Report On

Improving Bill Payment Experience Through bKash

By

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

BRAC Business School
Brac University
August 2022

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

Syed M Rahman, PhD

Associate Professor,

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66 Mohakhali, Dhaka-1212

Subject: An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Master of Business Administration

Dear Sir,

Within the Report, you will find information on the improvising bill payment experience through bKash.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

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Shuvashis Ghosh

ID - 17164031

BRAC Business School

BRAC University

Date: August 22, 2022

Acknowledgement

In this era of modernizing each and every sector of finance and economics, Bangladesh is not far from this and many organizations are playing key role in modernizing the financial sectors of this country. bKash is one of the largest Mobile Financial Service in Bangladesh, who has been working as a pioneering one. bKash is always working to launch new product ideas for their customers to enhance the experience of cashless service. As it's continuous improvement, bKash improvised the bill payment experience among their customers. Bill payment service has become a very popular service in the recent times especially in COVID. This service has a significant impact on the business and bKash is the first MFS which brings a large number of bill payments services under a single umbrella. This case study will show the impact of the bill payment experience in a cashless way and how it improves the customer experience through bKash.

Executive Summary

The online base money transfer system has been playing great role in transferring monetary value as well as other financial needs. Specially from the beginning of the pandemic till now, the popularity and the usage of this medium of money transaction has played great role in the economy as well as in the individual's life. bKash is the pioneering MFS in Bangladesh which is also the most popular version for money transaction. According to the employee perspective of bKash, it is modifying its security and customer service level based on the needs and recommendation of the people. In terms of the people, now-a-day, the bKash is more user friendly and less costly to use rather than previous time. Therefore, bKash is in a good position in the existing marketplace whereas it might work for future betterment to stay competitive in the market.

Keywords: bKash, Pay Bill, MFS, Mobile Finance, Financial Institution, Mobile App, Merchants, Agents

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Improving Bill Payment Experience through bKash

⏳ Introduction

bKash is one of the pioneer online/ mobile based money transfer system in Bangladesh that has made some innovatory transformation. The development of Information and Communication Technology (ICT) has significantly exaggerated the lives and maneuvers of people and organizations, correspondingly (Aldaas, 2021). In recent years electronic/mobile based payment method has ensured its universal significance by proving its benefits and considering this every nation feels the essentiality of having this both for personnel and organization or governmental level (Aldaas, 2021). E-money is   a tool that used for transactions using an electronic system as a non-cash transaction. These transactions usually require the help of special tools using computer networks as well as internet networks such as digital price storage systems and the internet (Surtikanti & Mustofa, 2019). Currently, there has been a worldwide flow of mobile-banking (m-banking), and developing nations are noted for their competitive defiance concerning this phenomenon (Assensoh-Kodua, 2020).In Bangladesh bKash is playing this role in modifying the country's economy as well as making the money transfer easier.

With the pace of COVID attack, people of this nation started adopting Mobile Financial Service (MFS) as way of money transfer, purchasing products and services, buying mobile balance and bill payments (Dalim, 2020)

Realizing the needs of electronic money transfer system, unlike other countries, Bangladesh gave the opportunity to grow the market of electronic money transfer system where bKash is the pioneering one. A nation's economy moves from developing stage to developed one along with non-cash to electronic money transfer system (Aldaas, 2021).

Few years back in this country, except some online banking card's, people of lower class or middle class favored the cash transaction system which now a day has replaced by the bKash. Now, people of any class are comfortable to make transaction through bKash. For example- a rickshaw Puller who works at city areas, everyday sends money for his family who lives in rural areas. In past days it was difficult for them to send money any time but now they send it whenever they want. They don't need to carry cash for long time till they visit their home or family. Even though those people have no bank account, they easily send money and makes monetary transaction. Thus, bKash has modified the life of all class of people in terms of money transaction.

Furthermore, bKash not only made the shopping experience easier but also helped people in giving any bill like Uber or even CNG auto rickshaw.

Now, almost all hotels in rural or urban level has the bKash payment facility. In addition to that, bKash has made life of people easy by giving the opportunity to pay bill of any government service like electricity, gas or water bill. People now don't waste time by staying long hours in line for giving bills. Therefore, the life of people and economic standard has gone in another level.

Online based or mobile base money transaction benefits both the retailers and the customers. That's why bKash is preferred by lots of people and this is working to improve its service by developing app and modifying it day by day.

⌛ Objectives and significance of the study

The main objective of this case study is to find out the impact bKash has created in the market by implementing bill pay service through bKash where customers can pay the important bills by just few clicks. Here it will be shown by some performance report along with the perceptions of the customers regarding the bill pay service through bKash.

Additionally, it will also be tried to discuss about the strategy of bKash regarding the improvement of this service and also will try to suggest some recommendations accordingly. The heart of the report will contain the formation system of the bKash app which will indicate the efficiency and user friendly side of the bKash.

⏳ Methodology / Model

This report is based on such a medium that requires notable amount of data and other support. Considering the limited time frame to conduct the research, relevant data will be collected by both qualitative and quantitative method. Qualitative method data has been collected based on online and government report sources, different journals, research papers, news and case studies etc.

For this report, the interesting part of data collection is the collecting data form personnel as qualitative data. This qualitative data will be collected base on the interview of both the clients and the employee of the bKash. Additionally, several interview has been made from the retailers of Bkash who has valuable opinion regarding this.
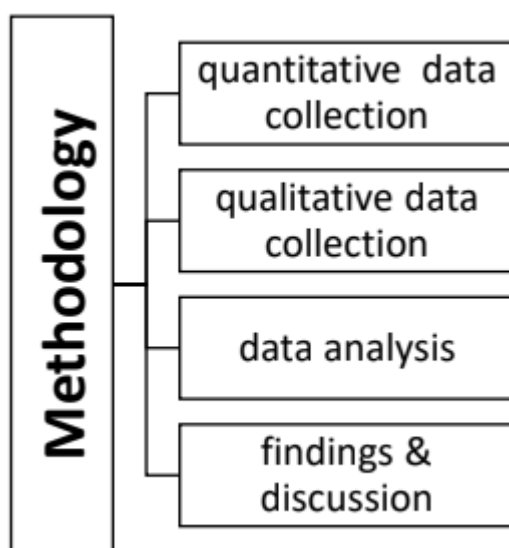
⌛ Discussion of findings

According to the previous discussion, bKash has been contributing in the mobile based monetary transaction better than any other medium in the country. The amount of transaction boosted up during the pandemic and people become comfortable with this transaction system more than the cash transaction. During pandemic, observing the customer's excess needs, the limit of transaction increased from 75000 to 200000 through MFS providers by the Central Bank (Dalim, 2020). This clearly indicates the popularity and needs of the MFS right now in the country.

Information gathered from the bKash officials:

Considering the need of the current time, bKash app has been modified based on several circumstances which are user friendly to ensure the app based service better and smarter and easier. In addition to that, some security issues and other information has been added to this app to stay more safe both form the retailers and clients end. Some of the notable changes and comings in the app are discussed below-

CURRENT IMPROVEMENTS IN APP

Showing Proper Input Parameter Names in App

bKash has made several changes in the app based on the consumers need and to ensure better security. Among those changes, one of the thing is the showing the input parameter names in the app. Input parameter name for check bill will have to be exactly same as the parameter names billers use to communicate with the customers in their system. These parameter names will have to configurable for each biller from a configuration window which will be provided to bKash configuration team.

Showing Proper Number of Parameters in App

This item is one of the most important thing that a financial transaction system app might have. Showing the proper number of parameters in the app is important. This item means that if a biller uses "n" number of parameters to validate a customer, then exactly "n" number of those input parameters will have to be shown in app during check bill. No variation should be seen in the app. It is noted that all the number of parameters is configurable for each biller from a configuration window which will be provided to bKash configuration team. This has made the system more trustworthy and more reliable for the users as well as the retailers.

Showing Consistent Payment Status

Payment status needs to be shown at a regular basis, which means the number of time the payment will made, similar number of time the payment status will be shown. Here, consistent payment status will have to be shown to the customers. The payment status will be any of either Paid/Payment in Progress/Unpaid. This ensures the confidence level of the client and avoids any conflict about the payment. Therefore, the payment experience becomes better.

Payment Completion Notification to Customer

When biller updates the payment information in their system, biller will have to inform bKash about the payment update in their system. Then bKash will send an SMS to the customer's mobile informing that the payment has been updated in the biller's system. Without this, there might have conflict or confusion among the senders and the receivers, where the SMS will guarantee the payment and avoid all types of misperception.

Showing Biller Specific Customer Information

After check bill, some biller specific customer's information will have to be shown to confirm the customer about for whom the bill payment is taking place. This will ensure the transaction confirmation of the clients and also help to distinguish the clients separately.

This information will come from the biller through check bill API. The information which will have to be shown for a specific biller will have to be configurable from a configuration window. This configuration window will be provided to bKash configuration team.

Showing Post Bill Pay Additional Information

After successful bill payment, some biller specific information for the customer will have to be displayed.

This information will come from the biller through check bill API. The information which will have to be shown for a specific biller will have to be configurable from a configuration window. This configuration window will be provided to bKash configuration team.

Showing Biller Specific Customer Information

After successful bill payment, an invoice automatically generated for the customer which can be easily downloaded in the pdf form. This receipt is decided based on the consensus between bKash and the biller. The invoice in short contains the following information like-invoice number, Invoice Date, Customer's bKash Wallet Number, Customer Name, Customer Address, Bill Date, Bill Due Date, Information Using Which Biller Identifies the Customer, Bill Description, Bill Amount Breakdown and many more. These specific items made Bkash more reliable for customer.

Instead of this features, several other aspects has been found from this app which are sorted bellow-

✔ Bkash has introduced Beneficiary Management for Bill Payment through App

✔ Another option contains "View Beneficiary" which by clicking can be known several other information about the beneficiaries

✔ Remove Beneficiary: A specific beneficiary can be removed using this option. If a beneficiary is removed, then all the corresponding information will also be removed.

✔ Considering the increasing number of the customer bKash has planned to categorize the clients like the category Electricity, Water, Gas, City, Services, Internet, Cable TV

✔ Another special features that it contains if the payment reminder

Along with collecting bill directly from billers, it should also be collected through billing aggregators. There are some local billers (especially ISP, cable TVs, school payment aggregators) who are many in number and thus it is very difficult to connect with every one of them. Instead bKash can connect with some cable TV /ISP/educational aggregator who are connected with those local billers.

In the biller list, users will see the aggregator's name and under that they will see their corresponding biller's name. in addition to that, during fund settlement, biller and aggregator both should receive some portion of the collection amount. These portions will have to be configurable from an appropriate configuration window.

Agent Assisted Bill Payment: bKash customers or non bKash customers will also be able to pay utility bills through bKash agents. Customers will come to agent locations and will request for bill payment.

Agent will initiate bill payment from bKash Agent App/USSD by selecting respective biller and some information.

Agent will see a preview of the bill before payment. This information will come from the biller through check bill API. The information which will have

to be shown for a specific biller will have to be configurable from a configuration window. This configuration window will be provided to bKash configuration team.

✔ Bkash ensures SMS both to the agent and the client after a successful transaction where the failure of transaction is also notified if happens. Right now bKash is trying to ensure printed paper system to the customer conforming the payment to the customer.

✔ To maintain loyalty to all the people of the country, bKash is giving priority to non-Bkash users as well. Through this **Merchant Assisted Bill Payment** can also be done where the merchant location is visible.

Merchant Assisted Bill Payment:

according to the bKash the bKash customers or non bKash customers will also be able to pay utility bills through designated bKash merchants. Currently notable number of customers all over the country are getting benefitted from this service.

✔ Customers will come to merchant locations and will request for bill payment.
✔ Merchant will initiate bill payment from bKash merchant App by selecting respective biller. Merchant will enter several information and those will be recorded.

After the successful input, the merchant will see a preview of the bill before payment. This information will come from the biller through check bill API. The information which will have to be shown for a specific biller will have

to be configurable from a configuration window. This configuration window will be provided to bKash configuration team.

After a successful payment, merchant and the customer, both will receive SMS about the bill payment confirmation. For any failure/error during bill payment, both merchant and customer will receive corresponding SMS. After a successful transaction, agent will provide a printed or written paper conforming the payment to the customer.

⌛ Recommendations

Electronic based or mobile based monetary transaction is very popular in Bangladesh right now and has covered most of the people who are involved with money transaction. But, the system is still in the building condition and also requires further improvement in terms of security. Mobile Banking & money transfer is a well-organized tool, which can be used to enable economic dealings, payment transactions as well as crediting transactions (Bećirović, Bajramović, & Ljajić, 2011). But the system needs higher security for safer transaction.

Strong policy needs to made and implement for greater contribution in the economic stability. For relating the policy on electronic transaction nation specific aspects must be given more encumbrance over global dynamics (Aldaas, 2021). Many of the transaction has not been recorded to the government which might be connected to money laundering. In addition to that, some people illegally takes money form general people as fraud but they are out of reach and general people gets hampered. These issues needs to handled properly by the government.

⌛ Limitations of the study

There are several limitations that made the data collection and overall progress of the paper critical. Therefore, it was difficult to done this project. Some of the special limitation can be noted as-

☞ Confidentiality of data as per the company policy and privacy made

the data collection very critical and some information still remained opaque to us.

☞ The actual amount of transaction of Bkash has not been disclosed yet by the company, therefore we don't get recent data about it.

☞ Insufficient time to complete the survey also made the project report less diverse and precise.

☞ For a precise research in this sector, lots of precise data are needed, where we found a few ones, that's a great limitation for conducting this research.

⏳ Conclusions

The online base money transfer system has been playing great role in transferring monetary value as well as other financial needs. Specially from the beginning of the pandemic till now, the popularity and the usage of this medium of money transaction has played great role in the economy as well as in the individual's life. bKash is the pioneering MFS in Bangladesh which is also the most popular version for money transaction. According to the employee perspective of bKash, it is modifying its security and customer service level based on the needs and recommendation of the people. In terms of the people, now-a-day, the bKash is more user friendly and less costly to use rather than previous time. Therefore, bKash is in a good position in the existing marketplace whereas it might work for future betterment to stay competitive in the market.

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