



SUMMER 2018

**INTERNSHIP
REPORT ON
BRAC
BANK
LIMITED**

PREPARED BY
MD.NOWFEL SHAD



Inspiring Excellence

INTERSHIP TITLE

“IMPLICATION OF SERVICE MARKETING IN POS (POINT OF SALES) ACQUIRING BUSINESS OF BRAC BANK LIMITED”

Prepared by

MD.NOWFEL SHAD

ID: 14104006

BRAC Business School

Guided by

MS. FABIHA ENAM	MANASH BANIK
Senior Lecturer	Senior Manager
BRAC Business School	Merchant Acquiring
BRAC University	BRAC Bank Limited

Date of Submission: 3rd September, 2018

LETTER OF TRANSMITTAL

3rd September, 2018

MS. FABIHA ENAM

Senior Lecturer

BRAC Business School,

BRAC University

Subject: Submission of internship report on BRAC Bank Limited.

Dear Ma'am,

I might want to accept opportunity to thank you for the direction and support you have given me over the span of this report. Without your assistance, this report would have been difficult to finish. With profound appreciation, I likewise recognize the assistance given by MANASH BANIK, Senior Manager and KHAIRUDDIN AHMED BUPPY, Head of Merchant Acquiring Department of BRAC Bank for giving me most extreme supervision during my internship in the association. To set up the report I gathered what I accept to be most important data to make my report as expository and solid as could reasonably be expected. I have concentrated my best push to accomplish the targets of the report and expectation that my undertaking will fill the need. The practical information and experience assembled through my report planning will limitlessly help in my future.

I would truly be grateful on the off chance that you edify me with your considerations and perspectives in regards to the report. Additionally, on the off chance that you wish to enquire about a part of my report, I would happily answer your questions. Much thanks to you again for your help and tolerance.

Yours Sincerely,

MD.NOWFEL SHAD

ID-14104006

BRAC Business School

LETTER OF ENDORSEMENT

This is to clarify that MD.NOWFEL SHAD a student of BRAC Business School has successfully completed his internship program entitled “IMPLICATION OF SERVICE MARKETING IN POS (POINT OF SALES) ACQUIRING BUSINESS OF BRAC BANK LIMITED” at BRAC Bank Limited under my effective supervision as the partial completion for the program of BBA degree. He has established his process according to my guidelines and active participations. He tried his level best to make this report informative and efficacious. I hope his hard work will assist him in pursuing a great career path in future.

Signature

.....

MS. FABIHA ENAM

Senior Lecturer

BRAC Business School

BRAC University

ACKNOWLEDGEMENT

The fruitful achievement of this Internship Report is the result of the commitment and inclusion of various individuals, particularly the individuals who set aside the opportunity to share their insightful direction and recommendations to enhance the report. There are some exceptional individuals who can't go without say. Above all else, I might want to thank our noteworthy scholastic director **MS. FABIHA ENAM** Senior Lecturer, BRAC Business School, BRAC University. I am grateful to her for her constant help and supervision, proposals and giving me important data that was especially required for the fulfillment of this report.

Then, I would like to express my sincere gratitude to, **MANASH BANIK**, Senior Manager and **KHAIRUDDIN AHMED BUPPY**, Head of Merchant Acquiring, BRAC Bank, for overseeing me throughout my time as an intern of Merchant Acquiring Department. I might want to likewise express my appreciation to **BORHAN UDDIN**, Associate Manager of BRAC Bank for showing me and supporting me throughout my journey of understanding. At last my genuine appreciation goes to my family, companions, colleagues and partners who made a significant contribution on preparing me for the corporate world which I required after graduation.

EXECUTIVE SUMMARY

Commercial banks have a fundamental impact in the economic advancement of a nation. As a completely operational commercial bank BRAC Bank Limited has developed as a market pioneer in the private banking sector, changing the example of SME financing by achieving unexplored market niches. This report is set up as a requirement for the successful fulfillment of my internship program at BRAC Bank Limited (Head Office). This report has been prepared into two broad sections: First part comprises of a short depiction about the association, corporate Mission, Vision, Values and CSR Activities. This part likewise incorporates a short insight about the everyday obligations and duties that I was required to execute as an intern. The second section depends on the point of this report "Retail Banking Division and POS Acquiring business of BRAC Bank Limited". As a part of the internship program I found the opportunity to work for a time of three months in the Merchant Acquiring Department under Retail Banking Division of BRAC Bank Limited. Amid this period, I have found out about this association and the activities that are led by the retail banking division and Merchant Acquiring Department. There are a few departments under the retail division. The second part of this report includes every one of the departments under retail banking alongside all the distinctive products and services offered; Current accounts, Savings accounts, Term Deposits, Loans, and Debit/Credit Card services and overall function of my department. This division additionally works on the priority banking segment which incorporates Premium Banking and TARA-Women Banking giving customized banking services to particular market sections. Finally, the report ends with some positive and negative discoveries from my general understanding as an intern of BRAC Bank Limited. Every department in retail banking works co-dependently and together they are growing new business thoughts and taking the bank's standards of retail business higher than ever.

Contents

Chapter 1: Introduction to the Report.....	1
1.1 Brief discussion on Banking, Retail Banking and POS acquiring business.....	2
1.2 Background	3
1.3 Objectives.....	3
1.4 Scopes of the report.....	4
1.5 Methodology.....	4
1.6 Limitations.....	5
Chapter 2: Organizational and Divisional Overview	6
2.1 About BRAC Bank Limited	7
Company Overview	7
Where does BRAC Bank Limited stand today?	7
Corporate Vision	7
Business Objective (for Marketing).....	8
Corporate Missions	8
Core Values	9
2.2 Shareholding structure	9
Capital Structure	9
Capital Fund	10
Shareholding Structure	10
2.3 CSR activities	11
2.4 Subsidiaries of BRAC Bank Limited	11
2.5 BRAC Bank Limited's position in banking industry	12
2.6 What makes BRAC Bank Limited different from others?.....	13
2.7 logo of BRAC Bank Limited.....	14
2.8 Organizational hierarchy.....	14
2.9 Divisional Overview.....	15
Corporate Banking Division.....	15
SME Banking Division.....	15

Agribusiness Finance.....	16
Retail Banking Division.....	16
Money Management and Custodial Service	16
Treasury and Financial Institutions Division	16
Credit Risk management.....	17
Operation Division	17
Information Technology Division	17
2.9 About Retail Banking Division of BRAC Bank Limited	17
2.10 Retail Products and Services	19
Retail Deposit Products.....	20
Loan Products	26
Card products.....	27
Chapter 3: Details about Internship Activities	29
3.1 POS –Point of Sales acquiring business.....	30
Literature Review	30
About POS Acquiring Business	30
Future Opportunities of POS Acquiring Business in Bangladesh	31
3.2 Merchant Acquiring department of BRAC Bank Limited	31
Merchant Acquiring officers	32
Task performed by Merchant Acquiring officers	32
Process of acquiring merchants	33
POS terminals installation process.....	35
Fee and Payments.....	35
Promotional Activities.....	35
3.3 BRAC Bank Limited’s Position in POS Acquiring Business	39
3.4 Internship Responsibilities	40
Chapter 4: Service Audit of Merchant Acquiring Department of BRAC Bank Limited.....	41
Service Blueprint	42
Consumer behavior.....	42
Relationship Marketing Framework	44
Service Recovery of Merchant Acquiring Department	46
Integrated Marketing Communication	48

Tools of Integrated Marketing Communication	48
Integrated Marketing Campaigns	50
Branding through External Communication	50
Chapter 5: Learning Outcomes	53
5.1 Professional Learning.....	54
5.2 Academic Learning.....	54
5.3 Personal Learning.....	54
6. Conclusion and Recommendation	55
6.1 Conclusion.....	56
6.2 Recommendations	56
6.3 Bibliography	58
6.4 Reference	59

Chapter 1: Introduction to the Report

1.1 Brief discussion on Banking, Retail Banking and POS acquiring business

Bangladesh banking framework has experienced extraordinary changes in the course of the most recent twenty years. The nation moved far from state control to a generally advertise based open economy by receiving a noteworthy adjustment, progression and deregulation program influenced by the World Bank and the IMF against the background of serious macroeconomic imbalance characterized in the mid-1980s. After the commencement of Financial Sector Reforms Program (FSRP) in 1990, the part was opened to more prominent rivalry by the entry of new private banks and more liberal section of foreign banks in accordance with the proposals of this program.

Where expanded reception of the web as a conveyance station adds to a continuous decrease in overhead costs (Marketing, IT and Staff) of the banks by giving an abnormal state of value benefits through ATM, POS (Point of Sale), Online, Internet, Tele-keeping money, SWIFT and Reuter. These have changed the market structure of Bangladesh banking industry fundamentally. Subsequently, the state-owned banks have lost share of the industry to the private business banks.

One of the prominent sectors of banking is Retail banking where the private banks like BRAC Bank Limited, EBL, City Bank and many others are doing very well. Retail basically defined as banking for general customers. Bank's offerings such as various types of loans and card services fall under retail banking. Retail banking in Bangladesh is witnessing a steady growth as the economy of the country is on the rise and banking being accessible to more and more people every day.

One of the crucial parts of Retail banking is „Plastic Money“ which is referred to as debit and credit cards. A credit card is an installment card issued to clients (cardholders) to enable the cardholder to pay a vendor for products and services in view of the cardholder's guarantee to the card issuer to pay them for the amount so paid in addition to the other concurred charges. While debit cards is a plastic installment card that can be utilized rather than money when making purchases. It is like credit cards; however the difference is that the cash comes specifically from the client's bank account when playing out an exchange.

POS (Point Of Sale) terminals are predominantly used in retail industries which are mostly provided by banks and other financial institutions. There is card reader in every POS terminals. These are used to make transactions through debit and credit cards. Now days these terminals are seen in every store and retail points. For the service provided banks issues a charge to the merchants for every transaction

happened in their specific POS terminals. After the deduction of the charge the purchase amount is transferred in merchant's bank account through customer's own account. This is widely known as POS acquiring business. This is a highly competitive business as banks need to maintain good relations with merchants and provide constant support to the merchant points to enable the maximum transactions in their POS machine. POS acquiring business will be witnessing a huge growth as more and more people are gaining access on various cards services. Various aspects of service marketing play a vital role in this sector of banking. So banks that initiate quality service marketing are believed to dominate the industry.

1.2 Background

Devoted to 160 million people of Bangladesh, BRAC Bank is not only a place for transactions and solution to money related issues; it's a place where potentials are realized. In the past banking was only dominated by elite class people of the society. Almost $\frac{3}{4}$ of economy was out of reach of formal banking but in recent days the scenario has been shifted completely. BRAC Bank Limited was one of the pioneers who brought banking to every corner of the society creating balance in banking. BRAC bank is known for breaking the tradition of banking which was controlled by mid to large sized businesses and high professionals. BRAC Bank Limited contributed almost half of its lending to small and medium enterprises popularly known as „SME“. These businesses are dreams of millions of people of Bangladesh and contributing a lot to our economy. BRAC Bank is not only devoted to SMEs, it also shifting its vision towards retail and corporate business which are also core parts of banking making it one of the versatile and reliable banks in Bangladesh. Having a huge client base in retail banking, BRAC Bank is continuously improving its services to individual clients with its various financial products and services. As businesses in retail banking is predicted to be doubled in next few decades, it's important for banks to put more focus on retail banking. BRAC Bank Limited is considered to be one of the top banks for retail banking having the 2nd highest number of ATMs. In the next few years we believe that BRAC Bank Limited will provide better services with their numerous campaigns and programs.

1.3 Objectives

The report will work on specific objectives. Those objectives are given below -

1. To give an overview of Retail Banking division and POS Acquiring department of BRAC Bank Limited.

- Description about Retail Banking
 - Knowledge about its financial products and services
 - Complete knowledge about POS acquiring business of BRAC Bank Limited
2. To find problems, if any, that BRAC Bank Limited and their clients are facing in Retail banking.
 3. Probable recommendation to overcome those problems.

1.4 Scopes of the report

The scopes of the report are given below –

1. Getting complete overview about BRAC Bank Limited and its three main components which are Retail, Corporate and SME.
2. Complete scenario on POS acquiring business of BRAC Bank Limited
3. Service marking in POS business
4. BRAC bank Limited's stand on POS acquiring business.

1.5 Methodology

Both the primary and secondary data are used to make this report which has made this report rich and informative.

Primary Sources

- Face to face communication with the merchants of various merchant points of Dhaka
- Direct communication with internship supervisor and other line managers which helped me to get complete overview on POS acquiring business.
- Open and close ended question asked to merchants and card holders

Secondary Sources

- Official website and Facebook page of BRAC Bank limited
- Different books, bank manuals, annual report etc., related to the topic
- Different websites, publications and newspaper

1.6 Limitations

I have worked only 3 and half months in BRAC Bank Limited. Within this short amount of time it's quite impossible to get deep knowledge regarding the bank and POS acquiring team. To understand the broad areas of banking industry one need to spend at least a year in banking industry. There were many limitations while conducting the internship report. Those limitations are given below

- **Time shortage**

The matter of time shortage is already mentioned in my above statement.

- **Access to information**

It was difficult to gain classified information which would defiantly help me to enrich my report. As I was devoted to work In BRAC Bank Limited for a short period of time, gaining complex information was impossible.

- **Lack of cooperation from merchants and card holders**

During my internship program I have faced issues like negligence of sharing information from merchants and card holders as I was only an intern, they were uncomfortable sharing classified information with me.

Chapter 2: Organizational and Divisional Overview

2.1 About BRAC Bank Limited

Company Overview

BRAC Bank Limited is a leading private commercial bank in Bangladesh, initiated by Sir Fazle Hasan Abed (founder and chairman of BRAC, NGO) on July 4, 2001. Since inception BRAC Bank Ltd. has shown prominent growth in the banking sector. The bank now has a network of 181 Branches, 469 ATMs, 81 CDMs, 448 SME Unit Offices and 229 remittance delivery points across the country. With its large branch network and commitment towards SME Banking and Agricultural finance the bank has achieved a dominant market position within a short time period.

The primary objective of the bank is to carry on all kinds of banking activities with a key focus in facilitating Small and Medium Enterprises (SME). Till now the bank has disbursed over BDT 350,000 million to SME borrowers and thus made a significant contribution to the overall socio economic development of the country. Although BRAC Bank has emerged as the market leader in SME business, over time it has increased its focus on Retail and Corporate Businesses to reach the broader market segments and diversify the portfolio. With its team of over 6,000 employees, BRAC Bank serves more than 1,500,000 individual customers through its diverse range of banking solutions.

Where does BRAC Bank Limited stand today?

- Nation's one of the Largest Bank, and the Second biggest SME Bank.
- A full-scale money related hypermarket offering financial answers for each fragment.

Corporate Vision

“Building a profitable and socially responsible financial institution focused on market and business with growth potential, thereby assisting BRAC and its stakeholders build a just, enlightened, healthy, democratic and poverty free Bangladesh”.

Business Objective (for Marketing)

Establishing BRAC Bank as the most preferred Bangladeshi brand in the financial sector of the country.



Figure: Statement from the Managing Director of BRAC Bank Limited

Corporate Missions

- Continued development in Small and Medium Enterprise (SME) area.
- Have organized and continuous development in low cost deposit and retail resources.
- Fund Corporate Assets through self-liability assembly and develop resources through syndications and interest in more quickly developing divisions.
- Make steady push to raise non-supported income.
- Keep debt charges at 2% to keep up a consistent productive development.

- Attain proficient joint efforts between the branches, SME units and field officers for conveyance of remittance and Bank's different items and services.
- Manage different lines of business with various, completely committed group and well controlled condition with no compromise on quality.
- Have a profoundly determined group totally dedicated to bring the bank's vision into the real world.

Core Values

BRAC Bank's core values originates from its proprietor – BRAC, which imply that whatever they do they will take after these values as coordinated by BRAC.

- Value the way that one is a member from the BRAC family.
- Creating a genuine, open and empowering condition.
- Have a solid client focus and assemble connections in light of integrity, unrivaled services and shared advantages.
- Strive for benefit and sound development.
- Work as group to serve the best interest of the proprietors.
- Relentless in quest for business development and change.
- Value and regard individuals and settle on choices in view of legitimacy.
- Base acknowledgment and reward on execution.
- Always be capable, reliable and honest

2.2 Shareholding structure

Capital Structure

BRAC Bank has begun with an underlying capital of sum BDT 250 million, while the approved capital is BDT 1,000 million. After some time the bank has expanded its capital base in light of its enduring development and inside three long periods of activities, it has multiplied its capital base to BDT 500 million. The Bank has intended to open up to the world by the last quarter of this current year (2006) and

raise its paid up cash-flow to BDT 1000 million. BRAC Bank started with Local and International Institutional shareholding incorporating BRAC as promoter with IFC and Shore Cap International, UK.

Capital Fund

The approved and paid up capital of BBL is TK.1000 million and TK.500 million individually. The paid up capital is one of the most grounded in the managing an account industry. The bank will raise its paid up capital in the month September, 2006 by TK.500 million with issuing open offer of 5, 00,000 of TK.100 each.

Shareholding Structure

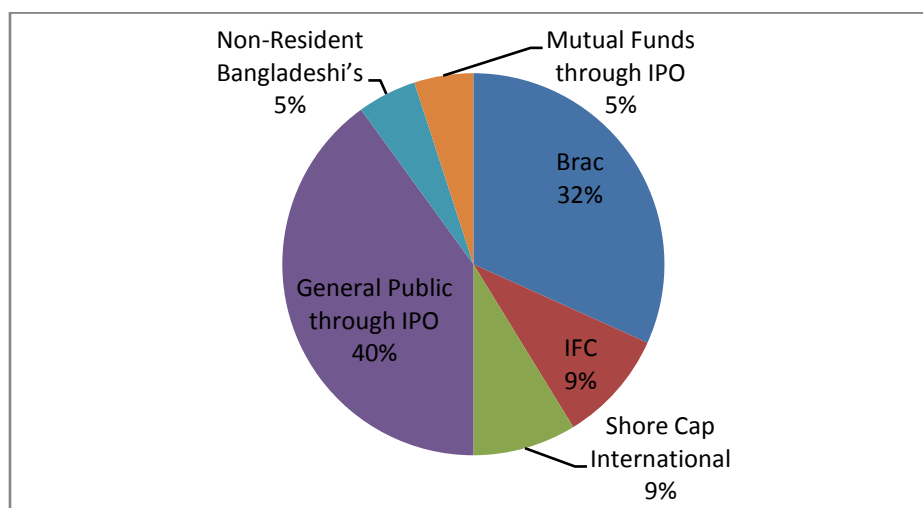


Diagram: BRAC Bank Limited's shareholders' structure

Shareholders	Percent
BRAC	31.74%
IFC	9.50%
Shore Cap International	8.76%
General Public through IPO	40%
Non-Resident Bangladeshi's	5%
Mutual Funds through IPO	5%
Total	100%

Table: BRAC Bank Limited's shareholders percentage

2.3 CSR activities

Every one of the organizations of BRAC Bank Limited takes after the 3P Company Philosophy-People, Planet, and Profit. BRAC trusts that they have a social obligation towards every one of the general population they manage. The bank has had a fundamental influence in building up the SME part of the nation by making it less demanding to get to back for SME business people through Collateral Free SME Lending and spreading their banking service to the remotest regions of the nation. The exercises of the bank are additionally centered around its effect on the earth. Which is the reason BRAC Bank have attempted the "Green Banking" activity which essentially goes for protection of vitality. So as to lessen paper consumption and abbreviate banking procedures, the bank is presently focusing more on internet banking, SMS banking and other elective conveyance channels. BRAC Bank's CSR exercises likewise incorporate scholarship programs, gifts to doctor's facilities in rustic regions, and financial support for underprivileged ladies.

2.4 Subsidiaries of BRAC Bank Limited

- **Bkash Limited**



- **BRAC EPL Stock Brokerage Limited**



- **BRAC IT Services Limited**



- **BRAC Saajan Exchange Limited**



- **BRAC EPL Investments Limited**



2.5 BRAC Bank Limited's position in banking industry

BRAC Bank is one of the top ranked banks in Bangladesh serving a variety of customers. It is considered best bank for SME. BRAC Bank has drawn attention on SME, increasing its share of overall lending to smaller enterprises to 39% of the total loan placed at the end of 2016, up from 34% last year and they have a vision of achieving 50 % of SME's market share by 2020.

They also have full scale hyper market offering financial solution to every segment of banking.

Industry	Financial Services Banking
Founded	4 July 2001
Headquarters	220/B Gulshan Tejgaon Link Road, Dhaka 1208
Key people	<ul style="list-style-type: none"> Sir Fazle Hasan Abed KCMG, Chairman Mr. Selim RF Hussain, Managing Director & CEO
Membership	GABV (Global Alliance for Banking on Values)
Customer in general	Around 1.2 million
Customer in SME	Around .365 million
ATM service	Placed at 2 nd position behind Dutch Bangla Bank on number of ATM having more than 300 ATMs around the country
Plastic Card holders	Around .5 million (Debit and Credit card holders combined)
Remittance	3 rd largest collector of remittance among commercial banks having more than 2000 remittance delivery points
Number of Branches	157
Offices for SME services	405
Employees	Around 8000

Achievements	<ul style="list-style-type: none"> • ICMAB Best Corporate Award 2015 (3rd Position) • BRAC Bank wins prestigious 'Sustainable Marketing Excellence Award' from CMO Asia • BRAC Bank wins The Best Managed Bank Award from The Asian Banker • BRAC Bank Wins the Award for Best Retail Bank in Bangladesh by The Asian Banker • BRAC Bank Limited has received ICAB National Award • BRAC Bank received National Award as the Highest VAT payer for the financial year 2007-2008 • DHL–Daily Star Bangladesh Business Awards 2008
---------------------	---

Table: BRAC Bank's positions in various sectors

2.6 What makes BRAC Bank Limited different from others?

- **Unique SME banking Model:**

Having the highest percentage of SME share than any other banks in Bangladesh

- **Largest real time online network**

- **Value based Banking:**

A mission of financial inclusion and 3p philosophy

- People
- Planet
- Profit

2.7 logo of BRAC Bank Limited

The logo of BRAC Bank has been prepared remembering the objective of the association. The square structure of the logo implies strong and solid. The Golden Color in the lower part of the logo implies that 'Brilliant Bangladesh and her fruitful land'. The Blue shading in the upper segment signifies 'the sky with colossal and boundless opportunity'. The white shaded bend signifies 'Development and Progress'. White circles in the blue shading mean the glimmering sun that offers light to all over the earth.



2.8 Organizational hierarchy

1.Managing Director/CEO
2.Deputy Managing Director
3.Senior Executive Vice President
4.Executive Vice President
5.Senior Vice President
6.Vice President
7.Senior Assistant Vice President
8.First Assistant Vice President
9.Assistant Vice President
10.Senior Officer
11.Principal Officer
12.Management Trainee Officer
13.Officer Grade I
14.Officer Grade II

Table: BRAC Bank Limited's Organizational hierarchy

2.9 Divisional Overview

The organizations of BRAC Bank are basically fragmented into three divisions: Corporate Banking, Retail Banking and SME Banking.

Corporate Banking Division

The corporate banking division gives wholesale BANKINGSERVICES to corporate clients. Their point is to give banking services, for example, working capital finance, venture fund, credit syndication and trade solutions for corporate customer through their two centralized operations situated in Dhaka and Chittagong and additionally nine corporate branches to give administrations at certain land territories which can't be come to by their concentrated corporate banking group. They fundamentally serve four classifications of vast corporate customers: (I) Large corporate which incorporates materials and articles of clothing, media communications, power and foundation, (ii) Large Local Corporate, (iii) Local Corporate and (IV) Corporate Institutions. The Local Corporate area used to be under SME Banking division as "Medium Business Unit". With a specific end goal to bring particular target as client needs, it has been moved to be operated under Corporate Banking division.

SME Banking Division

Gives money related answers for small, medium and developing organizations. The bank has one of the most grounded SME establishments in the nation enhancing access to back for small scale organizations. SME Banking clients are served through 448 SME Unit Offices situated the nation over.

Items and Services of SME Division

- ANNONO - Unsecured Term Loan
- APURBO - Secured Term Loan, Overdraft and Demand Loan
- SHAKTI - Partially Secured Term Loan
- PROTHOMA – For Women Entrepreneurs
- SHOMBRIDDHI - Trade Finance
- NIRMA- An equal monthly loan facility for laborers, jobholders and businessmen for development or reclamation of housing facility.

Agribusiness Finance

BRAC Bank Ltd. has been working alongside Bangladesh Bank, Microfinance Organizations/NGOs and USAID to make fund accessible to the rural area. There is Agriculture Finance Help Desk in all branches with trained staffs to go to a wide range of farming money related inquiries.

Retail Banking Division

The motivation behind retail banking is to serve individual clients as opposed to business substances, who are getting banking services from neighborhood branches.

Money Management and Custodial Service

Money management causes corporate substances to gather and oversee finance through different items.

Services Offered with Cash Management and Custodial Services:

- Deposit Facility
- Cash pick up benefits
- Transactional Banking Services
- Nationwide Collection Service
- Payment Transfer Solution
- Secured Cash Service
- (Initial Public Offering) Fund Management
- Custodial Services

Treasury and Financial Institutions Division

Gives all sort of treasury solutions for inner and outer customers through fund management, regulatory prerequisites taking care of and day by day liquidity management services.

Credit Risk management

Controls the risk related with loaning which generally may prompt money related misfortune if the customers neglect to fulfill their commitment.

Operation Division

BRAC Bank Limited has a centralized framework to guarantee a controlled service conveyance to the clients. The bank likewise has Regional Operating Centers (ROC) found everywhere throughout the nation to make service conveyance quicker. As of now there are 9 ROC managing more than 60% of SME credit, whatever remains of the operations is done from the head office.

Information Technology Division

To settle on basic decision making more successful and effective, and increase upper hand, an association needs to rapidly receive new technologies. The IT division of BRAC Bank comprises of talented innovation group giving a wide range of IT bolster for the financiers and continuously searching for headway in advances that the bank can gain and use to increment operational proficiency.

2.9 About Retail Banking Division of BRAC Bank Limited

The Retail Banking division gives banking services to individual clients as opposed to enterprises or different business substances. BRAC Bank's Retail Banking contains a wide assortment of items and services which incorporates Current records, Savings accounts, Term Deposits, Advances, and Debit/Credit Card administrations. Clients can have the comfort of branch banking and the Alternative Channel services of Internet Banking, Call Center, SMS Banking and e-Statement. Retail Banking clients are served through a system of 181 branches, 14 Premium Banking Lounges, 469 ATMs and 81 CDMs.

There are a few offices under Retail Banking Division:

- Deposits and NFB, Products
- Retail Loan
- Customer Experience
- Cards
- Alternative Delivery Channel
- Acquiring Department - Deals with business obtaining
- Sales Governance

In 2016, BRAC Bank's Retail business surpassed desire and accomplished the most astounding asset development, with an industry record of 55%. The bank's Retail Banking resources crossed the point of milestone of BDT 3,000 corer in June 2016 and achieved BDT 3,375 corer as of December 31, 2016, turning into the biggest retail resource portfolio in the market.

BRAC Bank Limited has recently changed the way of banking by segmenting the retail business according to their customer profile. This segmenting process was done to deliver standardized services and reduce operating cost. The segments are given billow –

- Premium Banking
- Supreme Banking
- Excel Banking
- Easy Banking



Figure: Segments of Retail Banking

- **Premium Banking**

Clients who maintain at least BDT 50 lacs on 6 month average are called Premium customers. They are given high priority and they also receive gifts, discounts and special services from BRAC Bank Limited. Currently the company has over 1000 Premium customers.

- **Supreme Banking**

Clients who maintain at least BDT 10 lac to less than 50 lac or equal on 6 month on average are treated as Supreme customers. They enjoy separate service booth and cash deposit booth in the branches and get many other facilities.

- **Excel Banking**

Clients who maintain at least BDT 50 thousand to below BDT 10 lac on a 6 month average are called as Supreme customers

- **Easy Banking**

These are general day to day customers who depends traditional banking from the bank. They are only required to maintain a balance of 50 thousand.

2.10 Retail Products and Services

The Retail Deposits and NFB division organizes the retail deposit and non-funded business portfolio. They manage item development, dispatch new deposit campaign, new client securing and existing client maintenance. The Non-Funded Business manages sell of foreign currency as Student File, Medicinal File or Travel Related Services. The Student File services offer students to exchange cash abroad for instructive purposes. The Medical File or Travel Related Services facilitates monetary exchange for seeking after medicinal medications or travel abroad. In retail banking BRAC bank Limited has three kind of products.

- Deposit products
- Loan products
- Card products

Retail Deposit Products

Saving accounts

A Savings Account is a financial balance utilized by people to keep cash for completing day to-day money related exchanges. These accounts don't have any maturity. Clients are required to keep up a base day by day normal balance.

Savings Classic Account

- Minimum account opening deposit – Tk. 5000
- Minimum Tk. 50,000 account balance is required to gain intrigue
- First checkbook of 25 pages is free
- Customers won't acquire Interest if:
- More than 7 (seven) transactions happens in a month\
- The aggregate transaction sum in a day goes over 10% of the aggregate balance.

Triple Benefits Savings Account

- Minimum balance required for opening a record - BDT 50,000 for Metropolitan clients and BDT 25,000 for non-metropolitan clients.
- Minimum Tk.50, 000 account adjust is required to win interest
- Interest is collected month to month
- ATM withdrawal breaking point of BDT 100,000/ - per day
- No account maintenance and debit card charges for clients maintaining the required half yearly average balance of Tk. 50,000 and above
- First checkbook of 25 pages is free

Deposit	Interest
Tk. 50,000 to below Tk. 5 Lac	1 %
Tk. 5 Lac to below Tk. 10 Lac	2 %
Tk. 10 Lac to below Tk. 15 Lac	2.5%
Tk. 15 Lac to below Tk. 25 Lac	3 %
Tk. 25 Lac to below Tk. 50 Lac	3.5%
Tk. 50 Lac & above	4 %

Table: Annual Rate of Interest of Triple Benefits Savings Account

Future Star Account

Future Star account is a special bank account for youngsters to urge them to secure the act of saving cash and in this way they can likewise turn into devoted clients of the bank in future. Youngsters less than 18 years old can open this account together with their legitimate guardian who will be operating on behalf of the minor.

- Minimum account opening balance requirement is BDT 100 only.
- 4% interest on average balance of Tk. 1 lac or more. 3% interest fee on account balance over TK. 50,000 to < Tk. 1 Lac. Least interest rate of 2% can be earned on any sum more than zero.
- Interest gathered month to month on average balance
- No Account Maintenance Fee.
- No Annual Debit Card Fee.

Current Accounts

Current Accounts will be accounts that are utilized to keep up current transactions. These accounts are not utilized for reserve funds or ventures. There is no limitation on the quantity of transactions that can be brought out through these accounts.

Current Plus Account

- Minimum account opening balance is BDT 50,000 for Metropolitan clients and BDT 25,000 for non-metropolitan clients
- Does not offer any interest
- No account maintenance and debit card charge for clients keeping up a yearly average balance of BDT 25,000 or above.
- Free first checkbook of 25 pages
- ATM withdrawal cutoff of BDT 100,000/ - every day

Salary Account - Employee Banking

Employee banking (already known as Payroll Banking) forms and dispenses month to month salaries and benefits for representatives of different associations. Employee banking additionally gives a wide range of financial services including Home Loan, Car loan, Personal Loan, Credit Card and Account Services.

- No base account opening balance requirement
- 3% yearly interest can be earned on any balance more than zero
- Interest installment will be made half yearly on daily balance
- No yearly account maintenance fee
- ATM withdrawal breaking point of BDT 100,000/ - every day
- Annual VISA Debit Card Fee is BDT 300 + VAT

Overdraft

Current Accounts have overdraft facilities for entrepreneurs. Clients can withdraw more than their current account balance to meet little shortages in cash flow. The bank will give a brief span period to pay back the amount along with interest, thinking of it as a short time borrowing.

- **Campus Account**

Campus Account is an interest bearing current account just for university students. The base account opening deposit required is BDT 500. Students can gain interest of 3% p.a. on any balance more prominent than zero. There is no Account maintenance Fee. Yearly Debit Card Fee is BDT 300 + VAT.

- **Resident Foreign Currency Deposit (RFCD) Account**

RFCD account offers local residents to control and get outside money from anyplace around the globe. Clients can likewise transmit any sum abroad from their RFCD account. According to Bangladesh Bank requirements, RFCD account can be opened by any Bangladeshi residents, if he/she has come back from abroad within recent 30 days.

- Account opening money can be USD, GBP or Euro
- Monthly interest credit on day end balance of USD 1000 or GBP 500 equivalent or grater
- No account maintenance fee
- Connect Call Center from anyplace around the globe

- **Foreign Currency (FC) Account**

Foreign Currency (FC) Account is a non interest bearing current record in foreign cash. This item is created by Bangladesh Central Bank to help the Non Resident Bangladeshis (NRBs). The reserve dispatched to the FC Account can be altogether moved to anyplace on the planet. The NRBs can open these accounts before leaving the nation or even from abroad. Foreign nationals living in Bangladesh can likewise open this account

Term deposits

Term deposit accounts are non-value-based deposit accounts with maturity. The cash can just be pulled back when the term has finished.

- Deposit Premium Scheme (DPS) – BRAC Bank DPS account is special saving scheme that permits to save money on a month to month premise.

Flexi DPS

- The base monthly scheduled payment is BDT 500 or any multiples of it i.e. BDT 1,000, BDT 2,500, BDT 5,000 and so on.
- Auto-Transfer Facility - clients can have the comfort of exchanging month to month deposit portions naturally from their Bank account to DPS account on due dates.
- Flexible Tenure-Customers can pick the time of tenure beginning from 1year till 10 years. Clients can likewise pick the portion date as indicated by their accommodation.
- Interest is gathered on month to month premise after Government tax

Years	BDT 500 & Multiples
1	5.5%
2	6 %
3	6.5%
4	6.75%
5	7 %

Table: Base monthly scheduled payment of Flexi DPS

Fixed Deposit Plus

- Minimum amount required to open the account is BDT 10,000.
- Interest is paid on maturity, (computed at 360 days) in the wake of changing Government tax.

Tenor	1 Lac to < 10 Lac	10 Lac to < 50 Lac	50 Lac & Above
89 Days	3 %	4.5 %	4.75 %
150 Days	3 %	4.5%	4.75%
7 Months	4.5%	5 %	5 %
360 Days	5 %	5 %	5 %

Table: Table: Annual Rate of Interest of Fixed Deposit Plus on various tenors

Fixed Deposit General

Fixed Deposit General Account is a FD account that gives interest and important at maturity. Least amount required to open the General FD account is BDT 10,000. The maturity of FD General Account ranges from 1/3/6/12/24/36 months. Interest is credited every year subsequent to altering Government tax.

Tenor (Months)	1 Lac to < 10 Lac	10 Lac to < 50 Lac	50 Lac & Above
1	3 %	3 %	3 %
3	3 %	4.5%	4.75%
6	4.5%	5 %	5 %
12, 24, 36	5 %	5 %	5 %

Table: Annual Rate of Interest of Fixed Deposit General on various tenors

Freedom Fixed Deposit (FFD)

Least sum required to open the FFD account is BDT 10,000. The length of tenor ranges from 6/12/24/36 months. Interest is paid on a quarterly basis after modifying Government tax.

Tenor (Months)	1 Lac to < 10 Lac	10 Lac to < 50 Lac	50 Lac & Above
3	3 %	4.5 %	4.75 %
6	4 %	5%	5%
12	5%	5 %	5 %
24, 36	5 %	5 %	5 %

Table: Annual Rate of Interest of Freedom Fixed Deposit (FFD) on various tenors

ABIRAM Fixed Deposit

ABIRAM Fixed Deposit account deposit its interest earned to existing current or saving account. Least account opening balance prerequisite is BDT 10,000 which offers 12, 24 and 36 months" tenor. Interest fee 5% is applicable on account balance of BDT 1 lac or more. Interest is paid on a month to month premise after altering Government tax.

Unit Fixed Deposit

- Fixed deposit account with a maturity of a year as it were
- Customers can in partially withdraw cash from their Unit Fixed Deposit before maturity. The rest of the amount of Fixed Deposit will proceed to gain interest at a similar rate for whatever remains of the tenure.
- Minimum amount required to open this record is BDT 10,000
- 5% Interest rate on BDT 1 lac and above
- Partial encashment should be possible just once before maturity.

Loan Products

With 186 branches, 460 SME unit offices BRAC Bank Limited provides a wide range of loan facilities throughout the country.

Home Loan

- Maximum loan amount is BDT 1Crore but not exceeding 70% of the property value
- Maximum age at the time of loan maturity is 65 years

Personal Loan

- A Personal Loan for any consumer needs
- Loan amount BDT 1 Lac to BDT 20 Lac
- No collateral or cash securities
- Flexible repayment EMI

Auto Loan

- Both salaried executives and business persons
- Age is between 25 at the time of loan application to 65 at the time of loan maturity.

- Minimum monthly income BDT 25,000

Card products

BRAC Bank has huge accumulations of card items so as to improve the web based business and internet banking facility. The clients who hold this card items enjoy all sort of offers and benefits provided by the bank. Yearly expense is deferred on different cards relying on the offer. The card points of interest are given underneath. Cards service is of 3 types in BRAC Bank Limited.

- Credit Cards
- Debit Cards
- Prepaid Cards

Credit Cards

Credit cards are of 4 types

- Signature Cards
- Platinum Cards
- Gold Cards
- Classic Cards

Debit Cards

Debit cards are of 2 types

- Planet Card
- RFCD Debit Card

Prepaid Cards

Prepaid Cards are of 3 types

- Hajj Card
- Travel Card
- Schedule Of Charges



 <p>An example of the front of a typical debit and credit card:</p>	 <p>An example of the reverse side of a typical debit and credit card:</p>
<ol style="list-style-type: none"> 1.Issuing bank logo 2.EMV chip (optional and may depend on the issuing institution or bank) 3.Hologram (in some cards it's located at the back especially in most MasterCard) 4. Card number (may vary in length but mostly 16-digits with unique last 4 digits. However in cases such as Discover, Diner's Club, Union Pay & American Express it has a unique 15-digit card number) 5.Card brand logo 6.Expiration date 7.Cardholder's name 	<ol style="list-style-type: none"> 1.Magnetic stripe 2.Signature strip panel 3.Card Security Code

Figure: Showing the various aspects of financial card

Chapter 3: Details about Internship Activities

3.1 POS –Point of Sales acquiring business

Literature Review

In this chapter how service marketing is a core part of Merchant Acquiring department. During my internship program I worked closely with this department. I will be discussing how Service marketing in Merchant Acquiring works through various process and steps.

I have mentioned the overall structure and what is POS acquiring business of BRAC Bank Limited and its functionalities. Service marketing of Merchant Acquiring department is quite different because the department needs to think about both merchant and cardholders before providing service. Decrease in the service quality reflects negatively impact on both the sides.

- **Service providers:** Merchant acquiring officers are the main service providers as they deal directly with the cardholders and merchants giving them assistance in issues related with POS terminals and transactions.
- **Consumers:** Both cardholders and merchants are consumers as without the service of POS acquiring both cardholders and merchants cannot transact through various financial cards. So the department needs to think about both the parties while providing service.

About POS Acquiring Business

The operation of POS system begins with the acquiring of merchants. Merchants are the businesses that sell products and services to the end customers. Card holders will not be able to purchase goods and services in the outlets of those merchants unless the merchant has installed a POS terminal. A POS terminal is a device that is used to process card transactions at the outlet of the business. It will be beneficial for the bank to increase its card holders if the bank doesn't have an agreement with the merchant. For each transaction made in POS terminals, the bank that issued that terminal gets a fee which is known as MSF (Merchant Subscription Fee) and it charges around 1% to 2% from the product price. This charge varies from merchant to merchant as banks have the right to value merchants but the charge can be changed at any time by an application to the bank requesting a decrease in MSF. POS terminals use a

SIM which belongs to the country's telecom industry for maintain network with the bank's IT service which is needed for nonstop data processing from the cardholder's bank account to POS terminals.

Future Opportunities of POS Acquiring Business in Bangladesh

POS acquiring business will soon see an increase because of the rise in number of card users. In Bangladesh there is a huge opportunity for banks to get more people to become their card users as the country is in the stage of economic boom and more people are having access to banks and other financial services. According to a research named "The Rise Trend in the Use of Credit Cards in Bangladesh and its Implications on Over- indebtedness and its Difficulties in Personal Finance" has stated that financial cards in Bangladesh was only a matter related to business and commerce but in last few years, the financial institutions have started to spread their services very aggressively to reach at individual level of personal finance. This is due to the rise of middle income population of Bangladesh. According to the statistics of Bangladesh Bank the current usage of cards has risen exponentially and the advances made together by the Islamic Banks, Private Banks and other state owned banks combined altogether at the end of 2011 has totaled a staggering BDT 1769.59 corers and the credit card users has risen up to 5.51 lac which was 4.02 in 2008. In recent years the number of credit card users is thought to be doubled which is definitely good news for the banks as it will generate more revenue from the industry. The increase in number of card users in Bangladesh has enabled more usage of POS terminals as it's the only source to transact through cards. Banks are coming up with new ideas to increase the usage of their POS terminals. Bank's POS Acquiring Business is not only done through only with their cards but also cards from other banks as it receives MSF from the merchant through the bank which the card is from. For this the increase in number of cardholders means more business through POS terminals.

3.2 Merchant Acquiring department of BRAC Bank Limited

The department that handles POS related issues in BRAC Bank Limited is known as Merchant acquiring department. This is one of the crucial departments of BRAC Bank Limited. In this department the officers not only have to deal with merchants but also have to maintain communication with customers. The rise of card users in Bangladesh has increased the use of POS machines which is a must for transactions through cards. BRAC Bank Limited has over 7000 POS terminals installed in various merchant points in the country which makes the bank 2nd largest POS service provider in the country. Merchants Acquiring department also manages various offers like discounts, B1G1 (Buy 1 Get 1), EMI payments and reward

vouchers which can be obtained through using BRAC Bank Limited's cards. BRAC Bank Limited POS terminals accept following cards:

- Any Master Card Debit and Credit
- Any Visa Card Debit and Credit
- Any JCB Card Debit and Credit

Merchant Acquiring officers

The process of acquiring POS merchants is not possible without the help of Merchant Acquiring officers. These officers are responsible for field work. They are systematically responsible for a different area which is known as zones and they work under an area manager. One of the crucial tasks of Merchant Acquiring officers is to acquire merchants. The officers deal with merchants in every aspect of the entire operation of POS acquiring business of BRAC Bank Limited from acquiring merchant to ensuring to give the best service to them from the bank. Their work is marketing oriented as they are continuously communicating, persuading and providing information and services to the merchant in order to maintain good relations with them to ensure the most use of BRAC Bank Limited POS terminals.

Task performed by Merchant Acquiring officers

Acquiring merchants and make agreements	Checking and solving POS related issues	Provide tools and information to the merchant	Evaluate merchant performance
1. Search potential merchant in the market.	1. Distributing paper rolls	1. How to use POS terminals	1. Check monthly daily sales volume
2. Persuading merchant to use bank's POS terminals by explaining them the benefits of	2. Solving issues like transaction disputes, fraud issues of the merchant, battery, charger and SIM.	2. Letting the merchants know about new rules and requirements of the bank	2. Check the requirements of the merchants before providing the POS terminals

using the bank's POS terminal			
3. Distributing agreement form and help them filling out the details.	3. Constant checking of replacement and withdrawal of POS terminals	3. Provide battery and charger	3. Build long term relation with merchants.

Process of acquiring merchants

- At first the Merchant Acquiring officers communicate with the potential merchant and ask them if they have a BBL bank account. Then the assigned officer requests the head of merchant point to open a bank account in the bank to ensure safe transactions with the bank but if he doesn't want to open an account that's not an issue because the transactions can be through other banks as well. Then the officer checks the sales volume and communicates with the area manager to decide whether the merchant will be provided with POS terminal or not. After the approval of area manager the assigned officer begins next procedures.
- After that the merchant acquiring officer goes to the merchant point to provide the agreement form and help him fill out the details.
- After filling out the details merchant needs to provide some documents. The document varies according to business types. Merchant agreement is done according to 3 types of business
 1. Proprietorship

Documents required for this type of business

 - Photocopy of Valid Trade License with the renewed copy
 - Valid photo ID (National ID/ Passport etc.) of proprietor (including renewed papers if necessary)
 - TIN/VAT certificate photocopy
 - 1 copy picture of proprietor
 - 1 copy of utility bill (Telephone/ Electric bill etc.)
 - Business account Number
 2. Partnership

Documents required for this type of business

 - Photocopy of Valid Trade License with the renewed copy

- Partnership deed agreement
- Valid photo ID (National ID/ Passport etc.) of proprietor (including renewed papers if necessary)
- TIN/VAT certificate photocopy
- Partner's resolution letter on CO. pad.
- 1 copy picture of signatory person/s
- 1 copy of utility bill (Telephone/ Electric bill etc.)
- Business account Number

3. Limited Company

Documents required for this type of business

- Photocopy of Valid Trade License with the renewed copy
 - Company Memorandum
 - Company certificate of incorporation
 - Company board resolution letter with all director signatures on Co. pad.
 - Valid photo ID (National ID/ Passport etc.) of proprietor (including renewed papers if necessary)
 - TIN/VAT certificate photocopy
 - 1 copy picture of signatory person/s
 - 1 copy of utility bill (Telephone/ Electric bill etc.)
 - Business account Number
- Collecting the documents the officer checks the documents and asks for department head's approval
 - After the approval of Merchant Acquiring department head the agreement form is then submitted to the Operation department
 - The officials then go through the agreement and do MATCH (Member Alert to Control High Risk Merchant) on Master Card website
 - If the merchant record is clean then the file is sent to Merchant Acquiring department head for supporting the file for approval
 - Approved file then become available for data capture and rejected files are sent to the officers
 - The approved files data then stored in BRAC Bank Limited's intranet named BBL touch
 - Authorizers will authorize the data of the merchant
 - Card Operation Division uploads the Merchant data to their server
 - IT division then uploads the Merchant data to their server

POS terminals installation process

After the merchant acquiring process is completed, the POS terminal is then installed in outlet of the merchant.

- The managers prepares installation papers and send those to Operation department who will give requisition for total required POS terminals for the merchant point
- Then the IT department will provide POS terminals, SIM, Charger and many other accessories to the assigned officers
- The officers in that zone will take the POS terminal and install it in the outlet.

Fee and Payments

The fee for BRAC Bank Limited for using their POS machines in various merchant points varies from merchant to merchant. Generally the fee is from 1.5 to 2 % per transaction. At first the price of the product is deducted from the credit or debit card. After that the bank transfers the money to the merchant account deducting the merchant fee which is popularly known as MSF (Merchant Subscription Fee). Merchants can appeal to reduce their MSF if they have significant sale throughout the year.

Promotional Activities

To increase the transaction through BRAC Bank Limited cards Merchant Acquiring department makes agreement with merchants which is also beneficial to the merchant as well as it will boost their overall sells. The department basically does 3 types of promotional agreements.

- B1G1 (Buy One Get One)
- Reward Programs
- Discount Campaign

B1G1 (Buy One Get One)

Buy one get one campaign is just a promotional activity where card users get the chance to get two products or services at the price of one. This offer is only available to Credit card users. For this offer both merchant and bank sign a deal known as MOU (Memorandum of Understanding).



Figure: Showing the Buy1 Get 1 campaign posted in BRAC Bank Limited Facebook page

Reward Programs

Any BRAC Bank Limited Credit card and Debit card user are eligible for the membership of reward program. There are no additional procedures for enrolling into the program. To get reward vouchers

cardholders must make transaction regularly. Making \$1 or BDT 50 transaction and BDT100 transaction will result in reward point. Customers can issue a reward voucher for a significant amount of reward point through calling the customer service for a specific merchant. Then he/she will get to buy or get discount as the same amount as the voucher from the merchant point.

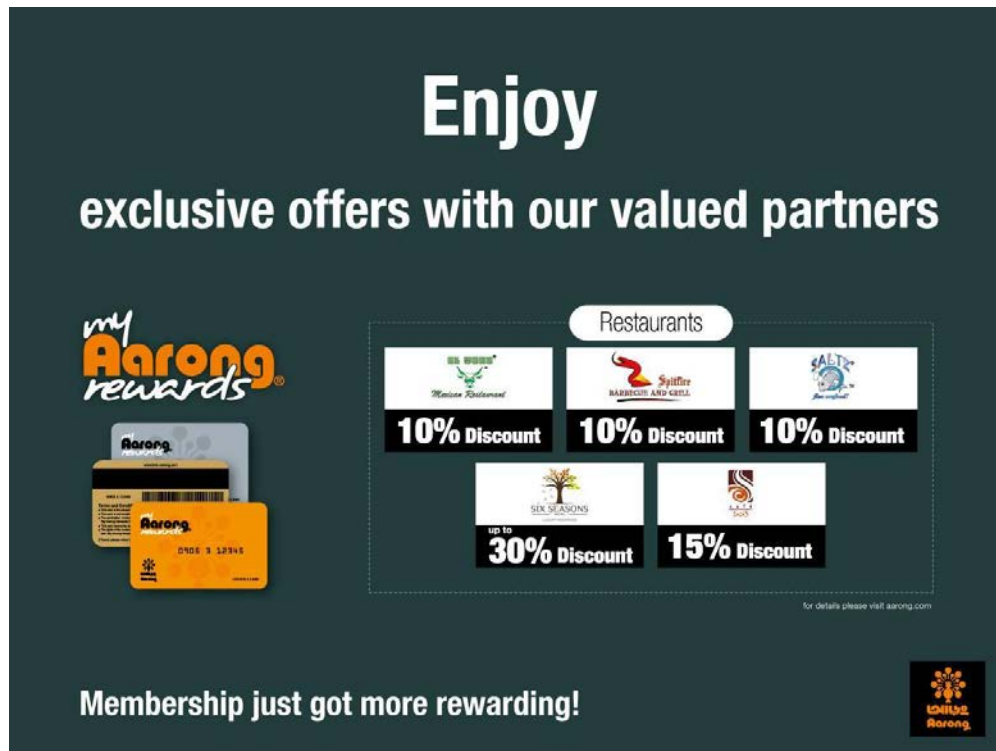


Figure: Showing the reward program posted in BRAC Bank Limited Facebook page between Aarong

Discount Campaign

Merchant Acquiring department also makes agreement with merchants to offer various discounts on products or services through using BRAC Bank Limited cards. These discounts generally consist of 10%, 30% and 50%.



Figure: Showing the discount campaign posted in BRAC Bank Limited Facebook page between GoZayaan

EMI

With BRAC Bank Credit Card EMI facility, you can buy your desired items from any retail outlet in Bangladesh. The base buy amount is BDT 10,000 and you can pay back with simple installment at 14.99% loan fee as it were. Instalment tenor fluctuates from 3 to 36 months.

0% P@yFlex Program

BRAC Bank Limited card holder can buy products from any partnered merchant outlets and enjoy the interest free installment payment method. Installment tenor varies from 3 to 36 months. Merchant Acquiring department makes agreement with various merchants around Bangladesh which enables this facility for the card users.

3.3 BRAC Bank Limited's Position in POS Acquiring Business

BRAC Bank Limited is a prominent name in POS acquiring business. It will definitely gain a place in top 3 banks in this business. Merchant Acquiring department main moto is to become the top bank in this industry. POS acquiring business of BRAC Bank Limited is increasing. More and more merchants are being affiliated with BRAC Bank Limited. The bank definitely has a huge opportunity in this industry due to BRAC Bank Limited huge men force and committed officers. In this business relationship marketing is the key to success and BRAC Bank Limited is quite serious about this. Bank Limited received the VISA Excellence in POS acquiring Business in 2017-2018 for generating the most sales volume trough VISA cards.



Figure: BRAC Bank Limited received the VISA Excellence in POS acquiring Business in 2017-2018

3.4 Internship Responsibilities

As per the instructions of my supervisor I visited various merchant points in Dhaka city with Merchant Acquiring officers to get an overall idea about the POS acquiring business and how the service is being ensured by the bank to the merchant. During my visits I got to know the relationship marketing of Merchant Acquiring officers and its importance in the field of POS acquiring. During my internship I visited areas like Mohakhali, Gulshan, Banani and Uttara. It's important to visit various places because demands and requirements vary from merchant to merchant.

One of the crucial duties during my stay in the office is to monitor the sales volume of various merchants of Dhaka and consult with the zonal Merchant Acquiring officers to take necessary steps. If the daily sales volume remain low for a few days Merchant Acquiring officers visit the merchant point to know what went wrong and request them to go through the situation.

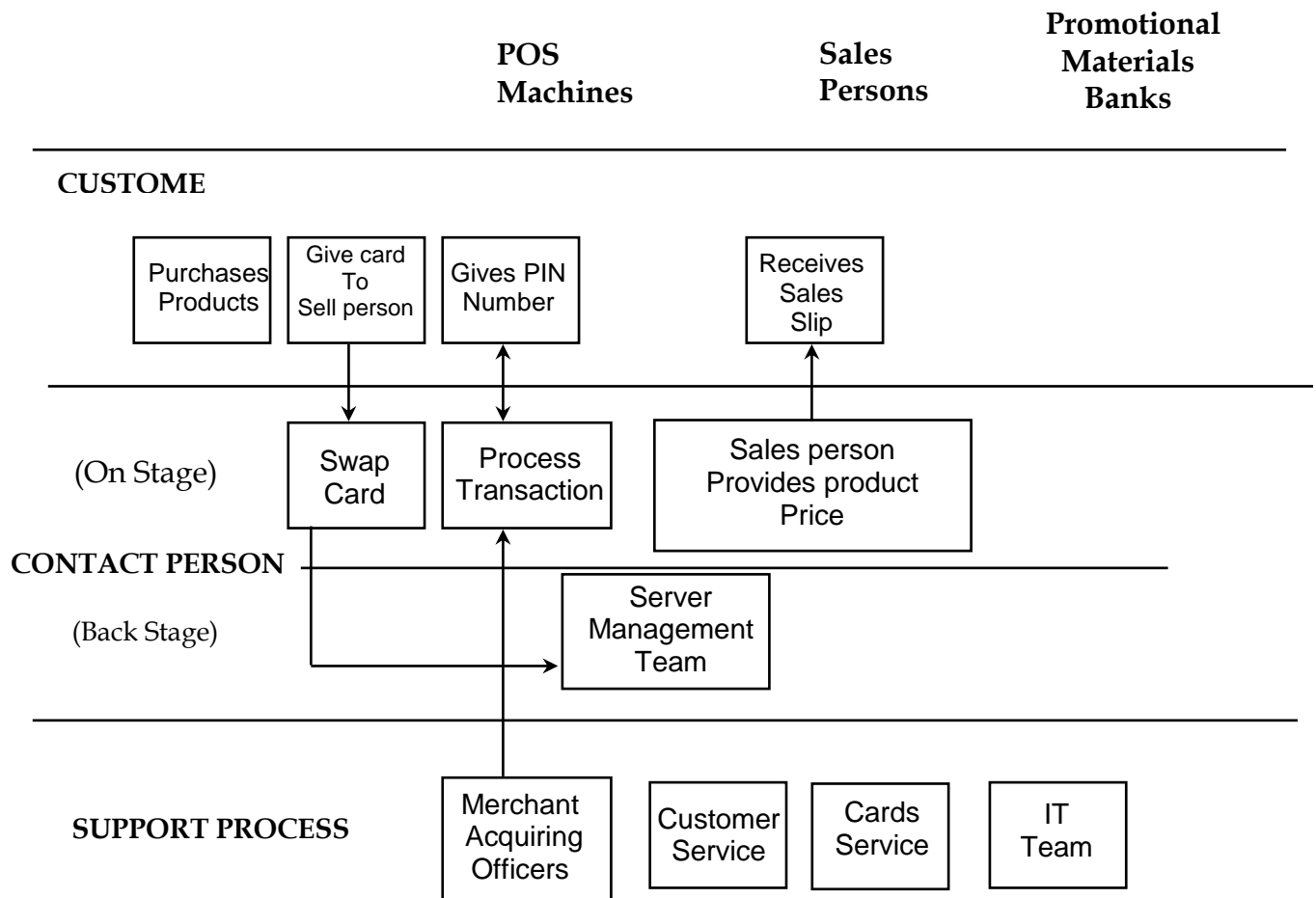
I was responsible for processing agreement forms and P@yFlex slips and check them for errors. If the papers are error free then they are sent to the Operation department for further recheck. If errors are found then I consulted with zonal officer, merchant and lastly customers through phone and solve the issue.

Another task is to look for potential merchant who can be enrolled in various campaigns, offers and discounts. I worked with the officer responsible for Merchant Alliance and Reward and got to know the process of making agreements of various promotional campaigns with the merchants. For this merchants need to be consulted about the campaign and then needs to sign a MOU (Memorandum of Understanding) with BRAC Bank Limited which contains the terms and conditions and beneficiaries of both the parties.

Chapter 4: Service Audit of Merchant Acquiring Department of BRAC Bank Limited

Service Blueprint

The overall service blueprint of POS acquiring business is given below



Consumer behavior

Consumer behavior is a study of how consumers make their decision to buy, want and evaluate and act to any product or service of a company. (Tara Schofield, 2016) states that it is not easy to understand consumer mind to know whether they will use regular product and accept new one. So for this issue, marketers need to know this to meet their demand and act as soon as possible at the right time.

- **Experience quality**

Experience quality is when a person provides a feedback to the product or service after experiencing the particular thing. For a bank, it's important to experience it first. As for BRAC Bank Limited their website is really informative and any one new to banking will get a complete idea about its products and service. As for Merchant Acquiring department main service they provide is POS related and other services include P@yFlex program and generate offers like buy1 get 1, discounts and rewards. Details about these services are explained clearly in the website.

- **Need recognition**

To get a clear idea about the consumers' needs the marketer needs to categorize the consumers according to their need. In recent times the demand for financial cards are huge which also increases the use of POS terminals. On the other hand people are more and more drawn to EMI. BRAC Bank Limited provides 0% interest P@yFlex program which helps the cardholders to buy products in equal installments.

- **Physiological need**

Consumers are always concerned about the service. With over 500 merchants and over 7000 POS terminals cardholders of BRAC Bank Limited have the access to easy transactions. They also have branches all over the country and a dedicated customer service. So as a hard holder these points come to mind while choosing BRAC Bank Limited.

- **Social need**

After working in BRAC Bank Limited I get to know that most of their hard holders are middle income people. The reason behind choosing this bank is that it offers a range of services at low service fee.

- **Safety and security need**

The key thing comes into consumers mind while choosing banks is safety and security. BRAC Bank Limited as well as Merchant Acquiring department is dedicated to ensure card holders safety. While doing transactions through POS terminals hard holders sometimes face false transactions which result in deducting extra money from their account. Our Merchant Acquiring officers are devoted and visit merchant points every day to ensure the safety and security of each transactions.

- **Self Esteem**

In this part, instead of just only fulfilling hard holder's needs, esteem works with reputations and importance put to an individual. In BRAC Bank Limited card holders are treated like a family and are given extra benefits like buy 1 get 1, discounts and reward points. Our officers are always aware of hard holders need and devoted to solve any issues they face regarding POS transactions and EMI.

Relationship Marketing Framework

Relationship Marketing is an important part of Merchant Acquiring department because the POS acquiring business completely depends on keeping good relations with merchants. No matter the facility of the bank, if the Merchant Acquiring officers fail to maintain a good relation with the merchants, the POS terminals of the bank will be less used and result in low MSF earning. Each merchant point is equipped with POS terminals from various banks. It's up to the persons working there in merchant points whether the bank's POS terminal will be used or not. Through relationship marketing merchants and officers become partners. It is important to make long term commitment to make the bank's POS terminals usage more frequent. Relationship marketing helps to build up commitment. When a good relation is formed between merchant and officers, the bank always try provide them with extra facility and good service like frequent checking of the POS terminals, frequent paper roll distribution etc. During my visits to the various merchant points across Dhaka, I got to know and feel the good relation between merchants and assigned officers. Merchant Acquiring officers visit those merchant points every day and officers are very familiar to the store and the people working there. It's due to their long maintained relation throughout the year.

Loyalty of a customer doesn't come over night. It takes effort, reliability and persistence of the service provider while serving the various needs of the merchants. This process contains 4 steps

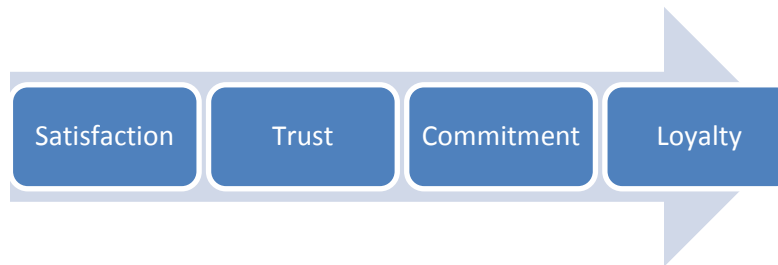


Figure: Showing the 4 steps to gain loyalty

These steps are very important in the field of POS acquiring business as most of the banks have similar types of facility and offers to the merchant but what makes them unique and stand out is their relationship with the merchant. Merchant will always put the POS terminal of the bank he is loyal to in front out the customer while doing transactions. So every Merchant Acquiring officer's goal is to gain loyalty of the merchant.

- **Satisfaction**

Gaining satisfaction is the main moto of banks. In Merchant Acquiring department the main person to satisfy is the merchant because he/she is the one who decides whether a POS terminal will be used frequently or not. Merchant Acquiring officers are constantly working on achieving satisfaction through their everyday field work solving every issue merchant face while doing transactions.

- **Trust**

In POS acquiring business trust is a big issue. Trust is the key to long lasting relation between merchant and officers. Officers can get trust from the merchant if he/she gets proper confirmation from the merchant that his/her POS terminal will be used frequently. That trust reflects on the sales volume results. By this trust is build up between merchant and officers. This is not only beneficial to the officer and bank but also important for merchants as it will help him/her in future in reducing MSF and easy installation of POS terminals in new outlets.

- **Commitment**

After gaining the trust of the merchants it's now time to build up commitment. Maintaining good relations with the merchants and having their commitment of regular use of their POS terminals which will be reflected in the daily sales volume server, Merchant Acquiring officers can decide whether the merchant is committed enough or not. If the sales volume always shows the regular use of bank's POS terminal then the bank can think of this merchant as a potential client and relations can be made strong between them.

- **Loyalty**

The last part of relationship marketing is Loyalty. In POS acquiring business loyalty is must loyal merchants will generate more sales. BRAC Bank Limited has many loyal merchants who are not only loyal to bank but also loyal to the assigned officers whom they give commitment to. BRAC Bank Limited main focus is to build up loyal merchants who will be dedicated and committed to the bank. This is the key to gain more from POS acquiring business.

Service Recovery of Merchant Acquiring Department

Serial Number	Service compromised / Service failure	What Merchant Acquiring Department do to recover the situation	Other tools used to recover from the situation
1.	POS terminals fail to provide service	Apologize to the merchant and contacts with IT services of BRAC Bank Limited to solve the issue as soon as possible	Providing guidelines on how a POS terminal works and it's functionalities
2.	Delay in time providing the products/service price to merchant's account	Contact with the Operation department to solve the issue	Providing proper details of the merchant to the operation department for flawless transaction
3.	Hard holders facing	Contact the card holder and get to	Card holders are given

	mistranslations while paying through POS terminals	know the details about what happened and talk to operation to find a solution	proper idea about how to use POS terminals
4.	POS terminals running out of paper rolls	Merchant Acquiring officers contact with the courier service and tell them to provide paper rolls to the merchant	Paper rolls which is known as pay slips are stocked in huge amount in head office
5.	Missing of P@yFex slips	Merchant Acquiring Officers talk to the customer and then talk to the merchant to resend P@yFex slip	A dedicated courier team is always available to deliver the P@yFex slips from the merchant to BRAC Bank Limited Head office
6.	Data mismatch in P@yFex slip	Officers contacts with the customers and even merchants to solve the issue	Operation department is dedicated to find and false data in P@yFex slip
7.	People working in the merchant points don't have enough idea about BRAC Bank Limited's various campaigns	Officer assigned to manage Alliance and Reward contacts the merchant to inform about the campaigns	There is an officer dedicated to manage Alliance and Reward who controls every campaign with merchants affiliated with BRAC Bank Limited
8.	Lack of availability of information of various offers and facilities for various Debit and Credit cards	Officer who is enrolled to manage these kind of issues, contacts with Communication team to make the offers and facilities visible to the company's website	Communication team provides information about the agreement in the internet

Integrated Marketing Communication

Banks are the only places where people go to solve financial issues. In Bangladesh banking industry has become very competitive as many banks are coming up with new ideas to gain more clients. For gaining more customers banks also need to follow proper IMC- Integrated Marketing Communication. BRAC Bank Limited is quite dedicated to marketing communication as it's the fastest way to provide existing clients with the information of new service, offers, discounts, campaign etc. IMC is also needed to make new clients as it will help to compare between various banks in Bangladesh. Merchant Acquiring department mainly deals with agreements with merchants for various offers, discounts, campaign etc. then the information are provided to Communication team for promoting through social media and company's website. BRAC Bank Limited has some objectives in mind while preparing for any campaign.

- BRAC Bank Limited always wants to exceed the clients' expectations with their offers
- Maintaining and retaining 80% of their clients
- Keep engaging the regular diners in various restaurants with various discounts and Buy 1 Get 1 offers
- Creating more brand awareness through digital media

Tools of Integrated Marketing Communication

- **Communication Media**

Communication media are the source that is used to promote various campaigns, offers, facilities etc. For BRAC Bank Limited the most widely used Communication Medias are newspapers, Social Medias and company's website. The message designed for targeting people should be communicated among the organization first. Merchant Acquiring department makes deal with the merchants. Then Communication team works on enlightening those deals in various Communication Media.

- **Communication Message**

The brand message of BRAC Bank Limited is „আস্থা অবিচল“ which means „Unshakable Trust“. This brand message is shown in their logo as a constant reminder of the trustworthy relation they have with their clients. People working in BRAC Bank Limited are accustomed with the brand message as main motto of the officers are to gain clients trust. Moreover BRAC Bank Limited uses different brand messages for their campaigns. The best kind of tool the company has used is the colors and visuals on their messages. BRAC bank limited always focused on the use of colors in their messages because their unique proposition was adopting and representing Bangladeshi culture with rhythms and colors.



Figure: In their social media account, they are non-arguably working on their message of creating color visuals which matches their value proposition.

- **Communication time**

This is the time when campaign takes place. For BRAC Bank limited the best time for promoting their services is during various cultural events which are closely related to Bangladeshi people. Merchant Acquiring department basically deals with these campaigns by making agreements with various merchants in the country. These campaigns are mostly related to credit and debit

cards. The department makes four types of agreement Buy 1 Get 1, Discount, Reward and P@yFlex program. Among them Buy 1 Get 1, Discount and Reward are reserved for a certain campaign. Like in Ramadan the department makes deals like Buy 1 Get 1 with various restaurants across the country which enables credit card users to get 2 buffets at the price of 1. In Ramadan there were also discount campaigns throughout the country where card users get the facility to pay less from 10% to 50% while using BRAC Bank Limited cards while doing shopping. Mainly Merchant Acquiring department doesn't want to miss any festival to promote their brand as it is really important to gain satisfaction in Bangladeshi Market.

Integrated Marketing Campaigns

Campaigns are important to promote a certain brand. BRAC Bank limited does many campaigns throughout the year with the help of Merchant Acquiring department. Some important campaigns are given below

1. BRAC Bank Limited Tara campaign
2. Cash back offer on BRAC Bank Limited cards in Ramadan in various merchant points
3. Buy 1 Get 1 offer on BRAC Bank Limited cards in Ramadan in various restaurant
4. Scholarship program for Dhaka University students
5. Pahela Boishak campaign

Branding through External Communication

External communicational channels are very important for a bank to make good relations with the clients. Advertising, Press release, Public relations, Social media etc. are part of external communication where the main objective is to educate the clients about the bank's offers and services. So in order to be in people's minds BRAC Bank Limited uses Social media, print media and e-marketing a lot.

- **Newspaper Advertisement**

BRAC Bank Limited uses newspaper very effectively as it will help them to reach every aspect of people in the society living in a large number of geographically distributed area.



Dhaka: BRAC Bank Limited signed a Memorandum of Understanding with Persona, hair and beauty salon.

According to their agreement, TARA Debit/Credit card holders will enjoy 11 per cent discount on TARA Beauty Package and can avail Persona Membership card with only Tk 500 worth beauty service. This offer is valid till 30th October.

Kaniz Almas Khan, CEO and Managing Director, and Nusrat Jabin, Senior Official from Persona, and Syed Abdul Momen, Head of SME Banking (Acting), Ms. Sarah Anam, Head of Deposits & NFB, Retail Banking, Shajed Al Haque, Senior Manager, Business Analysis, SME Banking, and Mehruba Reza, Senior Product Manager, Women Banking Segment TARA, BRAC Bank, and other officials were present at the signing ceremony.

Figure: NTV online news portal posted this article where BRAC Bank Limited officials sign a deal with Persona Beauty Salon

- **Press release**

Another main tool for communicating is by Press Release. It's important because press releases help to reach people from corporate businesses.



Figure: In ADS Bangladesh press ad was posted where BRAC Bank Limited officials are receiving reward for being the best bank for annual report publishing

- **Social Media**

Social media is not only important for BRAC Bank Limited but also important for every bank out there. It's due to more and more people being connected through social media. BRAC Bank has a dedicated Communication team who monitors Social Media Pages and they work closely with Merchant Acquiring department as they are responsible for making agreements with businesses for offers related to cards.

Chapter 5: Learning Outcomes

5.1 Professional Learning

I am really grateful that I got to work in a prestigious organization like BRAC Bank Limited with a highly supportive and motivated team and also getting idea about an industry which I am not that familiar with. I got to know the processes of POS acquiring business and strategies involved in this business and personals whom are involved in this service. The environment is quite friendly and everyone at the office was very welcoming to me. Over the course of time in my internship period I got to know some knowledgeable people from whom I learnt a lot about banking and services involved in POS acquiring. Every day there was something new to learn from them whether it's their punctuality, hard work, dedication, behavior and excellent relationship marketing. This experience is quite invaluable for me and I am confident enough to survive any kind of corporate environment and whatever I have learned from this internship program will definitely help me grow as a person and help me succeed in every aspects corporate life.

5.2 Academic Learning

Through my 3 months internship period I got to know the various aspects of service marketing the field of POS acquiring business. I didn't only get ideas from BRAC Bank Limited but also got to know the overall scenario of POS acquiring business of various banks in Bangladesh. As a student of marketing I didn't have idea about banks and its operations but during short span of time spend in BRAC Bank Limited I got to know key aspects of banking which is quite important as banking has become a part of our life nowadays.

5.3 Personal Learning

This is my first time working with a big organization. Working in BRAC Bank Limited thought me how to be effective with the team from people from all background. Some time I had to use my creativity and analytical skills to solve many issues. Working with a big organization like BRAC Bank Limited has made me confident and capable of working in a competitive environment.

6. Conclusion and Recommendation

6.1 Conclusion

In current banking industry POS acquiring business has become an important area of Retail banking in Bangladesh. As more and more people are gaining access to financial cards, banks have become more concerned and competitive in this particular area. Bangladesh is a huge market for POS acquiring business. BRAC Bank Limited has a vision of providing best service and becoming the top local bank of Bangladesh upholding Bangladeshi ideology across the globe. For this they need to redefine the retail banking sector and among those sectors POS acquiring can be put into more emphasize as the market is predicted to grow in huge portion in near future. BRAC Bank Limited is also motivated to take part in development of the country. With a distinctive thinking of business BRAC Bank Limited's POS acquiring business will witness a huge growth as the bank is dedicated towards expanding its reach in banking industry.

6.2 Recommendations

Improving the POS acquiring service requires investment in the best quality POS terminals. This is quite general as old POS terminals are being subject to more mistranslations than a new modern POS terminal. While doing field visit some merchants talk about the modern and updated POS terminals provided by the City Bank. Some merchants even complain about BRAC Bank Limited's POS terminal not being functional in some cases. Increasing the inventory of most updated POS terminals in the market will definitely help BRAC Bank Limited to improve their service in this industry and provide the merchants with the most updated POS terminals. Since BRAC Bank Limited VISA and Master Card has huge number of cardholders, the pressure in the server is huge. The overall capacity of POS server known as Card Pro should be increased and it should be upgraded to provide unlimited service to the card users. A strong server will definitely be capable of taking the load of large number of transactions and it will solve the problem of transaction deputation to a greater degree. It also reduces the trouble of poor network system. The payment service can be improved while most of the competitors have a quick payment method. Quick payment of the merchant will also help the merchant to use that money in their day to day business activity.

The quality of the service of the Merchant Acquiring officers can be improved by giving them incentives of their hard work. A reward system can be established for the officers for their excellent work in the market by generating more sales into BRAC Bank Limited's POS terminals. Doing field work can be expensive so if the reward is insufficient then the officers will lose motivation.

The inventory of the paper roll should be increased because sometimes officers fail to provide paper rolls which hamper the number of transaction in the bank's POS terminal. Number of people working in courier that delivers the sales paper roll should be increased for constant flow of paper rolls in the market.

The training given to the Merchant Acquiring officers can be made more comprehensive where the officers are prepared in a way that they can be more effective and understand the technicalities of the overall the service of the business. Their training should focus on creating more proactive officers rather than making them reactive.

Training in computers should be more emphasized for the officer as it's a crucial part of banking to have sound knowledge in computers and over all IT service of POS acquiring business to provide unlimited service to the merchants and cardholders

BRAC Bank Limited must look after some issues of merchant as a mean of cross selling. The merchants may need SPE loan, DPS and other financial services from the bank. More information can be provided to the merchants about various services of the bank to increase the profitability of bank through merchants.

Vouchers or manual of POS terminals can be provided to the merchant while installing them in merchant points which will lead to less confusion while using the POS terminals. Merchants can refer to those vouchers when they face any issue.

The behavior of officers working in various branches can be improved as BRAC Bank Limited gets lots of complains about the behavior of the officers. Effective monitoring system can be introduced to analyze the behavior of the employees.

Lastly it's very important for BRAC Bank Limited to monitor and evaluate competitor's services. After talking with various merchant across Dhaka, I got to know that main competitor of BBL is City Bank Limited. City Bank Limited is considered the market leader in this sector. By analyzing the performance of the competitor banks, BRAC Bank Limited can adopt the good points and be careful about the less promising initiative the other banks have taken. City Bank's POS acquiring officers seem more proactive, motivated and they seem very quick while providing service. Its due to their heavy man power. The number of employees working in this sector of City bank is quite large comparing to BRAC Bank Limited. To do better service and generate more from this industry depends on the high number of employees working in POS acquiring. So BRAC Bank Limited should emphasize on hiring more Merchant Acquiring officers to become the market leader.

6.3 Bibliography

1. Books, publications, journals and annual report of BRAC Bank Limited
2. Valuable discussion with supervisor, line managers and other officers working in POS acquiring business.
3. Prospectus of BRAC Bank Limited published in 2016
4. Retail manual of BRAC Bank Limited
5. Training providers and HR department of BRAC Bank Limited
6. Articles of Bangladesh Bank

6.4 Reference

- *Annual Report 2016. Retrieved June 11, 2018, from BRAC Bank Limited*
- *BRAC Bank undertakes training on branch operations manager dev prog. (2018, June 15). Retrieved July 20, 2018, from <https://thefinancialexpress.com.bd/public/trade/brac-bank-undertakes-training-on-branch-operations-manager-dev-progm-1529044918>*
- *“Company Profile”. (2018). Retrieved June 11, 2018, from BRAC Bank Limited https://www.bracbank.com/company_profile.php*
- *J. G. (n.d.). What Is a Point of Sale System? Retrieved July 24, 2018, from <https://www.softwareadvice.com/resources/what-is-a-point-of-sale-system/>*
- *Kebede, S. Z. (2013, August 6). Electronic Funds Transfer. Retrieved July 29, 2018, from https://www.duo.uio.no/bitstream/handle/10852/39024/Simri_Thesis_with_name.pdf?sequence=1*
- *P. M., T. K., & J. B. (n.d.). Key pillars of an acquiring strategy in emerging and developing markets. Retrieved July 22, 2018, from https://www.mastercardadvisors.com/content/dam/advisors/en-us/CompendiumAssets/PDF/Key_Pillars_of_an_Acquiring_Strategy.pdf*
- *THE FUTURE OF MERCHANT ACQUIRING: The best of times and the worst of time. (n.d.). Retrieved June 12, 2018, from http://www.rssoftware.com/collateral/rss_merchant_acquiring.pdf*