micro-credit, consumers are required to pay a particular amount in processing fees and stamp expenses in order to be eligible for the loan.

It is one of the factors that has an impact on the company's own price adjustments. For example, many banks impose processing fees plus an extra charge of 1 percent or 2 percent on top of that, as well as various miscellaneous fees. However, in order to compete in the market, Grameen bank has eliminated all other fees and charges.

#### ❖ **Basic Loan**

The interest rate on the basic loan is 20 percent per year on a declining balance basis. The borrower must pay back this money plus an additional 10% in 44 payments over the course of one year. After repaying 23 payments, the borrower will get additional funds in accordance with the regulations and requirements.

#### ❖ **Housing Loan**

For the housing loan the interest rate is 8% per annum and it is repayable over a period of five years.

#### ❖ **Micro-Enterprise Loans**

Grameen Bank Micro-Business Loan is a kind of small and medium-sized enterprise loan that is offered primarily by the Grameen bank. The interest rate on this form of loan is comparable to the interest rate on certain commercial bank loans. They charged interest rates ranging from 18 percent to 22 percent, depending on the size of the company loan.

#### ❖ **Higher Education Loans**

In education sector the interest rate is little different.

During the study period the interest is 0%

After the study period the interest is 5%

#### ❖ **Nursing Education Loans**

Like education sector for the nursing education the interest rate is 0%.

#### ❖ **The Struggling Members (beggars) Loan**

No one can think take interest from struggling people. The Struggling Members (beggars) Loan interest is 0%.

### ❖ **Grameen Bank Savings (Deposit Scheme)**

- ✚ On a cumulative basis, the personal savings interest rate for members is 5 percent, while the interest rate for non-members is 3.5 percent.
- ✚ The interest rate on fixed deposits for members is from 5.5 percent to 6 percent, while the rate for non-members ranges from 4.75 percent to 5.25 percent.
- ✚ The interest rate on the Grameen Pension Scheme (GPS) is 6 percent for both the 5 year and 10-year schemes.

There are some extra features Grameen Bank provide -

- **Cost Effective**

The Bank's interest rates are determined with consideration for the financial situation of the borrowers and their ability to repay the loans. It does not follow common thinking in that it does not use the value of their money as a baseline to assess interest rates on loans to the unemployed and the impoverished. The interest rate of Grameen Bank is 10 percent per year, which is a flat rate. When it comes to deposits, Grameen Bank provides very competitive rates of interest. The maximum interest rate is 12 percent.

- **Easy Sanction**

The loan is granted on behalf of the customer if the Credit Information Bureau is cleansed from Bangladesh Bank and all information from the borrower is clear.

### 3.4.3 Place

The operations of the organization that make the product accessible to its target consumers are included in the term "location." Micro-finance seeks to reach out to every poor household, door to door, in order to meet their financial needs. The selection on which marketing channel to use is one of the most essential decisions that a company's management must make. In order to correctly distribute the micro-credit.

- Grameen Bank has established branch offices in practically every province of the nation.
- Grameen Bank has established 40 zones across Bangladesh in order to reach the whole country.
- They are covering 246 areas inside the zone.
- They have a total of 140,262 centers to ensure that the microcredit is distributed effectively.
- Grameen Bank has already established 2568 branches to meet the demands of the market.

- Once a week, the branch office transmits information to the corporate branch.

#### 3.4.4 Promotion

Promotion refers to activities that are designed to explain the benefits of a product and encourage potential buyers to purchase it. One of the most important methods of commercial promotion is via advertising. Grameen Bank is currently producing numerous booklets, publications, and displaying banners in front of their respective unit offices in order to focus on their customers.

- ***Door to door service***

Door-to-door service is a simple but efficient advertising method for informing the poor about microcredit. Conversion Rate Optimization, or CRO, comes knocking on the company's door whether or not the customer needs a loan.

- ***Market to non-Bank people***

Some individuals might not have access to a bank account. They only deal with cash. Customers of this kind may be linked to banks by providing microcredit. We may also learn more about banks and have a positive connection with them.

- ***Bank for the Education***

Every parent always wishes to educate their child, but in certain cases, due to poor economic conditions, parents are unable to give a suitable education for their children. Grameen Bank promotes their business by offering interest-free education loans to deserving students.

- ***Bank for the SME***

Every commercial bank of our country prefers big amount of loan for large business. Still there are some bank and financial organization who works for small and medium enterprise loan. Grameen Bank is leading on them to help low-income people by proving loan.

- ***Neglected People***

Some people are very scared about interacting with financial institutions. These people were too intimidated by the bank's rather basic clothes. However, they are doing well in terms of sales and attracting new customers. This means that they might be targeted Grameen Bank's microfinance activity.

# Chapter 4

## Findings and Recommendations

## 4.1 Findings of the study

During my intern time in Grameen Bank, I have found some problems. The problems are –

1. To established a small business and cross the poverty line, Grameen Bank give Micro-Enterprise Loans to the poor. But, after some research most of the poor did not get enough money to start the business.
2. There are many villages in Bangladesh where poor people do not know about Grameen Bank activity. The main reason is, Grameen Bank setup their center through unskilled people.
3. According to Grameen Bank annual report their interest rate for basic loan is 20 percent. But collecting some information from their employee, the interest rate is more than 20 percent. They are presenting false information to the poor.
4. For the poor promotion strategy, other microfinance institutions are taking advantage before Grameen Bank take.
5. Grameen Bank is usually one step ahead of the competition when it comes to door-to-door service, however some of their field workers are rude to customers, and some workers provide incorrect information on customers.
6. Grameen Bank are flowing old credit distribution process and for this poor are suffering in long time process.
7. Grameen Bank each branch control average 54 centers to regulator the credit delivery system. For a single branch 54 center is too much to handle the pressure.



## 4.2 Recommendations

Although Grameen Bank has problems, some solution needs to be identified to solve the problems. They should take the following steps to overcome the problems

1. To cross the poverty line and start a small business Grameen Bank should give enough micro enterprise loan to the poor.
2. Grameen Bank should hire skilled people so that people from far know about their activity.
3. For the poor people more than 20 percent interest is too high. As they are working for poor and provide micro-credit, they should lower the interest rate.
4. Grameen Bank must change their promotional strategy and by improve this they can take some advantage.
5. Bad behavior with customer will affect the demotivation of taking loan and in future this problem will be big. Grameen Bank must replace this type of employee immediately. Wrong information will affect the organization and this thing must be stopped.
6. Grameen Bank women credit delivery system should be balanced by increasing men borrower.
7. To reduce the pressure Grameen Bank can open new section between branch and center to reduce the pressure.

### 4.3 Conclusion

Working with Grameen Bank, I became aware of the necessity of micro-credit in our society, particularly for the poor. The reality is that Grameen Bank's remarkable work has positively impacted the lives of thousands of local people. They are working harder and harder to help the underprivileged, and they are expanding their service area to include all of Bangladesh. One micro-credit concept has just gained widespread acceptance, although the road is far from over.

Following my investigation at the Grameen Bank, I came to the conclusion that the poor would be even impoverished if the bank did not exist. There was no micro-credit organization in Bangladesh at the time of the founding of Grameen Bank. However, their adventure does not end there; they also offer loans for small and medium-sized businesses, education loans, and other additional benefits to their customers, among other things. My current level of happiness stems from being associated with such a company, which also happened to be a generous affair of marketing communication practice on my part, which I am grateful for. I come to realize the truth once more: 'it is simple to say, but difficult to do'. I've also learned that a business might go too far when it has a good marketing communication strategy. Likewise, I can state that, given the time constraints of an entry-level role, I have taken on a number of responsibilities that are very critical to my work and training success.

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