

Report On

**Analysis of customer perception regarding the effectiveness of
fraud and dispute management of bKash Limited.**

By

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ID: 16104144

An internship report submitted to the BRAC Business School in partial
fulfillment of the requirements for the degree of
Bachelor of Business Administration.

BRAC Business School

BRAC University

April, 2020

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Ahmed Abir Choudhury

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66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on ‘Analysis of customer perception regarding the effectiveness of fraud and dispute management of bKash Limited.’.

Dear Sir,

Most respectfully and meekly, I have the honour to submit my internship report on ‘Analysis of customer perception regarding the effectiveness of fraud and dispute management of bKash Limited’ to complete my undergrad from BRAC Business School.

I got the opportunity to work at bKash Limited, which is one of the leading mobile financial service providers in Bangladesh. During the internship period, I have got the opportunity to explore the corporate world and accommodate with the work culture. For the purpose of report writing, I have gathered the secondary data’s through the help of my office supervisor and also the insights of the officers of bKash Limited. The experience that I gathered throughout the internship period is immensely valuable to me. The experience will always encourage me to push myself one step forward to obtain my future career goals.

Despite some lacking, I have tried my best to provide qualitative data to support all my statements. I hope that I have prepared the report up to your expectation and fulfilled all the requirements that I received from you. Without your supervision and observation, it would not be possible for me to offer a qualitative report before you. It is my pleasure to get the chance to work under your supervision and I cannot show enough gratitude towards you in words but hereby thank you wholeheartedly.

Sincerely yours,

Kazi Shahriar Al Rafi

Student ID: 16104144

BRAC Business School

BRAC University.

Date: March 31st, 2020

Non-Disclosure Agreement

This agreement is made and entered into by and between bKash Limited and Kazi Shahriar Al

Rafi from BRAC University.

Acknowledgement

First of all, I would like to thank Mr. Ahmed Abir Choudhury, Lecturer and Assistant Proctor, BRAC Business School, BRAC University, for his constant support and guidance during the whole internship period. It is my honor that I got the chance to complete my internship report under his supervision. Without his suggestion, advice, and regulation, I cannot imagine completing this report maintaining proper quality write-up. I cannot thank him enough for spending his precious time and knowledge to help me with completing my report.

Second of all, I would like to convey my sincere gratitude to Mr. Md. Mashuqur Rahman, Manager, Fraud Risk Management department, External and Corporate Affairs division, bKash Limited, for guiding me throughout the whole internship period. I have learned a lot while working under his supervision and acquired in-depth experience of the corporate culture. Upon his guidance, I have worked in the Fraud and Dispute management department, where I have gained hands-on experience in fraud detection and dispute resolution procedures. I have overcome many shortcomings while working with the team and earned a handful of experience which might help me in achieving my career goals in the near future. The journey was indeed an excellent experience for me to work with such great business minds and helpful seniors in the workplace. I am profoundly grateful toward my supervisor Md. Mashuqur Rahman for getting the chance of working under him and completing my internship period following his knowledgeable guidance.

Executive Summary

bKash Limited is the leading mobile financial service provider in Bangladesh. Among many other MFS companies, bKash has captured maximum market share in the industry along with rapid organizational growth. I was very lucky to do my internship at bKash Limited, in the External & Corporate Affairs Division, Fraud & Dispute Management department. During the 4 months of my internship period, I got to see a glimpse of the corporate culture and operation of the company. This report is prepared based on my experiences that I gathered during my internship period. In this report, I have discussed my duties and responsibilities as an intern along with focusing on the management, marketing, systems and operations practices of the company. The analysis of the company and MFS industry are also included in this report. A short glimpse of insights has been focused in this report while maintaining the confidentiality of the organization.

Moreover, a research has been conducted and included in this report. Through the research, I have tried to find out the customer perception regarding the effectiveness of fraud and dispute resolution process of bKash Limited. Based on the survey questionnaire, I have tried to measure whether the anti-fraud awareness activities of bKash are effective enough to enlighten the customers about the importance of privacy protection and whether bKash needs an upgrade of their IT infrastructure. bKash being the market leader, possess a strong brand image in the market. The business model and operation structure of bKash have helped them to grow and gain a competitive advantage in the market. Moreover, the HR practices and tremendous corporate culture are encouraging the young talents of the nation to join the organization. With their innovative service offerings and convenient money transaction system, they have gained full control over their target market. The Agent network of bKash is vastly available across every corner of the nation. Through the merchant payment option, they acquired the business and corporate customers as well. The rapid growth of bKash indicates their sincerity toward providing efficient services to the customers. bKash being the market leader, possess a great potential to flourish even brighter in the near future.

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List of Acronyms

FDM	Fraud & Dispute Management
MFS	Mobile Financial Service
KYC	Know Your Customer
AD	Acknowledgement Due
OTC	Over The Counter
ATM	Automated Teller Machine
MTO	Money Transfer Organization
AML & CFT	Anti-Money Laundering & Combating Financing of Terrorism
CPMCT	Compliance Process Monitoring & Control Team
STR/SAR	Suspicious Transaction Recording/ Suspicious Activity Recording
HRD	Human Resource Department
KPI	Key Performance Indicator
CDR	Call Detail Record
PIN	Personal Identification Number

Glossary

KYC	Know Your Customer; refers to a set of due diligence measures taken by a financial institution to identify a customer and the motivations behind his or her financial activity. It is a key component of AML/CFT regimes.
STR	Suspicious transaction report; refers to a report about possibly criminal activity sent to authorities by financial and relevant nonfinancial institutions.
USSD	Unstructured supplementary service data; refers to software available on mobile phones that creates a direct link to a central computer system. Unlike SMS, USSD does not store data on the mobile phone itself; when the session is closed, no data are left on the mobile phone.

Chapter – 1

Overview of Internship

1.1 Student Information

Kazi Shahriar Al Rafi holding university ID No: 16104144 from BRAC Business School, BRAC University. Double major in Finance and Accounting from Bachelor of Business Administration program. While doing major in Finance, my concentrated areas are Corporate Finance, Portfolio Management, Banking & Insurance, Financial Analysis, Financial markets and derivatives. Moreover in Accounting my concentrated area of study were Cost Accounting, Managerial Accounting, Advanced Accounting, Principal of Audit and Taxation.

1.2 Internship Information

I got the opportunity to work as an intern for the period of four months in the leading MFS company named bKash Limited. I was assigned to work in the department of Fraud & Dispute Management under the division of External & Corporate Affairs. Moreover, I worked under the supervision of Mr. Md. Mashuqur Rahman, Manager, Fraud Risk Management department, External and Corporate Affairs division, bKash Limited. The company has different corporate offices in different locations but I got lucky to work in Shadhinata Tower branch which is situated in Bir Sreshtha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka - 1206, Bangladesh.

1.2.1 Job Scope

I worked in the Fraud & Dispute Management department, which operates under the External & Corporate Affairs Division. The department's core responsibility is to categorize fraudulent activities and give quick resolutions to the victims. Moreover, the team was also assigned to prepare fraud amount disbursement reports and had to give back the recovered money to the victims facing fraud incidents while following legal procedures. Transaction analysis and fraud analysis were the crucial part of the process for identifying fraud and victim accounts for the team.

1.3 Internship Outcomes

1.3.1 Contribution to the Company

As an intern of the FDM department, my contributions to the company were:

- Preparing acknowledgement letters through analyzing customer KYC forms and compiling necessary information using customer information management tool.
- Assisting Fraud Management Team to prepare suspicious transaction reports and categorizing fraud activities through checking prior involvement to determine victim accounts and fraud accounts.
- Analyzing customer interview reports while updating the interview report database and maintaining hard copy documentation.
- Cooperating with Dispute Resolution Team and report suspected fraud accounts to Special Support Team for further investigation.
- Reviewing fraud amount reimbursement reports while detecting the total fraud amount of individuals and computing the fraud reimbursement amounts.

1.3.2 Benefits of Internship

Through the internship program, I came to know about the real business world. Before this internship, all I had was just academic skills and knowledge. Working in the leading MFS company has opened my eyes about the corporate world. I feel privileged to work in such a well-structured and welcoming environment of bKash Limited. Throughout the journey, I could relate all my academic knowledge while acquiring practical experiences. How a large corporate organization runs smoothly and how the administrative, leadership, collaborative, competent and skilled workforce plays a vital role in the continuous progression of an organization, I believe one cannot figure these things out without having an insightful experience of working in a corporate organization.

Moreover, while working with the FDM team, I experienced a very healthy workplace relationship with my seniors. With the help of my supervisor and officer colleagues, I learned a lot about working under pressure, meeting deadlines, conveying correct information, time

management, workplace efficiency and cooperation. My Microsoft Office skills, especially excel knowledge, have been developed pretty well. I also understood the importance of corporate networking and relationship.

Although my expectation from the internship was to get assigned with a variety of tasks rather than performing same type of work again and again, I understood the impact of my work in the department. Whatever I did actually had an impactful effect on the whole procedure of FDM. I got to know the fact that, while people are getting benefitted by the MFS, there were many individuals out there using the platform for illegal intentions. Every single day a lot of fraud complaints landed for proper investigation and for the whole team, it was a very tiring job handling all those cases each and every day. However, on the process, whenever we retrieved fraud money and successfully gave resolutions to the victims while giving back their lost money, the sincere thanks and happiness on their faces we got to see, it made all worth it. I got to learn about customer satisfaction and the fact that customer loyalty comes from customer satisfaction.

1.3.3 Challenges and Recommendations for Improvement

My internship journey with bKash Limited was great because of the endless support and supervision I received from the senior officers and my supervisor. Not only my department officials but other department officials were also as supportive and caring as one can ask. Whenever I had any queries or difficulties for my report purpose or work purpose, they were always open to help as much as possible. All departments were welcoming and willing to share their field of work expertise so that the interns of the organization can obtain a decent idea about the whole business operation of the organization. Therefore, as an intern, I did not face a lot of challenging situations to talk about, but some minor challenging moments can easily overcome by the organization which are as follows:

- Issuing AD letters was one of my key responsibilities and preparing AD letters needs proper customer information, which was only available in the software. For the sake of confidentiality, interns were not allowed to access those software. Often I had to seek help from my seniors to get those customer information which was time-consuming.

- In this particular situation, I think they could propose some new policy so that interns can efficiently acquire those information while maintaining proper confidentiality.
- Interns were not allowed to use the internet and for that, they did not have any official mail to transfer files to the officers. Files were shared through intranet and shared drive, which caused difficulties from time to time and not everyone had access to the shared drive for proper communication.
 - bKash IT department can come up with some solution on that matter and possibly it might be better if interns could use limited internet for better communication and efficiency.
- There were several times when I had to print official documents and letters but I did not have the access of the printer to print documents. I had to seek help from my senior officers, which hampered their valuable time.
 - It might be helpful for both parties if printing facilities introduced for the interns for only official document printing purposes.
- While acquiring customer details from handwritten KYC forms, often, it was challenging to go through because of human errors, customer handwriting and also for the blurry picture quality. It fails to ensure error-free work and hinders effectiveness and efficiency.
 - The organization may introduce E-KYC forms as well as typed customer information generator from the customer care points for better understanding and preservation of data.

Chapter – 2

Organization Overview, Operations and a Strategic Audit

2.1 Introduction

Objective of the Report

As a student of BRAC Business School, I have completed my internship at bKash Limited. Basically, this part of the report will focus on an in general overview of bKash limited. Being a leading MFS company, how the organization structured their departments and operations, their management practices, marketing strategies, information management, competitiveness and market position in the industry, all these things will be elaborated in this part of the report.

Methodology

All the information presented in the report is extracted from primary sources and secondary sources. With the help of these stated sources, the report has been structured and comprehensively presented.

Primary Sources:

- Insights that I experienced throughout my internship journey.
- Official individuals whom I worked with, interviewing them helped me to acquire some organizational insights to relate my duties and responsibilities.
- While being an intern, I got to see the reflection of the industry and competitors. Which helped me to gain adequate knowledge to prepare an analysis.

Secondary Sources:

- Published reports and papers from websites and repository sites.
- Articles and columns from renowned journalists.
- Previous intern's experiences with whom I got to know from being in the same institution.

Scope and Significance

MFS industries are one of the booming sectors in the modern world. MFS companies belong to the fintech companies, which are the future of the financial areas. bKash being a leading MFS organization contains many potentials to sustain with prosperity. The scope and significance of the report on bKash are as follows:

- Overall insights of the bKash being a mobile financial service provider in Bangladesh.
- Operations, business models, company structure, departmental hierarchy, policies and, procedures of the company.
- Position in the market while competing with other competitors in the industry.
- Sustainability and growth factor evaluation of the company.
- Various Products and performance in the market.
- Risk assessment and mitigating fraud risk factors of the External & Corporate Affairs division.

However, the report does not include any specific details about the official procedure of different departments and customer-related data to ensure privacy and confidentiality.

Limitations

The report is written more or less depending on the secondary data because of the purpose of maintaining confidentiality. bKash being a private limited company holds much information that is not disclosable and not publically accessible. Moreover, to protect customer privacy, the company is extra cautious to prevent any leakage of its data. For these reasons, many of the information presented in the report is based on secondary and comprehensive data and the data gathered through interviewing company officials. However, many aspects of the company could not be discussed thoroughly because of not having access to the internal sources and the shortage of internship period. Though having limited opportunity to work in the various aspects of the company and having a clearer picture of the organization, I have tried my best to present all the information in this report flawlessly.

2.2 Overview of the Company

Company Profile

Fintech companies are the future of financial service providers. bKash being a fintech company introduces mobile financial service, which incorporates banking and mobile networks to ensure money transactions by the use of mobiles. Through this service platform, users can send or receive money any time from any place with the help of agent points or outlets. Users can enjoy similar types of banking facilities like cash deposits, cash withdraws, money transactions while not having a bank account or following traditional banking procedures.

bKash Limited is a subsidiary of BRAC Bank Limited operating in Bangladesh, maintaining the rules and regulations set by the Bangladesh Bank. In 2010, bKash received its license from the regulatory organization Bangladesh Bank and started its journey in July 2011. After launching its journey, bKash has achieved a commendable success in the MFS industry of Bangladesh for offering unique service products and continuous innovation in the financial market. At present, bKash Limited is one of the leading MFS companies in the industry while maintaining 180,000 agents network in urban and rural areas with over 30 million registered customer accounts. The starting of bKash was a joint venture between BRAC Bank Limited and Money in Motion LLC, USA, in 2010. After that, International Finance Corporation (IFC) and Bill & Melinda Gates Foundation became the equity partner of the company. Lastly, in 2018, Ant Financial (Ali Pay), an affiliate of Alibaba Group, became the shareholder of the company. According to Fortune Magazine's 'Change the World in 2017' annual list, bKash ranked 23rd for bringing change based on social issues among the top 50 companies all over the world (bKash, 2020, p. Company Profile).

Mission of bKash

bKash is in a mission to extend its financial market by offering secure, accessible, and efficient financial services. The company aims to provide all types of financial transactions to the customers, only having a mobile phone while reducing hard cash payments and ensuring electronic payment services through their agent networks and mobile application.

Products and Services

bKash users can enjoy a variety of financial services by having a cell phone with a wireless network. After opening up a bKash account with the help of an agent or bKash app, customers can avail a variety of services as follows:

- **Add Money:** bKash users can add their money easily from Bank, MasterCard and Visa card to their bKash wallet without incurring extra charges.
- **Transfer money:** Customers can quickly transfer their money from bKash to particular bank accounts anytime from any location without visiting an agent or bank via their mobile phones. Within a second, customers can send money to one another through their bKash account, incurring 2% service charge for both banks.
- **Pay Bill:** Through bKash, customers can easily pay any bills such as: electricity, gas, water, internet, credit card, TV, education etc. while sitting back at home.
- **Cash In:** For deposit or adding cash in bKash wallet, customers can visit the nearest bKash agent or transfer money from the bank to bKash. Cash in service helps customers to avail different promotional offers introduced by bKash.

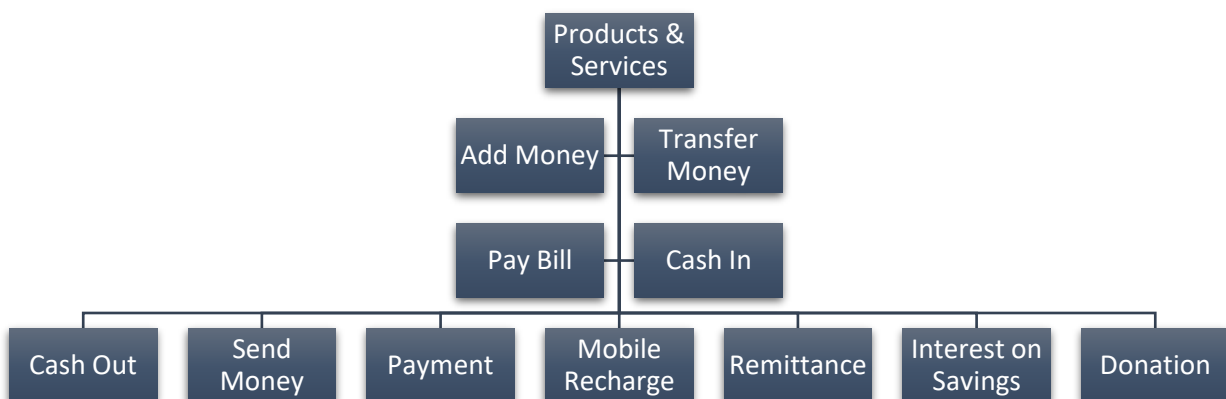


Figure 1: Services Offered by bKash Limited.

- **Cash-Out:** Customers can easily cash-out by visiting nearest agent outlets or BRAC Bank ATM booths while having their cell phones with them. A fixed amount of money can be withdrawn incurring, a fixed amount of service charge, and withdrawal amount can vary from person to person depending on the account type.

- **Send Money:** Customers having a bKash account can easily send a fixed amount of money from bKash to bKash account within a minute while using their cell phones only.
- **Payment:** Users can easily pay through their bKash account to any merchant points. There are 47,000 merchant outlets nationwide who accept bKash payment. It reduces the hassle of bearing hard cash and, customers can easily pay for their goods or service by tapping their mobile phones.
- **Mobile Recharge:** Users can easily buy Airtime by using a bKash account. It makes mobile recharge very simple and easy for the customers reducing mobile recharge cards and mobile operator recharge points.
- **Remittance:** bKash enabled international money transactions by making a giant partnership with Western Union and MasterCard. Customers more than 200 countries worldwide can send money from their mobile, and through the secure network of MasterCard, customers in Bangladesh can receive money any time in a day. People living abroad can send international remittance through authorized Foreign Bank, MTO and Money Exchange Houses to their loved ones living in Bangladesh having a bKash account.
- **Interest on Savings:** Keeping idle money in bKash wallet can also be beneficial for the customers by receiving up to 4% interest (per annum) on savings amount.
- **Donation:** Customers can easily donate, and various social organizations, along with the needful individuals, can easily receive their donation money through bKash account. Through this service, people can easily connect and reach out to those seeking help from society while donating quickly from any place, any time.

Corporate Divisions and Departments

bKash being a well-structured organization, maintains proper co-ordination between its corporate divisions. Every corporate division has several departments with several responsibilities, and departments are also subdivided according to the complexity of the job. Corporate divisions holding corporate offices in different locations simultaneously maintains excellent cooperation among the organization, which reflects smooth organizational growth of bKash.

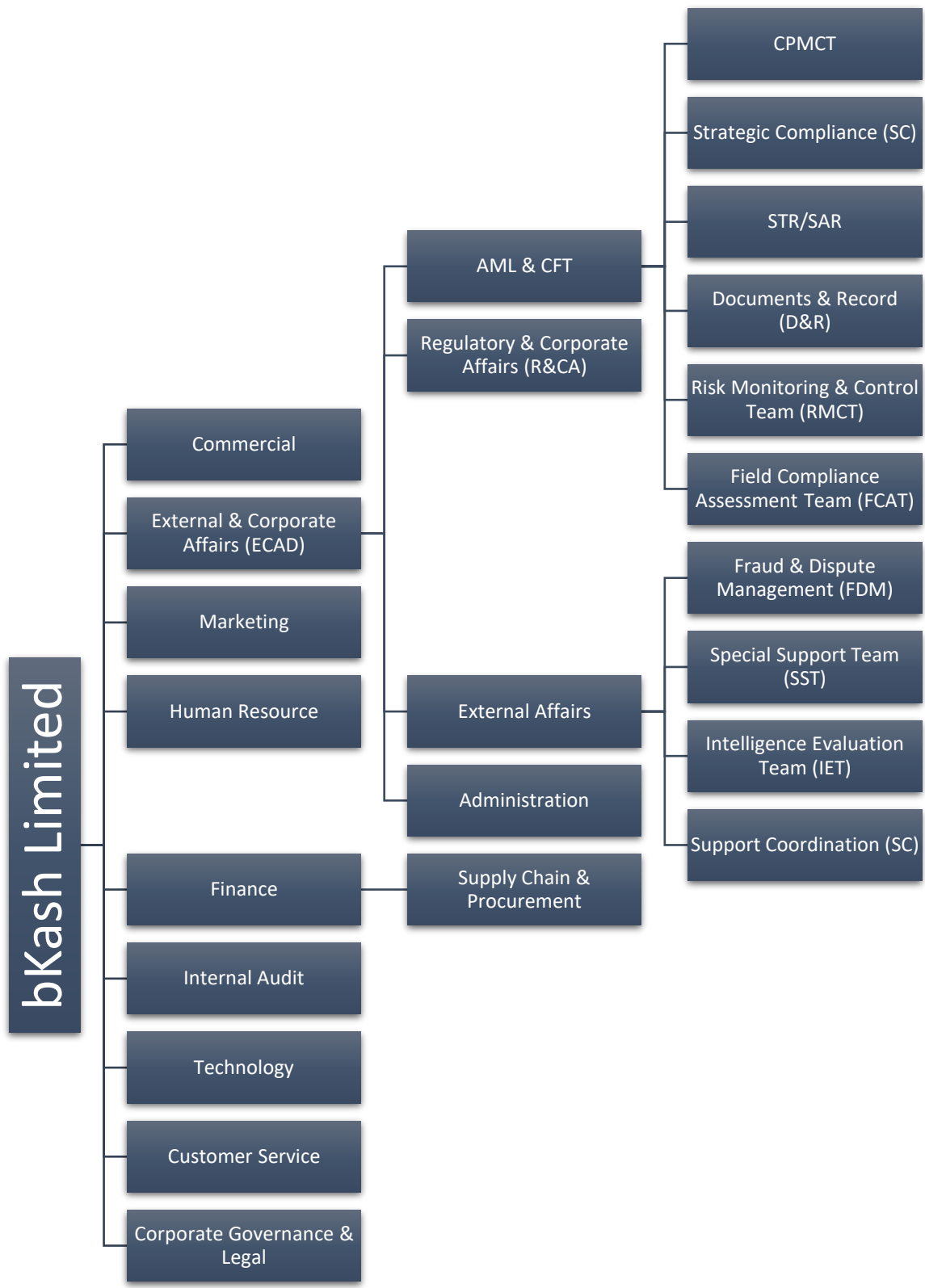


Figure 2: Corporate Divisions and Departments of bKash.

Organizational Hierarchy

Every division of bKash has several departments, and every department is responsible for obtaining specific organizational objectives. The divisional hierarchy starts with the head of the division, and departments are also regulated by the head of departments who reports directly to the divisional head. Under the department heads supervision, several officials work and report simultaneously. Such a planned and well-organized hierarchy of bKash helped the organization to achieve rapid growth in a short period of time. For example, the hierarchy of External & Corporate Affairs division is given below:

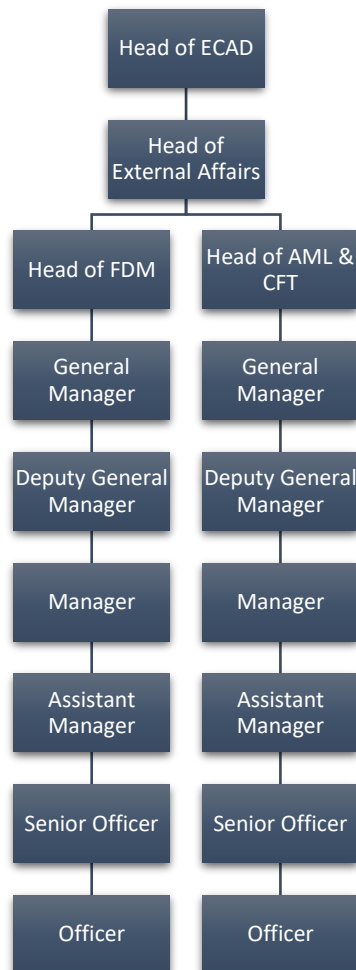


Figure 3: Organizational Hierarchy (ECAD).

2.3 Management Practices

Organizational growth and success solely depend on a skilled and well-trained workforce. The Human Resource Department of bKash is very organized and competent to manage its employee's recruitment and training sessions. Recruiting eligible and talented individuals are the primary challenge for any HR department. Candidates appearing for the recruitment of bKash has to go through several processes. After hiring, reducing employee turnover is another big challenge for organizations. The employee compensation package of bKash is quite attractive. The environment of the workplace and corporate culture of bKash is quite healthy for any employees to work efficiently. Employees drive for the betterment of their career, and career growth solely depends on continuous improvement of skills and knowledge. Interactive and informative training sessions can satisfy the growth-related obsession of employees. Interactive training sessions can bring a team closer to each other, and many communication gaps and disputes could be resolved between officers and managers. bKash has several Employee Relation Programs (ERP) organized by the HRD to maintain healthy and supportive relations with each other. Moreover, an effective Performance Management System (PMS) has been introduced by the management to assess employee's needs and complaints. Furthermore, quarterly appraisal policy is in use to find out the performance gaps, and through this appraisal, employees also get to know about their lacking and required improvement in particular fields.

Management division of bKash is divided into five particular wings:

- **Corporate Strategy and Decision Making Wing:** The approval of any corporate plan or decision to be implemented in the market go through this department. Besides giving final approval, the wing is also responsible for demo implementation, recheck and taking corrective measures.
- **Corporate Affairs Wing:** Relationship management with the Law Enforcement Agencies (LEA) and Special Agencies of Governments (SAG) is the primary role of the wing to identify and mitigate risk factors such as fraud, fake calls, criminal activities etc. Ensuring compliance with the regulatory policies through withholding company values is also a significant role of the division.
- **Brand Management Wing:** The unit deals with marketing and brand image related prospects such as: promotional activities, product activation, marketing campaign, online & media management, marketing content development etc.

- **Service Development and Management Wing:** This particular division handles customers and ensuring proper management of merchants and agents. Handling customer service, customer support, and ensuring the distribution of resources to merchants and agents are the main objectives of the division.
- **Corporate Sales Wing:** Handling the commercial sector and revenue generation is the crucial role of the unit. Merchant acquisition, territory management, market sales optimization, cooperation and corporate service accumulation are the critical operations of the wing.

Opportunities and Facilities for the Employees

Motivational Policies

There are several motivational policies undertaken by management to keep the employees engaging and motivated toward their duties. They are as follows:

- **Performance Bonus:** Meeting KPI and good appraisal results in achieving good performance bonuses.
- **Recognition and Reward:** Exceptional performers get exclusive rewards and recognition.
- **Safety and Security:** Employees overall safety precautions are looked after and the security of employees are assured.
- **Scholarship Program:** Scholarships for particular courses and further education are provided.
- **Donations:** Donations for voluntary and social work is provided.
- **Medical Allowance:** Special medical allowance is provided in need of employee emergencies.
- **Retirement Compensation:** Employees who retire from the organization, get special retirement compensation for their loyalty.

- **Discipline:** All the disciplinary acts are equally applicable and maintained by the employees of the organization, and any breach of regulation is counted as a punishable offense.

Salary and Benefits

bKash offers an attractive salary and compensation packages, which helps the organization to maintain its professionalism and attract skilled professionals to join with the team. Not only the salary but also other beneficial compensations are proof of bKash being established as the top employment brand in the industry. Salary and compensational benefits offered by bKash management are as follows:

- Paid maternity leave.
- Annual 10 days Leave Fare Assistance (LFA).
- Leave preparatory to retirement (LPR).
- Encashment of annual leave facility.
- Attractive health insurance for employees and their spouse, children.
- Yearly 2 festival bonus.
- Provident fund, Gratuity, Home Loan, Staff Loan, Car Loan etc.

2.4 Marketing Practices

Establishing a brand and continuously promoting the brand in a competitive industry like MFS is very challenging. Though the bKash marketing division has successfully achieved the best brand title in the industry for several times and retained maximum market share of the industry. The marketing division of bKash is responsible for lead generation, TV commercial and content creation, product activation, maintaining customer relations, online and offline promotion, digital promotion, event management and organizing marketing campaigns. The marketing division of bKash is subdivided into three departments to run their marketing operations.

Product Development Team

The main objective of the product development team is to carry out different surveys, critical analysis of the surveys, and value-added service improvement of the products. Conducting these surveys helps bKash to find out their position in the market, customer behavior, and loyalty toward their products, new scopes and cost analysis of the services provided by them. The product development team carries out these surveys online or offline. All the reports generated by the manager of the team directly submit to the marketing director of the division.

Media Team

The media team of marketing division plays extraordinary roles such as: keeping up-to-date information about the media trends, branding, sponsorship management, planning of events and execution, content creation, and managing marketing field related vendors. The media team is divided into two wings. They are:

- **Outdoor & Out-of-Home (OoH):** The team is responsible for the planning and execution of all types of outdoor branding and promotions such as: billboard point selection and creation of billboards, wall painting promotion, vehicle sticker promotion, boat branding, promotion through banner and placard etc.
- **Event Management:** The event management team organizes and participates in different events to represent bKash in front of the customers. The team organizes seminars and roadshows in the Universities, participates in fairs and special events such as Job Fairs, Music concerts etc. Also, in festivals like Pohela-Boishakh, Eid, Victory Day, New Year, Pohela-Falgun, the team come with special offers and organize campaigns.

Creative Team

The creative team comes up with the designs of the products and services, TVC scripts, posters, festoon designs, selection of billboard colors and designs, online content creation, website content management, and rearranging information structure of the website to show up updated

information in the main site. All the creative marketing strategies of bKash come up through this department.

2.5 Financial Performance & Accounting Practices

Finance is the heart of the business, and accounting presents all the information of an organization to its stakeholders. However, the finance & accounting division of bKash is responsible for preparing revenue reports, make decisions of financial investments, ensuring employee payroll, managing company assets, cost management and cost analysis, conducting internal and external audits, preparing VAT, tax clearance reports etc. The finance & accounting division of bKash is comprised of four departments. They are as follows:

Central Accounts

The central accounts department of bKash is responsible for preparing the annual budget, fixed asset monitoring, preparing reconciliation reports of accounts payable and receivable, keeping all the records of costing, and preparing financial statements.

Costing and Factoring

The costing and factoring department of bKash forecasts annual costing of the organization and give projections of sales and revenue of a year. The department prepares the cost structure and monitors all the expenditure of the organization.

Revenue Assurance

The department is responsible for monitoring all the transactions and assuring protection of company's financial assets. The department also tries to mitigate financial risks, transactional, and customer account related discrepancies.

Taxation

This particular department ensures the clearance of Tax, VAT, and Tariff related operations of the organization. Moreover, it regulates the compliance of Tax, VAT and Tariff related policies with the regulatory authorities.

2.6 Operations Management and Information System Practices

The operations of the organization are service-based and similar to the banking operation. Information is the base of the operation for the company. Data sorting, verification, software-based data accumulation is very common practices for the organization to manage its overall operation. The operation of bKash is comprised of mobile wireless network and cell phone. The information system of bKash manages financial operation by ensuring these following processes:

- Maintaining regular communication between financial institutions and sim card operators.
- Managing customer transaction records and transaction confirmation messages from both parties for ensuring the proof of transaction details.
- Handling customer sensitive data and maintaining customer information privacy.
- Maintaining software-based customer relations management and software-based data analysis.
- Ensuring the authenticity of users and reducing fraudulent activities and financial risks.

2.7 External & Corporate Affairs Practices

External & Corporate Affairs Division (ECAD) of bKash handles compliance-related acts and responsible for different kinds of risk assessment. The major roles of the division are undertaken by the External Affairs (EA) department. External Affairs department of bKash was established in 2015 while reforming External & Corporate Affairs (ECAD) division. The division maintains a cooperative relationship with the external stakeholders of bKash such as: Law Enforcement Agencies (LEA) including Rapid Action Battalion (RAB), Bangladesh Police,

Border Guard Bangladesh (BGB), National Security Intelligence (NSI) and Directorate General of Forces Intelligence (DGFI). Several activities like issues assigned from LEA for further investigation, finding risk related loopholes, resolving transactional anomalies, operating AML & CFT related analysis to mitigate criminal activities etc. are handled by the entire division. Moreover, different responsibilities assigned from Bangladesh Telecommunication Regulatory Commission (BTRC) like preparing CDR report, submission of payment and transaction clearance reports, procurement of license and analyzing the situation of the business channel partners from time to time are handled by the division of bKash. Furthermore, different new departments are now created to handle the extended responsibilities like fraud risk management, managing cooperative relation with the regulatory bodies like Bangladesh Bank, submitting fraud reports to the central bank, providing assistance to the national and international NGOs or research firms like Bangladesh Institute of Bank Management (BIBM), Bangladesh Institute of Development Studies (BIDS), UNCDF, IMF etc. for conducting surveys and prepare reports on current market situation for figuring out the sustainability development of the financial sectors.

Under the supervision of Major General A. K. M. Monirul Karim, who is the Chief Anti Money Laundering Compliance Officer (CAMLCO) of ECAD, four departments are operating under the External & Corporate Affairs Division. They are as follows:

- Administration
- EA(External Affairs)
- AML/CFT (Anti Money Laundering/Combating the Financial Terrorism)
- R&CA (Regulatory &Corporate Affairs)

Core Functions of External Affairs

The duties and responsibilities of External Affairs department are categorized into four units. They are as follows:

- **LEA Management:** Providing instant support and replaying any queries about suspicious activities reported from law enforcement agencies are the main role of External Affairs. Two cells are responsible for this operation which are: Special Support Team (SST) and Support Coordination (SC). SST does the active monitoring

of Money Laundering and Terrorist Financing related activities while reporting relevant issues to the internal stakeholders. On the other hand, Support Coordination (SC) team maintain rapport with the law enforcement agencies through doing field visits, conduct CID training programs for the officials and provide written documentation of court orders.

- **Intelligence Evaluation:** In order to facilitate Law Enforcement Agencies (LEA) and Special Agencies of Governments (SAG) to identify fraudsters and criminal activities, the Intelligence Evaluation Team (IET) was formed. Providing intelligence evaluation reports of reported illegal activities and conducting the investigation for finding anomalies or loopholes to support AML & CFT department for building upgraded operational process is the key responsibilities of IET. The intelligence evaluation process goes through the account registration details of the alleged, victim or suspected accounts, does transaction analysis, look into the OTC patterns and conduct correlation analysis of involved accounts to find out a progressive result after thorough investigation.
- **Fraud Risk Governance:** Fraud & Dispute Management department of bKash deal with the fraud risk governance. Various criminal activities like fraud, fake call, blackmail etc. occur with the innocent customers every now and then. Often defrauded customers lose money and seek help claiming their defrauded money back. Categorizing the type of fraudulent activities and taking effective actions against these activities are the major operations of the fraud management team. The process of fraud risk governance starts with receiving victim complaints. Against the complains, the fraud analysis procedure starts and after analysis all the transaction details of the accounts, they call the victim and fraud both parties for customer interview. Based on the interview report, they make decisions and prepare indemnity bond to return the defrauded money of the victim if the victim is found innocent. Moreover, the team make a summary report of each case and make proper documentation. The report is also presented to the higher authorities to take necessary actions against the fraudsters and send the fraudsters numbers to the law enforcement agencies for bringing the fraudsters under legal jurisdiction. The risk governance also deals with continuous improvement of fraud detection strategies, arranging awareness campaigns for the customers and conducting workshops about fraud detection process and dispute settlement process for the officials.

- **Planning and Relationship Management:** External Affairs department of bKash works depending on the internal and external issues of different divisions. To conduct the compliance and regulatory policy related operations, the department needs in-depth relation and knowledge on the activities of the departments under bKash. Improvement of strategies, conducting research for minimizing anomalies are the key processes under planning and relationship management. The planning and relationship management team maintain cooperation with external stakeholders, regulatory bodies and policy-making authorities. Any process planning and development, providing support to other departments, giving suggestions on process control, the formation of new strategies, and content development of corporate affairs related campaigns are the major duties and responsibilities undertaken by this team.

2.8 Industry and Competitive Analysis

MFS Industry Analysis of Bangladesh

Mobile banking, known as Mobile Financial Services (MFS), is effectively introduced in Bangladesh in March 2011 and a guideline entitled "Mobile Financial Services Guidelines (MFS) for Banks" is released by the central bank of Bangladesh, in September of the same year (Siddik, Sun, Yanjuan, & Kabiraj, 2014). According to a report of Bangladesh Telecommunication Regulatory Commission (BTRC), approximately 160 million citizens of Bangladesh has the subscription of 116,234 million cell phones in May 2014, and by the end of June 2014, the number increased to 116,553 million (BTRC, 2014). Moreover, of these 116,553 million mobile users, only 14.3% users registered their number to the mobile banking platform which clearly indicates that around 85.7% users have not yet embraced the mobile banking services (BTRC, 2014). However, a recent report of Bangladesh Bank, published in January 2016, indicates that 28 banks have got the approval for running mobile banking services while 18 of them have already launched their services in the market (Bangladesh Bank, n.d.). According to Bangladesh Bank, 33.18 million people have opened up a mobile bank account and maximum BDT 5581.8 million daily transactions have been recorder in January 2016 (Bangladesh Bank, n.d.).

The following table may indicate the scenario of MFS industry in Bangladesh as of January 2016.

Table 1. Information on Mobile Financial Services in Bangladesh.

Serial no	Description	Amount (in January,2016)	Amount (in January,2015)	% Change over previous year
1	No. of approved Banks	28	28	0
2	No. of Banks started to convey the service	18	19	-5.26
3	No. of agents	569,656	535,821	6.31
4	No. of registered clients in Lac	331.38	252.36	31.31
5	No. of active accounts in Lac	136.33	110.53	23.34
6	No. of total transaction	118,832,401	82,068,551	44.80
7	Total transaction in taka (in crore BDT)	16,745.27	11,337.58	47.70
8	No. of daily average transaction	3,961,080	2,735,618	44.80

Source: (Bangladesh Bank, Payment Systems, 2016)

Cash in and cash out services of mobile banking predominate among various services. In February 2015, the amount of cash in and cash out transaction was BDT 45,874.5 million, and BDT 40,337.7 million. Listed other services include P2P transaction, salary disbursement, payment of utility bills, and inward remittances (Bangladesh Bank, n.d.).

Table 2. Product-wise information on Mobile Financial Services in Bangladesh.

Serial no	Product-wise information	Amount (in January,2016)	Amount (in January,2015)	% Change over previous year
1	Inward Remittance	3.72	2.85	30.53
2	Cash In transaction	6,969.25	4,742.44	46.95
3	Cash Out Transaction	6,128.01	4,174.56	46.79
4	P2P transaction	2,862.69	2,139.52	33.80

5	Salary Disbursement (B2P)	157.79	76.93	105.11
6	Utility Bill Payment (P2B)	114.73	59.79	91.89
7	Others	509.07	141.49	259.79

Source: (Bangladesh Bank, Payment Systems, 2016)

Major Companies Operating in the MFS Industry

Followings are the leading mobile financial service providers in the industry operating in Bangladesh:

- bKash Limited by BRAC Bank Limited.
- Rocket by Dutch-Bangla Bank Limited.
- UCash by United Commercial Bank Limited.
- MYCash by Mercantile Bank Limited.
- Nagad by Bangladesh Post Office.
- mCash by Islami Bank Bangladesh Limited.
- Hello by Bank Asia Limited.
- IFIC Mobile Banking by IFIC Bank Limited.
- FSIBL FirstPay SureCash by First Security Islami Bank Limited.
- Trust Bank Mobile Money by Trust Bank Limited.
- OK banking by ONE Bank Limited.

Market Share Assessment

According to a survey (Parvez, Islam, & Woodard, 2015, p. 14), bKash is currently dominating the MFS market owning half of the market shares followed by DBBL's mobile banking product Rocket owning one-sixth of the total subscribers. Other eight MFS providers are collectively holding around a quarter of the overall market shares. The main focus of these companies is concentrated on developing their service infrastructure through the acquisition of ATM's, branch offices and agents from all over the nation. bKash being the market leader, have targeted

the unbanked and underbanked population of the market. Domestic remittances have been the key factor of market growth in the MFS industry. Cash-in, Cash-out and person-to-person (P2P) transactions cumulatively account for 42%, 37% and 19% of total transactions in the market (Parvez, Islam, & Woodard, 2015, p. 14). Moreover, cash-in transactions totaled US\$ 595 million, cash-out transactions totaled US\$ 523 million and P2P transactions totaled US\$ 265 million of the total transactions reported in February 2015 (Parvez, Islam, & Woodard, 2015, p. 14).

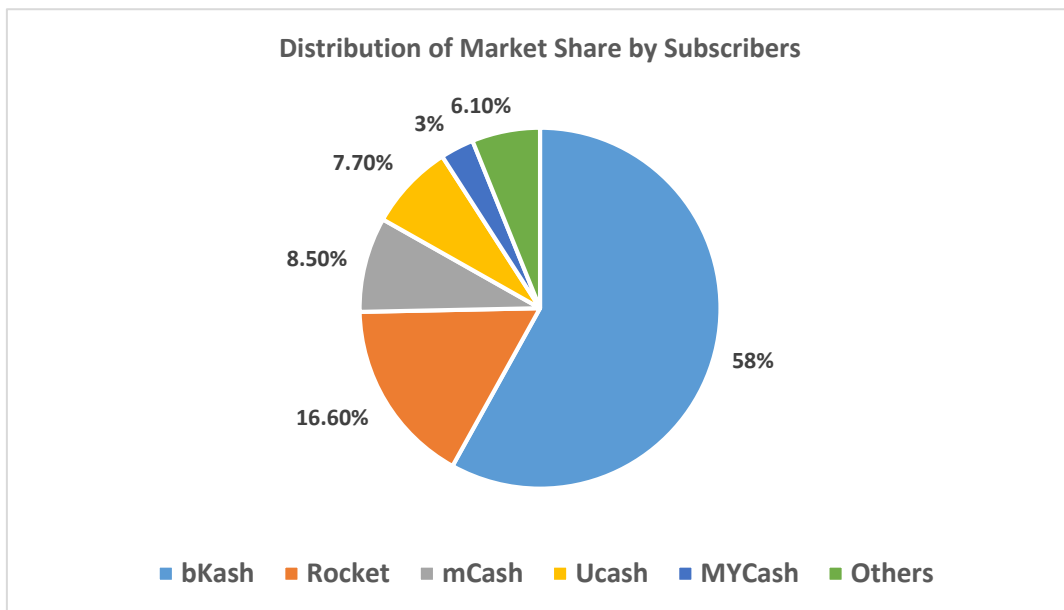


Figure 4. MFS Market Assessment.

Source: (Parvez, Islam, & Woodard, 2015, p. 14)

Competitive Analysis by Porter’s Five Forces Model

Mobile financial service industry of Bangladesh has become intensely competitive in recent years. Existing companies are expanding their market coverage areas with new agent points and merchant outlets throughout the country. Furthermore, the companies are introducing new services with special offering every now and then in the market. These consumer-driven strategies are the key factors of MFS industry growth. Competitive analysis of MFS industry is described below using Michael Porter’s five forces model:

1. Competitive Rivalry – (High)

There is no monopoly in the industry as banks and other financial institutions can offer mobile financial services. Many banks like Trust Bank, IFIC, Bank Asia, One Bank, United Commercial Bank, Dutch Bangla Bank, Mercantile Bank, BRAC Bank etc. have already launched their mobile financial services. Among these, bKash offered by BRAC Bank and Rocket offered by Dutch Bangla Bank is mostly dominating the market. bKash currently being the market leader have captured maximum market shares through their aggressive marketing strategies. Rocket rebranded from Dutch Bangla Bank is the next market leader with many ATM branches and fewer agent points than bKash. Though other competitors in the market are not much concentrating on their mobile financial services, it is easy for the companies to enter the market with new service offerings to capture customer attention. After bKash and Rocket, mCash offered by Islami Bank Bangladesh Limited is also growing in the industry as they have a good number of bank account centric customers. However, bKash is holding their leading position in the market, offering innovative services to its customers in every possible way. After analyzing the market, it can be said that the rivalry among existing competitors is intense.

2. Treat of New Entrants – (Moderate)

Capital requirement for starting up a company in the MFS industry is pretty huge. According to Bangladesh Bank, a bank or financial institution must meet the requirement of holding BDT 4,000,000,000 (Four hundred crore) as a primary cash reserve. Moreover, being a financial institution, companies willing to operate in the industry must maintain specific capital adequacy ratio, cash reserve ratio, liquidity ratio, have to have a good practice of corporate governance, safe and well regulated IT system. Bangladesh Bank has permitted offering mobile financial services to the banks operating under the regulatory body of the central bank. For that reason, without a banking operation, obtaining a license to operate in the industry is pretty hard for the newcomers. Moreover, the existing companies in the market are enjoying the incumbency advantage and economies of scale for having a huge agent and merchant acquisition, KYC practice, strong negotiation power over the mobile network operators, sophisticated and resourceful distribution networks. Analyzing these factors, we can say that the threat of new entrants for the existing companies is moderate in the MFS industry.

3. Threat of Substitutes – (Moderate)

Although traditional banking services like bank draft, checks, debit or credit card system are popular among the customer, top MFS companies like bKash have overtaken the market by introducing similar services while reducing customers valuable time and transactional costs. Around 58 commercial banks are operating in the country, but maximum of them are providing traditional banking facilities while bKash is leading the market with innovative service offerings. However, substitutes like Government Post Office introduced ‘Nagad’ and private courier services are offering money transactions at a low cost rather than the leading companies. Moreover, some unregulated and unauthorized money transaction services like ‘Hundi’ can be close substitutes for the existing mobile financial services. As these unauthorized services are illegal, customers use these mediums at their own risk and advised to prefer authorized services. Overall, we can predict that the threat of substitutes in the MFS industry is moderate.

4. Bargaining Power of Buyers – (Moderate)

Companies operating in the MFS industry mainly focus on corporate customers and individual customers. For a business to business transactions, employee salary payment etc. corporate users use mobile financial services obtaining the benefits of low cost and efficiency. Moreover, the Bangladesh Telecommunication Regulatory Commission (BTRC) have already set every cash-in and cash-out transaction charge at 2% and BDT 5 for the lowest quantity of transaction (BTRC, 2014). The transaction cap for account holders of mobile financial services has been set at a maximum sum of Tk. 10,000 in compliance with Bangladesh Bank guidelines, and a minimum of Tk. 25,000 each month (Bangladesh Bank, n.d.). These regulations indicate that MFS companies cannot charge higher than the authorized rate within the limit. However, bKash, Nagad, Rocket etc. these companies offer a similar type of services with different transaction rates, but facilities and costs in using bKash are higher than other competitors because of their agent coverage in the rural areas than any other companies. Through bKash, rural area customers can enjoy the cross border remittance facilities. For these reasons, though the switching cost is low, consumers do not have high bargaining power because of service facilities offered by bKash is unique and compelling. Thus the bargaining power of buyers is moderate.

5. Bargaining Power of Suppliers – (High)

Mobile network operators are key suppliers of MFS industry. Without the wireless network of the operators, MFS companies cannot run their operations. MFS companies make partnership with the operators named MNO Partnership. There are five mobile network operators eligible for making the partnership, but among them, Grameen Phone is the largest operator holding 42% market shares followed by Banglalink (26%), Robi (22%), Airtel (7%), and Teletalk (2%) (BTRC, 2014). As the supplier industry is saturated and among these five operators, basically three operators named Grameen Phone, Banglalink and Robi have the extensive wireless network coverage across the nation, mostly these operators have high bargaining power over the MFS industry. Moreover, MFS industry's operation is entirely dependent on IT facilities. Specialized IT support and well-structured IT system is needed to run the MFS operations flawlessly. So specialized IT vendors hold high bargaining power over the industry. Investors also play a vital role in the industry as the capital requirement for starting up an MFS company is very high. Hence, investors willing to invest huge funds expect high return over their investment. Investors willing to take a considerable risk are very low in number, and thus the bargaining power of investors are also high. Overall, the bargaining power of suppliers in the industry is high.

Table 3. Porter's Five Forces Summary.

Market Forces	Degree of Threats	Condition
Competitive Rivalry	High	Unfavorable
Threat of New Entrants	Moderate	Favorable
Threat of Substitutes	Moderate	Favorable
Bargaining Power of Buyers	Moderate	Favorable
Bargaining Power of Suppliers	High	Unfavorable

After the competitive analysis of MFS industry through Porter's Five Forces Model, it can be said that the industry is quite favorable and profitable for business while there are low amount of risks associated.

SWOT Analysis

SWOT analysis is a particular framework used to study an organization's internal strengths and weaknesses while evaluating the external threats and opportunities for the organization. Managers often use this framework for identifying valuable insights about the organization, which helps them in the strategic planning process. SWOT analysis helps to identify the competitive advantage of an organization, point out the operational lacking, identify the possible risks and shows the way of utilizing opportunities. The SWOT analysis of bKash Limited is given below:

Table 4. SWOT Analysis at a Glance.

Strengths	Weaknesses	Opportunities	Threats
Offers customer driven simple banking with high technological support.	The transactional costs and service charges are pretty high.	Usage of mobile network operator's platform gives the advantage of acquiring a good number of customers while focusing on a large target market.	Political instability, frequent changes of policies, rules and regulations, taxations etc.
Well established brand image and following effective marketing strategies.	Customer query handle process is slow and complaint resolution process is lengthy.	Fast growing industry ensuring profitability and sustainability.	Corruption and unethical practices of the regulatory bodies.
Continuous service offering with more bill payment options and merchant payment outlets.	Lack of effort in mitigating risk factors.	As traditional banking services are not much available in the rural areas, so capturing the rural market will be easier.	Different types of criminal activities like fraud, fake call, hacking and money laundering are occurring every now and then.

Both wireless network based service facilities and application based service offering.	Limited monthly transaction facility and low interest on savings.	Hassle less money transaction influencing every type of income category consumers to the platform.	Existence of few mobile operators influenced high bargaining power of suppliers.
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2.8 Conclusion

bKash is consistently maintaining the leading position in the MFS industry. The company have changed the definition of traditional banking by introducing mobile banking services. Today, customers can easily access their bank accounts and make financial transactions very conveniently through their mobile phone while sitting comfortably at home. bKash has created a strong brand image in the market from the embryonic stage of the industry. The marketing and creative team of bKash are consistently improving their marketing strategies and promotional activities to create positive impacts on the customer's mind. Other departments like IT, External Affairs, Finance and Supply Chain are also bringing the best of the organization. bKash has the best distribution and service channel than any other competitors in the market. The agent network of bKash is very useful to provide financial services while making themselves available in every corner of the nation. Merchant payments through bKash have extended the traditional banking transaction services while enabling the users to make payments from their bKash accounts. Other additional services like Bill Payment, Add Money, Remittance etc. have not only linked the bank accounts with bKash accounts but also enabled customers to enjoy various type of financial services while accessing only a single platform.

The MFS industry possesses the characteristics of Oligopoly market, and competitions are going to be crucial in the near future. As competition is rising, bKash should standardize their service offering price and focus on cost minimization strategy to gain a competitive advantage in the market. Even though the strategic decisions and useful business model of bKash have earned them the recognition of market leader, the company should focus on reevaluation and development of operation to persist, holding the title of the market leader. Improvement of IT infrastructure, marketing strategy and operation management will help the organization to achieve the brightest success in the MFS industry.

2.9 Recommendations

The departments of bKash Limited are quite structured and well equipped with the necessary resources. The procedure that they follow is quite flawless, and it is actually making a positive impression on the customers of bKash. However, as an intern, I want to give some recommendations that might improve the overall operations:

Compensation: After landing a customer complaint, bKash take immediate action on that particular matter, and for fraud complaints, FDM team sincerely investigate the overall matter from both sides. While taking strict actions on the fraudsters, bKash should also take care of the defrauded victims. After having proof of actual fraud, bKash might compensate the victim as a token of appreciation for going through all the process and patiently waiting for resolution.

Blocking OTC Accounts: Many of the fraud complaints are landing against the OTC account holders. According to the company regulation, using an OTC account is prohibited, but often agents are using OTC account for transactions rather than using agent accounts. Fraudsters are using these OTC accounts for committing fraud. bKash should identify the OTC account holders and block those accounts so that people might open up agent accounts or personal accounts for transactions.

Technological Advancement: Every single day, enormous fraud complaints are landing on the customer touchpoints. The bulk amount of fraud complains make the investigation process lengthy, and the department gets pressurized while giving proper resolution. If technological advancement is made and successfully implemented to reduce fraudulent activities, the process of investigation might become more manageable. Moreover, to prevent fraud activities, bKash might upgrade their software, so that breaching the protocols might get tougher for fraudsters.

Proper Implementation of Legal Procedures: Although bKash is capable of detecting fraudulent activities and giving proper resolutions, the organization might impose strict policies and procedures to arrest the criminals doing fraud and take them under legal procedures so that those individuals might not reappear for committing fraudulent activities. However, bKash is

doing their best from their ends while regularly reporting to the law enforcement agencies. It is up to the law agencies to ensure the justification of committed crimes.

Promoting Awareness: Although bKash is continuously trying to aware the customers about their privacy and not to share individual account information with anyone, though, a lot of customers get confused with the fake calls and accidentally share their pin numbers or personal information which got them to lose their money. Prevention needs the help of precaution, and bKash is continuously spreading awareness through promotional campaigns, social media and telecommunication. However, the promotional activities are still not getting to the rural area people, and maximum fraudulent activities are happening with those remote area people for the cause of ignorance. bKash might take necessary steps to spread awareness to those remote areas so that rural people do not get caught under fraudulent activities.

Monitoring agents and merchants: bKash is a very customer friendly service platform. The organization is continuously trying its best to ensure proper customer satisfaction. Though for some negligence of merchant points and agents, the organization gets negative feedback from their customers. However, to ensure maximum customer loyalty, bKash should ensure that the distributors, agents and merchants are getting trained to ensure efficient service, and also they are getting the reward for meeting their targets to keep motivated toward bKash. Through proper monitoring of agents and merchants, bKash can also ensure the reduction of fraudulent activities.

Availability of Customer Touchpoints and Outlets: Though bKash ensured an adequate number of bKash outlets across the whole country, there are limited customer touchpoints to handle customer queries and complaints. The availability of customer touchpoints will increase the value of mobile financial service and may retain more customers toward the platform.

Chapter – 3

Project: Analysis of customer perception regarding the effectiveness of fraud and dispute management of bKash Limited.

3.1 Introduction

The idea of fin-tech has changed the financial market. Financial institutions are getting redefined through the adaptation of modern technology. Thus modernization of technology replaced traditional banking with the idea of mobile financial services. Mobile banking is the fusion of the banking industry and the telecommunication industry. It has enabled banking services like fund transfer, checking transaction history, payments etc. accessible through the mobile at anytime from anywhere. Like many other financial institutions, different kinds of fraudulent and unlawful activities happen in the system of mobile banking services.

Fraud is one type of unlawful and criminal activity conducted intentionally to secure an unfair gain or benefit. According to the mobile financial service context, fraud is an intentional and deliberate action undertaken by criminals named as fraudsters to deceive financial customers for acquiring capital and hampering an institutional reputation in the financial industry.

Fraud Risk Factors

Among many other financial risks, fraud risk factors are equally essential to be analyzed before any financial risk management system is programmed. Fraud risk factors are responsible for making MFS platform vulnerable for occurring financial crimes such as fake calls, masking SMS, money laundering etc. The fraud risk factors are divided into two categories and described below:

Customer and Compliance Risk: Uneducated customers in rural areas get affected by fraudulent activities for not being aware of protecting personal security information. A huge unaware customer base makes it difficult for the institutions to monitor and regulate compliance-related issues. Moreover, KYC based practice in the MFS platform is new, and often the verification of customer KYC is conducted by agents rather than branch staffs, which is the crucial factor of rising fraud risk.

Agent Risk: Extensive agent distribution network and agents operating in the rural areas make it difficult to monitor compliance violation related issues and ensuring monitoring. Moreover, untrained and unqualified agent acquisition raises fraud-related risk.

Technological System Risk: Hacking, Server down, Software Inefficiency etc. technological ambiguity makes MFS operations vulnerable to fraud occurrence.

Rationale of the Study

bKash Limited is the current market leader of the MFS industry in Bangladesh. The service platform of bKash is very user friendly, and the technical operations of bKash are topnotch. Though the company handles a lot of fraud complaints every single day, like any other financial institution, bKash has to handle several types of fraud risks. The company mainly deals with agent related fraud risks and customer-related fraud risks. Agent related fraud risks occur through the exposure of customer information from the agent points. Fraudsters usually roam around the agent points like regular customers and take down the customer account number or any other account information. Moreover, agents sometimes hand over their cell phones to the customers to conduct the transaction, and fraudsters in customer disguise exchange the agent registered phone with a similar-looking phone. Thus for the ignorance and lack of professional training, agents increase the fraud risk for bKash.

On the other hand, customer-related fraud risks mainly occur for the lack of awareness about the importance of customer privacy protection. People from the rural areas are the primary victims of fraud for their illiteracy and lack of awareness campaigns reaching out to them. Customers mainly defrauder through fake calls and masking calls or SMS. Fraudsters often give fake calls while using the exact masking numbers of the helpline of bKash or different MNO's customer representative mobile numbers, and convince the customers to make a transaction. Furthermore, sometimes they even call anonymously and claim themselves as bKash corporate officials and ask the customer for their PIN number for official purposes. For the lack of awareness, customers often give their PIN number, and fraudsters immediately hack the account and take out all the money from the account. Even sometimes, fraudsters share links through the Facebook Messenger or send SMS to the MNO's numbers of customers telling them to click on the link, and after clicking the link, all the customer details passed to the fraudsters via the link and their account get hacked. However, keeping these types of fraudulent activities in mind, bKash is continuously trying to aware the customers through enormous marketing campaigns. bKash is consistently promoting the importance of customer PIN number protection and customer privacy protection through online media, TV commercials, and print media. The analysis of this report is focused on the fact that how effective does the customers of bKash think the awareness campaigns are and whether bKash needs to focus not only promoting anti-fraud awareness campaigns but also to the development of their IT infrastructure.

Literature Review

Mobile banking is a way of data communication through mobile phones using its traditional form of voice dial-up function where customers are enabled to make interaction with a bank for money transactions (Barnes & Corbitt, 2003). Fraud and fraud-related activities are emerging financial risks in mobile financial service platform. Financial risks like fraud hamper organizational reputation and consumer's trust. When fraud has a negative effect on the image of the organization, consumers may equate the brand with fraud, and this may create a drawback of all other services or products that the organization provides (Mudiri, p. 13). After analyzing the challenge and security risks, Firoz and Ahmed suggested that, after accepting the fraud risk, implementation of a defensive protocol should be introduced in the system where both parties will be ensuring PIN authorization before sending a transactional request in the mobile banking platform in order to mitigate fraud risks (Firoz & Ahmed, 2017). Consumer awareness activities like promotion of anti-fraud awareness TV commercials can also play a vital role in the act of fraud prevention. Staffs like online media campaign, training, periodic bulletin sent by e-mail or text SMS, implementation of system protocol to safeguard customers compromising of PIN, and liaison with law enforcement agencies can be taken into the account of fraud prevention and awareness program (CGAP, 2017). However, proper practice of KYC and customer due diligence can help mobile financial platforms combating fraudulent activities. Fraud prevention measures like maintaining effective customer communication through anti-fraud awareness campaigns and the development of IT infrastructure must be undertaken by the MFS companies in order to mitigate fraud and financial risks (Hoffmann & Birnbrich, 2012).

Objectives of the Study

Specific objectives of the study are as follows:

- To analyze customer perception regarding the effectiveness of anti-fraud awareness activities conducted by bKash Limited for enlightening the customers about the importance of their privacy protection.
- To analyze whether increasing awareness campaigns or technological advancement can reduce fraudulent activities occurring at the bKash platform from the customer's point of view.

Limitations of the Study

The data collected for the analysis purpose have been acquired through an online survey questionnaire. People who do not have internet access have not been able to participate in the survey. Moreover, the research is only focused on the fraud awareness and management process of bKash. The research is conducted based on customer perception rather than service innovation, so the research findings can only provide information on customer wants and satisfaction level toward bKash.

3.2 Methodology

The analysis is conducted based on primary data and secondary data to support the objectives of the study.

Primary Data Source: Primary data has been collected using an online survey questionnaire. 10 Close-Ended questions have been set on the survey form, and the respondents were chosen based on the Simple Random Sampling method ensuring the fact that each of them has a bKash account. The 2 hypotheses have been tested based on the 100 responses collected through the online survey for getting the findings of the analysis and accomplish the objective of the study. Nominal and 5 Point Likert scale has been used in the survey questionnaire. Data analysis, significance testing, and reliability testing has been done through the help of Microsoft Excel.

Secondary Data Source: Secondary data has been collected from the online reports, journals, articles and conference papers to support the analysis and objective of the study.

Hypothesis

The hypothesis of this study are as follows:

H₁₀ = Anti-fraud awareness advertisements of bKash are not effective to enlighten customers about the importance of their privacy protection.

H_{1a} = Anti-fraud awareness advertisements of bKash are effective to enlighten customers about the importance of their privacy protection.

H₂₀ = bKash should not develop a more secure IT infrastructure to prevent fraudulent activities.

H_{2a} = bKash should develop a more secure IT infrastructure to prevent fraudulent activities.

3.3 Data Analysis and Findings

With the help of Microsoft Excel, the data collected through the survey questionnaire has been analyzed and interpreted in this project. 10 questions have been asked to the respondents and among them 6 questions have been analyzed and interpreted in this paper, which are related to the objective of the study and hypothesis testing. The sample size is 100, and Simple Random Sampling Method has been used.

Data Interpretation

Have you ever got a fake call in your bKash wallet number?

Table 5. Responses about Fake Call

Yes	74
No	26

The question has been asked to the current bKash users and among 100 respondents, 74% of them got a fake call ever since they have opened up a bKash account and 26% of the respondents claiming that they did not got a fake call till now.

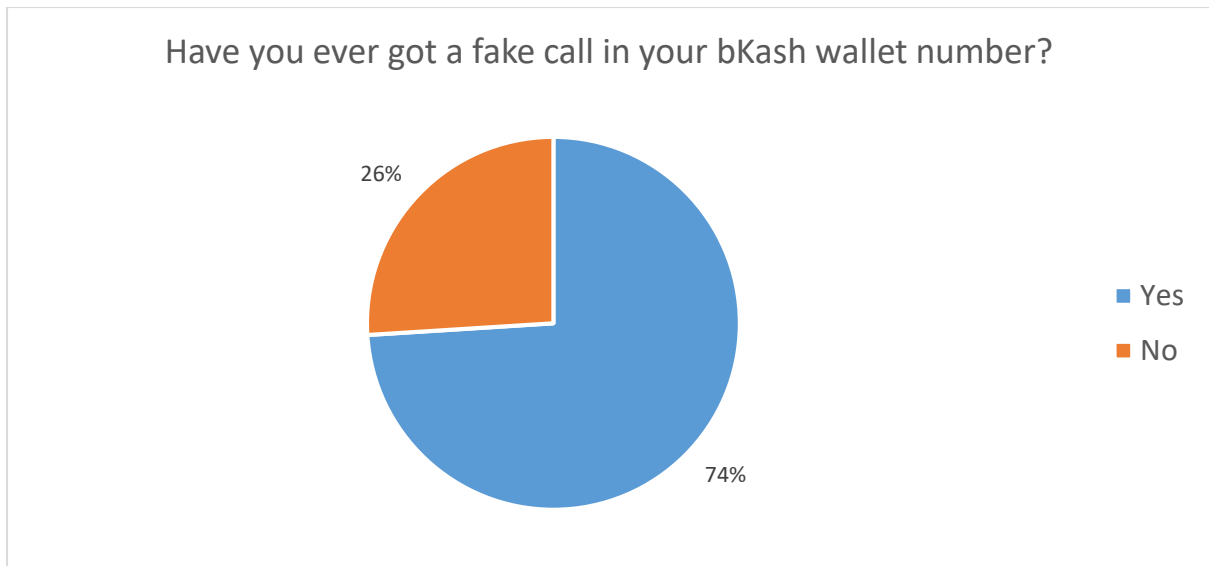


Figure 5. Fake Call

After analysis the data, we can say that the users are receiving fake calls very frequently and it indicates the high rate of fraud occurrence in the platform.

Have you ever seen any anti-fraud awareness advertisement of bKash Limited?

Table 6. Anti-Fraud Awareness Advertisement.

Yes	92
No	8

Based on the question, we can see that about 92% customers have seen anti-fraud awareness advertisement of bKash and 8% users have not seen a single awareness advertisement.

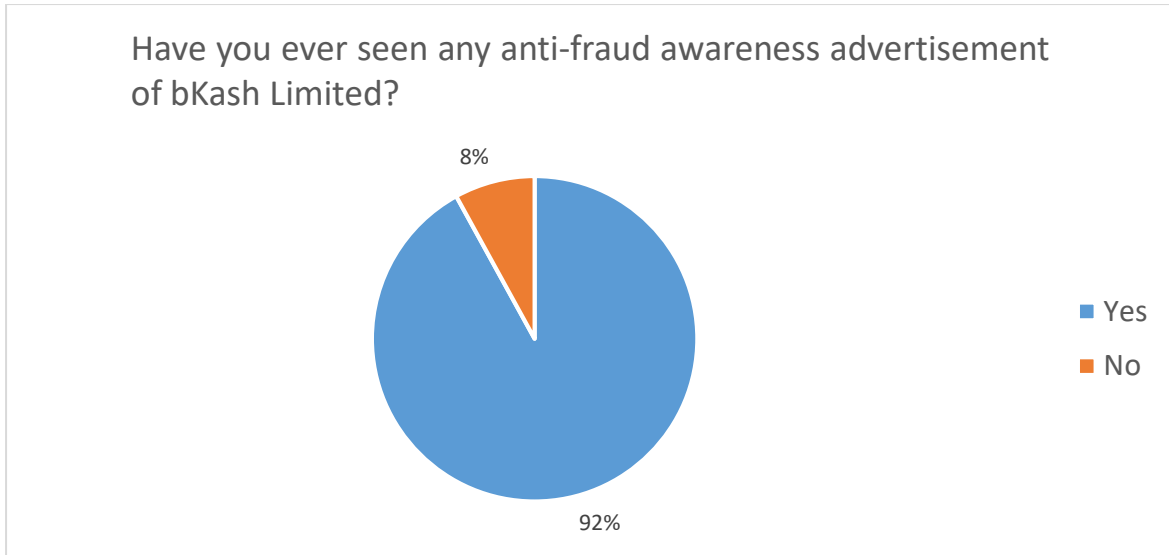


Figure 6. Anti-Fraud Awareness Advertisement.

After analyzing the figure, we can say that bKash have successfully visualized their anti-fraud awareness advertisements among their customers. The online and offline marketing promotion of bKash has been very effective in visualizing the contents they are bringing. However, some rural areas people are still ignorant about these fraud awareness advertisements and bKash may focus on that particular area.

Anti-fraud awareness advertisements of bKash are effective to enlighten customers about the importance of their privacy protection.

Table 7. Effectiveness of Anti-Fraud Awareness of bKash.

Strongly Agree	17
Agree	74
Neutral	5
Disagree	4
Strongly Disagree	0

Respondents were asked to reflect their perception regarding the effectiveness of anti-fraud awareness advertisements of bKash and whether they think bKash has enlightened the users about the importance of privacy protection. About 17% respondents strongly agreed and 74% respondents agreed to the fact that the anti-fraud awareness advertisements of bKash are effective enough to enlighten customers about the importance of privacy protection.

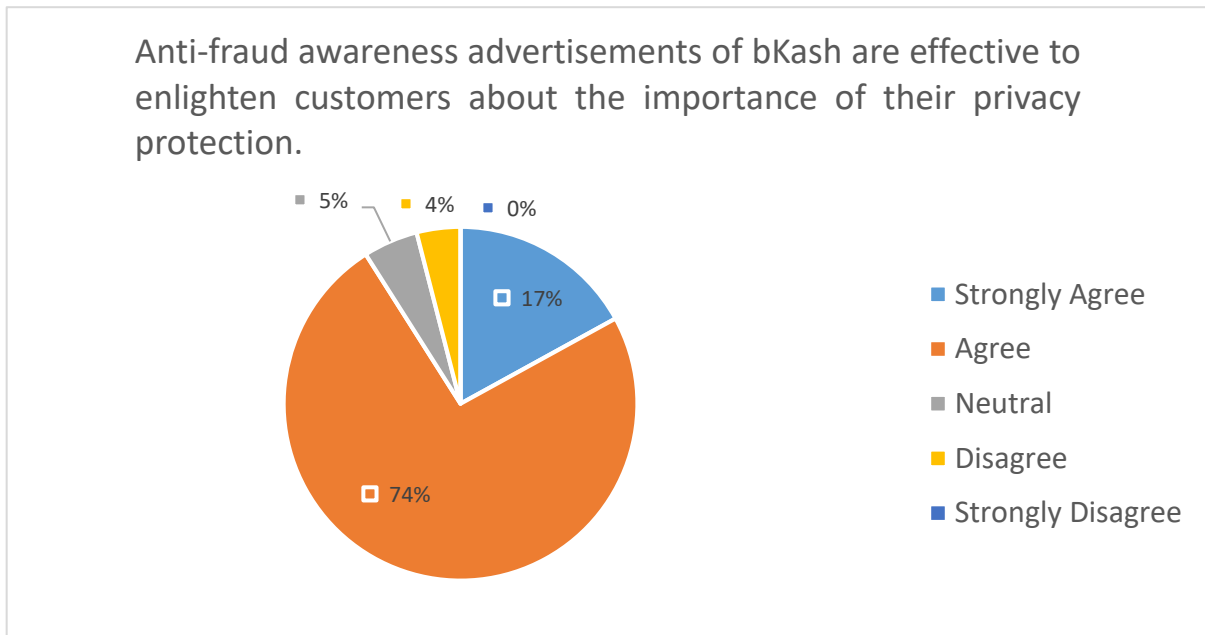


Figure 7. Customer Perception Regarding the Effectiveness of Anti-Fraud Awareness Advertisements of bKash.

From the analysis above, we can say that bKash has successfully ensured the effectiveness of their anti-fraud awareness advertisements, and through their contents and promotional activities, they have enlightened maximum customers about the importance of the user's privacy protection.

bKash should develop a more secure IT infrastructure to prevent fraudulent activities.

Table 8. IT Infrastructure development to Prevent Fraud.

Strongly Agree	27
Agree	65
Neutral	7

Disagree	1
Strongly Disagree	0

Respondents were asked whether they agree with the statement that, bKash should develop a more secure IT infrastructure to prevent fraud. Among 100 respondents, 27% of them strongly agreed and 65% agreed that bKash should develop a more secure IT infrastructure.

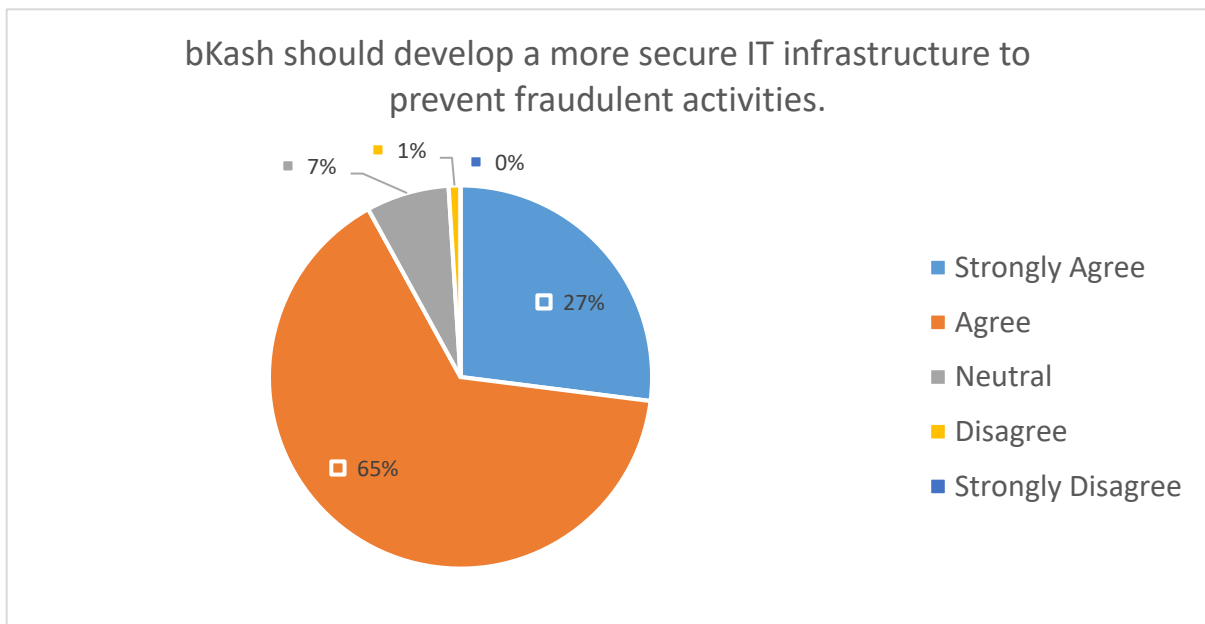


Figure 8. IT Infrastructure Development to Prevent Fraud.

From the analysis, we found that maximum users of bKash platform feel the necessity of a more developed IT infrastructure for the prevention of fraud occurrence. bKash may look into the system development of their service platform, and an upgraded software-based technological service may reduce mobile financial fraud activities.

Increasing the promotion of anti-fraud awareness TV commercials will reduce fraud occurrence, there is no need for IT infrastructure development.

Table 9. Promotion of Anti-Fraud awareness Advertisements should increase rather than IT development.

Strongly Agree	7
Agree	13
Neutral	7
Disagree	66
Strongly Disagree	7

After asking the respondents about their opinion on whether bKash should focus only on the promotion of anti-fraud awareness activities rather than developing their IT infrastructure, 66% of the respondents disagreed, and 7% strongly disagreed on the particular fact. However, 13% respondents agreed and 7% strongly agreed with the statement.

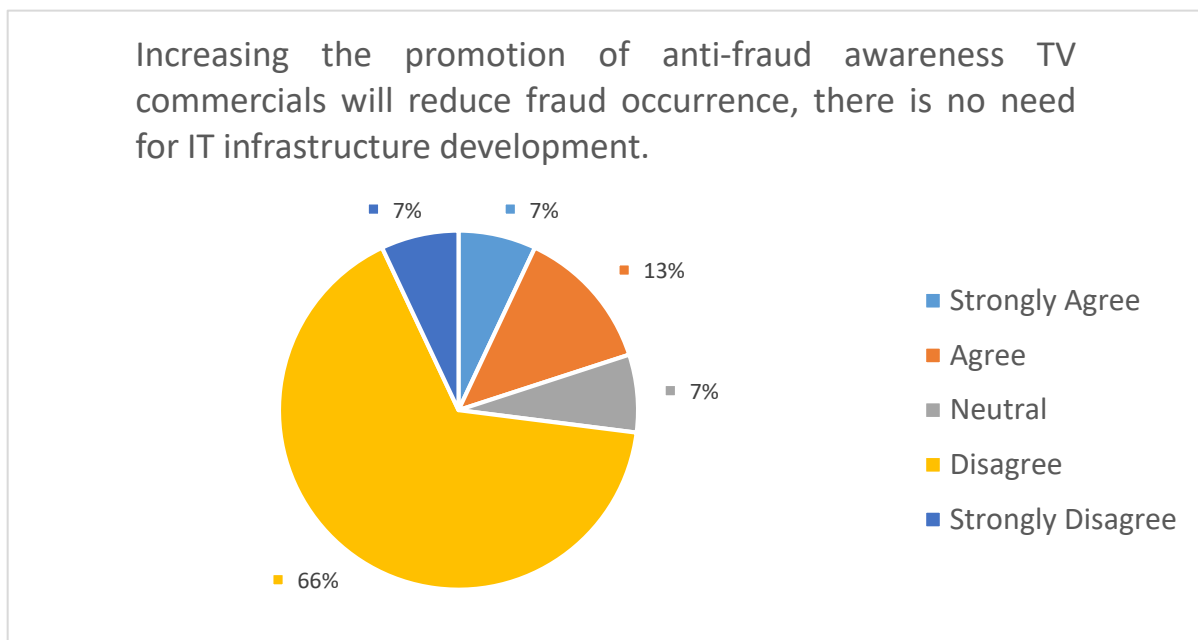


Figure 9. Promotion of Anti-Fraud Awareness Advertisements should increase rather than IT Infrastructure Development.

After the analysis and interpretation, we found that majority of the users disagreed with the fact that increasing the promotion of anti-fraud awareness activities is enough. According to the user’s perspective, not only promotion but also the development of IT infrastructure should be taken into the account of bKash authority to reduce fraud.

Are you satisfied with the fraud and dispute resolution process of bKash Limited?

Table 10. Measure of Satisfaction toward Fraud and Dispute Resolution of bKash.

Highly Satisfied	18
Satisfied	53
Neutral	18
Somewhat Satisfied	5
Not Satisfied	6

Respondents were asked whether they are satisfied with the fraud and dispute resolution process of bKash. 18% were highly satisfied and 53% of the respondents are satisfied with the fraud and dispute resolution process of bKash Limited. The other 18% were neutral, 5% were somewhat satisfied and 6% of the respondents were not satisfied.

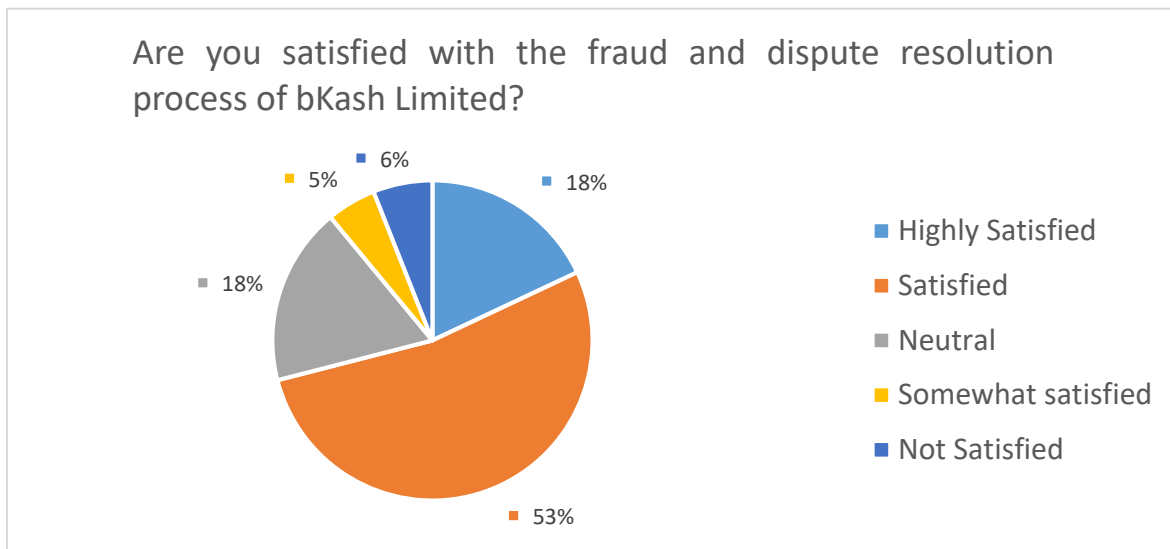


Figure 10. Measure of Satisfaction toward Fraud and Dispute Resolution Process of bKash.

From the survey data, we found that the majority of the bKash users are satisfied with the fraud and dispute resolution process of bKash Limited. The fraud and dispute resolution process of bKash is very effective and is able to ensure any type of fraud or dispute related cases are settled maintaining compliance with the regulatory policies.

Hypothesis Testing

Among the 10 questions, 2 questions have been analyzed to test the hypothesis of the study. Based on 100 responses collected through the survey, 2 questions have been analyzed, which are very much related to the hypothesis. The 2 hypotheses have been tested through the application of significance measurement of the data.

Measure of Significance for Hypothesis 1

The first hypothesis of the study is:

H_10 = Anti-fraud awareness advertisements of bKash are not effective to enlighten customers about the importance of their privacy protection.

H_{1a} = Anti-fraud awareness advertisements of bKash are effective to enlighten customers about the importance of their privacy protection.

Based on the hypothesis, a question was asked to the respondents whether they find anti-fraud awareness advertisements of bKash are effective to enlighten customers about the importance of their privacy protection. 5 Point Likert scale have been used for the options of the question and the value for each criteria have been set from 5 to 1. Like: Strongly Agree = 5, Agree = 4, Neutral = 3, Disagree = 2, Strongly Disagree = 1. For the measurement, I have set my confidence interval as 95%, so $\alpha = 0.05$.

Here I have set my μ at 3

So, Null Hypothesis, $H_10: \mu \leq 3$

Alternative Hypothesis, $H_{1a}: \mu > 3$

Table 11. Significance Test of Hypothesis 1.

Opinion	Numeric Value for Opinion (X)	Frequency, F	F*X	X ²	F*X ²
Strongly Agree	5	17	85	25	425
Agree	4	74	296	16	1184
Neutral	3	5	15	9	45
Disagree	2	4	8	4	16
Strongly Disagree	1	0	0	1	0
Total		100	404		1670

$$\text{Mean, } \bar{x} = \frac{404}{100}$$

$$= 4.04$$

$$\text{Standard Deviation, } \sigma = \sqrt{\frac{\sum(x-\bar{x})^2}{N-1}}$$

$$= 0.39$$

$$Z = \frac{\bar{x} - \mu}{\frac{\sigma}{\sqrt{n}}}$$

$$= 26.67$$

The value of 'P' derived from the Z table, so, when Z's value is 26.67, P value is < 0.00001

Here, 0.00001 < 0.05, P < α

Which proves that, we will reject null hypothesis and accept the alternative hypothesis.

Result from Hypothesis 1

From the data analysis and significance testing, it has been proved that anti-fraud awareness advertisements of bKash are effective to enlighten customers about the importance of their privacy protection.

Measure of Significance for Hypothesis 2

The second hypothesis of the study is:

H₂₀ = bKash should not develop a more secure IT infrastructure to prevent fraudulent activities.

H_{2a} = bKash should develop a more secure IT infrastructure to prevent fraudulent activities.

Based on the hypothesis, a question was asked to the respondents whether they think that bKash should develop a more secure IT infrastructure to prevent fraudulent activities. 5 Point Likert scale have been used for the options of the question and the value for each criteria have been set from 5 to 1. Like: Strongly Agree = 5, Agree = 4, Neutral = 3, Disagree = 2, Strongly Disagree = 1. For the measurement, I have set my confidence interval as 95%, so $\alpha = 0.05$.

Here I have set my μ at 3

So, Null Hypothesis, H₁₀: $\mu \leq 3$

Alternative Hypothesis, H_{1a}: $\mu > 3$

Table 12. Significance Test of Hypothesis 2.

Opinion	Numeric Value for Opinion (X)	Frequency, F	F*X	X ²	F*X ²
Strongly Agree	5	27	135	25	675
Agree	4	65	260	16	1040
Neutral	3	7	21	9	63
Disagree	2	1	2	4	4

Strongly Disagree	1	0	0	1	0
Total		100	418		1670

$$\text{Mean, } \bar{x} = \frac{418}{100}$$

$$= 4.18$$

$$\text{Standard Deviation, } \sigma = \sqrt{\frac{\sum(x - \bar{x})^2}{N-1}}$$

$$= 0.41$$

$$Z = \frac{\bar{x} - \mu}{\frac{\sigma}{\sqrt{n}}}$$

$$= 28.78$$

The value of 'P' derived from the Z table, so, when Z's value is 28.78, P value is < 0.00001

Here, 0.00001 < 0.05, P < α

Which proves that, we will reject null hypothesis and accept the alternative hypothesis.

Result from Hypothesis 2

From the data analysis and significance testing, it has been proved that bKash should develop a more secure IT infrastructure to prevent fraudulent activities.

Reliability Testing

The reliability of the study has been tested using the formula of Cronbach's Alpha and the calculation of Cronbach's Alpha has been done using Microsoft Excel.

$$\text{Cronbach's Alpha Formula, } \alpha = \frac{k}{k-1} \left[1 - \frac{\sum \sigma_i^2}{\sigma_x^2} \right]$$

$$= \frac{2}{2-1} \left[1 - \frac{1.53}{2.29} \right]$$

$$= 0.6637$$

Here, $\alpha = 0.6637$

k = number of items

σ_i^2 = variance of the item

σ_x^2 = total variance of the scale

As the Cronbach's Alpha of the study, $\alpha = 0.6637$, which indicates $\alpha > 0.6$

And, $0.6 \leq \alpha < 0.7 = \text{Acceptable}$.

So, The Cronbach's Alpha showed that the study is reliable and acceptable.

3.4 Conclusion

bKash as a MFS company is handling all type of financial risks including fraud activities. The marketing team of bKash is showing enormous creativity through their marketing campaigns. The anti-fraud awareness advertisements of bKash are very effective and customers are showing very positive response toward these advertisements. The TV commercials, online promotions are visualizing the importance of customer privacy protection and people of all categories are understanding the highlighted messages of these campaigns. However, bKash should improve their IT infrastructure to mitigate fraud while detecting incidents of fraud immediately occurring in the system. The development of IT infrastructure along with increasing anti-fraud awareness activities can ensure the reduction of fraud incidents and complains. Through the study we can see the effectiveness of anti-fraud awareness advertisements of bKash and necessity of improving IT infrastructure. By the effective promotion of anti-fraud awareness activities and IT infrastructure development, bKash can expect a positive growth in the market while getting positive responses from the customers as well.

3.5 Recommendations

After the data collection and analysis, based on the findings of the study here are some recommendations as follows:

- bKash should focus more visual representation of anti-fraud awareness campaigns.
- The campaigns or marketing contents of bKash should be more innovative and explainable so that people of all ages and all categories can easily understand what type of messages the company is trying to convey.
- The promotional activities should also take place in rural areas through different media or physical platform so that rural people can also be aware of the risks of fraud activities.
- IT infrastructure development and transactional system development of bKash may help the company to immediately detect fraud activities and faster the process of fraud resolution.

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Appendix

Topic: Customer perception regarding the effectiveness of fraud and dispute management of bKash Limited.

The following questionnaire has been prepared based on the topic of the research, and the results of this survey are used in statistical analysis.

1. Do you have a bKash account?
 - Yes
 - No
2. What type of bKash account do you own?
 - Personal
 - Agent
 - Merchant
3. How often do you use your bKash account?
 - Always
 - Often
 - Sometimes
 - Rarely
 - Never
4. Have you ever got a fake call in your bKash wallet number?
 - Yes
 - No
5. Have you ever seen any anti-fraud awareness advertisement of bKash Limited?
 - Yes
 - No
6. Anti-fraud awareness advertisements of bKash are effective to enlighten customers about the importance of their privacy protection.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree

7. bKash should develop a more secure IT infrastructure to prevent fraudulent activities
 - Strongly Agree.
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
8. Increasing the promotion of anti-fraud awareness advertisements will reduce fraud occurrence, there is no need for IT infrastructure development.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
9. bKash is consistently giving the effort to save users from being a victim of fraud.
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
10. Are you satisfied with the fraud and dispute resolution process of bKash Limited?
 - Highly Satisfied
 - Satisfied
 - Neutral
 - Somewhat Satisfied
 - Not Satisfied